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BUSINESS PLAN

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Name of business owners and type of business ownership

This business plan is based on launching a Website Flipping business named Brand Builders. The business is being started by two partners who are graduated in computer sciences and have expert website development and improving customer traffic for different websites in different domains. The business owner has intended to 50% of the total initial investment amount as owners' equity, therefore holding an equal share in the profit. A major strength of this business type is the process of accounting which is generally simple for partnerships likened to limited companies. The partnership business does not require filing a formal corporate tax return, just the requirement of maintaining records related to expenses and income (Pomerleau, 2015).

Therefore, the company do not require to hire costly financial reporting or accounting consultants in the initial phases of the business, saving its wage expense. Another major advantage is sufficient to control business decision making and strategy formulation (Blair and Marcum, 2015). Unlike the corporation type, it does not require the involvement of shareholders or investors to raise capital. Therefore, decision making power and strategy formulation and implementation rest with the owners or partners themselves. Another massive benefit is sharing the burden, unlike a sole proprietorship. By working in a business, partnership owners can take advantage of mutual support and companionship and thus, the burden of financial losses is also shared among partners (Cooper, 2016).

Further, another most prominent advantage is an exemption from tax at the business level, as tax is only applicable on the profit shared by partners and tax reductions as a result of financial loss (Robison, 2021). Further, another most significant reason for choosing this type of business is the easiness of the business getting started, established and registered in HMRC. It does not require complex documentation such as financial reports under GAAP or IFRS, and therefore start-up costs are relatively low at the start (Pomerleau, 2015).

Mission statement/Aims and objectives

Mission

Our mission is to develop and provide engaging and high-end websites and e-commerce platforms to our potential customers, assisting them in marketing and selling their products. Our mission is to enhance and improve website navigation so that customers can have an improved online shopping experience and result in increased customer traffic from our potential e-commerce clients. We are also intended to eradicate the content gap from existing

e-commerce websites and publish required content on the websites to ensure that website is fully informative, functional, and understandable for customers and provides extended revenue streams.

Aims and objectives

- To serve customers by improving their existing websites and e-commerce platforms
- To purchase unprofitable and underperformed websites
- To improve websites content, navigation appearance and functionality
- To market and sell developed websites to generate profit
- To increase customer traffic by 7% every month
- To enhance sales revenue by 7% every month

Services offered

There are several services to be offered by the company the Brand Builders.

- **Building from Scratch:** This service would allow existing e-commerce website holders to get knew fully functional and navigated website, which would help the clients to find the best and most profitable market niche, pick an efficient traffic generation strategy, and monetize the website.
- **Making existing websites better:** This service would allow customers to enhance their existing customer traffic and make more money from the increased traffic. This service would allow our clients to involve in accumulating a traffic source. They can act as sales hustlers and pitch more brands to sell their products using their improved websites and help the brand to advertise their products directly on improved e-commerce websites.

The physical location of the business and equipment required

Nijs et al. (2018) specify that in order to make the product and service available and reachable to customers, the location of the business must be convenient, nearby the central corporate hub of the city, as well as access to the general population (Salman et al., 2017). This tends to enhance brand awareness and more customer traffic and act as significant service distribution and place strategy under the marketing mix (Fan et al., 2015). Therefore, it is proposed that the first office will be located in Central London because the main financial services, Fintech services, and e-commerce head offices are situated in that location. This

would allow the firm's marketing executives to market website flipping services to potential clients.

In terms of equipment required, the equipment necessary for a successful start-up and business launch is categorized among technological such as computers, and laptops, networking such as wireless switches, data servers, and storage devices. The detail for the required equipment is provided below;

Required Equipment	Quantity	per unit price	Total cost in GBP
Laptops	10	450	4,500
Desktop computers	20	500	10,000
Networking switches	10	150	1,500
Hubs	10	125	1,250
Servers	5	650	3,250
Storage devices	15	50	750
Web development software	2	350	700
Total	72	2,275	21,950

Marketing activities

Market research and competition

According to The Website Flip (2022), the market for website or domain flipping has been growing at an increasing rate. For instance, the report motioned three recent events of website flipping where the website was acquired for USD23000 and earned just 300 per month. The website was scaled from USD 3000 to USD 6000 from 300, and it was sold to customers for USD 175,000. The stats also signifies that when the website is made to generate a USD 100 increase in revenue, its projected value increases by USD 4000. Therefore, there are hundreds of website flipping businesses being introduced in the UK every year and one of the prominent strategies to gain market share is keeping prices marketing competitive.

Marketing and promotional activities

The promotional and marketing activities have been devised on the basis of the marketing mix. In terms of price, Brata et al. (2017) state that in a business with stiff market competition, a

cost-based pricing strategy remains inefficient as the company cannot charge high price than the competitors, which impacts customer inflow. Therefore, a competition-based pricing strategy has been applied. On the basis of this strategy, Building from Scratch will be charged at GBP 75 and making an existing website better will be offered at GBP 60.

In terms of products, Iřoraitė (2016) argues that products should be unique and contain a Unique selling proposition (USP) that tends to build a competitive advantage for the firm. Therefore, all-inclusive services are offered, increasing customer traffic to the website for customers to increase e-commerce service. This would be a significant value added to the existing website flipping service in the UK and thus USP for Brand Builders.

In terms of placement and promotion, advertising and marketing would be conducted on social media rather than traditional channels. Fan et al. (2015) state that social media marketing is cost-effective and allows to reach the mass market within a few hours. Therefore social media team will be appointed to serve customers 24/7 on Facebook, Twitter and Instagram to provide instant web related services. Further, brochures and flyers will be distributed among the target market by means of KIOSK located at central locations such as business centres, corporate buildings, technology institutes and malls.

Sources of finance

According to the arguments of Pukala et al. (2018), business start-ups are able to generate funds from the two widely available sources of funds that is equity financing and debt financing. The researcher argues that, for tech businesses which are relatively small and remote, debt financing is more suitable as it is a readily available bank loan obtained from any commercial bank (Deloof and Vanacker, 2018). This is the quickest and easy way to generate funds. Though, it poses a significant risk which is debt burden, hefty use of financial leverage and thus risk of insolvency and liquidity. This is because this source involves fixed interest payments on pre-determined due dates, irrespective of the financial position of the business (Mokhtarrudin et al., 2017).

On the other hand, Cox and Nguyen (2017) argue that funds can also be raised from angel investors, crowdfunding or using owners' equity as an equity financing method. The most significant advantage of these sources of funds is that non-fixed repayments, dividends or return declarations can be deferred or postponed as per the business's profitability performance. It ensures less use of financial leverage, thus less insolvency and liquidity risk (Cox and Nguyen, 2017). Though, the biggest disadvantage of this source is that it is available

mainly for listed and registered corporations that can issue shares or IPOs (Pukala et al., 2018). Thus, it can be said that the finest source of funds for this business is debt financing, as the firm does not have any previous debt burden, and it can get instant cash to fund the start-up (Deloof and Vanacker, 2018). The Capital structure theory also argues that optimized capital structure contains an equal proportion of debt and equity. Therefore, it is planned that 50% of the operations and assets will be financed from the owner's equity and debt financing. This would allow the business to mitigate its solvency and liquidity risk with a manageable debt burden, and instant cash needs will be fulfilled (Cox and Nguyen, 2017).

SWOT analysis of business

Strength

The first major strength of this business is the expertise of the business owners, who are well qualified, trained and skilled in website development. This can lead to accuracy in the work process and quality website flipping, ensuring client satisfaction. Another major strength is the low cost of business as the company is small, operated by two partners and 25 other staff members. This leads to low wage, administrative and operational expenditure that could increase profitability. Further, the business is located in a main central location of London which is the accessible number of potential corporate clients.

Weaknesses

The most substantial weakness of this business is recognized as the business is new and recognised by several customers or narrow market. Therefore, it can create hardships in order to grab increasing market share at the start of a business launch. This could lead to another weakness a narrow revenue stream and slow income growth at the start. This also supports the objective that revenue could be increased by 7% initially.

Opportunity

In the United Kingdom, the report of Briggs (2022) signifies that e-commerce has grown by 27% in the last two years, which leads to an increased demand for e-commerce websites and their development in the UK. On the other hand, the report of Enterprise Times UK signifies that almost 90% of e-commerce businesses failed within 120 days of their start-up, and this was due to poor marketing performance or efficiency of web platforms. This raises the massive opportunity for Brand Builder Web Flipping Service to revive such brands by improving their websites and grabbing customer traffic.

Threats

The most significant threat is small and cost-effective web development services. As the cost of entering the sector is low hence it poses low barriers to entry and a massive threat for Brand Builders in terms of stiff competition and business environment.

Cash Flow forecast

In order to cash flow forecast, few assumptions have been made. For instance, it has been assumed that at least 500 orders for each of the two services will be received in the first month and are expected to be increased by 7% every month. Further operational expenses are assumed to be increased by 3% every in order to amount for inflationary expenses and rise in operational expenses. The 12-months cash flow forecast is provided below;

Months	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash inflow												
cash at beginning	-	39,000	81,870	128,915	180,463	236,865	298,497	365,766	439,105	518,980	605,890	700,371
Sales Revenue												
Building from Scratch	37,500	40,125	42,934	45,939	49,155	52,596	56,277	60,217	64,432	68,942	73,768	78,932
Making existing website better	30,000	32,100	34,347	36,751	39,324	42,077	45,022	48,173	51,546	55,154	59,015	63,146
Total cash inflow form operations	67,500	111,225	159,151	211,606	268,942	331,537	399,797	474,157	555,083	643,076	738,672	842,448
Cash outflow												
Utilities expenses	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,076
Rent expenses	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
Sales and wages	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764
Marketing and selling expense	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567	4,704	4,845
Administration expense	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461
Vehicle and transportation	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
Total cash outflow	28,500	29,355	30,236	31,143	32,077	33,039	34,030	35,051	36,103	37,186	38,302	39,451
Net cash at hand	39,000	81,870	128,915	180,463	236,865	298,497	365,766	439,105	518,980	605,890	700,371	802,998

From the above analysis, it can be seen that the business is highly lucrative and profitable as it offers incensing cash inflows for the first 12 months of operations.

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