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JB INVESTOR

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1. Executive Summary:

- This business is going to be sole trading.
- The company tends to offer its services to the entrepreneurs and investors to connect with each others.
- The market analysis clearly shows that although the current business environment is very tough, but it has huge gap that can be filled through premium customer services at lowest possible prices.
- The marketing strategy of the company will be based on excellent customer services, lowest possible price and effective and efficient promotional activities.
- There is going to be only one employee, the owner, who will be managing all the tasks and operations.
- In the next three years, the company tends to grow from £62,000 to £311,460 as net profit.

2. Company Overview:

JB Investor tends to start its operation in UK, to attract and connect the entrepreneurs and investors. The company will specialize in providing premium quality of services to its customers of both ends. Since it is going to be the business to business portal, all the legislation, high quality of services, efficient communication channels will be ensured (Botten, 2005).

2.1 Vision:

To become the market leader, through connecting the entrepreneurs with potential investors through offering highest level of services.

3. Market Analysis:

3.1 Market Opportunity:

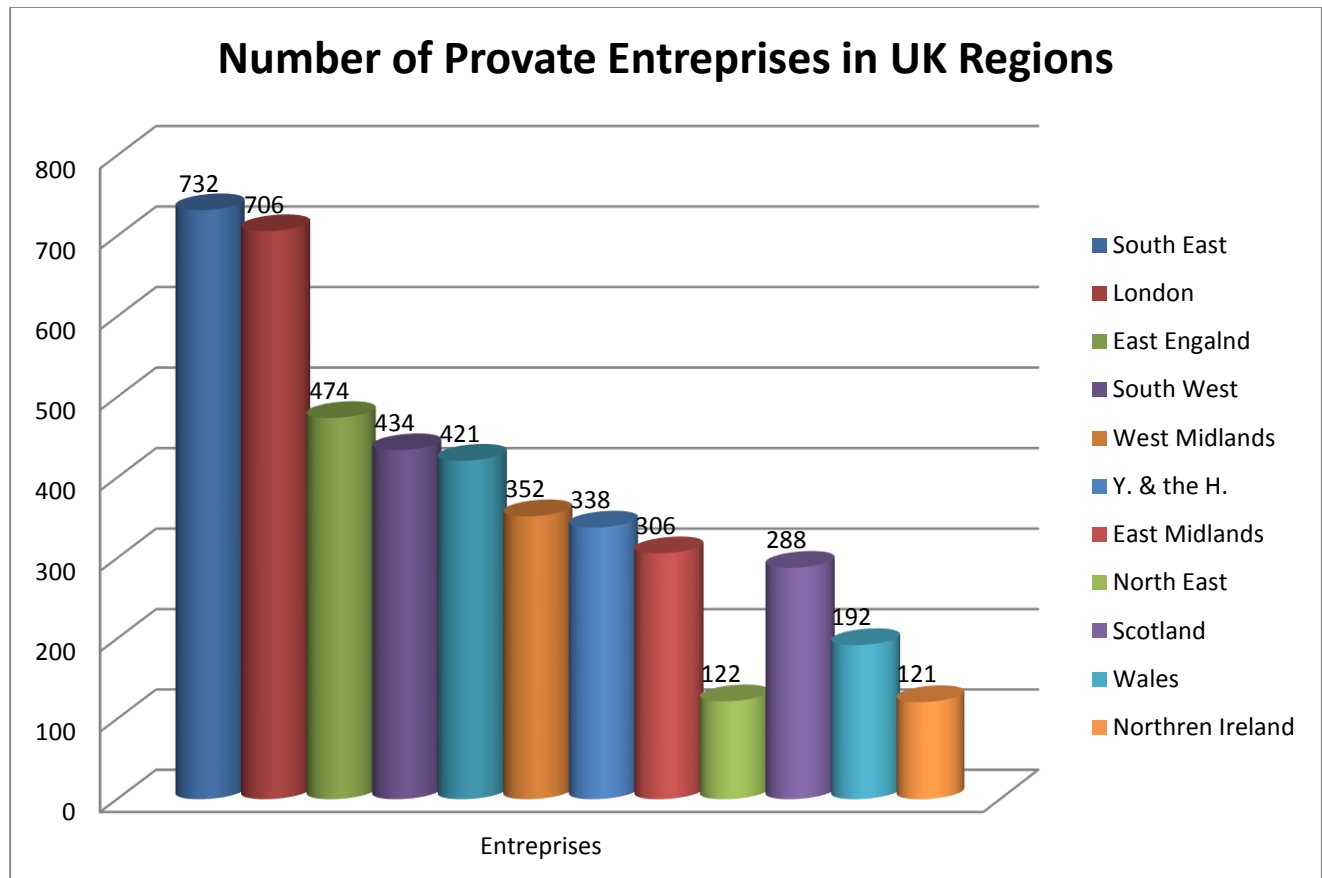
It is observed from the past couple of years that investors and entrepreneurs have become more enthusiastic because the global, especially UK's economy is recovering at significant rate. Recovering economy has always been valuable element for the

investors and entrepreneurs to setup new businesses. According to the statistics published by Federation of Small Business (2011), currently there are 4.5 million small businesses in the UK. But among all the regions, London has been the most potential and effective region for small business entrepreneurs which currently possess more than 740,000 enterprises. According to the statistics, it is noted that as compared to 2009, more than 85,000 sole proprietorships increased in 2010. Also, at the other end, around 9,000 companies have been increased in 2010 as compared to the previous year. It shows that investors and become more interested in investing their capital because economy has been growing and it is good opportunity for them to start generating profits (Stevens, 2006).

The JB Investor, as portal, will therefore be playing its role to provide a platform to the potential investors and entrepreneurs to interact with each other, share their ideas and financial related issues, and make deal to develop partnerships etc.

3.2 Target Market:

Since the purpose of JB Investor portal is to connect the entrepreneurs with investors, the company tends to target all the existing enterprises that are currently being operated in UK region. Below the chart will explain more clearly about the number of businesses in each region;



Source: BIS, 2010

The above chart shows that currently in how many enterprises are operating in different regions. According to the estimation made by UK's Department for Business Innovation and Skills, more than 4.5 million businesses in England are operating in private sector. It includes SME and large sized enterprises too. In the previous year (2009) there were 3.9 million enterprises i.e. 86.6% of the total in 2010. According to the above statistics, London is the most potential target market for the JB Investor which had 706,000 enterprises after South East region which had 732,000 enterprises.

The company does not only tend to target the existing companies and firms, but it also tends to target the potential investors and entrepreneurs who want new business to be setup. Looking at the above the increasing rate of private firms in UK, it seems that JOB investors will be one of the most effective and efficient portal for both parties to connect with each other.

3.3 Competitive Analysis:

Website	Pricing	Extra Terms	Pricing	Target Sectors	Useful features
Crowdcube (www.crowdcube.com)	N/A	N/A		Seems to attract business from all sectors	
Crowdfunding (www.crowdfunding.com)	N/A	N/A		Seems to attract business from all sectors	N/A
Venture Giant (www.venturegiant.com)	£99	1 off payment for all contacts		Seems to attract business from all sectors	Large use of video, Ensure all investors are legit, Try to keep ideas confidential
Angel Investment Network (www.angelinvestmentnetwork.co.uk)	£99	1 off payment for all contacts with more options (/entrepreneur/67)		Seems to attract business from all sectors	
Capital Gate (www.foundercontact.com)	\$199	Annually for entrepreneurs		Seems to attract business from all sectors	
Wealth Forge (www.wealthforgeonline.com)	Free	Facebook style social networking for entrepreneurs and investors		Seems to attract business from all sectors	
Gust (www.gust.com)	NA	NA		Seems to attract business from all sectors	
GrowVC (www.growvc.com)	2.50%	Of final investment		Seems to attract business from all sectors	
Go 4 Funding (www.go4funding.com)	subscription fee 25/49/79/99 dollars	for entrepreneurs		Attracting businesses from all sectors	open money investments (no minimum or maximum requirement money for an investment)
Company Partners (www.companypartners.com)	29.95/39.95/49.95 pounds	Each subscription has its own features		Attracting businesses from all sectors	Business Angels have free access to all business summaries
Invest In My Idea (www.investinmyidea.com)	NA	NA			

Angels Den (www.angelsden.co.uk)			£799 + 5% success fee - £5,500 + 5% success fee.	5% success fee	Seems to attract business from all sectors	to Blog
London Business Angels (www.lbangels.co.uk)			N/A	N/A	Seems to attract business from all sectors	to Minimum £100k - £1m investment, Filter business plans before presenting to investors
Best Business Angels (www.bestbusinessangels.com)			FREE	FREE	Seems to attract business from all sectors	

It is noted from the above competitors that some of them are the market leaders and currently operating at well position. As compared to all of them, the JB Investor intends to offer its services to all sized companies and firms; small, medium or large. This will allow the company to attract all the potential investors and enterprises. A part from this, the company the pricing and marketing strategy of JB investor will lead it towards the top position (Nieman & Pretorius, 2004).

4. Service Description:

The main purpose of the portal is to create a hub and platform for entrepreneurs to showcase and promote their ideas of new business, expansion plans and growth opportunities to the potential investors. Using the online portal of JB Investors, the entrepreneurs will be able to attract multiple potential investors and make deals accordingly (Schneider, 2008).

Off course it is going to very attractive for the potential investors and entrepreneurs but as compared to others, following are the key benefits that will be provided to the customers;

- The pricing model will be used as eBay, because it is most common and easier for the customers.

- It will be ensured that both parties can communicate efficiently and all the information can be communicated through our website.
- Apart from connecting both parties and helping them to communicate with each other, the website will also provide the useful links of the solicitors, accountants and business consultants for free.
- A substantial discount will also be offered to the investors and entrepreneurs who will be using our portal after their first deal.

5. Organizational Plan:

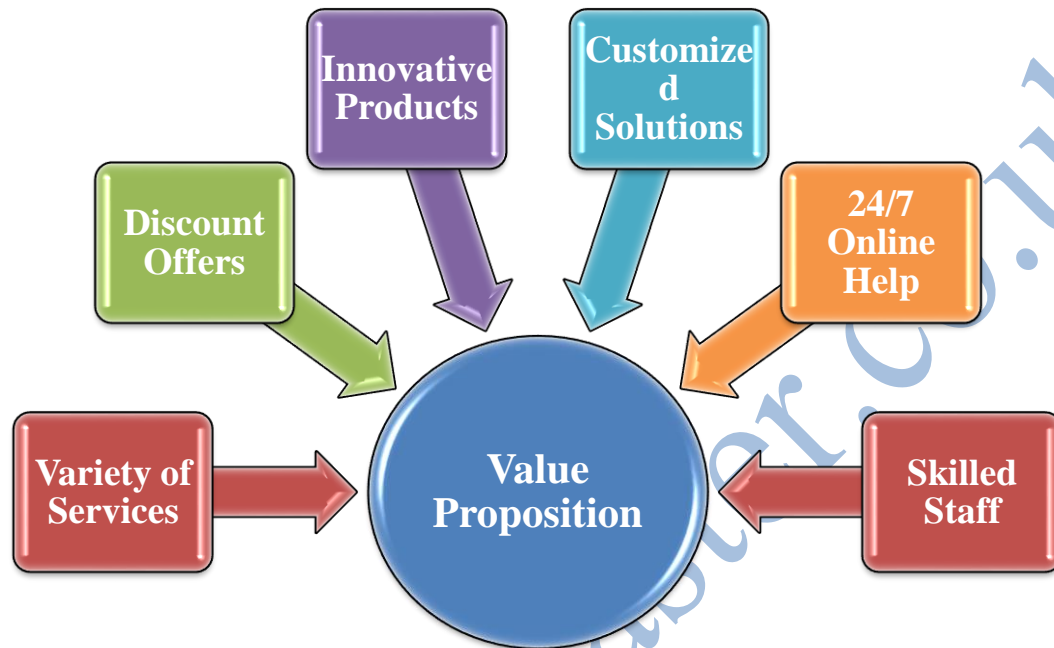
Since the business is going to be owned by one owner, the structure of the company will be privately owned. Moreover, since it is the online business and owner himself has clear understanding and knowledge about the operations management and website maintenance, it is decided that it is going to be sole trading business (Sawyer, 1985).

In order to setup the business, following are the legislative requirements that will be met;

- **Company Registration:** The Company will be registered with the name of JB Investment, based on the services that will be provided to the entrepreneurs and potential investors.
- **VAT Registration:** Based on the market analysis and gap, it is observed that the business will generate minimum of £73,000 sales in the first year, and in following years it will keep growing. Therefore the company will also be registered for Value Added Tax (VAT).
- **Website Domain:** Since the business is going to be web based, the company will also register its domain to ensure it can launch its website.
- **Payment Channel:** Apart from this, in order to collect the payments from customers, the company will also get the PayPal account. And for this, the business account will be registered (HMRC, 2012).

6. Marketing Strategy:

6.1 Value Proposition:



JB Investor will be playing its role as an agent and its customers, entrepreneurs and potential investors both will have professional understanding about the services. Therefore it will be made sure that the services that are provided to the customers will be high level. The team members will be fully skilled in filling the customers' queries, online help will be available 24 hours, and discounts will be offered. The benefits will add extra value in company's market position (Peters, 2009).

6.2 Branding:

In order to ensure that our brand becomes the market leader, the effective efforts will be made in way that will surely attract the potential customers. It is understood that current market is too competitive; therefore all the marketing and promotional activities will be carried out in way that customers can perceive us professional, dedicated, experienced most reliable portal that offers the services that are unmatched (Gale, 2010).

6.3 4 Ps Marketing:

6.3.1 Product/Service Strategy:

It has been observed from the above competitive analysis that there are many players that are operating in UK and attracting the parties and customers. Since all of the competitors are observed to be attracting individual entrepreneurs and investors, we tend to offer our services and target the industries. It is the gap that we have founded and perceive it to be an opportunity for us to target the potential customers (Healey, 2008).

Keeping the above approach in consideration, the company tends to adopt Flack Attack Strategy. Although the company will be registered in UK and target the UK entrepreneurs and investors in the initial period, but this strategy can lead us toward the business expansion in near future (Baker, 2008). We understand that since the UK economy is improving at rapid pace, it is going to be very positive opportunity for us, therefore we also plan to increase the service portfolio from only connecting the two parties to online legal services, accounting and financing services etc (Ferrell & Hartline, 2008).

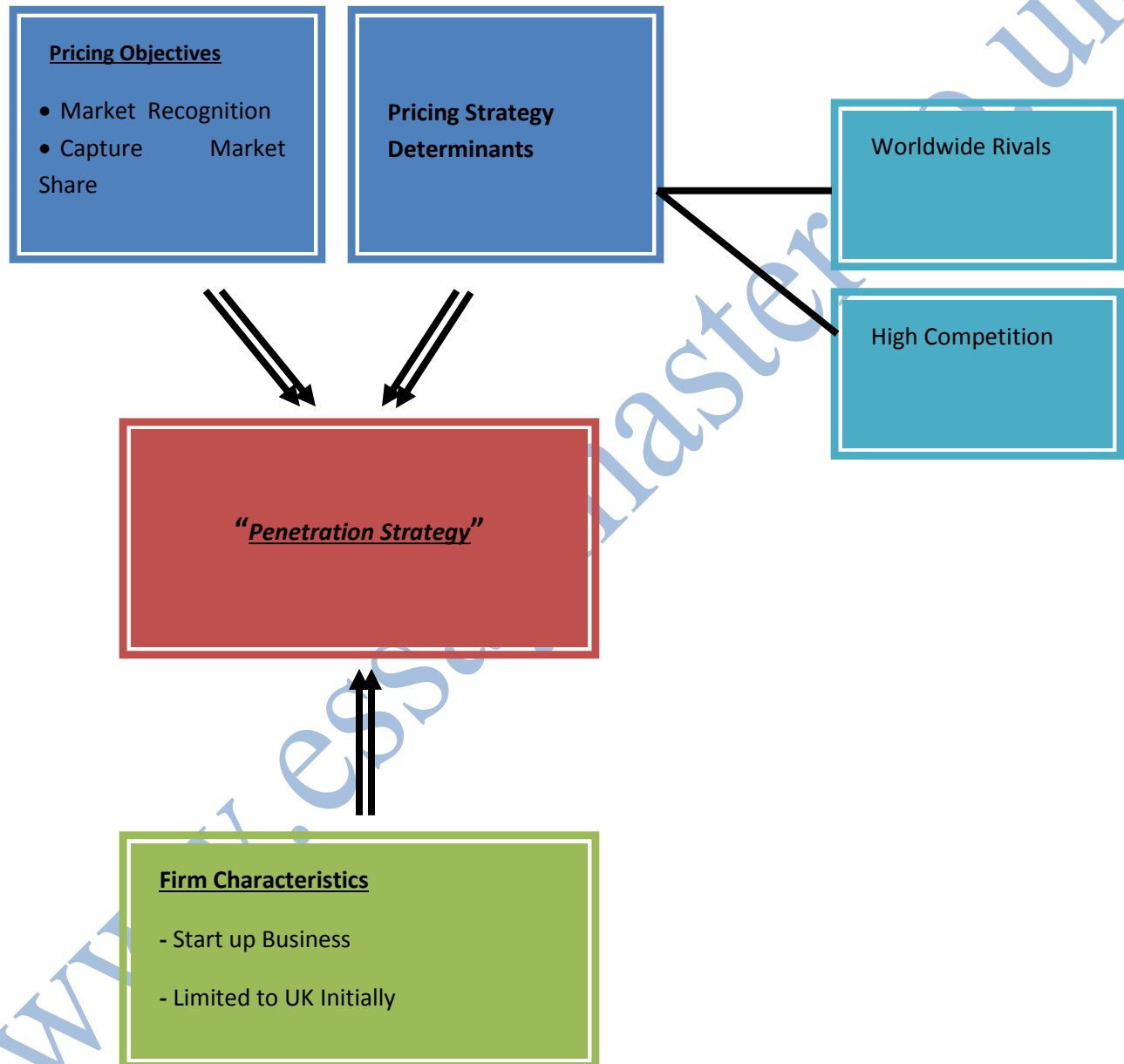
6.3.2 Pricing Strategy:

Since it has been observed that competitive environment has become very intense for the companies that offer the same services as we intend to. Therefore JB Investor tends to come up with more improved quality of services at comparatively low prices that its rivals and competitors. For this, the penetration pricing strategy seems to be very appropriate and suitable. This will allow the company to improve its brand identity and gain and increase market shares and maintain long term relationships with the potential customers i.e. entrepreneurs and investors (Porter, 1998).

A part from this, it is also observed from the competitors pricing models and techniques that they all are using the traditional pricing models such as one off fixed charges to post the business proposal, monthly and yearly subscription. But in order to gain the pricing competitive advantage, the company has planned to use the pricing model as it is for leading consumer website such as E-Bay etc. This will keep the investors,

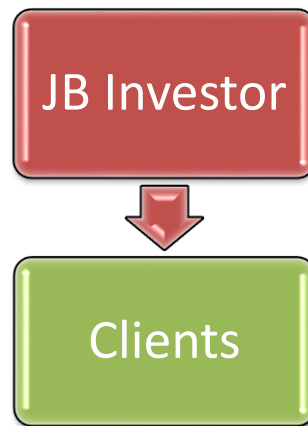
entrepreneurs and gamblers very interested and enthusiastic to see the figures and develop their own intentions to take part and play their own roles too.

Pricing Strategy Model:



6.3.3 Place Strategy:

It is going to be very simple, since the operations will be based on online; it has to be zero level, as it will allow us to interact with our customers directly rather than involving third parties. This will allow us to understand and analyze the customers' requirements, expectations and needs in better ways (Ireland, Hoskisson & Hitt, 2007).



6.3.4 Promotion Strategy:

In order to develop the brand identity, attract potential investors and entrepreneurs and increase market shares, we plan to perform various online and offline promotional channels and techniques.

Offline:

Magazines: Various business magazines will be used to advertise the company and its services. Especially the corporate and IT magazines will be very appropriate for JB Investor to achieve its marketing targets and goals.

Word of Mouth: Customer services are another technique that will be adopted by JB Investor, because it will help us to encourage the customers to spread the words about JB Investor and its services.

Seminars & Tradeshows: Moreover, the company's key personnel will also take part in corporate seminars and tradeshows to inform investors and entrepreneurs about our

services. This will also help us to increase the number of customers and improve sales and profitability.

Professional Publications: A part from these, professional publication as marketing channel will also be used to attract the customer from across the UK.

Online:

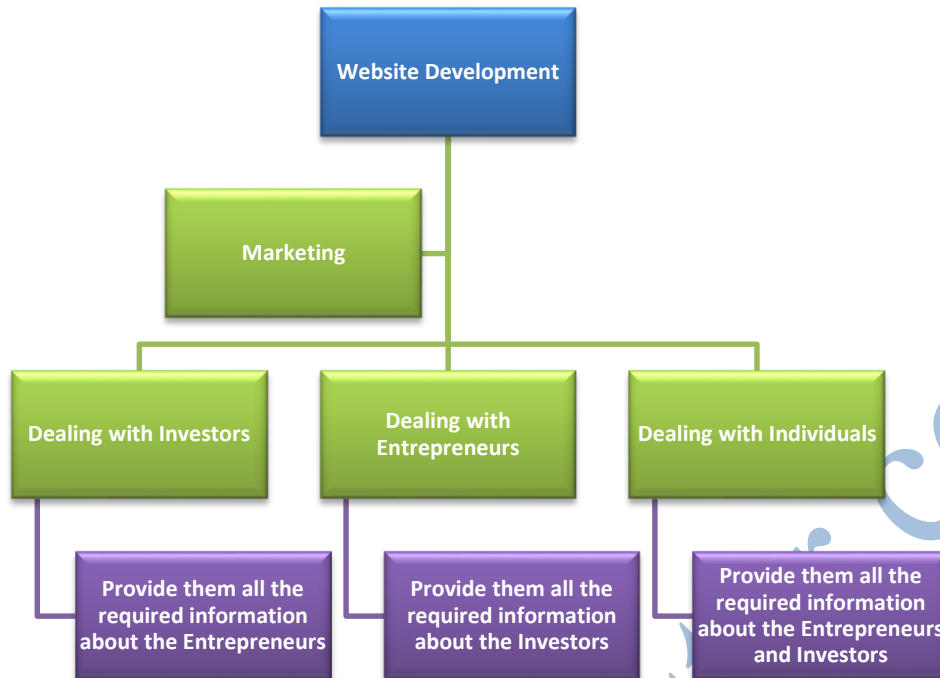
Website: The website that will be developed is going to be the most key element and technique for us to promote the company and its services. All the relevant information will be uploaded on the website i.e. legal requirements etc. This will also help customers to develop their understanding about their and others position to make their decisions.

SEO: Since it is going to be online business, the search engine marketing will also be very useful for us to increase our sales and customer portfolio. For this various search engines like Yahoo, Google, Bing etc will be used to keep our company's ranking on top.

E Mail Marketing: Moreover, the company also tends to adopt the e-mail marketing technique to attract the customers. It is not only going to be cost effective, but will also play key role to improve our customer portfolio (Gelder & Woodcook, 2003).

7. Operational Plan:

Since it is going to be owned and managed by one individual, all the operations will be managed alone. But again, in order to manage the operations, and ensure smooth running operations, the following operational plan will be followed;



8. Management Plan:

It is only the owner that will be maintaining and controlling all the operations. The owner has owned and run his own web development and design business in the past and continue to work as a freelance web developer for many clients. Therefore he has a deep understanding and knowledge of languages and applications including:

- HTML 5
- CSS 3
- JavaScript and the JQuery JavaScript library
- PHP
- Ajax
- MySQL
- Photoshop CS5 (for graphics design)

Since it is going to be start up business, and owner himself has clear and depth knowledge, experience and control over all the web development and maintenance application, software and tools, it is going to be very suitable individual for company to

ensure growth in the initial months. Once the business starts growing, there will definitely be more hiring that will help the business to grow at much faster pace.

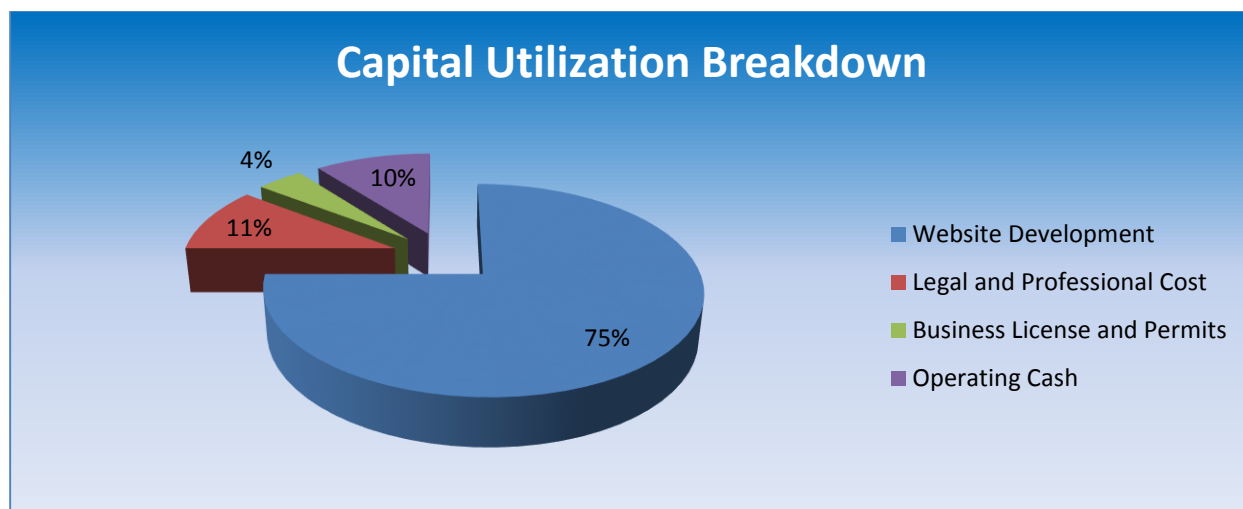
9. Financial Plan:

9.1 Assumptions:

- It is assumed that in the first financial year, the company will serve around 250 Investors and 250 100 Entrepreneurs.
- The average price paid by each investor is going to be £150 and for entrepreneurs is £100.
- Each year the sales are going to be increased at 30%.
- The operating expenses are going to 80%, 60% and 40% in the 1st, 2nd and 3rd Year.
- It is assumed that each other there will be £50,000 fixed cost, and £50 variable cost to serve each customer.

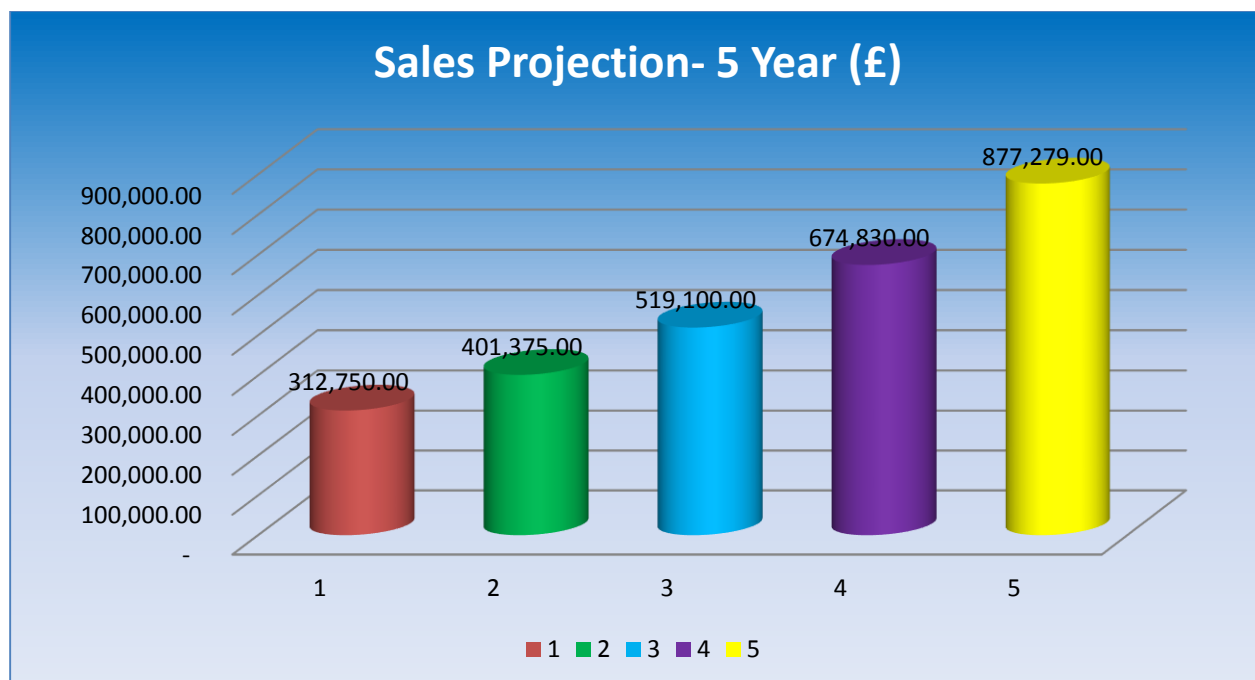
9.2 Start Up Summary:

Investment Budget	Capital Required
Startup Summary	£
Website Development	18,000.00
Legal and Professional Cost	2,500.00
Business License and Permits	1,000.00
Operating Cash	2,500.00
Total Investment	24,000.00
Funding Required	24,000.00



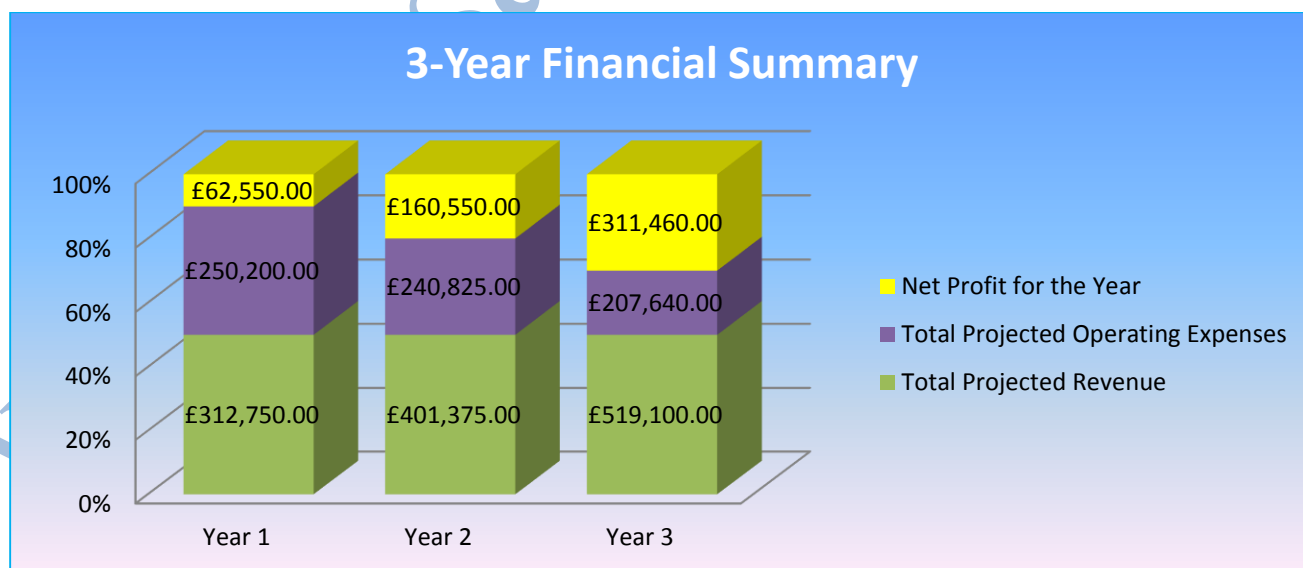
9.3 Sales Projection:

Sales Projection - 3 Years	Year 1	Year 2	Year 3	Year 4	Year 5
<u>No. of Customers:</u>					
Investors	250.00	325.00	422.50	549.25	714.03
Entrepreneurs	100.00	130.00	169.00	219.70	285.61
Total No of Customers	350.00	455.00	591.50	768.95	999.64
<u>Revenue:</u>					
Investors	£ 243,750.00	£ 316,875.00	£ 409,800.00	£ 532,740.00	£ 692,562.00
Entrepreneurs	£ 69,000.00	£ 84,500.00	£ 109,300.00	£ 142,090.00	£ 184,717.00
Total Revenue	312,750.00	401,375.00	519,100.00	674,830.00	877,279.00



9.4 3 Years Financial Summary:

3-Year Financial Summary	Year 1	Year 2	Year 3
Total Projected Revenue	£ 312,750.00	£ 401,375.00	£ 519,100.00
Total Projected Operating Expenses	£ 250,200.00	£ 240,825.00	£ 207,640.00
Net Profit for the Year	£ 62,550.00	£ 160,550.00	£ 311,460.00



9.4 Break Even Point:

Break Even Point	Year 1
Fixed Cost	£ 50,000.00
Average Selling Price	£ 125.00
Average Variable Cost	£ 50.00
Breakeven Point = Fixed Costs/(Unit Selling Price - Variable Costs)	
BEP Customers	350
BEP Revenue	£ 43,750.00

9.6 Sources of Finances:

Since it is going to very potential business, the required funds will be generated through 50% bank loan and 50% will be owner's investment.

10. Exit Strategy:

The 50% of the total required investment will be generated through bank loan. Therefore the exit strategy for bank is going to be very attractive. When it comes to repay all the loan installments, the JB Investor will develop another partnership with the bank. And this will be in the form of another potential business proposal. We are sure that this idea is going to work, and bank will enjoy its benefits working with JB Investor (Abrams & Kleiner, 2003).

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