Environment Analysis

Location or placement chosen for our business

The placement chosen for our business is Madrid, Spain.

Analysis of the main factors of the general environment

Economic:

Spain is a country where it is very safe to start a business, thanks to the political and financial stability that being part of the EU provides.

Furthermore, Madrid is the Spanish province with a highest medium wage in the country, allowing their inhabitants to make investments such as big as redesigning a house or, in some cases, buying and equipping a new property.

Sociocultural:

Spanish society, and mainly people who lives in Madrid, are likely to buy more than one property throughout their life, which means that they would have to redecorate their properties several times during this time.

Technological:

As it is a first world country, Spain is always one of the first countries to introduce new innovative technologies that will probably, in the near future, help our company to develop new features to our software.

International factors:

Due to the privileged location of the city, it will help us not to be far away from out potential national clients, in case that we need to settle a personal meeting or anything else.

In addition, in case that at some point we decide to change our scope to international companies, we would have the same time as many of our potential European clients.

Analysis of the main factors of the specific environment

Competition:

Although there are a few companies that already have the software that we are trying to sell, their business works in a different way. Most of them have the software online and anyone can access to it. This will bring them more users, but not as many customization that this software in a specific company has. This is the case of Mazing, Wayfair….

On the other hand, one of the business top companies, IKEA, already developed this software, but only to implement it in their products.

Customers:

Apart from IKEA, there is no other furniture business (either local or multinational) that applies this technology as of now.

Given to this, we could have many potential customers, given the innovative of this software.

Substitute products:

The technology that we used to develop the software is brand new. Given to that, it is not likely that other technology may replace it (and be as cheap) as it in the coming years.