

CPA Australia | 2009 Plan Your Own Enterprise competition

JUDGES COMMENTS

Overall assessment of the Plan

CPA Australia Plan Your Own Enterprise Competition is a vehicle through which students can develop & demonstrate their understanding of small business planning, the concepts and processes that make up a plan, and apply their entrepreneurial and innovative thinking to an opportunity or need they have identified in a market.

We encourage students to keep the product/service and the scale of the market simple to avoid the plan getting too unwieldy and complex. (Many of the more complex plans we see as judges 'don't add up' when you consider the market assumptions, the forecasted financials and break even and the future prospects of the business.)

However, Darren has been able to take a complex concept into a coherent sophisticated plan. His business plan demonstrates that he has a very good understanding of the elements of a small business plan and is of a standard beyond what we would normally receive from a year 10 student.

Executive Summary

An effective summary of the identified need in the market, the proposed solution and the potential to use this sort of technology for other services in the future. It encourages you to delve deeper into the detail of the plan.

The Name & Logo

The name 'Runaway Tracking' signalled the type of product/service the business was going to offer the market. The Logo, which I have interpreted as 'a globe on a stand', also indicates that the service may be available anywhere in the world.

The Vision

The vision is short and succinct describing what he wanted the business to become.

The Mission

The mission describes what the values the business would take on, in this the business would have a focus on customer service, building its customer base and being environmentally responsible.

Prime Function

Darren developed an effective argument for the opportunity to apply an adaptation of existing technology to a well recognised need.

The emotional attachment people have to their pets and their preparedness to spend money on their pets (in this case to make them safe) makes the concept appealing that is emotional selling to a proven mass market.

The product and customer service are adequately described and the assumptions he makes in this section 'add up' to the financials in the plan.

Location

Effectively described, although the scale of the premises does not seem the fit size of the business in the short term (although the plan does mention some sub letting in the short term).

In the commercial world many of these sorts of businesses start at the 'kitchen table' to reduce initial start up and ongoing fixed costs and thereby reduce the scale of loss in any business failure.

Legal Structure

Adequately covered.

Licensing & Legal requirement

The plan shows that Darren had done some research on what regulations/licences would need to be satisfied to run this business in Western Australia.

Staffing requirements

The number of staff appears high in the initial period with all staff being employed on a full time basis.

Casual and part time employment is prevalent in the 'high tech' type industries. It might have been more realistic to have a mix of Full time staff (fixed costs) and utilise more casualised staff (variable costs) in production and customers services functions of the business.

Marketing Plan

The marketing plan covered the target market, market segmentation, competitors, and 'Promotion' in the early stages of the product launching phases.

'Place' was described under location and trading hour's section of the plan.

The plan would have been stronger with one or two more distribution options to cater for the range of preferred buying options of the target market (ie those with an emotional attachment to their pets).

Competition is addressed.

A market survey and a SWOT analysis were included in the appendices.

Financial Plan

All elements of a Financial Plan were covered, except for a projected balance sheet at the end of the first year.

The sales projections seemed high in the initial launch period. In the commercial world a more multipronged promotional approach and/or leveraged marketing through third parties would be likely needed to achieve a 'high start' in sales.

The salary costs seemed low when the Staffing Plan shows employing 4 full time staff in the first year.

The break even was calculated and show the business will break even after sale of 1981 units against projected sales of 2520 units in the first year.

Future Prospects

The plan describes a positive future with growth and potential for new products in new markets.