# **Business Plan**

## **Group members:**

**Names:**

**Craig Ritchie (Project Manager)**

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**Shalik Ram Sapkota**

**Anup Satyal**

**Duc Nguyen**

**Discuss these issues below in your group. Write in this section the names of the group members and answer the last question.**

· What know-how qualities/skills does the business require? What strengths/weaknesses do you/your partner have in these qualities?

* English Skills for Communication
* Web Development Skills
* Team Management Skills
* Marketing Skills

# **Business model**

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| --- | --- |
| **Needs/advantage for the customer**   * Earn extra money -> Lessors * Save money getting items -> Lessees * Networking (Similar interests) | **Image (Company image)**   * Open * Friendly * Professional Technical Support * Wide range of items available for rent |
| **Customers/customer groups**   * Young Adults (17-25) * Students * Lower Income * Local Areas | **Products/Services**   * Platform to rent spare items   + User Accounts   + Different Categories   + Database of available items   + Payment Service      * Website * Mobile Application |

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| --- |
| **Mode of operation**  Location: Oulu  Ability to browse catalogue of items available with or without account.  Users create accounts with personal information, including addresses and phone numbers.  Once account has been created, users can post listings for items they wish to offer.  Listing information includes:   * Title * Description * Price Per Day * Deposit Price * Photograph * Dates Available   Payments are handled through our site, where we receive a percentage of the price.  When user rents an item, contact information is shared between the two users.  In case of problems arising in the lease of an item, such as broken items or failure to return, either user can contact our technical support.  Cleaning: Cleaning services are outsourced  Accounting: Accounting firm does this  Marketing: At first market ourselves as a local business in local newspapers. Work with the city’s universities/student unions as a resource available for students - can lead to word of mouth. Advertising firm can be brought in to handle advertising around the city. |

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| **Resources** | | |
| **Physical**     * 2/3 technical support staff * Equipment for staff * Small Rented Office Space * Website * Application |  | **Intellectual**     * Knowledge in web development * Business savvy mindset * Entrepreneurship |

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# **Market segmentation**

# **Customers**

Segmentation is the division of unintegrated markets into separate groups of buyers which the company chooses its target group from and for which it builds a marketing program matching the needs and courses of action for the group.

## 

Define the main segments of customers. What kind of customers are being focused on and why? Define the main customer group as precisely as possible.

· What is appreciated by the customer group?

* Ease
* Possibility to save/make extra money
* Possibility to create networks among like-minded individuals
* Internet/mobile integration, means they can check on the go

· Who and where are the customers of the enterprise located?

* University Students
* Young People (17-25)
* Lower Income
* As for the first year the company will be based in Oulu, we’ll be focusing on just the market segments in this city.

· The number of potential customers and how many could be acquired?

* Students = 12000 - 13000
* Young People = ~29000

· Most important potential customer groups.

* Students

· How are the customers reached?

* Working with Student Associations

· Who makes the purchase decision?

· What are the deciding factors in the purchase decision?

· Customer loyalty in the field?

· The customer’s median buy?

· What are the customer needs that are satisfied?

· What do the customers consider important factors in the operations of the enterprise and its products?

· What sort of customers bring in the best margin and who are the futile (but compulsory) customers?

Segment 1: University Students

|  |  |
| --- | --- |
| Description of the target group: | **Geographic:** Oulu |
| **Demographic:**   * 18-22 years old * Students from Higher Education Institutions |
| **Psychographic:**   * Students want to borrow books, study documents, or equipment in order to save money. Things such as Cameras or Textbooks can be expensive and aren’t always readily available from the university. Since students notoriously don’t always have the money for such luxuries, renting may be a convenient alternative. * Student who want to get some money from lending books or unneeded equipments. |
| **Behavioral**   * Money is generally always a concern for students - particularly those leaving home for the first time. Opportunities to both save money as well as make more money are of interest to them. |
| The needs of the target group: | * A large variety of books and study equipment for rent. * A cheaper alternative to other options. |
| The amount/size of the target group: | 12000 - 13000\* |

Segment 2: Young People (17-25)

|  |  |
| --- | --- |
| Description of the target group: | **Geographic:** Oulu |
| **Demographic:**   * 17-25 years old |
| **Psychographic:**   * Young people have demand to borrow some expensive stuff (probably something related to their hobbies) which they can’t afford to buy for own use * People want to share their hobby, eg. music disc or film |
| **Behavioral:**   * People who don’t mind using the second hand products. * People with a good communicating skills and friendly nature. |
| The needs of the target group: | * Possibility to communicate between people with same hobbies * Mobile device compatibility. The ability to stay in communication on the go is important to the way they run their lives |
| The amount/size of the target group: | Around 29000\* |

Segment 3: Lower Income

|  |  |
| --- | --- |
| Description of the target group: | **Geographic:** Oulu |
| **Demographic:**   * 25-80 years old * Unemployed or low income |
| **Psychographic:**   * Lower income people of all ages has the need of same life level without spending so much money. * People who want to get some extra money from lending items. |
| **Behavioural:**   * People who are looking for any possibilities to save some money |
| The needs of the target group: | * Possibility to save money * Upper end items not normally available within their usual budget. * Items which are only needed a few times a year, such as a fishing rod, tent, etc... |
| The amount/size of the target group: | 35 000 people |

\*stat.fi

**How your customer’s needs will change in the future (after 3-5 years):**

**Marketing Plan/ 4Ps**

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| **SEGMENTS:** | | | |
|  |  |  |  |
| **PRODUCT:** | | | |
|  |  |  |  |
| **PRICE:** | | | |
|  |  |  |  |
| **PLACE:** | | | |
|  |  |  |  |
| **PROMOTION:** | | | |
|  |  |  |  |

**What are your after-sales services so you can ensure customers satisfaction also after the sale?**

# **Describe your earning models. Where you´ll get your revenue?**

Because, we are going to act as a payment processor, we will take a fee from each item reservation. It is going to be like 10% of deal amount.

# **Core Strategy Tools:**

# **The Competitive Analysis**

Once you identify your main competitors, answer these questions about each one. And be objective. It's easy to identify weaknesses in your competition, but less easy (and a lot less fun) to recognize where they may be able to outperform you:

Who are my current competitors? What is their market share? How successful are they?

* What are their strengths? Price, service, convenience, extensive inventory are all areas where you may be vulnerable.
* What are their weaknesses? Weaknesses are opportunities you should plan to take advantage of.

|  |  |  |  |
| --- | --- | --- | --- |
| Current competitiors:  3-5 worst competitors | Competitor´s strenghts | Competitor´s weaknesses | Your notes |
|  |  |  |  |
| (Potential competitors:) | Competitor´s strenghts | Competitor´s weaknesses | Your notes |
|  |  |  |  |
| How will your company be different from the competition? What competitor weaknesses can you exploit? What competitor strengths will you need to overcome to be successful?  Which companies/products succeed well in the markets? Why?  Which of your competitors are growing and developing the fastest?  How is the international competition going to move ahead in your field?  What marketing strategies do they use? Look at their advertising, public relations, etc.  How can you take market share away from their business?  How will they respond when you enter the market?  What market do current competitors target? Do they focus on a specific customer type, on serving the mass market, or on a particular niche?  Are competing businesses growing or scaling back their operations? Why? What does that mean for your business?  What will you do if competitors drop out of the marketplace? What will you do to take advantage of the opportunity?  What will you do if new competitors enter the marketplace? How will you react to and overcome new challenges? | | | |

# **SWOT Analysis Worksheet**

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| --- | --- |
| **Strengths**  What do you do well?  What unique resources can you draw on?  What do others see as your strengths? | **Weaknesses**  What could you improve?  Where do you have fewer resources than others?  What are others likely to see as weaknesses? |
|  |  |
| **Opportunities**  What opportunities are open to you?  What trends could you take advantage of?  How can you turn your strengths into opportunities? | **Threats**  What threats could harm you?  What is your competition doing?  What threats do your weaknesses expose you to? |
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# **PESTEL**

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| --- | --- | --- | --- |
|  | **Factor** | **Opportunity** | **Threat** |
| **Political** |  |  |  |
| **Economic** |  |  |  |
| **Social** |  |  |  |
| **Technological** |  |  |  |
| **Environmental** |  |  |  |
| **Legal** |  |  |  |

# **Choosing the Right Generic Strategy**

Which strategy do you choose and why?

# **Competitive advantage**

# **USP Analysis Worksheet**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | You  (1=poor, 10=good) | Competitor 1 | Competitor 2 | Competitor 3 |
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| USP Statement |
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