123



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# Contents

[Executive Summary 3](#_Toc183758016)

[Financial Projections 3](#_Toc183758017)

[Vision and Values 3](#_Toc183758018)

[Business Opportunity 4](#_Toc183758019)

[Overview of the Industry 4](#_Toc183758020)

[Projected Position for the Future 4](#_Toc183758021)

[Potential Customers 5](#_Toc183758022)

[Direct Competitors 5](#_Toc183758023)

[Marketing 5](#_Toc183758024)

[Capital Requirements 6](#_Toc183758025)

[Personnel and Operations 7](#_Toc183758026)

[Legal Issues 7](#_Toc183758027)

[Appendix A: Detailed Costs by Category 9](#_Toc183758028)

[Company Strategy 10](#_Toc183758029)

[Global Considerations 12](#_Toc183758030)

[Appendix B: Operational Planning 14](#_Toc183758031)

[Global Implications 15](#_Toc183758032)

[Overcoming Language Barriers 17](#_Toc183758033)

[Support Structure Definitions 18](#_Toc183758034)

# Executive Summary

Headquartered in Seattle, Washington, with branch offices in five countries, Contoso provides IT solutions and consulting services to leading enterprises around the world. We specialize in working with suppliers of specialty materials and services to help them expand their reach in the global marketplace. Most of our clients are either segment leaders or rapidly growing innovators in their respective industries.

# Financial Projections

Opening the new offices represents a considerable initial investment in capital requirements, labor, and facilities; however, projections from the Marketing Department and reviewed by Accounting indicate that the investment will be rapidly offset by new revenues. Break even should occur in 2010, and a full return on investment by 2012.

# Vision and Values

As a company, and as individuals, we value integrity, honesty, openness, personal excellence, constructive self-criticism, continual self-improvement, and mutual respect. We are committed to our customers and partners and have a passion for technology. We take on big challenges, and pride ourselves on seeing them through. We hold ourselves accountable to our customers, shareholders, partners, and employees by honoring our commitments, providing results, and striving for the highest quality.

# Business Opportunity

Because the acquisition of new clients in the United Kingdom has reached a plateau, the Marketing department believes that our most promising opportunities lay in Continental Europe. Six of the seven largest clients we signed last year came from Germany, France, and Spain; and we continue to receive many new leads in these countries. However, the Brussels office alone cannot follow up on all the prospects by itself and these potential clients represent a large business opportunity.

# Overview of the Industry

In Europe, Contoso serves a variety of suppliers of specialty materials and services from our offices in London and Brussels. The London office handles accounts located primarily in the United Kingdom, and the Brussels office handles accounts throughout the Continental mainland. Billable hours to our clients are currently slightly above our original projections, and the outlook for our consulting market continues to be bright.

# Projected Position for the Future

With two additional offices and the necessary staff to support them, we can turn current leads into lasting client relationships that promote our company’s growth. Within two years after opening the additional offices, we can move from the number two to the number one consultant position in our market. We recommend placing the offices in Lyon, France and Hamburg, Germany.

# Potential Customers

Contoso is widely respected within our consulting industry segment, and word-of-mouth recommendations from our clients continue to generate many new leads. Most of these leads come from Germany, France, and Spain.

# Direct Competitors

Although our consulting market includes about 20 established providers, only four—Contoso and our three closest competitors—account for more than 80 percent of the total market share. The following charts show the size of this company in terms of sales, profit, employees, and market share:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Contoso | Closest Competitor | 2nd Closest Competitor | 3rd Closest Competitor |
| Sales ($m) | 125.3 | 154.5 | 98.4 | 75.1 |
| Net Profit | 22.8 | 23.9 | 10.8 | 6.8 |
| Employees | 1,100 | 2,500 | 800 | 500 |
| Market Share % | 22.1 | 27.3 | 17.4 | 13.3 |

# Marketing

The acquisition of new clients in the UK has reached a plateau. Six of the seven largest clients we signed last year came from Germany, France, and Spain; and we continue to receive many new leads in these countries. However, the Brussels office alone cannot follow up on all the leads and these potential clients represent a large business opportunity.

The Marketing department recommends opening one new office in Hamburg, Germany and one in Lyon, France. From Hamburg, our representatives will be able to serve all of Germany, including opening additional offices in France and Germany; we will position ourselves as the leader in these geographic regions, just as we are now in the U.K. About 30 percent of leads result in at least a short-term engagement for one project, and about 20 percent result in two or more projects. Even if only a modest fraction of the potential clients become long-term customers, the result will be to unseat our closest competitor as the number one consulting firm in our market segment. The industrial-rich area of Hamburg itself, as well as several Eastern European markets, will create opportunities. These decisions have been taken only in careful consideration of the wider marketing plan. Our planning process can be seen opposite, and outlines how marketing will play an integral role in the future of the company. This will allow the Brussels office to focus on especially promising opportunities in Scandinavia. From Lyon, representatives will be able to more easily serve France and Spain and will also have ready access to markets in Italy. This will allow the Brussels office to focus on especially promising opportunities in Scandinavia. From Lyon, representatives will be able to more easily serve France and Spain and will also have ready access to markets in Italy.

Marketing Planning Process

# Capital Requirements

The new offices will require a full complement of furniture, supplies, and computer equipment. The actual facilities will be rented rather than owned. A complete list of capital items and their associated costs appear as a separate appendix. Also see the Financial Projections section.

Since market research suggests the revenue growth trend will continue, we believe the two additional offices will also help alleviate some of the cash-flow bottlenecks that have posed challenges for the Brussels office.

A complete breakdown of expected by category and revenues by sector appears as a separate appendix.

The directors of the new Lyon and Hamburg offices will report to the director of the U.K. office in London. Within the Hamburg office, we recommend adopting the organizational structure illustrated in the chart below. The Lyon office will follow a similar organizational structure.

# Personnel and Operations

The directors of the new Lyon and Hamburg offices will report to the director of the U.K. office in London. Within the Hamburg office, we recommend adopting the organizational structure illustrated in the chart below. The Lyon office will follow a similar organizational structure.

Additionally, our goal is for each office to handle local operations without requiring intervention from offices in other time zones. This is especially important for IT operations, so each office will include an IT manager and a technician.

# Legal Issues

To support the new offices, the Legal Department will maintain a centralized repository for all corporate policies. This resource provides a standardized process for creating and managing policy, as well as a centralized location to house policy, guidelines, and other related content.

If the new offices are approved, the Legal Department is prepared to issue guidelines for the purpose of streamlining processes for policy development, approvals, communications and implementation efforts, and clarifying consequences for noncompliance.

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# Appendix A: Detailed Costs by Category

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Our mission is to help our customers streamline production, simplify business processes, and manage personnel, material, and IT infrastructure more effectively.

In the context of this business plan, our mission to better serve our European customers by opening new offices in Lyon, France and Hamburg, Germany.

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## Company Strategy

The Marketing department recommends opening one new office in Hamburg, Germany and one in Lyon, France. From Hamburg, our representatives will be able to serve all of Germany, including the industrial-rich area of Hamburg itself, as well as several Eastern European markets. This will allow the Brussels office to focus on especially promising opportunities in Scandinavia. From Lyon, representatives will be able to more easily serve France and Spain and will also have ready access to markets in Italy.

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## Global Considerations

The Marketing department recommends opening one new office in Hamburg, Germany and one in Lyon, France. From Hamburg, our representatives will be able to serve all of Germany, including the industrial-rich area of Hamburg itself, as well as several Eastern European markets. This will allow the Brussels office to focus on especially promising opportunities in Scandinavia. From Lyon, representatives will be able to more easily serve France and Spain and will also have ready access to markets in Italy.

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If the new offices are approved, the Legal Department is prepared to issue guidelines for the purpose of streamlining processes for policy development, approvals, communications and implementation efforts, and clarifying consequences for noncompliance.

Day-to-day responsibility for the legal operations of the news office will vested with the Director of Legal Affairs and his or her designees. This responsibility includes, but is not limited to, the administration of the Standards of Business Conduct to specific situations and questions that may arise. In administering the program, the Director works closely with colleagues across the company who are accountable for ensuring compliance with a wide range of legal and regulatory obligations in specific areas, including human resources, internal audit, security, and environmental stewardship. To promote their independence and facilitate their escalation of legal matters, both the Chief Legal Officer and the Director of Legal Affairs are permitted to report outside their respective chains of command.

# Appendix B: Operational Planning

Day-to-day responsibility for the legal operations of the new office will vested with the Director of Legal Affairs and his or her designees. This responsibility includes, but is not limited to, the administration of the Standards of Business Conduct to specific situations and questions that may arise. In administering the program, the Director works closely with colleagues across the company who are accountable for ensuring compliance with a wide range of legal and regulatory obligations in specific areas, including human resources, internal audit, security, and environmental stewardship. To promote their independence and facilitate their escalation of legal matters, both the Chief Legal Officer and the Director of Legal Affairs are permitted to report outside their respective chains of command.

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## Global Implications

The Marketing department recommends opening one new office in Hamburg, Germany and one in Lyon, France. From Hamburg, our representatives will be able to serve all of Germany, including the industrial-rich area of Hamburg itself, as well as several Eastern European markets. This will allow the Brussels office to focus on especially promising opportunities in Scandinavia. From Lyon, representatives will be able to more easily serve France and Spain and will also have ready access to markets in Italy.

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