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Executive Summary

Over the past ten years the market for drone services has grown exponentially. Alongside this growth has been a reduction in the number of barriers associated with owning and flying a drone for commercial purposes. However, despite the ease of owning and operating a drone, it has not become any easier to earn money by flying a drone. This is due to the costs associated with building a website and starting a company. It is also time consuming and difficult to connect with clients. The market for drone services is highly fragmented and for prospective clients this usually involves searching for local drone companies online and spending hundreds of dollars on a service while the pilots themselves only get paid \$20-30 an hour on average. Flo-Fly solves this problem by offering a website to connect pilots with clients in an easy and secure way.

Flo-Fly gives drone pilots control over their service prices and a dedicated place to showcase their portfolio. Payment processing, availability, communication, and transfer of files are all handled through the website for simplicity. Flo-Fly provides all the resources needed to operate a freelance drone business. Flo-Fly will create a reputable and secure way for clients to discover local pilots at a lower price than what larger drone companies can compete with. For these reasons, Flo-Fly targets more price-sensitive clients, such as homeowners and small businesses. The pilots initially using Flo-Fly will be relatively new and most likely unwilling to invest the required capital into building a business. These pilots will be categorized as independent contractors and assume all liability for their flights. This is the competitive advantage of Flo-Fly. Unlike existing drone companies or other drone networks, Flo-Fly allows pilots to set their own prices, have clients book drone pilots at an hourly rate, and utilize a



commission-based approach to keep prices low and streamline the process for both the client and the pilots.

To grow the business, Flo-Fly will use web-based marketing to acquire customers and pilots for the platform. Flo-Fly will also use strategic partnerships with existing companies and direct mail advertising to build a customer base on the website. These marketing costs combined with the price to build a website will be the primary costs in growing the business. Due to the nature of the website, there are very little variable costs associated with more traffic to the website as each booking has no additional cost. As such, in the first year, there is an expected commission income of \$4,570. This is solely achieved through the 18% fee on each transaction that takes place on the website. This will take place on the existing website at Flo-Fly.com, which has been developed by the founders to meet the minimum requirements of the platform. After the first year, there will be a transition from the minimum viable product to the final purpose-built website. Breakeven will occur in year one as the new website will be completed and development costs shrink substantially.

Currently the team consists of David Jackson, a business student and a drone pilot by trade serving as the CEO, and CFO Christopher Silano, an accountant with an interest in the gig economy. Each co-founder will contribute \$15,000 for a total of \$30,000 in initial capital. In the first year, this \$30,000 gives Flo-Fly the required capital to begin development of the final product and launch an extensive advertising campaign. Following this, Flo-Fly will seek an additional \$250,000 in year one to grow the platform over the next several years. This will be achieved with friends and family funding as well as through a small number of angel investors.

The Industry

Flo-Fly will operate in the drone services industry with a NAICS code of 561311. Flo-Fly's drone services are outsourced to a drone service provider rather than completed through internal services. 91% of drone service providers operate in the categories of inspections, mapping, photography/filming, and surveying. These services can be completed using traditional means such as by plane or from the ground, but with the use of a drone, they can be performed much more quickly, at a lower cost, and of more quality due to drones being flexible and unobtrusive. Because of this, they can be deployed with minimal setup and require few regulatory permissions. This is attractive to businesses as drone flights can be completed without any substantial costs, and on the pilot's side, the only major cost is that of the equipment, which is non-recurring. Because of these reasons, it is easy to see how drones can be utilized and the major factors that would motivate a business to use drone services. In the past, however, it was more difficult and expensive to obtain useful information with a drone. Even basic drones would have cost thousands and require a team to assemble and fly. They would have also required an arduous approval process with the FAA (Federal Aviation Administration) for commercial application. Additionally, until recently, the quality of photos and videos from drones have been relatively low and could not compete with that of a helicopter or plane with a proper camera and sensors. The rise of the consumer drone market changed this and now anyone with \$1,000 can buy a drone and with minimal training can obtain professional quality photos and videos. The FAA has also made it substantially easier to fly for commercial purposes. As of 2021, the global drone services market is estimated to be \$13.9 billion and is expected to grow to \$40.7 billion by 2026 at a compound annual growth rate of

23.8% (Statista). The United States serves as a hub for the growth of drone services as it is currently the largest market. This is primarily driven by the decreasing cost of drones and the ease at which they can be operated in conjunction with favorable FAA regulations. These factors have led to a surge in the number of registered drones over the past five years, a number that sits at 866,000 in the United States (FAA data). In the five years from 2016 to 2021, drone registrations have increased by a factor of nine. Thus far, there has been no signs of slowing and this growth is expected to continue to grow quickly.

The Company, Concept, and Service Offering

The Company

Flo-Fly is set up as a limited liability company in the state of Florida as “David and Chris Enterprises LLC”. The company was started in 2021 and is located in Gainesville. Flo-Fly’s origin begins with a young man’s interest in aerial photography and the devastation caused by Hurricane Irma in 2017. As a teenager living in Naples, Florida, David Jackson used his drone to help his friends and neighbors take photos of their roofs and aid with the local government’s effort in assessing the biospheric impact. Following Hurricane Irma, David continued to offer his aerial photography talent in taking photos of properties, helping with school projects, and as a hobby. Fast forward to today, and David has partnered with his longtime friend, Christopher Silano, to create a way for drone pilots to connect with those who require their drone services. Given the increasing acceptance and market of the gig economy, as well as access to drone technology, Flo-Fly seeks to serve the broader market need for low-cost and high-quality photography.

The Concept

For pilots, it is easy to create an account and sign up as a pilot on the website. After a short approval process where their information is checked against public FAA records and they link their bank account to Flo-Fly, they are able to create a profile. They can set their own hourly price and availability at different times and days of the week. They can also upload photos of their prior work to their profile for clients to view as well as any relevant information about themselves. This profile serves as a personal reflection of the pilot and is what clients are greeted with when they search the website or their local area for pilots. It functions much like how a profile on any other social media company works as every profile is unique and tailored to their liking. This process takes a matter of minutes as opposed to the weeks it would take to start a company, set up a website, and develop a payment processing system. Flo-Fly aims to be the easiest way to start earning money flying a drone. For people who do not yet have a drone or license, Flo-Fly has a comprehensive guide on the website that teaches prospective pilots how to get certified.

As of now, the most popular way of booking drone pilots is by searching online for drone companies nearby and to navigate their websites to find pricing. That process can be very tiresome and long, so Flo-Fly steps in to help alleviate the time necessary to book drone pilots. For people searching for drone pilots, they can simply enter a city or zip code and see nearby pilots and the cost of each one on an hourly basis. The nearest pilots will show up first, but sponsored pilots will also be near the top. These sponsored results are paid by pilots to get their profiles higher in the rankings. Clients also have the opportunity to directly start a chat with pilots and ask questions to them prior to booking. All the booking is done automatically, clients

just have to pick a date and time and may enter any additional notes they might have. Now, it is up to the pilot to accept the requested time slot within 24 hours of receiving the client's booking request. For Flo-Fly, the only fee is the commission that is paid at booking and as such will account for a vast majority of Flo-Fly's income. For clients, they pay exactly what is listed on the website, and for pilots they earn 82% of the listed hourly rate.

Entry and Growth

The websites' design and ease of use is the main selling point of the website, as anyone can use it in a way that is straightforward. This does, however, make it easy to copy. Flo-Fly was created in-house using a website builder and cost nothing to design. It would not be difficult to replicate the website itself. What can not be replicated is the community on the website. This is where Flo-Fly aims to differentiate itself. By getting a head start on the recruitment of pilots, it will establish itself in the industry as the go-to resource for freelance drone pilots. Right now, there are other drone pilot networks that are primarily listing services for drone companies and have few individual pilots. Flo-Fly targets new and part-time pilots for the platform who are willing to accept the risk of not being a part of a larger company. Once a community of pilots and clients is built, it is unlikely that another platform can grow without offering either a lower commission or other value added services. Potential features to be added in the future include the option to do video and photo editing as well as the addition of service categories for segments beyond photo and video such as 3D mapping. Flo-Fly would start in Gainesville and would be limited to the state of Florida. Gainesville serves as a good jumping off point as it is centrally located in Florida and is not dominated by any particular drone service provider. Florida itself is a large market for drones as it has a population of 22 million and a large real

estate market. Within five years, Flo-Fly aims to have market dominance in Florida. Ideally, a majority of the 5,750 registered drone pilots in the state (pictured in figure A) would have an account on the website. The website will eventually be open to pilots across the Southeastern United States and eventually the entire United States once a certain market share has been obtained.

Market Analysis

A majority of clients using Flo-Fly will be homeowners and small businesses. For homeowners, Flo-Fly serves as a cheaper and more simple solution to using a large drone company. For small businesses, Flo-Fly keeps expenses low and serves as a substitute to expensive internal services. They may use Flo-Fly for any number of applications but most flights will fall into a few key categories: inspection/maintenance, mapping, photography/filming, and surveying. This accounts for 91% of the drone service provider industry (pictured in figure B). Flo-Fly will primarily target the photography and filming segment as this is the field most dominated by beginner drone pilots. Inspection and maintenance, mapping, and surveying needs are primarily fulfilled by established drone companies with more advanced equipment and modeling software. Narrowing it down further, the primary use cases Flo-Fly is intended for include: for sale by owner homes, roof and insurance inspections, and events. Assumptions include an average of \$134 per job and one and a half hours for each job. This also incorporates a 14.88% commission based on the average rate that Flo-Fly takes and service provider fees. These numbers were found by analyzing the competition's average rate. Finally, it assumes that there are available drone pilots within a distance that is commutable.

For Sale By Owner

A large segment of this market is the for sale by owner market. Owners selling their home without the help of a real estate agent do not have an established relationship with a drone service provider and are using the service as a one time resource. In fact, homes with aerial photography sell an average of 68% faster than those without (HomeTrack). In 2020, 7% of home sales were for sale by owner accounting for over 450,000 sales each year across the United States. In Florida that number is roughly 21,700 homes each year. Additionally, the number of homes sold each year over the past decade has increased an average of 4% each year. Flo-Fly will send out mail with information on the website to every listed home that is for sale by owner. As word spreads and extensive marketing efforts are conducted, it is expected that 1.5% of the market is achievable.

Roof and Insurance Inspections

Homeowners and small businesses may also use Flo-Fly to inspect roofs or for insurance related reasons. Roof inspections conventionally costs anywhere from \$150 to \$400 to have a contractor use a drone to capture close-up footage. This is especially important in Florida where the coastal climate and harsh weather conditions cause roofs to degrade more quickly. Tile roofs are common in the state and foot traffic can easily break these tiles giving drones an advantage for this type of work. While pilots can not professionally assess a roof's condition they offer homeowners and businesses a way to assess the condition without spending a significant amount of money. It also allows homeowners the ability to submit photos of their roof for the purposes of insurance claims. Following extreme weather events such as hurricanes, it is expected the number of clients requesting this service will increase significantly. It is difficult to

estimate the number of inspections that occur each year but Flo-Fly estimates this will account for 10% of total business each year.

Events

Events such as weddings, sporting events, reunions, anniversaries, and birthdays could all benefit from the use of a drone but do not warrant a premium price tag. Flo-Fly expects to do well in this segment, particularly with weddings. The average dollar spent on wedding photography ranges from \$2,000 to \$2,500. Drone photography at weddings is a relatively new field and few photographers currently offer this service. With pilots on Flo-Fly charging less than \$100 in some cases, this serves as an attractive solution. Florida is an ideal location for weddings due to its climate and picturesque landscapes, owing to its 134,313 weddings in 2021.

Other Services

A large proportion of flights will be completed for purposes other than those listed, since any client can request any type of service from the pilot. Other services include business promotion where owners may use drone pilots to film videos surrounding their business for commercial use, website use, or any other usage the small business owner wants. Inspections for small businesses; this can include inspections of large equipment, infrastructure, or tall structures. Another specialized area is construction progress, where photos and videos are taken at regular intervals on a daily or weekly basis. Natural disaster aftermath, where local businesses or governments may employ drone pilots to assess damage deemed too dangerous or too hazardous for on-foot photography, is another drone opportunity. Even surveying or mapping land to image large areas to help get an idea for what is happening on a property at any given time is made more efficient with drones. These are just a few examples, and the list

goes on as far as the client can find use for the aerial photography and videography. It is estimated that all other services will account for around 50% of flights conducted on Flo-Fly.

Buyer behavior

People who search for drone companies will in most cases use a search engine to find companies near them. Typical results consist of a small number of locally operated drone companies. From there, the only way to compare services is to open and navigate to each individual website and find either the packages they offer or a form where they can request a quote. The person who makes the decision to buy ranges greatly depending on the application, but in Flo-Fly's case, it is expected that most buyers are homeowners and small businesses. The buyer is the one who benefits from the purchase. Criteria that buyers most often look for include experience, insurance coverage, price, and professionalism. The size of the population in a particular area is representative of the demand, as seen in maps of where pilots are located. As of now, there are drone companies operating in every part of Florida. Switching costs from these companies to Flo-Fly are relatively low since each job is independent of the last. However, most clients with existing relationships will be unlikely to search for alternatives. This is why new and one-time clients will make up a majority of sales. This will allow for quick adoption of the platform among people who have never used drone services before and those who are more price sensitive. This is the segment that is being largely ignored by the market since prices are much higher with current market offerings that do not target this segment.

Competition

There are two main competitors to Flo-Fly, established drone companies and other drone pilot networks. Indirectly, Flo-Fly competes with other drone companies who offer

professional services by experienced pilots. These often have multiple employees and pilots are paid on a per hour basis. This is the dominant option in the market currently and comprises nearly the entire service provider market. Flo-Fly currently competes with them on a price basis since these companies have services that start at \$100 for basic packages that include only photos and average around \$150-\$200 for an hour of what Flo-Fly plans on offering. Other websites require customers to request a quote for specific jobs, taking time for both sides of the transaction. Direct competitors include other pilot directories or networks. These are much newer and much more like Flo-Fly's business model. The largest and most similar to Flo-Fly is that of PrecisionHawk. They are home to the largest collection of drone operators at over 15,000 across the United States. This number includes both businesses and individual pilots. Unlike Flo-Fly, they welcome both businesses and individuals on the website. This leads to many local drone companies creating profiles alongside their own websites. Flo-Fly aims to have a more personal relationship between pilots and clients by using the names of the pilots. They operate on the domain Droners.io and, while functioning similarly in most ways, they differ in how they match pilots with clients. Unlike on Flo-Fly where clients select and schedule any pilot they like, Droners.io has clients list a job and pilots have to bid on that job in a reverse auction. This benefits the clients as it helps them receive the lowest possible cost but also waste time and adds complexity. Clients also have the ability to request quotes from specific pilots and a pilot's average price is listed. Droners is still a small platform with less than 400 operators registered in Florida. Flo-Fly seeks to exploit this by entering the market in Florida and capturing current and prospective clients within the state. While they have a lead in the market, they are also highly spread out across the United States and do not have a substantial user base in any

particular region or state. Taking Orlando as an example, within 20 miles of the city center there are 41 operators only 13 of which are listed under the pilot's name while the rest use a company name. There are 43 jobs completed across those 41 different operators. 28 of those operators have not completed a single job and of those 28, 11 were listed under the pilot's name. The average completed job based on the average hourly rate is \$134 an hour. The individuals who list themselves under their own name see very little business on the platform as the established drone companies with employees account for most of the business on the website. In fact, of the 41 operators, only 2 were both listed under the pilot's name and have had success finding jobs on the platform. Flo-Fly would be a place for individual pilots to stand out and would not be competing against these companies on the same website. Other companies such as Drone Base, Dronegenuity, and Skye link also let anyone apply but they target professional services and work off of either a quote or package based system. Figure C compares these companies to Flo-Fly.

The Economics of the Business

Revenue Source

The main revenue driver of Flo-Fly is in commissions. Over the next few years, additional revenue streams will be added such as sponsored listings, editing services, and brand partnerships, but these will not be considered in the financial calculations as they are; difficult to estimate, will likely account for a very small part of revenue, and will not launch for at least a year. The commission that Flo-Fly will receive is 18%. This is higher than competitors “Droners” (10%) and “Drone Base” (15%) but less than that of other freelance oriented websites like “Fiverr” (20%). This value is justified by the audience, who are beginner and part time drone pilots. Beginners and part time pilots do not have the time or money to build a business and do not stand out on websites like Droners.com which are dominated by companies. Flo-Fly estimates a minimum hourly rate of \$71.94 for the average job. This is based on the average pay of a beginner drone pilot of \$20.70 an hour plus a mark-up of \$29.92 to cover average commute time, gas, depreciation and maintenance expense a pilot would accrue. The average rate is estimated at \$134 based off of a sample of jobs completed through Droners. The sample is representative of what customers are willing to pay in Florida for drone services on a platform of drone operators. Payment processor Stripe takes 2.9% plus 30 cents off of each credit card transaction leaving a minimum of 14.68% and average of 14.88% of the customer's payment as revenue. This assures a minimum of \$10.56 and average of \$19.94 in revenue for each drone flight conducted on the platform.

Fixed and Variable Costs

Fixed costs primarily represent the cost of customer acquisition. Advertising expenses will be the driving factor behind this and will involve multiple methods to bring customers to the website. Another more minor cost is that required to operate the website. As of now, this costs \$14 a month for website hosting through Wix. Once development of the new website commences, this fixed cost will rise greatly. After the website is complete, fixed costs will be reduced but will still be of consideration as ongoing website maintenance and hosting will contribute to fixed costs. Other fixed costs include miscellaneous legal fees and losses due to failure for pilots to show. Variable costs associated with website traffic are very minor, as each additional user costs nothing to have on the website. Each additional flight also costs close to nothing to conduct. The high fixed costs of advertising and web development means there is a high operating leverage. Initially, there will be high costs for customer acquisition and web development. Over time, advertising will become a smaller proportion of business expenses, since the user base will expand and the website is able to grow more organically due to word of mouth and higher search rankings. After the website is fully built out, fixed costs will shrink substantially. These factors, combined with the low variable costs, indicate high risk in the first year and low risk in the following ones. One time costs of the business have already been absorbed and were minor. This involved the cost of building the website and starting the LLC. This cost less than \$300 to do in total. With the website being functional, the only major costs are advertising and web development. These are known costs and are directly tied to growing the business. The low variable cost is highly attractive and allows the platform to scale quickly without much additional investment.

Breakeven

Breakeven is expected in the first year as Flo-Fly will utilize the minimum viable product. It will be relatively easy to reach breakeven since it is largely constrained by advertising expenditures. After web development is complete, there is little cost associated with the platform. In the case of low adoption on the website, development can be paused or delayed bringing breakeven sooner. This should be avoided as web design is always evolving and it would be unfortunate to launch an already outdated website. Flo-Fly would be a consistent profit stream and therefore sales are not expected to decrease unless an unforeseen circumstance prevents Flo-Fly from doing business. This is due to the nature of platform adoption. As clients sign up for the website and pilots create listings, it is unlikely for users to delete their account. With the growing drone services industry and markets in which Flo-Fly intends on operating in, there is a low likelihood of a major decrease in revenue. In the case that a competitor outperforms Flo-Fly, they would not be taking many pilots away from the website as there is no incentive to cease business on a site they are already on. Instead pilots would likely register on both websites. Existing clients would likely continue to use the platform they are familiar with, while new clients may decrease in number. Effectively, competitors could only take away new clients while the existing user base on Flo-Fly remains stable.

The Marketing Plan

Overall Marketing Strategy

Flo-Fly's marketing strategy is two-sided: for pilots, it is to make it as easy as possible for drone pilots to turn their hobby into additional income, and for clients, it is to offer the best selection of local drone pilots at a price that is unmatched elsewhere in the industry. The business will be positioned as the go to resource for the target audience and the defacto place to list drone services. This is differentiated from the competition which are impersonal and are composed mainly of companies that simply relist the prices on their own websites. Initial groups that Flo-Fly will target are homeowners selling without a real estate agent, homeowners needing roof inspections, and wedding photography. These industries are easy to advertise to directly and by limiting the scope of operations to Florida, it is realistic for a pilot to be in the vicinity of any potential location in the state. The selling proposition is that Flo-Fly is able to complete these services for a better price and more easily than alternative methods. This will be altered to fit different customer groups, but the focus will be on search engine results and direct mail advertising.

Pricing

Prices are set by the pilots on the platform and are estimated to range from \$72 to \$300 an hour with an average hourly rate of \$134. By taking a commission based approach, pilots can take home a majority of what the client is paying. This is in contrast to traditional drone companies where pilots are paid hourly and only ever see a small portion of what the client pays. Because of this, prices are able to be far below that of established drone companies. This is compounded by the type of pilots that will primarily use the platform - beginners. Beginners

get paid 22% less than experienced pilots in hourly positions and this is expected to be reflected in the listing prices on Flo-Fly.

The Selling Cycle

To sell to clients, Flo-Fly intends on creating awareness through various drone forums, clubs, and local communities. It is also the goal to have Flo-Fly be towards the top of the Google search results through a combination of search engine optimization and advertising. The best way of achieving awareness of Flo-Fly is to have potential customers visit the website. This will be done through QR codes in the mail, business cards, and as a URL online. To generate understanding, Flo-Fly will have various videos and infographics on the website explaining the benefits the service can have for the end user. They are prompted to ask questions on the website and have the ability to sign up for an email newsletter. To close the sale, Flo-Fly uses a list of nearby pilots to display to the client on the website and are prompted by eye-catching portfolio images from each pilot. This motivates a client to book services through the website and after doing so, have a profile and payment history saved. This makes it the obvious solution for clients looking for additional drone services in the future.

Advertising

The first step in the advertising plan involves having pilots sign up for the website. To grow a community of drone pilots, Flo-Fly will advertise directly to registered drone pilots in Florida. The FAA holds a database with every registered pilot, and the FAA publishes an updated version every month. In this document, the names and street addresses of every drone pilot in the country can be found. By comparing each month's list against the last, it is possible to discover all new drone pilots in the state and their addresses. By mailing cards to each of these

addresses, Flo-Fly is directly reaching its target audience and at the very least gets a person to think about Flo-Fly. The cost to send 4.25"x6" postcards to every registered pilot in the state would be \$3,677 with Postalytics. A prototype of this card can be found in the appendix (Figure I). The expected conversion rate is 4%. This is on the higher end due to the highly targeted nature of the campaign. This, combined with announcements of the platform on forums and in local communities around Florida, will help to grow a beginning user base of drone pilots. Based on this, there should be over 250 pilots from the start, over half the pilot base of Droners.io in Florida. From there, Flo-Fly plans on utilizing listing services such as Zillow to find the addresses of home listings that are for sale by owner. There are over 700 listings on Zillow that are for sale by owner homes with new ones entering the market on a daily basis. In the same way that postcards will be sent to registered pilots they will also be sent to these homeowners which will gain interest and brand recognition. This will cost an additional \$434 to send to all current listings. For these homeowners, Flo-Fly would use statistics to show that homes with aerial photography sell much faster than those without it and that it can be done the next day for as low as \$75. Accompanying this will be digital ads targeted to the same demographics to increase engagement and conversion rates. Based on these factors the conversion rate is expected to be 1.57% . This would result in 341 bookings on the website in the first year, earning an estimated \$6,800 in revenue. Although it is not enough to cover the cost of sending the postcards, it does more importantly, raise awareness and aid in building a client base that may use again or refer others to the website in the future. With houses constantly entering the market, this serves as a recurring source of new clients since over 1,800 homes are listed for sale by owner each month in the state of Florida. The other major area that Flo-Fly would advertise in is online. Flo-Fly

would use Bing and Google ads to rank at the top of search results for terms such as “drone companies near me,” “drone photographer,” “roof inspector,” and “how to earn money flying a drone.” Depending on what people search for, they would be directed to the relevant links on the website. Targeted advertising campaigns through Facebook and search engines are a major focus and will likely be the main source of new clients on the website. Markets Flo-Fly intends on targeting include the aforementioned roofing inspections and weddings industries, as well as disaster response campaigns. The combined total first year advertising expense for these campaigns is \$27,200 and will provide just over half that in direct conversions. Following the first year, the amount spent on online advertisements will scale in proportion to revenue. Depending on the effectiveness of these methods, the amount spent can be adjusted to meet the needs at any given time.

Customer Service

To create publicity, Flo-Fly will reach out to various news agencies in the state of Florida. Any company that has previously reported on drones will be contacted and told the story of Flo-Fly. As registered drone pilots, the founding members will complete flights and be as actively involved as possible in the drone community. Customer service will also be operated by the founding members at the start. Any user has the option to chat with support through the website which is integrated with an app on the founders’ phone for quick response times. As for the quality of service received from the pilots there will be a rating system to measure quality results. The pilots assume all liability for damages that occur during the flight and are responsible for insurance if they choose to operate with it. Pilots receive a strike on their account if they break the terms of service. After three strikes they are banned from flying for

Flo-Fly. Flo-Fly makes no guarantees as to the quality of results for clients and will only be refunded in the case where a pilot does not show or provide the agreed upon material.

Design and Development Plan

Current State

Design and development of the website is a major component of the company. A large part of what distinguishes Flo-Fly from the competition is its simplicity and ease of use. The website is located at the domain “Flo-Fly.com”. As of now the website is in its first working build and is able to handle both client and pilot sign ups. They may sign up with their Google account and are able to edit profile information such as profile pictures and biography. Upon sign up the website collects email addresses and gives users the option to sign up for the mailing list. For prospective pilots there is a guide on the website for how to get certified and an entry form to get verified if the pilot already has their license. After the account is verified, they are prompted to enter their banking information through Stripe, Flo-Fly’s payment handler. The profile will be listed publicly on the website based on location and from there clients can book the pilot. Clients’ credit cards are saved on the platform and are able to review the pilot for their service. At any point either the pilot or the client may contact the other through a chat system on the bottom right. On the bottom of every page the privacy policy and terms and conditions are accessible and comprehensive. Additionally, there are social links for all the platforms Flo-Fly has an account with and users may contact Flo-Fly directly through the website.

Product Improvement

While in its current state it is usable there is much that can be improved by developing the website from the ground up. Further development is constrained by the limitations in the

website building software used. Wix does not allow for comprehensive uploads of videos by users, search filters, custom maps, among other things. While there are workarounds for some features there would be more control without going through a website building service. Also, a lot of the work is done manually on Wix; setting up pilot profiles, availability schedules, and portfolio photos is done on the website manager's end based on a form the pilot submits. Having a purpose-built website would give pilots more freedom to customize their pages. Wix also comes at a cost. Currently, it costs \$14 a month to run the website and handle payments. However, as storage space on the website increases due to more users and photos/videos, this cost increases to \$49 for 50Gb of storage and to \$500 a month for enterprise solutions. All necessary functions can be completed on the current website but at some point as the platform grows this information will need to be transferred to a new website.

Development

To build the website Flo-Fly would hire three developers in the second year of operation to build the website. A frontend, backend, and full stack developer. By bringing development in house Flo-Fly is able to carefully curate every aspect of the website for optimal use. Each feature implementation will be overseen by the founders. Based on average annual salaries of each of these developers in Florida this would be roughly \$265,000 in start up costs. This allows a year for development time. Completion should occur prior to a year but there will likely be a number of features and/or setbacks that will push back this date. If there is a setback this will cost \$22,000 for each additional month plus the potential new customers that would have used the service if it had been completed. Even in the case of setbacks the most important thing is that the website is fully feature ready and stable at launch. Therefore it will need to undergo

intense testing throughout and following development. This includes user experience testing with pilots who are both familiar with and have never used the minimum viable product. Following launch the full stack developer will remain on board to maintain the website and add additional features over time. The cost of maintaining and improving the website will be ongoing and will total around \$45,000 each year. This includes hosting, domain, developer salary and search engine optimization.

Operations Plan

Operations Strategy

Flo-Fly allows clients to select whatever pilot they would like from the website provided they are within the distance a pilot is willing to travel and they have availability that matches theirs. At the start pilots are going to be the main focus. If there is not a pilot within 50 miles of a client it is highly unlikely that a booking will occur. Therefore, it is necessary to focus on acquiring pilots in every part of the state. This will be easy in urban centers where pilots do not have to travel far to get to a client but in rural areas it will be difficult to get coverage. For any parts of the state that are lacking pilots there will be additional marketing efforts directed at getting them to create an account and profile. Many pilots will be beginners and as such will not have had an opportunity to hone in on their skills. This is why prices are expected to be lower but also results in a lower quality overall. These pilots will in some cases have less smooth video, cheaper equipment, and worse shot compositions as compared to professionals. For many services however these aspects are not integral to the purpose such as in inspections. It is also worth noting that customers are able to see portfolio images and video as well as the drone they are using prior to booking. Customer experience is expected to be above average since the

service that the pilot provides is a personal reflection of their character and ratings will directly influence their ability to secure clients in the future. Based on these factors' quality will maintain a baseline level of quality that clients can come to expect from the platform.

Geographic Location

Florida is a prime location for drone services. Particularly for the key markets Flo-Fly targets. Firstly, the real estate market, and in turn, the for sale by owner market is the third largest in the country. Secondly, roofs take heavy damage from the sun, coastal environment, and extreme weather. Thirdly, events may be held outdoors all year due to the favorable climate. Florida is a great place to begin building the platform for Flo-Fly and Gainesville's centrally located position is ideal for operations. Flo-Fly will opt for a work from home model in the first year and thus will not need office space in the first year. This provides flexibility and allows a larger pool of developers to be chosen from.

Management Team

Flo-Fly is headed by founders' David Jackson and Christopher Silano. As much of the operations as possible will be completed in house while utilizing outside companies for highly specialized, one time services.

CEO

David Jackson is the CEO of Flo-Fly. He has been flying drones for more than five years. In 2021 he received his commercial drone license and is now turning his hobby into a profession. He has three years experience working in customer service. He will graduate from the University of Florida in 2023 with a B.A. in Business Administration and a B.A. in Educational Studies. His

duties include overseeing development of the platform, customer acquisition, and communication with users.

CFO

Christopher Silano is the CFO of Flo-Fly. He currently interns at *PriceWaterhouseCoopers* in their international taxation section and will start as a full-time tax associate for *PriceWaterhouseCoopers* this summer. He has a strong technology background, with a particularly high proficiency in Excel, Alteryx, and Tableau. He will graduate from the University of Central Florida in 2022 with a B.S.B.A in Accounting (CPA track) with a minor in Entrepreneurship. His duties include supporting the technology infrastructure, business processes, and assisting the CEO with his business goals.

Compensation

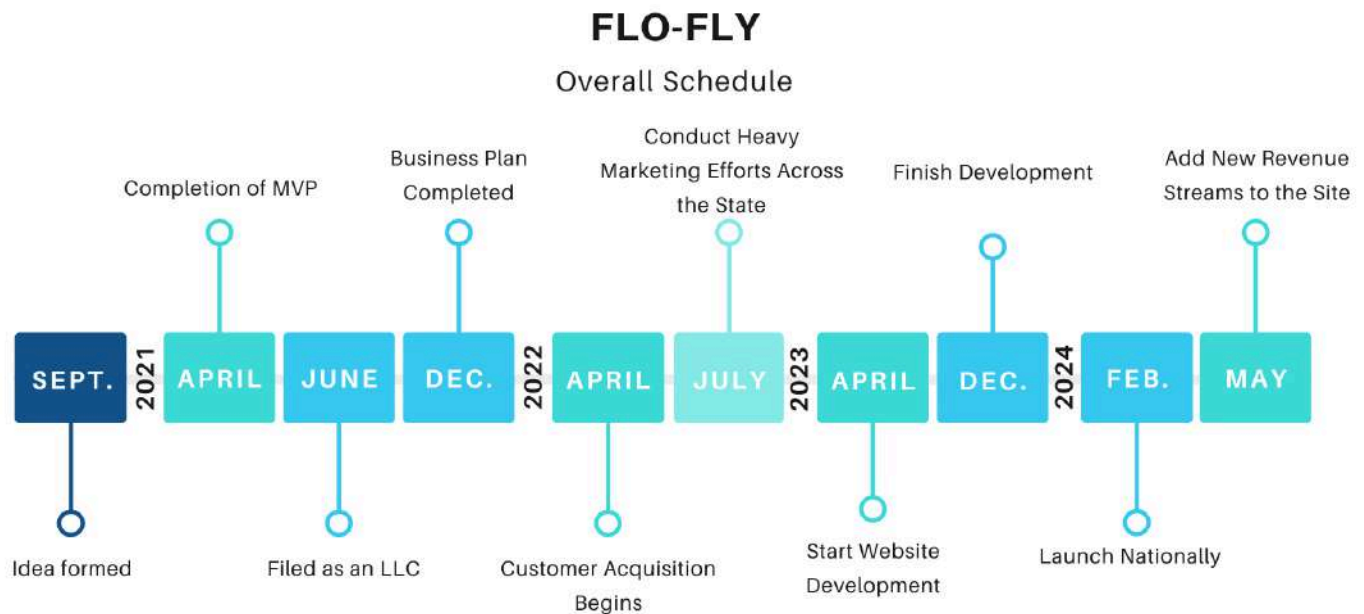
Founders David Jackson and Christopher Silano will take no salary for the first three years of operations while the website is being built. In each subsequent year compensation will be \$75,000. Both will put in an equity investment of \$15,000 and own 50% of the company.

Board of Advisors

Flo-Fly will have a board of advisors to provide guidance on how to grow a business and acquire customers. This board includes Bryon Jackson and Travis Benzing at the start but will grow as new connections are made. Bryon Jackson is the father of David Jackson and is the inspiration for David's entrepreneurship ambition. Bryon Jackson was CEO and Founder of M.E.D. Supplies. During his twelve years as CEO he employed more than a dozen full time staff, and grew the business to a user base of thousands, each with recurring monthly sales. Travis Benzing owns and operates Steamboat Detailing, a car detailing company. Travis is the founder

and CEO and has had 20 years of successful operation thus far. The expertise these founders are able to offer Flo-Fly founders valuable advice on how to acquire customers and grow a successful business.

Overall Schedule



Critical Risks, Problems, and Assumptions

There are various critical risks associated with building and growing Flo-Fly. Namely the risk that either the pilots or the clients fail to join the website. Without either user base the platform fails to function. It is assumed that Flo-Fly will be able to attract each to the platform through advertising and search engine optimization at an increasing rate as word of mouth and ads space ramp up. There is also a risk that the website takes longer or costs more to build. This is mitigated by the large development window allocated to the website. It is assumed that Flo-Fly is able to be approved for the business loan and that Flo-Fly will be able to raise

additional capital through a family and friends network. There is relatively little risk associated with the current platform as costs are fixed at a low monthly rate and this is sustainable in the case that funding for the company disappears. Because of this Flo-Fly will be able to continue operating even in the case that many of these assumptions are not met. There are little legal risks involved but it is possible that a large company like PrecisionHawk chooses to take legal action against Flo-Fly for copying their intellectual property. However, this is very unlikely as there is no grounds on which this can be based. Although companies like PrecisionHawk may copy features on Flo-Fly, there is little that Flo-Fly can do to prevent this. Industry growth rate is also a major factor as many of the markets Flo-Fly intends on operating in have been experiencing high levels of growth each year and are expected to continue doing so. If growth rate slows this will also slow Flo-Fly's growth rate but at the current size of the industry Flo-Fly is sustainable and therefore is not reliant on this growth. There is also the risk of an accident occurring that involves a drone and a client's property. Drone pilots are stated to be liable for these costs and the terms and conditions accepted upon sign up absolve Flo-Fly of any responsibility.

Financial Plan

Pilots are independent contractors for tax purposes. As far as revenues go, only commission fees are accounted for. For expenses these primarily include advertising and wages for the website developers. This makes it relatively simple to estimate net income. Flo-Fly has an ending cash balance above zero starting in the first month. A reduction in wages following the website's development as well as the national launch of Flo-Fly will help it to grow net income significantly each year.

Proposed Company Offering

A total equity investment of \$30,000 is enough to bring Flo-Fly to breakeven. The founders may also invest an additional \$10,000 each to cover any unexpected expenses. This serves as a safety cushion and in the case of extreme delays or other unexpected costs development of the website can be put on hold and advertising expenses cut. After the first year, as the service proves to be successful in attracting clients and pilots to the website, Flo-Fly will seek \$250,000. This will cover advertising expenses and costs associated with a national launch of the platform. Additionally this will be used to further develop the website as the company brings on additional employees. This will be raised through friends and family and angel investment. After Flo-Fly captures a sizable portion of the pilot base in the country the search for an acquirer will begin. Depending on the circumstances it may be appropriate to merge with a company like Droners. This should result in a considerable return on investment as acquisitions in the drone services industry occur frequently and at high values. The user database, community, and name recognition that Flo-Fly will hold represents the greatest asset and would be instrumental to other companies that are in the same industry.

Appendix

Figure A - Registered Pilots Map (Each dot represents a registered drone pilot)

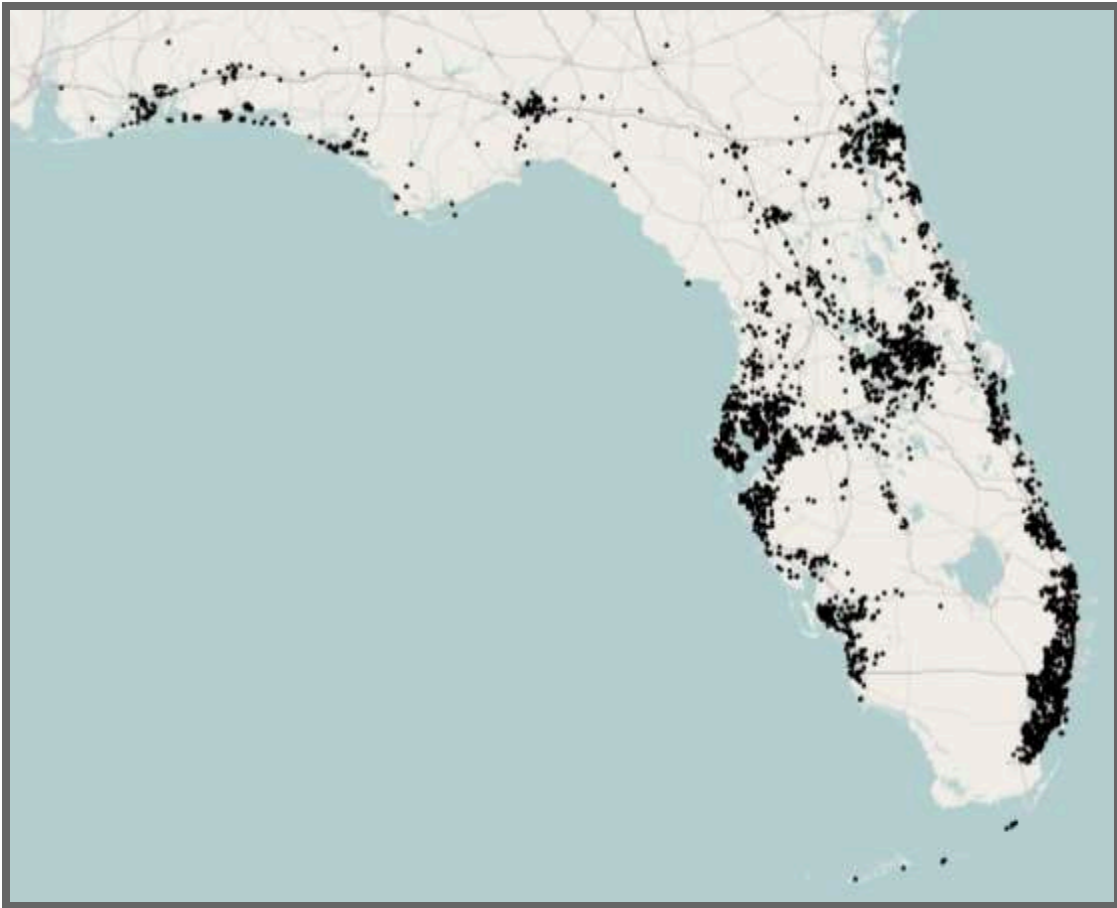


Figure B - Drone Service Provider Industry 2020 (Statista)

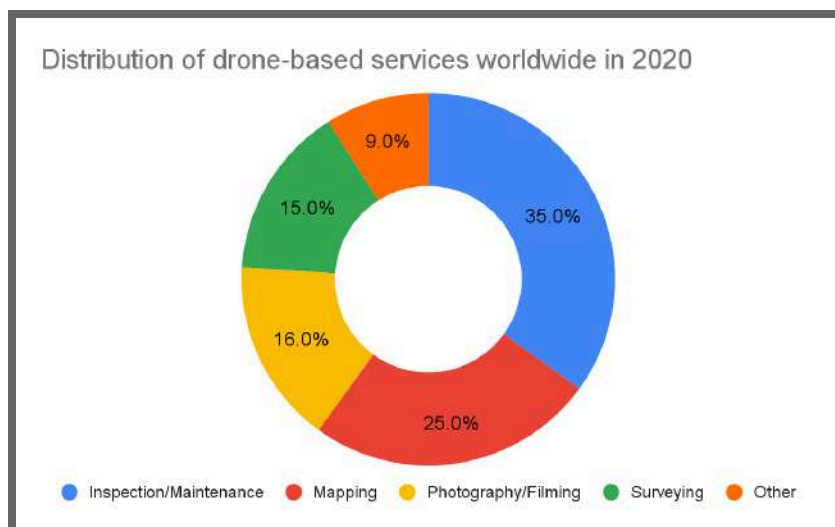


Figure C - Comparison Chart

Flo-Fly		Comparison Chart			
	Flo-Fly	DRONERS	DRONE BASE	DRONEGENUITY	SKYE LINK
Network of Pilots	Individual Pilots	Individual Pilots and Companies	None	None	Individual Pilots and Companies
Pricing Method	User Set Price	Reverse Auction	Packages	Quote	Quote
Commission	18%	10%	15%	N/A	N/A
Location	Florida	Nationwide	Nationwide	Nationwide	Nationwide

Figure D - Cash Budget Statement

Flo-Fly Cash Budget Statement For The Months of Jan-Dec. 2022												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Begin Cash												
Equity Paid In	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 307	\$ 614	\$ 1,075	\$ 1,536	\$ 1,997	\$ 2,612	\$ 3,226	\$ 3,994
Total Cash In	\$ 30,000	\$ -	\$ -	\$ -	\$ 307	\$ 614	\$ 1,075	\$ 1,536	\$ 1,997	\$ 2,612	\$ 3,226	\$ 3,994
Cash Out												
Refunds	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 14	\$ 25	\$ 35	\$ 46	\$ 60	\$ 74	\$ 92
Mail	\$ -	\$ -	\$ -	\$ -	\$ 54	\$ 107	\$ 188	\$ 268	\$ 348	\$ 455	\$ 563	\$ 696
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 128	\$ 257	\$ 449	\$ 642	\$ 835	\$ 1,091	\$ 1,348	\$ 1,669
Website	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
Programming	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ 72	\$ 126	\$ 180	\$ 235	\$ 307	\$ 379	\$ 469
Accounting	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Legal	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64
Total Cash Out	\$ 156	\$ 21	\$ 21	\$ 21	\$ 246	\$ 472	\$ 809	\$ 1,147	\$ 1,485	\$ 1,935	\$ 2,385	\$ 3,012
Cash Flow From Month	\$29,844	\$ (21)	\$ (21)	\$ (21)	\$ 61	\$ 143	\$ 266	\$ 389	\$ 512	\$ 677	\$ 841	\$ 982
Cash Balance Bought Forward	\$ -	\$29,844	\$29,823	\$29,801	\$29,780	\$29,841	\$29,984	\$30,250	\$30,639	\$31,152	\$31,829	\$32,669
Cash Balance Carried Forward	\$29,844	\$29,823	\$29,801	\$29,780	\$29,841	\$29,984	\$30,250	\$30,639	\$31,152	\$31,829	\$32,669	\$33,552

Figure E - Income Statement

Flo-Fly Income Statement For the Years Ending December 31, 2022, December 31, 2023, December 31, 2024, December 31, 2025 December 31, 2026					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Transaction Fee	\$ 17,664	\$ 88,321	\$ 441,607	\$ 2,208,037	\$ 4,416,073
Stripe's Fee	\$ (732)	\$ (3,660)	\$ (18,299)	\$ (91,496)	\$ (182,992)
Unexpected Refunds	\$ (353)	\$ (1,766)	\$ (8,832)	\$ (44,161)	\$ (88,321)
Net Revenue	\$ 16,579	\$ 82,895	\$ 414,476	\$ 2,072,380	\$ 4,144,759
Sales and Marketing Expenses					
Partnership Discounts	\$ 4,570	\$ 7,851	\$ 39,254	\$ 196,270	\$ 392,540
Post-Card Marketing	\$ 2,679	\$ 10,714	\$ -	\$ -	\$ -
Search Engine Marketing	\$ 2,759	\$ 24,427	\$ 108,743	\$ 543,713	\$ 1,087,426
In-Person Marketing Efforts	\$ 3,662	\$ 18,309	\$ 91,544	\$ 457,719	\$ 915,438
Total Sales and Marketing Expenses	\$ 10,669	\$ 61,301	\$ 239,540	\$ 1,197,702	\$ 2,395,404
General/Administrative Expenses					
Rent Expense	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,900
Website Expense	\$ 135	\$ 135	\$ 135	\$ 135	\$ 135
Programming Expense	\$ 1,658	\$ 8,290	\$ 41,448	\$ 41,448	\$ 41,448
App Expense	\$ -	\$ -	\$ 6,500	\$ 3,000	\$ 3,000
Accounting Fees	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Legal and Form Fees	\$ 199	\$ 387	\$ 688	\$ 1,356	\$ 2,839
Salary Expense	\$ -	\$ -	\$ 78,000	\$ 398,000	\$ 656,000
Bad Debt Expense	\$ 497	\$ 2,487	\$ 12,434	\$ 62,171	\$ 124,343
Total General/Administrative Expenses	\$ 2,609	\$ 11,418	\$ 139,324	\$ 551,230	\$ 873,784
Earnings Before Interest and Taxes	\$ 3,301	\$ 10,176	\$ 35,611	\$ 323,448	\$ 875,572

Figure F - David Jackson Résumé

David Jackson

Email: David.Jackson@ufl.edu
Phone Number: (239)-248-6622

Website: <https://dbjackson20016.wixsite.com/portfolio>
Address: 3600 Windmeadows Blvd. Unit 32

EDUCATION

University of Florida, Warrington College of Business
B.A. Business Administration
Specialization in Education
Minor in Florida Teaching

Expected Graduation: 2022
GPA: 3.42

EXPERIENCE

Publix: Grocery Clerk (30 hours/week)

September 2018 - Current

- Prevention Plus safety member for the grocery department.
- Employee of the month November 2020.
- Allocated time and resources efficiency among customers to maintain satisfaction and a smooth workflow between employees.
- Ensured that shelves remain stocked and well blocked, this includes filling holes and maintaining accurate counts.
- Helped to provide premiere customer service to customers, preventing and solving problems.

Flo-Fly: Founder (20 hours/week)

September 2020 - Current

- Built the minimum viable product (Flo-Fly.com).
- Developed a business plan and registered as a Florida limited liability company.
- Conducted extensive market research and financial projections for the company.

Drone Pilot

November 2016 - Current

- Certified part 107 drone pilot as of June 2021.
- Worked with Collier County Parks and Recreation following hurricane Irma to assess damage in hard to reach areas.
- Filmed and edited promotional, cinematic, and informational videos utilizing drones.

PERSONAL REFERENCES

Josh Wilson (Grocery Manager Publix) - (352) 367-4324
Amy Blancher (Store Manager Publix) - (352) 367-4324

ADDITIONAL SKILLS

Computer Proficiencies: Microsoft Windows, MacOS

- Advanced knowledge of Microsoft Excel.
- Intermediate knowledge of Microsoft Access.
- Basic knowledge of Adobe Illustrator, Premiere Pro, Photoshop.
- Certified commercial drone pilot



Portfolio

Figure G - Christopher Silano Résumé

Christopher Silano

(239)250-6699 | christopherjohnsilano@gmail.com | www.linkedin.com/in/christopher-silano/

Accounting Major/Tax Specialist Intern seeking Full-time Tax Position

Motivated leader driven by an enthusiasm to learn and ambition to succeed pursuing an Accounting degree at the University of Central Florida. Experience with international taxation, tax technology systems, Excel macros and Access databases, and starting a company. Proven ability to combine work ethic, teamwork, and strong business acuity to support team members in their success. **Areas of expertise include:**

- Researching Tax Laws/Regulations
- Strategic Prioritization
- Technical Problem Solving
- Visual Basic Advanced and Alteryx
- Excel, Tableau, and Organizational Charts
- Google and Microsoft Suite

Education

University of Central Florida, Orlando, FL

- Pursuing BSBA in Accounting and Minor in Entrepreneurship.
- Cumulative 3.90 GPA (3.80 Major GPA) and Florida Bright Futures Academic Scholar.
- Expected to graduate in three years (Spring 2022) with all educational requirements met for CPA.
- Sitting for AUD part of CPA Exam January 2022 and completing remaining sections over course of 2022.

Relevant Experience

PricewaterhouseCoopers, Tampa, FL

May 2020 - Present

Tax Specialist Intern

Intern with a Big Four accounting firm in delivering international tax returns and assisting tax associates in analyzing, creating, and crafting tax returns.

Key Contributions

- Main tax specialist on over 10 projects analyzing client data and editing tax workbooks to aid in completing tax forms 5471, 8858, and 8865. All forms have been accepted by the IRS.
- Worked 50+ hours a week during busy periods to assist team members and lead projects to timely completion. All projects were completed by their tax due date.

Flo-Fly, Gainesville, FL

March 2021 - Present

Chief Financial Officer

Co-founded an online drone referral business to help match drone pilots to requesters of drone services. Developed the logistics, structure, and economic substance of the company.

Key Contributions

- Registered LLC and fictitious name on Sunbiz, secured bank account, crafted business plan, and developed marketing schemes.
- Parsed FAA Certification data from 300,000 aircraft personnel and drone pilots to about 50 drone pilots in Gainesville to create a targeted postcard marketing campaign.

Other Accomplishments

- Recreated paper forms in Excel to assemble a database using Macros and Excel Functions
- Created a Stock Model comparing historical price in Excel using Macros and over 4000 Companies
- Certified in Alteryx and Proficient in Thompson Reuters Tax Technology Systems
- Completing Leadership and Emotional Intelligence training in college-level course

Figure H - Website Homepage

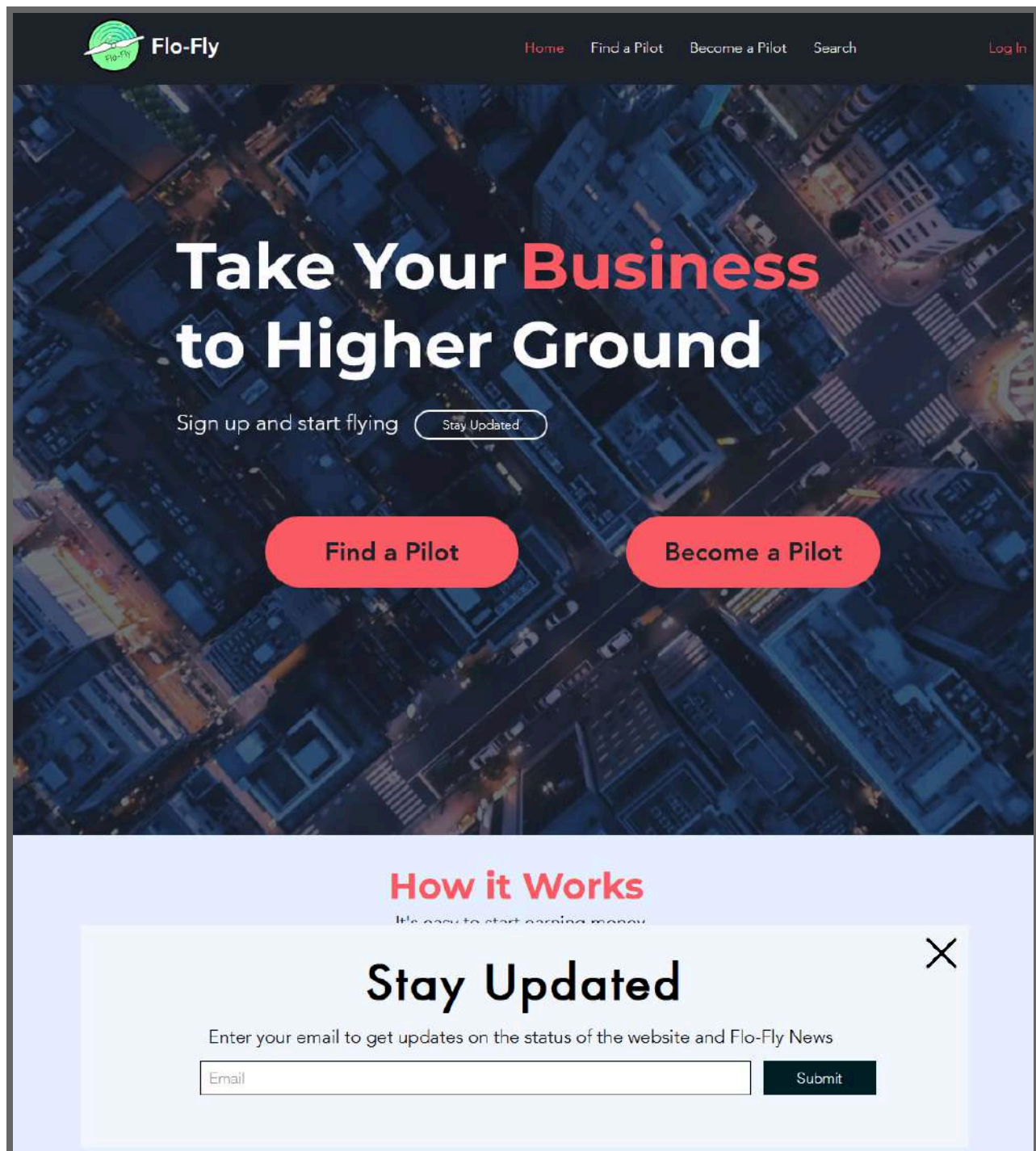


Figure I - Postcard Design (Front & Back)



Figure J - Brochure Design

