

EUROPEAN UNIVERSITY OF MADRID

INTERNATIONAL BUSINESS



BACHELOR'S DEGREE FINAL PROJECT (TFG)

BUSINESS PLAN FOR A

NFT MARKETING AGENCY

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I. Introduction

Abstract

The purpose of any business plan is made up of actions that guide the realization of a business idea, through its presentation, target market, competition, distribution channels, advertising actions, financial analysis, elaboration of the occupational risk prevention plan, quality, among others. The present work describes a business route based on a business plan for the creation of the Expressit company that wants to start and build a name in the NFT's sector for the next few years, currently the NFT sector expects to move more than 1 billion dollars in sales volumes this 2022.

Introduction

Expressit is a marketing and management agency for NFTs that has been created with a clear goal, promoting the use of blockchain technology and NFTs in our life, making it easy to use and profitable for everyone who enters the ecosystem. At Expressit we work with influencers, youtubers and public figures who want to launch their own NFT collection to connect more closely with their community while generating a profit. In other words, we offer our partners (influencers, youtubers, etc.) the possibility of generating extra income. At Expressit we manage the entire process from the creation to the launch of the NFTs.

Furthermore, a very important factor to keep in mind is that for an NFT collection to be successful, 3 things are necessary: community, utility and development team. It is for these reasons that we are going to work with influencers and youtubers with medium/large communities, with more than 70K followers. Having an existing community will be a huge plus since one of the 3 essential parts for success will be covered.

On the other hand, another important factor to consider when launching a NFT collection is marketing. It is important that the collections have the necessary visibility to be successful, which is why working with influencers and youtubers will be incredible since a large part of the marketing work will be done by them.

NFTs are currently known as a jpg that makes no sense, but nothing could be further from the truth. NFTs are digital assets that can be used for several things, including: access to an exclusive community, tickets to an event, represent a right to something, even in the future an NFT may

represent an identity. All this is possible thanks to blockchain technology and smart contracts. Throughout this work we will develop each of these terms with examples. The NFT market is very new and there is still much to discover and do and we want to be pioneers in a business model with NFTs.

Methodology used

We will be working on how to improve the artist and collector experience as there is currently a lot of NFT's art and frankly tons of crypto crap. Expressit is a response to today's NFT ecosystem, providing a service that makes creating NFTs easy for artists, influencers, or anyone and relevant for collectors. With the service we are providing we are also going to use our connections in the space to boost the activity in social media to reach more people by such as whitelist giveaway collaborations between projects, special allocations of pre-sale for holders of big projects, etc.

Objectives

We believe that this technology will be completely normal for everyone in the next decade. For business and normal people, NFT's are becoming digital assets of the next generation, a way you can show your status just with a single image or a piece of land in a metaverse. We see great potential in this market and our main goal is to bring this technology and market to the masses.

Right now Open sea, the largest marketplace for trading NFT's is generating billions of dollars in volume every month, compared to 50-90 millions of dollars generated in 2021 on a good month. However, to understand this essential part, we must know first about blockchain technology, Bitcoin, and Ethereum, since, without them, the NFT ecosystem would not exist today.

Value proposition

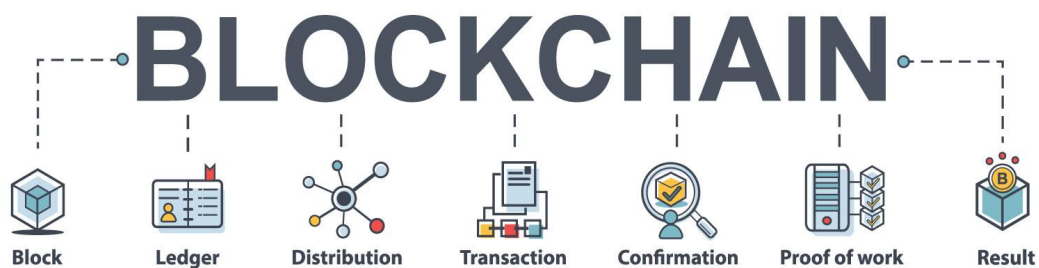
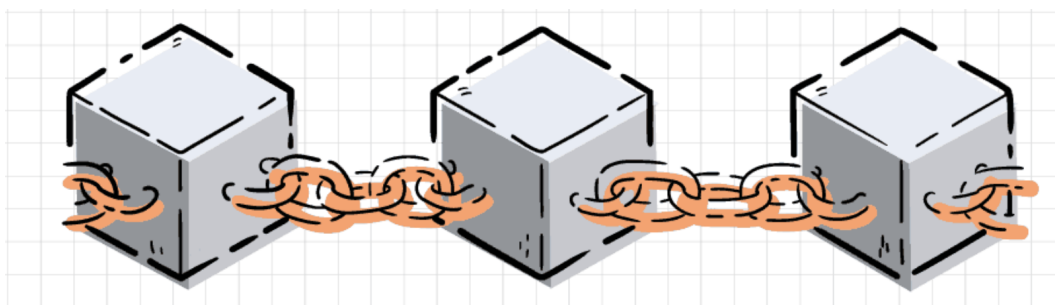
Expressit is a management company created with the aim of being able to help any artist, entrepreneur or private company to be able to integrate them into the NFT space, teaching them from scratch how everything works so that they can succeed. We have a team of professionals in charge of adapting to the needs of each client and developing their ideas in the best possible way. Trends in NFTs are always changing, as in other sectors such as fashion, entertainment, etc; market research is necessary before wanting to move forward with the next steps for a successful digital art collection. Our vision is to be able to position ourselves in the coming years as one of the

pioneer consulting companies in the NFT sector, gaining more prestige every year in order to leave a clear message to the world about our work.

II. Basic Concepts

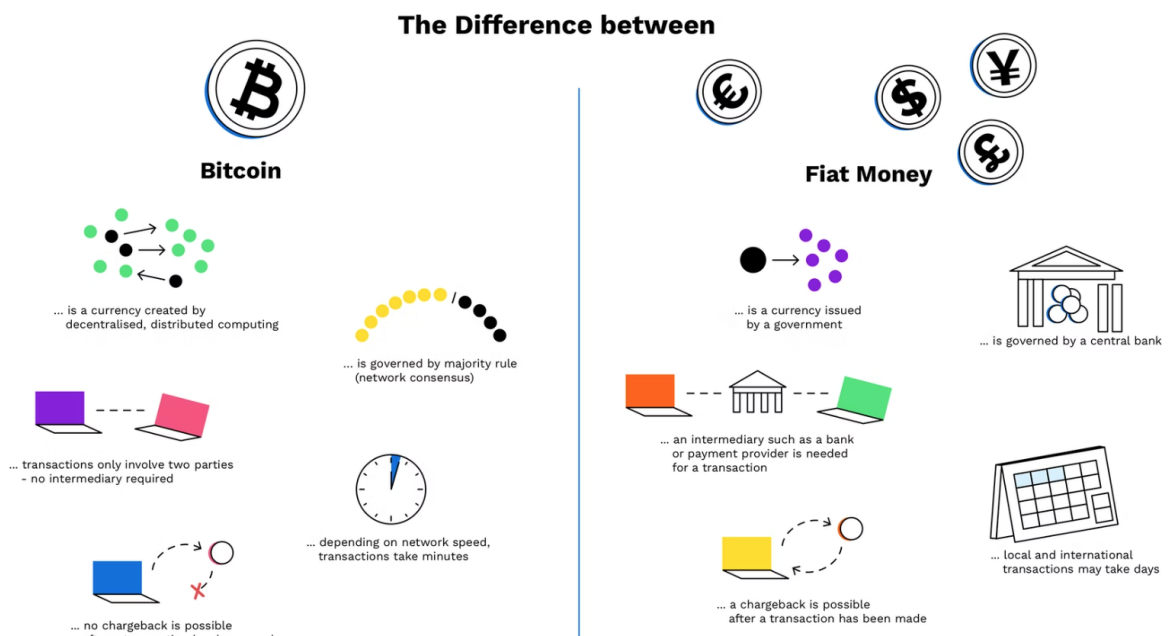
What is blockchain technology?

The blockchain is a relatively new system that is acquiring new users every day, the blockchain started with the BTC cryptocurrency, this currency was created in 2009 by a person or group under the pseudonym of Satoshi Nakamoto, at that time its creator launched this project to be able to eliminate intermediaries through people who want to make a transaction. For example, if I were in Germany and I wanted to send money to a relative in Spain, I would have to find a money transfer agency or a bank. With the blockchain I can do the direct transaction, pay very low commissions, do it anonymously and the shipment arrives very fast. This technology gives you control of your money thanks to decentralization. It is a gigantic account book in which the records or blocks are linked and encrypted to protect the security and privacy of transactions. For the blockchain to work, there must be several mining users or mining centers to be in charge of verifying those transactions and validating them. A miner or mining center, are people with a computer connected to the blockchain in charge of validating and approving the transactions that occur through a certain network, today there are several cryptocurrency networks such as: BTC, ETH, SOL, etc. Martí, S. (2022, 16 marzo).



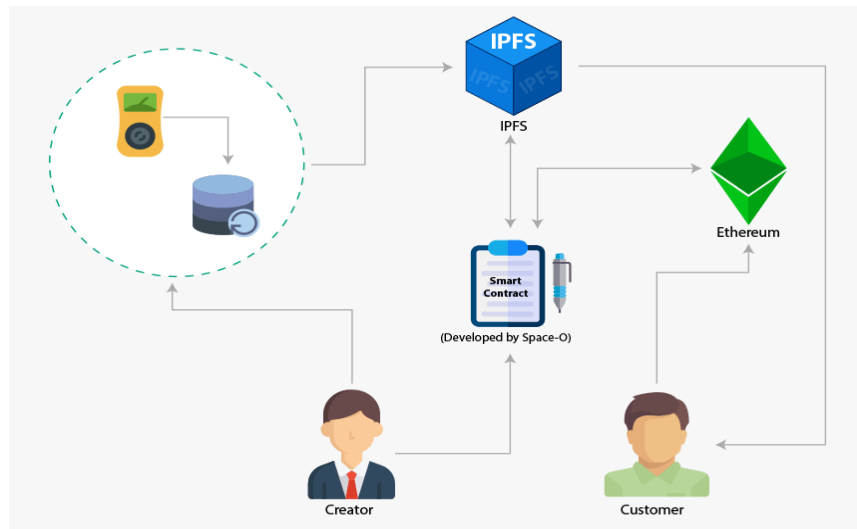
What is Bitcoin?

Bitcoin was created by Satoshi Nakamoto, it is a digital/cryptocurrency that is used to acquire products or services as any other currency. Bitcoin uses its main red for all the transactions, BTC has a limited supply of 21 million, which generates a deflationary system and makes BTC more valuable over time. BTC was the first ever crypto currency created, that's why it's considered by many experts as the "gold" of the cryptocurrencies, also last year BTC was awarded as the best valuable asset of the last decade due to his incredible increase of 20037142% from 2011-2021. Central banks have the ability to print trillions of dollars of their local currency, this will devalue the value of the currency as we have seen in countries like Venezuela, with the limited supply of btc no more can be printed and no more can be created, increasing demand and value. Bitcoin and blockchain technology is putting people on the financial map, when in some countries people cannot open a bank account due to restrictions, with the blockchain technology you will just need a phone to create a digital wallet and do your own business with it without an entity in between. Finally, bitcoin's most important factor in my opinion is decentralization, no single entity controls the blockchain network and your funds, you don't have a limit of funds you can withdraw or spend daily as you want and do whatever you want without limitation of any entity.

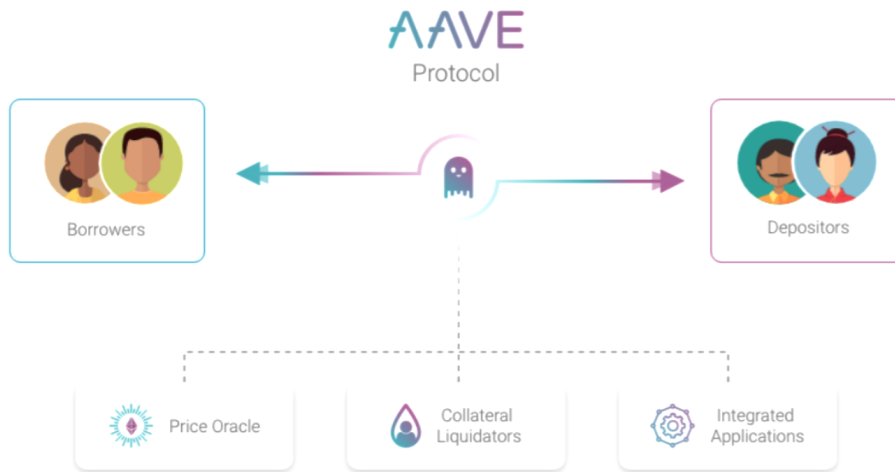


What is Ethereum?

Ethereum was created after BTC to try to become something more than just a cryptocurrency, the ETH organization started creating the smart contracts and decentralized applications (DApps), which lead also to the creation of their own cryptocurrency ETH. The biggest difference between bitcoin and ethereum is that smart contracts can be created with ethereum, which allows the creation of different digital assets such as NFTs.



When we mentioned Dapps we mean “Decentralize Apps” which are very similar to normal apps but the main difference is that the reports of normal apps like Facebook or instagram that gets from users and apps these reports storage in the blockchain and the companies not get access to it, you are simply interacting with the blockchain. Dapps can only be created on smart contracts networks, smart contracts are open source so anyone can check the validity of it, since apps run on the blockchain it cannot be shut down because it is supported with thousands of computers around the world. The most common dapps are DEFI (Decentralize finance), for example AAVE: One of the functions of AAVE is for borrowing & lending money, individuals with cryptos can deposit their tokens on AAVE platform and receives interest back depending on the amount of tokens you deposit, you can also borrow some tokens with small fees comparing to normal banks.



What are NFTs?

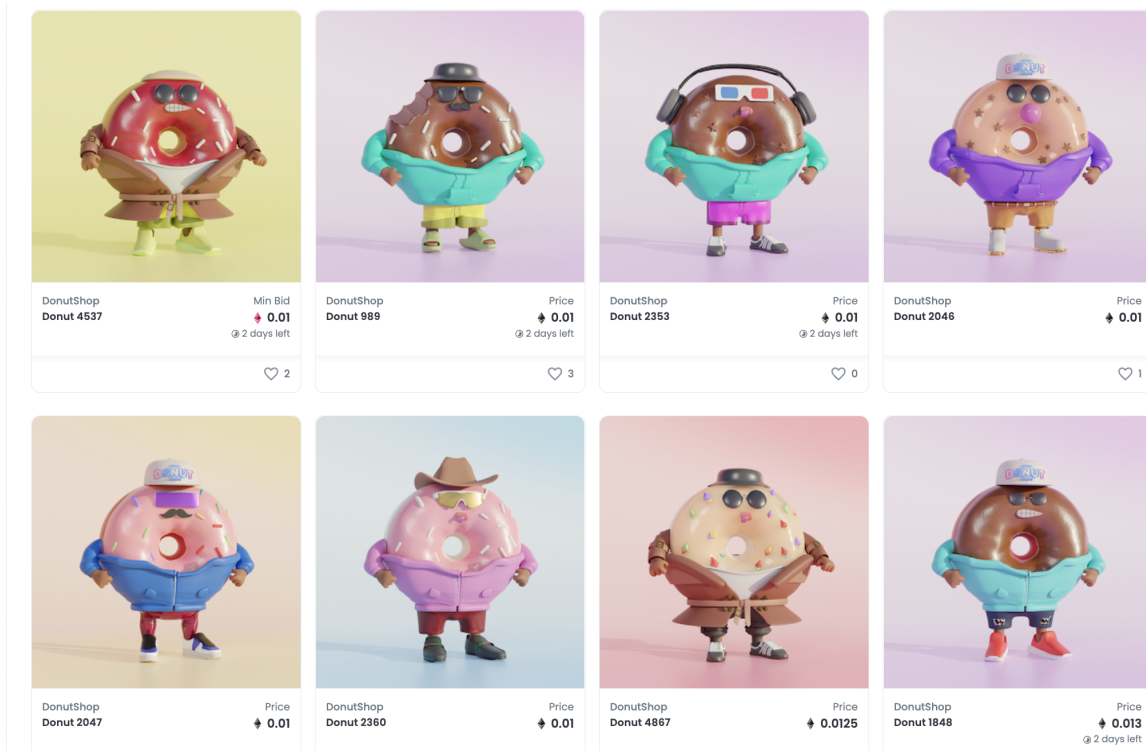
ETH is also well known nowadays because they were the first to create NFT's (Non Fungible Tokens), which can be digital art, music, digital land, etc; everything you can digitize and have the ownership thanks to a smart contract is a NFT. Most of every NFT started as a part of a collection by an artist, this is a limited collection where every single item is different from another. Different collections apart from the beautiful and limited edition art, can provide the holders with utility, such as: free entries to events, passive income, whitelist/presale spots for other projects, free merch, etc; everything is possible thanks to the blockchain.

Examples

1. TheDonutShop

TheDonutShop is a NFT project that was funded with their NFT collection . How did they get funded? The idea of the project was to create a franchise of donuts starting in US by selling their NFT collection at 0.1eth each piece(10,000 pieces in total), every holder owning an NFT will have donuts for free for 1 year after the launch of the shop, the nft also is a share of the company so when the shops opens the nft will provide you royalties from the sales the company has, so it's basically like a share of a company but into NFT.

Example of the NFT sold by The Donut Shop



Example of the real donuts sold by The Donut Shop



2. Bored Ape Yacht Club

Another example and probably considered the most valuable NFT in the market are Bored Ape Yacht Club, with a current floor price in the secondary market for not less than 100 ETH (250,000\$ approximately). This collection came out the 30 of April in 2021 for 0.1 ETH (300\$ in that moment) per NFT.



What were the benefits of this collection and why has the price risen so much since their launch?

BAYC nowadays is a symbol of status, we can see on social media a lot of famous people using this NFT as their profile picture. At the beginning BAYC offered their holders access to a private community where they can create network and have access to privilege information that the founders will share to their holders in order to provide them value, apart from that BAYC offer many things for longterm in their roadmap, such as token (APE coin), second collection for free, land in their metaverse (Otherside). In real life events only for holders and exclusive merchandise.



So far, the price of BAYC has rise because of their strong community and incredible marketing, they launched the project in a crypto bull run market that help them get the attention from different sources to become famous, many artist seems to like the art and the message behind the project leverage their momentum, also completing their roadmap and providing value to their holders was the key. To take as an example, when they drop their token APES\$ COIN, a part of it was sent for free to the holders of their NFT, for instance per every BAYC NFT that you hold, you would get

10,950 APE\$. At the moment the APE\$ airdrop happened to the holders, every APE\$ had a price of 18\$, so if you hold 1 BAYC that you bought at 300\$ in April 2021, you could had make just from the token airdrop to the holders $10,950 * 18\$ = 197,100\$$. APE\$ had an all time high price of 26\$ and for NFT investors this token is a win in the long term.

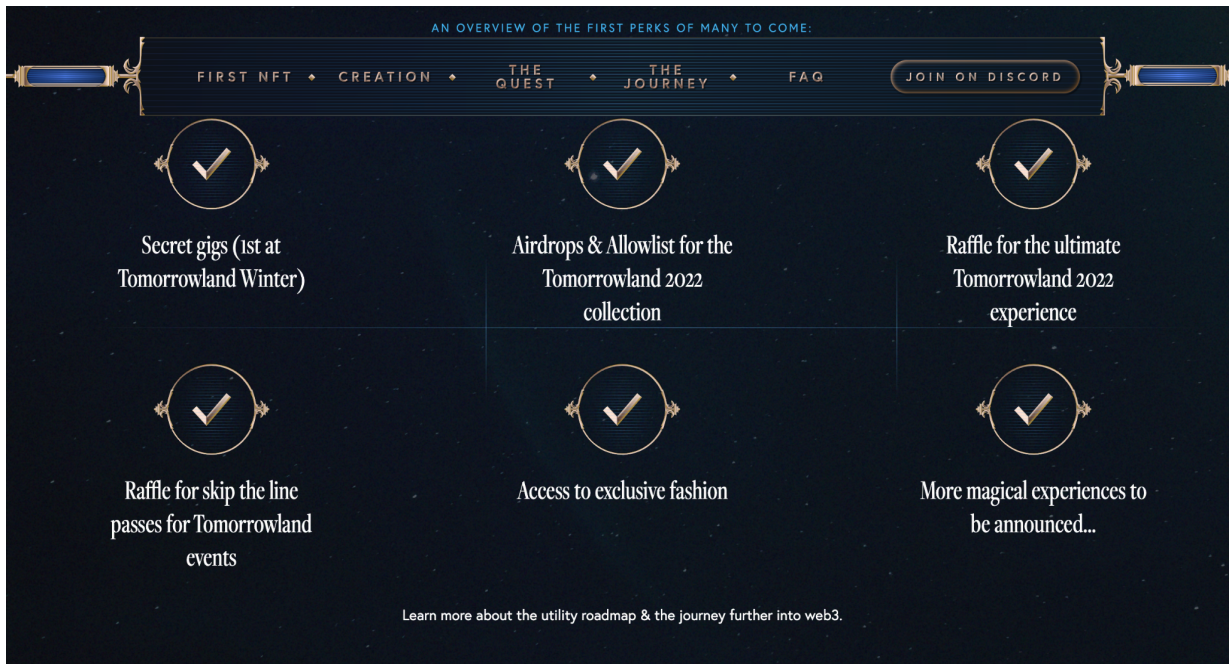
ApeCoin to USD Chart



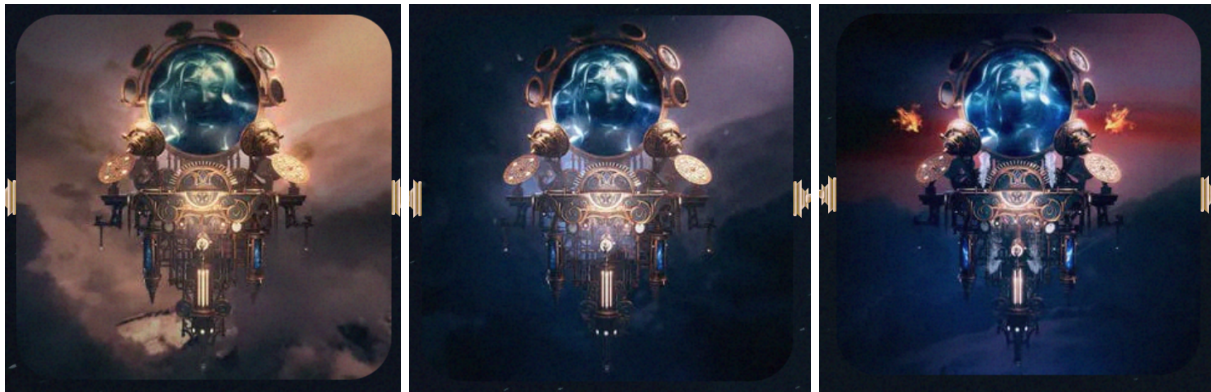
3. Tomorrowland Ticket sold as NFTs

Finally, one last example is that there are tickets sold as NFT and this is an incredible benefit for the companies; why? Because any NFT that's sold on the secondary market has to give royalties to the founders, any project has a different percentage of royalties but this is a way on how companies are still getting profits from a market they cannot control in the past. (Fernández, 2022)

Here we can mention the example of Tomorrowland, the largest electronic music festival in the world, which has decided to release the first collection of NFT tickets. Your collection will have 6500 units, its launch will be through the FTX exchange. This collection will offer special services for NFT holders such as a surprise at the festival, exclusive access to certain areas, raffles to avoid queues and more. Below we show the use cases taken from the official page of Tomorrowland.



Examples of NFTs





How are NFTs revolutionizing the world?


The NFT's started gaining attention worldwide when back in 2020 some pieces of digital art were sold for more than 50M\$ of recognized artist, basically an NFT is a piece of digital art, land, music, etc; attached with a smart contract that give you the ownership of this digital asset and verify the authenticity as well, also NFT's got the attention of many famous artist around the world buying this digital assets for thousands of dollars and posting them in their social media. "We are used to buying a physical frame that can cost you from 10 euros to 10 million euros. In the world of NFTs there is also digital art that has been sold for millions of euros. Many digital artists are


taking advantage of this 'boom'. Digital art has value thanks to the NFTs that give it that quality of being a unique object.”(Martí, 2022).

At the beginning the NFT boom in 2021 this new concept of art was helping many artist around the world to step up and produce their own collection to be known in the space, most of this collection success due to their communities, communities can help artist and collections to get attention in social media or to close deals with big companies, but now in 2022 the NFT ‘s collection are more focused in providing utility to the holders, NFT’s that are trending right now are those that are providing utility to its community by delivering what they promised in their roadmap or keep growing their name in the space to be recognize as the best communities and creating demand to its collection, everything is possible in the NFT space and this is just the beginning, for some blockchain experts this will be completely normal to own in the next decade as many people now are spending more time on internet then in real live, this trend is expected to be adopted in the next years for millions of people and businesses, just to mention some examples of big companies that already created their NFT collection, funded millions of dollars with it and a lot of volume in the secondary market are: Nike, Gucci, Dolce & Gabbana, Adidas, Audi, etc.





Dolce&Gabbana: DGFamily Glass Box 


By Dolce-Gabbana 

DGFamily Glass Boxes are redeemed for a tiered DGFamily Box during an on-chain reveal accessible in the coming weeks o...
See more 

4.9K items	2.3K owners	0.85 floor price	3.6K total volume
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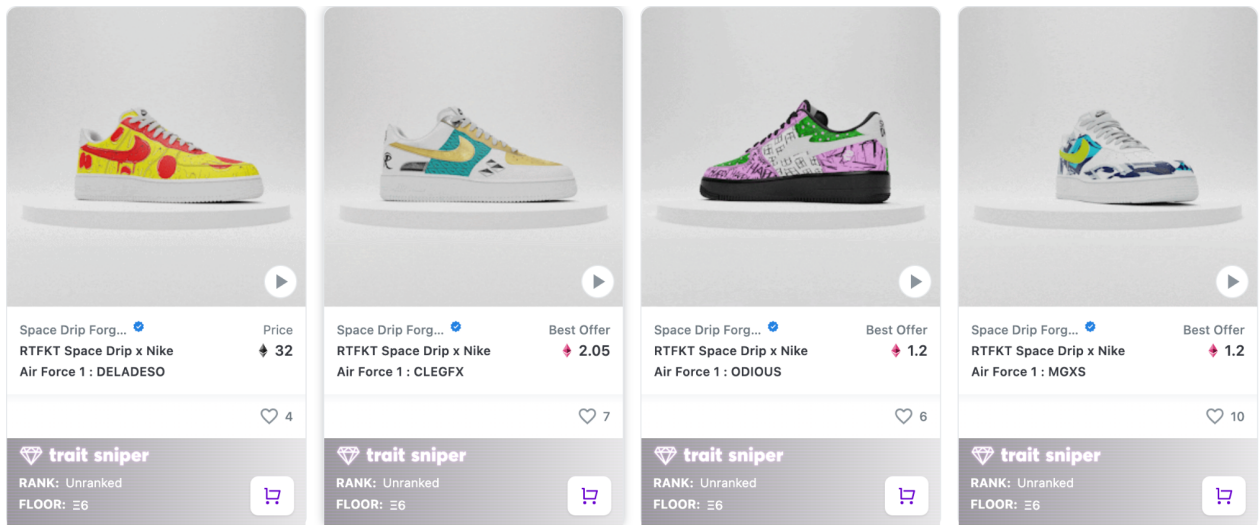
10KTF Gucci Grail 

By WagmiSan 

In constant pursuit of precious wonders that go beyond the
See more 

4.3K items	3.0K owners	0.9 floor price	3.6K total volume
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Finally, the technology is always improving and new ways to interact with NFT’s are coming, such as Nike with their new collection of digital sneakers, these are selling for thousands of dollars in the secondary market and at the moment the only way you can wear the sneakers is with a special Snapchat filter, maybe they'll create a physical version of these sneakers in the future but right now it's all digital. The usability of the NFT in many and new ways of adapting them to real life are evolving every month.



III. Market Analysis

A. Swot Analysis

In the following table we have a representation of the strengths and weaknesses in relation to opportunities and threats. In which a value between -5 and 5 is given in terms of the relationship each one has. For example, by achieving a higher growth potential, we will have a higher demand for the product that is why it has a 5.

Afterwards, we obtain a total number for each strength and weakness so we can analyze our biggest strength and weakness in terms of the different opportunities and threats. In our case we have money laundering with a -8 as our biggest weakness and high demand for the product as our biggest strength with a 17.

We also have the strength of retaining full rights when launching an NFT in a strong position with a 13 which is an advantage for us when releasing an NFT as we can rely on it being of our proprietorship and not having to deal with different stockholders like on the stock exchange that you need to go public to access it.

One of the weaknesses we are trying to overcome will be the language barriers as the problem with dealing with NFTs is that they are mainly in English and this can lead to barrier difficulties with people that want to invest but do not know English.

Through our research we were able to determine the different strengths, weaknesses, opportunities and threats and we were able to analyze how each of them rely with each other to obtain final total numbers that add value to our SWOT table.

OPPORTUNITY AND THREATS (BETWEEN -5 AND 5)									
STRENGTHS	High growth Potential	Non-regulated	Willingness of controlling the NFT's market	Avoid Potential scams and frauds	Adding different languages	Target potential customers that have no acces to internet	Hype cycles	Reduce fees for operating in the market	TOTAL
High Volume of transactions	3	-4	-3	-2	4	5	5	2	10
No control from states or banks	2	0	-5	5	0	-5	4	3	4
High Demand for the product	5	3	-3	4	5	1	0	2	17
Decentralization gives security	3	2	-4	-3	0	2	-2	2	0
Easy accesibility and resellable	4	0	-2	4	2	3	-4	0	7
Creators retain full copyright	4	3	-4	3	2	3	0	2	13
Different alternatives	4	2	-4	-2	4	2	0	3	9
Global accesibility	4	3	-5	-4	4	1	-2	2	3
Little restrictions for creators	3	2	-4	-3	3	0	0	2	3
WEAKNESSES									
New market with no history	-4	-3	2	3	1	0	-3	3	-1
Speculative investments	-2	3	0	-4	2	0	-4	3	-2
Volatile investment	-3	-2	4	-4	0	0	5	2	2
No differentiation by languages	-2	0	0	-2	0	-2	0	0	-6
No acces for disabled people	-3	0	0	-1	0	2	0	0	-2
Money Laundering	-4	4	-5	-3	0	0	0	0	-8

B. Pestle Analysis

This PESTEL analysis is done similar to the SWOT analysis as we are giving a number based on the importance of each statement.

On the political aspects of our analysis we start with a total of 4 points, this is our second highest term in the analysis which means that the political aspect is an important aspect we must consider.

We start in political with no clear regulations and this had a value of 2 out of 3 as it is an advantage for us that governments or banks cannot apply clear regulations because it makes it a more unpredictable market that people want to invest with the idea of becoming rich in a faster way, in addition, many people are very skeptical on government or banks intervention and rely more on

NFTs for that reason so we have that kind of competitive advantage. Also, we have tariffs on NFTs, which we gave a -2 as it is very unpredictable that governments or banks enter and start imposing tariffs or regulations and nowadays, with the information we have, there are no tariffs when investing directly in an NFT. However, when using a secondary portal or a broker, tariffs can be applied.

On the Economical part, we have a 6, the higher number of the PESTEL analysis so we must pay close attention to this analysis.

Firstly, we have covid affecting the economy that we gave a 1 as it is probable that happens again but with a minimum influence that can fluctuate the value of an NFT but not such a huge change as covid now has a lower infection rate and we have more measures to prevent it.

Inflation rates can affect the fluctuation of the value of an NFT heavily as NFTs value changes constantly and in drastic ways over a short period of time that is why we gave it a 2. Therefore, this high inflation rate makes it a very volatile market, that is why we have a 3 there as it is a market that fluctuates a lot.

Social has a -3 so we also need to focus on it to see what we can improve over the general market of NFTs.

Cultural barriers are a huge problem specially with languages that is why we have a -3. This happens because communities find patterns over time and tend to use only English. We must focus on this as it can be a differential factor. Also, another big problem is age as all the verification processes are online and that makes them easier to manipulate that is why we gave it a -2.

In addition a positive aspect would be hype created by NFTs as the market fluctuates a lot on hype as it can happen with 'meme' coins which just increase value because they created hype on the community and people start buying them just because there is something funny about them or for whatever reason not linked with a lot of logic.

On the technological side we have a good total number of 4 which is something expected as it is very present on NFTs.

Automation is an important aspect as nearly everything is automated from minting to operating with NFTs. That is why we have a 2.

Mining NFTs is also present and happens a lot which is also an automated process that is why we gave it a 3 of importance as it is a core process on NFTs.

Accessibility is quite easy just by having a device with connection you have different portals that grant you access in a very intuitive and easy way. However if you want to operate directly from the market itself you need more knowledge and it can get more complicated than just entering Binance and creating an account to operate from there.

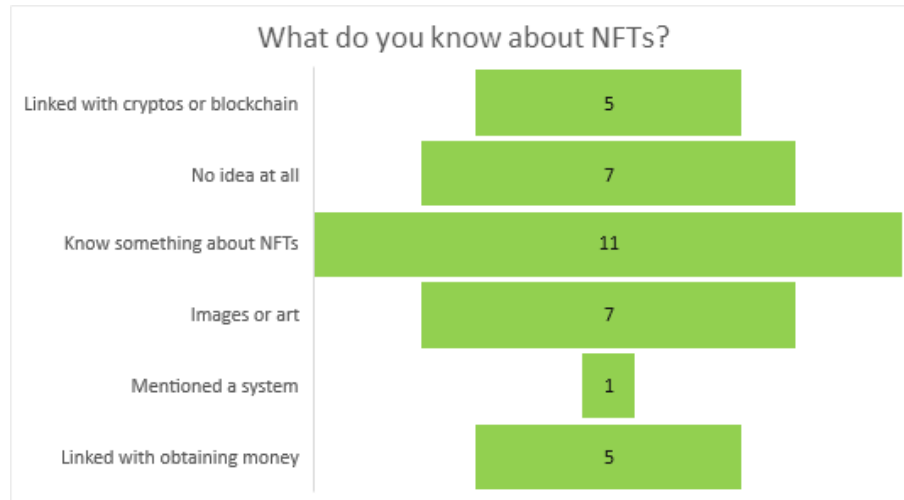
On the legal aspect we obtained a total of 3. This was also expected as legally NFTs are not very well regulated as they have no influence of governments or banks.

There is a legal loophole around NFTs that is why we gave it a 3. We confirm this because there are examples of NFTs or even brokers that were a scam and stole money from people and due to that legal loophole around NFTs there is a lot of antitrust and scams that is why we gave it a 2.

PESTEL	-3	-2	-1	0	1	2	3	TOTAL
Political								4
No clear regulations						X		
Tariffs on NFTs		X						
Countries banning payments with NFTs							X	
Economical								6
Coronavirus affecting the economy					X			
Inflation rates						X		
Volatility of the market							X	
Technological								4
Innovations		X						
Automation						X		
Mining of NFTs							X	
Accesibility					X			
Legal								2
Consumer protection laws					X			
Legal loophole							X	
Antitrust/Scams		X						

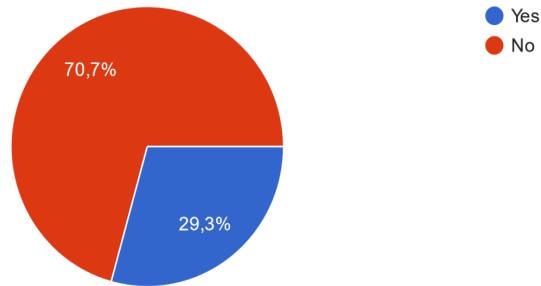
C. Customers (survey)

As our product is based on NFTs our first question on this survey was made to know the general knowledge of people on our product. We obtained a good percentage of the answers of people that know our product which is an advantage, specially such an innovative and online product. What we aimed for with this question was to understand how many people know at least something about NFTs.



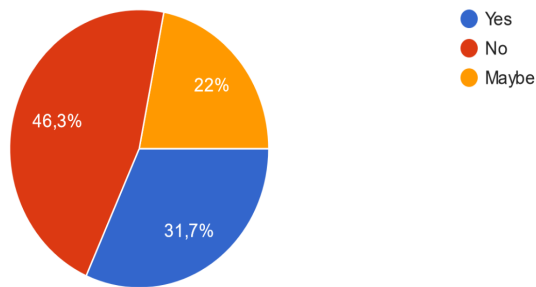
This chart was made to illustrate an open ended question in the survey as we wanted to group the different answers on 6 main blocks: Linked with cryptos or blockchain, no idea at all, know something about NFTs, images or art, mentioned a system or linked with money. On the first block we have a total of 5 people that gave an answer and linked NFTs with cryptos or blockchain. On the next block we have 7 people that had no idea at all of NFTs, this can be linked with the percentage of people that answered NO on the previous question or that they do not have enough knowledge of what an NFT is to actually write something about it, they might have just heard about it. Our next block is the customers that actually knew something and wrote about it which was a total of 11, the maximum in this question, this is very positive as targeting customers that know our product is an advantage for us. NFTs are actually linked with images and art so, having 7 people that included on their open ended answers something about images or art is also very valuable information that potential customers are giving us. This is also kind of linked with art and in our case, as NFTs are a form of revenue for people so, money was mentioned in 5 answers, which gives us an insight of what customers want too is to make money out of them. Finally, we had 1 person that mentioned a system, this data is not very relevant as the number is very small.

Do you know Open seas?
41 respuestas



OpenSea is a marketplace where they sell and buy NFTs. With this question we wanted to check if our customers had in-depth knowledge on NFTs. The difference with previous questions is that this was a more specific question that required much more knowledge than before as not everyone that has a brief idea of NFTs knows about this market. The results do not concern us as it is normal that people that are not into NFTs do not know the page. However, we still had a little percentage of people that knew the web.

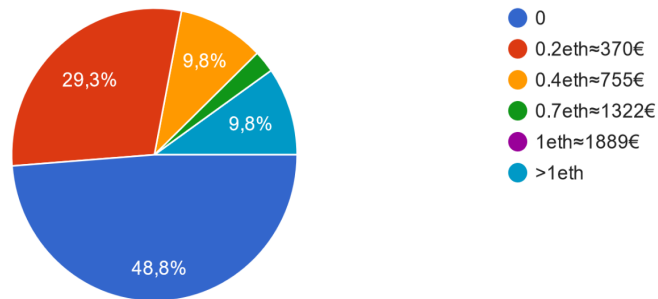
Have you ever considered buying/selling NFTs?
41 respuestas



What we wanted to achieve with this question was to understand the position of potential customers on buying or selling NFTs. The answers of these questions were not as expected as nearly half of the people answered NO which is a problem for us. The advantage is that we can transform the Maybe answers into YES and that is our goal so we can have, more and less, an equal amount of YES and NO. We need to aim on dragging the maybe answers to YES.

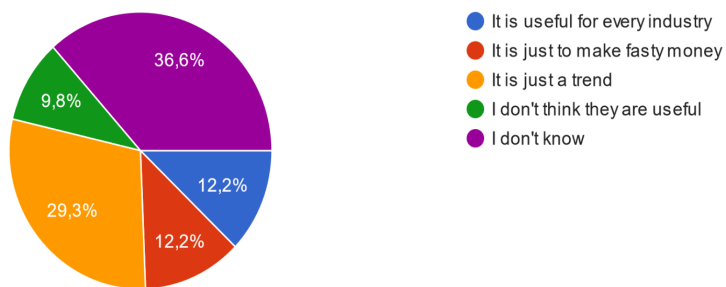
This question was made to understand if people know how to buy or sell NFTs. With the results obtained from this question we are able to know that people are not familiar with the process of buying and selling NFTs, which does not mean they are not interested, it is just that they do not know how the process works. The valuable aspect of this answer is that now we know what we need to do for people to feel more comfortable with the process, we need to make it intuitive, easy and even guided if needed so people can be able to buy and sell with no problem.

How much are you willing to pay for an NFT?
41 respuestas



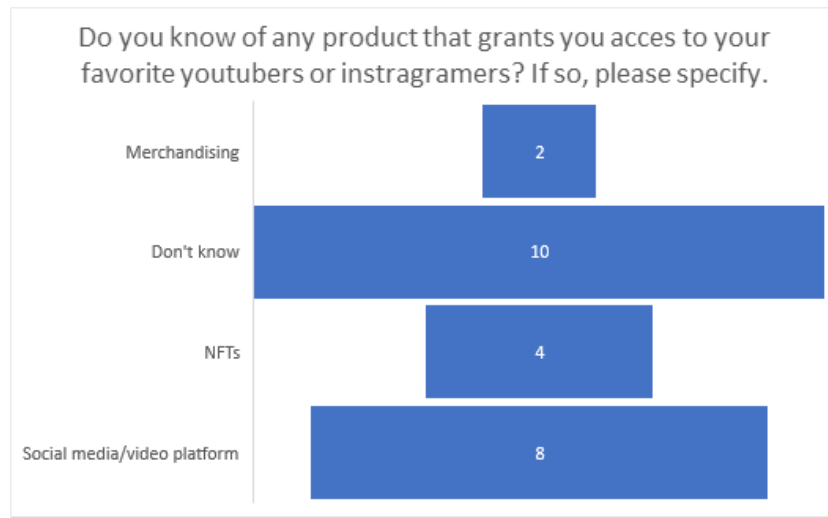
We can observe that people are not really interested in paying a lot for an NFT as the two answers that had the bigger percentage were 0 and 0.2 eth. With these answers we obtained a general idea of prices that people are willing to pay for an NFT.

Do you think that NFTs are useful or just a trend?
41 respuestas



We know that there is this general impression of NFTs just being famous or expensive because they are a trend and that this will disappear or lose a lot of its value in the short term. So we wanted to know what our potential customers really think about this and most of them did not take the risk and answered I DON'T KNOW but the curious part is that the second highest percentage actually satisfied our hypothesis of people thinking it is just a trend. So, we were able to

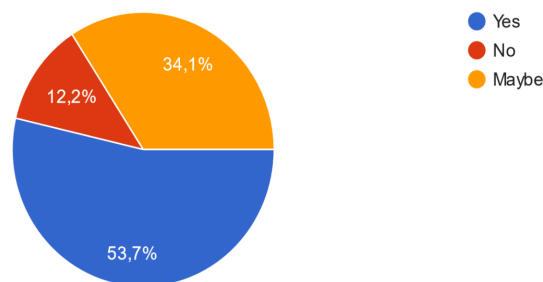
understand what they really think about NFTs to help us understand how eager they are to invest in the future.



We also made an open ended question here and based on the answers we obtained we were able to classify them on 4 main blocks: Merchandising, don't know, NFTs and social media/video platform. With this question we aimed to understand the products that people use or have access to know more about their favorite influencers or youtubers as we are also targeting that industry. Most of the people could not think of any product that offered them that access which is positive for us as we can target those that want to be linked with their favorite influencers or youtubers. In addition, we had 8 people that answered social video or video platforms which was something we were aware of and actually thought that it would be higher on the chart. Finally, 4 people answered NFTs which is highly important as some people are really having NFTs as an option.

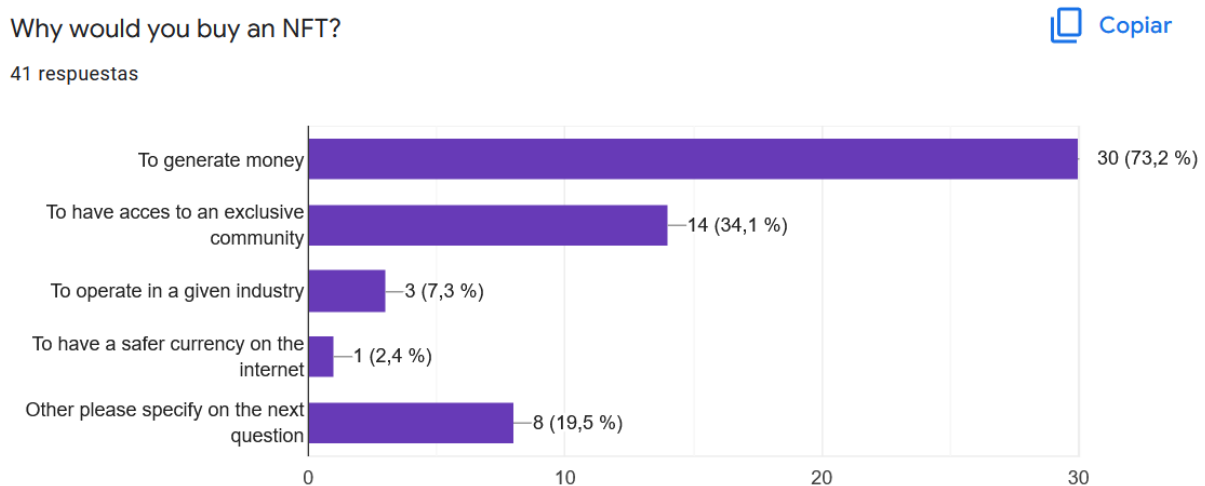
Would you like to be part of an exclusive community where you can communicate closely with instagramers and youtubers

41 respuestas



After the last question, we went into asking our potential customers if they would like a community where they can communicate with their favorite personalities which, in our case, will be done through an NFT. Most people answered YES. This validates our business idea and we know what they want so we can offer them exactly that.

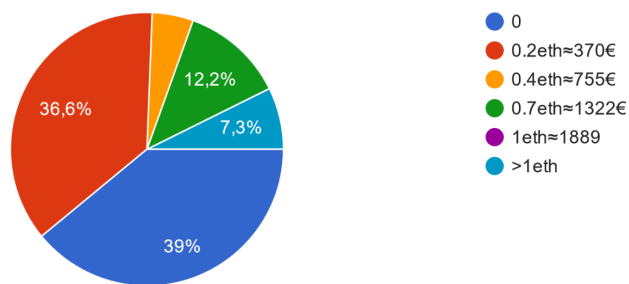
With this question, unlike the previous one, we are directly asking potential customers if they will buy an NFT that grants them access to their favorite youtuber.



The answers obtained from these questions help us shape a buyer persona as the purpose of buying an NFT helps us target exact information and launch NFTs depending on what our potential clients want. In this case, we must focus on granting them access to an exclusive community and generate money, being the first one something we can accomplish and the second one, a more uncontrolled variable for us.

How much will you be willing to pay for an NFT that offers access to a VIP community of your favorite instagramers or youtubers

41 respuestas



The results of this question are very positive as just by adding the community of influencers part, people are already willing to pay more than before for an NFT. Therefore, the results we obtained from this answer are very valuable.

Other please specify

- I would not. They're a burden on the ecological landscape and not a good substitute for other existing products / means of communication.
- The perks holding that nft gives you
- After some research into the technology and talking to people more knowledgeable in the space, NFTs are something I'd stay away from in general. Crypto is so unstable the numbers on this survey are already wrong by like 50€.

The following survey was done among 41 people. We targeted millenials and Z generation potential customers because we considered that they are the generations that feel more attached to influencers, youtubers and NFTs. Also, we wanted a realistic survey that showed us what that particular generation we are targeting really wants.

In the survey we were not very concerned with having a large number of people answering but to have quality over the respondents of the survey. The answers we obtained really help us estimate a buyer persona for our product and we are able to target the needs of potential customers better.

D. Porter's 5 Forces

1. Competition in the industry.

In the industry of NFTs we are targeting we have various main competitors from which we have chosen 3:

- Proof Collective (membership at 66eth) This one is the most expensive one that grants you access to a limited community and different advantages like, for example, members receive 2 free Moonbirds (a collection of NFTs). They operate through Open Sea, it is basically a “private members of 1,000 dedicated NFT collectors and artists.” (Collective, 2022).

- BFF (membership at 0.5eth) This NFT is aims to create a community that “help women and non-binary people get educated, connected, and empowered in web3.” (BFF, 2022) This NFT is aiming to create a community that can exchange opinions and have the sense of belonging somewhere for gender that are not integrated in nowadays society or feel they are not part of society. It also includes famous people like Mila Kunis or Gwyneth Patrol.
- Premint (membership at 1.4eth) “is used by the top NFT artists in the world to build access lists and to randomly select the collectors and community members to win a spot.” (Premint, 2022). In the case of this NFT we operate in a similar way as we are launching influencers’ NFTs.

In terms of competitors, we have a lot of NFTs that are aiming to create a community in different aspects. However, these 3 are the ones we considered the most relevant as they are creating a community with people for different actions rather than the normal NFT, specially BFF that is trying to integrate people to make them have a sense of belonging. In our case we will partner with different influencers and then create a community around that influencer so people have the sense of belonging to their favorite influencer as Premint does helping artists create their own NFT. Proof collective on the other hand is the perfect example on how to create a perfect community as it is the biggest and, therefore, the most exclusive one due to the price but this also helps them to give better advantages to their members.

2. Potential new entrant to the industry.

NFTs are unique and depending on the collection it can be used for one thing or another, it can give you certain rights and privileges, they are unique and irreplaceable. NFTs are unique collections that are linked to an already running project so, new entrants can create their own collection of NFTs in the Ethereum blockchain or a different one but cannot have the same NFT as an already running project. Therefore, in our particular case, yes there can be new entrants in the industry but can never offer the same project as us.

3. Power of suppliers

To create an NFT we do not need any supplier specifically. Just computers and people that know how to create the NFT digitally and sell it.

1. “Pick your item.
2. Choose your blockchain.
3. Set up your digital wallet.
4. Select your NFT marketplace.
5. Upload your file.
6. Set up the sales process.
7. Making NFTs can be a profitable investment.” (DiLallo, 2022)

4. Power of customers

In the case of NFTs customers have the power as depending on whether they buy or not the prices fluctuate. As our product is basically creating an NFT for people to have, the only utility is to feel part of the community of your favorite influencer. The price of an NFT depends on: “the scarcity, the demand and sometimes the artists involved.” (CNBCTV, 2022) In our case the value will rely on the artist as it is an influencer and the demand of customers.

5. Threat of substitutes

As mentioned before NFTs are irreplaceable and unique therefore we cannot have a real substitute in the industry.

IV. Internal Analysis

For a better understanding of what Expressit is and how it works, an internal analysis of the company has been carried out:

Company resources and capabilities

Expressit is a company belonging to an innovative sector of the market, cataloged as the pioneers in the country, it has technical personnel specialized in the development of intelligent contracts, digital marketing and project management.

Competitive strategy

The competitive strategy that we have implemented is differentiation and in addition to offering a fully personalized advice to the needs of our future clients, we will accompany you throughout the development process so that your ideas become reality. For each specific case we will make a plan according to market trends to achieve a successful launch

Segmentation strategy

The segmentation strategy that we will implement was that of clientization, targeting clients in a personalized way, attending to their orientation needs in the NFT project they want to launch.

Positioning strategy

The positioning strategy that we will carry out will begin with a small portfolio of clients in order to be able to focus on their projects to the maximum. After this, we know that having achieved successful launches, these same clients of ours will recommend us in the future, and we will also become more known in the NFT space with a good reputation.

Mission

To promote the use of blockchain technology and NFTs

Vision

Making customers' life easy and making the business in the ecosystem profitable.

Purpose of the Plan

The objective of coming up with the NFT strategic plan is to enable the company to focus on utilizing the limited available resources, guide the management in the day-to-day decision-making, and make calculated improvements to achieve the organization's vision. Also, the plan acts as an organization's constitution to guide the stakeholders on how to run the organization. As such, reviews are conducted annually to make corrections and improve the plan.

- **Target Market**

The organization is focusing on using influencers with more than 100k followers on their social media platforms since they are in a position to reach as many audiences as possible. Once a large audience is attracted, the number of system users, both physically and virtually, is also high.

The plan

The strategic plan is achievable in five years to improve marketing creativity, product distribution, sales distribution, effective sales, and effective NFTs in the marketplace. The strategic plan is usually formed collaboratively by consulting all the organization's stakeholders to grow the organization throughout the five years and in the future. A committee is formed to gather both internal and external information relating to the end of the NFT Company, create timelines, and provide directions in the planning processes. Information gathering is through surveys, interviews, sessions, and data analysis.

- **Year One**

Organizations face challenges in the strategic planning processes since many individuals believe that the plan is an endpoint. The NFT Company is expected to review in the first year as they balance the goals set and achieved in the first year. Also, in the first year, the company is expected to reach and refocus on short-term goals, key performance indicators, and strategies. Also, the NFT Company is expected to alter the organizational structure if not compatible with the proposed changes to experience progress and improvements as per the strategic plan.

- **Year Two**

Ensuring that the company increases its enrolment in the targeted audience areas to meet the community's needs. The NFT Company will ensure that as many influencers are contracted to publicize the company to capture as many clients as possible.

- **Year Three**

The company must ensure that a strong community is built to reach as many customers as possible. Customers prefer consuming products that communicate to them, and communication is facilitated through building a community that includes the Twitter community.

- **Year Four**

The company must ensure that it is alive to its brand that the customers notice. For the brand to be live, the company is expected to generate interest in its brand.

- **Year Five**

In the last year, the company is expected to compare the goals and the achievements to identify the gaps and consider them as they target future strategies.

Operation Plan

- **Fixed costs**

Since the company will have two ways in which customers can access their systems, which are physical and virtual, the company will need an office and, as such, incur rental costs. The company will also have employees monitor the system, and thus their salaries are fixed costs. NFT companies are subjected to paying taxes and listing fees fixed costs. The interest of 1500 € will be a fixed cost in the first year. Payment of electricity and internet will form the basis of utilities, and as such, they are fixed costs (English et al., 2019).

- **Variable Costs**

The influencers will be treated as direct workers since their engagement with the company will be temporary; thus, their payments are variable costs. The project requires two marketing personnel to administer SEOs and create content on behalf of the company, and as such, they will be paid on a commission basis once they complete a sale. Office supplies like chairs, tables, printers, and laptops are bought for part of variable costs incurred in the first year of setting up the business.

All costs and expenses will be further detailed and explained in the financial plan

Human Resources Plan

The company requires a management team of three members to oversee the organization's running. A finance officer will be responsible for assisting the management in preparing budgets, maintaining records and receipts, administering petty cash, and reconciling the company's transactions. The finance officer will also assist in preparing balance sheets and processing

invoices (Ali, 2019). A 3D graphic artist will be responsible for generating NFTs as a one-person team, articulating creative ideas and feedback to team members, and creating digital assets with the direction of internal management.

A graphic designer will be responsible for creating visual concepts which will help the influencers pass their message to their targeted audience. Also, the graphic designer will make posters, logos, and marketing materials which will play a crucial role in pushing the company's sales. The company will also have a web designer responsible for translating design specifications into HTML and CSS to ensure that the website is user-friendly.

Also, the company requires two marketing personnel. One will be in charge of creating social media content across all the company's social media platforms. The second one will be responsible for increasing the company's visibility on organic search, thus promoting the company.

Supply Chain Management

The company's NFT solutions will be geared towards logistics and the supply chain. The existence of modern technology will play a key role in ensuring that the metadata of products is known (Lau et al., 2021). Also, it will facilitate traceability and tracking of the products until they reach the required customer. The metadata collected will be stored in the NFTs blockchain network during the period the product is in transit until a point when the product is delivered. We will divide our supply chain in four different stages. Planning, sourcing, producing, and delivering. (Purolator, 2021)

In the planning stage, we will understand and evaluate the market's need, what is the demand from our customers and how will we provide that. For the sourcing stage, we will put everything together, including whatever is needed from external suppliers in order to meet the needs that we previously identified in the planning stage. In the producing stage is when we will actually start the process of building the product (developing and producing the NFT). In the final stage, we will deliver our end product to the customer and finish the transactions.

Marketing Analysis

The company has artwork to upload to the blockchain to make it available to the public in the marketplace (Schmitt et al., 2022). For the NFT product to attract customers on time, the company must market and promote the product by building a solid community through various well-known influencers. Secondly, it must engage the community by organizing open discussions with instant feedback replies on different social media platforms. Thirdly, the company must carefully select a marketplace that matches the project's goals and features. Fourthly, the company must conduct an 'Ask me Anything' session, enabling an active following since the audience understands more about the NFT. Lastly, build a robust public relationship.

Price/Sales

Since there are no regulations about the pricing of NFTs, in the first year, the company will set the prices on the lower end compared to the competitors to capture as many customers as possible (Kong & Lin, 2021). Lower prices will enable customers to refer their friends, and as a result, the customer base will grow by a considerable margin in the first year. From the second year, the prices will be set by the forces of demand and supply.

We have decided that the average starting price will be around 0.2 eth, that being valued depending on the price for 1 ethereum at the moment. These prices will be targeted towards the interested customers that would want to work with us. This will be detailed further in the financial plan.

V. Financial Plan

Introduction

The financial plan aims to translate into economic terms the plan made throughout the previous points. Each of the elements previously described are either an investment, an expense or, on the contrary, an income for the company. In the next section we will analyze in depth how each of these elements influence our financial statements and thus know if the project meets the conditions of profitability, solvency and liquidity necessary to undertake it. In order words, to know the viability of the project.

To carry out the financial analysis, it will be necessary to formulate a series of hypotheses about certain parameters. These hypotheses will be substantiated and explained as they are made. We

will start with the study of the initial investment taking into account that only 2 projects will be carried out, due to lack of resources, time and inexperience. Once we start with the project, we will have more information on how the market will react and how we can optimize the processes to be more efficient and generate greater economic benefit.

The initial Investment

The initial investment includes all those elements that will have to be acquired to start the business. This includes both tangible elements such as equipment, and intangible elements such as the necessary softwares for the creation of digital assets. Below is a breakdown of the initial investment.

INITIAL INVESTMENT		
Item	Unit	Total
iMac	2.00	\$ 3,798.00
Macbook Pro	1.00	\$ 1,679.00
iPad	1.00	\$ 879.00
Pack Creative Cloud	1.00	\$ 737.85
3D computer animation	1.00	\$ 532.24
Coworking	6.00	\$ 11,400.00
Gas fee	297.00	\$ 8,910.00
Others	1.00	\$ 3,000.00
TOTAL		\$ 30,936.09

- **Coworking Space**

The first thing we are going to need is a space where we can work. Although we have the option to rent an office, we have decided to rent a coworking space because of easy accessibility. We will not have to sign any long-term contract or give a large amount of money as a deposit. In our search we have found a coworking space for 6 people in Madrid using the platform www.coworkingspain.es. The monthly rent is €1,900 per month, all utilities costs are included in the price such as wifi, air conditioner, water, electricity and gas.



DESPACHO PRIVADO



DEPOSIT: No

PERMANENCE COMMITMENT DISCOUNT: No

SERVICES INCLUDED



PACKAGING RECEPTION



MEETING ROOM



KITCHEN



AIR CONDITIONING



INTERNET + WIFI



ACCESS 24X7

EXTRA SERVICES AVAILABLE



PARKING



CATERING



PRINTER



PHOTOCOPIER



SCANNER

- **Technological Devices**

The second most important elements that we are going to use will be the technological devices and software necessary for the creation of the digital assets. We are going to buy two iMac, one MacBook Pro and one iPad. To know the prices of these devices we have taken as a reference the prices of the apple website.



- **Software**



All Apps

What's included.

- Acrobat Pro
- Photoshop
- Illustrator
- InDesign
- Premiere Pro
- After Effects
- Lightroom
- XD
- Animate
- Lightroom Classic
- Dreamweaver
- Dimension
- Audition
- InCopy
- Character Animator
- Capture
- Fresco
- Bridge
- Adobe Express
- Premiere Rush
- Photoshop Express
- Photoshop Camera
- Media Encoder
- Aero
- Scan
- Fill & Sign
- Acrobat Reader

The software that we are going to use is the Pack Creative Cloud which includes all Adobe applications detailed on the left. We will also use Substance 3D Collection from Adobe for 3D Design. The payment for the softwares will be through a year subscription, a single annual payment that grants the right of use for the whole year. We will have to renew this subscription every year.

- **Gas fee**

The gas fee is the price that we pay for minting an NFT. In other words, the cost of uploading each NFT to the blockchain. We have estimated that the first year we are going to launch four projects of 99 units each one which represent 396 units in total.

The gas price varies depending on the demand, it can go as high as 180€ to the lowest 20€ approximately. Furthermore, when launching an NFT collection the first unit is always the most expensive, however, the price of the gas drops radically by 80% from the second unit. For example, the price of the gas for the first unit could be 80€, however, the second unit will cost us only 20€.

Therefore, in order to calculate the gas fee we have calculated the average and obtained 30€ per unit, which represents a total of 11,880€ for 396 NFTs.

- **Others**

We have decided to include 3,000€ for contingencies in case we need it.

Sources of finance

In order to finance this project, we thought about searching for capital from angel investors but this option was discarded since we concluded that it would not be worth sharing part of the shareholder's equity with angel investors for an amount of money that we could acquire in another way.

We decided to finance our project from two different sources. The first source of capital will be contributed by the 4 partners. Each one of us will contribute an amount of €10,000, in total it will be €40,000.

The second source of financing will be through a bank loan from BBVA. We will request a loan for a total value of €25,000 at an APR of 9.15% (according to the BBVA loan simulation). The loan will be repaid within 36 months, which represents three years. Each monthly payment will be 774.22€. At the end of month 36, the total debited will be 28.513,96€ (including interests and expenses).

We can see that in this way the total contributed capital consists of 44.4% contributed by the founding partners (internal investment) and the remaining 55.6% in debt (external financing).

No soy cliente de BBVA
 Soy cliente de BBVA

¿Cuál es la finalidad de tu préstamo?

Reformas
 Coche
 Efic. energética
 Otros

Disfruta de una bonificación en el tipo de interés con el préstamo eficiencia energética.

Ver finalidades de eficiencia energética

¿Qué cantidad necesitas y qué plazo se ajusta a tus necesidades?

Min. 3.000 € Máx. 75.000 € 25.000 €

Min. 24 meses Máx. 96 meses 36 meses (3 años)

Ahorra 419,56€ domiciliando tu nómina

774,22€

Al mes durante: **3 años**

TIN: 7.20 % | TAE: 9.15 %

Comisión de apertura: **2.3 %**

Total a devolver, sumando capital, intereses y gastos: **28.513,96€**

Con nómina domiciliada
 Con Cuenta BBVA

[Ver condiciones TAE](#)

Solicita 25.000€

785,72€

Al mes durante: **3 años**

TIN: 8.20 % | TAE: 10.25 %

Comisión de apertura: **2.3 %**

Total a devolver, sumando capital, intereses y gastos: **28.933,52€**

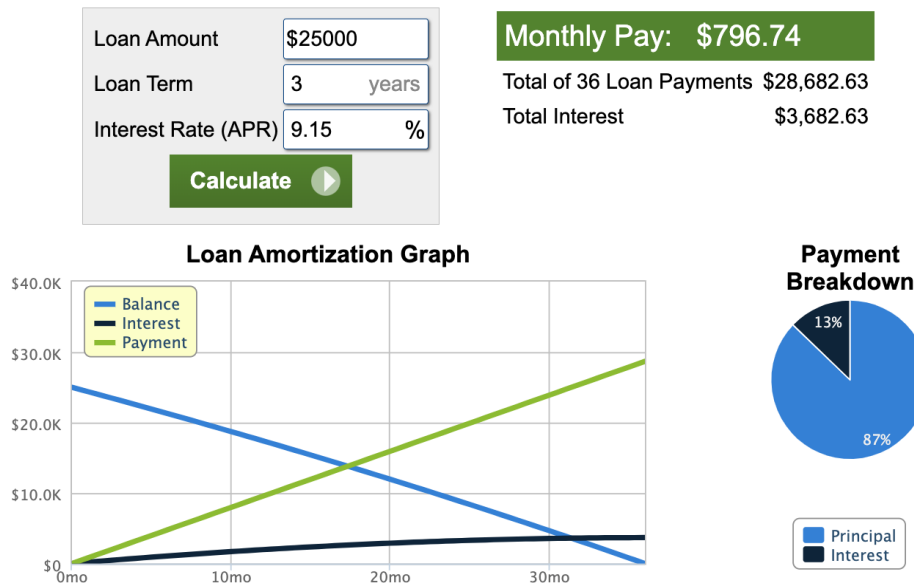
Sin nómina domiciliada
 Con Cuenta BBVA

[Ver condiciones TAE](#)

Solicita 25.000€

Loan repayment

We have used a loan amortization tool to calculate the loan payments to be paid each month. This tool also gives us an idea on how much interest we will have to pay annually. As we can see the first year we will have to pay 3.928.47€; however, it will decrease the following years. We can also see that the total amount of interest represents 19% of the total money to be returned. The information is detailed below.



- **Annual Amortization**

Annual Schedule	Monthly Schedule			
	Beginning Balance	Interest	Principal	Ending Balance
1	\$25,000.00	\$1,974.58	\$7,586.30	\$17,413.71
2	\$17,413.71	\$1,250.60	\$8,310.28	\$9,103.41
3	\$9,103.41	\$457.47	\$9,103.41	\$0.00

- **Monthly Amortization**

Annual Schedule	Monthly Schedule			
	Beginning Balance	Interest	Principal	Ending Balance
1	\$25,000.00	\$190.63	\$606.11	\$24,393.89
2	\$24,393.89	\$186.00	\$610.74	\$23,783.15
3	\$23,783.15	\$181.35	\$615.39	\$23,167.76
4	\$23,167.76	\$176.65	\$620.09	\$22,547.67
5	\$22,547.67	\$171.93	\$624.81	\$21,922.86
6	\$21,922.86	\$167.16	\$629.58	\$21,293.28
7	\$21,293.28	\$162.36	\$634.38	\$20,658.90
8	\$20,658.90	\$157.52	\$639.22	\$20,019.68
9	\$20,019.68	\$152.65	\$644.09	\$19,375.59
10	\$19,375.59	\$147.74	\$649.00	\$18,726.59
11	\$18,726.59	\$142.79	\$653.95	\$18,072.64
12	\$18,072.64	\$137.80	\$658.94	\$17,413.71
year 1 end				
13	\$17,413.71	\$132.78	\$663.96	\$16,749.75
14	\$16,749.75	\$127.72	\$669.02	\$16,080.72
15	\$16,080.72	\$122.62	\$674.12	\$15,406.60
16	\$15,406.60	\$117.48	\$679.26	\$14,727.34
17	\$14,727.34	\$112.30	\$684.44	\$14,042.89
18	\$14,042.89	\$107.08	\$689.66	\$13,353.23
19	\$13,353.23	\$101.82	\$694.92	\$12,658.31
20	\$12,658.31	\$96.52	\$700.22	\$11,958.09
21	\$11,958.09	\$91.18	\$705.56	\$11,252.53
22	\$11,252.53	\$85.80	\$710.94	\$10,541.59
23	\$10,541.59	\$80.38	\$716.36	\$9,825.23
24	\$9,825.23	\$74.92	\$721.82	\$9,103.41
year 2 end				

For a better use of this information and this project, these last calculations will be taken into account and not those of the bank, because more detailed information is obtained by using the loan amortization tool. However, both sources of information are necessary.

Income Statement Breakdown

The Income Statement is an accounting document, whose purpose is to provide information on the economic result of the company. This section will detail how the benefits are obtained and what the company's expenses are.

The forecasts made have been based on similar companies, however, it is important to bear in mind that the NFT market is very new and we still have few existing references. However, it is convenient to consider two more scenarios: a) an optimistic one, in which the success of the business is notorious, and b) another pessimistic one, in which the inconveniences and expenses in the operation of the business are greater than those expected. We will explain these two additional scenarios later.

The following considerations have been taken into account for the preparation of the Income Statement:

- Our income will consist of two sources:
 - The first will be from the direct sale of the NFTs that we will do in collaboration with recognized influencers. The starting price may vary depending on the type of NFT, however, the average will be 0.2 eth, equivalent to €508 as of today, May 6. It is important here to take into account that the price of eth is going to fluctuate over time. In the short and medium term we will see downward or upward lateral prices, while in the long term we will see upward prices.
 - The second source of income will be from the royalties obtained for each resale of the NFT. Expressit will keep 10% of each resale that is made in the secondary market
- Our direct costs are 3:
 - The expense of the gas for minting the NFT. This expense is highly variable and will depend on the use of the network at the time of use. This concept is explained at the beginning of this report.
 - The benefits obtained from the launch of the NFTs will be divided between Expressit and the corresponding influencer, with the distribution being 75% and 25%. The main reason why we make this distribution of percentages is for the

knowledge, contacts, design development and costs incurred during the process. The influencer will not have to contribute anything economically, but they will have to invest time in explaining and making his NFT collection known among the members of their community.

- The marketing expense for the launch of each project will not be very high since the influencer will use their own social media to publicize their own collection and make it viral. In this way we also have a great success commitment from the influencer.
- Looking at our operating expenses we find 3.
 - The first and the biggest are the salaries to the employees. We will have two designers working with us, one of them will be a specialist in 3D design. The contracting calculations are detailed later in this paper.
 - The second operating expense is the cost of the software necessary to carry out the design of the NFTs. We use the Pack Creative Cloud Adobe package that includes everything necessary to make the job possible.
 - Finally, our third expense will be the monthly rent of the coworking space. Renting a space like this gives us the advantage and peace of mind of not having to pay large amounts of money in utilities such as gas, water, electricity, etc.
- To calculate the profits we have decided to carry out three projects during the year. We will be increasing the number of projects as we see how the market behaves. However, we have estimated that each year we will increase the number of projects progressively, three projects each year.

Income Breakdown

To calculate the revenue, we have decided that each collection will have 99 units and the price of each NFT will vary depending on the characteristics of the influencer. However, the average price of 0.2 eth per NFT will be taken into account for this report. In addition to this, we calculate that 10% of each collection can be resold. Therefore, the profits from resales are also taken into account.

- Neutral Scenario

In the neutral scenario, we have decided to start the year with 4 projects. In the second year we are going to increase two projects and from the third we will increase 3 projects per year. In addition to this, we have estimated a 10% of resales of the original NFT.

			NEUTRAL SCENARIO					
Year	N° of NFT	N° Projects	Total NFT	Price NFT	Revenue ETH	Revenue €	Revenue Resale	Total
Year 1	99	4	396	0.2	79.2	\$ 198,000.00	\$ 19,800.00	\$ 217,800.00
Year 2	99	6	594	0.2	118.8	\$ 297,000.00	\$ 29,700.00	\$ 326,700.00
Year 3	99	9	891	0.2	178.2	\$ 445,500.00	\$ 44,550.00	\$ 490,050.00
Year 4	99	12	1188	0.2	237.6	\$ 594,000.00	\$ 59,400.00	\$ 653,400.00
Year 5	99	15	1485	0.2	297	\$ 742,500.00	\$ 74,250.00	\$ 816,750.00
Total	495	46	4554	-	910.8	\$ 2,277,000.00	\$ 227,700.00	\$2,504,700.00

- Optimistic Scenario

In the optimistic scenario we have estimated that we will start with 5 projects, the second year we will increase to 9 and from the third year we will increase 3 projects each year. The resale of the NFT will count 15% of the revenue.

			OPTIMISTIC SCENARIO					
Year	N° of NFT	N° Projects	Total NFT	Price NFT	Revenue ETH	Revenue €	Revenue Resale	Total
Year 1	99	5	495	0.2	99	\$ 247,500.00	\$ 37,125.00	\$ 284,625.00
Year 2	99	9	891	0.2	178.2	\$ 445,500.00	\$ 66,825.00	\$ 512,325.00
Year 3	99	12	1188	0.2	237.6	\$ 594,000.00	\$ 89,100.00	\$ 683,100.00
Year 4	99	15	1485	0.2	297	\$ 742,500.00	\$ 111,375.00	\$ 853,875.00
Year 5	99	18	1782	0.2	356.4	\$ 891,000.00	\$ 133,650.00	\$1,024,650.00
Total	495	59	5841	-	1168.2	\$ 2,920,500.00	\$ 438,075.00	\$3,358,575.00

- Pessimistic Scenario

In the pessimistic scenario we have estimated that we are going to start the year with 3 projects, the second year we will increase by one and from the third year we will add two more projects. Resales of NFTs will only count 5% of profits.

			PESSIMISTIC SCENARIO					
Year	N° of NFT	N° Projects	Total NFT	Price NFT	Revenue ETH	Revenue €	Revenue Resale	Total
Year 1	99	3	297	0.2	59.4	\$ 148,500.00	\$ 7,425.00	\$ 155,925.00
Year 2	99	4	396	0.2	79.2	\$ 198,000.00	\$ 9,900.00	\$ 207,900.00
Year 3	99	6	594	0.2	118.8	\$ 297,000.00	\$ 14,850.00	\$ 311,850.00
Year 4	99	8	792	0.2	158.4	\$ 396,000.00	\$ 19,800.00	\$ 415,800.00
Year 5	99	10	990	0.2	198	\$ 495,000.00	\$ 24,750.00	\$ 519,750.00
Total	495	31	3069	-	613.8	\$ 1,534,500.00	\$ 76,725.00	\$ 1,611,225.00

Cost of the Ethereum Gas

To calculate the cost of the mint price, we have chosen an average price of €30 since this cost depends on two factors: the price of Ethereum at the time of performing the operation and the demand for the use of the network.

- Neutral

NEUTRAL SCENARIO			
Year	Total NFT	Mint Price	Total
Year 1	396	\$ 30.00	\$ 11,880.00
Year 2	594	\$ 30.00	\$ 17,820.00
Year 3	891	\$ 30.00	\$ 26,730.00
Year 4	1188	\$ 30.00	\$ 35,640.00
Year 5	1485	\$ 30.00	\$ 44,550.00

- Optimistic

OPTIMISTIC SCENARIO			
Year	Total NFT	Mint Price	Total
Year 1	495	\$ 30.00	\$ 14,850.00
Year 2	891	\$ 30.00	\$ 26,730.00
Year 3	1188	\$ 30.00	\$ 35,640.00
Year 4	1485	\$ 30.00	\$ 44,550.00
Year 5	1782	\$ 30.00	\$ 53,460.00

- Pessimistic

PESSIMISTIC SCENARIO			
Year	Total NFT	Mint Price	Total
Year 1	297	\$ 30.00	\$ 8,910.00
Year 2	396	\$ 30.00	\$ 11,880.00
Year 3	594	\$ 30.00	\$ 17,820.00
Year 4	792	\$ 30.00	\$ 23,760.00
Year 5	990	\$ 30.00	\$ 29,700.00

Marketing

Marketing is one of the most important aspects when launching an NFT project since we have to make the collection visible on a massive scale. For this we have two strategies, on the one hand the influencer will have to advertise his own collection with his community on his social networks, whether it is Tiktok, Instagram, Youtube or Twitter.

On the other hand, we will invest an amount of €150 per day for 1 month, which is the estimated duration of the launch. This investment will basically focus on advertising the collection on Instagram and Facebook (or any other platform if necessary). In total, we will invest €4,500 in marketing for each project launched.

Salaries

To calculate the total cost of hiring an employee we are going to take into account the additional cost of social security. We have taken into account the percentage of The Company's Collective Bargaining Agreement (Convenio Colectivo) since they determine the amount of the base salary and their bonuses. That is why we have decided to add an additional 24% for social security expenses.

Salary Costs	Graphic Designer	3D artist	TOTAL
Annual Salary	25,280.00	25,988.00	51,268.00
SS (24%)	6,067.20	6,237.12	12,304.32
Total	31,347.20	32,225.12	63,572.32

Depreciation & Amortization

For the calculation of depreciation and amortization, the French method has been used. The calculations have been made taking into account that the useful life of the laptops is 5 years and for the tablet is 3. We explain the details below.

Depreciation & Amortization				
Item	Value	Useful Life	D&A Anual	%
iMac	1,899.00	5	\$ 379.80	20.00%
iMac	1,899.00	5	\$ 379.80	20.00%
MacBook Pro	1,679.00	5	\$ 335.80	20.00%
iPad	879.00	3	\$ 293.00	33.33%
Total	6,356.00		\$ 1,388.40	

Years	Total Yearly
Year 1	\$ 1,388.40
Year 2	\$ 1,388.40
Year 3	\$ 1,388.40
Year 4	\$ 1,095.40
Year 5	\$ 1,095.40
Total	\$ 6,356.00

Corporate Income Tax

Despite the fact that in Spanish corporate taxation varies depending on the size of the company and where the company is located, generic percentages will be taken into account in the project. According to Singular Cover, the general rate of Corporation Tax is 25% on the annual profits obtained by the company. However, there is a reduction for new companies, which only have to pay 15% corporate tax during the first two years.

The calculations listed below are from neutral scenario earnings and are shown as example calculations.

	Year 1 (15%)	Year 2 (15%)	Year 3 (25%)	Year 4 (25%)	Year 5 (25%)
Income tax	\$ 4,418.36	\$ 15,679.74	\$ 47,591.23	\$ 62,820.63	\$ 84,493.17

Income Statement (5 years)

- Neutral

INCOME STATEMENT (P&L) - NEUTRAL					
Year	2022	2023	2024	2025	2026
Revenue of Sale of NFT	\$ 198,000.00	\$ 297,000.00	\$ 445,500.00	\$ 594,000.00	\$ 742,500.00
Revenue of Resale of NFT	\$ 19,800.00	\$ 29,700.00	\$ 44,550.00	\$ 59,400.00	\$ 74,250.00
Total Revenue	\$ 217,800.00	\$ 326,700.00	\$ 490,050.00	\$ 653,400.00	\$ 816,750.00
Direct Costs					
Cost of eth gas	\$ 11,880.00	\$ 17,820.00	\$ 26,730.00	\$ 35,640.00	\$ 44,550.00
Influencer commision (25%)	\$ 49,500.00	\$ 74,250.00	\$ 111,375.00	\$ 148,500.00	\$ 185,625.00
Sales & Marketing	\$ 18,000.00	\$ 27,000.00	\$ 40,500.00	\$ 54,000.00	\$ 67,500.00
Gross Margin	\$ 138,420.00	\$ 207,630.00	\$ 311,445.00	\$ 415,260.00	\$ 519,075.00
% Gross Margin	63.55%	63.55%	63.55%	63.55%	63.55%
Operating Expenses					
Salaries & wages	\$ 63,572.32	\$ 88,852.32	\$ 114,132.32	\$ 139,412.32	\$ 164,692.32
Softwares	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09
Rent	\$ 11,400.00	\$ 22,800.00	\$ 22,800.00	\$ 22,800.00	\$ 22,800.00
Total Operating Expenses	\$ 76,242.41	\$ 112,922.41	\$ 138,202.41	\$ 163,482.41	\$ 188,762.41
EBITDA	\$ 62,177.59	\$ 94,707.59	\$ 173,242.59	\$ 251,777.59	\$ 330,312.59
Depreciation & Amortization	\$ 1,388.40	\$ 1,388.40	\$ 1,388.40	\$ 1,095.40	\$ 1,095.40
EBIT	\$ 60,789.19	\$ 93,319.19	\$ 171,854.19	\$ 250,682.19	\$ 329,217.19
Interest	\$ 1,974.58	\$ 1,250.60	\$ 457.47	\$ -	\$ -
EBI	\$ 58,814.61	\$ 92,068.59	\$ 171,396.72	\$ 250,682.19	\$ 329,217.19
Income tax	\$ 8,822.19	\$ 13,810.29	\$ 42,849.18	\$ 62,670.55	\$ 82,304.30
Net Income	\$ 49,992.42	\$ 78,258.30	\$ 128,547.54	\$ 188,011.64	\$ 246,912.89

- Optimistic

INCOME STATEMENT (P&L) - OPTIMISTIC					
Year	2022	2023	2024	2025	2026
Revenue of Sale of NFT	\$ 247,500.00	\$ 445,500.00	\$ 594,000.00	\$ 742,500.00	\$ 891,000.00
Revenue of Resale of NFT	\$ 37,125.00	\$ 66,825.00	\$ 89,100.00	\$ 111,375.00	\$ 133,650.00
Total Revenue	\$ 284,625.00	\$ 512,325.00	\$ 683,100.00	\$ 853,875.00	\$1,024,650.00
Direct Costs					
Cost of eth gas	\$ 14,850.00	\$ 26,730.00	\$ 35,640.00	\$ 44,550.00	\$ 53,460.00
Influencer commision (25%)	\$ 61,875.00	\$ 111,375.00	\$ 148,500.00	\$ 185,625.00	\$ 222,750.00
Sales & Marketing	\$ 18,000.00	\$ 40,500.00	\$ 54,000.00	\$ 67,500.00	\$ 81,000.00
Gross Margin	\$ 189,900.00	\$ 333,720.00	\$ 444,960.00	\$ 556,200.00	\$ 667,440.00
% Gross Margin	66.72%	65.14%	65.14%	65.14%	65.14%
Operating Expenses					
Salaries & wages	\$ 63,572.32	\$ 114,132.32	\$ 139,412.32	\$ 164,692.32	\$ 189,972.32
Softwares	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09
Rent	\$ 11,400.00	\$ 27,600.00	\$ 27,600.00	\$ 27,600.00	\$ 27,600.00
Total Operating Expenses	\$ 76,242.41	\$ 143,002.41	\$ 168,282.41	\$ 193,562.41	\$ 218,842.41
EBITDA	\$ 113,657.59	\$ 190,717.59	\$ 276,677.59	\$ 362,637.59	\$ 448,597.59
Depreciation & Amortization	\$ 1,388.40	\$ 2,776.80	\$ 2,776.80	\$ 2,190.80	\$ 2,190.80
EBIT	\$ 112,269.19	\$ 187,940.79	\$ 273,900.79	\$ 360,446.79	\$ 446,406.79
Interest	\$ 1,974.58	\$ 1,250.60	\$ 457.47	\$ -	\$ -
EBI	\$ 110,294.61	\$ 186,690.19	\$ 273,443.32	\$ 360,446.79	\$ 446,406.79
Income tax	\$ 16,544.19	\$ 28,003.53	\$ 68,360.83	\$ 90,111.70	\$ 111,601.70
Net Income	\$ 93,750.42	\$ 158,686.66	\$ 205,082.49	\$ 270,335.09	\$ 334,805.09

- Pessimistic

INCOME STATEMENT (P&L) - PESSIMISTIC					
Year	2022	2023	2024	2025	2026
Revenue of Sale of NFT	\$ 148,500.00	\$ 198,000.00	\$ 297,000.00	\$ 396,000.00	\$ 495,000.00
Revenue of Resale of NFT	\$ 7,425.00	\$ 9,900.00	\$ 14,850.00	\$ 19,800.00	\$ 24,750.00
Total Revenue	\$ 155,925.00	\$ 207,900.00	\$ 311,850.00	\$ 415,800.00	\$ 519,750.00
Direct Costs					
Cost of eth gas	\$ 8,910.00	\$ 11,880.00	\$ 17,820.00	\$ 23,760.00	\$ 29,700.00
Influencer commision (25%)	\$ 37,125.00	\$ 49,500.00	\$ 74,250.00	\$ 99,000.00	\$ 123,750.00
Sales & Marketing	\$ 13,500.00	\$ 18,000.00	\$ 27,000.00	\$ 36,000.00	\$ 45,000.00
Gross Margin	\$ 96,390.00	\$ 128,520.00	\$ 192,780.00	\$ 257,040.00	\$ 321,300.00
% Gross Margin	61.82%	61.82%	61.82%	61.82%	61.82%
Operating Expenses					
Salaries & wages	\$ 63,572.32	\$ 63,572.32	\$ 63,572.32	\$ 88,852.32	\$ 88,852.32
Softwares	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09	\$ 1,270.09
Rent	\$ 11,400.00	\$ 20,400.00	\$ 20,400.00	\$ 20,400.00	\$ 20,400.00
Total Operating Expenses	\$ 76,242.41	\$ 85,242.41	\$ 85,242.41	\$ 110,522.41	\$ 110,522.41
EBITDA	\$ 20,147.59	\$ 43,277.59	\$ 107,537.59	\$ 146,517.59	\$ 210,777.59
Depreciation & Amortization	\$ 1,388.40	\$ 1,388.40	\$ 1,388.40	\$ 1,095.40	\$ 1,095.40
EBIT	\$ 18,759.19	\$ 41,889.19	\$ 106,149.19	\$ 145,422.19	\$ 209,682.19
Interest	\$ 1,974.58	\$ 1,250.60	\$ 457.47	\$ -	\$ -
EBI	\$ 16,784.61	\$ 40,638.59	\$ 105,691.72	\$ 145,422.19	\$ 209,682.19
Income tax	\$ 2,517.69	\$ 6,095.79	\$ 26,422.93	\$ 36,355.55	\$ 52,420.55
Net Income	\$ 14,266.92	\$ 34,542.80	\$ 79,268.79	\$ 109,066.64	\$ 157,261.64

Cash Flow Statement

The following statement provides information regarding the inflow and outflow of the company in the current year 2022.

Statement of Cash Flows	
For the year ended December 31, 2022	
Net income	\$ 49,992.00
D&A	\$ 1,389.00
Changes in working Capital	\$ -
Cash from Operations	\$ 51,381.00
Investments in Business (equipment)	\$ (6,356.00)
Cash from Investing Activities	\$ (6,356.00)
Process of issuing Debt	\$ 45,000.00
Repayment of Debt	\$ (9,561.00)
Repayment of Equity	\$ -
Payment of Dividens	\$ -
Cash from Financing Activities	\$ 35,439.00
Total	\$ 80,464.00

Balance Sheet

The following considerations have been taken into account for the preparation of the Balance Sheet:

1. NFT sales payments will be made instantly upon closing the sale of the collection. This will be possible thanks to the advantages of the crypto ecosystem and blockchain technology which allows immediate transactions at a very low cost and without intermediaries. Therefore, neither debit or credit accounts are generated for the sale of NFTs in the market.
2. Since our office will always be a coworking space, we will not count any amount in the land and building box since we do not own any real estate property.
3. The royalty box will be variable depending on the number of times the NFT that we are marketing is sold.
4. The loan received from the bank has been amortized according to the French method and accrued from the Long-term Debts account.
5. Finally, to simplify the calculations, it has been assumed that the withholdings for personal income tax made to workers, payments to Social Security, and taxes, VAT and Corporation Tax, have been paid in due time, therefore no debit or credit balance is generated for these concepts.

BALANCE SHEET			
Assets		Liability & Shareholder's Equity	
Cash	\$ 80,464.00	Share capital	\$ 17,700.00
Accounts receivable	\$ -	Retained Earnings	\$ 49,992.00
Inventory	\$ -	Total owner's Equity	\$ 67,692.00
Other current assets	\$ -	Accounts Payable	\$ -
Total Current Assets	\$ 80,464.00	Short-Term Debt	\$ 9,505.00
Equipment	\$ 6,356.00	Prepaid Revenue	\$ -
Depreciation & Amortization	\$ (1,388.00)	Current Liabilities	\$ 9,505.00
Land & buildings	\$ -	Long-term Debt	\$ 9,505.00
Software	\$ 1,270.00	Long-term Liabilities	\$ 9,505.00
Total Long-Term Assets	\$ 6,238.00	Total Liabilities	\$ 19,010.00
Total Assets	\$ 86,702.00	Total Liabilities & Equity	\$ 86,702.00

WACC Calculation

When we calculate the WACC, we are calculating the cost of capital weighted. It should be taken into account the preferred stocks, common stocks, bonds, etc. Since we are a small business we will only consider the cost of debt. To calculate the WACC, we have used the following formula.

$$WACC = \left(\frac{E}{V} \times Re \right) + \left(\frac{D}{V} \times Rd \times (1 - Tc) \right)$$

Where:

E = Market Value of the Firm's Equity

D = Market Value of the Firm's Debt

V = E + D

Re = Cost of Equity

Rd = Cost of Debt

Tc = Corporate tax rate

E	20,000.00
D	25,000.00
V	45,000.00
Re	0
Rd	9.15%
Tc	15%
WACC =	0.0432
% =	4.32%

NPV - Net Present Value

The NVP is the difference between the present value of cash inflows and the present value of cash outflows in a period of time. We have calculated the NPV with excel, we include the details below.

IRR - Internal Rate of Return

The IRR calculates the profitability of potential investments. Furthermore, the IRR is the annual return that makes the NPV equal to 0. The higher the IRR, the more attractive the investment. We can calculate the IRR with the following formula. However, we have used Excel to calculate the IRR.

$$0 = NPV = \sum_{t=1}^T \frac{C_t}{(1 + IRR)^t} - C_0$$

Where:

C_t: Net Cash inflow during period t

C₀: Total Initial Investment costs

IRR: Internal Rate of Return

t: The number of periods of time

Below we include the calculation of the NPV and IRR

		2022	2023	2024	2025	2026
I. Investment	(30,936.09)					
Net Income		49,992.42	78,258.30	128,547.54	188,011.64	246,912.89
WACC	P.V	47,922.18	71,910.99	113,229.88	158,750.25	199,850.79
	4.32%					
	SUM of PV	591,664.09		IRR	213%	
	I. Investment	(30,936.09)				
	NVP	560,728.00				

Financial Ratios

- **Working-capital-ratio:** it measures how easy it is for a company to convert its assets into cash to pay debts. In other work, the ability of a company to pay its current liabilities with its current assets. We calculate it divid the Total asset by the Total liabilities.

$$\text{Working Capital Ratio} = \$ 89,002.00 / \$ 19,010.00 = 4.68$$

- **Debt-to-equity Ratio:** this ratio shows how much a company is financing its operations using borrowed money. We calculate it dividing the total Liabilities by the total Shareholder's Equity.

$$D/E = \$ 19,010.00 / \$ 69,992.00 = 0.27$$

- **Return on Equity:** It measures profitability and how effectively a company uses shareholders money to generate income. We have calculated dividing the Net income by the total Shareholder's Equity.

$$\text{ROE} = \$ 49,992.00 / \$ 69,992.00 = 0.71$$

- **Return on Investment:** It is used to measure the profitability of an investment. We calculated dividing the EBIT/ total Asset * 100

$$\text{ROI} = \$ 60,789.19 / \$ 89,002.00 * 100 = 68.30$$

VI. Contingency plan

All unforeseen situations that may affect the development of the business plan of the Expressit company must be considered, for this reason a series of measures called contingency plans related to the company and the plan to be developed must be taken.

- Control of access of unknown personnel to the company.
- Maintenance of company equipment.
- Implement emergency exits and signage.

- Apply integration strategies for customer acquisition areas.
- Renew the image of the brand from time to time.
- Review and apply corrective actions of the project management process.
- Evaluate customer behavior.

Risk	Probability	Consequences	Magnitude of risks
Damages to the company equipment	1	4	4
Delay delivering work	2	3	6
Horrible market conditions for deploying projects	3	5	15
Attacks from hackers	2	5	10
Lack of integration in the marketing area	2	4	8
Impair customer service	2	4	8
Losing the credibility of the company	3	5	15
Loss of market position	3	2	6
Non-competitive prices	3	2	6

Legend table:

Red: High risk

Yellow: Normal risk

Green: Low risk

VII. Limitations

The main limitation for our company would be the lack of global education about the blockchain and its benefits, currently less than 9% of the global population holds a cryptocurrency and since NFT's are related to cryptos our potential clients are based on a small sector worldwide, Although we really believe that in the next years more people will be educated about this new financial system.

Another limitation we may face in the future is the market, we all know about the volatility of crypto currencies and how all of them are related to price of BTC, a bear market could lead to fear our potential clients and apart them to invest in our company, since in bear markets people and companies are more conservative with their investments.

VII. Conclusions

After a rigorous and exhaustive analysis of the NFT market today for the company we want to create, we consider that our business plan has all the favorable conditions to be implemented, in order to achieve a sustainable business with a long projection in the future. With the proposed strategies, it is intended that the company manages to satisfy the needs of a market sector that is growing more and more and to be able to support in a certain way the massive adoption of NFTs. Expressit has the advantage of starting in a market that is not yet so competitive, so in the next few years after starting and creating prestige for the company, we hope to be positioned in the sector as one of the pioneering companies with a good reputation.

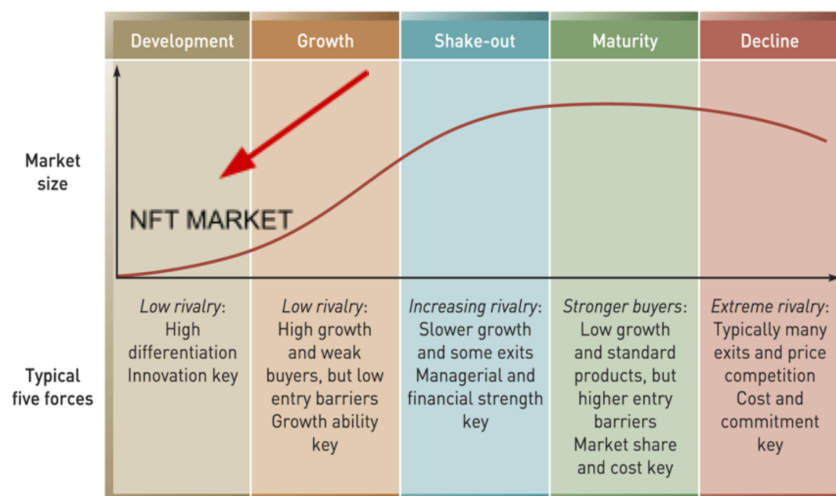
The present work proposes strategies of diversification, segmentation, positioning and loyalty of potential clients to the service that the company will produce, actions designed for the classification of clients, offering advantages for our first clients, long-term benefits for our partners, among others. Others that are consolidated to achieve the successful launch of the company.

In order to calculate the financial economic aspects, we have taken current NFT projects as a reference, taking into account factors such as price, number of units per collection, community, and above all we have studied the demand for NFTs. Something important that we must bear in mind is that human consumption is irrational and the prices of NTFs may sound very high, but the

price ultimately depends on supply and demand and if there are people willing to pay for NFTs we have a powerful market to exploit.

With these studies and references we decided to make collections of 99 units at a price of 0.2 eth, which today its equivalent in euros is 335€. With regard to the units of the collections, we believe that 99 is a fairly adequate number since what we want to build is a closed and exclusive circle for fans of Youtubers, Instagrammers, etc.

Regarding the expenses that we will have in the company, the largest will come from the salary of the employees, the percentage of commission for our partners and of course the marketing expenses to make the collections visible. With these data we can conclude that according to our neutral scenario the business is profitable and the initial investment can be recovered in the first year.



In conclusion, we can summarize several aspects of this work, the NFT market still has a long way to go to reach maturity. If we take the life cycle of the industry as a reference (Johnson et al. 2014 p. 52), we can see that the NFT market is at the beginning of the curve “Development”.

In the development zone we find several advantages and disadvantages. Among them, we have little competition and a lot of opportunity for growth, but this can also be a danger since, by not having solid references, we can make mistakes. However, according to our business plan we have been able to conclude that despite the uncertainties of the market this project is profitable if we manage to work successfully on the three pillars of a collection: solid communities around influencers, youtubers and public figures (our partners), the utility of the NFT, and of course the team that is behind all the development of the collections (Expressit).

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