

# Good business plan on entrepreneurship

[Business](#), [Company](#)



## - Executive Summary

The current business plan presents a business idea of a publishing company Galactica Publishing. The company is involved in production of electronic books of entertaining content. The company pursues the following goals: to grow social media presence, to become more user-friendly, to double website traffic, and to double revenue. The management of the company plans to use social media and other modern means of information and communication technologies to promote the products of the company. The detailed description of marketing the products of Galactica Publishing is proposed in the paper. At the present time, Galactica Publishing is a small company using own resources. The legal requirements and the management issues that may arise are described in the paper. The financial projections related sales, costs, and revenues are presented in the paper as well.

Key words: marketing, sales, forecast, operations, information, communication, website, traffic

## 2. Company Background

### 2. 1 Mission Statement

Galactica Publishing is a company that works in publishing business. The company provides its readers with the electronic books of entertaining content worldwide. The company fosters communication among its customers to enable them to exchange their opinion and allow the company to receive feedback and improve the quality of the products. Galactica Publishing uses innovative products, creative models of business, and the new technologies. The company is ambitious to become a global company with millions of readers worldwide. The growth of the company will be

achieved by expanding its market share in the new and existing markets.

The company is an intermediary between the authors and the readers presenting the core competency of the company. Galactica Publishing supplies libraries and individuals with the products of high quality. The company takes advantage of the growing demand for the electronic books in the global market. Galactica Publishing uses electronic channels to distribute its products. It uses a policy of multimedia publishing. The titles of the books are available electronically. The main objective of the company is to foster a good taste in literature in young readership.

## 2. 2 Company History

Galactica Publishing was founded on March, 2014. This is a new dynamically growing online company that offers entertaining electronic books to its customers. The company is based in Australia and aims to expand its business internationally. Galactica Publishing cooperates with young talented authors that offer fiction books in the sci-fi and fantasy genre. The major operations are conducted online.

## 2. 3 Business Goals

### 2. 3. 1 Goal 1: To Grow Social Media Presence

As the company is young, growing social media presence is the primary goal. Galactica Publishing is active on Facebook, Twitter, Instagram, and Google+. However, only two items are posted on Twitter and Facebook are posted per one platform. The engagement should be increased within the next year.

### 2. 3. 2 Goal 2: To Become More User-Friendly

An emphasis should be made on the mobile version of the company's website because 89% of the target audience has mobile phones and 56% of

them go online regularly using mobile phones and smartphones. This approach can help develop relationships with readership thus adding value to the company (Raco, 2014). By becoming more user-friendly, the company is going to increase visitor attention, decrease bounce rate, and increase page views.

### 2. 3. 3 Goal 3: To Double Traffic on the Website

Usually, the new companies grow fast during the first year. Higher traffic provides more opportunities for the company to extend the message to existing and potential customers. Also, revenues can be increased by increasing traffic. Monthly traffic this month is higher than last month traffic by 75% meaning that more customers got to know about Galactica Publishing. Traffic is expected to double by the end of the year.

### 2. 3. 4 Goal 1: To Double Revenue

In order to double the revenue by the end of the year, Galactica Publishing should emphasize on advertising in social media. The revenue growth resulted from the effective advertising campaign is 10% a year. Thus, the new advertising campaign should impress the target audience to increase the revenues.

## 3. Marketing

### 3. 1 Market Research

According to Cowling (2014), Australians actively use social media to communicate and exchange information. There are approximately 13, 200, 000 Facebook users, 6, 300, 000 users of WordPress. com, 2, 500, 000 users of Twitter, and 1, 600, 000 visitors of Instagram. Besides, the absolute majority of the users aged between 14 and 17 – 89% - of social media have

mobile devices. In addition, 56% of the users of mobile phones aged between 14 and 17 use their mobiles to access the internet. Cowling (2014) stated that using mobile devices to connect to the internet is in uptrend.

### 3. 2 Market Analysis

The need to develop a mobile strategy to promote e-books is conditioned by the growing number of people using mobile phones to connect to the internet. More than 50% of the Australian users of mobile phones connect to the internet using mobile phones. Among them 56% of the teenagers aged 14-17 years use mobile phones to access the internet as of 2013 (Raco, 2014). Appendix 1 shows the percentage of people visiting websites from mobile phones more often than once a day by age.

### 3. 3 Marketing Plan

#### 3. 3. 1 Product and Target Market

Galactica Publishing offers electronic books in fiction and sci-fi genre of high quality. The primary target market is teenagers from 14 to 17 years. The secondary target market is young adults from 18 to 25.

#### 3. 3. 2 Placement

Galactica Publishing is the Australian-based company operating in the internet space. The company is selling its electronic products worldwide. As launching the new business requires significant investments, the headquarters of the company are at home of the founder of the company to save on the rent payment. The company has its own website. In the future, the company will rent an office.

#### 3. 3. 3 Promotions and Advertising

Galactica Publishing is going to use the latest marketing innovations to

promote its products. The marketing strategy targets young audience using mobile devices to connect to the internet. The electronic books will be sold to the young people that use mobile phones to connect to the internet. Social media will be used for the promotion of the electronic books offered by Galactica Publishing. Using social media for the promotion of the electronic books is one of the latest and the most effective means of internet sales (Fisher, 2014).

The electronic books will be promoted with the help of <http://SavvybookWriters.com/blog> where introduction of the books with links to the books will be placed. URL of the articles will be posted on social media sites including Facebook, WordPress.com, Google+, Twitter, Tumblr, StumbleUpon, Pinterest, and Instagram. Sales promotion will be conducted with the help of Kindle Countdown Deals & KDP FREE. Also, the newsletters containing the links to the books will be sent to ten-thousands of potential readers. In addition, Galactica Publishing will be subscribed to more than 950 blogs reaching 400,000 people. The company will have access to the forums of the customers to be able to track their feedback. Blog posts can be submitted several times during a day to social media sites. According to Alexa Traffic Rank, SavvyBookWriters is in the top 1% of the most readable sites in the world (Book Promo, n. d.).

### 3. 3. 4 ICT Marketing Strategy

An ICT strategy of Galactica Publishing should be incorporated in the objectives of the company. ICT strategy reflects the overall strategy of the company. ICT strategy identifies the means of delivering information to the employees and the customers. This strategy includes software, hardware,

standards, communication means and training that will be used by the company to communicate its goals (Fisher, 2014).

### 3. 3. Pricing Policy

The electronic books will be offered at the special price thus helping to mitigate competition from the established books. The discount will make up 2-3% from the price. In addition, several specimens will be offered for free for the winners of the online lottery announced in the social media (Book Promo, n. d.).

### 3. 4 Evaluation of Marketing

As it can be seen from Appendix 1, an absolute majority of potential customers use mobile phones and connect to the internet with the help of their mobile devices. Therefore, implementation of the mobile strategy for promotion of the electronic books will definitely succeed. The secondary target audience also uses mobile devices to connect to the internet. Targeting the secondary audience will help stabilize the revenue inflow.

## 4. Operations

### 4. 1 Legal and Licensing Requirements

The company starting a publishing business should meet the following requirements: a license from the Copyright Agency Limited is needed to reproduce the materials from books and other sources, the company should be aware of the requirements of the State Library including depositing the copies of publications in the Library, the company should meet the requirements of the Australian Government program and the Public Lending Right. Also, the publishing company should get Approval of Distributors of Publications if the publications are supposed to be distributed. According to

the Classifications of Publications Act 1991, the approval is needed if the company will occasionally distribute a prohibited publication. This approval is not compulsory (The State of Queensland, 2014).

#### 4. 2 Management Details

The management of Galactica Publishing includes development and updating an overall strategy, proper staffing, tracking the workflow through the processes of production, edition, and marketing, and internal communication, development of cost-saving strategies of production, management of sales and administration, development of marketing strategy and customers relations, and management of accounting and finance (CS Distance Education, 2014).

#### 4. 3 Organizational Structure and Staffing

As the company is new, the financial resources are limited. Therefore, the employees of Galactica Publishing may take more than one role at a time. The company hires full-time employees, part-time employees, and freelancers. The structure of Galactica Publishing consists of Editor in Chief, digital manager, editor, marketing manager, accounting manager, authors, and bloggers (Figure 1).

#### Figure 1 Structure of Galactica Publishing

The owner of the company combines his duties with the duties of Editor in Chief. Digital Manager, Editor, Marketing Manager, Accounting Manager, and Authors are hired on freelance basis. Accounting Manager combines his functions with the functions of Finance and Planning Manager. The functions of Digital Manager are combined with the functions of Designer.

#### 4. 4 Professional Advisers



Galactica Publishing will need a professional adviser in ICT management because it is the most important issue in the promotion of electronic books. Also, an advice related marketing the products in the electronic books market will be needed.

#### 4. 5 Insurance and Security Issues

Galactica Publishing is going to make a contract with Allianz insurer of small business. The property of the company will be insured against physical destruction and loss. The loss of tangible property that cannot be used due to damage will be reimbursed (Allianz Australia Limited (2014)).

A particular attention should be paid to online and internet security of the electronic books published and protection of intellectual property rights. According to Hutchings (2012), small business in Australia often faces the corruption of software and hardware (42% of total incidents), loss or corruption of data (31% of all cases), and service unavailability (38% of all cases). Online security of business should be provided by Digital Manager to avoid losses connected with online security and violation of intellectual property rights.

#### 4. 6 Business Premises

The owner of Galactica Publishing uses his own apartment to manage administrative activities. At the present time, there is no need to pay rent for an office. The company will rent an office when there is a need in it.

#### 4. 7 Equipment Required

As the company produces the electronic books, no special equipment is required. The company is small and all administrative tasks can be performed at home using home computer, printer, and fax. The company

hires freelancers to perform the functions of editing, proofreading, design, and accounting. The freelance employees use their own equipment to perform the tasks and send the results of their work to the company via internet.

#### 4. 8 Production Processes

The production and distribution of the electronic books consists of several stages namely: meeting with the authors, internal discussion of the books, editing and proofreading books, setting production schedule, publication, formatting, pricing, marketing books, and distribution. Meeting with authors helps chose the books for further production. Then, the content and layout of the books are discussed during the internal meeting. All members of the production team can express their opinions regarding the books. The team members learn about the books that are supposed to be produced, they may ask questions and outline production schedule. Further, the books are edited and proofread by Editor and approved by Editor in Chief. The schedule of production is set after the final decision is made. Production Manager is responsible for copyediting, production process, and meeting deadlines. Designer offers the design of the cover sheets of the books and interior design of the books. Accountant Manager makes forecasts related costs and revenues (CS Distance Education, 2014).

#### 4. 9 Information and Communication Technologies

The contemporary ICT trends lead to digitization of education, sophistication of electronic books, and availability of technological devices. The achievements of ICT industry can be used in the electronic publishing industry. ICT innovations can be used for promotion of electronic books

(World Resources Institute, 2007). For example, using social media for promotion of electronic books is the current trend. Also, ICT technologies can be used for management of digital rights, managing distribution process, exploitation of data, and accessibility. ICT is used in the Galactica Publishing marketing for promoting the products. Social networks including Facebook, Twitter, and the likes can be used to get the company's message out as an informal approach to communication with the customers (IBISWorld, 2014). Also, social networks, blogs, and forums can help increase awareness of the company. Blogs can be used to get feedback from the target audience after reading the books. The posts of the customers help reveal the attitude of the target audience towards the books. Besides, blogs can be used as a communication channel to the general public. The e-mail addresses of the bloggers can be used to send newsletters with book introduction thus helping develop customers' base. The bloggers are the active internet users and they can participate in the surveys initiated by the company to analyze sales (Loi, 2013).

#### 4. 10 Critical Risks and Contingency Plans

The risks of publishing companies are divided into two categories: the risk associated with publishing business and the risks that are typical for any small business. According to Digital Media Law Project (2013), Galactica Publishing may face the following risks that are typical for the publishing business: legal liability for published information and the risk of violation of intelligent property rights. The legal risk can be eliminated with the help of competent lawyers. Also, Galactica Publishing may face the risk of not selling the e-books it produced. According to Lane, Klauser and Kearnes (2012), the

risk of not selling the items that were planned to sell can be partially mitigated by careful planning and signing contracts with distributors.

## 5. Financial Projections

### 5. 1 Basic Assumptions and Information

The company started operations in June, 2014. Mass production started in September, 2014. The sales of the electronic books are seasonal. The number presented in sales forecast are approximated. Average unit cost and average price of unit represent the average of all items available for sales. The assortment of the books is minimum. Units sold vary each month.

#### 5. 2. 1 Sales Mix Forecast

### **Sales forecast mix is shown in Figure 3 below.**

Figure 3 Sales Forecast for Galactica Publishing 2014-2015

#### 5. 2. 2 Cash Flow Forecast

Basically, cash flow forecast involves estimates of the revenues and costs to reveal whether a business idea is feasible. In order to assess if Galactica Publishing is feasible, break-even analysis was presented in Figure 2.

Figure 2 Break-Even Analysis of Galactica Publishing

Break-even analysis of Galactica Publishing shows that the sales of 151 units are required to break-even (Figure 2). It means that the company can break-even during the first months of operations. Also, it is very important to control the costs of production. The sales were forecasted taking into account seasonal demand for the electronic books.

#### 5. 2. 3 Projected Profit and Lost Statement

Figure 4 Projected Profit and Loss Statement

#### 5. 2. 4 Owner's Personal Expenses

As it can be seen from Figure 2, owner's personal expenses include the costs of car maintenance, travel expenses, telephone, utilities, and office supplies. The owner plans to use own funds to started this business.

#### 5. 2. 5 Owner's Personal Assets and Liabilities

The owner has an apartment and plans to use it for business purpose. Also, he accounts on own saving to start his publishing business. He has a car to be used for the travel purposes to meet the potential authors and employees. His mobile phone is going to be used for the business purposes as well. The owner does not plan to take any loans from bank. In case if any additional financial resources are required, the owner will use the financial resources proposed by his family. Owner's assets and liabilities are shown in Figure 5 below.

Figure 5 Assets and Liabilities of the Owner

#### 6. Implementation Timetable

Figure 6 Action Plan for Galactica Publishing

Appendices

## **Appendix 1 People Going Online More than One Time a Day (by age) (Raco, 2014)**

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