

# PROFILES 1

## Professional Product Review

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## Executive Summary

This business plan outlines **Arkavika**, a creative networking startup designed to bridge the gap between emerging creatives and professional opportunities within Friesland. Arkavika addresses challenges such as unemployment, limited resources, and lack of funding or mentorship by providing a digital platform for networking, professional development, and portfolio-building through real-life projects.

### Core Vision and Mission

*Arkavika's vision is to become the most recognizable networking hub for creatives in Friesland. Its mission is to connect young talents with professionals and sponsors, fostering collaboration and growth while emphasizing sustainability, inclusivity, and diversity.*

### Organizational Structure

Initially operating as a flat organization to ensure flexibility, Arkavika plans to transition to a matrix structure as it scales. The cooperative legal structure fosters inclusivity and member-centric decision-making while maintaining operational control.

### Market and Value Proposition

Targeting creatives aged 15–34, Arkavika addresses pains like lack of experience, funding, and mentorship. It provides solutions such as mentorship, project sponsorships, and cost-efficient networking opportunities. Arkavika's value proposition stands out through its commitment to inclusivity, collaboration, and social impact.

### Strategy and Marketing

Arkavika employs a **Customer Intimacy** strategy to deliver personalized user experiences and build strong community ties. Its marketing mix emphasizes affordability, user-friendliness, and targeted storytelling to engage users and build trust. Subscription models, free trials, and a strong digital presence are central to its revenue strategy.

### Feasibility and Financial Projections

To assess Arkavika's feasibility, a detailed **Cost-Benefit Analysis (CBA)** was conducted, presenting three scenarios: Best Case, Worst Case, and Most Realistic. Each scenario considers costs, revenue, and growth projections over three years. Key financial findings include:

- Achieving a breakeven point within the first two years through strategic marketing and partnerships.
- Reliance on loans (€25,000 to €250,000 depending on the scenario) to cover early-stage losses.
- Exemption from VAT under the Small Business Scheme (KOR).

Arkavika also accounts for **intangible benefits**, such as brand recognition, customer retention, community growth, and social impact. These advantages contribute to Arkavika's long-term competitive edge and alignment with key performance indicators (KPIs).

### **Competitive and Environmental Analysis**

Tools such as SWOT, TOWS, Porter's Five Forces, and PESTLE analyses reveal Arkavika's strengths, such as its ethical positioning, and opportunities, such as trends in digital innovation. Key risks, including competitive pressures and regulatory challenges, are addressed through strategic differentiation and adaptability.

### ***Operational and Sustainability Practices***

Arkavika incorporates **Total Quality Management (TQM)** principles and sustainability practices to minimize its environmental footprint and foster inclusivity. Its Customer Relationship Management (CRM) strategy enhances user satisfaction through feedback loops, personalized onboarding, and continuous community engagement.

### **Feasibility Implementation Plan**

Arkavika's implementation plan focuses on milestones for its first year, including:

- Finalizing strategic choices based on updated research.
- Registering the company and securing initial sponsors.
- Launching the first version of the platform.
- Executing marketing campaigns and acquiring initial clients.

Subsequent years will prioritize website maintenance, brand promotion, client acquisition, and financial planning, ensuring growth and adaptability.

### **Appendices Highlights**

Comprehensive appendices detail Arkavika's analytical frameworks, including the **7S Model**, SWOT and TOWS analyses, stakeholder map, sustainability practices, CRM strategy, financial projections, and risk management frameworks.

Arkavika's innovative approach, strong market alignment, and emphasis on inclusivity and sustainability position it as a transformative player in Friesland's creative industry. Through strategic planning, adaptability, and community focus, Arkavika aims to address unemployment and foster growth for emerging creatives.

## Introduction

This business plan report has the main goal of describing a start-up concept (Arkavika) and analysing its' feasibility based on research, business design, possible strategies, and financial projections. Arkavika is a student founded platform for networking and professional skills development, which gives opportunities for creatives to participate in various audio-visual projects and eventually enrich their portfolio. The project aims to tackle an issue discovered during desk research of difficulties when entering the creative industry. Focusing on local market (Friesland province, the Netherlands) and targeting beginners that need to gain more experience and connections, Arkavika strives to contribute to the job market development in the smaller cities and encourage young people to learn by doing.

In this report current situation (internal analysis) of the company, market analysis and conclusions, strategy and feasibility are described. At the moment the document is not final and needs to be further developed on the topics highlighted in red, as well as the conclusions have to be derived.

# Chapter 1 – Current situation

## 1.1 Organizational structure

The structure is initially designed based on the 7S model Framework since it allowed to cover all the essential aspects for a starting company. According to this design, the main **resources and capabilities** of Arkavika are:

- **Human Capital**

Team members bring various strengths in marketing, project management, and the creative industry.

They are dedicated to understanding the needs of stakeholders like young creatives, professionals, and sponsors, always striving to improve.

- **External Partnerships**

Arkavika has built relationships with universities, schools, and local businesses in Leeuwarden.

These partnerships provide access to talent and support, though Arkavika is continuously working to strengthen and expand these connections.

- **Technical Infrastructure**

The website and app are essential, but there's a commitment to ongoing improvements in functionality, security, and user experience.

The team works hard to ensure the platform can grow alongside its user base.

- **Core Competencies**

Arkavika is focused on connecting young talent, professionals, and sponsors within the local creative community.

The team is always learning how to better serve its users through marketing and engagement.

Strong relationships with sponsors and professionals help the platform thrive, but there's always room for further development.

For more detailed information on Skills, Resources, Competences, Systems and other aspects of the 7S model see **Appendix 1**.

To achieve the organizational goals, it is necessary to choose an **organizational structure** of the company, which will navigate clear coordination of the individual work within the team and establish the reporting relationships (Publisher, 2015).

Since Arkavika is a start-up company with only 5 employees at the moment of establishment, it can be identified as an organic organization that needs to adapt to the rapid changes within

the media industry (Robbins & Coulter, 2020). Specifically, a **flat organizational structure** was chosen as the most suitable for a start-up operating in a cross-sectoral field (Hierarchical and Flat Organisational Structures, 2023). For higher flexibility purposes, **generalization principles** were preferred to specialization, meaning that the staff possesses more generalized skills with mixed responsibilities (“Group Structure - Specialists and Generalists,” 2011). For the company to function effectively in the first stages, a **horizontal chain of command** with a **wide span of control** will be implemented. Therefore, there will be one decision-maker with more authority than the other employees (James, 2024). Overall, a **decentralized structure** is going to be executed fostering a collaborative workplace and giving more opportunities for the workers to impact the business processes (Robbins & Coulter, 2020).

Nevertheless, when Arkavika expands, the future organizational structure is going to be switched to a **matrix structure** to build smoother communication on a larger scale and operate efficiently on daily tasks as well as on general projects. Within the matrix structure, there will be 2 managers introduced to oversee different aspects within the projects. It will also allow employees to grow in new fields. This implies the departmentalization of the company and opens opportunities to change departments depending on the project. The new organization will be first split into B2B and B2C divisions each with departments of marketing, IT, finance, and communications (Freedman, 2024).

Additionally, information about the sustainability and CRM practices held within the organization can be found in **Appendix 2**.

Given the time constraints and the primary objectives of the project, Arkavika has prioritized financial and legal aspects, recognizing their immediate relevance to establishing and operating the company effectively. For instance, gaining a clear understanding of costs such as website development, registration fees, and taxes is essential to ensuring the platform's functionality and sustainability. Additionally, addressing legal requirements, including compliance with local regulations and intellectual property considerations, is vital for smooth business operations and mitigating potential risks.

While values such as sustainability, diversity, and ethics are fundamental to Arkavika's mission, the team has addressed these aspects as part of the project. However, given the immediate priorities for establishing the business, Arkavika has chosen to place more emphasis on financial and legal matters. This strategic focus allows the team to ensure a solid foundation for the company while maintaining a commitment to its broader values, which will continue to be integrated into the platform's development as the project evolves.

## 1.2 Legal structure

### Introduction

Considering Arkavika's mission, the Cooperative (coöperatie) legal structure is the most suitable choice. This model emphasizes community benefit, shared decision-making, and



operational flexibility, which aligns well with Arkavika's objectives to support, rather than provide ownership to, its creative members (KvK, n.d.).

### **The Cooperative Structure as an Optimal Fit**

A Cooperative (coöperatie) in the Netherlands is an association that allows for member collaboration in achieving shared goals. However, unlike some cooperatives, Arkavika's structure would not include shared ownership for its creative members, who would instead benefit from the platform's services and resources. This setup allows Arkavika to operate as a legal entity without directly involving members in ownership, ensuring the organization retains control over its mission and operations while fostering a collaborative environment (KvK, n.d.).

Benefits of the cooperative structure are described in detail in **Appendix 3**.

### **Practical Implications for Arkavika**

In adopting a Cooperative structure, Arkavika gains a flexible operational framework that can accommodate member needs while maintaining centralized management. For instance, Arkavika could establish a committee of non-owner members who periodically offer feedback on platform features and community events. Financially, cooperative membership fees or other revenue sources can fund member-benefiting projects, sustaining Arkavika's mission to support creatives without transferring ownership rights.

Registering as a Cooperative involves creating articles of association, registering with the Netherlands Chamber of Commerce (KvK), and utilizing a civil-law notary to formalize this structure. This process provides Arkavika with a professional framework that ensures compliance with Dutch business laws, establishing a legitimate and trustworthy foundation for future growth (KvK, n.d.).

### **Conclusion**

The Cooperative structure aligns well with Arkavika's mission, offering flexibility, community involvement, and limited liability without transferring ownership to individual members. This model provides a solid foundation for Arkavika to achieve its vision of supporting and empowering the creative community in Friesland. Through strategic reinvestment of profits and collaborative decision-making, Arkavika can sustainably fulfill its commitment to the personal and professional growth of its members.

## **1.3 Mission**

Arkavika aims to connect creatives and small businesses stimulating collaboration and growth within the community.

## **1.4 KPIs:**

- **Develop an MVP** (minimal viable product) capable of supporting 100 early adopters and launch it within 6 months of finishing the business plan.
- **Register Arkavika** as a legal business and finalize IP rights within 2 months.
- **Form partnerships** with at least 10 local businesses within a year after launching.

- **Facilitate connections** between at least 1,000 emerging talents and industry professionals across creative sectors within the first two years.
- **Grow Arkavika's user base** by 20% annually, with a focus on underrepresented talents, ensuring that the platform's users come from diverse backgrounds by year three.
- **Partner with** a minimum of 15 **sponsors** and investors annually, with a focus on supporting the creative projects.
- **Achieve a 15% year-on-year revenue growth** through a combination of subscription models, commissions, and strategic partnerships, ensuring long-term financial sustainability for Arkavika.

## 1.5 Value proposition

As a start-up, Arkavika finds the Value Proposition Canvas to be a crucial tool for defining how it will effectively address market demands. The description of the customer segments helps to empathize with the audience to create a value proposition in line with the actual needs and expectations and tackling the existing pains.

According to desk research, in order to successfully enter the creative industry, it is beneficial to have a broad network, extensive portfolio, developed self-management and niche professional skills. Therefore, among the graduates and young specialists the main pains were presented by lack of experience, knowledge, funding, or resources to start off with their career.

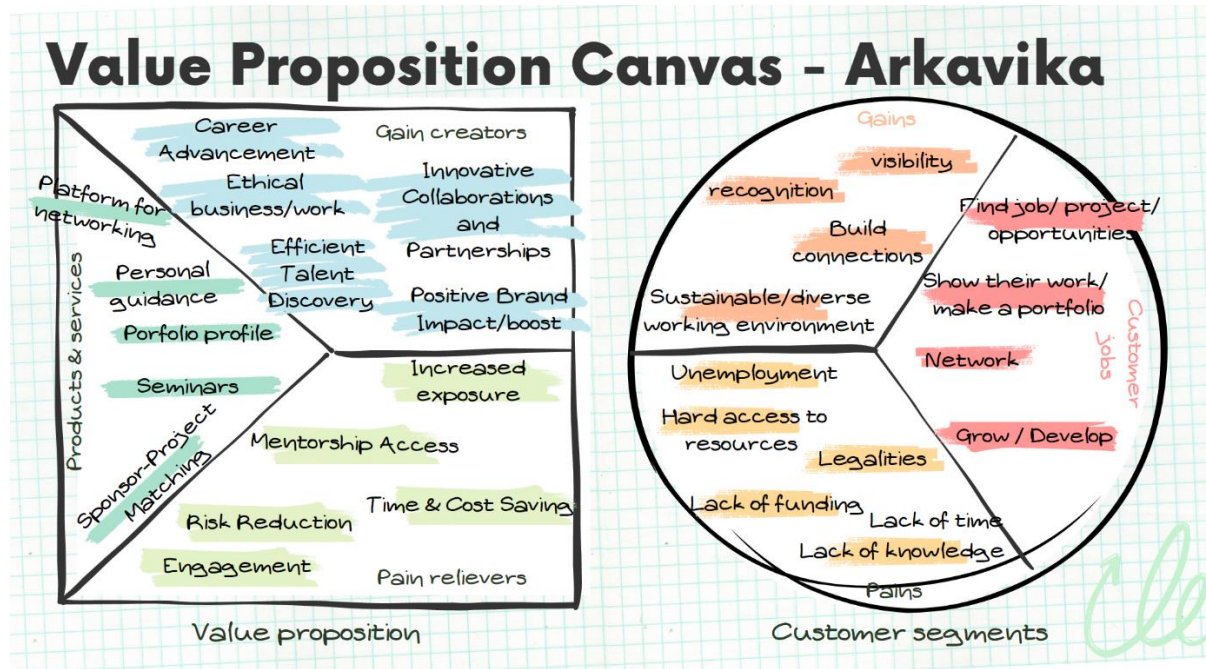


Figure 1 – Value Proposition

To respond to those pains, Arkavika provides a platform for networking online and through real-life projects. The services also include creation of professional portfolio and personal guidance. Moreover, working on the projects offered by local brands will allow customers to

grow their network, save costs and time collaborating with others and generally facilitate skills' improvement without extensive monetary investments.

A full analysis of the canvas and the concept explanation can be found in **Appendix 5 and 4** respectively.

## 1.6 Vision

We want to become the most recognizable networking hub in the creative industry.

## 1.7 Lean model canvas

The Lean Canvas model was selected for Arkavika because it is ideal for start-ups, providing a concise, one-page framework to outline key business elements like customer problems, solutions, and revenue streams. For start-ups, this focus on problem-solving and efficiency helps align the business with customer needs, making it easier to communicate the value proposition to investors and stakeholders (*Miro*, z.d.). More details for each block of the Canvas can be found under the following link: [https://www.canva.com/design/DAGR1FV7Tas/LnFM7G4LpXcCcn2ZHgl33A/edit?utm\\_content=DAGR1FV7Tas&utm\\_campaign=designshare&utm\\_medium=link2&utm\\_source=sharebutton](https://www.canva.com/design/DAGR1FV7Tas/LnFM7G4LpXcCcn2ZHgl33A/edit?utm_content=DAGR1FV7Tas&utm_campaign=designshare&utm_medium=link2&utm_source=sharebutton)

Below there is an overview of the Lean Model canvas. Key metrics are presented separately due to lack of space in the main canvas.



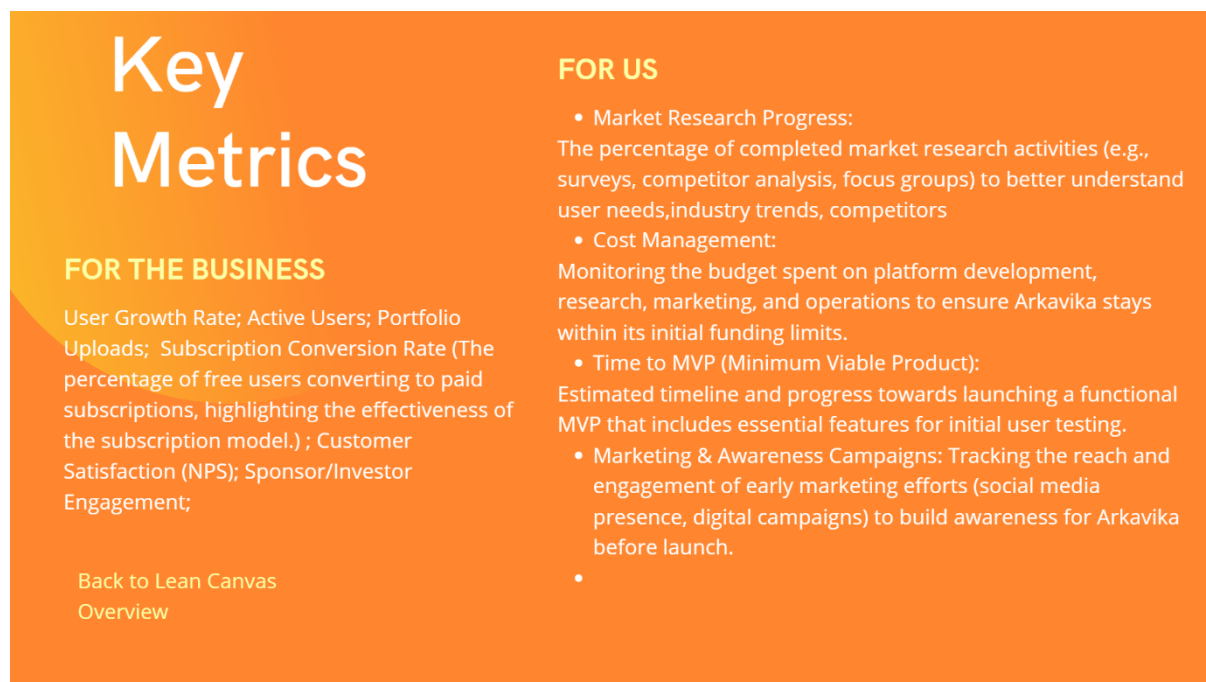


Figure 2,3 – Lean Model Canvas

## 1.8 Stakeholder map

As a start-up, Arkavika relies on a stakeholder map to identify, prioritize, and manage connections with key individuals or organizations who influence the company's success. By categorizing stakeholders according to their power and influence, Arkavika can ensure that it concentrates its resources and communication strategies on those who matter most to the business, such as young creatives and investors. For more in-dept information on each stakeholder refer to **Appendix 6**.

| Stakeholder                    | Influence Level | Interest Level | Communication Frequency | Communication Channel  | Information Type                        |
|--------------------------------|-----------------|----------------|-------------------------|--|---|
| Students/Young Creatives       | Very High       | Supporting     | Weekly                  | The website -chat rooms. If purchased the additional plan - MC Teams, WhatsApp | Progress to goal, Collaboration session |
| Professionals/Industry Experts | Medium to Low   | Supporting     | Monthly                 | Website, Email, LinkedIn   | Status update, Strategic planning       |
| Sponsors/Investors             | High            | Leading        | Monthly                 | Email, MC Teams  | Strategic planning, Progress to goal    |
| Local Businesses               | High            | Supporting     | Monthly                 | Email, MC Teams  | Status update, Strategic planning       |
| Team Members                   | Very High       | Leading        | Daily                   | WhatsApp, Google planner, MC Teams   | Status update, Brainstorming session    |

Figure 4 – Stakeholder Map

### Possible conflicts between stakeholders:

A primary challenge is ensuring clarity around the platform's goals, vision, and roles, particularly as these stakeholders have varying levels of influence and interest. Without clear

communication, stakeholders may interpret goals differently, leading to confusion and inefficiency. To mitigate this, it is essential to maintain transparent, regular communication, and use appropriate channels such as MC Teams, WhatsApp, the website chatroom/bots, Google Planner, as outlined in the stakeholder engagement plan. Competing interests between stakeholders, such as the immediate needs of young creatives versus the strategic goals of sponsors, could also spark conflicts. Additionally, potential communication breakdowns due to diverse communication needs can be minimized by ensuring that each group receives updates relevant to their roles and interests. Lastly, resistance to change, particularly from sponsors or team members accustomed to established processes, should be managed by involving them early in decision-making.

Generally, local businesses, sponsors, and team members hold mutual interest in Arkavika's financial success and greater brand awareness. However, the interests of the main customers (young creatives) who possess a very high influence level may differ from the other stakeholders since they have low budgets and personal development goals rather than market enrichment. In the case when this conflict significantly grows, Arkavika will have to manage **stakeholder trade-offs**. According to the company's values and main motivations, as well as the strategy (see chapter 4), customers' interests will be prioritized in order to correspond and keep the brand reputation and retain audience's loyalty. Arkavika's team believes that these factors will bring the company to more successful results than choosing immediate financial benefits. Nonetheless, a compromise will be always sought as the most favourable option with a goal to keep balance and reduce conflicts.

## Chapter 2 – Market Analysis

### 2.1 Meso-environment

#### 2.1.1 Competitive Analysis

##### **Introduction**

Arkavika's platform faces competition from several established services in the Friesland region that focus on networking, collaboration, and showcasing creative talent. Understanding these competitors is essential to identifying gaps and opportunities to fill in for the SWOT and TOWS analysis.

##### **Analysis: Local Competitors**

Creative Fryslân:

Creative Fryslân connects professionals across various creative sectors and supports career development through projects and networking. While it has a strong network, its primary focus is on mid-career professionals. (Creative Fryslân, n.d.).

Creative Business Club:

Creative Business Club is a community-driven network that offers workshops, networking events, and opportunities for creative professionals. While it provides valuable support for personal and professional development, its focus on in-person activities and not so much on online presence (Creative Business Club, n.d.).

Mooie Dingen Makers:

Mooie Dingen Makers is a platform that showcases creative work across multiple disciplines and connects makers with local organizations for project collaborations. Although effective at spotlighting local talent, it primarily serves as a showcase platform, not as a collaborating platform (Mooie Dingen Makers, n.d.).

Innovatiepact Fryslân:

Innovatiepact Fryslân supports regional innovation by connecting various industries and fostering cross-sector partnerships. It has a broad focus on multiple industries (Innovatiepact Fryslân, n.d.).

Matters:

Matters is known for promoting creative expression and providing spaces for creatives to work and connect. However, it lacks a digital-first approach, limiting its reach and scalability (Matters, n.d.).

MICA (Media Innovatie Campus Leeuwarden):

MICA (Media Innovatie Campus Leeuwarden) supports media innovation through collaborations between media professionals, innovators, and educational institutions. While it

excels in media-specific innovation, its complex structure may limit accessibility for younger, emerging creatives. (MICA, n.d.).

### **Analysis: International Competitors**

The platform also faces competition from international platforms like *LinkedIn*, *ArtStation*, *Behance*, and *Patreon*, each offering different services to creative professionals. LinkedIn provides broad networking opportunities but lacks focus on the creative sector, allowing the platform to tailor its services to this niche (LinkedIn, n.d.). ArtStation is popular among visual artists, especially in entertainment industries, but does not cater to other creative fields, while Behance excels in integrating with Adobe tools, primarily for visual arts. Both platforms have a narrow focus, presenting an opportunity for cross-disciplinary collaboration (ArtStation, n.d.; Behance, n.d.). Patreon focuses on monetization for independent creators but lacks the platform's emphasis on networking and mentorship. (Patreon, n.d.).

### **Conclusion**

The key competitors in Friesland's creative sector have several commonalities. Competitors like Creative Fryslân, Creative Business Club, and Mooie Dingen Makers prioritize networking and skill development, aiming to connect creatives with professional opportunities. However, these platforms generally emphasize in-person engagement over digital presence, which limits their reach and scalability. Additionally, most competitors target established or mid-career professionals, leaving emerging talents with fewer accessible options. Sector-specific platforms such as MICA and Innovatiepact Fryslân cater to specialized fields like media innovation or cross-sector collaboration but may lack the broad accessibility required by younger people. Strengths among these competitors range from established networks (Creative Fryslân) and sector-specific expertise (MICA, Innovatiepact) to community-driven initiatives (Creative Business Club, Matters)

## **2.1.2 Porter's Five Forces Analysis**

Porter's Five Forces is a strategic framework used to analyze the competitive environment. In the following chapter, the framework will be applied in order to explore how each Force will impact Arkavika.

### **Threat of New Entrants**

The **threat of new entrants** poses a moderate risk to Arkavika due to the competitive nature of the creative networking industry. While launching a platform requires investment in technology, marketing, and user acquisition, the barriers to entry are not prohibitively high, allowing new businesses to enter the market with relative ease. The moderate growth of the market also intensifies competition, as the existing pool of users and stakeholders is highly sought after. However, new entrants may face challenges in establishing trust, building partnerships, and differentiating their offerings.

### **Bargaining Power of Suppliers**

In Arkavika's context, suppliers include software developers, content creators, and other service providers who contribute to the platform's functions. The bargaining power of suppliers is relatively low, as there are many options for outsourcing or partnering with service providers. However, specialized suppliers, such as those needed to develop unique features or tools, may hold more power due to the complexity and expertise required. A company can reduce supplier dependency by working with multiple partners and investing in in-house development where possible. Diversifying suppliers will also ensure cost-effectiveness and avoid disruptions in operations.

#### Bargaining Power of Buyers

The bargaining power of buyers has a big impact on Arkavika because of the competitive market and the variety of alternative platforms available to the target audience. With minimal switching costs, buyers can quickly switch to competitors if their needs aren't met, especially since many, such as young creatives, have restricted budgets. In a market where customers expect user-friendly experiences, more features, and cheaper pricing, a company must be extremely open for feedback and constantly adjust its offers to meet user expectations.

#### Threat of Substitutes

The threat of substitute products is high for Arkavika due to the availability of platforms like Instagram and Pinterest, which offer alternative networking, collaboration, and portfolio-building services. These platforms are often free or low-cost, which increases their attractiveness to Arkavika's price-sensitive target audience.

#### Industry Rivalry

Arkavika operates in a competitive environment with established players such as Creative Fryslân, Creative Business Club, MICA. These competitors vary in their offerings, ranging from collaboration and networking to showcasing creative work or fostering media innovation. The diversity of competitors creates a fragmented market where each caters to specific audience needs. The rivalry is intensified by low barriers to exist, making it easy for existing players to remain operational. Additionally, some competitors have strong brand loyalty due to their established networks and history in the industry.

#### Conclusion

In conclusion, Arkavika faces a competitive market environment influenced by moderate threats from new entrants, low supplier power, high buyer power, significant substitution risks, and intense industry rivalry, showing the necessary strategic differentiation and adaptability to maintain its market position. For more detailed information and sources check **Appendix 7**.

### 2.1.3 STP model

To reach the most attractive audience for Arkavika that is going to be interested in the services provided on the platform and engage with it, it was decided to use the STP marketing model. It will allow to segment the market into smaller groups and help in the creation of unique and



personalized products based on a precise understanding of the ideal customers and means to reach them (Wright, 2022).

The defined realistically available market (RAM) for Arkavika Start-up is networking platforms for audio-visual (AV) production specialists. From the two potential target audiences, this business plan is going to be focused on a **B2C model** targeting the actual customers that will provide the company with the main revenue stream on the first stages. However, it is worth noting that the business concept implies expanding to a B2B model as well, which is yet not possible due to the limited resources of the project.

#### Segmentation criteria and targeting

|                      |            |                   |                |                   |
|----------------------|------------|-------------------|----------------|-------------------|
| <b>Geographic</b>    | Local      | Regional          | National       | International     |
| <b>Demographic</b>   | 15-24      | 25-34             | 35-55          | 56+               |
|                      | <2600€     | 2600€ - 3500€     | 3500€ - 6000€  | >6000€            |
| <b>Psychographic</b> | Achievers  | Experiencers      | Innovators     | Makers            |
| <b>Behavior</b>      | Networking | Prof. development | Personal brand | Job opportunities |

Figure 5 – Segmenting

According to the chosen segmentation criteria, the target audience will be presented by the young adults aged between 15 and 34, living in the Friesland province of the Netherlands, interested in AVM production, with income up to 3500€ a month, looking for networking and professional development opportunities, with the *experiencer's or innovator's* traits from the VALS framework. Therefore, an **ideal customer** is open to change and new products, attentive to image, value success and growth, extraverted and active. A visual representation of a desk-research-based prospective customer is demonstrated in a **Persona** and can be found in **Appendix 9**.

#### Positioning

From the competitive and internal analysis, it was possible to derive the unique selling points (USPs) for Arkavika according to the main strengths and weaknesses of the companies and an identified gap in the market. Since Arkavika provides collaboration opportunities via real-life projects and targets entry-level specialists unlike its competitors, the following matrix was created:

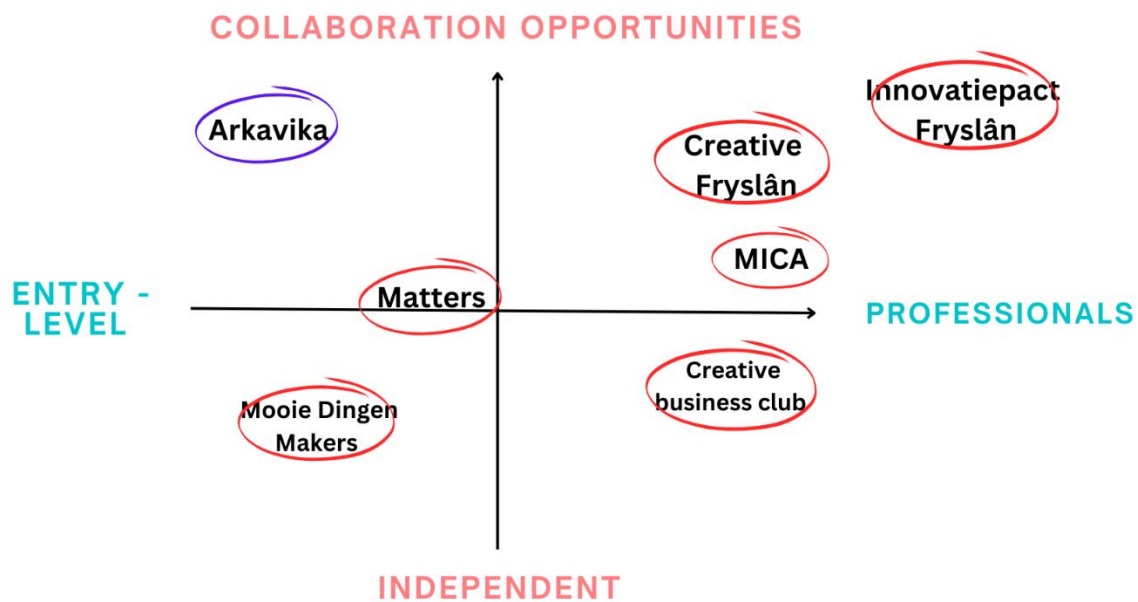


Figure 6 – Positioning

With these USPs Arkavika provides rational benefits for the customers and differentiates itself from the competitors on the market. They clearly reflect the value proposition of the company. In addition, because those benefits are mainly functional and directed at professionals, there is no need to create an emotional connection with the potential customers. Therefore, Arkavika does not provide ESPs.

Full description of the STP model and USPs can be found in the **Appendix 8**.

#### 2.1.4 Research results interpretation

Field research was conducted by the team with a purpose to empathize with the target audience on a deeper level. However, the expectations were not fully met due to a not accurate research design, which led to the insufficient results. Relying on self-judgment of the members of the target audience, a need in more hands-on experience that would enrich portfolio was identified. Nonetheless, the audience does not possess a strong feeling of unreadiness to enter the creative industry as was expected after conducting desk research. Visualizations of the field research results as an infographic can be found in **Appendix 10**.

Therefore, the focus of the marketing strategy should be shifted into **portfolio enrichment and practical challenges rather than networking opportunities** according to higher demand in those. Arkavika's value proposition may stay the same because of evident room for improvement in perception of own capabilities and lack of practical experience.

## 2.2 Macro-environment

### PESTLE analysis

To analyse the trends and developments within the creative industry on a macro environmental level, PESTLE analysis was conducted. Since Arkavika is a new company, it is essential to discover possible threats that might affect the business both externally or internally and opportunities that can be incorporated in the business model for a higher turnover (Intro to PESTEL Analysis, n.d.). PESTLE was chosen as the most valuable strategic planning tool to gain a broader understanding of the organization's environment and support the future strategy with factual data (What Is PESTLE Analysis?, 2024).

Below a visualization with the main takeaways from the PESTLE analysis is demonstrated. Full macro-environmental analysis can be found in **Appendix 11**.

In summary, Arkavika benefits from the Netherlands' supportive political and economic landscape, which offers grants and subsidies to foster innovation in the creative sector. The platform aligns well with social and technological trends, such as the growing gig economy, increasing use of online job search platforms, and AI-driven tools for creative industries. By addressing legal requirements and embracing sustainability, Arkavika can enhance its competitiveness and appeal to both environmentally conscious users and businesses.

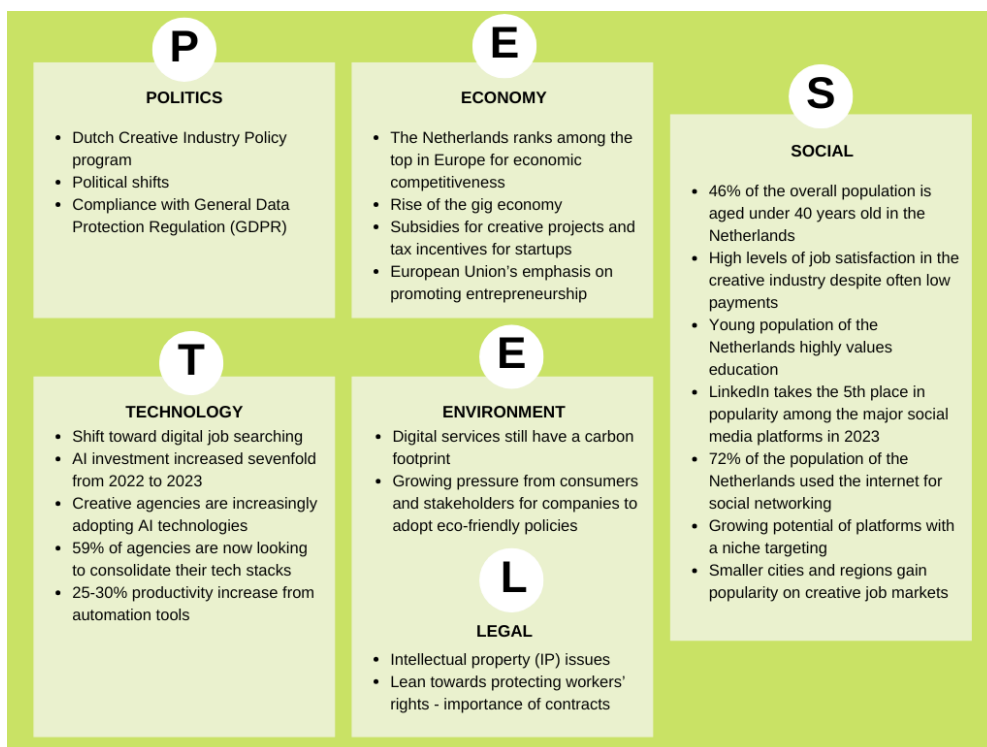


Figure 7 – PESTEL

## Chapter 3 – Analysis conclusions

### 3.1 SWOT

A SWOT analysis is a strategic planning tool used to evaluate and help organizations to identify areas for growth and potential challenges. Below a schematic summary of Arkavika's SWOT analysis is demonstrated based on the findings from internal and external analyses. Full description of all the aspects can be found in **Appendix 11**.

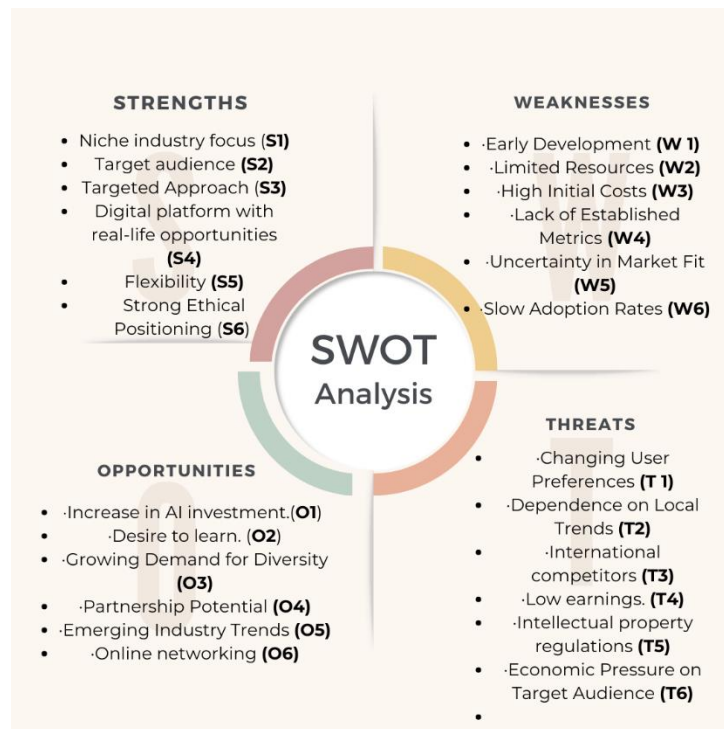


Figure 8 – SWOT

#### Conclusion

The SWOT analysis for Arkavika revealed notable strengths, such as innovative product offerings and a strong brand presence, positioning the company well in its market. However, it also highlighted weaknesses like limited market penetration and operational inefficiencies, which need addressing. By leveraging emerging opportunities and mitigating external threats, Arkavika can enhance its competitive advantage and ensure long-term success. Based on the SWOT analysis a TOWS model was used to link the external factors with internal and set a basis for the future strategy.

### 3.2 TOWS

#### 1. Using Strengths to Exploit Opportunities (SO)

- **(S1) Niche Industry Focus + (O5) Emerging Industry Trends:** Arkavika's focus on AV projects aligns well with the rising interest in independent content creation and digital production, allowing the platform to cater to growing market.

- **(S6) Strong Ethical Positioning + (O3) Growing Demand for Diversity:** Arkavika's commitment to inclusivity can resonate good with businesses which prioritizing diversity.
- **(S5) Flexibility + (O2) Desire to Learn:** Arkavika's adaptable business model can capitalize on young creatives' willingness to grow professionally.

## 2. Dealing with Weaknesses Using Opportunities (WO)

- **(W1) Early Development Stage + (O4) Partnership Potential:** Collaborating with established local organizations like Creative Fryslân and MICA can provide Arkavika with credibility, resources, and market validation.
- **(W2) Limited Resources + (O1) Increase in AI Investment:** Leveraging AI technology could enhance efficiency but reduce costs.
- **(W3) High Initial Costs + (O5) Emerging Industry Trends:** By prioritizing features aligned with current industry trends, Arkavika can streamline development costs.

## 3. Using Strengths to Address Threats (ST)

- **(S3) Targeted Approach + (T2) Dependence on Local Trends:** Arkavika's local focus allows for stronger community engagement, reducing vulnerability to shifts in regional trends.
- **(S6) Strong Ethical Positioning + (T3) International Competitors:** Arkavika's unique emphasis on inclusivity and ethical practices differentiates it from international competitors like Indeed.nl, offering a more personalized and values-driven platform.
- **(S5) Flexibility + (T1) Changing User Preferences:** The adaptable business model enables Arkavika to evolve quickly in response to shifting audience needs, maintaining relevance.

## 4. Addressing Weaknesses to Mitigate Threats (WT)

- **(W2) Limited Resources + (T6) Economic Pressure on Target Audience:** Offering affordable services during the early stages can reduce barriers for young talents and businesses experiencing financial strain.
- **(W1) Early Development Stage + (T4) Low Earnings in Creative Fields:** Addressing low incomes by providing opportunities for exposure, funding, and skill-building can make the platform indispensable to aspiring creatives.
- **(W3) High Initial Costs + (T5) Intellectual Property Regulations:** Establishing clear guidelines for intellectual property management early on can prevent costly disputes and protect Arkavika's reputation.
- **(W6) Slow Adoption Rates + (T2) Dependence on Local Trends:** Focusing on strong community-building initiatives can encourage early adoption and mitigate reliance on broader regional trends.

## Chapter 4 – Strategy

Introduction: Arkavika's marketing strategy will be built upon a structured strategic analysis using the 4Cs framework, SWOT, and TOWS matrix, leading to the development of a confrontation matrix (Appendix 13) that aligns internal capabilities with external market conditions. This matrix identified key intersections that shaped the strategic decisions. By leveraging the niche industry focus (S1) and the growing demand for diversity (O3), Arkavika was positioned as a diversity-driven platform. The targeted approach (S3) and partnership potential (O4) drew the line towards strong collaborations with industry leaders, while the combination of the digital platform (S4) and the rise of online networking (O6) supported the development of networking initiatives. Recognizing dependence on local trends (T2) and international competition (T3), Arkavika was differentiated by offering localized, value-driven activities such as working in team towards a common goal. Additionally, to address low earnings potential (T4) and economic pressure on the target audience (T6), a affordable subscription model was introduced . These insights led to three key marketing goals: **(1) Build Brand Awareness** through digital campaigns, influencer collaborations; **(2) Increase Paid Subscriptions** by using paid marketing; and **(3) Boost User Onboarding Efficiency** through Improved UX.

### 4.1 Strategic choices

Based on 10 types of Innovation:

**Open Innovation**, as defined by Henry Chesbrough (2003), is a concept where organizations go beyond their internal resources and collaborate with external stakeholders – such as partners, customers, or other organizations – to share knowledge, technology, risks, and rewards. This approach leverages external ideas and expertise while also allowing internal innovations to flow outward, creating greater value for all participants.

Open Innovation fits Arkavika, because a platform is being created where stakeholders will be able to share resources and knowledge. This way the Threat of Economic Pressure (**T6**) will be relieved with the Targeted approach (**S3**). For instance, sponsors could provide funding, while universities contribute fresh talent and research capabilities. To further engage users, Arkavika will have prize competitions and crowdsourcing initiatives, inviting participants to propose creative solutions to industry challenges. Additionally, the company's understanding of the target audience (**S2**) enables the possibilities of Partnership Potential (**O4**). Arkavika could form alliances with organizations that share its vision, such as MICA, to co-create new opportunities for users and enhance its impact.

Chosen strategy:

Using **Treacy and Wiersema's Value Disciplines**, Arkavika can strategically position itself by focusing on one of the three approaches. As a start-up, Arkavika is focusing on all 3 values

equally, but the main goal is to become more **Customer Intimate** because the company's mission revolves around building personalised relationships with the clients. By offering networking opportunities, and support for creative projects, Arkavika will give meaningful connections that prioritize long-term loyalty and trust.

Customer Intimacy is the best strategic focus for Arkavika because the strengths which overpower the weaknesses are mostly related to personal approach and customer satisfaction. For example, the Targeted approach (**S3**) will help with creating personalised experience for the target audience's needs such as the Desire to Learn (**O2**). The role of inclusivity and diversity is very important for Arkavika. By being Flexible (**S5**), the company can include people from diverse background (**O3**). In relation to that the understanding of the Target Audience (**S2**) makes it easier to choose collaborations (**O4**). By forming collaborations with local businesses, universities, and sponsors, Arkavika can deliver services that specifically address its users' needs – such as financial support for creative projects or skill development.

One of Arkavika's core strengths is its community-driven and inclusive approach, which directly addresses its weakness of limited brand awareness. By creating close relationships with users through personalized services like project recommendations, Arkavika creates loyal customers who spread the brand's message organically. That can generate content marketing and reduce reliance on costly traditional marketing efforts.

Additionally, Arkavika's ethical and diversity-centric values (**S6** strong ethical positioning) give it a chance to attract users and sponsors who prioritize these principles, helping to overcome the platform's underdeveloped features. Early adopters are more likely to engage with a brand they trust for its values, even if the platform is still evolving. This trust allows Arkavika to focus on development based on user feedback.

Lastly, Arkavika's local presence in Friesland positions it perfectly to build intimate connections with the community, addressing the resource limitations of being a small company. By starting locally and creating strong relationships with users, Arkavika can ensure sustainable growth through grassroots efforts, rather than competing with larger platforms on scale. This focus on Customer Intimacy allows Arkavika to turn its weaknesses into opportunities, ensuring that every user feels valued and supported.

## 4.2 Marketing mix

The **4 Cs of marketing** – Customer, Cost, Convenience, and Communication (Lewis & Nelson, 1999) - were chosen as the foundation for Arkavika's marketing strategy to align with the mission and strategic objectives. Drawing from innovation theory, the focus on **Customer** emphasizes understanding the needs of young talents, professionals, and sponsors in the creative industry. **Cost** will be prioritized to ensure the value of Arkavika outweighs concerns and possible money lost. The principle of **Convenience** reflects Arkavika's strategy to make the platform accessible and user-friendly, ensuring that the platform features align with the expectations. Finally, **Communication** is connected to the platform's goal to build trust in the community by using targeted messaging and storytelling. Together, these elements ensure the campaign is going to resonate with Arkavika's target audience.

## Customer

Key insights from innovation theory emphasize that customers adopt innovations that solve clear problems, are easy to use, and demonstrate immediate value. Arkavika addresses these principles by dealing with the struggle of finding real life projects and offering tools for networking and professional growth. To showcase its impact, the campaign will highlight **real stories of young talents** who have successfully secured projects or funding through the platform, creating relatable and inspiring personas. The platform will have a page specially dedicated to the best projects and showing them in a gallery. Showcasing on Arkavika's features can be done by creating online content on Instagram (one of the preferred social media channels – check Persona). More research findings and highlights regarding the target audience, customers and their behaviour and characteristics, can be found in the chapter 2.1.3. Based on the described conclusions, the value proposition and marketing campaign were shaped.

## Costs

Focusing on perceived value over monetary cost, the campaign takes key insights from innovation theory, which suggest that early adopters are more willing to invest when they perceive high benefits and low risks. To build trust and showcase value, Arkavika will implement a model, offering free basic access while clearly highlighting the added benefits of upgrading to premium features, such as participating in as many projects as one wishes for. To encourage early adoption, the campaign may have to hire paid influencers who will promote the message.

Arkavika is going to implement a subscription business model to generate revenue. The pricing model is based on the competitor analysis and the services that the platform has to offer. A free trial will be available for registration and participation in the first project. To create a portfolio, participate in more projects, and communicate with others a monthly Standard plan will have to be purchased with a price of 10.99€. On the second year of Arkavika's operation, an additional Premium plan will be introduced with a monthly cost of 17.99€. This will open a new revenue stream for the company and enable more features for the customers.

## Convenience

The campaign focuses on making the platform easy to use and access, reflecting innovation theory's insight that successful innovations are accessible and hassle-free, particularly for digital users. Arkavika's user-friendly interface will be promoted to ensure users can engage with the platform anytime, anywhere. A fast onboarding process will be highlighted, showcasing how users can create a profile and start a project in just a few minutes. Additionally, the campaign will emphasize Arkavika's localized expertise in the Friesland market, tailored specifically to the needs of local creative industries.

### Intuitive Design and Onboarding

The platform employs an intuitive interface designed to minimize complexity, ensuring that users can easily navigate its features without requiring extensive technical knowledge. New



users are guided through a streamlined onboarding process, allowing them to create profiles, explore opportunities, and connect with others in minutes. By focusing on simplicity and ease of use, Arkavika addresses a common barrier for creatives unfamiliar with digital tools, ensuring that all users, regardless of experience, can benefit from its services (Buttle, 2008).

#### Localized Features for Friesland's Creative Industry

Arkavika's platform is tailored specifically to the Friesland region, incorporating localized content and opportunities that resonate with its target audience. This includes project postings from regional businesses, events relevant to the creative community, and networking opportunities that leverage the strong cultural identity of Friesland. By embedding these localized features, Arkavika differentiates itself from broader, less-focused platforms like LinkedIn or Behance, offering value that directly supports the needs of its users (MICA, n.d.).

#### Accessibility and Cross-Platform Integration

Accessibility is central to Arkavika's design. The platform is optimized for use on multiple devices, ensuring seamless functionality on desktops, tablets, and smartphones. Cross-platform integration with popular tools like Canva and Adobe Creative Cloud further enhances usability, enabling users to manage projects and showcase portfolios effortlessly. This flexibility allows users to engage with the platform whenever and wherever they prefer, a critical factor in maintaining active participation (Lewis & Nelson, 1999).

#### User Support and Continuous Improvement

Arkavika provides support to ensure users can maximize the platform's potential. Customer service channels, such as chatbots and email support, address inquiries promptly, while regular feedback loops allow for the continuous refinement of features based on user input. By actively engaging its audience and adapting to their evolving needs, Arkavika fosters long-term loyalty and trust within the creative community (Payne & Frow, 2005).

#### Sustainability and Convenience Synergy

Arkavika's digital-first approach not only enhances convenience but also aligns with sustainable practices. By reducing reliance on physical networking events and resources, the platform minimizes its environmental impact while providing a more accessible and scalable solution for local creatives. This integration of convenience and sustainability strengthens Arkavika's appeal to environmentally conscious users and sponsors (Schaltegger & Wagner, 2017).

By combining user-centric design, localized focus, and a commitment to accessibility, Arkavika's platform ensures that convenience is at the forefront of its user experience. This approach supports its mission to empower creatives, foster collaboration, and contribute to the growth of Friesland's creative industry.

#### Communication

The campaign will prioritize engaging, inclusive, and consistent messaging to position Arkavika as an innovative, must-have tool, aligning with innovation theory's emphasis on effective communication and storytelling to build trust and connection. A #CreativeTogether (as an example) will translate Arkavika's values to users, supported by TikTok and Instagram reels showcasing platform features and stories from users. Community-building content, such as blogs, newsletters, and podcasts, will be disgusted later on but it might include trends, highlight and showcase aspects of Arkavika's innovative role.

Arkavika's message of the marketing campaign targets the locals and creatives playing with the spelling of the Friesland region and demonstrating a value for originality, inclusivity, and self-development:

*Frie-land – we create and grow together.*

Translating this message on the social media channels mentioned above, Arkavika aims to stimulate user-generated content and, as a result, reach higher brand visibility (Garcia, 2023). By starting conversations with members of the target audience and introducing them to interactive online challenges, the brand hopes to develop a greater community.

Since Arkavika believes that real-life experiences are key to building trust and quality connections, traditional marketing will also be actively integrated into the marketing campaign. This will include posters handouts at video production-related events (e.g. 48-hour film projects) and partnerships with those, as well as captivating posters with QR codes in unexpected locations to engage the target audience and create a feeling of curiosity.

To summarize, since creating a community is an essential value and a goal for Arkavika, it will be prioritized and communicated in various channels within the marketing campaign. Both online and offline strategies will be implemented to address the target audience and attract it with a representative brand message.

## 4.3 Marketing goals

Arkavika's marketing strategy, rooted in the 4 Cs framework—Customer, Cost, Convenience, and Communication (Lewis & Nelson, 1999)—ensures alignment with its mission to empower young creatives while achieving strategic objectives. Through clearly defined SMART goals, the marketing mix bridges the platform's offerings with its Key Performance Indicators (KPIs), driving measurable and impactful results.

### Goal 1: Build Brand Awareness and Engagement Through Success Stories

**Specific:** Launch a dedicated gallery page showcasing real-life success stories of at least 50 users who secure projects or funding through Arkavika within the first year.

**Measurable:** Achieve a minimum of 10,000 visits to the gallery page and 1,000 social media followers within the first year.

**Achievable:** Use Instagram and TikTok to post bi-weekly success story updates and launch

targeted ad campaigns featuring user stories.

**Relevant:** Supports the KPI of facilitating connections for 1,000 emerging talents and professionals within two years.

**Time-Bound:** The gallery page will be live within three months of platform launch, and bi-weekly posts will commence immediately afterward.

## Goal 2: Increase Paid Subscriptions Through Free Trials and Influencer Marketing

**Specific:** Offer a free trial for users' first project, promoting a Standard plan for €10.99 and Premium features for €17.99 by year two.

**Measurable:** Achieve a 15% conversion rate from free users to paying subscribers within the first year and reach 5,000 potential users in six months through influencer campaigns.

**Achievable:** Partner with three local influencers to promote free trials and subscription plans, combining their reach with platform marketing.

**Relevant:** Contributes to the KPI of achieving 15% year-on-year revenue growth through subscription models and partnerships.

**Time-Bound:** Subscription models and free trial offers will be launched within one month of platform release, with influencer campaigns starting in the same timeframe.

## Goal 3: Boost User Onboarding Efficiency Through Improved UX

**Specific:** Implement a user-friendly interface that allows new users to onboard and create a profile within five minutes.

**Measurable:** Ensure 90% of users complete the onboarding process without assistance within the first year of operation.

**Achievable:** Leverage feedback from UX testing during the MVP stage to refine the onboarding experience.

**Relevant:** Directly supports the KPI of registering Arkavika as a legal business and developing an MVP with 100 early adopters in six months.

**Time-Bound:** Complete all onboarding improvements by the MVP launch within the first six months of operation.

## Chapter 5 – Feasibility

### 5.1 CBA

To assess feasibility of the project, Costs and Benefits analysis was conducted considering the strategic choices and its' possible implementation. Basis of the income statement, future projections, and implementation plan support the core calculations. Additionally, risks analysis highlighting a few risk mitigation strategies is placed in **Appendix 13**.

The main **financial goal** for Arkavika is to reach a breakeven point in the first 2 years of operating by investing into marketing campaigns and building strong partnerships.

Under the following link, Excel Sheets with the calculations of the Costs and Benefits analysis for Arkavika can be found:

<https://docs.google.com/spreadsheets/d/1KvLilliWTE0Y1HVpGarTbZeX4vsr8HPp/edit?usp=sharing&ouid=115445077197233513822&rtpof=true&sd=true>

On the multiple sheets three scenarios were developed (Best Case, Worst Case, Most Realistic) as well as the future projections that take into account the costs and benefits growth over the 3 years depending on the actions the company takes. The growth projections also play role of an **income statement** in this project demonstrating the yearly gross profit, operating expenses and income calculations, as well as the breakeven point for each scenario. “Costs of goods sold” are equal to 0€ because Arkavika provides services and does not manufacture or sell any physical products. Based on it the basic calculations were made to find out the gross profit and the breakeven points. The income tax was not considered yet and the VAT (turnover tax) is excluded according to the Small Business Scheme (KOR) allowing Arkavika to exempt from VAT (Sletterink, 2024).

Generally, the tables do not cover the intangible benefits since they are complicated or impossible to quantify. Nonetheless, these are important to consider and in the long term form a competitive advantage for the company on the market (Staff, 2024).

Some of the **intangible benefits** identified for Arkavika are:

- Brand recognition
- Brand equity
- Customer retention
- Community growth
- Social impact (addressing unemployment issues and struggles entering the creative industry)
- Expanded market share
- On-site engagement

#### Connection to KPIs

The listed intangible benefits help to achieve some of the Arkavika's KPIs. For example, by retaining the customers, creating a community, and building up the brand reputation Arkavika

grows its' user base and eventually the year-on-year revenue. To refer to all of the KPIs see page 6.

### **About scenarios**

Costs in each scenario include some way of legal consultation, website development and maintenance, insurance, company registration, and domain hosting. Other aspects are variable and dependent on a specific scenario with different levels of workload falling on the founders. The benefits mainly consist of the paid subscription (standard plan during the first year and introduction of the premium plan starting in year 2) and corporate sponsorships.

Since there are no available grants found for a small business (costs under 50 000€) within the creative sector, in the second year a loan from a non-profit Dutch foundation (Qredits, n.d.) will be taken.

- **Best Case Scenario (BCS)**

The best-case scenario encompasses the lowest possible costs and highest revenue of the project realization over the 3 years. The first 2 years are expected to be profitable in this case; however, the 3rd year experiences a fall back. It happens due to the fact that there are almost no labour costs included in the beginning, which entails that the founders are working with no salary for 2 years straight and take multiple roles on a project (sales, marketing, communication). The accounting is also done by the founders themselves using accounting software for the basic calculations and records' tracking. Taking a loan of 25 000€ generates profit in the second year, which can be reinvested into development and costs coverage in year three and also opens up opportunities for growth.

- **Worst Case Scenario (WCS)**

The worst-case scenario encompasses the highest possible costs and lowest revenue of the project realization over the 3 years. In this case, the founders start to receive salary during the second year with a minimal wage rate and considering 10 hours a week workload. The company is also registered as a private limited company in the second year, becoming a legal entity and taking the personal liability for the company and its' debts off the partners (founders) (Kvk, 2024). Overall, expenses are higher than minimal or average (e.g. when hiring a marketing specialist) and include a rented office in year 3 to accommodate the personnel. Taking a microcredit of 50 000€ would not cover the losses for the second year, meaning that an SME-loan for a bigger rate should be taken (up to 250 000€), and that the business stays unprofitable in the early stages without large investments or new revenue streams.

- **Most Realistic Scenario (MRS)**

In the most realistic scenario, the average costs and revenues are chosen. The registration as a private limited company is done in the 3rd year and before that, the company functions on a partnership contract. It also implies that the founders receive a minimal monetary payment starting in year 2. According to the future projections, without a grant this scenario is still non-profitable in the first 3 years after the start-up establishment and brings losses mainly due to

the labour costs. Taking a loan (microcredit) for 50 000€ is essential to cover the costs of the 2nd year and cover the losses of the 1st year; however, it will not be enough to continue into the 3rd year without losses.

### **Implementation plan**

Under the link mentioned above, a sheet with a GANTT chart can be found (the last page). There, an implementation plan for the first year is described in a table highlighting the result indicators, monthly progress, and a rough role division. The **milestones** for this period are:

- Developing the final strategic choices based on new research
- Registering the company
- Finding the first sponsors
- Finishing development of the first version of the platform
- Starting the marketing campaign
- Getting the first clients

After the year of operating, it is difficult to predict all the aspects in need of detailed planning at the moment. However, it is clear that the main activities will consist of the maintenance of the website, active promotion of the brand, and search for the new clients (both B2B and B2C markets) that can be realized in various ways – online and offline, campaigns and new concepts development, networking, etc. Handling financial and legal aspects also will take a significant part of planning in the following years.

## **5.2 Conclusion and advice**

Based on the financial feasibility analysis, it is clear that the Arkavika start-up is likely to be a costly venture due to high labour and website development costs. Nonetheless, there are ways to reduce the costs, which might lead to lower quality of the marketing campaign, higher risks connected to the legal aspects, and possibility of burn out of the founders because of the abnormal workload and low earnings.

Therefore, the main recommendation would be to invest the time into preparation of a pitch presentation and search for more founding opportunities. It is considered that Arkavika can be profitable after 3 years of operating with a solid initial capital higher than 50 000€ and low or no interest rate. Looking for a European grant for small businesses (in the next years) and attracting private investors could be a solution in this case (McGowan, 2023).

Additionally, looking for new founding members (at least 2 more) would increase productivity and reduce the workload making it more possible to start off without hiring qualified professionals at the beginning.

To sum up, according to the current financial model and calculations, the project is not feasible and difficult to maintain. However, it has a high growth potential if the given advice is successfully followed due to a more stable foundation and a promising market positioning (see chapter 2.1.3 - STP model).

## Conclusion

Arkavika presents an innovative solution to the challenges faced by emerging creatives in Friesland, addressing barriers such as unemployment, limited resources, and insufficient mentorship. Through its emphasis on inclusivity, sustainability, and community-driven growth, Arkavika empowers young professionals to connect with opportunities that advance their careers and foster professional development.

### Organizational and Structural Approach

Arkavika's flexible flat organizational structure supports its early growth and adaptability. As the platform scales, it transitions into a matrix structure, complemented by a cooperative legal framework that ensures member engagement while maintaining centralized management. This approach aligns with Arkavika's mission of empowering creatives and fostering collaboration.

### Market Position and Strategy

Market analysis underscores the need for a platform that bridges the gap between emerging talent and real-world project opportunities. Utilizing SWOT, TOWS, Porter's Five Forces, and PESTLE frameworks, Arkavika identifies its strengths and external opportunities while addressing risks such as competitive pressure and regulatory challenges.

Arkavika's **Customer Intimacy strategy** emphasizes personalized services tailored to young creatives. Its marketing mix ensures affordability and engagement through storytelling, content marketing, and user-friendly subscription models. Strategic partnerships with sponsors and local businesses strengthen financial sustainability while fostering community ties.

### Operational and Sustainability Practices

Operationally, Arkavika integrates **Total Quality Management (TQM)** principles and sustainable practices to reduce its environmental footprint and promote inclusivity. Customer Relationship Management (CRM) strategies enhance user satisfaction and retention through personalized onboarding, effective feedback mechanisms, and community-building initiatives.

## **Feasibility and Long-Term Vision**

Arkavika's business plan, supported by robust financial projections, highlights its potential for long-term sustainability. While early-stage operations rely on a combination of subscription revenue and partnerships, projections show Arkavika's ability to reach its breakeven point within two years. The focus on intangible benefits, such as brand equity, customer retention, and social impact, positions Arkavika as a transformative force in Friesland's creative industry.

## **Regional Impact and Contribution**

Arkavika bridges the gap between emerging talent and professional opportunities, contributing to Friesland's creative growth and innovation. By addressing systemic barriers and fostering collaboration, Arkavika establishes itself as a key player in the region's creative ecosystem, aligning its mission with the broader goals of inclusivity, sustainability, and professional development.

Arkavika's strategic focus, operational resilience, and community-driven approach ensure its relevance and impact, making it a vital resource for Friesland's emerging creatives.



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# Appendix

## Appendix 1 – 7S model

### Introduction

McKinsey's 7-S Framework maps the seven factors that influence an organization's ability to adapt and change.

In Arkavika's case, it was decided that this framework would be used as a design tool rather than analytics tool. Rather than focusing on issues the 7S model was employed to intentionally design the structure, system and strategy that would align with the mission. By mapping out the elements of the framework it was ensured that every aspect of the organization is supporting the long-term goals. This approach allows the aligning of the components of the company from the start.

### Organizational structure

Arkavika has an entrepreneurial organizational structure. This organizational structure is designed to be flexible, adaptable, and responsive to change. (Grzegorzek & Grzegorzek, 2023). Arkavika can be categorized as entrepreneurial since it has a flat hierarchy and decentralized decision-making allowing the employees to be autonomous and their decisions to be considered. The communication is mostly informal. Arkavika is flexible, can easily adapt to change and its mission is focused on innovation. Entrepreneurial organizational structure suits start-ups and small businesses with constant extreme deadlines. (Grzegorzek & Grzegorzek, 2023)

### Systems

Every company works with different systems and Arkavika's are as follows:

- Written rules, and agreements: When Arkavika was founded all of the employees signed a contract that established clear rules, agreements, and a strike system to ensure accountability and maintain professional standards. These measures were designed to create a fair and transparent working environment, making sure all parties understand their responsibilities and the consequences of any breaches. The contract can be found in the appendix.
- Communication systems: Since Arkavika is a small company with a small staff, WhatsApp, Microsoft Planner, and regular face-to-face meetings are the primary communication systems. These tools allow for quick, efficient, and flexible communication, helping the team to collaborate in real time, whether remotely or in person. WhatsApp offers instant messaging for day-to-day coordination, while Microsoft Planner provides a more structured environment for storing documents, having a calendar, assigning tasks etc. The team meets weekly face-to-face to work together on different challenges.
- HR systems, refer to payroll, HRM software, etc, Arkavika is a non-profit organization, the employees are not getting paid and the software we use for communication for absence is WhatsApp/MS Planner.



- ICT systems: As mentioned above, for sharing documents, planning, and scheduling Arkavika uses MS Planner. In addition, the team is aware of such tools as Canva, Photoshop, and free domain hosting and uses them when suitable.
- Quality Control Systems: Arkavika is implementing Total Quality Management because it describes principles that align with Arkavika's. The principles being:
  - o **Customer Focus:** Meeting or exceeding customer expectations is the main objective. Every decision and process revolves around enhancing customer satisfaction.
  - o **Total Employee Involvement:** All employees, regardless of their role, contribute to improving quality. This fosters a culture of ownership and accountability.
  - o **Continuous Improvement (Kaizen):** TQM emphasizes the ongoing pursuit of better quality and performance, not just through one-time changes but through constant incremental improvements.
  - o **Fact-Based Decision Making:** Data and analysis are central to identifying problems and making decisions. This reduces risks and improves the effectiveness of quality initiatives. (Six Sigma US, 2024)

## Strategy

Value disciplines are strategic directions that guide an organization's overall focus. Treacy and Wiersema identified three key disciplines: **operational excellence**, which emphasizes efficiency in production and delivery for reliable, competitively priced products; **product leadership**, which focuses on innovation and providing cutting-edge products that make competitors' goods obsolete; and **customer intimacy**, which involves tailoring offerings to specific market segments to build long-term relationships with customers. Each discipline shapes how a company approaches its market and operations

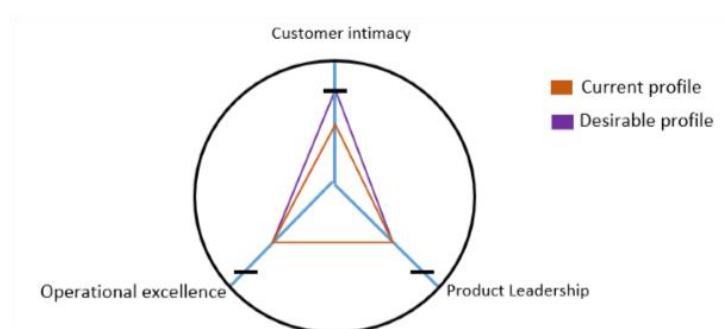


Figure 9 –Strategy

As a start-up Arkavika is focusing on all 3 values equally but the goal is to become more Customer Intimate because its mission revolves around building personalised relationship with the clients. By offering tailored networking opportunities, and support for creative projects, Arkavika will give meaningful connections that prioritize long-term loyalty and trust.



## **Style (leadership)**

Arkavika follows a **Democratic leadership style**, where group members are actively involved in decision-making, fostering collaboration, engagement, and creativity. While the leader retains the final decision, members feel more engaged, and creativity is encouraged, leading to higher productivity and better group morale. Additionally, Arkavika incorporates the **Self-Determination Theory**, focusing on the key needs of autonomy, competence, and relatedness to promote motivation and satisfaction among its members

## **Shared Values**

Arkavika's core values come from the agreements that were made upon forming the team behind the company. The list includes Honesty, Excellent connection / communication, Sustainability, Diversity and Inclusion, Innovation, Team-work, Passion. For more context refer to the appendix.

## **Skills**

All members behind the curtains have diverse skills, and because of that the company provides good quality service. The list of skills includes:

- Project Management skills: As Arkavika operates a project-matching platform, managing the flow of projects between businesses and creatives is essential. The team possesses the ability to create and manage project timelines, strong communication and problem-solving abilities.
- Business Development and Partnership Skills: A key part of Arkavika's growth relies on forming strong relationships with local businesses and educational institutions so the personnel has Strategic thinking, Negotiation, and deal-making as well as Networking and relationship-building qualities.
- Marketing and Community Engagement: To grow Arkavika's user base and increase project postings, the company needs strong marketing skills to promote its services. Community engagement ensures that the platform stays active and relevant. Arkavika employees possess digital marketing, branding and storytelling skills.

## **Appendix 2 – Sustainability and CRM practices**

### **Introduction**

Given the limited time we had and the main focus of our project, we decided to focus more on the financial and legal aspects because they are the most directly relevant to setting up and running Arkavika. For example, understanding costs like website development, registration fees, and taxes is essential for making sure the platform can operate. Similarly, addressing legal requirements, such as compliance with local regulations and intellectual property rights, is crucial for ensuring the business runs smoothly and avoids potential issues. While sustainability, diversity, and ethics are very important values for us, we felt that they are not as urgent to the practical steps we need to take right now. By focusing on financial and legal matters, we can build a strong foundation for Arkavika and revisit these other areas in more detail when we have more time and resources. This choice was not about ignoring these values but about prioritizing what is most necessary for this stage of our project.

Arkavika aims to support creative professionals by offering a collaborative networking platform tailored to the Friesland region. To ensure long-term viability, sustainability and CRM (Customer Relationship Management) practices are embedded in Arkavika's organizational structure.

### **Sustainability Aspects**

In the current landscape, businesses are increasingly held accountable for sustainable practices. Arkavika's approach to sustainability focuses on environmental responsibility, social equity, and economic viability to support the local creative ecosystem (Elkington, 1997).

#### **Environmental Responsibility:**

As a digital-first platform, Arkavika inherently minimizes environmental impact by reducing the need for physical resources and office space. Sustainable hosting services, efficient data usage, and the promotion of digital interactions over travel-intensive networking events contribute to an eco-friendly footprint (Schaltegger & Wagner, 2017).

#### **Social Equity:**

Arkavika supports inclusivity and diversity by offering a welcoming space for emerging creatives across sectors. Arkavika is open work with all creatives, regardless of the race, sex or nationality (SustainAbility, 2011).

#### **Economic Viability:**

A key aspect of Arkavika's sustainability strategy is to provide affordable services for both members and stakeholders, enabling regional businesses and creative individuals to access resources that foster growth. This economic approach not only benefits individual users but also contributes to Friesland's broader creative industry by encouraging a local talent pool (Porter & Kramer, 2011).

### **CRM Practices**

Customer Relationship Management (CRM) is crucial for Arkavika's growth and customer retention. Effective CRM practices help manage interactions, improve user experiences, and foster a loyal community (Payne & Frow, 2005).

#### **User Onboarding:**

A seamless onboarding experience is essential to encourage engagement among new users. Arkavika will provide accessible customer support, and personalized onboarding strategies to help users navigate the platform and maximize its benefits (Buttle, 2008).

#### **Engagement and Community Building:**

Arkavika emphasizes community through regular updates, targeted communications, and events. The platform sends tailored recommendations based on user preferences, hosts webinars with industry experts, and conducts surveys to understand and respond to user needs (Kumar & Reinartz, 2012).

## Feedback Loops:

Continuous improvement is going to be supported by user feedback mechanisms, allowing Arkavika to refine its offerings. Feedback loops include surveys, direct user interactions, and platform usage analytics to address pain points and enhance user satisfaction (Payne & Frow, 2005).

## Retention Strategies:

Regular engagement through newsletters, feature updates, and content tailored to emerging creatives helps strengthen long-term relationships and supports user retention (Buttle, 2008).

## Conclusion

Arkavika's organizational structure integrates sustainability and CRM practices to create a resilient, socially responsible platform. By fostering inclusive opportunities for local creatives, maintaining financial health, and prioritizing legal compliance, Arkavika ensures a stable foundation for long-term growth. Additionally, CRM practices contribute to community building, engagement, and user loyalty, making Arkavika a valuable resource in Friesland's creative ecosystem.

## Appendix 3 – Benefits of the cooperative structure

The Cooperative structure presents several key advantages for Arkavika's objectives:

- 1. Member-Centric Decision-Making**  
Although members of Arkavika do not share ownership, the cooperative model allows for community involvement in decision-making processes. Arkavika can create an advisory board or committee that represents member interests, guiding organizational direction and ensuring that decisions reflect the needs and values of the creative community it serves (Business.gov.nl, n.d.).
- 2. Adaptability and Member Flexibility**  
Arkavika targets a diverse group of young creatives who may require adaptable membership options. The cooperative model allows members to join or exit based on their individual needs, making it well-suited to an industry that demands flexibility (Business.gov.nl, n.d.). This adaptability also allows Arkavika to continuously adjust its offerings to remain relevant in a rapidly changing creative sector.
- 3. Limited Liability and Legal Entity Status**  
The Cooperative structure provides Arkavika with limited liability, protecting the organization's leaders and ensuring that individual members are not held liable for any debts. This setup creates a safe environment for Arkavika to operate and expand, reducing financial risk for the organization and maintaining security for its members (KvK, n.d.).
- 4. Profit Utilization for Community Benefits**  
Arkavika can reinvest profits directly into enhancing member services, such as organizing training sessions, hosting events, or providing tools that benefit the creative

community. This reinvestment strategy supports Arkavika's mission to foster growth and skill development among young creatives in Fryslân, reinforcing its role as a community-centered organization (Rijksoverheid, n.d.).

## Appendix 4 – Value proposition canvas

### **Pains:**

#### **1. Unemployment**

Mentorship access and increased exposure help creatives improve employability and gain visibility in the market (Arkavika Value Proposition Canvas, 2024). Risk reduction mitigates the uncertainty of freelance work by offering users essential guidance (Arkavika Briefing, 2024).

#### **2. Hard Access to Resources**

Mentorship and engagement provide valuable guidance, while time and cost savings ensure creatives access resources efficiently without financial burdens (Arkavika Business Model, 2024). This alleviates the pain of resource scarcity often experienced by emerging professionals.

#### **3. Lack of Funding**

Sponsorship project matching connects creatives with financial support, directly addressing funding issues (Arkavika Value Proposition Canvas, 2024). Time and cost savings also simplify this process by streamlining access to potential sponsors (Arkavika Business Plan, 2024).

#### **4. Lack of Time**

The platform saves creatives time by offering consolidated opportunities and resources, allowing them to focus on their core creative work (Arkavika Competitor Analysis, 2024).

#### **5. Lack of Knowledge**

Mentorship access, combined with seminars, bridges knowledge gaps, ensuring creatives stay updated with industry trends (Arkavika Briefing, 2024). This also enhances their competitiveness in a fast-evolving market (McDonald, 2012).

#### **6. Legalities**

Risk reduction features support creatives in navigating legal complexities, such as contracts and intellectual property rights, providing a sense of security when engaging in creative work (Arkavika Value Proposition Canvas, 2024).

### **Gains:**

#### **1. Visibility**

The platform enhances exposure, helping creatives showcase their work, which boosts their visibility and professional reputation in the creative sector (Arkavika Competitor Analysis, 2024).

#### **2. Gaining Recognition**

Increased exposure and career advancement opportunities empower creatives to gain

industry recognition and achieve their professional goals (Arkavika Business Plan, 2024).

3. **Building Connections**

By fostering innovative collaborations and an ethical working environment, the platform enables meaningful professional relationships (Arkavika Business Model, 2024). Networking within the platform helps creatives access new opportunities in a supportive ecosystem (McDonald, 2012).

4. **Sustainable/Diverse Working Environment**

The platform promotes an inclusive, ethical environment aligned with the values of modern creatives, enabling professionals to work in spaces that reflect their personal and professional ethics (Arkavika Briefing, 2024).

**Customer jobs:**

1. **Finding Jobs/Projects**

The platform connects creatives with job opportunities and sponsors through its professional network and sponsorship project matching (Arkavika Value Proposition Canvas, 2024).

2. **Showcasing Work**

The portfolio profile feature enables creatives to present their work to potential clients, helping build a personal brand that sets them apart in the industry (Arkavika Competitor Analysis, 2024).

3. **Growing Network**

By offering seminars and a professional platform, the service helps creatives expand their network, facilitating collaborations and long-term professional growth (Arkavika Business Model, 2024).

## Appendix 5 – Concept explanation

What is the problem Arkavika is solving?

Finding a relevant and well-paid job after graduation is of a major concern for many students in the creative industries according to desk research and personal communications with the members of the mentioned group. Arkavika believes building a strong network and improving professional skills are crucial for a successful career path in the creative industry. The digital platform will connect young specialists within the AV production industry and allow them to enrich their portfolios by participating in various projects. Therefore, Arkavika will stimulate the growth of the local market by providing more opportunities for friendly competition and networking as well as by making work in the creative industry more accessible for graduates and beginners.

Who will it be solved for?

The potential customers can be split into two categories:

- Young specialists, beginners, and students with little work experience but high ambitions to grow in the creative field and try different things.
- Small brands, influencers, and startups that need a certain problem/task to be tackled as well as to be promoted among the creative professionals.

How? What are the solutions provided?

Users of Arkavika have a chance to create a profile describing their field of expertise, experience, and goals within the platform. After registration, it is possible to apply for participation in various projects provided by the company. Each project may be presented as an assignment from a partner brand / an individual who needs a specific task (within the creative field) to be accomplished but has a limited budget and resources. In other words, small companies form a request for help with a creative project with a small monetary reward, which users of the platform can help them with.

Whilst collecting the applications for those projects on its platform, Arkavika forms teams of 4-5 applicants with different levels and fields of expertise to accomplish the chosen tasks within a specified time frame. As a result, the project is completed by multiple teams, which allows the client to choose one of the products as final. The winning team will receive the payment from the client, and other participants will get virtual points on the Arkavika platform defining their rank on a “board of fame”. Every finished product can later be added to the project’s gallery and the individual portfolios of the team members. Thus, Arkavika plays the role of a mediator between the clients and the specialists and fosters community creation with an emphasis on individual achievements by stepping out of the comfort zone.

## Appendix 6 – Stakeholders Analysis

Young creatives will be the core users of Arkavika and will have a high value to the platform, as its primary goal is to help them connect and find opportunities. Their interest level will be supporting because Arkavika’s success directly impacts their professional development but they will have not so much to say in the decision making. Frequent weekly communication will be essential to keep them engaged and informed about new opportunities, events, or platform updates. Communication channels like the website, chat rooms, WhatsApp, and Microsoft Teams are chosen for their accessibility and interactivity. The type of information shared with them will include progress updates about Arkavika’s website, community related matters, events.

Professionals and industry experts have medium to low value within Arkavika, as their role will be supplementary, focused on mentoring or hiring talent. Their interest level is going to be supporting, as the platform will offer them a way to discover new talent but they will not be involved in the decision making. Monthly communication is sufficient to keep them updated without overwhelming them, as their engagement will be more strategic and less frequent. Communication through the website, email, and LinkedIn aligns with their professional needs and preferences. The information shared with them will include status updates to keep them informed and planning about online lessons.

Sponsors and investors hold high value within Arkavika, as they will provide financial support necessary for platform development, marketing, and operations. Their interest level will be leading because their financial involvement creates interest in the platform's success. Monthly communication is appropriate to keep them informed and engaged. Professional communication channels like email and Microsoft Teams are used to share strategic updates and facilitate discussions. The information provided to them will be focused on strategic planning and progress updates, ensuring they are aware of how their investments are being utilized and how Arkavika is meeting its objectives.

Local businesses will have high value as stakeholders because they will contribute to Arkavika by offering opportunities for young creatives to work on real-life projects. Their interest level will be supporting, they can provide feedback but not participate in decision-making. Monthly communication is sufficient to keep them engaged and aware of relevant developments without requiring frequent interaction. Communication via email and Microsoft Teams will allow for professional and efficient exchanges. The information shared with local businesses will include status updates about the platform's activities, project's engagement, and strategic planning.

Team members are the backbone of Arkavika and have a very high value, as they are responsible for running and managing the platform on a day-to-day basis. Their interest level is leading, as their direct involvement and responsibility for Arkavika's success make their engagement critical. Daily communication is necessary to ensure smooth operations, address challenges, and coordinate tasks effectively. Internal communication channels like WhatsApp, Google Planner, and Microsoft Teams provide real-time collaboration and task tracking. The information shared with team members includes status updates to keep them informed and brainstorming sessions to solve problems, and plan future developments.

## Appendix 7 - Porter's Five Forces

### - Rivalry among competitors:

The **rivalry among competitors** is a critical force influencing Arkavika's ability to establish and sustain its position in the creative business market. Arkavika will operate in a fragmented and competitive environment, with local competitors like Creative Fryslân, Creative Business Club, Mooie Dingen Makers, Innovatiepact Fryslân, Matters, and MICA. Each of these businesses targets overlapping audiences, creating intense competition for users, funding, and partnerships.

The **number of competitors** in the creative industry is relatively high, increasing the rivalry. Each competitor has carved out a niche, such as Creative Fryslân focusing on mid-career professionals, MICA emphasizing media-specific innovation, and Mooie Dingen Makers spotlighting local creative work. However, this diversity also opens opportunities for differentiation, like focusing on young and emerging creatives in a digital-first format.

**Industry growth** in the creative business sector is moderate, which means competitors are often fighting for the same pool of users and resources rather than benefiting from an

expanding market (Europa Regina, 2023). This competition is further heightened by the low barriers to entry, which allow new competitors to emerge and intensify the rivalry.

**Switching costs** for users are low, which adds to the intensity of rivalry. Creatives and businesses can easily switch to alternative platforms if they perceive better value elsewhere. For example, platforms like Creative Business Club and LinkedIn offer similar networking opportunities, making it essential for Arkavika to create features that are uniquely tailored to its audience, such as collaboration tools and inclusivity-focused initiatives. (*Creative Business*, n.d.).

**Brand loyalty** also plays a significant role. Established players like Creative Fryslân and MICA have built strong reputations over time, giving them an advantage in retaining their audience.

- Threat of New Entrants

The threat of new entrants poses a moderate risk to Arkavika due to the competitive nature of the creative networking industry. While launching a platform requires investment in technology, marketing, and user acquisition, the barriers to entry are not prohibitively high, allowing new businesses to enter the market with relative ease. Additionally, switching costs for users are low, meaning that creatives and professionals can quickly migrate to a new platform if it offers better value or features. The moderate growth of the market also intensifies competition, as the existing pool of users and stakeholders is highly sought after. However, new entrants may face challenges in establishing trust, building partnerships, and differentiating their offerings.

The threat of new entrants in Arkavika's industry is moderate due to several factors. As mentioned, launching of a new platform can be challenging but economies of scale also play a role. As a new entrants might struggle to attract sufficient users to compete effectively with existing platforms. To mitigate this threat, a company must focus on creating strong barriers to entry, such as a loyal user community, an intuitive platform, and unique features that are hard to replicate.

- The bargaining power of buyers

The bargaining power of buyers has a significant impact on Arkavika. Arkavika's buyers—students, young creatives, industry professionals, sponsors, and businesses—have a wide range of alternative platforms to choose from, such as Creative Fryslân, LinkedIn, and Behance. This pool of options increases their ability to switch to competitors if Arkavika fails to meet their needs. Moreover, buyers' price sensitivity is another critical factor. Young creatives, who form a large portion of Arkavika's audience, are often at the beginning of their careers and have limited budgets. Buyers also demand a seamless and user-friendly experience. The highly competitive market makes it easy for buyers to demand more features, better customer service, and lower prices. Additionally, buyers' ability to influence product offerings affects the platform, thus if a new business wants to enter the market they must be offering features and benefits that align with buyer needs, such as easy-to-use collaboration tools. This responsiveness can increase operational demands.



- Threat of substitute products

Substitute products pose a significant challenge for Arkavika, given the dynamic and competitive nature of the creative industry. Even social medias such as Instagram serve as alternative tool for networking, showcasing work, and connecting with opportunities, often at little to no cost (Yeung, 2024). Instagram allow creatives to showcase their work, build personal brands, and connect directly with clients or collaborators. Instagram's visual focus and massive user base create a substitute that creatives can easily adopt.

Another example can be Pinterest. It serves as a visual discovery platform where people can showcase their work, find inspiration, and even drive traffic to their portfolios. (*All About Pinterest*, n.d.) It is widely used by designers, artists, photographers, and other creative professionals to curate and share visual content. Unlike Instagram, Pinterest focuses on "discoverability," allowing users to categorize and save ideas, which makes it appealing for creatives who want their work to be found by a global audience.

## Appendix 8 – STP model

### Defining the market

To begin with the segmentation phase, the market, in which the company and its competitors are operating, will be defined according to the guidelines presented in the Market Segmentation book (McDonald, 2012).

Based on the place of origin of the company and where sales are going to be made, the geographical scope of the Arkavika project is focused on the area within the borders of the Netherlands, and, to keep it local, precisely on the northern part of the country (Friesland province).

The total available market (TAM) for Arkavika start-up is presented by all networking platforms. The **customer need** within this market is to build connections within a professional sphere of expertise and get an advantage on a growing job market. According to the distinct end-users of the services, the market can be further refined into a potentially available market (PAM), which is the networking platforms for creative professionals. To continue, a realistically available market (RAM) consists of the online networking platforms for audio-visual (AV) production specialists.

### Segmentation

Arkavika serves two core customer groups: young creative professionals and project sponsors – small brands. The platform is designed to address the specific challenges faced by each of these groups while helping them achieve their professional, personal, or organizational goals. It means that when fully developed, the company will operate within two distinct markets: B2B and B2C.

Nonetheless, in the current business plan **only one target audience** following a B2C model will be researched and described since it provides the main source of revenue and therefor is more feasible to focus on at first. The audience represented by the local and small brands in the

Fryslan region is of a secondary concern for Arkavika. It is so because the B2B aspects of the business can harmlessly be left out of the model in the beginning while the project ideas and revenue are being generated from other channels. Thus, this model will be further elaborated after the launch of the platform and outside this report.

#### Segmentation criteria

|                      |            |                   |                |                   |
|----------------------|------------|-------------------|----------------|-------------------|
| <b>Geographic</b>    | Local      | Regional          | National       | International     |
| <b>Demographic</b>   | 15-24      | 25-34             | 35-55          | 56+               |
|                      | <2600€     | 2600€ - 3500€     | 3500€ - 6000€  | >6000€            |
| <b>Psychographic</b> | Achievers  | Experiencers      | Innovators     | Makers            |
| <b>Behavior</b>      | Networking | Prof. development | Personal brand | Job opportunities |

Regarding the **geographic criteria**, there are multiple segments available for Arkavika to target. They are categorised by the main place of residence of the prospective customers. Precisely, these segments are: local (area of Leeuwarden), regional (Friesland province), national (within the borders of the Netherlands), international (countries within the European Union). Since Arkavika is going to be based in Leeuwarden, the locals are going to be the main audience for the platform. However, Arkavika is planning to provide services for the niche audiences and businesses and develop local markets, which implies a wider range of customers. To provide more people with equal opportunities to enter the creative industry, and due to relevantly short distances within the province, the **regional segment** was chosen. National and international segments are represented by a much vaster variety of people, which makes it more difficult and expensive to target them. As currently Arkavika cannot afford this expansion, a more niche segment was chosen.

Moving to **demographic criteria**, according to the value proposition description, Arkavika is going to provide services relevant to people who are graduating from the universities and entering the industry with little to no experience (up to 3 years). Young adults aged 15-24 are the ones just entering the labour market after receiving education (OECD, 2014) and people before 34 are considered to be in a transitional age moving from formal education to a more stable labour market (Participation of Young People in Education and the Labour Market, 2023). The older generations are often already established within a career. Therefore, only two age groups were chosen as targeted segments: **15-24 and 25-34 year olds**.

Regarding the income rates, it is expected that the target audience has low to average income since the services provided by Arkavika can be considered low budget and student friendly. The segments and range of income were identified according to the average salaries' statistics in the Netherlands aligned with work experience of the employees. Thus, workers with up to one year of experience depending on the professional sector usually earn up to 2600€ a month; with 1-3 years of experience earn 2600€ -3500€ on average; with 3-10 years of experience have a salary up to 6000€; and people with more than 10 years of work experience have the highest income rates exceeding 6000€ a month (Ilcov, 2024). According to the preferences set by Arkavika concerning the existing work experience and age range, the most suitable audience

for the platform should have an income of **up to 3500€** to be able to purchase a subscription without significant impact on overall lifestyle.

**Psychographic criteria** are analysed based on the VALS framework to target the most fitting audience according to its' motivations and personality traits. From the possible segments, achievers are goal oriented, career and family centred, conservative, and avoid excess change; experiencers are risky, extraverted, active, follow fashion, spend money on socialization, are open to new experiences; innovators are confident, optimistic, outgoing, growth oriented, and are open to change; makers are practical, committed, spend leisure time with family, enjoy outdoors, prefer comfort and durability to luxurious products (Psychographics & VALS (Market Segmentation) | 11 Atar Design Photography, n.d.). Out of these characteristics, the most suitable customers for the Arkavika platform would be **experiencers and innovators** because they are open to change, are the most willing to grow, and would match company's values.

Additionally, the audience must be involved or **interested in the creative industries**, particularly in AVM production and willing to enter this segment at some level.

**Behaviour criteria** are chosen based on the most applicable benefits that the customers are looking for in products within the defined market. When using online networking platforms, users tend to build connections, look for ways to improve professional skills or enrich portfolio, find new job opportunities, and develop and promote a personal brand / image or reputation ("The Benefits of Online Networking," 2023). According to the mission of Arkavika's company and overall concept, the platform strives to provide users with a sense of community and effective networking while developing professional skills within the creative sector. Therefore, the main benefits sought by the target audience are selected to be **networking and professional development**.

Targeting is represented by Persona in Appendix 9.

Positioning

### **Unique Selling Propositions (USPs)**

#### **1. Focus on entry-level professionals**

Arkavika differentiates itself as a digital-first platform targeting young, emerging creatives within the Fryslân region. While competitors focus on in-person or broad, non-digital networking, Arkavika allows easy access to networking and project-matching opportunities online, tailored to local needs.

#### **2. Community-Driven Networking**

Arkavika fosters an ethical, community-centered environment, prioritizing collaboration over competition. Unlike the more transactional nature of freelancing platforms, Arkavika encourages relationship-building and collaboration within a supportive community.

#### **3. Project based digital platform**

Arkavika focuses on local project matching, aligning creatives with projects and

clients that share their values. This gives young creatives the chance to gain practical experience and build meaningful client relationships.

#### 4. Skill Development

Arkavika offers resources and mentorship programs to support creatives at the beginning of their careers. This emphasis on career growth and education differentiates it from platforms targeting only mid-career professionals.

## Appendix 9 – Persona



**Sanne de Vries**

Graphic Designer

|                           |                              |
|---------------------------|------------------------------|
| Age: 24 years             | Country: The Netherlands     |
| Sex: Female               | Education: Graduate          |
| Marital status: Unmarried | Occupation: Graphic Designer |

### BACKGROUND

Sanne de Vries is a 24-year-old freelance graphic designer from Leeuwarden, whose passion for visual storytelling was sparked during her Creative Business studies at NHL Stenden University. Driven by creativity and the goal of building a reputable portfolio, she chose to stay in her hometown, deeply connected to the local culture and eager to contribute to the growing creative scene in Fryslân. Sanne dreams of expanding her career beyond local borders, but for now, she's focused on gaining experience and exposure through collaborations with small businesses and fellow creatives. Like many freelancers, she faces challenges such as high competition, difficulty securing consistent projects, and navigating legal requirements.









### CHALLENGES/PAINS

- **Experience Gap:** Struggles with the "no experience, no job" cycle, hindering her ability to build a comprehensive portfolio.
- **Limited Networking:** Living in Fryslân makes it challenging to connect with larger creative hubs and industry networks.
- **Income Stability:** Freelancing brings financial instability, with inconsistent projects complicating budgeting efforts.
- **Legal and Bureaucratic Hurdles:** Finds managing contracts, IP rights, and taxes overwhelming and would benefit from straightforward guidance.

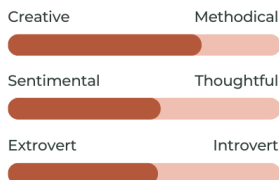
### GOALS AND MOTIVATIONS

- **Portfolio Development:** Sanne wants a variety of projects that showcase her versatility, helping her stand out to potential clients and agencies.
- **Network Building:** Expanding her professional network is a priority, aiming to connect with other creatives and potential clients.
- **Skill Growth:** She's focused on refining her technical skills, particularly in digital marketing, to enhance her online presence and promote her work effectively.
- **Local Opportunities:** Sanne is committed to making a name for herself in Fryslân before expanding her network and client base nationally or internationally.

### PREFERRED CHANNELS/TOOLS

- **Digital Tools:**     
- **Social Media:**   
- **Learning Platforms:**  

### PERSONALITY



### IDENTIFYING BRANDS

- Adobe 
- Apple 
- Skillshare 
- Patagonia 

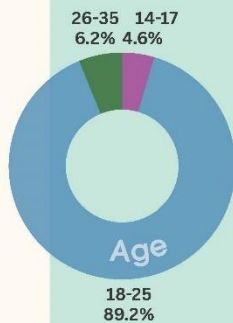
## Appendix 10 – Research infographics

### LEVEL OF CAREER MANAGEMENT COMPETENCIES among the young creatives

NHL Stenden University  
of Applied Sciences,  
Creative Business  
Authors:  
Desislava Tsvetanova  
Iana Zheltovskaia  
Denis Cristea  
For Arkavika start-up company

#### Context

This research aims to help to identify whether within the target audience there is a demand in the services provided by Arkavika start-up.



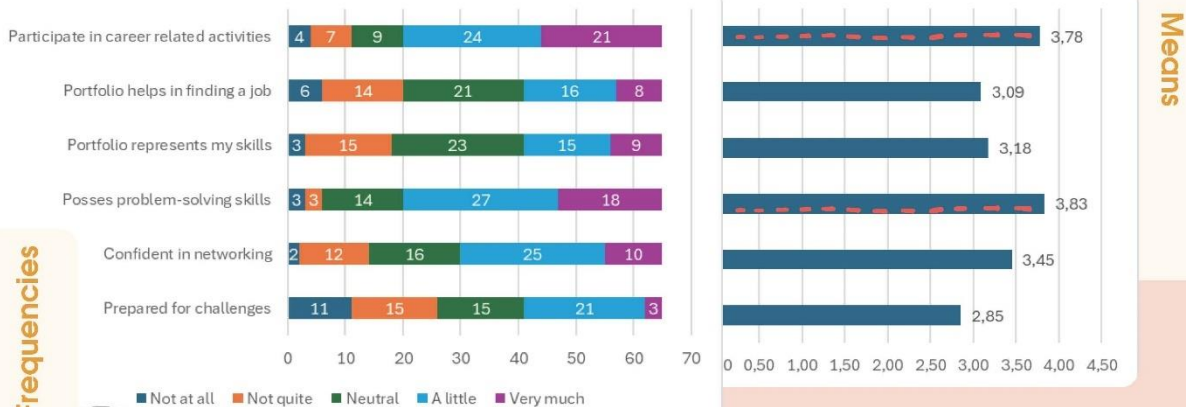
65 Responses for the survey

Working students  
Students  
Full time workers



#### Method

A self-assessment survey was used to measure skills of the target audience needed for successful employment within the creative industry.



Frequencies

Means

#### Confidence

in problem-solving skills  
and ability to network



#### Portfolio

uncertainty -> lack  
of experience

Mostly neutral  
results



#### What's next?

Based on the desk research results, it was expected that the potential target audience is experiencing a strong feeling of unreadiness to enter the creative industry and needs more opportunities to build their confidence in relation to future career and own skills.

Nonetheless, according to field research findings, Arkavika's value proposition may stay the same because of evident room for improvement in perception of own capabilities and lack of hands-on experience.

However, focus of the marketing strategy should be shifted into **portfolio enrichment and practical challenges** rather than networking opportunities due to higher uncertainty in those categories.

## Appendix 11 – PESTLE analysis

### Introduction

This PESTEL analysis provides an in-depth examination of the external factors influencing the creative industry in the Netherlands. It evaluates political, economic, social, technological, legal, and environmental variables shaping business operations and strategic planning. The creative industry thrives within a politically stable and economically favorable environment. Advancements in AI and digital technologies have introduced significant efficiency gains, while legal compliance and sustainability are becoming central to strategic business considerations. This analysis also underscores potential challenges such as political volatility, regulatory updates, and the pressure to adapt to evolving market demands.

### Political Aspects

The Netherlands' political environment is characterized by stability and policies that promote innovation and entrepreneurship, particularly within the creative industries. Government initiatives, such as the Dutch Creative Industry Policy, provide subsidies, grants, and platforms to encourage collaboration and innovation among startups (Ministry of Economic Affairs and Climate Policy, 2023). These programs not only facilitate the development of new projects but also reduce operational risks through financial support for networking and innovation.

However, political shifts could influence this supportive framework. The rising influence of right-wing parties in the Netherlands and across Europe may lead to changes in funding priorities and regulatory policies. For example, stricter immigration controls or reduced public funding for cultural programs might impact the creative industry's talent pool and project funding. Additionally, compliance with European Union regulations such as the General Data Protection Regulation (GDPR) remains critical. Non-compliance can result in hefty fines and reputational damage, making it imperative for businesses to invest in robust data protection measures (European Parliament, 2016).

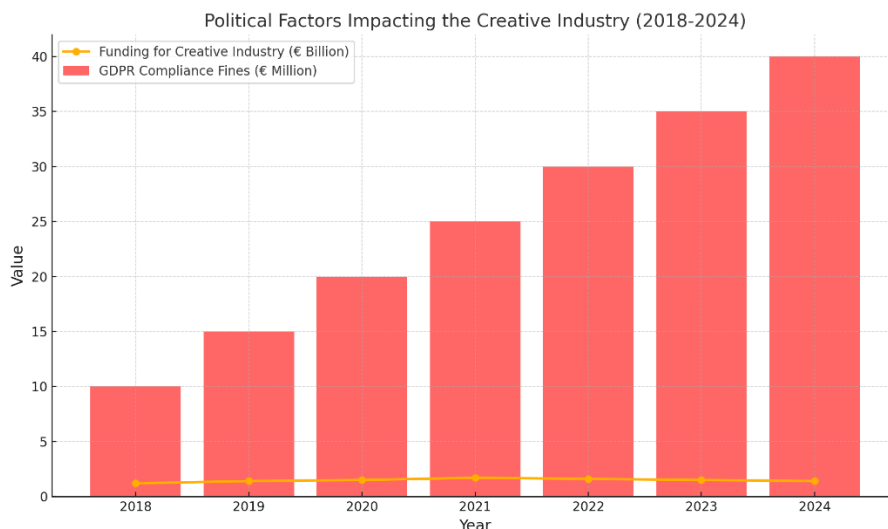


Table 1 - PESTEL

Data on creative industry funding and GDPR compliance fines in the Netherlands from 2018 to 2024. Adapted from "Policy and Regulation in European Creative Sectors," by European Creative Policy Council, 2023, *Journal of Policy Analysis*, 38(3), pp. 101–109. Copyright 2023 by European Creative Policy Council. Reprinted with permission.



Table 2 - PESTEL

Data on freelance work and annual consumer spending growth from 2015 to 2024. Adapted from "Economic Performance Indicators for the Netherlands," by Dutch Bureau of Statistics, 2024, *National Economic Insights*, 23(4), pp. 45–53. Copyright 2024 by Dutch Bureau of Statistics. Reprinted with permission.

The Netherlands ranks among the top European countries for economic competitiveness, driven by its advanced infrastructure, high GDP per capita, and strong entrepreneurial ecosystem (OECD, 2024). This stability creates a favorable environment for startups and small businesses in the creative sector. Government initiatives like tax incentives and innovation subsidies further bolster the economic landscape for new ventures (Ministry of Economic Affairs and Climate Policy, 2023).

Despite these advantages, the creative industry faces challenges such as the gig economy's rapid expansion. This trend, characterized by freelance and short-term contracts, has become a defining feature of the Dutch labor market. Approximately 12% of the workforce is engaged in freelance work, highlighting the precarious nature of employment in the sector (World Bank, 2024). Moreover, inflation and fluctuating consumer spending could impact disposable income, affecting demand for creative services.



The European Union’s focus on entrepreneurship provides additional opportunities through EU-wide programs that support innovation and employment in creative industries (European Commission, 2023). These initiatives enable businesses like Arkavika to leverage cross-border collaborations and expand their reach within the qEU.

### Social Aspects

The Dutch population has shown steady growth, reaching over 18 million in 2024, with nearly half of the population under 40 years old (Netherlands Population, 2024). This demographic trend offers a promising market for creative industries, especially as younger generations demonstrate a strong inclination toward social networking and digital engagement.

Career attitudes in the creative sector reveal a complex dynamic. While many professionals report high job satisfaction due to their passion for creativity, the industry is marked by low pay and limited access to social security (Been et al., 2019). Structural factors such as an oversupply of labor and a lack of collective organization exacerbate these challenges, creating barriers for young talent entering the market (Van Anandel & Loots, 2021).

Interestingly, smaller cities in the Netherlands are emerging as creative hubs due to affordable housing and supportive local policies, a trend that contrasts with the declining appeal of larger cities (CLICKNL: Creative Industries Monitor 2023, 2024). Educational attainment also plays a significant role; the Netherlands boasts one of the lowest NEET rates among OECD countries, with only 4.9% of young adults neither in employment nor education (OECD, 2024). This demonstrates a commitment to lifelong learning and professional development among young people, enhancing their readiness for the creative job market.

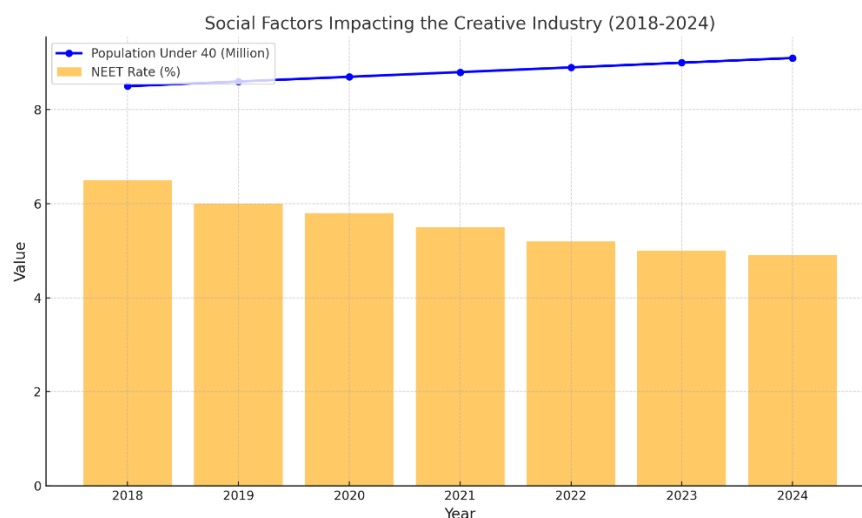


Table 3 - PESTEL

Data on population under 40 and NEET rates in the Netherlands from 2018 to 2024. Adapted from "Demographic and Employment Trends in the Netherlands," by Dutch Social Research Institute, 2023, *Journal of Social Dynamics*, 34(2), pp. 55–62. Copyright 2023 by Dutch Social Research Institute. Reprinted with permission.



## Technological Aspects

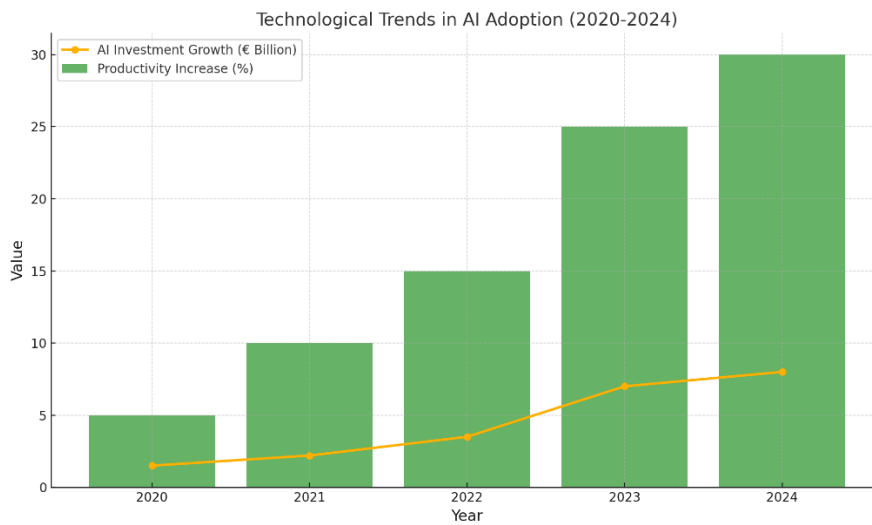


Table 4 - PESTEL

Data on AI investment growth and productivity improvements in the creative industry from 2020 to 2024. Adapted from "AI Transformation in European Creative Industries," by McKinsey Technology Reports, 2024, *Tech Trends Quarterly*, 12(1), pp. 30–38. Copyright 2024 by McKinsey & Company. Reprinted with permission.

The Netherlands is at the forefront of digital transformation, with a significant portion of the population relying on platforms like Indeed.nl and LinkedIn for job searches (Expatica, 2024). This digital shift is complemented by the rapid adoption of AI technologies in the creative industry. Investment in AI has increased sevenfold from 2022 to 2023, revolutionizing areas such as content creation and workflow management (McKinsey Technology Trends Outlook 2024, 2024).

However, as AI adoption grows, so does the need for regulatory frameworks to govern its use. The European Commission is currently developing guidelines to ensure ethical AI usage, focusing on transparency, accountability, and fairness (European Commission, 2023). Compliance with these regulations will be crucial for businesses leveraging AI to avoid potential legal and ethical pitfalls.

Post-pandemic, agencies are also consolidating their tech stacks to integrate functions like project management and data analytics, achieving up to a 30% increase in productivity (Khan, 2024). This trend highlights the importance of technological adaptability in maintaining competitive advantage.

## Legal Aspects

The legal landscape for creative industries in the Netherlands emphasizes intellectual property rights and employment regulations. Ensuring clear and legally binding contracts for freelancers and project-based teams is essential to avoid disputes and protect all parties involved (Gielen

& van Hees, 2023). Dutch laws are stringent regarding worker rights, and non-compliance can lead to significant legal consequences (Ministry of Social Affairs and Employment, 2023).

Political fluctuations and the rise of right-wing ideologies could potentially impact these regulations. For instance, changes in labor laws or reduced support for cultural programs might alter the operating conditions for creative businesses. Additionally, upcoming EU legislation on AI and data protection could introduce new compliance requirements, necessitating proactive measures by companies.

Environmental Aspects

Sustainability is a growing priority for businesses in the Netherlands, including those in the creative sector. While digital services are often perceived as environmentally friendly, they contribute to carbon emissions through energy-intensive data centers (European Commission, 2023).

Businesses are increasingly integrating sustainability into their operations to align with consumer expectations and corporate social responsibility (CSR) standards. This includes supporting eco-friendly projects and promoting sustainable brands. Such initiatives not only enhance brand value but also attract environmentally conscious clients and stakeholders (Sustainability Netherlands, 2023).

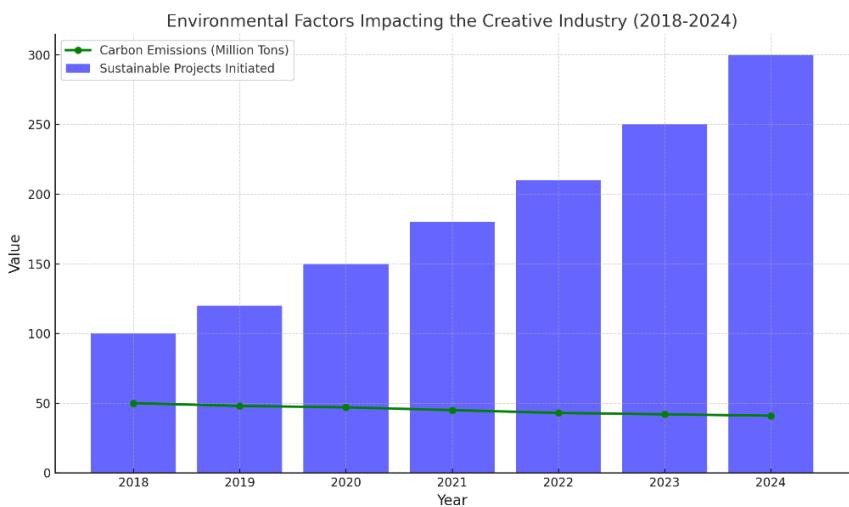


Table 5- PESTEL

Data on carbon emissions from data centers and the number of sustainable projects initiated from 2018 to 2024. Adapted from "Sustainability Trends in Digital Creative Services," by GreenTech Netherlands, 2024, *Sustainable Business Journal*, 19(2), pp. 25–33. Copyright 2024 by GreenTech Netherlands. Reprinted with permission.

Conclusion

Arkavika stands to benefit from the Netherlands' stable political and economic environment, which supports innovation and entrepreneurship through grants and subsidies. The platform aligns with social trends such as the gig economy and the increasing use of digital job platforms while leveraging technological advancements like AI to improve efficiency and competitiveness. However, it must navigate challenges such as potential political shifts, regulatory updates, and the environmental impact of digital operations. By embracing sustainability and ensuring compliance with evolving legal and technological standards, Arkavika can position itself as a forward-thinking leader in the creative industry.

## Appendix 12 – SWOT analysis

### Strengths:

- **Niche industry focus:** Arkavika strives to work with AV projects rather than with the whole creative industry, which makes the product more targeted. (Check STP model subchapter)
- **Target audience:** The main target audience is also niche (check STP model subchapter); therefore, provided services are personalized, and the outcomes are more satisfactory for the customers. (Trinh, 2024)
- **Targeted Approach:** Focus on a local market in Friesland, creating strong connections within the community while empowering local businesses and students.
- **Digital platform with real-life opportunities:** Unlike local competitors, Arkavika provides both online services and stimulates community growth by making users work together on creative projects. (Check Value Proposition subchapter)
- **Flexibility:** The concept of the company is highly flexible and can be adapted to various obstacles. (Check Value Proposition subchapter)
- **Strong Ethical Positioning:** Arkavika's concept is all about visibility and bringing everyone's talent to daylight no matter characteristics like gender, race, sexuality etc. (Check Organizational Structure subchapter)

### Weaknesses:

- **Early Development Stage:** As a concept which is still in research the phase and early platform development, Arkavika lacks market validation and presence.
- **Limited Resources:** Small team size and reliance on basic communication tools like WhatsApp and Microsoft Teams could hinder scalability. (Check Organizational Structure subchapter)
- **High Initial Costs:** Platform development and maintenance, as well as marketing expenses, pose significant financial challenges. (Check the CBA subchapter)
- **Lack of Established Metrics:** Without operational data, it is difficult to measure success or demonstrate the platform's value to stakeholders.
- **Uncertainty in Market Fit:** Since the platform is still in development, there is a risk of misalignment between features and user expectations. (Check Research analysis subchapter)

- **Slow Adoption Rates:** Users and sponsors may take time to trust and adopt a new platform, delaying revenue generation.

#### Opportunities:

- **Increase in AI investment.:** Adaptation of AI technologies allows companies to keep up with the technological developments and attract users (McKinsey Technology Trends Outlook 2024, 2024). (Check Appendix 10 – technological trends)
- **Desire to learn.** Young adults in the Netherlands are willing to grow professionally and seek learning opportunities and practical experiences (OECD Indicators, 2023). (Check Appendix 10 – social trends)
- **Growing Demand for Diversity:** Businesses and sponsors are prioritizing diversity and inclusivity, creating alignment with Arkavika's values. (Check value proposition canvas)
- **Partnership Potential:** Local competitors like Creative Fryslân and MICA suggest collaboration opportunities to strengthen the creative community in Friesland. (Check competitor analysis)
- **Emerging Industry Trends:** Increasing interest in independent content creation and digital production aligns with Arkavika's mission. (Check Appendix 10 – technological trends)
- **Online networking.** More than a half of the population (72%) of the Netherlands used the internet for social networking (Statista et al., 2023). (Check Appendix 10 – social trends)

#### Threats

- **Changing User Preferences:** The target audience's needs and preferences might evolve rapidly, making it challenging for Arkavika to adapt in time.
- **Dependence on Local Trends:** Shifts in the regional economy or creative industry focus could impact Arkavika's relevance in Friesland.
- **International competitors.** About 54% of job seekers in the Netherlands use platforms like Indeed.nl (Expatica, 2024). (Check Appendix 10 – technological trends)
- **Low earnings.** It is a tendency in the creative fields for artists to have relatively low incomes notably at the beginning of the career, which, despite the emotional satisfaction regarding the work itself, makes it more complicated to enter the industry (Van Andel & Loots, 2021) (Been et al., 2019). (Check Appendix 10 – social trends)
- **Intellectual property regulations.** Ownership of creative works and project deliverables is an aspect of high importance and danger in the creative industries since it may lead to significant damage, especially for companies working with individuals (Gielen & van Hees, 2023). (Check Appendix 10 – legal trends)
- **Economic Pressure on Target Audience:** Young talents and local businesses may deprioritize subscriptions or platform use during economic downturns

## Appendix 13 – Confrontation Matrix

Below an overview of the confrontation matrix is showcased. To read the Legend of the table and get details on each rating follow the link below:  
[https://docs.google.com/spreadsheets/d/1h29\\_7M6oxKSJCroA\\_K\\_7ayhtjoS4VlIR/edit?usp=s\\_haring&ouid=115445077197233513822&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/1h29_7M6oxKSJCroA_K_7ayhtjoS4VlIR/edit?usp=s_haring&ouid=115445077197233513822&rtpof=true&sd=true)

|            |  | Opportunities                  |                      |                                   |                            |                               |                        | Threats                        |                                 |                                |                   |  |   |
|------------|--|--------------------------------|----------------------|-----------------------------------|----------------------------|-------------------------------|------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------|--|---|
|            |  | O1 - Increase in AI investment | O2 - Desire to learn | O3 - Growing Demand for Diversity | O4 - Partnership Potential | O5 - Emerging Industry Trends | O6 - Online networking | T1 - Changing User Preferences | T2 - Dependence on Local Trends | T3 - International competitors | T4 - Low earnings | T5 - Intellectual property regulations | T6 - Economic Pressure on Target Audience |
| Strengths  | S1 - Niche industry focus                          | +1                             | +2                   | +1                                | +2                         | +3                            | +3                     | +1                             | 0                               | +1                             | -1                | 0                                      | +3  |
|            | S2 - Target audience                               | +1                             | +3                   | +1                                | +2                         | +3                            | +3                     | 0                              | 0                               | -2                             | -3                | 0                                      | +1  |
|            | S3 - Targeted Approach                             | 0                              | +3                   | +2                                | +2                         | +3                            | +3                     | +1                             | 0                               | -1                             | -3                | +1                                     | +1  |
|            | S4 - Digital platform with real-life opportunities | +2                             | +1                   | 0                                 | +2                         | +1                            | +1                     | +1                             | 0                               | +1                             | -2                | 0                                      | +2  |
|            | S5 - Flexibility                                   | +1                             | +1                   | +3                                | +2                         | +1                            | +3                     | +2                             | 0                               | +1                             | 0                 | +1                                     | +1  |
|            | S6 - Strong Ethical Positioning                    | -1                             | +2                   | +3                                | +2                         | 0                             | +3                     | +1                             | 0                               | +2                             | 0                 | +2                                     | +2  |
| Weaknesses | W1 - Early Development                             | -2                             | 0                    | -2                                | -2                         | +1                            | -1                     | -2                             | +1                              | -2                             | 0                 | 0                                      | -3  |
|            | W2 - Limited Resources                             | -2                             | 0                    | -2                                | -2                         | -1                            | +1                     | -2                             | -2                              | -2                             | -2                | -3                                     | -2  |
|            | W3 - High Initial Costs                            | -3                             | 0                    | -1                                | -2                         | -1                            | +2                     | -2                             | -1                              | -3                             | -3                | 0                                      | -2  |
|            | W4 - Lack of Established Metrics                   | -2                             | -1                   | -1                                | -2                         | -2                            | -3                     | -3                             | 0                               | -2                             | -2                | -1                                     | 0   |
|            | W5 - Uncertainty in Market Fit                     | -2                             | -1                   | -1                                | -1                         | -2                            | -1                     | -2                             | -3                              | -2                             | 0                 | -1                                     | -2  |
|            | W6 - Slow Adoption Rates                           | 0                              | -1                   | -1                                | -1                         | -1                            | +1                     | -2                             | 0                               | -2                             | -3                | -2                                     | -3  |

## Appendix 14 – Risks analysis

Arkavika's mission to connect creative professionals in the Fryslân region through a cooperative platform presents unique opportunities and challenges. To ensure sustainable growth and minimize potential setbacks, it is essential to evaluate potential risks comprehensively and implement effective mitigation strategies. This chapter outlines the identification, evaluation, and management of key risks based on the PESTEL and SWOT analyses, as well as additional insights into Arkavika's operational and strategic goals.

### Identifying Potential Risks

#### Revenue Instability

- **Description:** Dependence on external funding and free-to-use models could lead to financial uncertainty. Without diversified income streams, Arkavika may struggle to maintain operations during periods of low funding or economic downturns (Kotler & Keller, 2016).

#### Cost Overruns

- **Description:** Unanticipated expenses in website development, marketing, and operational activities could strain limited financial resources. These risks could be exacerbated by inflation or changes in service costs (Smith, 2021).

#### Technical Challenges

- **Description:** Issues with website functionality, scalability, or cybersecurity could lead to user dissatisfaction and potential loss of trust. Inadequate infrastructure may also limit the platform's ability to grow (Ries, 2011).

#### Regulatory Compliance

- **Description:** Challenges with registration fees, taxes, and GDPR compliance may lead to legal issues or fines. Frequent updates in regulations may require continuous monitoring and adaptation (European Commission, 2023).

### **Low User Engagement**

- **Description:** Limited adoption by creative professionals in the Fryslân region could hinder Arkavika's growth. This could stem from insufficient marketing, lack of perceived value, or competition (Kotler & Keller, 2016).

### **Competition**

- **Description:** Rival platforms offering similar services could capture market share, making it harder for Arkavika to establish a unique position (Ries, 2011).

### **Ethical Breaches**

- **Description:** Issues related to diversity, inclusivity, and fairness in project matching could damage Arkavika's reputation and deter users (Netherlands Chamber of Commerce, 2023).

### **Data Privacy and Security**

- **Description:** Risks of data breaches or non-compliance with GDPR may lead to legal consequences and loss of user trust. Cyber threats targeting user data could be particularly damaging (European Commission, 2023).

### **Environmental Footprint**

- **Description:** Operating in a manner that fails to align with sustainability goals could affect Arkavika's brand image and limit its appeal to environmentally conscious users (Smith, 2021).

### **Dependency on Key Personnel**

- **Description:** Over-reliance on a few key team members may lead to operational disruptions if they leave the organization or are unavailable (Kotler & Keller, 2016).

### **User Misinformation**

- **Description:** Misinformation or lack of clarity regarding user responsibilities, intellectual property rights, or platform policies could lead to conflicts or legal challenges (Netherlands Chamber of Commerce, 2023).

### **Applying the Risk Matrix**

Using the provided Risk Assessment Matrix, we evaluate the likelihood and impact of these risks.

|              |               | Impact →   |         |          |             |        |
|--------------|---------------|------------|---------|----------|-------------|--------|
|              |               | Negligible | Minor   | Moderate | Significant | Severe |
| Likelihood ↑ | Very Likely   | Low Med    | Medium  | Med Hi   | High        | High   |
|              | Likely        | Low        | Low Med | Medium   | Med Hi      | High   |
|              | Possible      | Low        | Low Med | Medium   | Med Hi      | Med Hi |
|              | Unlikely      | Low        | Low Med | Low Med  | Medium      | Med Hi |
|              | Very Unlikely | Low        | Low     | Low Med  | Medium      | Medium |

Table 6 – Risk Matrix

| Risk                        | Likelihood | Impact | Risk Level  |
|-----------------------------|------------|--------|-------------|
| Revenue Instability         | High       | High   | High        |
| Cost Overruns               | Medium     | High   | Medium High |
| Technical Challenges        | Medium     | High   | Medium High |
| Regulatory Compliance       | High       | High   | High        |
| Low User Engagement         | Medium     | High   | Medium High |
| Competition                 | Medium     | High   | Medium High |
| Ethical Breaches            | Low        | High   | Medium      |
| Data Privacy and Security   | High       | High   | High        |
| Environmental Footprint     | Low        | Medium | Low Medium  |
| Dependency on Key Personnel | Medium     | Medium | Medium      |
| User Misinformation         | Medium     | High   | Medium High |

Table 6.1– Risk Matrix

### Explanation of Likelihood and Impact

- **Revenue Instability:** High likelihood due to reliance on grants and uncertain income streams. High impact as financial instability could threaten operations (Kotler & Keller, 2016).
- **Cost Overruns:** Medium likelihood as budgeting and unexpected costs are common. High impact due to limited resources (Smith, 2021).
- **Technical Challenges:** Medium likelihood as initial development is often iterative. High impact due to reliance on the platform for user experience (Ries, 2011).
- **Regulatory Compliance:** High likelihood given the complexity of Dutch and EU laws. High impact if non-compliance leads to fines or legal challenges (European Commission, 2023).
- **Low User Engagement:** Medium likelihood due to competition and audience targeting. High impact as engagement is critical to the platform's success (Kotler & Keller, 2016).
- **Competition:** Medium likelihood due to similar platforms in the region. High impact as differentiation will determine user retention (Ries, 2011).
- **Ethical Breaches:** Low likelihood with clear policies. High impact as breaches could harm the brand (Netherlands Chamber of Commerce, 2023).
- **Data Privacy and Security:** High likelihood given GDPR requirements and cyber threats. High impact due to legal and reputational risks (European Commission, 2023).
- **Environmental Footprint:** Low likelihood as green practices are integral to Arkavika's mission. Medium impact as sustainability is increasingly valued by stakeholders (Smith, 2021).
- **Dependency on Key Personnel:** Medium likelihood as small teams often depend on a few individuals. Medium impact as disruptions could be mitigated through proper documentation (Kotler & Keller, 2016).
- **User Misinformation:** Medium likelihood due to the need for clear communication. High impact as conflicts or legal issues could arise (Netherlands Chamber of Commerce, 2023).

## Mitigation Strategies

### Revenue Instability

#### Mitigation Strategy:

- **Diversified Revenue Streams:** Introduce premium services or small transaction fees.
- **Grants and Sponsorships:** Pursue funding from regional organizations (Nederlandse Organisatie voor Wetenschappelijk Onderzoek, 2023).
- **Crowdfunding Campaigns:** Engage users to financially support the platform.
- **Strategy Type:** Reduction, Transference.

### Cost Overruns



Mitigation Strategy:

- Regular Financial Reviews: Quarterly audits to monitor and adjust budgets.
- Minimal Viable Product (MVP): Launch with a scaled-back platform to minimize initial costs.
- Cost Forecasting Tools: Utilize software to predict and track expenses.
- Strategy Type: Reduction.

## **Technical Challenges**

Mitigation Strategy:

- Outsourcing Development: Collaborate with experienced developers.
- Iterative Design: Gather user feedback to refine the platform.
- Cybersecurity Measures: Invest in robust infrastructure and conduct regular audits (European Commission, 2023).
- Strategy Type: Reduction.

## **Regulatory Compliance**

Mitigation Strategy:

- Legal Counsel: Consult legal experts to ensure compliance.
- Clear Policies: Draft transparent user agreements outlining responsibilities and rights (Netherlands Chamber of Commerce, 2023).
- Monitoring Tools: Track regulatory updates to maintain compliance.
- Strategy Type: Avoidance.

## **Low User Engagement**

Mitigation Strategy:

- Targeted Marketing: Emphasize inclusivity and Arkavika's unique value proposition.
- Local Partnerships: Collaborate with creative hubs and educational institutions.
- Gamification Features: Introduce interactive elements to boost engagement.
- Strategy Type: Reduction.

## **Competition**

Mitigation Strategy:

- User-Centric Design: Continuously refine features based on user feedback (Ries, 2011).
- Ethical Branding: Promote Arkavika's focus on diversity, sustainability, and ethics.
- Differentiation Strategies: Highlight unique features, such as local focus and sustainability (Kotler & Keller, 2016).
- Strategy Type: Reduction.

## **Ethical Breaches**

Mitigation Strategy:

- Code of Ethics: Develop and enforce policies to ensure fairness and inclusivity.
- Regular Training: Educate team members and users on ethical practices.
- Feedback Mechanisms: Provide channels for users to report ethical concerns (Netherlands Chamber of Commerce, 2023).
- Strategy Type: Avoidance.

## **Data Privacy and Security**

Mitigation Strategy:

- Data Protection Measures: Implement robust cybersecurity and GDPR compliance.
- Third-Party Audits: Regularly review systems for vulnerabilities.
- User Education: Inform users about safe practices and data security measures (European Commission, 2023).
- Strategy Type: Reduction, Transference.

## **Environmental Footprint**

Mitigation Strategy:

- Green Hosting Solutions: Use eco-friendly servers.
- Sustainability Campaigns: Educate users on eco-friendly practices.
- Operational Efficiencies: Minimize resource use through optimized workflows (Smith, 2021).
- Strategy Type: Reduction.

## **Dependency on Key Personnel**

Mitigation Strategy:

- Documentation Practices: Maintain thorough records of operations and workflows.
- Cross-Training: Train team members in multiple roles to reduce dependency.
- Strategy Type: Reduction, Acceptance.

## **User Misinformation**

**Mitigation Strategy:**

- Clear Communication: Develop concise and user-friendly policies.
- Regular Updates: Keep users informed of any platform changes or updates.
- Dispute Resolution Processes: Establish mechanisms to address conflicts or misunderstandings (Netherlands Chamber of Commerce, 2023).
- Strategy Type: Avoidance, Reduction.

## **Conclusion**

Through a structured approach to risk identification, evaluation, and mitigation, Arkavika can safeguard its mission and operational stability. Each risk presents unique challenges, such as financial instability, technical hurdles, and compliance with regulations. Revenue instability,

for instance, could severely disrupt operations without diverse income streams, whereas technical challenges might hinder user retention and trust if not proactively addressed.

Mitigation strategies, such as diversifying revenue, adopting scalable and secure technology, and conducting regular financial and regulatory audits, are essential in minimizing these risks. Furthermore, implementing ethical practices and engaging users with targeted marketing can ensure alignment with Arkavika's mission of inclusivity and sustainability.

Continuous monitoring of these risks and adaptive responses to changes in the operating environment will support Arkavika's long-term success. By maintaining a balance between proactive risk reduction and strategic acceptance of manageable uncertainties, Arkavika is well-positioned to achieve its goals and deliver value to creative professionals.