



B U S I N E S S P L A N • I N D I A

IT Services & Consulting Firm

Custom software, integration & support - domestic & export, people-driven, STPI-enabled

IT & TECH

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **IT Services & Consulting Firm** in India — a company delivering custom software development, systems integration, application maintenance & support, and IT consulting to businesses domestically & via export/outsourcing. It earns project fees, time-and-material & managed-support contracts, and consulting retainers, monetising India's deep, cost-competitive IT talent pool and the universal enterprise demand for software & digital transformation.

Every business now needs software, integration & digital capability, and India is the world's leading IT-services hub with a vast talent base & strong export demand. Domestic SME/enterprise digitisation adds a growing home market. A well-run IT-services firm with strong delivery, client relationships & utilisation earns healthy, scalable, largely people-driven margins, aided by STPI/SEZ & export benefits.

The promoter — an IT professional / technocrat — seeks total funding of **₹25 lakh** (₹9 lakh promoter + ₹16 lakh working-capital/term finance, eligible under Mudra/CGTMSE; export benefits via STPI), targeting **₹70 lakh** revenue in Year 1 and **₹2 crore** by Year 3. (*People-driven, utilisation- & contract-based services model.*)

2. Business Description, Vision & Legal Structure

Concept: An IT-services firm building & supporting custom software & integrations for clients — reliable delivery, strong engineering & consulting.

Vision: To be a trusted software & IT-services partner for businesses, domestic & global.

Mission: Deliver quality software, integration & support that solves client problems — on time, on budget, with strong engineering.

Legal structure options

- **LLP / Private Limited** — Pvt Ltd recommended for clients, export & scale.
- **STPI registration** — for IT/software export benefits.

Regulatory anchor: an IT-services firm is a people- & contract-driven business — GST (export of services zero-rated with LUT), IP & work-for-hire/MSA contracts, data-security & client-confidentiality (DPDP/ISO 27001), STPI/SEZ & export benefits, and labour compliance. Engineering quality, delivery, client relationships & consultant utilisation determine profitability; it is largely asset-light.

3. Promoter & Ownership

Led by a promoter with software, IT-delivery or consulting experience. Delivery uses developers/engineers, project managers, QA, and business-development, plus freelance/contract specialists for peaks. Year-one ownership rests with the promoter; ownership and profit-sharing (and any ESOP) are editable inputs.

4. Market Analysis — India & Global

Global IT-services demand is vast & India is the leading delivery hub with cost-competitive, skilled talent & strong export relationships. Domestically, SME & enterprise digitisation, cloud & software adoption drive a growing home market. Demand is broad & project/contract-based; the market rewards delivery quality, domain expertise, relationships & efficient utilisation.

Demand drivers

- **Universal software & digital** need.
- **Global outsourcing** to India.
- **SME/enterprise digitisation** (domestic).
- **Cloud, integration & support** demand.
- **Cost-competitive talent**.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	IT-services demand (global + India)	Very large
SAM	Reachable clients in the firm's niche/tech	Substantial
SOM (Yr 1-3)	Billable engineers / active clients	Utilisation-linked

Target segments

- SMEs & enterprises (domestic).
- International/outsourcing clients.
- Startups (build & support).
- Niche/domain (fintech/health/retail).

5. Competition & Competitive Advantage

Landscape: large IT firms, mid & boutique services firms, freelancers, and offshore competitors. The firm competes on delivery quality, domain/tech expertise, relationships, cost & agility.

The firm's edge

- **Strong engineering & delivery.**
- **Domain/tech specialisation.**
- **Client relationships & agility.**
- **Cost-competitive (India).**
- **Quality, security & reliability.**

6. Services & Revenue Model

Service	Model	Basis
Custom software development	Project / T&M	Per project / rate-card
Systems integration	Project	Scope-based
App maintenance & support (AMS)	Managed / retainer	Recurring
IT consulting	Retainer / advisory	Fee
Staff augmentation / dedicated teams	Per resource/month	Recurring

Projects & T&M give volume; AMS, dedicated teams & retainers give recurring, predictable revenue. Margin sits on billing-rate vs. engineer cost x utilisation; recurring support & export work stabilise & lift economics.

7. Go-to-Market — Marketing & Sales

- **Portfolio, case studies & referrals.**
- **International/outsourcing** client development.
- **Domestic SME/enterprise** sales.
- **Partnerships & platforms** (cloud/tech partner).
- **Niche/domain** positioning.

Sales approach

Win projects via portfolio & relationships → deliver quality reliably → convert to AMS/dedicated-team retainers → grow accounts & referrals. Delivery quality & recurring conversion drive utilisation & scalable growth.

8. Operations Plan

- **Base:** a development office (or hybrid/remote) with dev infra & tools.
- **Process:** requirement & estimate → design → agile development → QA → deployment → maintenance/support; project & delivery management.
- **Delivery & quality:** agile/DevOps, code quality, security (ISO 27001/DPDP), SLAs.
- **Talent:** engineers + contract specialists; hiring, training & retention; utilisation management.
- **Capacity:** billable-engineer capacity; scale by hiring, utilisation & accounts.

Delivery workflow

Stage	Activity	Metric
Win	Estimate & SOW	Win rate
Build	Develop	Utilisation
QA	Test	Quality
Deliver	Deploy	On-time
Support	AMS/retainer	Recurring

9. Regulatory, Licences & Compliance (India)

- **Business & tax:** LLP/Pvt Ltd; PAN/TAN; GST (domestic); export of services zero-rated (LUT/refund); Udyam (MSME).
- **Export & benefits:** STPI registration; SEIS/export benefits (as applicable); forex/FEMA compliance.
- **IP & contracts:** MSA, SOW, work-for-hire/IP-assignment & NDA; software licensing.
- **Data & security:** DPDP, ISO 27001 & client-confidentiality/data-security; labour compliance.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Delivery Head	1	1	1
Developers & engineers	8	18	32
Project managers & QA	2	5	8
Business development	1	3	4
Admin & HR	1	2	4
Total	13	29	49

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Office, team, tools, STPI, first clients
Launch	Month 2-4	First projects delivered
Traction	Month 4-9	AMS/retainers & accounts build; break-even nears
Scale	Year 2	Bigger accounts; export; dedicated teams
Growth	Year 3	Strong utilisation & recurring base

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. People-driven; margin on billing-rate vs. cost × utilisation.

12.1 Project cost & means of finance

Capital requirement	₹
Office & dev infrastructure	7,00,000
Hardware, software & tools	5,00,000
Branding, sales & setup	3,00,000
Working-capital buffer (salary/receivables)	10,00,000
Total project cost	25,00,000
Promoter contribution	9,00,000
Term/WC loan (Mudra / CGTMSE)	16,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
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Project & T&M revenue	45,00,000	80,00,000	1,10,00,000
AMS, retainers & dedicated teams	18,00,000	45,00,000	75,00,000
Consulting & other	7,00,000	15,00,000	15,00,000
Total revenue	70,00,000	1,40,00,000	2,00,00,000
Engineering & delivery salaries	42,00,000	82,00,000	1,14,00,000
Infra, tools & cloud	6,00,000	10,00,000	14,00,000
Office, rent & overheads	6,00,000	10,00,000	14,00,000
Sales, marketing & admin	6,00,000	12,00,000	18,00,000
Interest on loan	1,60,000	1,25,000	80,000
Total expenses	61,60,000	1,15,25,000	1,60,80,000
Net profit (before tax)	8,40,000	24,75,000	39,20,000
Net margin	12.0%	17.7%	19.6%

12.3 Unit economics & break-even

- **Per engineer:** billing-rate – fully-loaded cost, × billable-utilisation %; utilisation is the key lever.
- **Recurring mix:** AMS & dedicated teams give predictability; export work earns forex & better rates.
- **Break-even:** reached around month 5–8 as utilisation & recurring contracts build.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	10,00,000	8,10,000	8,00,000	8,60,000
Collections	13,00,000	17,00,000	20,00,000	22,00,000
Operating outflows	14,50,000	16,80,000	19,10,000	20,60,000
Loan EMI	40,000	40,000	40,000	40,000
Closing balance	8,10,000	8,00,000	8,60,000	9,60,000

Salaries are the steady monthly outflow; client (esp. enterprise/export) receivables lag 30–60 days, so the WC buffer & collection discipline matter. Recurring AMS/dedicated-team revenue smooths cash.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** billable-utilisation %; bench; project pipeline.
- **Recurring:** AMS/dedicated-team revenue %; account growth.
- **Economics:** realisation rate; margin per engineer; DSO.
- **Delivery & talent:** on-time/quality; attrition; export share.

13. Funding Requirement & Bankability

Total ask: **₹16 lakh term/WC finance** against ₹9 lakh promoter contribution — asset-light, so the main need is working capital (salaries vs. receivables); eligible under **PMMY (Mudra)/CGTMSE**, with STPI/export benefits. Year-1 net profit ~₹8.4 lakh against modest debt service gives a strong DSCR; utilisation, recurring contracts & export receivables underpin bankability.

13.1 Funding utilisation

Use of funds	₹	% of total
Working-capital buffer (salary/receivables)	10,00,000	40%
Office & dev infrastructure	7,00,000	28%
Hardware, software & tools	5,00,000	20%
Branding, sales & setup	3,00,000	12%
Total	25,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low utilisation / bench	Pipeline; dedicated-team/AMS contracts; freelancer flex
Talent attrition	Culture, growth, ESOP & competitive pay; retention
Receivable/DSO delays	WC buffer; milestone billing; collection discipline
Client concentration	Diversified accounts (domestic + export)
Delivery/quality/security	Agile/DevOps, QA, ISO 27001/DPDP, SLAs

15. SWOT Analysis

Strengths Huge demand; India cost advantage; export forex; recurring AMS; asset-light & scalable.	Weaknesses Utilisation & talent dependent; receivable lags; project-lumpy; attrition-prone.
Opportunities Digitisation & cloud; outsourcing; niche/domain; dedicated teams & product.	Threats Global competition; talent poaching; rate/forex pressure; AI-tool disruption.

16. Recommended AiSevak Tools for This Business

This IT-services firm would use AiSevak's IT & Tech vertical tools in delivery:

- **Delivery ops:** project-estimation, utilisation/bench-tracking, client-CRM and milestone-billing tools.

- **Export & compliance:** STPI/export, MSA/SOW/IP-contract, ISO 27001/DPDP and GST(LUT) tools (with Legal & Finance verticals).
- **Practice:** Business Plan, per-engineer & utilisation economics and Break-even tools to model the firm.

17. Key Assumptions & Notes

- People-driven; margin on billing-rate vs. cost × billable-utilisation; recurring AMS/dedicated teams add stability.
- Team scales with pipeline; export work earns forex & is GST zero-rated (LUT).
- Term/WC finance ~11% p.a.; STPI/export benefits assumed where eligible; receivables 30–60 days.
- Delivery quality, utilisation, recurring conversion & talent retention are decisive; figures exclude GST.

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