

1. Scenario Assumptions

Input	Worst Case	Conservative	Base Case	Growth Case
Website selling price	£249.00	£259.00	£279.00	£289.00
Starting websites sold / month	1	2	3	4
Monthly website sales growth	-	2.0%	5.0%	6.0%
Variable cost per website	£155.00	£150.00	£146.00	£144.00
Monthly support price	£39.00	£42.00	£44.00	£47.00
Starting support customers	-	1	2	3
New support customers / month	-	1	1	2
Marketing cost / month	£150.00	£125.00	£100.00	£120.00
Other fixed costs / month	£80.00	£80.00	£80.00	£90.00
Support variable cost	£10.00	£10.00	£10.00	£10.00
One-off setup cost	£100.00	£100.00	£100.00	£100.00

2. Five-Scenario Financial Summary

Scenario	Annual Revenue (£)	Annual Costs (£)	Annual Profit / (Loss) (£)	Profit Margin
Worst Case	£2,988.00	£4,720.00	(£1,732.00)	(58.0%)
Conservative	£9,492.00	£6,940.00	£2,552.00	26.9%
Base Case	£17,073.00	£10,022.00	£7,051.00	41.3%
Growth Case	£27,259.00	£13,948.00	£13,311.00	48.8%
Optimistic	£37,813.00	£18,510.00	£19,303.00	51.0%

3. Break-even Comparison

Scenario	Website Price (£)	Variable Cost / Website (£)	Contribution / Website (£)	Monthly Fixed Costs (£)
Worst Case	£249.00	£155.00	£94.00	£230.00
Conservative	£259.00	£150.00	£109.00	£205.00
Base Case	£279.00	£146.00	£133.00	£180.00

Growth Case	£289.00	£144.00	£145.00	£210.00
Optimistic	£299.00	£142.00	£157.00	£250.00

4. Base Case Price / Sales Sensitivity

Websites Sold / Month	£249.00	£259.00	£279.00	£289.00
1	(£77.00)	(£67.00)	(£47.00)	(£37.00)
2	£26.00	£46.00	£86.00	£106.00
3	£129.00	£159.00	£219.00	£249.00
4	£232.00	£272.00	£352.00	£392.00
5	£335.00	£385.00	£485.00	£535.00
6	£438.00	£498.00	£618.00	£678.00

5. Worst Case — 12-Month Forecast

Month	Websites Sold	Active Support Customers	Website Revenue (£)	Support Revenue (£)
Month 1	1	-	£249.00	-
Month 2	1	-	£249.00	-
Month 3	1	-	£249.00	-
Month 4	1	-	£249.00	-
Month 5	1	-	£249.00	-
Month 6	1	-	£249.00	-
Month 7	1	-	£249.00	-
Month 8	1	-	£249.00	-
Month 9	1	-	£249.00	-
Month 10	1	-	£249.00	-
Month 11	1	-	£249.00	-
Month 12	1	-	£249.00	-
Annual Total	12	0	£2,988.00	-

5. Conservative — 12-Month Forecast

Month	Websites Sold	Active Support Customers	Website Revenue (£)	Support Revenue (£)
Month 1	2	1	£518.00	£42.00
Month 2	2	2	£518.00	£84.00
Month 3	2	3	£518.00	£126.00
Month 4	2	4	£518.00	£168.00
Month 5	2	5	£518.00	£210.00
Month 6	2	6	£518.00	£252.00
Month 7	2	7	£518.00	£294.00
Month 8	2	8	£518.00	£336.00
Month 9	2	9	£518.00	£378.00
Month 10	2	10	£518.00	£420.00
Month 11	2	11	£518.00	£462.00

Month 12	2	12	£518.00	£504.00
Annual Total	24	12	£6,216.00	£3,276.00

5. Base Case — 12-Month Forecast

Month	Websites Sold	Active Support Customers	Website Revenue (£)	Support Revenue (£)
Month 1	3	2	£837.00	£88.00
Month 2	3	3	£837.00	£132.00
Month 3	3	4	£837.00	£176.00
Month 4	3	5	£837.00	£220.00
Month 5	4	6	£1,116.00	£264.00
Month 6	4	7	£1,116.00	£308.00
Month 7	4	8	£1,116.00	£352.00
Month 8	4	9	£1,116.00	£396.00
Month 9	4	10	£1,116.00	£440.00
Month 10	5	11	£1,395.00	£484.00
Month 11	5	12	£1,395.00	£528.00
Month 12	5	13	£1,395.00	£572.00
Annual Total	47	13	£13,113.00	£3,960.00

5. Growth Case — 12-Month Forecast

Month	Websites Sold	Active Support Customers	Website Revenue (£)	Support Revenue (£)
Month 1	4	3	£1,156.00	£141.00
Month 2	4	5	£1,156.00	£235.00
Month 3	4	7	£1,156.00	£329.00
Month 4	5	9	£1,445.00	£423.00
Month 5	5	11	£1,445.00	£517.00
Month 6	5	13	£1,445.00	£611.00
Month 7	6	15	£1,734.00	£705.00
Month 8	6	17	£1,734.00	£799.00
Month 9	6	19	£1,734.00	£893.00
Month 10	7	21	£2,023.00	£987.00
Month 11	7	23	£2,023.00	£1,081.00
Month 12	8	25	£2,312.00	£1,175.00
Annual Total	67	25	£19,363.00	£7,896.00

5. Optimistic — 12-Month Forecast

Month	Websites Sold	Active Support Customers	Website Revenue (£)	Support Revenue (£)
Month 1	5	5	£1,495.00	£245.00
Month 2	5	7	£1,495.00	£343.00
Month 3	6	9	£1,794.00	£441.00
Month 4	6	11	£1,794.00	£539.00
Month 5	7	13	£2,093.00	£637.00
Month 6	7	15	£2,093.00	£735.00
Month 7	8	17	£2,392.00	£833.00
Month 8	9	19	£2,691.00	£931.00
Month 9	9	21	£2,691.00	£1,029.00

Month 10	10	23	£2,990.00	£1,127.00
Month 11	11	25	£3,289.00	£1,225.00
Month 12	12	27	£3,588.00	£1,323.00
Annual Total	95	27	£28,405.00	£9,408.00

6. Interpretation for the Assignment

The five-scenario model shows that SmartBiz is sensitive to demand. The Worst Case tests whether the business can survive stronger customer demand, referrals and support-plan growth. Using several scenarios is stronger than relying on a single scenario. The customer paid pilot confirms actual project time, costs, marketing spend, customer satisfaction and willingness to pay.

AI, Website & IT Solutions — Full 5-Scenario Financial Model

Optimistic	Unit / Source	
£299.00	£ per website — survey-informed starter range	
5	websites	
8.0%	% per month	Website pricing: 52. tests website prices
£142.00	£ per website — planning estimate	
£49.00	£ per active support customer	
5	customers	Monthly support price: £49 per month.
2	customers	
£150.00	£ per month — planning budget	
£100.00	£ per month — software/admin/misc.	Demand: Website D why the financial model
£10.00	£ per active support customer	
£100.00	£ in Month 1 only	The demand, growth after the 3–5 customer

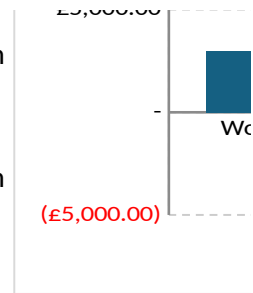
Annual Website Sales	Ending Support Customers	Break-even Websites / Month	
12	-	3	£40,000.00
24	12	2	
47	13	2	£35,000.00
67	25	2	
95	27	2	£30,000.00
			£25,000.00
			£20,000.00
			£15,000.00
			£10,000.00
			£5,000.00
Exact Break-even	Rounded Break-even	Interpretation	
2.45		Needs about 3 website(s) per month to cover monthly 3 fixed costs.	
1.88		Needs about 2 website(s) per month to cover monthly 2 fixed costs.	
1.35		Needs about 2 website(s) per month to cover 2 monthly fixed costs.	

1.45

Needs about 2
website(s) per month
to cover monthly
2 fixed costs.

1.59

Needs about 2
website(s) per month
to cover monthly
2 fixed costs.



£299.00
(£27.00)
£126.00
£279.00
£432.00
£585.00
£738.00

Total Revenue (£)	Website Variable Cost (£)	Support Variable Cost (£)	Marketing (£)
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£249.00	£155.00	-	£150.00
£2,988.00	£1,860.00	-	£1,800.00

Total Revenue (£)	Website Variable Cost (£)	Support Variable Cost (£)	Marketing (£)
£560.00	£300.00	£10.00	£125.00
£602.00	£300.00	£20.00	£125.00
£644.00	£300.00	£30.00	£125.00
£686.00	£300.00	£40.00	£125.00
£728.00	£300.00	£50.00	£125.00
£770.00	£300.00	£60.00	£125.00
£812.00	£300.00	£70.00	£125.00
£854.00	£300.00	£80.00	£125.00
£896.00	£300.00	£90.00	£125.00
£938.00	£300.00	£100.00	£125.00
£980.00	£300.00	£110.00	£125.00

£1,022.00	£300.00	£120.00	£125.00
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£9,492.00	£3,600.00	£780.00	£1,500.00
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Total Revenue (£)	Website Variable Cost (£)	Support Variable Cost (£)	Marketing (£)
£925.00	£438.00	£20.00	£100.00
£969.00	£438.00	£30.00	£100.00
£1,013.00	£438.00	£40.00	£100.00
£1,057.00	£438.00	£50.00	£100.00
£1,380.00	£584.00	£60.00	£100.00
£1,424.00	£584.00	£70.00	£100.00
£1,468.00	£584.00	£80.00	£100.00
£1,512.00	£584.00	£90.00	£100.00
£1,556.00	£584.00	£100.00	£100.00
£1,879.00	£730.00	£110.00	£100.00
£1,923.00	£730.00	£120.00	£100.00
£1,967.00	£730.00	£130.00	£100.00
£17,073.00	£6,862.00	£900.00	£1,200.00

Total Revenue (£)	Website Variable Cost (£)	Support Variable Cost (£)	Marketing (£)
£1,297.00	£576.00	£30.00	£120.00
£1,391.00	£576.00	£50.00	£120.00
£1,485.00	£576.00	£70.00	£120.00
£1,868.00	£720.00	£90.00	£120.00
£1,962.00	£720.00	£110.00	£120.00
£2,056.00	£720.00	£130.00	£120.00
£2,439.00	£864.00	£150.00	£120.00
£2,533.00	£864.00	£170.00	£120.00
£2,627.00	£864.00	£190.00	£120.00
£3,010.00	£1,008.00	£210.00	£120.00
£3,104.00	£1,008.00	£230.00	£120.00
£3,487.00	£1,152.00	£250.00	£120.00
£27,259.00	£9,648.00	£1,680.00	£1,440.00

Total Revenue (£)	Website Variable Cost (£)	Support Variable Cost (£)	Marketing (£)
£1,740.00	£710.00	£50.00	£150.00
£1,838.00	£710.00	£70.00	£150.00
£2,235.00	£852.00	£90.00	£150.00
£2,333.00	£852.00	£110.00	£150.00
£2,730.00	£994.00	£130.00	£150.00
£2,828.00	£994.00	£150.00	£150.00
£3,225.00	£1,136.00	£170.00	£150.00
£3,622.00	£1,278.00	£190.00	£150.00
£3,720.00	£1,278.00	£210.00	£150.00

£4,117.00	£1,420.00	£230.00	£150.00
£4,514.00	£1,562.00	£250.00	£150.00
£4,911.00	£1,704.00	£270.00	£150.00

£37,813.00	£13,490.00	£1,920.00	£1,800.00
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Business can survive if only one website is sold per month, while the Conservative and Base cases are based on one forecast because it shows both risk and upside. The Base Case should be used as the best estimate to pay.

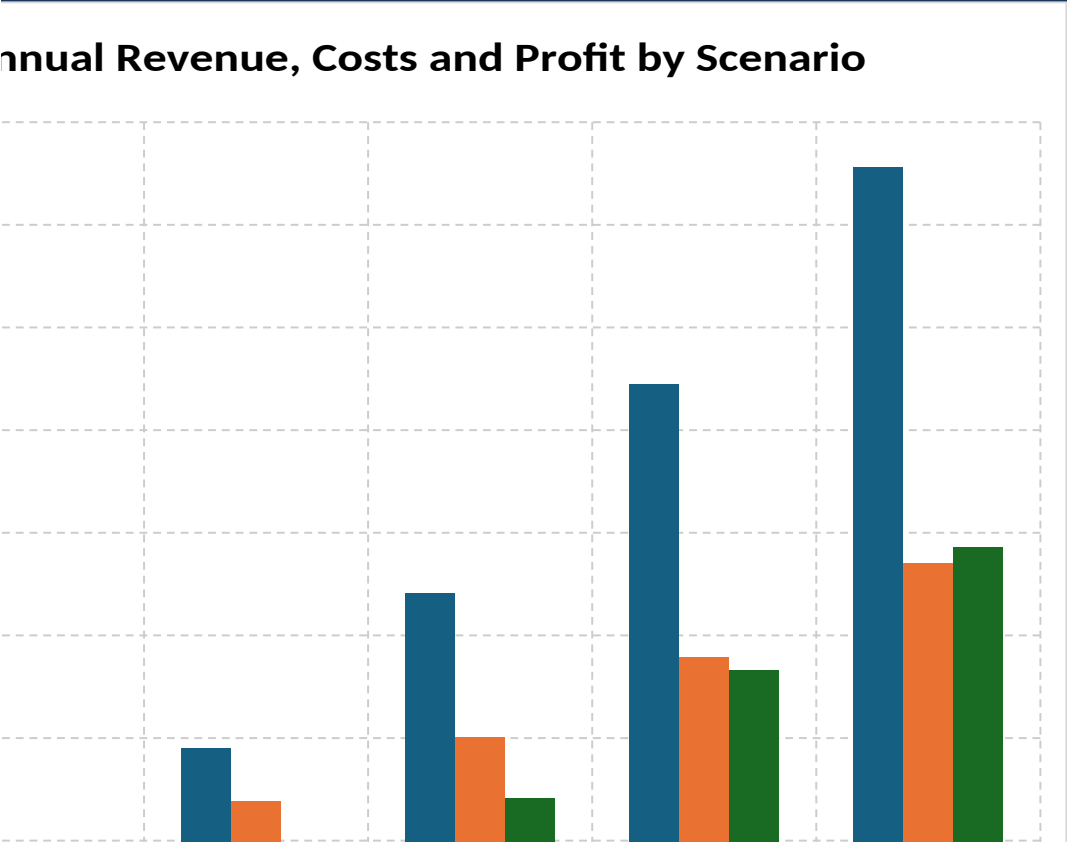
Research notes used for planning

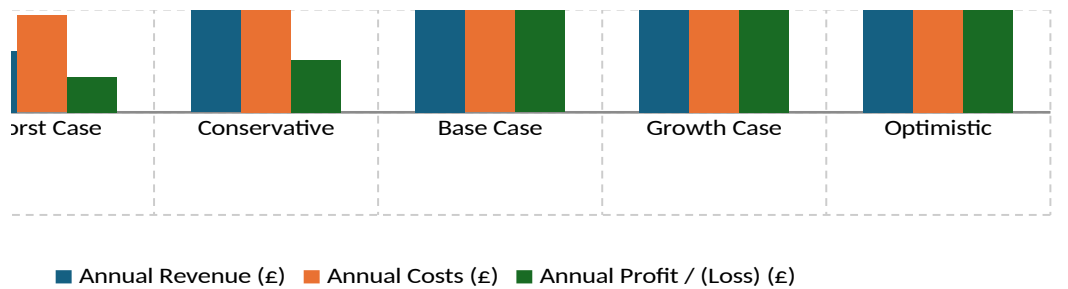
9% of the 17 survey respondents selected a budget under £300. Therefore the model from £249 to £299.

icing: 58.8% selected under £50. Therefore the model tests support prices from £39 to

development was selected as the most useful service by 58.8% of respondents. This is odel is website-first, with support revenue added separately.

h and cost assumptions are planning estimates and must be replaced with actual figures ner paid pilot.





Other Fixed Costs (£)	Total Costs (£)	Profit / (Loss) (£)	Cumulative Profit (£)
£80.00	£485.00	(£236.00)	(£236.00)
£80.00	£385.00	(£136.00)	(£372.00)
£80.00	£385.00	(£136.00)	(£508.00)
£80.00	£385.00	(£136.00)	(£644.00)
£80.00	£385.00	(£136.00)	(£780.00)
£80.00	£385.00	(£136.00)	(£916.00)
£80.00	£385.00	(£136.00)	(£1,052.00)
£80.00	£385.00	(£136.00)	(£1,188.00)
£80.00	£385.00	(£136.00)	(£1,324.00)
£80.00	£385.00	(£136.00)	(£1,460.00)
£80.00	£385.00	(£136.00)	(£1,596.00)
£80.00	£385.00	(£136.00)	(£1,732.00)
£960.00	£4,720.00	(£1,732.00)	(£1,732.00)

Other Fixed Costs (£)	Total Costs (£)	Profit / (Loss) (£)	Cumulative Profit (£)
£80.00	£615.00	(£55.00)	(£55.00)
£80.00	£525.00	£77.00	£22.00
£80.00	£535.00	£109.00	£131.00
£80.00	£545.00	£141.00	£272.00
£80.00	£555.00	£173.00	£445.00
£80.00	£565.00	£205.00	£650.00
£80.00	£575.00	£237.00	£887.00
£80.00	£585.00	£269.00	£1,156.00
£80.00	£595.00	£301.00	£1,457.00
£80.00	£605.00	£333.00	£1,790.00
£80.00	£615.00	£365.00	£2,155.00

£80.00	£625.00	£397.00	£2,552.00
£960.00	£6,940.00	£2,552.00	£2,552.00

Other Fixed Costs (£)	Total Costs (£)	Profit / (Loss) (£)	Cumulative Profit (£)
£80.00	£738.00	£187.00	£187.00
£80.00	£648.00	£321.00	£508.00
£80.00	£658.00	£355.00	£863.00
£80.00	£668.00	£389.00	£1,252.00
£80.00	£824.00	£556.00	£1,808.00
£80.00	£834.00	£590.00	£2,398.00
£80.00	£844.00	£624.00	£3,022.00
£80.00	£854.00	£658.00	£3,680.00
£80.00	£864.00	£692.00	£4,372.00
£80.00	£1,020.00	£859.00	£5,231.00
£80.00	£1,030.00	£893.00	£6,124.00
£80.00	£1,040.00	£927.00	£7,051.00
£960.00	£10,022.00	£7,051.00	£7,051.00

Other Fixed Costs (£)	Total Costs (£)	Profit / (Loss) (£)	Cumulative Profit (£)
£90.00	£916.00	£381.00	£381.00
£90.00	£836.00	£555.00	£936.00
£90.00	£856.00	£629.00	£1,565.00
£90.00	£1,020.00	£848.00	£2,413.00
£90.00	£1,040.00	£922.00	£3,335.00
£90.00	£1,060.00	£996.00	£4,331.00
£90.00	£1,224.00	£1,215.00	£5,546.00
£90.00	£1,244.00	£1,289.00	£6,835.00
£90.00	£1,264.00	£1,363.00	£8,198.00
£90.00	£1,428.00	£1,582.00	£9,780.00
£90.00	£1,448.00	£1,656.00	£11,436.00
£90.00	£1,612.00	£1,875.00	£13,311.00
£1,080.00	£13,948.00	£13,311.00	£13,311.00

Other Fixed Costs (£)	Total Costs (£)	Profit / (Loss) (£)	Cumulative Profit (£)
£100.00	£1,110.00	£630.00	£630.00
£100.00	£1,030.00	£808.00	£1,438.00
£100.00	£1,192.00	£1,043.00	£2,481.00
£100.00	£1,212.00	£1,121.00	£3,602.00
£100.00	£1,374.00	£1,356.00	£4,958.00
£100.00	£1,394.00	£1,434.00	£6,392.00
£100.00	£1,556.00	£1,669.00	£8,061.00
£100.00	£1,718.00	£1,904.00	£9,965.00
£100.00	£1,738.00	£1,982.00	£11,947.00

£100.00	£1,900.00	£2,217.00	£14,164.00
£100.00	£2,062.00	£2,452.00	£16,616.00
£100.00	£2,224.00	£2,687.00	£19,303.00

£1,200.00	£18,510.00	£19,303.00	£19,303.00
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es represent a more cautious launch. The Growth and Optimistic cases show the effect of the main planning case, but the real decision to expand should only be made after a 3-5

Base Case Monthly Trend

