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BUSINESS PLAN

AD Corp, Ltd

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School year:

2017/2018, 2018/2019

Business Plan



1. Name of the company: AD Corp, Ltd

Head office: Lúčna 4, 984 16 Lučenec

The legal form of the company: Limited Liability Company

Logo:

Slogan: AD Corp – the best ads in the business world

Accountancy: double-entry bookkeeping

Insurance: the property of the company will be insured

2. The type of business

Advertising and marketing services

An entrepreneur intention is headed for ad demand satisfaction.

The main idea for starting this business is the lack of modern technology for ad creation and promotion our regional market.

Our business intention is to place LED screens in the city of Lučenec.

One of the screens would be placed on a private house near a chain store Lidl where there is a big movement of people.

We're planning to put the 2nd screen in the Square of Republic in front of the shopping centre Galéria on the building of District Office.

We will place the 3rd screen on the reconstructed building of railway station in Lučenec.

Our next intention is constructing of portable billboards that would be placed in the town. We would offer them for rent to different companies. The 1st billboard would be placed on the exit road from Lučenec to Vidiná, the 2nd would be next to the Kaufland supermarket and the 3rd one on the exit road from Lučenec to Fiľakovo, next to the Billa supermarket.

Other than renting ad screens and spaces, our company will produce promotional items – business cards, calendars, pens, flyers, vouchers, T-shirts with prints, keychains, bags, car stickers, stickers for shop windows and mugs.

We also provide printing on clothes or other textiles depending on customer's order.

We will create tableaux, banners, ad boards and roll-ups based on customer needs.

We also provide customers with creating of a logo with or without registration.

3. Co-partners

Félix Czakó - basic deposit – the building on Lúčna 4, 98416 Lučenec in the value of 75 000 €

Matej Ebergényi – basic deposit – minivan Renault Traffic – in the value of 12 000 € and cash deposit of 8000 €

Erika Kajbová – basic deposit – 20 000 € cash deposit

Alexandra Vargová – basic deposit – 20 000 € cash deposit

Ľubica Skořepová – basic deposit – 20 000 € cash deposit

Marek Albert - basic deposit – 20 000 € cash deposit

4. Executives

Félix Czakó – acting on behalf of the company independently

Ľubica Skořepová – acting on behalf of the company independently

5. Board of Supervisors

The Board of Supervisors will not be established

6. The object of business

Providing of advertisements – will be a decisive object of our business activity. The main problem of today's ads is the lack of technical equipment. We want to offer modern and high-quality ads for acceptable prices.

We would look for clients and companies through the business register, we would agree on personal meetings where we would like to acquaint our customers with our business intention. After accepting the offer, we would create the design of advertisement on computer and then after approval, we would record the ad to the LED screen.

A big advantage of this is that a client can change and adjust an advertisement according to his needs what isn't possible with stationary or poster advertising. The ad adjustment will be included in the price of provided service for a potential customer.

Our business project won't have a harmful **impact on the environment** because the electricity consumption of LED screens is low. If the LED screen breaks, the disposal of LED screen will be ensured by the supplier.

The place of business and our office will be on the address: Lúčna 4, 984 16 Lučenec. The technical equipment like a computer, a multifunctional copy machine, a mobile phone, furniture (wardrobes, tables, chairs) and necessary software will be placed in our office.

The LED screen no. 1 will be located on the address: Haličská road 516/47 – Dom farieb (The house of colours). We have a contract on the future contract with the property owner who agrees to install the LED screen located on his house. Rental rate is 50€ per month.

The LED screen no. 2 will be located in the square of the Republic in front of the shopping centre Galéria Lučenec on the District Office building. We have a contract on the future contract with the property owner (City Council of Lučenec) who agrees to install the LED screen located on the District Office building. Rental rate is 80€ per month.

The LED screen no. 3 will be located on the railway station building in Lučenec. We have a contract on the future contract with the property owner (the Railway company Slovakia) who agrees with the installation of the LED screen. Rental rate is 70€ per month.

The billboard no. 1 will be placed on the exit road from Lučenec to Vidiná. We have the contract on the future contract with the owner (Lučenec town) of the land where the billboard

will be placed in which he agrees with the installation of the billboard. Rental rate is 50 € per month.

The billboard no. 2 will be placed near the supermarket Kaufland on the address: Duklianskych hrdinov 5779, 984 01 Lučenec. With the owner of the Kaufland company's land where the billboard will be placed, we have a contract on the future contract in which he agrees with the installation of the billboard. Rental rate is 50 € per month.

The billboard no. 3 will be placed on the exit road from Lučenec to Fil'akovo next to the supermarket Billa on the address: Fil'akovská road 4591, 984 01 Lučenec. With the owner (Lučenec town) of the land where the billboard will be placed, we have a contract on the future contract in which he agrees with the installation of the billboard. Rental rate is 50 € per month.

The printing on clothes will be done by means of a printer machine according to the customer's requirement, respectively we will help the customer with the design of print.

The graphic proposal and production of tableaux, advertisement boards, banners and roll-ups will be done according to customer's requirements.

The graphic processing of logo's proposal for the company with or without the registration.

7. The services we will provide

Based on the requirement of our customer, we will design a graphic offer of advertisement for LED screen which will displayed at specified time intervals.

We offer a rental of billboard surfaces in a town of Lučenec. We also provide customers with the design of billboards, their printing and their installation.

We arrange graphic designs for printing of promotional items, such as clothes, textiles, key chains, pens, tableaux, banners, advertising flyers, brochures, etc.

We also make graphic design of a company's logo without registration, or we can alternatively provide a customer with the registration of the logo at the Industrial Property Office in Banská Bystrica.

8. Our weaknesses, strengths, opportunities and threats

Our strengths

- Complexity
- Specific approach to our customer
- Usage of the most modern technologies
- Good equipment
- Creativity
- Use of existing contacts
- Enthusiasm
- Good service availability also by e-shop

Our weaknesses

- We are a new firm on the market
- The lack of experience with doing business

Opportunities

- high demand of advertising
- opportunity of growth and progress
- to increase an interest in the modern form of advertising

Threats

- competition
- bad situation on the market
- low purchasing power of population in our region
- high taxes and contributions

Elimination of threats

- creating our own financial reserves

9. Marketing strategies

When starting a business, our company has chosen so-called fast strategy of penetration, which means launching the product with low price and with strong emphasis on promotion. It's focused on acquiring a decisive market share.

The reasons of choosing this strategy:

- the market is big
- the market is unaware of the product existence
- most buyers are sensitive on the price of the product
- there is a strong potential competition
- effect of profit and effect of experience with production is significant

Marketing goals – within the first year, our goal is contractually commit at least 20 companies to have regular revenue from advertisements.

We will actively search for companies through phone calls or through personal meetings while explaining to our potential customers why the LED screen advertising or the billboard advertising is a big advantage for them.

An important precondition for a successful start of our business is technical equipment for creating of advertisements, active search for the customers and promotion.

To enhance our sales and profit, we will use 4 ways of advertising and marketing:

1. Direct marketing and selling
2. Internet marketing
3. Word of mouth advertising
4. Media advertising

Media advertising

We will advertise also in the local TV, local radio and local newspapers. We will distribute leaflets to people's mail boxes. We will use also billboards near big supermarkets, in the shopping center and on the exit roads from the town.

We will use **Internet marketing** to advertise, promote our products and services and drive e-commerce sales.

We will use the strategy B2C (business to customers) and also B2B (business to business):

We will reach our customers and business partners through e-mail and e-shop.

Word of mouth advertising

We will try to make our customers satisfied, so they will share positive experiences with our products and services and recommend it to their friends, colleagues and family members. It is very powerful way of advertising.

Direct marketing and selling

We will do marketing and sell our products and services directly to customers in our shop. We will built face-to-face relationships with our customers. Customers will receive our complimentary promotional products when they buy our products or use our services.

All our promotional products will have the logo of our company. We will have the promotional products such as different colours of pens, mugs and beer glasses, T-shirts, mobile phone cases, key chains, USB keys and diaries.

10. Place, price, product, promotion

Place - purchasers – our current potential customers are any entrepreneurs or firms that want to promote their services or products.

Price – when creating a price of provided services, we will firstly take into account the amount of our costs, whether they are direct or indirect. The price of LED advertisement will depend on the length of advertisement and the number of plays a day.

Next, it is very important to take into account the competition prices. Directly in the town of Lučenec, where we will operate, there is only one company with similar object of business, but this company doesn't dispose with such a modern technology like us. At the same time, our strong side compared to our competitors is the location of LED displays and also better prices of services.

Product – providing of advertising and marketing services. Our benefit is the broad spectrum of provided advertising and marketing services.

Promotion - We want to address our potential customers personally, by phone, by e-shop, through social networks and also through leaflets.

11. Price proposal

Pricing - the impact on prices is mainly influenced by the costs, the planned amount of profit, of course, the competition, product quality, purchasing power of companies, goodwill and others.

12. Costs Budget

Costs Budget in the 1st year of business - 2019

No.	Item	No. of pcs	Price in €/pc	Expenses	Need for funds
1	LED outdoor screen P25	3	1 600,00 €	1 200,00 €	4 800,00 €
2	Program for creating of ads - for particular LED screen - to avoid distoring of ads while projecting them on the screen	1	850,00 €	850,00 €	850,00 €
3	Frame for billboard - custom made	3	400,00 €	1 200,00 €	1 200,00 €
4	Web page	1	500,00 €	500,00 €	500,00 €
5	Wages of employees	12	3 000,00 €	36 000,00 €	36 000,00 €
6	Legal employee insurance	12	1 056,00 €	12 672,00 €	12 672,00 €
7	Creating a Social Fund	12	18,00 €	216,00 €	216,00 €
8	Computer	6	350,00 €	2 100,00 €	2 100,00 €
9	Multifunctional copy machine	1	230,00 €	230,00 €	230,00 €
10	Printer	5	150,00 €	750,00 €	750,00 €
11	Mobile phone	6	150,00 €	900,00 €	900,00 €
12	Software – Office	6	250,00 €	1 500,00 €	1 500,00 €
13	Office furniture (cabinets, desks, chairs)	1	1 000,00 €	1 000,00 €	1 000,00 €
14	Direct digital printer for solid materials	1	5 000,00 €	1 250,00 €	5 000,00 €
15	Printer for direct textile printing	1	5 000,00 €	1 250,00 €	5 000,00 €
16	Software for creating of logo	1	350,00 €	350,00 €	350,00 €
17	Material for tableaus, banners, roll ups, advertising boards	1	1 500,00 €	1 500,00 €	1 500,00 €
18	Logo registration fees in the Slovak Republic	5	96,00 €	480,00 €	480,00 €
19	Logo registration fees in the EU	1	1 050,00 €	1 050,00 €	1 050,00 €
20	Logo registration fees - the world	1	1 088,00 €	1 088,00 €	1 088,00 €
21	Material for creating and installing of billboards	1	500,00 €	500,00 €	500,00 €
22	Promotional materials - T-shirts, scarves, pens, key chains	1	1 500,00 €	1 500,00 €	1 500,00 €
23	Fuel, repairs, car maintenance, MOT, EC	1	1 000,00 €	1 000,00 €	1 000,00 €
24	Depreciation of the building	1	75 000,00 €	1 875,00 €	

25	Energy + water	1	2 500,00 €	2 500,00 €	2 500,00 €
26	Other personnel costs - OSH, PO, Labor health service	1	500,00 €	500,00 €	500,00 €
27	Office supplies + postage	1	500,00 €	500,00 €	500,00 €
28	Cost of self-promotion and advertising	1	1 000,00 €	1 000,00 €	1 000,00 €
Total costs		x	x	75 461,00 €	84 686,00 €

Costs Budget in the 2nd year of business - 2020

No.	Item	No. of pcs	Price in €/pc
1	LED outdoor screen P25 - depreciation	3	1 200,00 €
2	Web site + update of software	1	400,00 €
3	Wages of employees	1	36 000,00 €
4	Legal employee insurance	1	12 672,00 €
5	Creating a Social Fund	1	216,00 €
6	Direct digital printer for solid materials - depreciation	1	1 250,00 €
7	Printer for direct textile printing - depreciation	1	1 250,00 €
8	Material for tableaux, banners, roll ups, advertising boards	1	1 500,00 €
9	Logo registration fees in the Slovak Republic	7	672,00 €
10	Logo registration fees in the EU	1	1 050,00 €
11	Logo registration fees - the world	1	1 088,00 €
12	Material for creating and installing of billboards	1	500,00 €
13	Promotional materials - T-shirts, scarves, pens, key chains	1	2 000,00 €
14	Fuel, repairs, car maintenance, MOT, EC	1	1 000,00 €
15	Depreciation of the building	1	1 875,00 €
16	Energy + water	1	2 500,00 €
17	Other personnel costs - OSH, PO, Labor health service	1	500,00 €
18	Office supplies + postage	1	500,00 €
19	Cost of self-promotion and advertising	1	1 000,00 €
Total costs		x	67 173,00 €

Costs Budget in the 3rd year of business - 2021

No.	Item	No. of pcs	Price in €/pc
1	LED outdoor screen P25 - depreciation	4	1 600,00 €
2	Web site + update of software	1	400,00 €
3	Wages of employees	1	36 000,00 €
4	Legal employee insurance	1	12 672,00 €
5	Creating a Social Fund	1	216,00 €
6	Direct digital printer for solid materials - depreciation	1	1 250,00 €
7	Printer for direct textile printing - depreciation	1	1 250,00 €
8	Material for tableaux, banners, roll ups, advertising boards	1	1 500,00 €
9	Logo registration fees in the Slovak Republic	3	288,00 €
10	Logo registration fees in the EU	1	1 050,00 €
11	Logo registration fees - the world	1	1 088,00 €
12	Material for creating and installing of billboards	1	500,00 €
13	Promotional materials - T-shirts, scarves, pens, key chains	1	2 000,00 €
14	Fuel, repairs, car maintenance, MOT, EC	1	1 000,00 €
15	Depreciation of the building	1	1 875,00 €
16	Energy + water	1	2 500,00 €
17	Other personnel costs - OSH, PO, Labor health service	1	500,00 €
18	Office supplies + postage	1	500,00 €
19	Cost of self-promotion and advertising	1	1 000,00 €
	Total costs	x	67 189,00 €

Costs Budget in the 4th year of business - 2022

No.	Item	No. of pcs	Price in €/pc
1	LED outdoor screen P25 - depreciation	4	1 600,00 €
2	Web site + update of software	1	400,00 €
3	Wages of employees	1	36 000,00 €
4	Legal employee insurance	1	12 672,00 €
5	Creating a Social Fund	1	216,00 €
6	Direct digital printer for solid materials - depreciation	1	1 250,00 €
7	Printer for direct textile printing - depreciation	1	1 250,00 €
8	Material for tableaux, banners, roll ups, advertising boards	1	1 500,00 €
9	Logo registration fees in the Slovak Republic	5	96,00 €
10	Logo registration fees in the EU	1	1 050,00 €
11	Logo registration fees - the world	1	1 088,00 €
12	Material for creating and installing of billboards	1	500,00 €
13	Promotional materials - T-shirts, scarves, pens, key chains	1	2 000,00 €
14	Fuel, repairs, car maintenance, MOT, EC	1	1 000,00 €
15	Depreciation of the building	1	1 875,00 €
16	Energy + water	1	2 500,00 €
17	Other personnel costs - OSH, PO, Labor health service	1	500,00 €
18	Office supplies + postage	1	500,00 €
19	Cost of self-promotion and advertising	1	1 000,00 €
	Total costs	x	66 997,00 €

13. Revenue Budget

Revenue Budget in the 1st year of business - 2019

	Item	No. of pcs	Price in €/pc	Revenue
No.	Revenues from sales of our own products			
1	Promotional pens	1000	0,50 €	500,00 €
2	Calendars	350	2,00 €	700,00 €
3	Business Cards	3000	0,02 €	60,00 €
4	Advertising flyers - 5 clients	30000	0,05 €	1 500,00 €
5	Brochures	2000	0,90 €	1 800,00 €
6	T-shirts with print	700	7,00 €	4 900,00 €
7	Key chains	1200	2,00 €	2 400,00 €
8	Bags	1000	5,00 €	5 000,00 €
9	Car stickers	50	25,00 €	1 250,00 €
10	Shop window stickers	35	50,00 €	1 750,00 €
11	Mugs with print	250	4,50 €	1 125,00 €
	Revenues from sales of services			
12	Advertising on the LED screen -28 clients	336	70,00 €	23 520,00 €
13	Advertising on the billboard -30 clients	360	50,00 €	18 000,00 €
14	Logo creation (10 samples)	4	100,00 €	400,00 €
15	Logo registration in the Slovak Republic	5	120,00 €	600,00 €
16	Logo registration in the EU	1	1 150,00 €	1 150,00 €
17	Logo registration - the world	1	1 200,00 €	1 200,00 €
	TOTAL	x	x	65 855,00 €

Revenue Budget in the 2nd year of business - 2020

	Item	No. of pcs	Price in €/pc	Revenue
No.	Revenues from sales of our own products			
1	Promotional pens	1000	0,50 €	500,00 €
2	Calendars	400	2,00 €	800,00 €
3	Business Cards	3000	0,02 €	60,00 €
4	Advertising flyers - 7 clients	42000	0,05 €	2 100,00 €
5	Brochures	1800	0,90 €	1 620,00 €
6	T-shirts with print	750	7,00 €	5 250,00 €
7	Key chains	1000	2,00 €	2 000,00 €
8	Bags	500	5,00 €	2 500,00 €
9	Car stickers	45	25,00 €	1 125,00 €
10	Shop window stickers	50	50,00 €	2 500,00 €
11	Mugs with print	200	4,50 €	900,00 €
	Revenues from sales of services			
12	Advertising on the LED screen -30 clients	360	70,00 €	25 200,00 €
13	Advertising on the billboard -30 clients	420	50,00 €	21 000,00 €
14	Logo creation (10 samples)	10	100,00 €	1 000,00 €
15	Logo registration in the Slovak Republic	7	120,00 €	840,00 €
16	Logo registration in the EU	1	1 150,00 €	1 150,00 €
17	Logo registration - the world	1	1 200,00 €	1 200,00 €
	TOTAL	x	x	69 745,00 €

Revenue Budget in the 3rd year of business - 2021

	Item	No. of pcs	Price in €/pc	Revenue
No.	Revenues from sales of our own products			
1	Promotional pens	1000	0,50 €	500,00 €
2	Calendars	400	2,00 €	800,00 €
3	Business Cards	3000	0,02 €	60,00 €
4	Advertising flyers - 7 clients	42000	0,05 €	2 100,00 €
5	Brochures	1800	0,90 €	1 620,00 €
6	T-shirts with print	750	7,00 €	5 250,00 €
7	Key chains	1000	2,00 €	2 000,00 €
8	Bags	500	5,00 €	2 500,00 €
9	Car stickers	45	25,00 €	1 125,00 €
10	Shop window stickers	40	50,00 €	2 000,00 €
11	Mugs with print	250	4,50 €	1 125,00 €
	Revenues from sales of services			
12	Advertising on the LED screen -35 clients	420	70,00 €	29 400,00 €
13	Advertising on the billboard -30 clients	420	50,00 €	21 000,00 €
14	Logo creation (10 samples)	10	100,00 €	1 000,00 €
15	Logo registration in the Slovak Republic	3	120,00 €	360,00 €
16	Logo registration in the EU	1	1 150,00 €	1 150,00 €
17	Logo registration - the world	1	1 200,00 €	1 200,00 €
	TOTAL	x	x	73 190,00 €

Revenue Budget in the 4th year of business - 2022

	Item	No. of pcs	Price in €/pc	Revenue
No.	Revenues from sales of our own products			
1	Promotional pens	1000	0,50 €	500,00 €
2	Calendars	400	2,00 €	800,00 €
3	Business Cards	3000	0,02 €	60,00 €
4	Advertising flyers - 8 clients	48000	0,05 €	2 400,00 €
5	Brochures	1500	0,90 €	1 350,00 €
6	T-shirts with print	600	7,00 €	4 200,00 €
7	Key chains	700	2,00 €	1 400,00 €
8	Bags	800	5,00 €	4 000,00 €
9	Car stickers	45	25,00 €	1 125,00 €
10	Shop window stickers	40	50,00 €	2 000,00 €
11	Mugs with print	250	4,50 €	1 125,00 €
	Revenues from sales of services			
12	Advertising on the LED screen -37 clients	444	70,00 €	31 080,00 €
13	Advertising on the billboard -30 clients	420	50,00 €	21 000,00 €
14	Logo creation (10 samples)	4	100,00 €	400,00 €
15	Logo registration in the Slovak Republic	5	120,00 €	600,00 €
16	Logo registration in the EU	1	1 150,00 €	1 150,00 €
17	Logo registration - the world	1	1 200,00 €	1 200,00 €
	TOTAL	x	x	74 390,00 €

14. Planned Profit

Year	Revenue	Expenses	Profit	
2019	65 855,00 €	75 461,00 €	- 9 606,00 €	LOSS
2020	69 745,00 €	67 173,00 €	2 572,00 €	GAIN
2021	73 190,00 €	67 189,00 €	6 001,00 €	GAIN
2022	74 390,00 €	66 997,00 €	7 393,00 €	GAIN



15. Departments

General Manager – Félix Czakó

Assistant of GM – Ľubica Skořepová

Human Resources and Accounting – Erika Kajbová

Sales and Marketing – Marek Albert

Purchasing – Alexandra Vargová

IT – Matej Ebergényi



16. Employees and duties

General Manager

Is responsible for successful management and operation of the company

Duties:

- is responsible for the overall operation of the company and all departments
- is responsible for completing the work and deadlines
- organizes, assigns and divides work for individual departments and evaluates them
- signs all documents and signing competence
- responsible for the budget proposal and approval, and suggests business activity program
- solves all the problems at work
- represents the company and establishes new business partnerships
- convenes meetings
- resolves violations of the Code of Work and decides about possible penalties

Assistant of GM

Is responsible for accurate registry of all documents

Duties:

- Dealing with documents – registering, processing and distributing of incoming mail, processing of out-coming mail
- assigning of a serial number for documents
- writing notes and reports
- Editing of formal and business letters according to the standard
- Safekeeping of the company's stamp
- dealing with phone calls and e-mails
- responsibility for the preparation of the company for trade fairs
- carrying out duties assigned by GM

Human resources and Accounting

Is responsible for the accurate keeping of accounting records, and for accurate recording of all documents and obligations

Duties:

- prepares the initial balance sheet account
- accounting of all accounting cases on the basis of the submitted documents
- keeping records of bank account balance, has the right to dispose with the account and signing authority
- issuing of internal documents
- calculation of depreciation
- preparing annual accounts and financial statements
- preparing the calculation of the profit
- compilation of the final balance sheet account and the account of profit and loss
- calculation of wages
- calculation of the tax liability
- employee registration
- registration of employment documents

- filing of attendance and time sheets
- signing an employment contract when hiring employees
- proposal of the salary height for the employee
- preparing the content of job duties for employees
- contact with the Health and Social Insurance Company and the registration and dismissal of employees
- keep track in changing of documents when transferring of an employee to another job position
- evaluation of employees
- benefit proposals for employees
- termination of an employment

Sales and Marketing

Is responsible for product sales and the company's overall image and marketing strategy

Duties:

- keeping records of orders and dealing with orders
- sale of goods
- establishing contacts with business partners
- issuing of sales documents
- creating an assortments of goods
- creating of pricelists and catalogues
- creating and managing of presentation catalogues and promotional items
- preparation of activities for supporting of sale
- creating of company's web site, e-shop and its updating
- creating of company's business cards
- processing of company's design
- creating of new ideas

Purchasing

Is responsible for realizing the purchase for the company and the recording of received goods

Duties:

- purchasing of goods
- recording of warehouse stocks
- assembling an assortment of goods
- issuing documents at the time of purchase (order, receipt card, stock card)
- receiving quotations and dealing with quotes
- recording of suppliers
- keeping order of supplier invoices and delivery notes
- stock inventory
- making payments for delivered goods

IT

Is responsible for correct operation of the computer system, saving and backing up of important information, maintenance of hardware and software

Duties:

- maintaining of correct computer system operation
- regular check of hardware and software
- registering of network passwords
- installation of necessary software
- helping and directing other employees with computer work
- backing up information
- dealing with e-mails and electronic communication
- creating the database of business partners
- creating graphic designs of advertisements and logos

17. Time implementation plan

- **2019** Planning date of starting our business: January 2019
- **2020** Active search for as many clients as possible and creating funds for buying another screen

- **2021** Purchase of LED screen P25
- **2022** Active search for new clients and care for current clients