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**Executive Summary:**

[OpenMarket] is an online marketplace where users can buy and sell websites and domains for profit. The online marketplace industry is a relatively young industry where there is a huge potential for growth. Currently, there are no more than [100] online marketplace companies for website buying and selling.

[OpenMarket] provides users a platform where they can showcase their sites to a greater audience. Sellers are able to receive the maximum amount of money from sales as the company only charges a small commission. Buyers are able to choose a wide range of domains and websites from over 300 new online businesses that are listed on the site every day.

**Company Overview:**

**Mission Statement: [**OpenMarket’s] mission is to provide business opportunities for online entrepreneurs by giving them a platform to buy and sell websites.

**Philosophy: [**OpenMarket] aims to create a solid platform that gives a tremendous amount of value for online entrepreneurs. The company strives to achieve this by instilling an exceptional work ethic and unwavering teamwork to its employees.

**Vision: [**OpenMarket] seeks to be the number one destination for buying and selling online businesses.

**Outlook:** Online marketplace is still a relatively young industry, but the opportunity for great success is close to infinite. The success of such platforms as QNX and Fiverr proves that the business model is scalable and can be applied to any areas of business. As part of the $15 billion collaborative economy industry, this business is set to grow at an exceptional rate and will scale well to take over a large part of the market.

**Type of Industry:** Online Marketplace Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Aaron Winter]

**Start-Up Summary**: The cost of the startup is [$50,000], which is provided by the owner and will be used for initial supplies, rent, insurances, and payroll.

|  |
| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $20,000 |
| Start-Up Assets | $30,000 |
| **Total Funding Required** | **$50,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $14,000 |
| Cash Requirements from Start-up | $6,000 |
| Additional Cash Raised | $4,000 |
| Cash Balance on Starting Date | $6,000 |
| **Total Assets** | **$30,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $50,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$50,000** |
| Loss at Start-Up (Start-Up Expenses) | -$20,000 |
| **Total Capital** | **$30,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$30,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $9,000 |
| Advertising | $1,500 |
| Legal Fees | $500 |
| Staff Training | $2,000 |
| Insurance | $1,500 |
| Other | $5,500 |
| **Total Start-Up Expenses** | **$20,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $6,000 |
| Start-Up Inventory | $14,000 |
| Other Current Assets | $4,000 |
| Long-Term Assets | $6,000 |
| **Total Assets** | **$30,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$50,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Bradley Nelson | Web Development Manager | Team Management, Product Building, Coding, and Problem Solving |
| Lucas McDonald | Marketing Manager | Negotiation, Persuasion, People Management, and Commercial Awareness |

**Short- and Long-Term Goals and Milestones:**

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| * Improve the marketplace platform
 | * Changes have been made to the interface
* Improved the user experience
 |
| * Hire an SEO specialist
 | * Hiring process has started last February 3, 2019
 |
| **Long-Term Goals** | **Milestones** |
| * Increase the number of sellers on the platform by 15%
 | * The platform lists about 300 websites per day
 |
| * Broaden customer reach
 | * Started hiring an SEO specialist to enhance platform visibility.
 |

**Products and Services**

**Product/Service Description: [**OpenMarket] provides a platform for online [entrepreneurs] and business-minded individuals to buy and sell websites. It provides buyers a chance to acquire fully-operational online businesses and gain a headstart on their entrepreneurial journey, while sellers get a chance to sell their domains and sites for a generous profit.

**Value Proposition: [**OpenMarket] gives users more opportunities for business transactions. Sellers will experience quick sales on their products while buyers will have a wide range of businesses to choose from.

**Pricing Strategy: [**OpenMarket] operates on a commission-based pricing strategy. The company charges [3.5%] for each successful transaction.

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**Execution**

**Marketing Plan:** The key to growing the company is to slowly build communities for buyers and sellers. This will be done through the use of website and content optimization, social media and google ads, email marketing, and offline or outdoor advertising.

**Market Research:** The online marketplace industry as a whole is currently a [$15 billion] industry and is expected to grow to [$334] billion by [2025]. The industry’s funding is said to be greater than that of the social media industry’s, four times more than the most successful social media platforms including Youtube, Twitter, and Facebook.

Currently, there are no more than [100] online marketplace platforms in the world. However, the competition is tight despite the low level of business saturation in the market. Five formidable companies are currently leading the industry and are raking most of the market share. Nevertheless, there is plenty of room for [OpenMarket] to grow as the number of users, business owners, and online entrepreneurs, who are looking for business opportunities online, is steadily growing.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| OpenMarket | * Low commission
* Has a substantial amount of daily sellers
 | * Still testing its expansion strategies
* Only has a few personnel running the company
 | * A growing market for buying and selling website
* The collaborative economy is trending and is still at its infancy
 | * Top companies are slowly controlling the market share
* Monopolization of industry leaders
 |
| Flipper | * Has a large customer base
* A growing company with 20+ employees
 | * Unsimplified user interface
 | * A huge customer base has the potential to attract more customers
 | * Other competitors that charge lesser commissions
 |
| Tradeyoursite | * Good quality of service
 | * Expensive transaction fees
 | * An uptrend for online marketplace businesses
 | * Competitors that charge cheap commissions
 |

**Marketing Strategy:**

There are a variety of methods and strategies that the company plans to utilize in growing the platform. They are a combination of online and offline campaigns that target a certain number of people at a certain level of growth. Email marketing will be utilized to expand the customer base to more than [10,000] users or until the method won’t prove to be effective anymore. Offline publicity activities will be used alongside email marketing such as speaking engagements to further drive customers in. Social media ads, offline ads, and SEO will be the strategies that will serve as reinforcements and will set to propel the brand awareness to new heights.

The team has initiated some of the marketing strategies to drive the campaign forward. Here are a few of their progress:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| SEO | * Hiring activities have started for the SEO Specialist position
 | March 30, 2019 | The SEO strategist will drive the content marketing initiative forward |
| Speaking engagements | * The team has started searching for relevant events
 | December 5, 2019 | Key players of the company will participate in speaking engagements inside and outside the industry. |

**Organizational Structure:**

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**Operational Plan:**

**Location and Facilities**

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 **Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **Microsoft Visio** | **2** |
| **Google Analytics** | **1** |
| **Hardware** | **Quantity** |
| **Laptops** | **3** |
| **Router** | **1** |

**IT Infrastructure**

The following table reflects [OpenMarket’s] IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Website | Y | The platform on which business transactions occur. |
| Router | Y | Performs traffic directing functions on the internet |

**Financial Plan**

  **Assumptions**

The financial forecast is based on the current performance of the collaborative economy industry and its expected rate of growth in the future. The company will take advantage of this trend and will focus its efforts on expanding brand awareness across media channels. Most of the expenses will be on office rent, supplies, insurance, maintenance, and payroll.

 **Monthly Expense**

The chart shows the company’s projected monthly expenses for [2019].



 **Monthly Revenue**

The chart illustrates the company’s projected monthly revenue for [2019].



**Business Financing**

The company’s fund amounting to [$50,000] comes from the founder. Most of the funds will be spent on insurance, supplies, maintenance, payroll, and rent.

**Statements**

|  |  |
| --- | --- |
| **Profit and Loss Projection** |  |
|  | **FY2018** | **FY2019** | **FY2020** |
| Sales | $700,000.00 | $800,000.00 | $900,000.00 |
| Direct Cost of Sale | $155,000.00 | $200,000.00 | $215,000.00 |
| Other Cost of Sale | $20,000.00 | $22,000.00 | $23,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $525,000.00 | $578,000.00 | $662,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $175,000.00 | $222,000.00 | $238,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **25.00%** | **27.75%** | **26.44%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Facilities | $24,000.00 | $24,000.00 | $24,000.00 |
| Utilities | $12,000.00 | $12,000.00 | $14,000.00 |
| Educational Materials | $15,000.00 | $15,000.00 | $18,000.00 |
| Operations | $50,000.00 | $60,000.00 | $80,000.00 |
| Marketing and Promotion | $10,000.00 | $10,000.00 | $10,000.00 |
| **Total Operating Expenses** | **$111,000.00** | **$121,000.00** | **$146,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $414,000.00 | $457,000.00 | $516,000.00 |
| Depreciation | $3,000.00 | $3,000.00 | $3,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $3,000.00 | $3,000.00 | $3,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$61,000.00** | **$98,000.00** | **$89,000.00** |

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| **Balance Sheet Projection** |
|  | **FY2018** | **FY2019** | **FY2020** |
| Cash | $175,000.00 | $222,000.00 | $238,000.00 |
| Accounts Receivable | $15,000.00 | $18,000.00 | $20,000.00 |
| Inventory | $15,000.00 | $15,000.00 | $18,000.00 |
| Other Current Assets | $10,000.00 | $10,000.00 | $10,000.00 |
| Total Current Assets | **$215,000.00** | **$265,000.00** | **$286,000.00** |
|  |  |  |  |
| Long-Term Assets | $14,000.00 | $15,000.00 | $16,000.00 |
| Accumulated Depreciation | $3,000.00 | $3,000.00 | $3,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $11,000.00 | $12,000.00 | $13,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$226,000.00** | **$277,000.00** | **$299,000.00** |
|  |  |  |  |
| Accounts Payable | $25,000.00 | $25,000.00 | $30,000.00 |
| Notes Payable | $25,000.00 | $25,000.00 | $25,000.00 |
| Other | $10,000.00 | $11,000.00 | $12,000.00 |
| Total Liabilities | **$60,000.00** | **$61,000.00** | **$67,000.00** |
|  |  |  |  |
| Paid-in Capital | $14,000.00 | $15,000.00 | $16,000.00 |
| Retained Earnings | $120,000.00 | $200,000.00 | $220,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$166,000.00** | **$216,000.00** | **$232,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **36.14%** | **28.24%** | **28.88%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2018** | **FY2019** | **FY2020** |
| Operating Cash Beginning | $175,000.00 | $222,000.00 | $238,000.00 |
|  |  |  |  |
| **Sources of Cash** | $25,000.00 | $26,000.00 | $27,000.00 |
| Receivables | $15,000.00 | $15,000.00 | $15,000.00 |
| Sales | $100,000.00 | $120,000.00 | $150,000.00 |
| Others | $10,000.00 | $13,000.00 | $15,000.00 |
| **Total Cash** | $325,000.00 | $396,000.00 | $445,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $24,000.00 | $24,000.00 | $24,000.00 |
| Insurance | $12,000.00 | $12,000.00 | $14,000.00 |
| Utilities | $15,000.00 | $15,000.00 | $18,000.00 |
| Salary (Including Tax) | $50,000.00 | $60,000.00 | $80,000.00 |
| Maintenance & Supplies | $10,000.00 | $10,000.00 | $10,000.00 |
| **Total Expenditures** | $111,000.00 | $121,000.00 | $146,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$214,000.00** | **$275,000.00** | **$299,000.00** |