**Sample Only**

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Powerup

Proposal

REV003

**1. OVERVIEW**

There are numerous federal, state and municipal efforts underway to manage and reduce residential electricity demand by promulgating more stringent regulatory requirements and more enticing subsidies. Current efforts include real time monitoring of usage through installation of smart meters, rebates and star appliance programs, weatherization audits, and web based infomercials and other educational efforts.

Powerup, a startup firm, is currently focused on monitoring and tracking residential electricity demand improvements. We have contacted the utility giant, National Grid, to provide us the data on consumer energy consumption. Our team at Powerup will develop a model which will analyze monthly energy consumption by consumer, cost related to marketing campaign and overhead and profit margins. We have a overall profit margin of 30% on total energy savings. The model will mainly be used by Accounting and Finance, CFO and rest of the executive team to determine what costs have incurred and revenue influx over 12 months period.

Our model will run two scenarios to observe fluctuation in marketing cost over projected income. First one will analyze low marketing cost by using web-based social networking technologies and a projected income of one Million. Second scenario would explore high marketing expenditure by using electronic media such as TV and radio and also a projected income of one Million for the first year. Our management team’s goal is to sign up more consumers, therefore, more energy savings which will drastically improve our profit margin.

**2. BUDGET**

Planning: Each team member will be heavily involved in brainstorming ideas behind the business objective and model. It will take an average of 6 to 7 hours per team member. The estimated time for planning will be 20 hours.

Modeling: It will take approximately 25 hours for our team to implement the model and its components.

Documents: It will take about 5 hours each for every document. Team member will be working together on Midpoint status report, Final report, User & Reference guide. Total hours will be 20.

Execution: Every team member will be closely observing the model’s behavior with the above two scenarios. It will take up to 15 hours for the team to carefully execute the model.

**3. TEAM**

Our team members are:

Ilana Greene

Catalina Prieto

Khurshid Sattar

**4. INPUTS, PARAMETERS & OUTPUTS**

INPUTS:

Starting Month – Represents first month of the analysis

Electricity (Kwh): Amount of electricity saved in kilowatts per hour by consumer

Utility rates: Current rate at which electricity cost are calculated by National Grid

Marketing Cost: Cost incurred during marketing campaign

Overhead: Cost of office rent, employee labor cost, utilities etc

OUTPUTS:

Revenue: Revenue earned per month on energy saved

Net Income Stream: Net income earned after all expenses

PARAMETERS:

Period: Intervals to show actual and forecasted activity

Revenue Rate: Rate at which we can calculate revenue on total energy saved

Cost Per Add: Cost of add for each category in marketing

Labor Increment: Rate at which labor is projected to increase

Inflation: Projected rate at which cost changes based on economy and current economics

**5. SCHEDULE AND MILESTONES**

STEP 1 Problem definition. Present idea and submit project proposal to be submitted to the entire team.. Pull together all of the lesson learned over the course of the term into a successful final project.

Define the parameters and structure the formal design of the model.. Review model inputs, parameters, and outputs and begin to estimate costs for each component. Finish Requirements Checklist for Word Documents (OCT 8th)

STEP 2 Data will be collected in order to analyze costs, expenses, and demand. Draft of the Midpoint Status report. The Midpoint Status Check will be the deliverable. Finish Requirements Checklist for Excel Documents (Oct 29th)

STEP3 Create the model. Complete all the initial coding of the model. The model will be created using excel. Assign various components to team members. (Nov7th)

STEP 4 Define at least two scenarios, test and observe the model for these scenarios. Model will be tested by the user to see if reporting requirements have been met. Graphics and final layout (Nov 20th)

STEP 5 Prepare the final form, user guide, project model and reference guide. Figure out any necessary changes before the work is submitted. (DEC 17th).