

**Entrepreneurship
LCBB5001**

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**Component 1-Written Report
Business Plan
*DigitalBoost -Digital Marketing Agency***

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Introduction

Creating a business plan is a vital step in launching or expanding a venture. It should include short and long-term goals, a description of products/services and market opportunities, and strategies to overcome competition. Research consistently shows that businesses without a written plan are more likely to fail and face growth challenges. A well-prepared business plan allows you to anticipate and learn from mistakes before launching, boosting confidence in your venture. It can compensate for limited capital and experience if backed by a strong idea and market opportunity. The plan showcases financial needs, communicates ideas effectively, and fosters long-term business health through the planning process. **(Barrow and Brown, 2005, p. 5, 6)**

Preceding, this report aims to initiate and execute a comprehensive business plan by addressing the following key aspects:

Main Body

- **Overview of the Business Idea, and Service(s):**

DigitalBoost is a forward-thinking digital marketing agency that specializes in helping businesses establish and enhance their online presence. With a comprehensive range of services tailored to their clients' needs, DigitalBoost offers DigitalBoost's SEO strategies focus on optimizing websites to improve search engine rankings and drive organic traffic. They create customized social media strategies across platforms like Facebook, Instagram, Twitter, LinkedIn, and YouTube to engage audiences and build brand awareness. Compelling content creation efforts include blog posts, articles, videos, and infographics designed to attract and educate the target audience.

Their targeted email campaigns nurture customer relationships, while pay-per-click advertising on platforms like Google Ads and social media help generate leads and increase conversions. In addition, DigitalBoost designs user-friendly and responsive websites optimized for search engines and conversions, ensuring exceptional user experiences.

Unique selling points of DigitalBoost include personalized strategies, staying up-to-date with cutting-edge techniques, and a comprehensive range of services. They cater to businesses of all sizes, from small to medium-sized enterprises to larger corporations, across diverse industries like retail, e-commerce, professional services, hospitality, and B2B sectors. **(Deiss and Henneberry, 2020)**

With an innovative and results-driven approach, DigitalBoost aims to maximize their clients' online presence and deliver tangible results in the ever-evolving digital landscape.

- **Legal format of the startup company:**

After careful consideration, the most suitable legal structure for our startup company, a digital marketing agency, is a private limited company (Ltd). This choice takes into account several factors including liability protection, taxation, and ownership structure. Here is an evaluation of the key options and why a private limited company (Ltd) is the preferred choice:

Private Limited Company (Ltd): A private limited company (Ltd) combines the benefits of liability protection, favorable taxation, and flexibility in ownership structure. It provides limited liability protection, meaning the shareholders' personal assets are generally protected from the company's liabilities. Their liability is limited to the amount they have invested in the company. **(Gov.uk, 2023)**

Considering the liability protection, favorable taxation, and flexible ownership structure, a private limited company (Ltd) is the most appropriate legal structure for our digital marketing agency. It provides the necessary protection for shareholders, offers tax advantages, and allows for potential growth and investment opportunities in the future.

- **Management of the company:**

The company will be owned and managed by experienced professionals in the field of digital marketing. The owner, who has extensive knowledge and expertise in online marketing strategies, will oversee the overall operations and strategic direction of the agency. We will also recruit a team of skilled and creative professionals, including digital marketers, content writers, graphic designers, and web developers, to ensure the successful execution of our services.

In addition, we recognize the importance of external professional services and experts in expanding our capabilities. We will collaborate with graphic design agencies, web development firms, and experienced consultants to further enhance the quality and scope of our digital marketing services. **(Fred and Forest, 2011)**

- **Evaluation of the business idea by using the SWOT analysis model.**

Strengths:

- Strong industry knowledge and expertise in digital marketing strategies
- Broad range of services to cater to diverse client needs
- Access to a talented team of professionals
- Competitive pricing strategies

Weaknesses:

- New entrant in a highly competitive market
- Building a strong client base initially
- Need to continuously adapt to rapid technological advancements

Opportunities:

- Increasing demand for digital marketing services
- Growing online presence of businesses across industries
- Partnerships and collaborations with complementary service providers
- Potential for expansion into international markets

Threats:

- Intense competition from established digital marketing agencies
- Changes in industry regulations and policies
- Economic downturn affecting marketing budgets

In summary, our digital marketing agency's strengths lie in our industry expertise, comprehensive service offerings, talented team, and competitive pricing strategies. However, as a new entrant, we face challenges in building our brand and acquiring clients. We have significant opportunities in the growing demand for digital marketing services, partnerships, and expansion into international markets. While intense competition, changing regulations, and economic downturns pose threats, we can mitigate them through differentiation, compliance, and adaptable pricing strategies. By addressing weaknesses, capitalizing on opportunities, and managing threats effectively, we can position ourselves for success in the dynamic digital marketing landscape. (Curtis, 2015, p.46)

- **Marketing Strategy Utilizing the 4Ps:**

Product:

Our digital marketing agency offers a range of services including search engine optimization (SEO), social media marketing, content marketing, pay-per-click (PPC) advertising, email marketing, and website design and development. Our services will be tailored to meet the unique needs and goals of each client. Key product attributes will include expertise, customization, measurable results, and a focus on maximizing ROI.

Price:

Our pricing strategy will be competitive and based on the value we provide to clients. Factors such as project complexity, scope, and timeline will be considered in determining pricing. We will offer flexible pricing options, including project-based pricing and retainer-based contracts. Additionally, we will provide transparent pricing structures and clearly communicate the value clients can expect from our services.

Place:

As a digital marketing agency, our services can be accessed by businesses globally. We will utilize digital channels and online platforms to deliver our services, allowing us to reach clients regardless of their geographical location.

Additionally, We will leverage a physical office as part of our distribution strategy. The office will serve as a central hub for our team to collaborate and meet with clients. This physical presence will enhance professionalism, build trust, and provide a convenient location for client meetings.

Promotion:

To effectively reach our target audience, we will implement a comprehensive promotional strategy. This will include the following activities:

1. Digital Advertising: We will utilize platforms such as Google Ads and social media advertising to increase brand visibility and attract potential clients. Targeted ads will be created to reach audiences who are likely to be interested in our services.
2. Content Marketing: We will develop high-quality content such as blog posts, whitepapers, and case studies to establish thought leadership and attract prospects. This content will be distributed through our website, social media channels, and email marketing campaigns.
3. Social Media Engagement: Our agency will actively engage with our target audience on social media platforms such as LinkedIn, Twitter, and Facebook. We will share valuable content, participate in industry discussions, and create a community around our brand.

4. Networking and Partnerships: We will attend industry events, conferences, and networking opportunities to build relationships with potential clients and strategic partners. Collaborating with complementary service providers will enable us to expand our reach and offer comprehensive solutions.

5. Referral Program: We will implement a referral program to incentivize satisfied clients to recommend our services to their networks. This will help generate word-of-mouth referrals, which can be a powerful tool for acquiring new clients.

By aligning our product attributes, pricing strategies, distribution channels (including a physical office), and promotional activities, we can effectively position our digital marketing agency in the market, reach our target audience, and establish ourselves as a trusted and valuable partner for businesses seeking digital marketing solutions. **(Kotler, Kartajaya and Setiawan, 2016)**

- **Cash flow forecast for the first 12 months.**

Cash Flow forecast for the "Digital Boost" marketing agency has been prepared, taking into account that the startup cost must not exceed the amount of £25,000.

	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	
cost of services	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000		
number of clients	6	7	8	8	9	9	10	10	12	13	14	15		
Beginning balance	25000	51000	84500	121000	157500	172000	186500	204000	221500	245000	271500	301000	0	
Cash Inflows														
Funding	25000	25000	25000	25000									100000	
cash receipts	18000	21000	24000	24000	27000	27000	30000	30000	36000	39000	42000	45000	363000	
Total Cash Inflows	43000	46000	49000	49000	27000	27000	30000	30000	36000	39000	42000	45000	463000	
Cash Outflows														
cash cost of sales	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
salaries	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	96000	
office suppliers	5000	500	500	500	500	500	500	500	500	500	500	500	10500	

external services	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000
rent/utilities	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Total Cash Outflows	17000	12500	12500	12500	12500	12500	12500	12500	12500	12500	12500	12500	154500
Ending balance	51000	84500	121000	157500	172000	186500	204000	221500	245000	271500	301000	333500	308500
Profit	1000	8500	11500	11500	14500	14500	17500	17500	23500	26500	29500	32500	208500

Analysing this cash flow can we deduce that:

1. The cost of services remains consistent at £3,000 per month throughout the 12-month period.
2. The number of clients demonstrates a steady increase from 6 in the first month to 15 in the twelfth month, indicating potential growth in the customer base.
3. Funding of £100,000 will be received from investors in the first four months, providing essential capital for the establishment and expansion of the business.
4. Cash receipts from clients show a gradual increase from £18,000 in the initial month to £45,000 in the final month, reflecting the revenue generated from the digital marketing services.
5. Cash outflows are allocated to various expenses, including cash cost of sales, salaries, office supplies, external services, and rent/utilities, ensuring that the necessary costs of operating the business are accounted for.
6. Total cash inflows range from £43,000 to £46,300 per month, representing the combined amount of funding and cash receipts from clients.
7. Total cash outflows remain constant at £12,500 per month, indicating a consistent approach to managing expenses.
8. The ending balance of cash ranges from £51,000 to £308,500 at the end of each month, demonstrating the financial position of the business.
9. Monthly profits range from £1,000 to £32,500, showcasing the potential profitability of the digital marketing agency.

Overall, the cash flow forecast demonstrates the potential profitability and financial viability of the digital marketing agency. The analysis highlights the consistent increase in client numbers, effective management of cash inflows and outflows, and the ability to generate profits. This information serves as compelling evidence for potential investors, showcasing the attractiveness of the business opportunity. (Investopedia, 2023)

Conclusion:

"DigitalBoost" is a digital marketing agency that is poised to capitalize on the expanding market for online marketing services by offering cutting-edge solutions that empower businesses to flourish in the digital realm. With a methodical and forward-thinking approach, an extensive repertoire of services, and a highly skilled and diverse team, we are resolute in our capacity to deliver exceptional outcomes for our clients and propel the growth of our agency. We firmly believe that an investment of £100,000 will enable us to successfully launch and firmly establish our agency, positioning it as a reliable ally for enterprises seeking triumph in the digital landscape.

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