

SMART HOME

Fei Zhao*, **Napaporn Khantanapha**** & **Supot Rattanapun*****

Graduate School, Southeast Asia University, Bangkok, Thailand

*E-mail: *s6341B20027@live@sau.ac.th, **napapornk@sau.ac.th,*

****drsupotr@gmail.com*

ABSTRACT

Smart homes have the advantages of intelligence and personalization. Firstly, according to the definition of smart home, this paper makes a comprehensive analysis of the smart home industry; Then it analyzes the key technologies, key resources, core team, advantageous products and organization management involved in smart home in detail, and formulates a business plan for smart home companies and development. The company has high growth and its profits are used for capital accumulation. Starting from the profits, 10% of the statutory surplus reserve and 5% of the discretionary surplus reserve are withdrawn every year.

Keywords: Business plan, smart home, Key resources, intelligence and personalization platform

COMPANY PROFILE

- Company name: Chengdu rongharmonic Smart Home Technology Co., Ltd.
- Date of establishment: August 8, 2016.
- Registered capital: 8 million yuan.
- Registered address: 12 / F, everything building, Times Square, hi tech West Zone, Chengdu.

Company purpose and philosophy: in line with the business purpose of "quality first and service first", adhere to the concept of "integrity, pragmatism, efficiency and innovation".

The company's products cover three scenes: smart exhibition hall area, smart home and smart office area, with a total of 20 categories. The service is mainly divided into three scenarios: smart exhibition hall area, smart home and smart office area to provide customers with personalized solutions to meet the needs of different customers

INDUSTRY ANALYSIS

Under the influence of multiple factors such as 5g, Internet of things and the rapid development of Internet home decoration market, China's smart home market shows a vigorous development trend. Data show that from 2016 to 2020, the scale of China's smart home market continued to expand. In 2020, the scale of China's smart home market increased by 11.4% year-on-year to 170.5 billion yuan. With the improvement of the penetration rate of the Internet home decoration market, the scale of China's smart home market is expected to further expand, which is expected to exceed 200 billion yuan by 2022.

MARKET ANALYSIS AND MARKETING PLAN

From a global perspective, according to statista data, the scale of the world smart home market will be about 45.4 billion US dollars in 2020 and is expected to rapidly increase to 78.2 billion US dollars by 2022.

From the domestic market, according to the statistics of the prospective industry research institute, the scale of China's smart home market in 2017 was about US \$6.532 billion, with an average annual compound growth rate of 48.87% from 2018 to 2020, showing an extremely rapid development trend. The growth rate will continue to increase in the next three years, which is expected to be 52.23%.

The main competitors include Midea smart home, Haier smart home, Gree smart home, Huawei smart home, baidu smart home, Alibaba smart home, Xiaomi smart home, JD smart home and other giant enterprises.

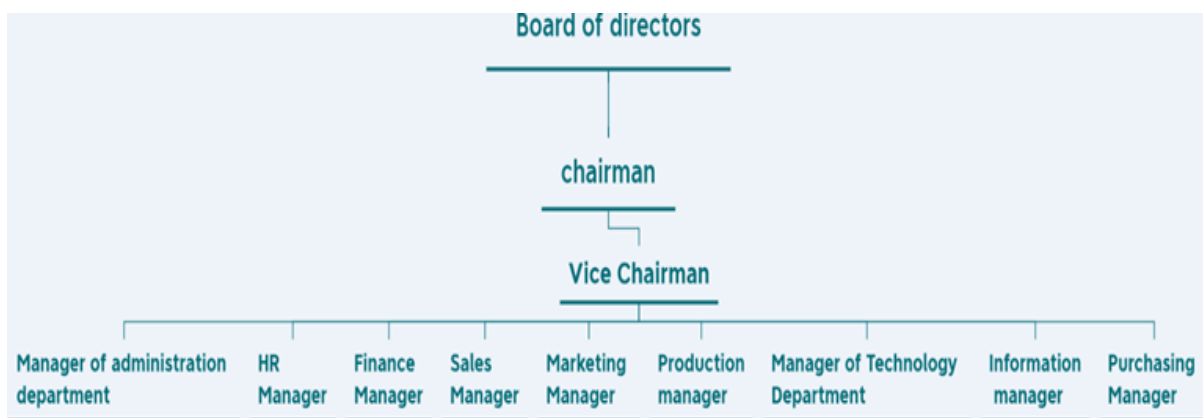
The strategies to be adopted in terms of price, promotion and establishment of sales network, as well as their operability and effectiveness, and the incentive mechanism for salespeople

The company's marketing strategy should first start from a small point according to its own characteristics, establish a channel sales mode and obtain a stable source of customers.

Three main marketing channels

- Channel 1: Decoration cooperation.
- Channel 2: cooperate with system integrators.
- Channel 3: Build Flagship Store

MANAGEMENT TEAM AND COMPANY STRUCTURE



- Incentive mechanism to be adopted by the company for management team and key personnel
- The company will consider the issue of employee stock ownership
- The company will sign a labor contract with each employee
- The company will sign confidentiality contracts for the company's technical secrets and trade secrets with relevant employees
- The company will buy insurance for each employee
- The company has no related party operation and family management problems
- There is no actual or potential conflict of interest between the company and the board of directors, directors, key managers and key employees
- The company has sound protection measures for intellectual property rights, technical secrets, and company secrets

OPERATION AND PRODUCTION PLAN

Marketing is divided into three stages: market entry and development stage, market growth stage and market maturity stage. Adopt different sales channels, sales methods, and promotion strategies at distinct stages to obtain the expected sales.

- Market entry and development stage (1-2 years)
- Market growth stage (3-5 years)
- Market maturity stage (5-10 years)

FINANCIAL ANALYSIS AND FEASIBILITY ANALYSIS

Financial forecast

1.The company meets the recognition conditions of general taxpayers, and the value-added tax rate is 17%;

2.The company pays income tax at the tax rate of 25%, and the income tax is paid annually. The income tax for this year is paid at the beginning of next year;

3.Business tax and surcharges, including urban maintenance and construction tax and education surcharges, with a total tax rate of 8%;

4.The depreciation life of fixed assets (office equipment) is 5 years, and the depreciation is calculated according to the straight-line method without residual value; The amortization period of intangible assets (patents) is 10 years without residual value, and the amortization amount is calculated according to the straight-line method; It is assumed that there is no provision for impairment of fixed assets and intangible assets;

5.The company has high growth and its profits are mainly used for capital accumulation. Starting from the profits, 10% of the statutory surplus reserve and 5% of the discretionary surplus reserve are withdrawn every year. Team investors and venture investors will pay dividends at 10% - 30% of the distributable profits from the fourth year, and the Commission will be calculated and paid in the current year;

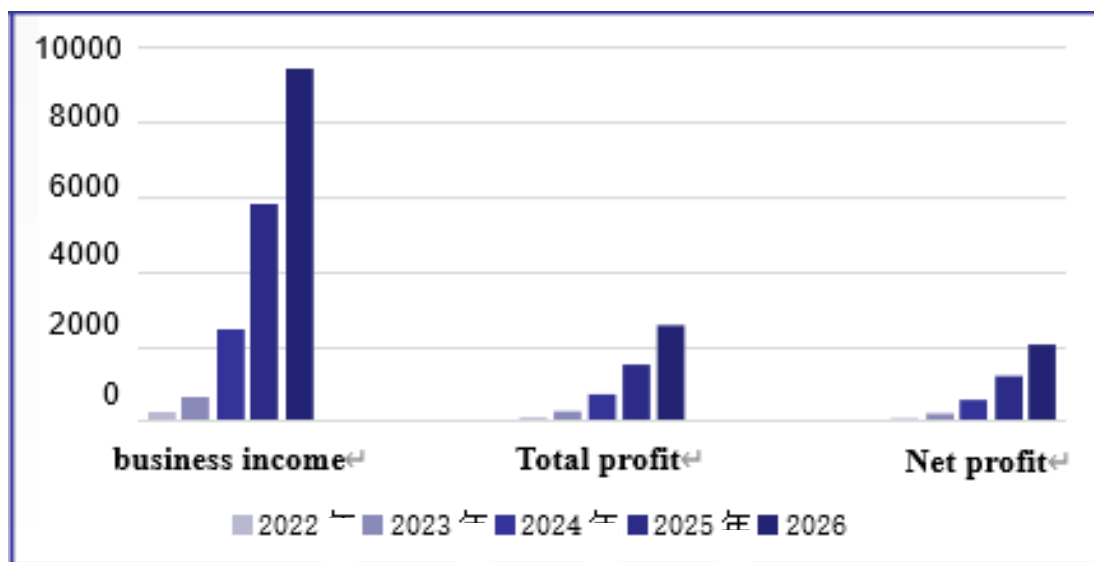
6.Assuming that the company has no accounts payable in the current year, the income of the current year can be fully recovered in the current year, that is, there is no accounts receivable, the employee salary is paid in the current month, the tax is accrued in the current year and paid in the next year.

Estimated cost (unit: 10000 yuan)

particular year	2022	2023	2024	2025	2026
Cost of sales	145.00	680.00	1880.00	5870.00	12680.00
Employee salary	4.21	19.85	158.50	446.5	964.43
Advertising expenses	1.50	2.85	15.25	47.58	102.78
Rental fee	7.85	21.5	45.00	124.96	269.93
R & D expenses	12.50	48.50	245.50	309.56	357.06
Office expenses	1.05	4.58	25.00	49.36	146.22

particular year	2022	2023	2024	2025	2026
Interest expense	1.00	21.00	21.00	21.00	21.00
total	173.11	798.28	2390.25	6868.96	14541.42

Main financial indicators



Estimated income statement (unit: 10000 yuan)

particular year	2022	2023	2024	2025	2026
operating profit	100.01	268	730.1	1549.5	2596.4
Total profit	100.01	268	730.1	1549.5	2596.4
Net profit	80.01	214.4	584.08	1239.6	2077.12
Plus: undistributed profit at the beginning of the year	0.00	50.96	132.92	543.64	956.58
Profit available for distribution	80.01	265.36	717	1783.24	3033.7
Profits available for distribution to shareholders	71.21	236.17	638.13	1587.08	2699.99
Less: dividends paid	0.00	30.25	73.42	189.63	328.5
Undistributed profit	71.21	205.92	564.71	1397.45	2371.49
Total	502.46	1539.06	4170.46	9839.64	16660.18

CONCLUSION AND FUTURE WORK

The smart home industry has an extremely broad market and potential. The company will develop rapidly in the next five years, occupy the core market, and gradually expand its scale. The company has incredibly good basic conditions in terms of company structure, management, finance, market, sales, and resources. Therefore, the company is a high-tech company with strength and potential, which is in line with the enterprise supported by the state, Enterprises that also conform to the local macro-economic development plan.

In the future, we will enter the international market, continuously expand the overseas market, make more personalized products, continuously increase R & D investment and continuously introduce talents.

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