

SoundBridge - Startup, Budget & Assessment

SoundBridge - Startup Plan and Budget

Overview

- Team: 10 employees, estimated total cost: 1 MNOK/month (salary, social costs, taxes)
- Office location: Solsiden, Trondheim, 150,000 NOK/month
- Production: 10,000 IoT units, manufacturing cost 4 MNOK (China)
- Development: Firmware, web, backend, machine learning/AI (Whisper model)
- Initial funding: 10 MNOK (from investors)
- Business model: Device sales + subscription (199 NOK/month incl. AI assistant and Internet)
- Growth ambition: From 10,000 to 1,000,000 customers

Budget Estimate (first 12 months)

| Item | Per Month | Per Year (12 mo) | |
|-----------------------------|---------------|------------------|--|
| ----- | ----- | ----- | |
| Salaries (10 employees) | 1,000,000 NOK | 12,000,000 NOK | |
| Office rent | 150,000 NOK | 1,800,000 NOK | |
| IoT device production (10k) | - | 4,000,000 NOK | |
| Machine learning/AI dev | 1,000,000 NOK | 12,000,000 NOK* | |
| Operations, admin, mktg. | 100,000 NOK | 1,200,000 NOK | |
| Contingency (PCB, etc.) | - | 500,000 NOK | |
| Total, first year | | 21,500,000 NOK | |

*Assumes AI dev costs will partly be covered by future income/investment.

Opportunities

- Scalable subscription model:

Estimated profit per customer: 1,000 NOK/year, giving 10 MNOK/year at 10,000 customers, 100 MNOK at 100,000, and 1 BNOK at 1 million customers.

- First-mover advantage:

Universal IoT Internet access and voice control for all languages and dialects.

- Partnerships:

Potential collaborations with the Norwegian National Library, Spotify, and top Norwegian AI experts.

- Agile hardware:

Initial version based on Nordic chips, minimal firmware - allows fast market entry and lower dev risk.

Challenges & Risks

- Technical:

- PCB errors may delay progress and cost 100,000 NOK per revision.

- Bandwidth may be tight for certain use cases (e.g. streaming Spotify at 128 kbps, device supports 300 kbps). Solution: Use onboard flash storage for playlists/albums, pending Spotify permissions.

- Only LE Audio/LC3 compatible products supported at launch; Apple AirPods Pro 2 not supported yet unless Apple updates firmware or we create a workaround.

- If more powerful chips are required, may need to migrate to Snapdragon W5 and Wear OS/AOSP - increases cost and complexity.

- Financial:

- 10 MNOK will not cover a full year of burn rate. Rapid commercialization or additional funding required.

- Market fit for pricing and subscription must be validated quickly.

- Regulatory:

- Spotify integration requires partnership agreements and compliance.

Success Scenarios (Financial)

- Device sales (10,000 units):

Cost: 4 MNOK | Revenue: 8 MNOK (excl. VAT) | Gross profit: 4 MNOK

Subscription: 1,000 NOK/customer/year -> 10 MNOK at 10,000 customers

- 100,000 customers:

100 MNOK/year in profit

- 1 million customers:

1 BNOK/year in profit

Summary

- 10 MNOK gives a solid start for product development, manufacturing and operations for several months.
- Fast go-to-market and recurring revenue are essential to avoid cash flow issues.
- The main risks are technical limitations and hardware/software integration, but these can be reduced by iterative development and early testing.
- Partnerships and strong developer talent are key to success.