ModTech Business plan

# Executive summary

The aim of our company is to be in the wholesalers business. We aim to set up in places where there already is a market (e.g., US) so to establish our tools and methods, and then to extend to other places such a Brazil. Our business will be in both chips and PCs, as those products are complementary and will support each other in case of any loss in sales.

We know that different customers have different needs, so we will adapt our strategy to different geographic markets and create targeted advertising campaigns. We will create market opportunities by adapting products grades and prices to customers.

In the long term, we also plan to produce computers for high end users if possible, depending on factories set-up prices.

The company name is ModTech Inc. – it is an abbreviation for Modern Technology, because we the key value of our company is to bring technology to people and ameliorate daily life through innovation.

# Team members and initial roles

The ModTech team includes 3 members:

* Gustavo MARIN (the “expert” and team leader)
* Mathilde SAHUGUET
* Anh-Dung LE

The following table illustrates the roles of each member:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Overview | Geographic |  |  |  |
| CEO  Gustavo | HQ | US | EU | Brazil |
| Functional roles include: |  |  |  |  |
| Area manager | Gustavo |  | Anh-Dung |  |
| Finance | Gustavo | Gustavo | Gustavo | Gustavo |
| Marketing | Mathilde | Mathilde | Mathilde | Mathilde |
| Sales | Gustavo | Gustavo | Gustavo | Gustavo |
| Negotiation | Gustavo | Gustavo | Gustavo | Gustavo |
| Production | Anh-Dung | Anh-Dung | Anh-Dung | Anh-Dung |
| Logistics | Mathilde | Mathilde | Mathilde | Mathilde |
| R&D | Anh-Dung | Anh-Dung | Anh-Dung | Anh-Dung |

Our team gathers people from different backgrounds and culture; we think this diversity as a source of enrichment and success that will enable us to go beyond what other companies can do. We complement each other by seeing business and technology from different perspectives. Because English is our working language, the communication flow is easy and it enhances our collaboration.

# Business model

## Customer segments

* High class customers (targeted by the “deluxe” grades, of whom we want to win the loyalty) of PCs and also chips
* Traditional customers (targeted by the standard grades)
* Other companies that will buy chips from us
* Governments
* Institutes, universities

## Channels

* Advertisement to reach customers
* Shipping products from factories to our center, and shipping and sending by airplane to customers
* Money transfer and currency changing channels

## Customer relationships

* Loyalty discount
* Pricing strategy
* Customer service and warranty

## Value propositions

* High quality, deluxe computers & chips for high end users
* Average prices for any customer not willing spend much
* One of the biggest wholesaler in the market
* Reliable products and services
* Availability, instant product delivery

## Revenue streams

* (Buying computers from other companies as a wholesaler)
* Selling both deluxe and standards products (computers & chips) to customers (people and companies)
* Bank interest

## Key activities

* Buying chips and PCs from other firms
* Negotiation with other firms
* Marketing products
* Wholesaling
* Finance (need to deal with different areas to buy from/sell to)
* Logistics of the products bought

## Key resources

* PCs and chips bought from manufacturers
* Cash flows
* Loyal customers
* Marketing products to enhance sales

## Key partners

* Partner companies including Nippon
* Consultant firms (strategy and law consultants)
* Banks
* Governments
* Shipping partners

## Cost structure

* Shipping cost and taxes
* Fixed and variable costs of being a wholesaler (offices)
* Marketing
* Consulting fees

# Implementation roadmap

## SWOT Analysis

With this analysis we can establish how to implement our strategy inside the different areas in which we are able to operate (see table on the next page).

## Competitive Edge

We will start by selling products from the first quarter to gain an advantage and be the first company that sales PCs and chips. Then, we will have the highest share in the market as well as a good knowledge of it, so other companies may want to make agreements with us to sell their products.

## Marketing Strategy

Will use advertising as a main source of promotion. Have stock every time, so there's not even one customer that cannot buy one of our products because there is not enough in inventory. Give some special offers to costumers on the first quarters to gain some awareness inside the market.

## Possible partnership

Our possible partners will be the PC manufacturers in the US area in the first time. Next, if we want to focus on high-quality PCs for high-end customers, we may try to cooperate with the high-class chip and PCs manufacturers for our deluxe PCs. Also, we can cooperate with R&D.

Governments and institutes are potential target partners.

|  |  |
| --- | --- |
| Strengths  * We are the people with a passion for what we do, with a high sense of commitments and responsibility. * We cover a part of the market that is necessary and yet not many companies will do it. | Weaknesses  * Being a wholesaler, our economic activity relies on having great relationships with successful manufactures that are able to sell us enough chips and PC to satisfy the demand of the market. * At the beginning, we have to sale through agents the PCs and chips that we will buy from Nippon, which will cost a lot of money, and only after three quarters we will be able to be a wholesaler. |
| Opportunities  * All the companies will be focusing in producing chips or PCs; to avoid paying high fees to the agents, they will prefer to use our company to sale their products in a specific area. * Also, as we enter the wholesaling market early, we will have more chance to develop a winning strategy and to understand the market, in comparison with companies that first focus on production and later on sales | Threats  * Not having enough stock to satisfy the demand of the market, and loss a lot of clients. * The fact that we need to invest to much money in the beginning and is mandatory to sell a good amount of products to have enough cash to invest money in an specific moment. * Not being able to forecast money transfers we need, in order to have the right money in the right currency at the right moment |

# Conclusion

Our initial plan was to be in the PC manufacturing business, but the information from the Gazette gave us some concern regarding that, in particular the first article stating the there is no rooms for PC plants in the market. Also, the lack of financial skills of the team members and the lack of tools for decision-making may be an issue that we will have to overcome in the coming quarters. Some good thinking and task division between the team members will lead us to the right decisions.

Therefore, we start our business confident that we are going to succeed in developing both a booming company and our skills in the business area.