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BUSINESS PLAN AND PROMOTIONAL RESOURCES

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1.) Introduction

Since 2015 Wales has been at the centre of a global change regarding the wellbeing of their population with the introduction of the Future Generations (Wales) Act. This was designed to improve the social, environmental, and cultural well-being of Wales (Welsh Government, 2015). A key pillar of the future generations act is surrounding making Wales a healthier nation in which physical and mental health is at the forefront and maximised to create lifelong behaviours (Welsh Government, 2018). In order to achieve the objective of making Wales a healthier nation the Welsh Government work closely with Sport Wales to assess the current scope of physical activity. As of 2019, 32% of people within Wales took part in physical activity three times a week or more (Sport Wales, 2019). What is striking is that 41% of the population did not take part in any physical activity at all. The Number participating more than three times each week is seen as the national indicator towards the Well-Being of Future Generations Act (Sport Wales, 2019) and this has remained unchanged now for the past two years. Amongst Adults, Walking is seen as the most popular activity ahead of other activities such as going to the gym or attending a fitness class and this is reinforced by the Ramblers association who state that almost a third of the population walk recreationally (Ramblers, 2010). Breaking this down further by gender, on a survey based in England, men and women enjoy walking fairly equally (Sport England, 2009), as is also the case in Wales with the percentage of the population who do walk shared equally at 50% male and female (Sport Wales, 2019). However, when all forms of walking are considered whether it is for leisure or commuting to work, women make 15% more trips than men based on previous data (DfT, 2007). Within the whole of the UK the physical activity guidelines are clear with it being recommended that adults should undertake in 150 minutes of moderate activity each week such as walking (NHS, 2020) however across Wales 47% of the population fall short of these recommendations (Sport Wales, 2019). Of course, there are several barriers regarding being physically active, especially using Walking as a form of exercise with surveys previously showing that unattractive walking environments and lack of motivation are key factors (Ramblers, 2010). Other factors which may hinder people's ability to go out walking include looking after children, and the increasing traffic levels which could put health and safety at risk (Lorenc, et. al, 2008). This document will therefore outline the business idea which aims to change the attitudes and overcome the barriers contributing to many people missing out on the physical activity guidelines whilst also providing those who do take part an activity which can be done almost anywhere, anytime and with anyone.

2.) Business Name

Walk This Way

3.) Business Form

Walk This Way trades as a Limited Partnership involving 4 individual members. As noted by the Department for Business, Energy, and Industrial Strategy (2011) A limited partnership is similar to a Partnership whereby two or more legal persons can set up and run a business however limited partners are not always involved in the management of the business and their liability is only limited to the amount they have invested. Deards (2011) expands on this further by stating that Limited Partnerships must have at least one limited partner and all must have contributed either financially (as it is in this case) or with property. The Partners involved within this business will each be contributing sums of personal finance, each of which will be dependent on the individuals allowances however any shortfalls will be made up through other members of the business. The use of Limited Partnerships is tried and tested dating back of a number of years with Shapiro (1978) explaining a major benefit of one is that the model attracts potential investors who would wish to invest and would only be deemed liable in relation to the amount the invested.

4.) The Business Scope

Walk this Way is a company that specialises in getting people active within Wales. In order to do this, customers can either download a mobile application or visit the website to find new and alternative walking routes in their local area.

For the business to work, consumers who download the application allow their GPS location to be identified using either Apple or Google Androids analytics tool and this will then enable the application to map out a predetermined route which has been designed with safety and security in mind.

On the website consumers can enter their postcode and this will also provide them with walking routes close to their local area which they could either download straight to their mobile or print off a handy guide showing them the route.

Downloading the Application will provide an additional benefit which will be used to encourage those to get out and walk more in the form of incentives. For example, when someone reaches a certain milestone or goal, a reward will be given, these will vary from a free coffee at your local coffee store, to cinema tickets for the family.

To download the application users will be charged a rate of £1.99 and this can be purchased from the Apple App Store or Androids Application Store.

4.1.) Mission Statement

Bringing people together through the power of walking

4.2.) Business Aim

Walk this Way is designed to get people active throughout Wales and improve their physical and mental well-being. To do this the business aims to get more people walking whilst encouraging them to get out with friends and family and explore our natural beauty.

4.3.) Business Objectives

To help achieve the aim several objectives have been identified to ensure the business is not only sustainable but also of value to the consumer. As noted by Osterwalder & Pigneur (2009) the purpose of the business is to create a mechanism which both the owners and consumers can receive something valuable from their transactions. By creating this value, the business can capture the value of its consumers leading to the all-encompassing Value Proposition. Sheehan & Bruni-Bossio (2015) go on to say that the Value Proposition is defined as the promised set of benefits the business offers its consumers. This is key to the objectives of Walk this Way.

- **Increase the activity levels of people throughout Wales by working closely with Sport Wales to improve their physical and mental well-being.**
- **Create and Develop an easy to use technological interface for users to be able to choose, select and take part in walks**
- **Get the population of Wales walking throughout its vast and wonderful natural areas**
- **Provide an opportunity for people to meet with friends and family whilst also experiencing the physical and mental well-being benefits of walking**

5.) The Rationale

According to Hisrich, et. al (2010) Entrepreneurship can be defined as the process in which something new is created with a specific value by dedicating time and effort along with taking on financial and social risks. Entrepreneurial mindsets have been a constant in society for hundreds of years with Shapero (1975) noting that becoming an entrepreneur involves taking initiative and the acceptance of risk and failure. The financial crisis of 2008 and the recovery which the world has gone through may at first seem like an additional risk which would deter creative minds from starting business, however Arthur & Hisrich (2011) see this differently by stating that it is times like these that are perfect with those who wish to make a difference with their creative ideas which are turned into legitimate business idea.

Research undertaken by PWC (2016) shows the growing scale of the health and well-being industry with over £180 billion being spent with technological advances shaping future trends of the industry. Mobile data and usage are key to this growth with consumers wanting to have access to easy to use technology which is accessible and can be used wherever and whenever they wish. This research is supported by Mintel (2019) who indicate that the future direction of the health and well-being sector is being shaped by technology with the introduction of 5G technology paramount in this industry wide shift (Mintel, 2019). There is also the environment impact to consider as well with consumers seemingly wishing to reduce the usage on automotive transport and this data is supported by Sport Wales (2019) who found that over half of those surveyed wish to take part in physical activity with a growing number wanting to take part in walking activities. This business aims to create the value associated with walking, increasing the demand even further to gain more consumers.

6.) SWOT Analysis

A SWOT Analysis is a tool used by businesses and organizations to help plan and manage their strategic decisions (Dirgisi, 2017). It is made up of 4 key elements (Strengths, Weaknesses, Opportunities and Threats). It is a powerful tool in determining the businesses resource capabilities, deficiencies, its market opportunities, and external threats which could be detrimental in future (Thompson, et. al. 2007). A detailed SWOT analysis examining the overall business of “Walk this Way” can be found in Appendix A.

7.) Sales and Marketing Strategy

The importance of a clear marketing strategy for a business is paramount with the use of the correct Marketing Mix key to make a business successful. To do this, Walk this Way will incorporate the 4P's principle as this is a good way to turn planning into practise (Bennett, 1997). The main reason as to why the Marketing Mix is such an important tool for a business is that it makes marketing easier to handle and allows separation of marketing from other activities (Goi, 2009). It also enables a company to change its competitive position if the components dictate as much (Gronroos, 1994)

The 4 P's consist of the following:

- Product – The right product to satisfy the needs of the target customer market
- Price – The product being the right price in relation to the market
- Place – The product is available at the right place
- Promotion – The product can be easily identified using suitable promotional resources

(Ehmke, Fulton & Lusk, 2005)

7.1.) Product

This concerns the process of adapting, maintaining and delivering the product which is suitable for the consumer's needs (Greenley & Oktemgil, 1997). Walk this Way will create a web-based platform which will be easy to use and simple to navigate. The website will contain simple search tools for users to search for walking routes and will also contain a payment method (Sagepay and Paypal) to purchase goods such as T-Shirts and Drinks Bottles. Walk this Way will utilise the expertise of GoodBarber for it to create the application needed for consumers who are wishing to further their experience. This application will be created in relation to Mintel (2019) consumer trends analysis which indicates consumers are wishing for an easier to use and simplistic platform. Producing such a well performing, easy to use and well-developed product sometimes requires outsourcing for better performance (Adler, et. al 1996) hence the use of a specialist application developer.

7.2.) Price

Price plays a crucial role in the value which is delivered to customers. Price can impact both the cost and perceived value for customers so managing price is an important marketing concept (Morgan, 2011).

The Pricing Strategy Which Walk this Way will utilise will be a two-tiered system. It has been recognised that other business tends to create multiple features and attributes which can sometimes lead to confusion and potentially overwhelming consumers (Mohammed, 2018). To avoid this, walk this Way will utilise two offerings

- Free – Website usage including access to selected maps and locations, community blog and access to a range of articles that provide information on topics such as health and well-being
- £1.99 – This enables users to download the application and experience a vast array of additional benefits including added routes, challenges and the opportunity to earn rewards at several select locations. This price is also in line with competitors of Walk this Way who offer additional services such as Weight loss Walking & Walkmeter Walking.

Mohammed (2018) also argues that a lower price offering can make a product more accessible to consumers, creating a free platform enables users to experience the product in which they may then want more premium content such as the chance of rewards.

7.3.) Place

Place can refer to the distribution channels in which a product is sold to its customers (Ehmke, Fulton & Lusk, 2005). For Walk this Way to reach its consumers, the website will be advertised through the Google search engine tool. To do this a costing (which can be seen in the financial highlights) has been attributed to contribute to the Walk this Way website being within the premium selection of search results if for example someone searches the term “walking routes in South Wales”. The use of social media will be vital with the business being posted throughout walking groups pages throughout Facebook and Twitter whilst the business will also utilise the hashtag function on Instagram (for example, #walking or #walksinwales). The mobile application will be directly available from the Apple App Store and the Google Play store.

7.4.) Promotion

Promotion is referred to the advertisement and selling of the product within the market and is built upon fundamental marketing activities such as social media participation, sponsorship, public image corporate image management (Aaker, 2008).

The most effective way in which Walk this Way will be able to promote its business and its products is using Social Media. The biggest reason for this is that Social Media be the most cost-effective way to do so which enables businesses to generate more revenue and create more profit (D’ambrosio, 2012)

Walk this Way will utilise all available Social Media channels (Facebook, Twitter for Business, Instagram) as these can be specifically tailored to target specific audiences using analytical tools available. There are options within these applications to provide a more premium service at a cost however it is of Walk this Way's belief that there is no necessity to do so now.

8.) Market analysis

Within the business plan the market stage identifies different types of people who like to be active in their daily life and people who are not active. The business aims and objectives are shown before, as we want in the business people who want to become active but not be judged by any one and who want to be comfortable. For example, the target group for that business are 'LISA and RHYS' from Sport Wales, they are both explained in Appendix B and C, respectively. (People segmentation, 2018).

In addition to this, regarding the market stage, certain tests will be carried out to measure how many people are enjoying the walking company and to see if the APP is productive, as a result of this, more and more people will join the business, particularly if they are having fun and enjoying their time spent walking. When it comes to the mobile application it will be a long process to complete and to conduct, as it will occur under a 'Lead Time'. It is explained as the volume within time, for how long an order can be finished once the customer purchases (Gregory, 2019).

By gaining customers in a new business, people just want to be told the truth and to 'Cut to the chase'. When explained, the business just drives straight into the details, so people are more engaged, as it gives them an idea what you are trying to explain to them. With this in mind, if people are told the truth of the business, then it will have a good reputation and a good rapport, which will make customers spread the word more about the business and how it is enjoyable to walk new routes in the local area and how enjoyable walking is on their own and with others who also want to become more active (Gregory, 2019).

9.) Selected Competitors

When it come to a new business there are many new different competitors in the area of set up and in the area where the customers are based. For example, when it comes to the mobile application, one competitor that stands out is 'Strava'. Strava is an application for Android and iPhone; within this app it used for people who like to go running and they can track their running in distance, the calories burnt, the pace of their running pattern and much more. As a result of this app people who are going out running can use the app if they want to track certain measurements. The only feature that is missing from this app, is that they do not give any suggested routes for beginning or advanced runners to take, to get used to the app (Strava | Run and Cycling Tracking on the Social Network for Athletes, 2020).

If the app had the suggested routes, then people could try different routes at different times and that is was stands out in our application for the business, as it will provide people new routes that they have not experienced before. This will give them a good feeling that there are routes for them to walk with friends or by themselves (Strava | Run and Cycling Tracking on the Social Network for Athletes, 2020).

Another competitor is a company that has many different branches around the UK which is called 'Park Run'. This business is a weekly and monthly event that takes place in the local area; the runs are up to 5k for young adults and teenagers and then for children and young children they are up to 2k (home | parkrun UK, 2020). With this in mind, 'Park Runs' tries to give a positive and welcoming experience for all the people who are wanting to run and there is not a limit on the time you can run (home | parkrun UK, 2020).

A local running club in Swansea is 'Paul Popham Running Club'. They are based at the LC Swansea; this group is to encourage the local people in Swansea to learn how to run; from the basics and up to the advanced. This would include from zero running to 5k, 10k, half marathon and many more personal achievements. The group is also for people who love running to become fit and have fun with friends in the outdoor environment. The weekly session is every Sunday 9am at the LC Swansea, and on a Wednesday 6pm. The groups have 200+ members; the youngest is 12 years old and the oldest is 67 years old. There is small charge of £35 per year, with benefits with 10% discount off sports shoes and a discount on race entry (home | parkrun UK, 2020).

In addition, there are many local walking groups in Swansea from the Swansea council website; Swansea - Walking groups, (2020) the names of the walking groups can be viewed in Appendix D. These walking groups are competitors towards our business, as we are walking company and they offer to walk in groups in different parts of Swansea. However, it can be very intimidating when going to a new group if you do not know anyone there, but the business 'Walk This Way' does not make new customers feel uncomfortable, as it cares for the people who are not confident because the business wants people to be happy and enjoy what they are doing, either walking on their own or walking with their friends (Swansea - Walking groups, 2020).

10.) Working Partners

The phrase Partnership is one which is widely used however in this particular context the definition of a partnership involving two entities who are sharing a developmental and strategic delivery towards a goal (Mcquaid, 2000) this is true in the context of Private Partnerships which this business venture will seek to build. Another facet of partnerships is the private-public partnership which does not seek commercial gain. It is important to note that both of these can be utilised towards this business with the aim for the business and our partners to work together towards a common goal which is of mutual benefit (Holland, 1984). This common goal will be seen in both the private and public sectors.

For Walk this Way can achieve its aim and objectives a select life of partners has been selected.

10.1.) Costa Coffee

Costa Coffee was chosen as a key partner as it is suitable to the business objective of creating a social network where people can meet each other. There is a massive increase in consumers within the UK who are drinking coffee with the market estimated to have grown by around \$500 Million (Euromonitor, 2019). This therefore shows there is a demand and the partnership between Walk this Way and Costa Coffee can be of mutual benefit to both parties. Incentives on offer would include discounted and free beverages. As part of the reciprocal approach, Costa would be able to advertise on the website and application at a lower rate to encourage users.

10.2.) Vue Cinema

As with the majority of the working partner's, there will be a key emphasis on building a greater social network so that people can partake in a variety of experiences with the partnership catering towards those with families. An example of this could be a Mother who has a partner and two children, upon downloading the application she may achieve a certain target in which she would be able to receive a free downloadable family ticket to attend a participating Vue Cinema chain.

10.3.) Nando's

This partnership will help encourage those of a younger generation to download the application with 49% of the population eating out more often and an average of 64% doing so within the last 7 days in 2015 and the trend continues to grow with more and more younger consumers choosing to dine out (Sacla, 2015). This partnership with Nando's could therefore be vital in gaining more younger consumers and encouraging them to use the application for dining out experiences.

10.4.) Sport Wales

Having Sport Wales on board ensures there is a mutual partnership between Walk this Way and a public body to achieve the main aim of the business to provide a platform for people across Wales to become healthier, not only physically but also mentally. The awareness in which Sport Wales could generate for the business would be beneficial as would access to grants such as the Community Chest which would contribute to the financial incomings of the business.

10.5.) Contractual Obligations

Prior to any Partnership commencing it is vital that a formal commitment is signed on both sides so that strategies can be shared (OECD, 2006). This contractual obligation will make clear from the start that the partners which have been chosen must follow the principles and ethics of the business. According to What Works Scotland (2015) partnership working can be a messy affair if not done correctly so it is vital any contractual agreements that are in place are clear, objective and easy to follow so they work effectively.

11.) Operations

To make the app and business successful there are several ways to promote the business. Printing of business cards, apparel, signs, posters and leaflets by using outsourcing would be key to this.

Distribution of these will initially take place by the 4 stakeholders of the business.

Apparel will be created by a specialist online company who could print and deliver the merchandise to the business address. Distribution will be done using an external courier service such as Yodel or by selling through online platforms such as Amazon.

The website will be created using free online software that enables a variety of inclusions such as data metrics and security so that online payment methods such as direct debit and paypal can be used for purchasing on the merchandise.

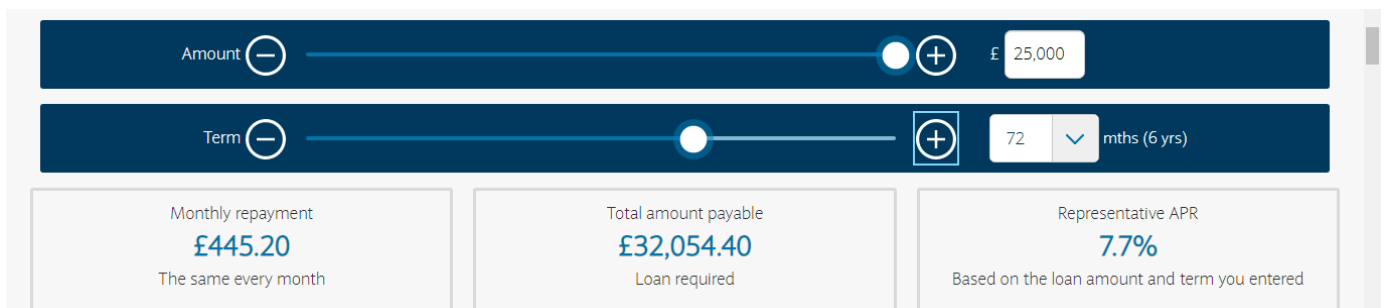
Application development will also be outsourced to GoodBarber who specialise in mobile applications. The reason for this is that at current, the 4 stakeholders of the business do not have the sufficient skills to create a mobile application so by outsourcing it allows the focus of the stakeholders to do what they do best and allow an outside company to create something better, faster and more efficient of a much higher quality (Somjai, 2017).

12.) Financial Highlights

It has been widely acknowledged for several years the importance of financial management for small enterprises with effective management playing a crucial role in their success and their survival (Collis & Jarvis, 2002). Despite its importance there is growing evidence to suggest that smaller businesses are much more financially constrained than larger firms (Daskalakis, Jarvis & Schizas, 2013) With Beck, et. al (2006) finding smaller firms having to overcome far more financing obstacles. With these in mind a full 12 Month Flow Forecast for April 2020 – April 2021 has been created (See Appendix E) alongside a predicted Income Statement for the same financial year which can be viewed in Appendix F.

12.1.) Raising Capital

In order to help the business, take off and grow there will be several methods in which the business will use to obtain the required funds to make it a success. First of these Methods will be the use of a bank loan from Barclays and the Development Bank of Wales. Each of these loans will provide the business with an initial £25,000 each. There is also an option to utilise a bank overdraft however this would not be feasible due to them not being flexible and there is a limit to how much can be borrowed as noted by Barrow (2009). Both of the repayments of these loans will vary with Barclays



charging 7.7% APR in which the repayment terms will run for 72 months (6 Years). This can be seen in figure 1.

Figure 1: Barclays Loan Repayment Calculator (Barclays, 2020)

The loan from the Development Bank of Wales is of a lower APR rate at 6% however the repayment terms are over a shorter period of 5 years meaning monthly repayments will be higher. Both the repayments for the bank loans can be seen in the 12 Months Cash Flow Forecast.

There will also be an application towards the Sport Wales Community Chest Fund that should enable the business to obtain a further £1,500 due to the business model meeting the needs and requirements of the fund. The use of personal funds to help establish a sound financial footing will also be used. This is also known as Bootstrapping with Bhide (1992) noting that the use of personal funds can help start a business with limited financial resources. Each of the 4 Stakeholders of “Walk this Way” will each contribute towards the costs of the business with Horvath (2018) identifying this being an essential component.

12.2.) Revenue

Revenue can be defined as the monetary income in which a business makes from the selling of its products or services. The International Monetary Fund (2001) expand on this further by stating that this could include sales, administrative fees and sales of incidentals not associated with the business's products.

Revenue for “Walk this Way” will be generated by 3 main sources, Sales of the Application, Merchandise and Advertisement fees.

As seen in the 12 Month Cash Flow Forecast, total sales of the application are anticipated to reach £69,650 (based on 35,000 downloads at £1.99 each). Monthly this will fluctuate dependant on season for example and climate. Sales of Merchandise will come in the forms of T-Shirts and Bottles and these are correlated with increased sales of the application (more application downloads = more merchandise sold). Advertisement fees will come in the form of the Partners wishing to Advertise on the applications interface and website, these will be kept at a set rate at £2,000 for the first year to help establish a link between the business and our partners however these will increase year on year.

12.3.) Cost of Goods Sold & Other Expenses

The Cost of Goods Sold is the actual physical cost it requires to make a company’s product or service with The Corporate Finance Institute (2020) indicating that Expenses can take the shape of other factors such as Marketing, Insurance and Administration, all of which are linked directly to the business.

As can be seen in the Income Statement, the total cost of goods sold equvalate to £16,092. This is due to the outsourcing of the mobile application development and subscription fee to the provider (Good Barber).

Other expenses will come in the form of bank loan repayments, mobile and broadband usage, and marketing and printing (All of which are fixed expenses). When factoring expenses an important aspect to consider is that of Business Insurance. Due to the nature of the company, “Walk this Way” will require two key forms of business insurance, Public Liability Insurance (Protection from claims of injury for example) and Professional Indemnity Insurance, this is to protect the firm regarding claims of mishandling peoples information.

12.4.) Profit and Loss

By its definition, Profit and Loss are key sources of information to establish a business’s financial performance (Marginean, et. al, 2015). To establish what the businesses Gross Profit is the required equation is

$$\begin{array}{l} \text{Gross Profit} = \text{Revenue} - \text{Cost of Goods Sold} \\ (\pounds 114,150) \quad (\pounds 16,092) \end{array}$$

Based on the income statement for “Walk this Way” gross profit is forecast at £98,058. To gain the true operating profit expenses must then be deducted (Gallo, 2017)

$$\begin{array}{rcl} \text{Operating Profit} & = & \text{Revenue} - \text{Cost of Goods Sold} - \text{Expenses} \\ & & (£114,150) \quad (£16,092) \quad (£72,136) \end{array}$$

This therefore means that operating profit for “Walk this Way” is forecast at (£25,922).

12.5.) Profit Margin Ratio

The profit margin is used in order to establish a business’s sales in relation to its profit and informs others of how well a business is performing, this figure is then displayed as a percentage (Amadeo, 2020). To calculate the Profit Margin the following formula is used

$$\begin{array}{rcl} \text{Net Income} \div \text{Revenue} \times 100 & = & \text{Profit Margin (22\%)} \\ (£25,922) & & (114,150) \end{array}$$

These figures are predictive indicators based on a 12 Month forecast for the year April 2020 – April 2021.

The Profit and Profit Margin Ratios only consider the sales of the application and advertisement to highlight the profitability of just these factors.

A full 12-month breakdown of the profit margin ratio (including merchandise sales) can be found in Appendix G. Although this is not an accurate breakdown for the full year, it gives an insight into the profitability of the businesses depending on seasonality (spring and summer months are deemed more profitable than winter).

13.) Risk Management

The management of risk within business is crucial with Strzelczak (2003) stating that risk management being defined as the insurance against unlikely events which could be detrimental to the business's performance. These risks can come in the form of financial markets, receivables of products, safety issues and technological advances. Each one of these risks can be of detriment not only to a business's performance but also their reputation. Morris (2011) argues that in order to negate these risks key steps should be taken such as:

- Identifying the Risk as soon as possible that could pose problems
- Assessing their importance
- Selecting only those that could pose significant damage to a business's costs or ability to operate
- Reduce the chance that the risk could materialize
- Reduce the impact the risk could cause and have a recovery practise in place

Strzelczak (2003) then goes further by suggesting a risk assessment should be carried out by analysing each risk and considering each probable material and financial cost to the business

A Risk Management for Walk this Way can be viewed in Appendix H.

14.) Conclusion

Walk this Way is a Limited Partnership involving 3 key stakeholders whose main aim is to get more people active throughout Wales. Walk this Way will achieve this by creating a social and online platform which can be used by consumers to improve their physical and mental well-being through the power of walking.

There are several target markets in which Walk this Way aims to reach however its main priorities are females aged between 18-35 and Males between the ages of 18-25. The beauty of Walk this Way is its accessibility which means that it can be used by everyone no matter what age or socio-economic background.

Financing the business will come from a variety of areas including the use of personal equity, Bank Loans, Start Up Loans and Sport Wales Grants (subject to approval). The business will aim to utilise its Mobile Application software to generate cashflow whilst also providing a merchandise service for those wishing to purchase apparel such as T-Shirts and Drinks Bottles.

Walk this Way will look to achieve the set objectives as noted previously in this business plan including Increasing the Activity Levels of people throughout Wales (which will be measured utilising Sport Wales statistics and data) and also creating a community space for people across Wales to communicate and to meet friends and family (this will be measured by website traffic and social media connection)

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16.) Appendices

<u>Strengths</u> • Business incorporates a USP which makes it different to others – ability to earn rewards whilst also engaging socially and creating wider social groups • Business Model and Application is in line with Public Health Wales and Welsh Governments Future Generations Act 2015 – making Wales a healthier nation • Compared with other applications in the sector, there is no emphasis on competitiveness (Strava being an example) • Pricing Point is in line, if not cheaper than competitors – iFootpath for example is also £1.99 however does not have a USP such as “Walk this Way” • Absolutely no equipment required other than the mobile device to undertake in walking making it accessible for everyone with a mobile and data.	<u>Weaknesses</u> • New Business in a wide range of fitness applications already available (even though the USP is different) • Application does not include metrics such as calories burned (comparative with Strava and MapMyRun for example) • Business is heavily reliant on applications downloads – could become problematic if trends change • Despite an increase in walking activities as noted by Sport Wales (2019) many are still choosing to use motor vehicles with an increase in 248 million cars on the road in Europe since 2014 (ACEA, 2019). There is also a 0.6% increase within the UK along (ACEA, 2019) • Distribution channels of merchandise may become disrupted through lack of access to suitable couriers or seasonal change (incremental weather).
<u>Opportunities</u> • If business is successful and public perception of walking continues to grow there is a probability of expanding into the rest of the UK and possibly Europe • More targeting of younger age groups particularly given the effects of climate change and public perception within the UK. 94% of those aged 18-34 state climate	<u>Threats</u> • Other apps such have Map my Walk/FitBit/Walkmeter all have their own USP, already filling the market • Increasing ways in which technology can be exploited through criminality, especially in the mobile phone sector with user data most under threat (Curran, et. al 2015)

change is happening with 46% of these saying it is mainly caused by human activity (BSA, 2018). • Expand and develop specific additional content for students who are worried about climate change with those in further and higher education feeling personal responsibility and wanting to reduce their own personal energy consumption (BSA, 2018) • Greater working with more partners, not just in the private sector but also public sector such as Natural Resources Wales and the National Trust	• Despite advances in security, there is a strange correlation in which greater defence leads to greater risk (GSMA, 2017). • Health and Safety of Users – Despite all safeguards that will be in place, unforeseen circumstances such as accidents involving traffic or other pedestrians could pose a threat to the public perception of the business • With the business being heavily reliant on Mobile Technology, data issues from network providers and GPS data could cause the application to not work effectively. • The ever changing climate could cause severe disruption to users with both the Environment Agency (2018) and the Committee on Climate Change (2019) both identifying a greater risk of increased rainfall during winter, hotter and drier summers and an increase in freak weather events.
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Appendix A – SWOT Analysis

Appendix B – An Introduction to Lisa



An introduction to Lisa

Females aged 18-35
302,082 adults (12.89% of all adults)

Any participation in sport and physical recreation	60%
Regular participation (at least once a week)	49%
Club membership	13%
Sports volunteering	3%
Any latent demand for sport and physical recreation	46%

Lisa tends to be between 18 and 35 years old, and usually has at least one child. She typically is on a low income, probably service-orientated, and is likely to rely on state benefits. Lisa is likely to be living with a partner or raising children as a single mum. She tends to live in social housing and is unlikely to have significant savings.

Turned off by facts and figures, Lisa is drawn to products to which she is intuitively drawn, and which provide entertainment and new experiences. If appealing, fun and glossy, Lisa may respond to advertising in magazines, posters and direct mail – especially if they contain money-off vouchers or promotional offers.

Lisa tends to participate in at least some activity, but there are significant differences in participation between activities of different types. Lisa tends to participate in indoor games, social and personal fitness activities, in particular swimming. Lisa's main motivations for participation are to keep fit and stay healthy. Having fun is also important for many. Competition is rarely a motivating factor. Lisa is very unlikely to be a member of a traditional sports club, preferring activities offered by leisure/fitness centres. She may volunteer in sport, however, often supporting her children's activities.

Lisa is likely to want to participate more often in sport, in particular indoor games and personal fitness activities. Work and family commitments are likely to prevent increased participation.

Appendix C – An Introduction to Rhys



An introduction to Rhys

Males aged 18-25
76,595 adults (3.3% of all adults)

Any participation in sport and physical recreation	82%
Regular participation (at least once a week)	75%
Club membership	37%
Sports volunteering	6%
Any latent demand for sport and physical recreation	48%

Rhys tends to be between 18-25 years old. Rhys is unlikely to be married or have children. He is likely to be a student in high education and share privately-rented accommodation with friends. He typically is optimistic about his future.

Rhys is likely to seek out new experiences: new forms of entertainment and new ways to enjoy life. He tends to be very responsive to viral advertising. Communications to Rhys should emphasise the cutting-edge nature of products and services, and their entertainment potential.

Rhys is typically very active, and is therefore more likely than average to take part in every category of activity with the exception of walking. Rhys is the most likely to participate in outdoor games, outdoor pursuits, social activities and team games. Although keeping fit tends to be Rhys' primary motivation, he is also the most likely to be motivated by competition, while socialising and having fun often provide additional motivation. Rhys is the most likely of the twelve segments to be a member of a traditional sports club, and is also relatively likely to join a leisure/fitness centre. Rates of volunteering are also relatively high.

Rhys is likely to express latent demand for a range of activity types, with the exception of personal fitness and social activities. Lack of local provision and cost are barriers to increased participation.

Appendix D – Walking Groups in Swansea

Leisure
Events + activities
Outdoor activities
Walking
Urban walks
Countryside walks
Walking groups
Get healthy through walking
Walking near livestock

Walking groups

Useful links to walking and outdoor groups

There are many walking groups offering company and varied guided walks around Swansea and Gower - have a look at some of the latest guided walks planned here.

[The Gower Society](#) - The Gower Society Walks programme.

[Lliw Walking Club](#) - The club now has more than 200 members and some 25 members regularly turn up to each walk. All the walks are planned by qualified leaders who walk the routes beforehand. Programme starts in March.

[Cerddwyr Penyrheol Walkers](#) - 10 or 12 walks every spring and summer.

[Swansea Ramblers](#) - The club has a great programme of walks whether you want to get fitter, enjoy the countryside, or just relax with new friends. The group also work to make the countryside a better place to walk in; improving footpaths and campaigning for more access to open country.

[Swansea Outdoor Group](#) - Swansea Outdoor Group is open to all ages. Day walks at weekends, local evening walks and participation in challenge walks of 20 miles or more, as well as other outdoor activities.

[Tawe Trekkers](#) - The young person's walking club in Swansea! Do you like walking in the great outdoors? Are you aged 18-40 (or young at heart?) Do you want to join a group of like-minded individuals? Then get in touch with the Tawe Trekkers, we welcome new members and are looking to expand the club into new territory!

[Three Crosses Walking Group](#) - the group runs family and weekday walks which take place locally and in Gower.

[Clyne Valley Community Project](#) - Learn more about the projects going on in the Clyne Valley area.

[Gay Outdoor Club](#) - An outdoor activities group for the Lesbian and Gay Community in West Wales with regular monthly walks.

[Pontarddulais Walking Club](#) - We have approximately 50 members and walks are held every weekend. We have between 15-20 members that walk regularly and we visit all parts of South Wales including the southern areas of Mid Wales.

[Long Distance Walkers Association](#) - The LDWA is an Association of people with the common interest of walking long distances in rural, mountainous or moorland areas. By joining the LDWA, you will meet other like-minded long distance walkers and gain access to information on walking events and long distance walking routes all over the UK.

[This is Gower App](#) - Smartphone users planning a trip around the stunning Gower peninsula can download a special free interactive app that guides them around this magnificent location - the UK's first Area of Outstanding Natural Beauty.

Contacts

John Ashley
 Job Title: Walking Development Officer
 Email: john.ashley@swansea.gov.uk
 Tel: 01792 63 5218
[Full details for John Ashley](#)

Appendix E – 12 Month Cash Flow Forecast

Select your starting month:

April

			MONTHS												
Cash in-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Anticipated sales		£0	£1,500	£2,500	£5,000	£6,000	£10,000	£9,000	£9,100	£9,000	£8,000	£5,000	£2,250	£2,300	£69,650
Value of your Start Up Loan	Barclays Business Loan	£25,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£25,000
Other sources of cash or equity	Development Bank of Wales Loan	£12,500	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£24,500
Existing assets for business purposes	Personal Assets (£2,000 X4)	£8,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£8,000
Advertisement	Mobile and Website Advertisement	£0	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£24,000
Community Grants	Community Chest Grant	£1,500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£1,500
Merchandise Sales	T-Shirt and Bottle Sales	£0	£200	£300	£1,000	£2,000	£2,500	£3,000	£2,000	£5,000	£3,000	£500	£500	£500	£20,500
Total cash in-flows (A)		£47,000	£4,700	£5,800	£9,000	£11,000	£15,500	£15,000	£14,100	£17,000	£14,000	£8,500	£5,750	£5,800	£173,150

			MONTHS												
Cash out-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Cost of sales	Mobile Application Development	£15,000	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£16,092
Existing assets for business purposes	Not Applicable	£8,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£8,000
Rent or premises costs	Not Applicable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Business rates for your business premises	Year Long Business Rates Holiday	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Utilities (gas, electricity, water)	Not Applicable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Insurance	Public Liability and Professional Indemnity In	£0	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£2,400
Telephone and internet	Mobile and Broadband Contracts (4 users)	£0	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£4,800
Marketing and advertising expenses	Web Marketing and Web Content Campaign	£8,000	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£14,000
Search Engine Content	Google Search Engine Priority	£5,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£5,000
Equipment purchase or leasing	Merchandise Purchasing (T-Shirts and Bottl	£12,800	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£12,800
Postage, printing, stationery	Leaflet Printing	£0	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£6,000
Transport and delivery	Not Applicable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Professional fees (legal, accounting etc.)	Not Applicable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Your salary (if PSB is in deficit)*	Not Applicable	n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Your salary (over and above your PSB needs)*	Not Applicable	n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff costs	Not Applicable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Start Up Loan monthly repayment*	Barclays Bank (7.7% APR)	n/a	£445	£445	£445	£445	£445	£445	£445	£445	£445	£445	£445	£445	£0
Loan Repayment	Development Bank of Wales (6% APR)	£0	£483	£483	£483	£483	£483	£483	£483	£483	£483	£483	£483	£483	£5,796
Partnership Payments		£0	£500	£500	£500	£500	£1,000	£1,000	£1,500	£500	£500	£500	£500	£500	£8,000
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total cash out-flows (B)		£48,800	£3,119	£3,119	£3,119	£3,119	£3,619	£3,619	£4,119	£3,119	£3,119	£3,119	£3,119	£3,119	£88,228

Your net cash flow (A-B)

£-1,800

£1,581

£2,681

£5,881

£7,881

£11,881

£11,381

£9,981

£13,881

£10,881

£5,381

£2,631

£2,681

£84,922

Your monthly opening business bank account balance

£0

£-1,800

£-219

£2,462

£8,343

£16,224

£28,105

£39,486

£49,467

£63,348

£74,229

£79,610

£82,241

£84,922

Your closing cash position

£-1,800

£-219

£2,462

£8,343

£16,224

£28,105

£39,486

£49,467

£63,348

£74,229

£79,610

£82,241

£84,922

£84,922

Appendix F – 2020/2021 Financial Income Statement

Income Statement

Name

Time Period

Revenue

Gross Sales	90150	
Advertisement	24000	
Less: Sales Returns and Allowances		
Net Sales		114150

Cost of Goods Sold

Mobile App Development	15000	
Monthly Fee (£91)	1092	
Indirect Expenses	0	
Inventory Available	16092	
Less: Ending Inventory		
Cost of Goods Sold		16092

Gross Profit (Loss)		98058
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Expenses

Marketing and Advertising	14000	
Search Engine Content	5000	
Merchandise Purchasing	12800	
Printing	6000	
Business Insurance	2400	
Mobile and Broadband	4800	
Barclays Bank Loan Repayment	5340	
Development Bank of Wales Loan Repayment	5796	
Personal Assets	8000	
Partnerships	8000	
Total Expenses		72136

Net Operating Income		25922
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Other Income

Gain (Loss) on Sale of Assets		
Interest Income		
Total Other Income		0

Net Income (Loss)		25922
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Appendix G – 12 Months Profit Margin Analysis

<u>12 Month Profit Margin Analysis</u>	
<u>Month</u>	<u>Profit Margin</u>
1	15%
2	35%
3	61%
4	68%
5	75%
6	74%
7	68%
8	80%
9	76%
10	58%
11	34%
12	37%

Appendix H – Risk Assessment

Potential Risk	Impact	Probability	Risk Rating	Actions Taken
Internet Services go down causing disruption to the web-based service and purchasing of merchandise	High	Medium	8-12	Communicate to all users through social media to inform them of the issues that the business is currently experiencing and contact providers to establish rectification and timescale.
Mobile network operator outage	High	Low	12-16	Contact network providers immediately to ascertain timescale of fix and use same protocols as used with internet services being down to inform users of issues.
Users data from Internet and Mobile being stolen and misused	High	Low	12-16	Correct insurance cover taken out (Professional Indemnity Insurance) and relevant security safeguards in place. Highest level of cyber security protection and working with GoodBarber to ensure Mobile Application is updated and free from potential bugs
Retaining Customers and Users	High	Medium	4-8	Continuously varying routes and challenges to provide greater user experience for consumers. Update offers on a continuous basis in line with our partners to provide a variety of different experiences for the consumers
Improper financial management causing cost overrun	Medium	Low	8-12	Ensure financial management is up to date by continuous review of both internal and external factors which could affect the businesses financial inputs and outputs
Supply Chain issues causing merchandise orders to become delayed	Medium	Medium	8-12	Contact those who have purchased merchandise via email to inform them of the delays to orders and ensure all is being done to solve the issue. Backload ordering so that any shortfalls could

				become mitigated to a certain extent – financial management vital to this
Funding Risks due to Grants and Loans becoming limited	High	High	12-16	Due to current economic climate there is a possibility that grants will become harder to attain if the business requires them to grow. Financial management key to ensure cash flow remains strong with a key focus on making the business financial independent within the first 2 years. Ensure cash reserves are sufficient to provide resources if required
Health and Safety of Users	High	Low	8-12	Before users use the application, they must electronically sign a disclaimer to state that they are willing to undertake at their own risk. Correct insurance cover (Personal Liability Insurance) and ensure that all routes receive approval prior to release
Social Media being used improperly or incorrectly	Medium	Low	12-16	Ensure all staff are provided with sufficient social media training. Any social media posts that have been posted that do not conform with business's ethos are removed immediately with an apologise issued.

Risk Rating Scale

- 12-16: Requires immediate action
- 8-12: Requires attention within 2 weeks
- 4-8: Requires attention within 1 Month
- 1-4: Does not requires immediate attention

17.). Promotional Resources

17.1.) Informational Flyer

WALK THIS WAY
Footpath Route Planner
Running, Walking, Bike Maps

4.6 ★★★★★ No15 4+ Age

Map route with your phone

Metrics Include
distance covered,
Steps Taken and
Current Location

Earn rewards at
your favourite
places

Bringing People Together through the Power of Walking

Download now for £1.99

Immerse yourself in
the Walking
Community
throughout Wales.

Connect & Share

Search for a Range
of local and national
Routes

Google Play App Store

Made with PosterMyWall.com

17.2.) Basic Standard Leaflet



**WALK
THIS WAY**

Connecting People
Through the Power of
Walking

Search for us now
in the Apple App
Store and Google
Android Store

Download Now £1.99

Made with PosterMyWall.com

Basic Example

17.3.) Costa Coffee Leaflet

A promotional leaflet for Costa Coffee. The background is a photograph of a person's legs in grey leggings and purple sneakers, walking on a paved path. In the center, the Costa Coffee logo is displayed, featuring two coffee beans inside a red circle with the text 'COSTA COFFEE' and 'SINCE 1971'. Below the logo, the text 'Walk 10', 'Spend 10', and 'Earn 10' is written in blue. Further down, the text 'Download the Walk this Way App now and earn rewards' is written in brown. At the bottom, the terms and conditions are listed in black.

COSTA COFFEE
SINCE 1971

Walk 10
Spend 10
Earn 10

Download
the Walk
this Way
App now
and earn
rewards

Terms and Conditions Apply - Application download £1.99
Walk 10 Miles - Spend £10- Earn 10% available at selected Costa Coffee Stores

17.4.) Letter to Sport Wales



10/05/2020

2 Heol Ffion, Gorseinon, Swansea. SA4 4PN

01792896519

www.walkthisway.com

craig.evans@walkthisway.co.uk

Sport Wales National Centre
Sophia Gardens
Cardiff

CF11 9SW

Dear Ms. Sarah Powell

Walk this Way is a social and technological business whose aim is to get people all throughout Wales physically active whilst also improving their physical and mental well-being.

Walk this Way was created and developed by 4 unbelievably dedicated individuals (including myself) who each have a passion and goal in creating a more healthy and social Wales. For us to be able to do this we have created an online and mobile platform in which users are able to search for a huge variety of walking routes which have been designed with ease of access, safety and the natural beauty of Wales all in mind.

The use of the Website is completely free for users however our Mobile Application is available to download at a cost of £1.99. When users download the application they will have access to even more walking routes and are able to accomplish a variety of different walking challenges too earn rewards at a number of our key partners (including Costa Coffee, Nando's, Vue Cinemas and Local Business).

We at Walk this Way would be extremely grateful if we could work in partnership with yourselves to help establish our business as we firmly believe our ethos and companies morals fit hand in hand with that of Sport Wales. I must stress this is not a request for funding, this is a request to work together and provide a service to the people of Wales to encourage more and more physical activity to improve the overall health of our nation.

Please feel free to contact myself using the phone number and email address provided so that we can discuss this further and if you require any further information regarding our business you can visit our website.

Yours Sincerely

Craig Evans – CEO Walk this Way

Craig Evans

17.5.) Generic Partnership Promotional Letter



10/05/2020

2 Heol Ffion, Gorseinon, Swansea. SA4 4PN

01792896519

www.walkthisway.com

craig.evans@walkthisway.co.uk

(Insert Business Name Here)

(Insert Business Address Here)

To (Insert Contact Name Here)

We at Walk this Way firmly believe in a more active and healthier country and in order for us to reach our objectives of getting people more physically active we would be extremely grateful if you would like to come on board and join us on this journey.

Walk this Way is a Social and Technological Business which uses our website and our mobile application to encourage people of all ages and backgrounds to get out and become more physically active and improve their well-being. To do this users are able to gain access to a number of walking routes which have been designed with a variety of factors and are able to utilise our application to save these routes, gain access to additional content and are rewarded for their efforts by the use of special discounts and promotions at our selected partners. One of our main objectives is to provide an opportunity for people to come together and enjoy the social benefits in which walking can bring and to do this we would be thrilled to have yourselves on board.

To help increase not only our users, but also create additional business opportunities for yourselves we would be offering special rewards for consumers that can be used in your establishment, this not only increases the likelihood of achieving our objectives, but also give you the opportunity to expand on your existing consumer portfolio.

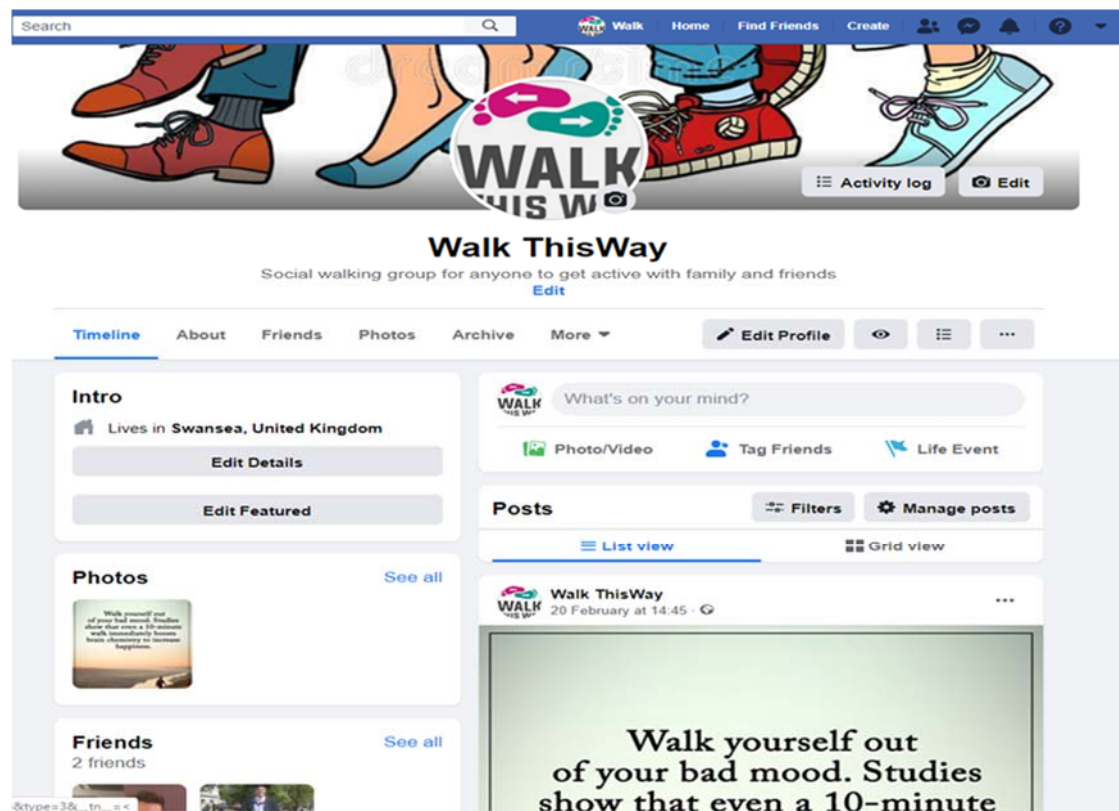
Please feel free to contact myself on the telephone number and email address provided so that we can discuss this exiting partnership further

Yours Sincerely

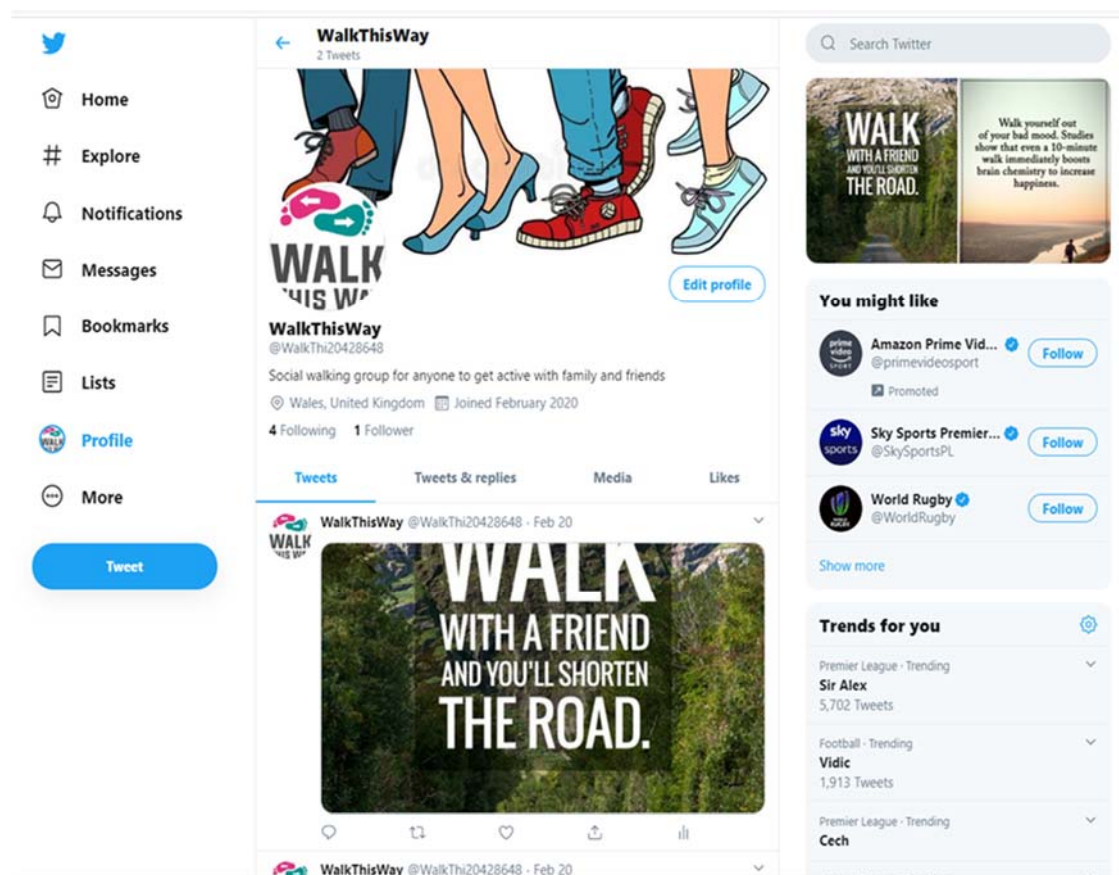
Craig Evans – CEO Walk this Way

Craig Evans

17.6.) Walk this Way Facebook Page



17.7.) Walk this Way Twitter Page



17.8.) Social Media Advertisement Feature



17.9.) Walk this Way Merchandise

£5



£5



£7



£3



£2

17.10.) Meet the Team Promotional Feature

Craig Evans

Craig is the C.E.O of the business and is responsible for the day to day organisation and running of Walk this Way. His main roles involve key strategic decision involving Walk this Way's partners, sponsorship, and customer relations and risk management. Craig is also in charge of the financial decisions of the business and is tasked with the drawing up of budgets, costings and financial forecasts



Ryan Durston

Ryan is the business's Marketing Director and is responsible for the marketing strategies in which Walk this Way employs. Ryan can be seen identifying key consumer trends and analysis and engaging with consumers to be able to produce effective marketing campaigns. Ryan is also head of the Social Media accounts within the business and is accustomed to using these to target the business's consumers directly.



Rory Thomas

Rory is the Operational Manager and is responsible for ensuring that Walk this Way is functioning on several key departments. Rory's role involves working with key partners and operators of the business (such as application development) whilst also engaging with local and national businesses to form strategic partnerships. Rory is also seen as Walk this Way's quality controller who is often found testing various walking routes and application updates.



17.11.) Walk this Way Charity Fun Day



Walk This Way-10k

sportwales
chwaraeoncymru



A Charity 10k walk for people all different ages. A fantastic day out for all the family with Live music, BBQ food, family games and many more. This event is team up with Sport Wales and Freedom Leisure to give the people in the local area to have fun with family and Friends.



This day is all about being active and having fun, anyone can take

part in the walk from ages 12+. All donation can go to personal charities that have been given.

If you would like to apply for the walk, call 08798787778 or contact our social media pages Facebook and Twitter – WalkthisWay.



Spread the word, we want people who are looking to have a good time with family and friends and an enjoyable day and night.