Business Plan

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# Executive Summary

Write this section *last!*

We suggest you make it 2 pages or less.

Include everything that you would cover in a 5-minute interview.

Explain the fundamentals of the proposed business: what will your product be, who will be your customers, who are the owners, what do you think the future holds for your business and your industry?

Make it enthusiastic, professional, complete and concise.

If applying for a loan, state clearly how much you want, precisely how you are going to use it, and how the money will make your business more profitable, thereby ensuring repayment.

# General Company Description

In line with present – day social issues that include dressing up for school or for a very important event, in cooperation with numerous clothing brands all over the Philippines, **Bridge Mobile Phils, Inc.,** brings you **Your Personal Stylist,** an app that lets you have your virtual wardrobe as well as your *personal stylist,* which you can access anytime, anywhere.

Bridge Mobile Phils, Inc. or **BMPI,** engages in the business of *third – party* services, in hopes of aiding the Filipino citizens in the dilemma of **finding**, **fitting** and **buying** clothes online. Technicalities aside, the business addresses the **clothing industry’s** needs, as it faces its target market – and answers these commonly – faced dilemmas faced by multiple generations. BMPI, conforms to the e-commerce act and aligns with its provisions that involve user and service – provider confidentiality, and data security.

The partnership’s **mission** is to bridge the target market with the clothing industry, while providing self–developmental, user–specific fashion guides, which may be proven to be realistic, reliable and accessible.

The company envisions itself to be a locally – recognized third – party application, until such time that it becomes widespread to possibly answer a global / international demand. This of course, may only be done by gaining the trust of the online community, and by ensuring good business rapport with our clothing partners / clients. The company’s ***goals*** include being a successful company in terms of morals and financials, and a client & customer pool that has unwavering loyalty and patronage to the business and to the app. To reach this, the partners of the business believe that the road to success should be based on *SMART objectives.* Some of these include, a gradual growth in the number of downloads incrementing during each fiscal year. Another objective, is to be able to gain positive reviews / recommendations from the initial users of the application, possibly, sufficing for a success metric for user satisfaction.

The partners believe that success not only lies in the delivery of the service, but on how the service impacts the clients and customers you engage business with. At BMPI, our business philosophy involves helping the market and bringing them closer to the clothing industry. We believe that the *first mistake* a business can make is failing to address the needs of its client / customers. Thus, the company must ensure that the **features** of our application, which yield **benefits**, are in the proper place for the market.

The company’s target market are not grounded to a specific age. The business is aimed to address all clothing / dressing up issues of people for various ages. However, inherent interest of the market is to be duly assessed, and there is a specific *propensity* of the younger market to be involved in using the application, discussed in the Marketing Plan.

The business enters the playing field of the **clothing** **industry**, and it engages in the form of a third – party application designed to **support the needs of the customer** in terms of **fashion** guidance / education, and providing the clients with the necessary **venue** for them to be able to *expose their product* more, to the **online community.**

Our company’s strengths and core competencies include the following: (1) Having a growing and realistic base for our target market and clients, as **clothing,** is a **physiological necessity** (part of *Maslow’s Heirarchy of Needs)*, (2) The needs that are being addressed by the company’s application are **inherent**, meaning, these needs have been plaguing most of mankind in the 21st Century, and lastly, (3) In line with the recent growth of the online community, and the proliferation of mobile applications, people tend to find solutions to their problems by downloading applications, which the business would like to affirm by providing them a fashion app that answers their needs, like no other.

The fashion industry is a growing industry. We cannot deny the fact that there will always be changes and evolution in *fashion and styling*. The occurrence of new trends is inevitable and maybe beneficial in the long term, but the company must learn how to adapt into these changes. The **realistic and measurable success factors** of our business include *continuous / gradual growth*of the number of downloads for the app, and its *wide usage* in the market, *positive verification* with the customers / downloaders of the app, which may be viewed in the form of reviews / critics presented in the app store, and a *confirmation* from our clothing brand partners, that the application aids in the sales of their products.

The partners in the team are composed of Information Technology graduates who specifically aimed to solve the inherent need of fashion and clothing issues for the market. Most of the team will utilize their technical skills, and an application of their knowledge from the mentioned course. Some members of this partnership are also familiar with fashion blogs and constantly follow fashion bloggers, this might have also served as a motive to create the startup.

As insinuated in the previous statements, the legal form of ownership that **Bridge Mobile Phils, Inc.,** follows, is that of a **Partnership.** The proponents of the startup specifically chose this idea because the technicalities of setting up a partnership establishment are quite minimal. Start-up costs are low, and through this we may gain more capital for the business. Another important factor to note, is that by forming a partnership, we have obtain a greater *borrowing* capacity, which in truth, is a necessary means to start the business.

This business plan has been created specifically for the benefit of attracting angel investors and potential venture capitalists who are looking for a startup to invest on. The benefits and the return of their investments will be discussed in detail within this plan.

# Our Service

**Your Personal Stylist** is a mobile application that makes dressing up fun, fast and easy. It is intended for men and women, of various ages who are having a hard time choosing what to wear every day and for different occasions that they need to attend. It directs consumers to local stores and allows consumers to purchase directly from their phones.

Ideally, Your Personal Stylist **(YPS)** will partner with popular labels such as *Bench, Penshoppe, Oxygen, etc.*, along with selected foreign labels. Ideally, it’s set to be used in the Android Platform, for a larger target market. There are two type of users: Free and Premium, all of which have various different benefits that will be explained in detail in the marketing plan.

The following may be considered as competitive advantages in our industry:

1. **Growing industry –** The fashion market is an ever – growing playing field for those who choose to engage in its business. Trends are always just around the corner, and rapid changes to adapt to these trends are necessary. **YPS** does that. It helps clothing brands shift and adapt to these trends by presenting their latest fashion items to its market, all the while, exposing their items which may in turn, boost their sales for the market. The app also helps guide users into selecting and choosing the fashion trends that may best suit them.
2. **Level of investment –** The public would mostly be surprised at how much some people are willing to invest on their personal fashion. The company believes that this unique niche in the market of providing fashion tips, and backing these tips up with real life products, while being able to test how it would look on your body type, would most definitely be able to justify the investments that they would provide in availing of the service.
3. **Unique Proprietary Features –** Some important features to note are the following: (1) Users can be able to see how it would look on their body types, (2) users will be able to receive suggestions and guidance as to what type of fashion style may fit their body types, (3) users will be able to select items for purchasing, similar to online transactions done in most clothing brands’ online shops, (4) users will also be able to verify, whether a certain item with a specific size, or color is available in a specified location, of course, with a guideline to the duration of identifying supplies, etc.

The pricing of Php 100.00 for the Premium App was based on a survey the proponents conducted, on how much prospect customers would be willing to invest on a fashion app. Prices for in – app purchases (e.g. Wardrobe extension, fitting capacity), for those with the Free version were estimated based on a percentage of the Premium version.

# Marketing Plan

## Market Research

To completely accomplish the marketing plan, the proponents of this business plan have come up with various researches which were used in the succeeding segments. A summary of these researches may be viewed in the appendix.

This market research are composed of the following:

Primary Market Research

* Surveys conducted by the proponents
* Studies conducted by the proponents
* Analysis by the proponents

Secondary Market Research

* Articles from the Internet
* Studies conducted by researchers

The following market researches, both primary and secondary are to be discussed finely in detail in the succeeding segments.

## Economics

The business of the company involves engaging with the Clothing industry. The Fashion market in the Philippines can be labeled as ever – growing. In line with this, the proponents of the business plan, aimed to obtain an achievable and tangible number for the idealized target market.

The proponents used public business data provided by one of our competitors, *Zalora,* which presented a number of 1,000,000 – 5,000,000 number of installs within their past 3.5 – 3.7 years in the industry. This is valuable data and can be assumed as an integral part in identifying various related information that can affect the analysis of our business. From this 5 Million number of downloads, a certain margin of assumption can be derived that not all of them kept the app (some might have just downloaded it in a phone, but it has not been used), so arguably, we used the data of 5 million, as an assumptive data to obtain the number of possible downloads we will get during our first four years in the industry. This analysis will be described later on in the business plan.

To be able to assess our space in the market, we cannot directly say that we will take away the customers that Zalora, and other fashion, online shop apps, presently have. However, we believe that it is possible for customers to use other fashion apps, in sync with our mobile app. We believe that if we cannot necessarily take customers from them, we can share some of them.

In line with the current demand from the target market, the data of 5 Million downloads for Zalora, and an average of 40,000 customer reviews, we believe that the current demand for side apps that have fashion services are high. The trend in the fashion market is always within a certain margin of variety. Fashion trends come and go, however applications who serve them on the customer, in a silver platter, do not. This may be a source for an analysis that there is growth potential for applications that engage the fashion industry.

In every business, there will always be barriers for entry. Some of these barriers that the partners foresee for the business are listed below:

* Pioneering technology – being the first to create an application in the industry does not necessarily give you competitive advantage, sometimes, all it takes is a mistake, and somebody else might take your place
* High marketing costs – marketing will always be an issue for startups since most Consumers / Customers are not necessarily acquainted with the application yet, thus an issue of acceptance/brand recognition may arise

The following are some of the strategies we intend to perform, to mitigate the fore-mentioned risks:

* Establish rapport within the industry (clients and customers)
* Make sure that the application is secure
* Secure the necessary trademarks, copyrights or patents for the said technology
* Balance the costs that will be incurred for marketing
* Take advantage of startup expositions to make sure that company / app gains exposure

Some factors about government regulations and policies that may affect the business are listed below:

* Government regulations
  + The government has strict policies and regulations in accordance to what third – party applications can and cannot do. Some processes, although seemingly innocent, may be taxed
  + The following must be ensured:
    - An understanding of government policies with taxable and non-taxable business processes
    - Establishing a good profile with the government in accordance to the business’ compliance with regulations
    - Properly declaring all assets and liabilities as required by the government

## Service

The service provided by Your Personal Stylist are discussed in detail below.

### Features and Benefits

The following are some functionalities that the app may provide for the Free and Premium Users:

**Free Users**

* Will be given a default lists/a limited set of outfits
* Can upgrade their account into Premium to get added features
* View the calendar and see proposed outfit for the day
* Receive tips and suggestions about cost – effective shopping
* Can only fit either top or bottom one at a time
* Receive notifications about the newest fashion
* Can use occasions, events & celebrations as a filter for searching outfits
* Can use style / themes as a filter in searching for outfits
* Can purchase items online (add items to bag / cart )
* Can choose between the following payment options: Credit card/debit card, paypal
* Can fit limited sizes of the clothes they have picked
* Can read and write reviews
* Can view the brand and price of the item
* Can view the size and design of the item, and will be given a specified time for branches’ verification of availability

**Premium Users**

Premium users has the same privileges as Free Users with additional features

* Can see other people’s profile
* Like, share button will become available
* Can freely change the sizes of the clothes they have picked
* Can choose between the following payment options: Cash On Delivery, Credit/Debit Card, paypal
* Can track orders
* Can purchase items online (add items to bag / cart ), with the option of deciding the location of the pickup / delivery
* Can fit both top and bottom at the same time
* Can specify their color preferences for more precise selection of clothing
* Can plan in advance, what to wear, when to wear, and where using Calendar
* Aside from the default list, Users can also upload personal items from his/her wardrobe (personal collections)

The following table summarizes the Pain Points (needs to be answered, in the first person point of view), the features, and the benefits.

**Table 1: Pitch Canvas**

|  |  |  |  |
| --- | --- | --- | --- |
| Pain Points | Features (Free Users) | Features (Premium Users) | Benefits |
| 1. I have difficulty in identifying what to wear each day because: | * Will be given a default list/a limited set of outfits * Can upgrade their account to PREMIUM for added features | * Aside from the default list, Users can also upload personal items from his/her wardrobe (personal collections) | * Users will have various options of outfits to wear each day * Users will be able to see how their wardrobe synergizes with other clothing * Therefore, users will have the convenience of choosing what they can wear each day |
| * 1. I don’t have the time to prepare | * + Can view the calendar and see proposed outfits for the day | * + Can plan in advance, what to wear, when to wear, and where using Calendar | * + Users will be given the option to follow outfits for the day, or to plan in advance |
| * 1. I don’t feel confident with my / their fashion sense | * + Can also receive notifications about the newest fashion trends and news | * + Can also receive notifications about the newest fashion trends and news | * + Users will be informed & educated by the provided fashion trends/news, thus leading to a better fashion sense |
| * 1. I find engaging fashion as \*luxurious\* and expensive | * + Can also receive tips and suggestions about cost – effective shopping | * + Can also receive tips and suggestions about cost – effective shopping | * + The market can then appreciate the value of shopping at a certain budget   + People will learn the essence of being fashionable at the expense of cost – effective and cost – efficient shopping |
| * 1. I find it hard to identify clothing that will match my / their physique (e.g. Those with physical qualities that are hard to pair with clothing) | * + Can only fit either top or bottom one at a time | * + Can fit both top and bottom at the same time   + Can specify their color preferences for more precise selection of clothing | * + Users will be given the capability to identify via images, how the specified clothing would look on them   + Users will have less difficulty in seeing whether their clothes would actually fit their physiques |
| * 1. I find it hard to dress in various themes for different occasions | * + Can use occasions, events & celebrations as a filter for searching outfits | * + Can use occasions, events and celebrations as a filter for searching outfits | * + Users will be provided with options on what to wear during different occasions   + There will be less hassle for the users to find last–minute clothes for parties, celebrations, & occasions |
| 1. I don’t want to shop online because I cannot use style as a filter to find clothing | * Can use style / themes as a filter in searching for outfits * Can purchase items online (add items to bag / cart ) * Can choose between the following payment options: Credit card/debit card, paypal | * Can use style / themes as a filter in searching for outfits * Can purchase items online (add items to bag / cart ), with the option of deciding the location of the pickup / delivery * Can track orders * Can choose between the following payment options: Cash On Delivery, Credit/Debit Card, paypal | * Users will be able to filter clothing via design * Users will be able to shop online * Therefore, there will be lesser stress in finding clothing designs and in purchasing them |
| 1. I do not want to shop online because I cannot physically see how the dress / the item would look \*on me\* | * Free users can fit limited sizes of the clothes they have picked * Can read and write reviews | * Can freely change the sizes of the clothes they have picked * Can read and write reviews * Can also see other people’s profile * Like, share button available | * Users will be able to recommend to other users their preferred style / clothing * Users can alter the sizes by choice * Therefore, the online clothing community can help each other by providing helpful reviews and preferences, and by giving other people recommendations |
| 1. I feel intimidated with expensive items in shops that have unfamiliar and/or *established* names | * Can view the brand and price of the item | * Can view the brand and price of the item | * The online market will be able to see in a much larger scale how the clothing industry competes with each other * This leads to a more enhanced perspective of each user, since the design, the brand and the item – are all vital information in deciding whether clothes are a “no” or a “go” |
| 1. I don’t know if the shop / the mall has my size or the design that I want | * Can view the size and design of the item, and will be given a specified time for branches’ verification of availability | * Can view the size and design of the item, and will be given a specified time for branches’ verification of availability | * The users will no longer have the experience of going home from a boutique / a mall without the clothes that they want * This way, users can verify the availability of their desired clothing in certain locations |
|  |  |  |  |

It is important to note that for the free version, users have the option to avail of in – app purchases. Some of these include:

* Upgrading of wardrobe capacity
* Upgrading the limit of clothes to be tried
* Upgrading to the premium version

Some after sale services support for those who encounter difficulties / device errors / issues caused by the application / happening within the application. A follow – up contact email will be provided for this.

## Customers

The following customer groups have been predicted by the proponents as the main target of the business: (1) teenagers, (2) young adults and, (3) adults. All of which are arranged in accordance to their propensity to avail of the application.

* Age
* Gender
* Location
* Income level
* Social class/occupation
* Education
* Other (specific to your industry)
* Other (specific to your industry)

**Table 2: Customer Groups and Demographic Criteria**

|  |  |  |  |
| --- | --- | --- | --- |
| Demographic Criteria | Teenagers | Young Adults | Adults |
| Age | 16 - 19 | 20 – 25 | 25 - above |
| Gender  Location | **Male** / **Female**  Metro – Manila, and other commercialized places in the Philippines | Male / **Female**  Metro – Manila, and other commercialized places in the Philippines | Male / Female  Metro – Manila, and other commercialized places in the Philippines |
| Income Level | None yet; May still dependent on parents | Income level of Php 15,000 – Php 30,000 / month | Income level of Php 30,000 - above |
| Social class / occupation | Students | Industry professionals | Industry professionals |
| Education | High School / College Degree | High School / College Degree | High School / College Degree / Masteral / Doctorate |
| Propensity to view YPS | High | High | High |
| Propensity to use YPS | High | High | Medium |
| Propensity to purchase YPS | Low | Medium | Medium |

## Competition

Some of our major competitors include **Zalora** and **Lazada**.

The following are their addresses:

* Zalora (Jupiter, Makati, 1209 Metro Manila)
* Lazada (Salustiana D. Ty Tower, 104 Paseo de Roxas, Makati, 1229 Metro Manila)

We may consider Zalora as a direct competitor because they operate under terms similar to ours, Lazada on the other hand, is leaning more on to devices, and other miscellaneous items being sold online. Therefore, Zalora, as a fashion / clothing distributor is one of our direct competitors.

Some of our indirect competitors may include the online shops who are not currently affiliated with our application / those who are not business partners of **Bridge Mobile Phils. Inc.**

Our app, in comparison to the competitor’s apps, possess qualities and functionalities that they do not. A good example is the quality of being able to see how it would look on your body type, or being able to see if the dress / the shirt would look good on you.

Table 3: Competitive Analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Factor** | **Me** | **Strength** | **Weakness** | **Zalora** | **Lazada** | **Importance to Customer** |
| **Service** | Provides additional services rather than just being an online shop | Pioneer in technology | Risk of other companies overtaking the pioneered technology | Online shop; does not have specific functionalities | Online shop; has other items than just clothes | 5 |
| **Price** | Free version and premium version | Free version allows testing of the app’s functionalities | Risk of customer not upgrading to premium | Available in free version | Available in free version | 4 |
| **Quality** | Quality is to be tested during Test Phase | App quality may be verified by user experience | Risk of encountering bugs / issues are there | Some bugs are present | Some bugs are present | 5 |
| **Service** | Various available add – on services | Services are new to the eyes of the customers | Risk of customers not availing of the service | Online shop services | Online shop services | 4 |
| **Company Reputation** | Yet to be determined | Has the chance to establish a good image | Risk of being overshadowed by existing fashion apps | Good | Good | 3 |
| **Advertising** | Promotional material and advertisements are yet to be established | Chance of establishing interest among consumers with ads | Risk of consumers not paying attention to the ads | Has plenty of advertisements | Has plenty of advertisements | 3 |

To summarize, the various points that the business needs to improve on are establishing company reputation, and advertising. To establish a justification of the service, and the pricing – the company’s name / reputation must first be aligned with the mutual interests of its customers/target market.

## Niche

YPS’ space in the local market is that of the third – part service that links the customers to various clothing brands, while providing additional benefits. This niche, though not that inhabited by most apps, presents a clear benefit to the company, because through this location in the market, more users will be enticed to engage in online shopping, thus promoting sales for our clients, while providing benefits to our target customers

## Strategy

The following highlights the various promotion mechanisms that the business is planning to use to introduce the product to the market. We’ve used the market research of *Jon Loomer,* AdvancedFacebook Marketer, for the succeeding promotional strategies discussion. For the cost of the business’ signage, we used the *Cost Helper* for Small businesses as a reference for our promotional budget allocation.

### Promotion

To further promote our application, we will make use of the following advertising mechanisms:

**Advertising Mechanisms**

* Advertisements will be made via the web, and via social media sites.
* In – app advertisements will also be present, as this is a source of revenue for the business as well
* These advertisements will be designed for the application, and specifically depicting the pain points / the needs that will be addressed by the app
* Scheme to be used in the advertisement is proposed plot (*Personal Stylist Inspirational Story*)

**Graphical Promotional Mechanisms**

* We will also be promoting using our posters. Some of which we have made to introduce the app to the market early, and to peak prospect customers interests
* Advertisements via signage, printing and other miscellaneous categories have been pre-emptively set for the business

Through these mentioned mechanisms, we intend to project a welcoming atmosphere to various people who might possibly use the app upon its release.

The logo of the application, together with other graphical images will be assessed by the designer hired to perform these specific tasks.

### Promotional Budget

The budget allocated for the mentioned mechanisms is Php 27,500.00 for the first quarter of each fiscal year. The breakdown is as follows:

* Advertising: Php 10,000.00
* Signage: Php 5,000.00
* Miscellaneous Categories: Php 5,000.00

To explain the mentioned breakdown, during the first quarter of the first year, the proponents allotted $150 ($12.5 per day) or Php6,750.00 for the Facebook advertisements, as advised in our Market Research, and $72 (Php 3,240.00) for maintenance of the Facebook, and other social media advertisements. All in all, this amounts to Php 10,000.00. For the previously mentioned signage, we intend to post at least one signage on a viable promotional location spot just to test the waters on how this signage may affect our promotional mechanism. Our market research suggests to allot $20 - $100 (Php900.00 – Php4,500.00), so the proponents allotted Php5,000.00 for an initial signage spot for the business. The miscellaneous categories, of Php5,000.00 is intended as a contingency for our promotional scheme, in the event that the promotional mechanism for that certain quarter needs to be replaced, or demands additional expenses, we may in turn use the backup / contingency fund for miscellaneous fees.

### Pricing

The pricing mechanism that the company has used for pricing the application’s premium version with Php 100.00, was based on a survey/study the proponents conducted, on how much prospect customers would be willing to invest on a fashion app. The results were somehow conclusive, most individuals responded that they could purchase the app within the range of Php 85 – 100.

The prices for in – app purchases (e.g. Wardrobe extension, fitting capacity), which costs Php28.50 for those with the Free version were estimated based on a 20% percentage of the Premium version, and derivation of 30% increase of the said 20%.

The prices of Zalora and Lazada’s app are incomparably set, since they do not ask for money for their apps (their apps are free). Justifiably set, however, the pricing of this application compensates for the various functionalities that it provides, which in turn, are not present in the competitor’s applications.

Price as a competitive factor in our business, will never really compensate that much as a show – stopping value. We believe that through the provision of a free version of our application, users will be provided with the experience of having an application that does its functionality well. Thus so, it can be assumed that from this experience, some of these customers would most likely be enticed to upgrade to premium versions, given that their experiences were satisfactory.

Customer service and credit policies are all defined in the google developer’s agreement data. Specified dates and periods of payment will be given to the customer to purchase the app, and a period of time will be allotted for the request to be processed, of course, the App store will be the body to provide the information as to how the policy / mode of payment to the business will be. Transactions are to be flattened out during the uploading of the app.

### Proposed Location

Tentatively, the proposed location for the business is one of the houses of the partners. Currently it is the Dimapilis’ residence located in Parañaque City.

### Distribution Channels

Our main distribution mechanism will be the Android App store, Google Play. Based on our market research from *Google Support*, the cost for registration in *Google Play* is $25.00 or Php1,125.00. In line with this, we will also be selling our application – so *Andromo Support (secondary research)*, recommends signing up for a *Google Wallet Merchant Account.* There will be no costs incurred in this process, aside from the previously mentioned registration. However, the proponents must also setup a bank account in coordination with this merchant account and its credit policies. In this scenario, our research has led us to conclude that revenue from selling the app, will still be prone to cost reduction by *Google.* 70% is given to the business, and 30% is considered as part of **transactional fees,** and is given to the distribution partner as operating fees.

**Application Store**

* Ideally, the application will be launched in the Android Application Store, with a free and premium version.
* Price for Premium version is Php 100.00, in – app purchases cost Php 28.50, and is subject to user – discretion policies
* In line with this uploading to the App Store, we will also be issuing polls / feedback mechanisms in the app to garner the necessary responses from the users

To summarize, using the rules defined in this section, the revenue in an app purchase that the developers will receive is only Php70.00, and for each in – app purchase, will be Php28.50.

## Sales Forecast

Our sales forecast represents the initial pricing and our assumed number of app downloads during our first four years.

For the first fiscal year (Jun – May 2015), we believe that there will at least be 3,600,000 downloads in total for that year (free version), and that there will be at least 465,000 upgrades within the said year. We also predict a Membership slot expectancy of 220 within the entire fiscal year (meaning, at least 220 online shops, local brands and clothing boutiques would be willing to partner with us)

The basis for the results we hypothesized above are derived mainly from Zalora’s # of downloads and a distribution scale within each year, which is summarized in the table below.

**Table 4: Year Estimates**

|  |  |  |
| --- | --- | --- |
| YPS Year Estimates using Zalora Records | | |
| TOTAL # of Downloads | | 5000000 |
|  |  |  |
| YEAR | % + (Increase) | # of Downloads |
| 0 | 0.02 | 100000 |
| 0.5 | 0.05 | 250000 |
| 1 | 0.08 | 400000 |
| 1.5 | 0.1 | 500000 |
| 2 | 0.12 | 600000 |
| 2.5 | 0.18 | 900000 |
| 3 | 0.2 | 1000000 |
| 3.5 | 0.25 | 1250000 |
| 4 | 0.27 | 1350000 |
|  |  |  |
| TOTAL | 1.27 | 5000000 |

The distribution of the above mentioned totals were given a % pattern for the increase of (0.15, 0.25, 0.25 and 0.35) during the first quarter of the first month. This pattern has been followed within the Sales Forecast’s yearly projection, to obtain possible results, which are optimistic, yet realistic.

### Operational Plan

The succeeding sections discuss BMPI’s daily operation for YPS, its location, equipment, people, processes, and surrounding environment.

## Production

Since our main product is an application that yields a service, this section will determine the ways that the team was able to produce the said application.

Some important factors that the team considered in developing the application are the following:

* Production techniques & costs

Since the team is composed of Information Technology Students, the team pursued the implementation and the making of the prototype, however, certain technologies within the prototype are not within the reach of the partners, which is why the partners have resorted to hiring certain developers who have a certain level of experience in the field to assist in the production of the application

* Quality control

The partners have also hired Quality Assurance Testers to further test the system after development and deployment

* Customer service

The Managing partner, is responsible for developing CS measures and plans on how to establish proper mechanisms for customer satisfaction

## Location

The following section describes the location that the BMPI desires to obtain for business purposes:

Physical requirements:

* Space: Small rental space
* Capacity: Good for around 4-8 people
* Building Type: Apartment space / Flat
* Power and other utilities: Has electricity, water
* Furniture and fixtures: May still be up for refurbishing
* Reconstruction, Remodeling and other Leasehold Improvements (Painting, Flooring, Installation, etc.) are still up for discussion

Presumably, the cost allotment we provided for all of these physical requirements is Php 80,000.00, under the assumption that all goes well within the deployment, this amount will be used to further improve the office space / rental space that the proponents / the company rented.

This location is still / currently being sought.

## Legal Environment

The following section assesses the Legal technicalities as to which must apply in the proponent’s business.

* Business Permits & Licensing and bonding requirements

The proponents must ensure that once operation is underway the following permits and regulations are already in place:

* + Local Barangay Permit
  + City Government Permit
  + BIR Permit
  + Authentic certification of operation in good faith
* Special regulations covering your industry or profession

In the fashion industry, it would be a benefit if certain known figures were to partner with the company, therefore boosting the possible initial rapport that they may establish.

It is also important for the line between our business to be defined and explain to our clients and customers, that we are not liable to whatever service our client provides them, and subjectivity to these terms and measures, etc.

* Trademarks, copyrights, or patents (pending, existing, or purchased)

The technology used by the company for their application must be patented, this is why it is important that the company is licensed and is operating under good circumstances, so that in the event of proprietary plagiarism, the company has the right to sue, and be the winning side in the case / trial

## Personnel

This section describes the Personnel that the proponents intend to hire for the application’s development and maintenance. The succeeding table summarizes the personnel’s profile to be hired for the said business.

**Table 5: Personnel Profile Sheet**

|  |  |  |  |
| --- | --- | --- | --- |
| Personnel Profile Sheet | | | |
|  | Designer | Developers | QA Testers |
| Type of Labor | Purely office – related work load is required | Purely office – related work load is required | Purely office – related work load is required |
| Where to be found | From freelance sites where people are willing to sign up for designated tasks | By recommendation or by job offers during exposure events | By recommendation or by job offers during exposure events |
| Quality of Skills | At par with industry standards | Highly at par with industry standards | At par with industry standards |
| Payment Structure | Hired and paid only during the design phase of the development and app introduction | First few months, as a regular employee, after implementation, on an on –call basis | First few months, as a regular employee, after implementation, on an on –call basis |
| Tasks | * Design the company Logo * Create multiple advertising schemes * Accomplish multiple graphical images supporting the company | * Develop technologies for the app * Possibly improve prototype proponents created * Perform additional development tasks | * Perform quality assurance testing * Report issues and bugs found within the app |
| Schedules | Will be hired before the implementation of the business scheme | Will be hired before deployment to further improve application | Will be hired before and after deployment for development and maintenance |

## Credit Policies

Credit policies are purely subjected to the terms that the *Google* application hosting highlights. Certain schedules as to when payment for applications will be released are to be clarified with the hosting app store.

Initially, a period of 2 months is required for processing individual payments done. Therefore schedules are to be considered in managing the accounts receivable and payable.

# Management and Organization

In this partnership, various responsibilities have been set for each pioneer. The succeeding segments will illustrate the proper roles that each member of the partnership should perform. Included in this segment are the Board of Trustees responsible for Professional and Advisory support

The following are our professional responsibilities:

* General Partner – Responsible in overseeing all the tasks under policies, operations, and marketing. The company’s general partner has the existential percentage of the voting capacity. The general partner also has the right to veto specific business processes to be executed within the company.
* Liquidating Partner – The liquidating partner is responsible for handling the financials and the money aspects of the business. It is the responsibility of the company’s liquidating and finance partner to be involved in the study of cash flow within the company, and to be present in the discussion of goals and objectives for accounting.
* Managing Partner – The managing partner is responsible for the management and internal issues that may arise within the company. Legalities, technicalities, and business – related processes are all handled by the managing partner.
* Capitalist Partner – The Company’s capitalist partner must be able to satisfy the need of investors and be the front – man for the involved external entities in the business. The capitalist partner, though socially and financially invested within the company, must be able to separate himself from the company and be a venture capitalist in the eyes of our company’s clients. Through this, credibility is established.

**Table 4: Partners**

|  |  |
| --- | --- |
| Partnership Responsibilities | Partner |
| General Partner | Trixia Marie Urquiza |
| Liquidating Partner | Kimberly Mae Elizondo |
| Managing Partner | Joshua Dimapilis |
| Capitalist Partner | Renon Dadulla |

The following employees will be hired by the company:

* Designers – For graphical support, design and logo - making
* Developers – For development (coding) and maintenance (fixing)
* Quality Assurance Testers – For testing and for bug reporting

## Professional and Advisory Support

The following list is composed of our board of trustees, each with their own accountability / professional expertise.

* Attorney: Provision of legal advice and duties of the company and each partner, for consultation in the event of legal crises / exigent circumstances
* Accountant: Handling of accounting issues, by provision of guidelines to employed accountant of company and to the partners about accounts and finances
* Insurance agent: Provision of insurance regulations and coverage of the plans used by the company
* Banker: Banking, and other transactional issues are to be pinpointed and raised to gain advice / personal take on the matter

**Table 5: Board of Trustees**

|  |  |
| --- | --- |
| Board Responsibilities | Trustee |
| Attorney | **Judge Francis Rafil** |
| Accountant | **Ms. Mariveth Elizondo** |
| Insurance Agent | **Ms. Eva Perocho** |
| Banker | **Mr. Clarence Noveloso** |

# Personal Financial Statement

Include personal financial statements for each owner and major stockholder, showing assets and liabilities held outside the business and personal net worth. Owners will often have to draw on personal assets to finance the business, and these statements will show what is available. Bankers and investors usually want this information as well.

Please refer to the [*Personal Financial Statement*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Personal_Financial_Statement.xls) Spreadsheet.

# Startup Expenses and Capitalization

You will have many expenses before you even begin operating your business. It is important to estimate these expenses accurately, and then to plan where you will get sufficient capital. This is a research project, and the more thorough your research, the less chance you will leave out important expenses or underestimate them.

Even with the best of research, however, opening a new business has a way of costing more than you anticipate. There are two ways to make allowances for surprise expenses. The first is to add a little “padding” to each item in the budget. The problem with that approach, however, is that it destroys the accuracy of your carefully wrought plan. The second approach is to add a separate line item, which we call contingencies, to account for the unforeseeable. This is the approach we recommend, and you will see a “Contingencies” line in our spreadsheet.

Talk to others who have started similar businesses to get a good idea of how much to allow for contingencies. If you cannot get good information, we recommend a rule of thumb that contingencies should equal at least 20% of the total of all other startup expenses.

For this section, please refer to the [*Startup Expenses Spreadsheet*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Startup_Expenses.xls).

Explain your research and how you arrived at your forecasts of expenses. Give sources, amounts, and terms of proposed loans. Also explain in detail how much will be contributed by each investor and what percent ownership each will have.

# Financial Plan

The following documents / spreadsheets are done for the estimation and further analysis of the plan for the business. Below are narratives given for each spreadsheet / document that was made for the financial plan. The narratives are expected to provide assumptions and enlightenment as to how the specific files where created.

## Twelve Month Profit and Loss Projection and Four Year Profit Projection

The proponents based the values of the Twelve Month Profit and Loss Projection from the Startup Expenses and Twelve Month Sales Forecast. The value of the Revenue (Sales) of the Profit and Loss Projection came from the Sales Forecast's Total Sales for each month and these have been allocated in their respective months and year.

For the COGS one factor is the Deployment in App Store Fee. COGS is the direct cost for producing a certain product or services. As for the expenses, the depreciation expenses were computed using a straight line depreciation, the link is included in the excel file. Interest expense came from the loan from the bank. The rest was estimated and based on real life scenarios and research results.

## Projected Cash flow

Please refer to the [*Twelve-Month Cash Flow*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Twelve_Month_Cash_Flow.xls) Spreadsheet.

If the profit projection is the heart of your business plan, then cash flow is the blood. Businesses fail because at some point they cannot pay their bills. Every part of your business plan is important, but none of it means a thing if you run out of cash.

The point of this worksheet is to plan how much you need before startup, for preliminary expenses, operating expenses, and reserves. You should keep updating it and using it afterwards as well. It will enable you to foresee shortages in time to do something about them; perhaps to cut expenses, or perhaps to negotiate a loan. But at least not to be taken by surprise.

There is no great trick to preparing it: the cash flow projection is just a forward look at your checking account.

Use the [*Twelve-month Profit and Loss statement*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Twelve_Month_Profit_and_Loss_Projection.xls) for a starting point. For each item, determine when you actually expect to receive cash (for sales) or when you will actually have to write a check (for expense items)

The bottom section, “Essential Operating Data”, is not part of cash flow but allows you to track items which have a heavy impact upon cash flow, such as sales and inventory purchases.

The "Pre Startup" column is for cash outlays prior to opening. You have already researched those for your *Startup Expenses* plan.

Your cash flow will show you whether your working capital is adequate. Clearly, if your projected cash balance ever goes negative, you will need more startup capital. This plan will also predict just when and how much you will need to borrow. New loans go on the line called “Loan / other inj.”.

Explain your major assumptions; especially, those which make the cash flow differ from the *Profit and Loss Projection*. For example: If you make a sale in month one, when do you actually collect the cash? When you buy inventory or materials do you pay in advance, upon delivery, or much later?

How will this affect cash flow?

Are some expenses payable in advance? When?

Are there irregular expenses such as quarterly tax payments, maintenance and repairs, or seasonal inventory buildup which should be budgeted?

Loan payments, equipment purchases, and owner's draws usually do not show on profit and loss statements, but definitely do take cash out. Be sure to include them.

And of course, depreciation does not appear in the cash flow at all because you never write a check for it.

## Opening Day Balance Sheet

A balance sheet is one of the fundamental financial reports which any business needs for reporting and financial management. A balance sheet shows what items of value are held by the company (Assets), and what its debts are (Liabilities). When liabilities are subtracted from assets, the remainder is Owners’ Equity.

Use your *Startup Expenses and Capitalization* spreadsheet as a guide to preparing a balance sheet as of opening day.

Please refer to the [*Opening Day Balance Sheet*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Opening_Day_Balance_Sheet.xls)Spreadsheet.

In this section of your business plan explain how you calculated the account balances on your *Opening Day Balance Sheet*.

OPTIONAL: Some people want to add a projected balance sheet showing the estimated financial position of the company at the end of the first year. This is especially useful when selling your proposal to investors. If you want to do this, use the [*Projected Balance Sheet*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Projected_Balance_Sheet.xls) spreadsheet template

## Breakeven Analysis

A breakeven predicts the sales volume, at a given price, required to recover total costs. In other words, it’s the sales level that is the dividing line between operating at a loss and operating at a profit.

Expressed as a formula, breakeven is:

|  |  |  |
| --- | --- | --- |
| Breakeven Sales = |  | Fixed Costs |
|  | 1- Variable Costs |

(Where fixed costs are expressed in dollars, but variable costs are expressed as a percent of total sales.)

Please refer to the [*Breakeven Analysis*](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Breakeven_Analysis.xls) Spreadsheet.

Include all assumptions upon which your breakeven calculation is based.

### Appendices

Following is a list of all the spreadsheets required in this business plan in order of appearance:

|  |  |
| --- | --- |
| **Name of Spreadsheet** | **File Name** |
| 12-month Sales Forecast | [Twelve\_Month\_Sales\_Forecast.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Twelve_Month_Sales_Forecast.xls) |
| Personal Finance Statement | [Personal\_Financial\_Statement.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Personal_Financial_Statement.xls) |
| Startup Expenses | [Startup\_Expenses.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Startup_Expenses.xls) |
| 12-month Profit and Loss | [Twelve\_Month\_Profit\_and\_Loss\_Projection.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Twelve_Month_Profit_and_Loss_Projection.xls) |
| 4-year Profit projection | [Four\_Year\_Profit\_Projection.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Four_Year_Profit_Projection.xls) |
| 12-Month Cash Flow | [Twelve-Month\_Cash\_Flow.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Twelve_Month_Cash_Flow.xls) |
| Opening Day Balance Sheet | [Opening\_Day\_Balance\_Sheet.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Opening_Day_Balance_Sheet.xls) |
| Breakeven Analysis | [Breakeven\_Analysis.xls](file:///D:\Z%20MINSYST%20-%20TENTREP\tentrep-yps\Business%20Plan%20Documents\Breakeven_Analysis.xls) |

Include details & studies used in your Business Plan; for example:

Brochures & advertising materials

Industry studies

Blueprints & plans

Maps & photos of location

Magazine or other articles

Detailed lists of equipment owned or to be purchased

Copies of leases & contracts

Letters of support from future customers

Any other materials needed to support the assumptions in this plan

Market research studies

List of assets available as collateral for a loan

Links

* <http://www.forbes.com/sites/tristanlouis/2013/08/10/how-much-do-average-apps-make/>
* <http://www.jonloomer.com/2012/08/06/facebook-advertising-cost/>
* <http://smallbusiness.costhelper.com/signage.html>
* <https://support.google.com/wallet/business/answer/1619772?hl=en>
* <http://support.andromo.com/kb/distributing/how-to-put-your-app-in-google-play>