

BUSINESS PLAN

PLAN: To put to order, the actions to be taken for a certain JOB.

e.s. : You have to float a company before you start to manufacture or trade .
You have to shave in the mornin before you dess – up. You don't dress – up first and then shave

BUSINESS PLAN, is a systematics of actions to be taken for a Business to start BUSINESS PLAN is made, For your own enlightenment for the staff of the company, to sell or to receive partner for the Project.

BUSINESS PLAN should consist of Coverpage, Table of Contents

1. Preliminaries; Contacts, professional Advsers, Definitions The authors of The Business Olan, e.t.c.
2. Exective Summary
3. Current situation, Picture of the related ad relevant Basic corporate Data, Capital, Registred Office, Vision and Mission, Company Values, if it is an already in operation current financil data organisation and org. chart
 - Production • Sales • Products and Services
4. Market Analysis
 - The Industry •Our Market
 - Compotitors •Competitive Advantages
5. STRATEGY & OPERATING PLAN
 - Sales volume, production cost, pricing
6. SALES FORECAST, Sales volume, production cost, pricing
7. FINANCIAL ANALYSIS, Capial spensing Break even point Direct & Indirect Costs, staff cost, Depreciation, Interest, inputs cost finished, semifinisheddraw materials,energy, e.t.c. Inome statement, profit/cos analysis, Balance sheet, cash flow, valuation.
8. RISK ANALYSIS Risk manegement, SWOT analysis, critical Success factors, Limiting factors, specific risks and their solutions, Altenative senarios, sensitivity analysis
9. CONCLUSION
10. ANNEXES,
 1. Production and Sales
 2. Capital Outlays
 3. Staff Cost, Income P&L, balance sheet, Cash Flow, manegement biographies

1. COVER

İNTERNET HİZMETLERİ A.Ş.

BUSİNESS PLAN

2008 – 2010

(A sample framework for a business plan)

Introducing Internet Services
An education facility to eradicate
ignorance in the world



Internet Hizmetleri A.Ş.

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3. Preliminaries

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Lawyers Birol KESKİN
Auditors Çiçek GÜRDAL

Definitions

....
A system to have virtual classes in education
....

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1	File	Original	
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4. Executive Summary

Executive Summary

Internet Hizmetleri A. Ş. is offering %40 of its authorized share capital for \$1.0. this is the amount of additional funding that we need to meet orders for our unique industrial computer system and generate netprofits of \$6m a year by 2009. we are positioning *Internet Hizmetleri A.Ş.* for an initial public offering in that year at an expected market capitalization of \$60m. This Business Plan sets out our strategic, operating and financial planning to be followed during coming two years

The Company

Internet Hizmetleri A.Ş. was incorporated in February 2000 with issued share capital of \$10,000,000. The founder, Tarık PAKDEMİRLİ, as well known computer scientist specializing in e-learning. He is supported by İrem GÜRSOY as Head of Technology. İrem is famous for her powers of reasoning and she brings important experience from her previous post as Head of computer science teaching by the industry.

The Product

Internet Hizmetleri is package of computer hardware and software that reduces investment needs for education. virtual classes are formed on the screen of computer, an interactive teaching session is carried out amongst teacher and students.

Corporate strategy

Pilot sales confirm that our strategy will be successful. There are five key elements to our strategy...

1. To introduce this system very quickly
2. To standardize the hardware
3. To standardize the software needs for each lesson
4. To make the program affordable
5. to receive customer satisfaction

Financial projections

Net profit is projected at 2010. Cash flow will turn positive by month 15 and the potential surplus will reach 10 million \$. Funding requirements peak at beginning 2009. On a realistic appraisal... Pushing the potential return on equity to...

5. Current situation

Basic corporate data

Name og Company	: Internet Hizmetleri A.Ş.
Status	: International business company Incorporated in Izmir
Capital	Authorized : 10.000.000 ordinary \$1 shares. Issued : One \$1 Ortaklar
Registered Office	: Konak
Company No	: IBC – 3471231
Head Office	: Konak, Fevzi Paşa Bulv. No: 51

Vision

Internet is dedicated to becoming the – world leader in industrial education computer systems in Asia – Pasific. We aim to establish a%15 market share within the next three years, taking sales to over \$15 million a year, and net profits to more than \$6 million. We will list the company to IMKB by year two. During this time period, we will comply with ISO 13000 environmental standarts, provide first – class career development for employees, reduce the maximum costumer – response time to one hour, and work closely with our shareholders to meet their other objectives.

Company values

We will operate within strict legal and etichal guidelines of the industry. We will nurture our employee – team and will introduce measures to promote job satisfaction...

Brief History And Current Status

Internet Hizmetleri A.Ş. is in a start – up situation. We have successfully completed one pilot project that is operative in IZMIR

Current Financial Data

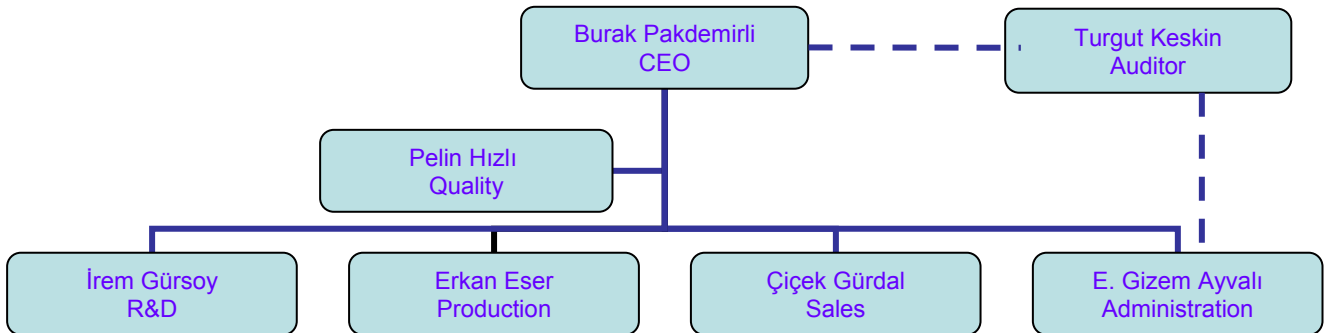
The summary below shows tahat... Financial forecasts are included in the Financial analysis on pages 11 – 12 and full historical and forecast data are at Annex A.

Organization and managment

The managment team comprises six professionals with appropriate qualifications, solid experience, and complementary skills. They have worked together previously and demonstrated their ability to manage Short resumes are below and detaild biographies at Annex B.

6. Current situation (Continued)

Organization Chart for The Internet Hizmetleri A.Ş.



Production

Our Production Department is headed by Erkan Esen. He was one of the first experts to identify the benefits of specialization and can produce pins (for identification badges) better than any one else

Sales

Çiçek Gürdal is in charge of sales. Her recognized ability to identify and satisfy customers need provides us with significant competitive advantage. Her deputy, Semra PAKDEMİRLİ is also very keen in marketing...

Infrastructure

Internet Hizmetleri A.Ş. is currently operating from the founders' facilities. We have negotiated a lease of office premises in the heart of the city.

Products And Services

Our launch product is Internet Hizmetleri A.Ş. – an interactive educational software program

to enable to educate 12 – 18 years old students. The software was developed in the company.

Core Competencies

a review of the current situation analysis shows that we have developed core competencies in the following areas...

- Virtual class formation
- Interactive delivery of classes
- Exams via internet

7. Market Analysis

The Industry

The product is education via Internet equipment (HSMCE). There are two product categories: non – automated and computerized. Internet Hizmetleri is in the latter category automated and Computerized segment

The Industry

The market divides in to two segments. There are three industry types each divided into large and small companies. Internet is targetting primarily to be in the large segment.

The Competitors

At present there are no competitors.

Competitive advantage

Our research indicates that there are four areas where Internet has distinct competitive advantages. These are...

1. No need of physical premises for classes
2. The best teachers for each class
3. Minimum cost for each lesson
4. Minimum tuition fees for students

By exploiting these advantages we can construct effective barriers to entry which will deter competitors from trying to enter our prime market until 2011

8. Strategy and operating plan

Business Strategy

Objectives

Our strategic objectives are as follows:

1. Annual sales volumes in the range shown in table 16. column D.
2. Completion of modifications to hardware as described in table 17 by the dates indicated.
3. Completion of modifications to additional software as described in table 17 by the dates indicated.
4. ...

Strategy

The market analysis on page 00 indicates that we can take advantage of an unexploited market niche – automated safety systems for largely populated areas as well as remote points in the world.

We were the first to spot the gap in the market and our exclusive licence for the services locks out the main competitors. We estimate that there will be a 15 – month time lag before they are in position to compete... By which time we have achieved critical mass and the market will be unattractive to them for the reasons explained... We will also use the revenue from the first sales to develop additional e – learning programs

In essence, our strategy to:

- Work with ISPs to enable fast deployment of our system using their relationship and resources. We have signed exclusive agreements with services suppliers
- Pursue the strategic sales indicated Table 16i Column C that will take us to critical mass most – rapidly and lock out the major competitors
- Use revenue for the initial sales to erect barriers to entry as shown in ...

Operating Plan

There are three main elements to our operating plan, relating to production, marketing and sales, and administrative support. These are considered in the following paragraphs...

Production...

Marketing and Sales...

Administrative Support

9. SALES FORECASTS

Sales forecasts

Internet A.Ş. With low cost education will help to eradicate the ignorance in the world

Sales volumes

The limiting factor on sales volumes might be our ability to implement enough system in a given period of time. We can solve this by selling Ministry of Education and using their technical staff to implement our systems for end – users. This cuts our resource requirements and reduces the sales cycle. Moreover, we are

Our target is to sell an average of 5000 Internet identity badges with each sale by year and initial sales will be smaller.

Production costs

Production costs is the salaries to be paid to programmers and to staff taking part in the educational classes

Pricing

Longer – term, sales will average a little over \$ 100.000 per package. Pilot sales aimed at establishing references sites will be smaller values.

Gross profit from sales

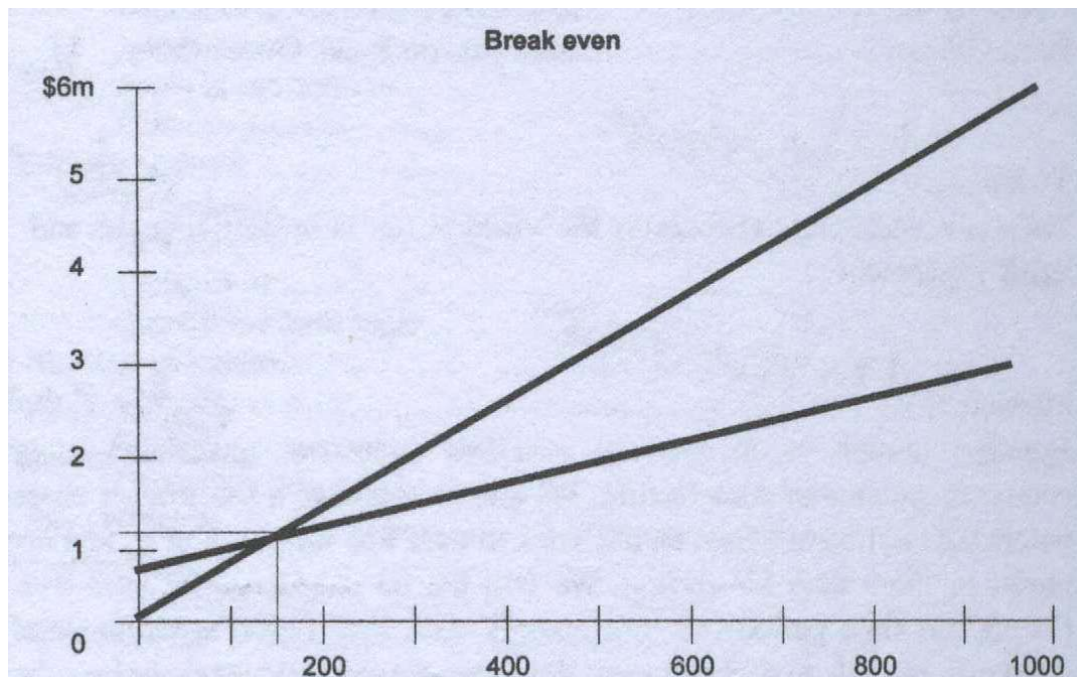
The following table indicates that gross profit from sales will reach...

10. Financial analysis

Financial analysis

Break even

We pass break even when we sell more than 125 classes at a minimum price of \$60,000 each...



We believe that we can comfortably achieve this break even level even on a worst case scenario

Capital spending

Production of Internet Services requires the following equipment... We will minimize capital outlays by leasing...

Staff costs

Our major operating costs relate to staffing the operation. To minimize our commitments while sales are being established we will sub – contract some services

Other operating costs

Table 10.1 shows that the largest non – staff operating costs are...

11. Financial analysis

Income statement / profit & loss account

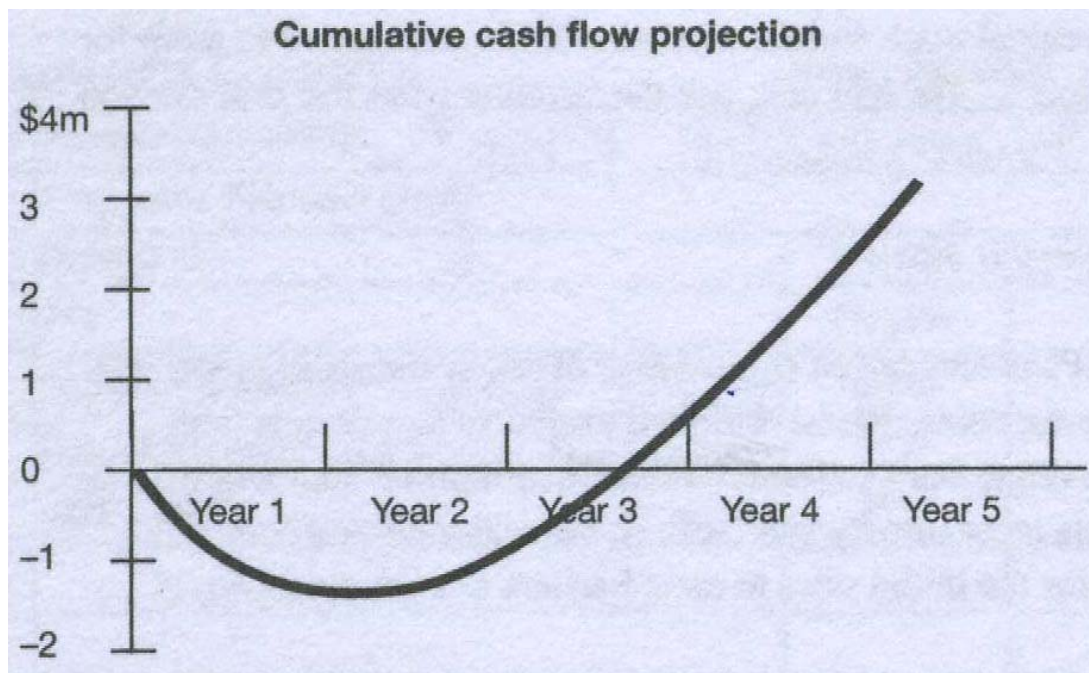
The revenues and costs described above are brought together in the profit and loss account in Table 12 (full details are in Annex A.) The \$ 1.4 m net loss in year 1 reduces to \$ 0.2 m in year 2 and turns to a net profit of \$ 3.8 m by year 3. Sales could...

Balance sheet

A summarized balance sheet is shown in Table 13 (full details are Annex A.) by year 5, retained earnings exceed \$ 12 m and net asset value is...

Cash flow and funding requirements

the following chart illustrates our cumulative cash flow projection (Detailed figures are in Annex A) Monthly cash inflows start to exceed outflows by month 14 and we move into a surplus by month 30. Our maximum funding requirement is \$1.25 million...



Valuation

On a modest price earnings multiple of 10, the implied market value of the equity capital will be nearly \$ 40 m by year 3... This would represent a potential return on investment of... Also ...

12. RISK ANALYSIS

Risk assesment

SWOT

We have analyzed our strengths and weaknesses, and the opportunities for and threats to the business. The key items are listed below, each with a note explaining how we will cope with, or exploit, the issue

Critical success factors

We have determined that we must achieve the following targets in order to move our strategy forward. Most critical is the need to source... We are implementing a four step program to ensure that we meet the requirements... The first step is to

Limiting factors

there are two things which could limit our sales in year one and...First, there is a constraint on the amount of... That we can source until we have... Of course, these limits are way beyond the sales volumes that we can reasonably hope to achieve Moreover...

Specific factors

There are eight specific risks to which we should draw attention... We have strategies to deal with each of these risks, as described below...

Production

Internet Services A.Ş. Has been successfully prototyped and the feasibility and cost of the program

Alternative scenarios

Our sales forecasts and projected revenues, costs, and financial statements are based on the lower end of our most – likely scenario.

As already discussed, there is a range of possible outcomes dependent on a wide range of factors both within and outside of our control. Accordingly, this plan includes two alternative scenarios showing how the business will develop under varying conditions. The low – income scenario assumes that certain unlikely events depress production, sales and prices by.. Our calculations show that we still break even at... And ... We also include a high – income scenario to show how net profit will rise sharply if...

Sensitivity analysis

The following table shows our assessment of the effects of a % 1 increase in key variables. A %1 decline will have approximately the opposite effect. You may use this table to assess your own scenarios.

A 1% increase in	Will change these by		
	Net profit \$,000	Borrowing \$,000	ROE %
Sales volume	+167	-83	+3.3
Sales price	+134	-57	+2.7
Marketing expenditure	+15	-8	+0.3
Raw material prices	-59	+30	-1.2
Labour costs	-23	+12	-0.5
Other costs	-12	+5	-0.2