

Business Plan

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# 1. INTRODUCTION

Students almost anywhere in the world are always looking for discounts of some sort; cheaper, more discounted text books are often the top priority of most tertiary students. The fast pace at which the world is operating in this day and age requires individuals who have a mind-set to continuously learn about new things which are evolving. Tertiary education often opens up an individual’s mind-set into what the industry is up to. It is therefore that tertiary education should be made as affordable as possible to all students for a brighter future with well-equipped individuals to be able to manipulate the industry.

Part of what makes tertiary education expensive and less accessible to other less privileged individuals is the high cost of textbooks. Textbook are at times sold at discounted prices, however, there is still a huge percentage of students, in South Africa and across the world, who can still not afford discounted books; this need gave birth to the idea of recycled text books. **RecycledTextBooks**???? is a South African based e-business which provides brand new, more affordable text books to students by using recycled paper to produce these text books. The text books are printed using lower quality paper from already used paper from almost anywhere. The target places to obtain this paper for printing are:

* Used printing paper which is usually shredded from offices in businesses and organisations and
* Any form of good paper from the streets.

Even though the books will be printed with cheaper paper, the content from the original textbook will remain unaltered.

# 2. PURPOSE

The purpose of this business plan is to detail a proposal for RecycledTextBooks e-business idea. The business plan will explain the mission statement for the e-business, its objectives and strategies to be used in implementing it; however, the overall purpose for this business is to make education and education resources more accessible and affordable.

# 3. EXECUTIVE SUMMARY

Printing and Distribution of low quality textbooks to all institution for higher education in the world.

## 3.1 Project objective

The enterprise [the name] proposes to print and distribute low priced books to all tertiary institutions and meet the requirements of all students in developing world. This will enable all the students to have access to the reading material at lower cost, thereby providing access to high quality educational information to all students while allowing them to afford all the textbooks they require.

The need for low cost text books results from the following:

* Marginalised students cannot afford to buy high quality textbooks
* Textbooks are not available with good content
* Distribution of Full textbooks, partial books and eBooks to all students in poor countries.

[the name]’s initial plans and concepts are to gather information on the demand of study material across south Africa with a view to supply the gap in the books.

* Survey the availability of study material in all colleges and universities.
* Liaise with all authors and holders of copyright to the books and get buy-in to print the cheaper quality of the books and distribute to all needy students for cheaper fees.
* Liaise with publishers for cheaper replication of textbooks in order to supply to poor students in line with the company moto, which is to alleviate the cost of education as being supported by the government.

[the name] 's study and survey of 500 students and target group of the potential customers identified the following criteria on the books to be printed and distributed to these potential students/customers.

* Good usable quality
* Affordable, readable and easy to mark books
* Similar to the original copies in font and content.
* Attractiveness of the books.
* Low cost/Cheap
* Durable and comfortable to reuse for a number of times.

The initial publications of the books will be done with the agreements with original holders of the copyrights and distribution rights. Our intention is to supply affordable to any need scholars who are having affording conventional textbooks throughout the world.

The books will be distributed online though our website, where orders are placed and facility for payments availed.

# 4. BUSINESS DESCRIPTION

This company [the name] attempts to provide higher education students with an option to acquire their reading materials, especially textbooks at a cheaper price. We print the books in black and white, from recycled low quality paper to ensure that all kinds of students from different backgrounds or low income households can afford the textbooks. We also offer the students an option to choose if they require the entire textbook, or just specific chapters from the book, therefore lowering the costs even more.

## 4.1 Industry Analysis

The decrease in government funding of higher education, as well as the rapid increase of living expenses, high costs of various services and products that higher education institutions must provide, have prompted the relentless increase in student expenses over the past few years.

According to Machika and Johnson (2014), entry into higher education for students from underprivileged backgrounds is a chance to change their economic status, that of their families, and the country at large. However, it becomes difficult to accomplish their goals when their economic situations have negative impact on their capacity to achieve academic success. Without satisfactory financial backing in institutions of higher education, students’ experiences of poverty might be just barely lightened, which simply extends and as a result recreates systemic conditions of poverty.

In October 2015, #FeesMustFall, which is a student led protest movement began as a response to an increase of fees at South African Universities. Also as an indication, and a cry from the students to highlight the pressing issue of expensive higher education.

## 4.2 Background Information

This company is an established Gauteng based online academic bookstore that provides low quality textbooks at an affordable price. We provide printed textbooks to all higher education students across South Africa on request. The organisation provide the students with a wide range of options to choose from, all which are considerably cheaper than the textbooks from the traditional bookstores such as Van Schaik, Amazon, University bookstores and etc.

What sets us apart from our competitors is the fact that, our customers are not obliged to buy an entire textbook, they have an option to exclude some chapters, and/or pages from their customised textbooks.

### 4.2.1 Management Structure

**Note:** *You are welcome to pick which position you want (this was adopted from the van schaik organogram)*

## 4.3 Business Processes

As an online business, we strive to have no face-to-face contact with our customers, or take any calls related to the book requests, inquiries or sales by focusing on extensive online technology infrastructure.

*I believe we need to discuss th*is part:

E.g.

* Book requests (do users create accounts or is it a once of trade? Meaning they *will have to fill in their details every time they buy a book etc.)*
* *Shipment/delivery process*
* *Payments (do we want a full payment/half payment before delivery etc.)*
* *Hiring process (who is going to do the printing, the deliveries etc.)*

## 4.4 Vision

South Africa’s preferred supplier of low cost higher education textbooks

## 4.5 Mission

To supply low cost academic textbooks across South Africa through online avenues, by utilizing our educational/expert knowledge and extensive well developed online technology infrastructure to convey excellent service.

## 4.6 Business Goals

### 4.6.1 Short-term goals

* Provide reliable low cost academic textbooks in Gauteng
* Provide flexible, customized academic textbooks with a high consideration on underprivileged students or those from low income families

### 4.6.2 Long-term goals

* Extend our services to South Africa at large, and later Africa
* Become Africa’s leading low cost academic textbook supplier

# 5. START-UP

***Still Outstanding [Joseph]***

# 6. TARGET MARKET ANALYSIS

## 6.1 Customer Identification

Our primary customers are higher education students regardless of their gender, age, race, religion, or marital status. However, we aim to focus on students that are from low income households (+-R20000). Our organisation is also looking to sell the textbooks to the general public and higher education institutions that are looking to re-sell the books for a profit or maybe donate to the underprivileged. Also lecturers (contracting lecturers) that do not get the books for free from the institutions they are contracted to.

## 6.2 Customer Needs

Customer needs have been determined by means of observations, and personal experiences as students/lecturers ourselves. Our organisation aims to satisfy ourcustomers’ needs by providing cheaper textbooks, with reliable information, printed on low quality paper to ensure that all students can afford their textbooks, also giving them the flexibility to customize their textbooks.

Our textbooks are:

* Affordable
* Black and white
* Printed on recycled paper
* Orders made online only
* Easy online payment method
* Delivered within 5 working days

# 7. COMPETITOR ANALYSIS

The table below illustrates a comparison between our organisation and two of our biggest competitors:

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **Our Organisation** | **Van Schaik** | **Amazon.com** |
| **Products** | Academic online Higher Education textbooks | Academic bookstore | Online bookstore |
| **Price**  **(e.g.** Information Technology Project Management  by Kathy Schwalbe, 7th Edition  ISBN-13: 978-1285847092  ISBN-10: 1285847091) | 50c per page.  *(Still need to check how many pages in total the book has and I will put in the price)* | R950 | R2267.12 ($161.73) |
| **Quality** | Black and white, low quality recycled paper. | Colour, high quality paper | E-books or coloured high quality paper |
| **Service** | Everything is done online, browsing/enquiry/ordering and payment | Offers both online services and face-to-face service through their physical bookstores | Everything is done online, browsing/enquiry/ordering and payment |
| **Company Reputation** | We are a new organisation and still building our reputation | Since 1914 | Since 1994 |
| **Location** | Online, servicing higher education students in GP | Online, South Africa, Botswana, Swaziland and Namibia | Online |
| **Credit Policies** | Online Payment, before service | Online payment before service, on the counter cash payment on collection | Online payment, before service |

## 7.1 Competitive Advantage

***Still Outstanding [Tebatso]***

# 8. MARKETING PLAN

## 8.1 Customer Identification

Customers for this business are all tertiary students across the globe, especially those who cannot afford the usual prescribed text books being sold at their local book shops. The average tertiary text book usually ranges between R400 to R1000. With RecycledTextBooks, the aim is to cut down the cost of these text books to almost half their normal prices by using cheaper paper to print them, but still maintaining the original content exactly as it is.

## 8.2 Customer Needs

The customer needs and research were obtained through academic journals and news articles about the struggles of tertiary students.

This year in South Africa, university students from several universities in the country made a “feesmustfall” protest because of the high fees for university studies. This campaign was to force government not to increase tuition fees for the year 2016, such that students can pay the same amount of fees as those of 2015.

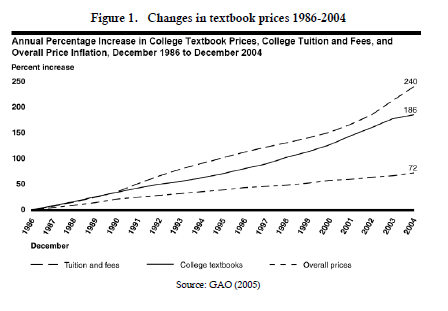
Below is a table which shows university fees, for just one year of first year in Bachelor of Science (BSC) in different universities in South Africa as reported by Grant (2015).:

|  |  |
| --- | --- |
| **Tuition Fee** | **Name of University** |
| R50,000 | University of Cape Town |
| R41,080 | Wits University |
| R40,746 | Stellenbosch University |
| R38,700 | Rhodes University |
| R36,400 | North-West University |
| R30,940 | University of KwaZulu-Natal |
| R30,600 | University of Johannesburg |
| R29,550 | University of Pretoria |
| R29,100 | University of the Free State |
| R27,390 | University of Venda |
| R12,800 | Unisa |

**Estimated tuition fees for the first year of a Bachelor of Science (BSc) degree (2015)**

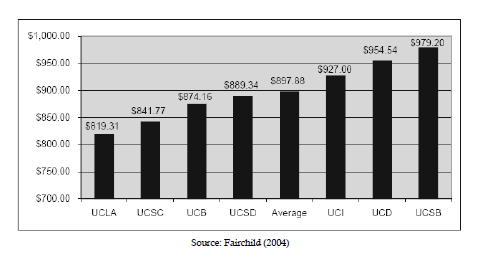
They are the least expensive BSc option for each university (Grant, 2015).

On top of this crisis of high tuition fees, are the pricey textbooks, both these can practically make it impossible for other people to even think of getting university education. In a report by Nkosi (2014) the statistics in South Africa showed that textbook prices in 2014 increased by 13.6% from the prices of 2013, and prices continue to increase until today.



(Nicholls, 2009)

As Figure 1 shows, between December of 1986 and December of 2004, textbook prices have increased at twice the rate of inflation, increasing by 186 percent, whereas tuition and fees increased by 240 percent and overall price inflation grew by 72 percent (*ibid*.)



Average amount spent on textbooks by schools surveyed by CALPIRG for 2003-2004 (Nicholls, 2009).

While other estimates of annual expenses on textbooks vary by the year and the type of institution attended as depicted by the figure above, it is reasonable to conclude that per student expenditures on textbooks can easily reach $1,000 annually. James Koch (2006) (Nicholls, 2009).

With the statistics which have been detailed, it is increasingly becoming more difficult to have access to good education for other individuals. RecycledTextBooks plans to minimise these obstacles by making access to education resources more affordable. Students are already photocopying original textbooks so as to obtain them at a cheaper price and this is obviously illegal. However, with RecycledTextBooks comes cheaper book which are legal. This is without a doubt becomes a better option for students struggling with their fees. Though RecycledTextBooks does not promise to do anything about university fees, it can greatly minimise book fees, which directly minimises the cost of the overall university fees.

The company plans to provide access of these types of books not only in South Africa, but also all over the world.

Students will be able to:

* Ordered the desired books online on the RecycledTextBooks website
* Pay online using EFT, Debit or Credit Card
* Received their books from their nearest post office

# 9. ADVERTISING PLAN

Advertising will be an activity RecycledTextBooks will use to reach students who are our significant customers as indicated in the marketing plan. It will be used to ensure that we are noticed as an organisation, we will be using advertising campaigns to introduce ourselves to the market, to make the organisation known to the market and communicate our products to potential customers. This will be a key activity as we enter the market, and must be done right to ensure that students from all higher learning institutions get to know us.

## 9.1 Product Description

As indicated under the Marketing Plan Section, we will be offering student’s books at cheaper prices, and thus encourage them to avoid copying books illegally and buy books printed using cheaper material instead. RecycledTextBooks is without doubt a good solution option for students hence our motto *‘Copying of academic books, is an Offence choose RecycledTextBooks instead’*

## 9.2 Advertising Channels

The forms of advertising to be used by RecycledTextBooks include some of the following:

1. University and College radio stations free slots
   * *The organisation will be looking to get free-slots from the different campus radio stations to announce the product to students of different universities.*
2. Direct email
   * *We will be sending emails to targeted lists of recipients.*
3. Business cards;
4. Sending promos with invoices;
5. Classified sites advertising
   * *Advertise on Gumtree, OLX, Locanto and AdsAfrica*
6. Social Media Advertising
   * *Facebook, twitter, instagram, Google+, Youtube ;*
7. Outdoor Advertising –
   * *Pamphlets, leaflets to be distributed inside campus;*

Business

Cards

Invoice

Promo

Direct

Email

University and College radio stations

Advertising

Outdoor Advertising

Social

Media

Classified

Sites

9.3 Plan Budget

The methods to be used for advertising are all free.

The only costs involved will be the following:

* Cost of Data required to send email campaigns, and to manage our classifieds and social media platforms.
* Travelling costs as the advertising team of the organisation will be going to the different campuses to attend to radio slots and distribute leaflets.
* Accommodation costs as the advertising team will be going to different institutions.

# 10. RESEARCH AND DEVELOPMENT

***Still Outstanding [Joseph]***

# 11. RISK MANAGEMENT

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **RISK REGISTER** | | | | | | |
| No. | **Risk Description** | **Risk Category** | **Analysis & Evaluation** | | | **Risk Mitigation** |
|  |  |  | **Likelihood (1-5)** | **Impact (1-5)** | **Rating(R)**  **1-9|10-19|20-25** |  |
| 1 | Information Leakage (employees may leak company confidential information which cause the company to lose customers e.g. Client Contacts) | Business | 3 | 2 | 6 | -Block USB and CD access to employees who do not need it.  -Block external Email  -Introduce a confidentiality policy |
| 2 | E-commerce criminals/Attackers/Hackers Unauthorized access to the web site and Data Breaches .e.g. hackers have breached company networks and accessed sensitive customer information | Website and Technology Operations | 2 | 5 | 10 | Get an external company to perform a vulnerability assessment on the website or buy a toll to scan the website for vulnerabilities. Ensure that all identified vulnerabilities are closed/prevented. |
| 3 | Natural Disasters | Business | 2 | 5 | 10 | Have data recovery site where the website can be accessed from in case of a disaster. |
| 4 | Theft of stock, Computer Equipment | Business | 3 | 3 | 9 | Ensure the business. |
| 5 | Hosting Infrastructure Unavailable, Website Unavailability, Internet service provider (ISP) server crashes | Website and Technology Operations | 2 | 2 | 4 | Have data recovery site where the website can be accessed from in case of a disaster. |
| 6 | Supplier: risk Supply of cheap material used to print books not available | Business | 3 | 5 | 15 | Have multiple suppliers of the cheap material. Find alternative/multiple forms of cheap material to use in order to print the books. |
| 7 | Customers use of e-books instead of printed books | Business | 3 | 4 | 12 | Expand the business to provider other products. |
| 8 | Data Loss/Fraud: Sensitive, Credit card information intercepted is disclosed or used for fraudulent purposes.  Purchases made using a stolen credit card information, customers claiming they have not received purchased goods and the unauthorized use of a credit card are common methods of fraud | Business | 3 | 4 | 12 | Encrypt sensitive data.  Work with banks to clear payments before releasing goods. Get clients to sign for the receivable of goods and also get a good currier service that can trace parcels. Insure Stock/Parcels |
| 9 | Neglectful errors or omissions emanating from software design/development | Website and Technology Operations | 3 | 3 | 9 | Have a 24/hour support team to support and maintain the website. |
| *10* | Delivery risk, truck carrying a load of books hijacked, involved in an accident, stolen Cargo | Business | 1 | 4 | 4 | Ensure that Stock/Parcels/Cargo is Insured |
| 11 | Market demand for products higher than supply | Business | 2 | 4 | 8 | Have multiple suppliers |
| 12 | Infecting a website, database or hosting server(s) with a viruses | Website and Technology Operations | 2 | 5 | 10 | Have data recovery site where the website can be accessed from in case the website is not accessible.  Ensure that an Anti-Virus is installed on the hosting servers and that backups are run |
| 13 | Insufficient bandwidth to handle traffic to the website | Website and Technology Operations | 2 | 4 | 8 | Have alternative client interfaces to access the book database, Mobile and downloadable Windows App |
| 14 | Internet Service Provider (ISP) outages or poor performance | Website and Technology Operations | 2 | 5 | 10 | Have data recovery site where the website can be accessed from in case the website is not accessible. |
| 15 | Lack of maintenance and support on existing web pages/website | Website and Technology Operations | 2 | 5 | 10 | Have a 24/hour support team to support and maintain the website. |
| 16 | Products out-of-stock due to poor communication with suppliers and printers | Business | 1 | 5 | 5 | Have multiple suppliers |
| 17 | High shipping costs required for distribution | Business | 1 | 5 | 5 | Form partnerships in countries where the organization operates. Books can be printed at the location nearest to the client to reduce shipping costs. |
| 28 | Inconvenient return policies (customers returning goods after use or once they have made copies) | Business | 2 | 5 | 10 | Develop policies to deal with returning goods |

# 12. PRO FORMA BUDGET

***Still Outstanding [Nqobile]***

# 13. ESTIMATED/PROJECTED FINANCIAL STATEMENTS

***Still Outstanding [Nqobile]***

# 14. PROJECT SCHEDULE

***Still Outstanding [Nqobile]***

# 15. SITE EVALUATION PLANS

## 15.1 Google Analytics

Our product as an organisation is an e-commerce website and is responsible for selling RecycledTextBooks printed using cheap material at reasonable prices over the internet. It is important for us to constantly review and evaluate the website‘s products, content, attractiveness, functionality and advertisements in order to maintain our web presence. The organisation therefore needs a way to rate and measure the success of the website, this can help increase sales globally.

Google Analytics is a free Web Analytics tool from Google that can help our organisation review and evaluate our website at no charge, the product provides advanced matrix to evaluate the performance of the website.

Google Analytics provides the following solutions for small business that can be of benefit to us:

The rate of navigation on the different sections of the site can be measured

* Provides performance statistics across all our online platforms (websites, mobile applications) and offline channels.
* Helps the organisation turn Customer insights into real gains.
* Offers up-to-date analysis of trends, content and traffic in one central place.
* Enables visualization of web statistics in minutes
* Understand traffic Sources and Conversions as an organisation
* Helps you know your visitors and their behaviour
* Provides Key Indicators of Performance
* Helps you know what your clients are looking for
* Helps the organisation turn insights into action and measure business value of the website.
* Optimize Your Marketing Campaigns through the assistance of Web Analytics
* Bounce rates enables you to analyze and understand where you’re losing clients
* See what devices are being used to access the website (mobile devices vs. laptops or desktops) and optimise your interfaces accordingly
* See what browsers are used to access the website and optimise accordingly

## 15.2 Google Analytics Reporting controls/tools

* Retrieve analytical data by date range.
* Allows viewing hourly, daily, weekly, or monthly data
* Offers Pivot Tables
* Powerful Dashboard with all you reports
* Export and email reports functionality
* Solutions Gallery
* Motion Charts
* Custom Reports and Custom tables