

1. Early Stage (Pre-Launch / Development Phase)

Goal:

Focus on building the core product (app development) while generating some initial market interest and feedback from potential users.

- R&D (Product Development): 65% - 70%
 - o Includes costs for software development (front-end and back-end), UI/UX design, prototyping, beta testing, infrastructure setup, and initial technical team hiring.
 - o Example Allocation: \$130,000 - \$140,000
- Marketing: 20% - 25%
 - o Initial marketing efforts to build awareness, engage early adopters, and gather user feedback. Includes basic branding, website, social media setup, and small-scale marketing experiments (e.g., Facebook ads, influencer outreach).
 - o Example Allocation: \$40,000 - \$50,000
- Other (Legal, Admin, Operations): 10% - 15%
 - o Operational expenses such as legal fees (IP protection, contracts), business setup costs, employee salaries, and other administrative tasks.
 - o Example Allocation: \$20,000 - \$30,000

Summary (Early Stage Breakdown for \$200,000 Funding):

- R&D: \$130,000 - \$140,000
 - Marketing: \$40,000 - \$50,000
 - Other: \$20,000 - \$30,000
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Key Considerations for Allocating Funds:

1. R&D vs. Marketing Balance:

- o In the early stages, the majority of the investment will go towards R&D to build a functional, reliable product. However, as the product moves into the launch and growth stages, the emphasis shifts toward marketing to drive user acquisition and growth.

2. Customer Acquisition Cost (CAC):

- o In the growth stage, a large portion of the budget will go toward optimizing customer acquisition cost (CAC) and increasing the lifetime value (LTV) of users. Monitoring these metrics will help ensure your marketing spend is efficient.

3. Scalability:

- o During the growth stage, R&D will focus on ensuring that your app is scalable, able to handle larger user volumes, and optimized for performance and user retention.

4. Legal and Compliance:

- o As Blast grows, expenses related to legal and compliance may increase with entering new markets with different regulations (e.g., GDPR in Europe). Blast will plan for these operational costs to prevent unforeseen issues.

5. Marketing Mix:

- o In the launch and growth phases, marketing strategy will include a variety of tactics,

from performance marketing (Google, Facebook ads) to organic efforts (SEO, content marketing) and influencer marketing. Diversifying this approach helps reach a wider audience and test what works best.

Final Breakdown (\$200,000 Funding):

Early Stage:

- R&D: \$130,000 - \$140,000 (65% - 70%)
- Marketing: \$40,000 - \$50,000 (20% - 25%)
- Other: \$20,000 - \$30,000 (10% - 15%)

This breakdown provides a flexible, stage-specific approach to allocating a \$200,000 funding round, ensuring we invest heavily in product development early on, while shifting focus to marketing and scaling efforts as the app grows.