

FCM Photography - Business Plan



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Executive summary

The proposed firm is a photographic services business that will serve the booming need for high-quality photos in the United Kingdom. The political climate in the UK is favourable for establishing a photography business, and the government also provides several beneficial incentives. The firm will provide a variety of services with a focus on newborns, family photos and special events. The company will stand out from its competitors by concentrating on newborn and family professional photography and providing these services at affordable prices while maintaining high standards of quality and service.

1. Business description

1.1 Mission statement

Our goal is to serve each customer with unique photographic services that capture life's most meaningful moments and leave them with valued memories. Through superior dedication to our customers and a persistent commitment to excellence in all that we do, we consistently achieve results that are far beyond their expectations. Our mission is to become the most popular photography studio in the Reigate and Banstead region for newborn and family photos through our constant dedication to our profession and our client's complete satisfaction.

1.2 Business opportunity

Business opportunity, according to Hulbert, Brown and Adams (1997), is the potential to satisfy a gap in the market with a profitable approach.

As an enthusiastic photographer, I've seen a growing demand amongst Reigate and Banstead area families for professional portraits to record and preserve their most precious memories and also, I've realised that the vast majority of photographers concentrate on weddings, which has led me to believe that specialising in newborn photography will help me stand out.

1.3 Service description

The photography of newborns and their families is the company's foundation. The following is an initial proposal for offered services:

Service	Overview	
Newborn photography	studio	Session preparation (outfit, background), 90-120 minutes session, 20 hand-edited photos, photos from the session and 3 instant printed photos from the session
	on-location	
Family portrait	studio	

	on-location	Session preparation (outfit, background), 90-120 minutes session, 20 hand-edited photos, photos from the session and 3 instant printed photos from the session
Children parties	on-location	2-3 hours session, 20 hand-edited photos, photos from the session and 3 instant printed photos from the session
Christmas pack	studio	Christmas background and accessories, 90-120 minutes session, 20 hand-edited photos, photos from the session and 3 instant printed photos from the session
Halloween pack	studio	Halloween background and accessories, 90-120 minutes session, 20 hand-edited photos, photos from the session and 3 instant printed photos from the session

1.4 Legal structure and ownership

The firm will be known as FCM Photography and it will initially operate as a sole trader with the potential to convert to a limited company in the future if the business grows. As a sole trader because you are both the owner and the only shareholder in the company. After taxes, we can keep the money, but I'll have to be responsible for any failures in your photography business (AXA UK, 2023).

2. Industry analysis

2.1 VRIO analysis

1. *Value*: The planned photography company would provide individualised photography services of the highest calibre, helping clients preserve priceless memories forever. In addition to providing superior service to customers, the company will do it professionally and efficiently by employing cutting-edge tools and methods. Therefore, the suggested company's resources and talents are valuable.

2. *Rarity*: The planned company will stand out from the competition by offering individualised services, employing cutting-edge methods, and emphasising the preservation of clients' dearest memories. Hence, the proposed firm has access to some unique resources and competencies.

3. *Imitability*: Because of the personalised attention and concentration placed on recording clients' dearest moments, this service will be challenging to imitate. Therefore, the suggested company's resources and talents are slightly replicable.

4. *Organization*: The planned photography company will be very efficient, with an emphasis on professionalism, originality, and satisfying customers. A passionate photographer

will take charge of the company and make sure that everything runs properly. Therefore, the proposed company will have a well-organized set of resources and competencies.

2.2 Porter's five forces

The goal of performing Porter's five forces analysis is to evaluate a company's competitive standing in the market. The competitive nature of the market is characterised by a mix of Porter's top five strengths: rivalry among existing firms, new firms entering the market, alternative goods and services, supplier bargaining power, and buyer bargaining power (Osiany Nurlansa and Handaru Jati, 2021).

1. *The threat of new entrants:* The photography business has a low barrier to entry since there is no need for specialised skills or education and photographic equipment and software are widely available. However, you'll need to put a lot of time and effort into marketing, networking and skill building to launch a successful photography business. As a result, the threat created by new entrants is rather low.

2. *Bargaining power of suppliers:* Suppliers such as camera makers, software developers, and printers are all essential to the photographic business. With many competitors in the market and low switching costs for consumers, these providers have a middle ground in terms of negotiating power.

3. *Bargaining power of buyers:* Individuals, corporations, and governmental entities are all potential clients for photographers. Because there are so many photographers to choose from and intense competition in the market, consumers have a lot of leverage.

4. *Rivalry among existing competitors:* The photography market is competitive, with numerous photographers constantly competing for clients. Existing photography businesses are extremely competitive because of the market's intense focus on pricing, quality and service. But the level of rivalry may change based on the individual market niche or subcategory.

Name of competitor	Differentiation
Lynsey Grace Photography	Specialized only in weddings and engagements
Tasweerkash Productions	The business has a wide range of services with the main focus on weddings
Jade Eleanor Photography	Specialized in weddings and corporate events
Abigail Evans Photography	Specialized in newborn and family portraits on location
CG Weddings	Specialized in weddings

The business we hope to launch is set apart from the competition since we will specialise in making photos of newborns and families in a variety of settings, either on-location at the client's home or in a dedicated photography studio. In addition, the customers will have the opportunity to take home printed versions of their pictures created during the session.

3. Operations and management

3.1 Operations

The time and money required to launch a photography business may be roughly estimated with some degree of accuracy based on available data (CPD Online College, n.d.). It is expected that £15,000 will be needed to establish FCM Photography.

The following is a description of the initial investment's expected use:

Description of initial investment for FCM Photography	
Spendings	Cost
Camera	£ 3,000
Prime lens	£ 500
Zoom lens	£ 1,000
Tripod	£ 100
External hard drives	£ 100
Memory cards	£ 250
Lights	£ 1,000
Reflectors	£ 20
Softbox	£ 20
Camera bag	£ 100
Cleaning kit	£ 50
Rechargeable batteries	£ 150
Photo editing software	£ 500
Portable printer	£ 300
Laptop	£ 900
Monitor	£ 500
Website	£ 800
Photography props	£ 1,000
Backdrops and backdrop holders	£ 500

Advertising before starting	£ 1,000
Miscellaneous Expenses	£ 1,110
Cash Reserves	£ 2,100
Totals	£ 15,000

As a sole trader, the primary location for this business will initially be a two-bedroom flat with one room converted into a studio, to keep costs down as the business grows. Renting a larger space will be thought of once the business attracts more customers.

According to the graph with costumers forecasting, the company should anticipate seeing client growth over the first six months after launching its professional development plan and initial advertising campaign.

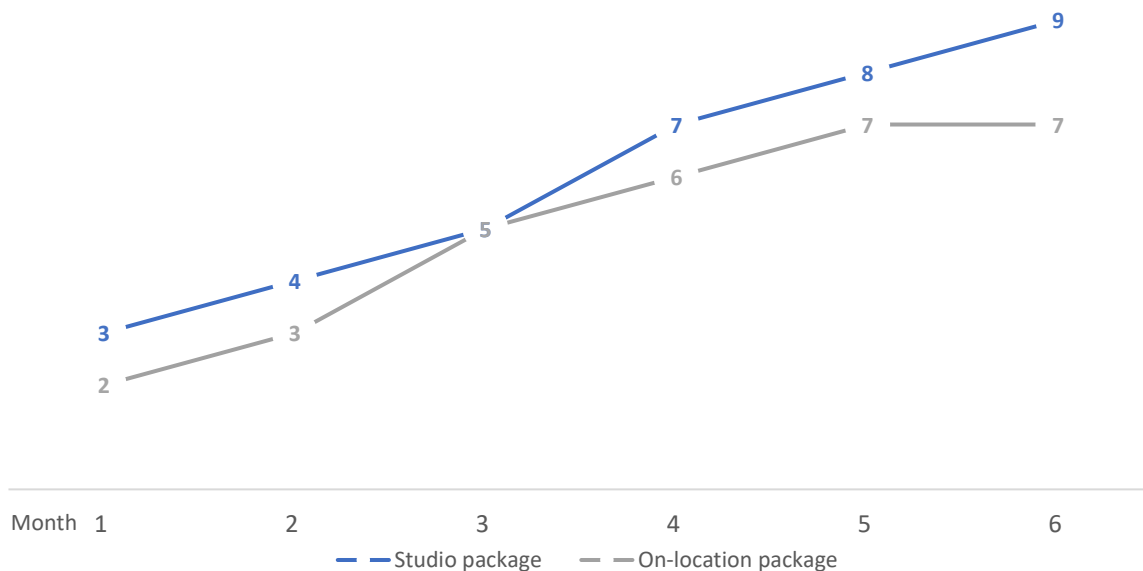


Figure 1 Costumers forecasting (author)

Package costs will remain the same for the time being, but as regular customers begin to come in, the company will have to raise rates and consider switching to a company with limited liability and hiring staff.

3.2 Management team

Given that this new venture is a sole proprietorship, the owner will manage the company and the main skills that will be brought are a passion for photography, accounting and organisation.

4. Marketing Plan

Kotler and Armstrong (2021) define marketing as how organisations generate value for their customers while establishing lasting connections with clients to obtain profit from customers in exchange.

4.1 Product

Services related to photography are the actual product here. The company's offerings will include baby and family portraits, as well as coverage of events and other important occasions. The key to successful marketing in this area is to distinguish itself from competitors, which in this case means specialising in newborn and family professional photography.

4.2 Price

The optimum selling price of a good or service has a profound impact on the other components of the marketing mix. For many in marketing, the primary challenge is determining the "right" price at which to sell a product or service (Breidert, 2006).

The company, being a new venture, will use a price method known as penetration pricing. This strategy will facilitate a swift entry into an existing market, acquire clients and build up market share (British Business Bank, 2022).

Since this is a new venture, we have decided to charge a flat rate of 200 GBP for packages shot in our studio and an additional 50 GBP for on-location shoots within Reigate and Banstead area.

4.3 Promotion

The suggested photography firm could connect with a wide audience by utilising a variety of marketing strategies, including social media advertising, networking, word-of-mouth recommendations and attendance at events like trade exhibits, fairs and community gatherings.

4.4 Place

The location of the organisation is a significant factor in determining how convenient the services are to prospective customers. The planned photography business would do business not just in studios but also out in the field.

5. Financial Plan

This new venture will be funded by the entrepreneur themselves and will require an initial investment of 15,000 GBP to get off the starting line. When the company has expanded to the point that it needs a larger location, it will have to think about applying for a loan.

The funds will be used to acquire necessary hardware and software, as well as provide operating capital for the first six months.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenue	1,100	1,550	2,250	2,900	3,350	3,550
Fixed costs						
Rent	700	700	700	700	700	700

Stationery	10	10	10	10	10	10
Advertising	250	250	250	200	200	200
Insurance	15	15	15	15	15	15
Equipment leasing	150	150	150	150	150	150
Owner's National Insurance	0	0	0	0	24	31
Telephone	25	25	25	25	25	25
Total Fixed costs	1,150	1,150	1,150	1,100	1,124	1,131
Variable costs						
Consumables	50	70	100	120	150	160
Utilities	150	170	190	210	230	240
Total Variable costs	200	240	290	330	380	400
Profit/Loss	-250	160	810	1,470	1,846	2,019

6. Market research

Over the past five years, the photographic activities sector has experienced substantial fluctuation due primarily to the severe disruptions brought on by the COVID-19 pandemic. In March 2020, the UK economy froze over as social isolation and lockdown measures were implemented to combat the coronavirus epidemic. As restrictions from the government have been loosened the photography market in the UK is about £1.2 billion and experts predict 4.8% growth through 2023 (IBISWorld, 2022).

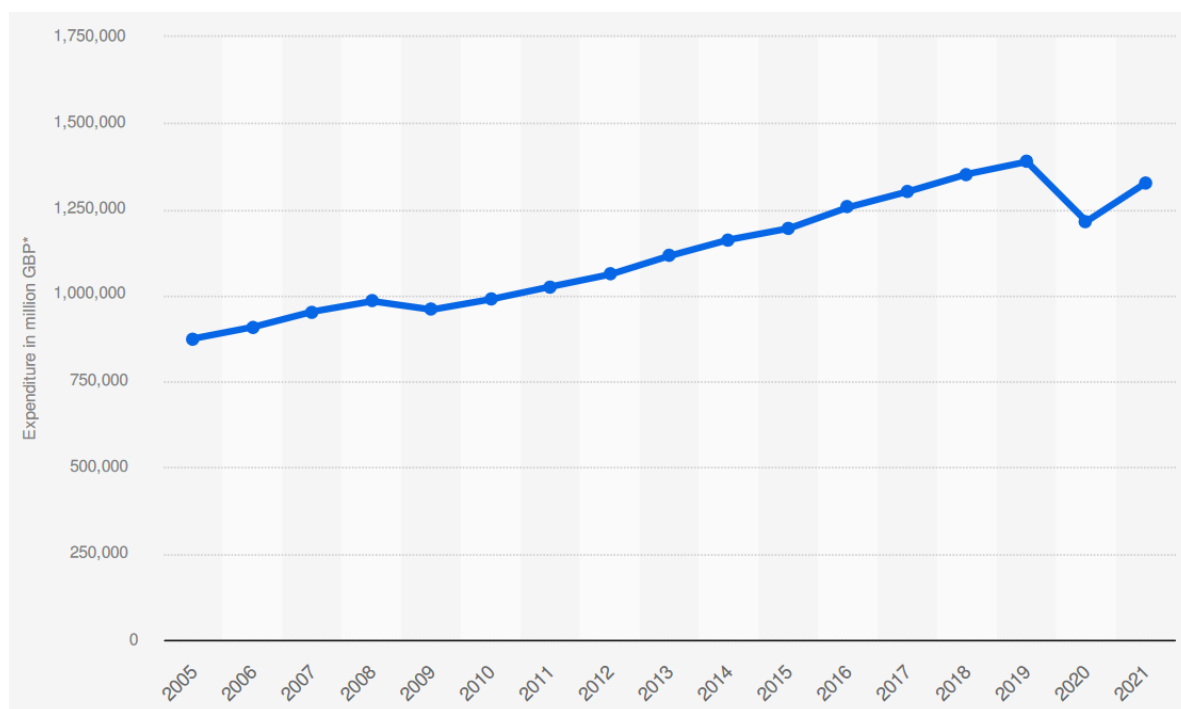


Figure 2 Household consumption expenditure in the UK from 2005 to 2021 (Statista, 2022)

According to data collected and compiled by the United Kingdom's Office for National Statistics (2022), the country's total birth rate has been on the rise in recent years. In 2021, there were 55.8 births per 1,000 women, which was up from 55.1 the year before.

According to Statista's figures for 2022, the total amount of money spent by consumers in the United Kingdom in 2021 was around 1.33 quadrillion British pounds, which is an increase compared to the sum spent in the previous year.

7. Conclusion

Given the relatively stable political climate and the numerous benefits that are granted to small businesses, the offer of photographic services in the United Kingdom represents an attractive venture. The skills and knowledge of entrepreneurship that you will receive from taking the course will be extremely helpful in beginning and expanding the firm. The Professional Development Plan that is established utilising the SMART framework is going to strengthen founder skills and knowledge even more, and when combined with the market demand and marketing tactics, it is going to provide a strong basis for a successful firm.

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