

Berkshire Bargains Business Plan

By: Tyler Coon
Entry to Entrepreneurship
4/8/16

I. Executive Summary

Our world is changing. Everyday we stare less and less at newspapers, books, TVs, and even each other. The truth is, we spend the majority of our times looking at our phones. Cellular devices are absolute masters at capturing one's attention, and it is time that we use that in a positive, constructive manner that will help stimulate the local economy. Since the birth of capitalism, business owners have been trying to find new ways to market their product and reach specific customer bases. Mobile devices are the passageway to reaching the greater mass of consumers. Specifically, in the way of coupons and discounts. Now, this isn't a new concept – businesses for years have been taking advantage of mail services and newspapers in order to gain customers. Offering deals to people has proven to be much more effective than just showing them a general advertisement according to multiple studies (fitsmallbusiness.com). Berkshire Bargains offers businesses the opportunity to move into the 21st century with a bang. Offering coupons is old school, proven, and conservative. We take those positive aspects that are time proven and combine them with the innovation, modernization, and excitement that comes with a mobile app startup, and the product will be something spectacular.

II. The Business

A. Description of Business

Smart phones are quickly becoming the new medium for just about everything. Of all the great products that have switched over to the “digital” market, coupons are the ones that have yet to make that switch. Berkshire Bargains will do just that. This is a mobile app that would allow users to browse through sales, view coupons, and read reviews for small businesses all over Berkshire County. There is no longer a use for big bulky catalogs, and oversized sections of newspapers when looking for the newest deals among top restaurants, shops, and entertainment venues. That is, unless you live in a small town that is far away from where these software companies are based. Taking businesses from around the country, and turning them into a smaller and more local version is a time tested tactic that works – small business owners have been emulating what big corporations have been doing for years. It is time to do this with the mobile application industry, and more specifically, e-coupon services. Featured deals (deals of the day), and deals near your current location will prompt the delivery of a push notification to your mobile device. In addition to the mobile app, there would be an accompanying website that would serve as a second method of access that tailors specifically to the population that do not own smart phone devices (about 1/3 of the area). Once you find a coupon that you fancy, you simply print it out, or just show the coupon via the screen of your phone, and you're done. In 2012, 2.9 billion coupons were redeemed, and Berkshire Bargains will simplify and modernize that service that people are already using today.

B. Target Market

There are really only two requirements for being able to use this service. Firstly, you must have access to the internet via either a smartphone or computer, which isn't going to be an issue since almost 66% of Americans have smartphones and close to 84% have internet access via a computer or

tablet. Once you have that, the only other requirement is that you must be someone who has money to be able to conduct transactions at these local businesses. Anyone who wants to save money will use Berkshire Bargains, and everyone wants to save money.

In addition to the users of the app, there will also need to be strong support from local business owners in the area. By looking at the number of companies that are already using coupon services (Berkshire Eagle) you can tell that people are certainly happy to offer deals to the public, especially if it results in them receiving an increase in customers and sales. To get these businesses on board, there is going to need to be a decent ground game, involving initially going to small business owners across the county and pitching this idea to them. It can easily be explained as a “win – win” situation, and there seems to be no doubt that success will be found in getting businesses on board.

C. Competition

There are in fact similar services out there like Groupon, ecoupons.com, etc. But they are all missing the local business market (as you can tell by simply browsing through the listings on one of these apps). The average business owner won't reach out to these huge companies based in California, and that creates an opportunity at the local level. Contacting these businesses individually and explaining exactly how everything works is more effective. Other competition would be mailed coupons, and newspaper coupons. Both those methods are failing to reach the ever-growing number of people with smartphones (2/3 of the population). Newspapers are becoming outdated, there sales have been declining for the past few years as everything moves to digital, and therefore that competition is basically irrelevant. People want these coupons/sales – we know this because more than 2 billion were used last year alone, and the easiest way to get them will be through Berkshire Bargains.

D. Team

Tyler Coon will lead the software development with the assistance of the programming/design software that exists online. Those software services are available for a very small price online, and therefore are easily accessible. Once the initial application is created, there is still no need for employees. The great thing about an application, is that it isn't like a product or service in the way that it needs to be constantly tended to. The supervision of “Berkshire Bargains” life in the marketplace can be monitored by a single individual, and for that reason, there is no reason that this corporation would ever need to bring in a second or third person to be working in-house. The only way that another member would ever be brought into Berkshire Bargains would be because of the desire of the owner, rather than necessity to the success of the business.

E. Skills and Experiences

Starting a mobile application is something that very few people have experience in. Especially in the area in which we live. Fortunately, however, the skills needed for Berkshire Bargains are strikingly similar to the skills needed for the mobile application known as Totem, which has already been done by those who are now attempting to create Berkshire Bargains. The internet brings us many different software and third party interfaces that make a job like Berkshire Bargains much easier on

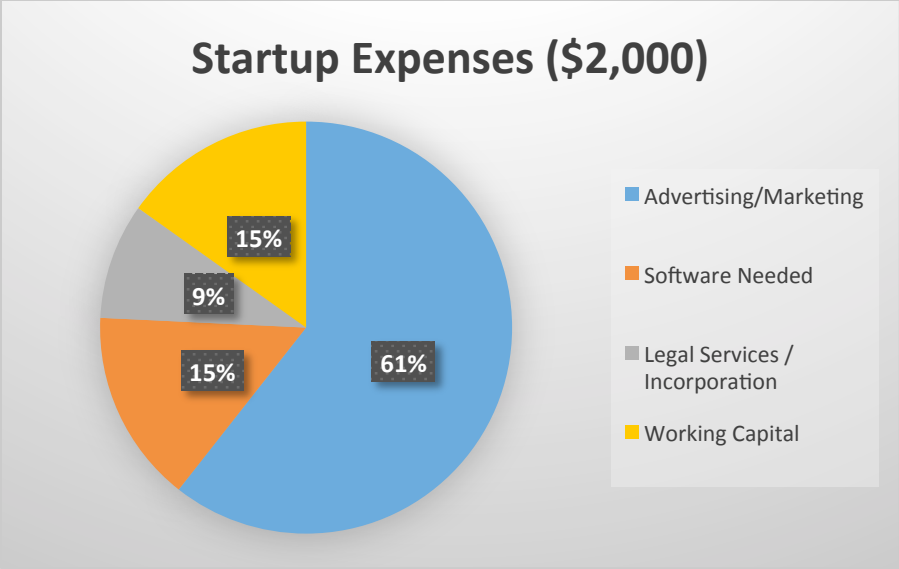
an individual. It makes it so that someone with a basic understanding of programming and mobile software can create an application with a minimal skill set.

But coding is, of course, not the only skill that is needed for running a technology company. A thorough understanding of how business works, marketing, accounting, and designing are all also things that one must have experience and skill in to make a successful product. Those working on Berkshire Bargains have developed those skills through independent learning and hands on experiences. And speaking of experience, who is better suited to create a company based around a mobile application than someone who has literally done it before. That makers of Berkshire Bargains are playing on their home court in this situation. In terms of skills and experience, there aren't many who are more equipped than those who have already experienced everything that is in store for Berkshire Bargains.

III. Financial Data

A. Start Up Expenses

The start up money needed for Berkshire Bargains is no more than 3,000 dollars. The incorporation of the company, trademark of the name, obtaining the rights to offer this application as a third party developer and initial advertising round up to only \$2,000. Initial advertising is here being counted as a startup expense, because it will be significantly greater due to the strong ad campaign that will be needed to raise awareness from a nonexistent customer base. The bulk of the work will obviously and overwhelmingly be the development of the software. If everything goes as planned, this development stage can be completed for a little under \$500. Almost all of this \$500 will be put towards obtaining a membership to shoutem.com, a site through which the Berkshire Bargains mobile app will be formatted, materialized, and made functional. The cost for this is being multiplied here in the budget to account for the fact that this is an annual cost. The rest of that money will go towards the added software that will need to be installed onto the computer system that Berkshire Bargains will be monitored through. Also needed in our startup round will be an additional \$500 that will act as "working capital", only to be used as a means to keep the company afloat if the need arises.



B. Budget

Berkshire Bargains is unique in the way that it doesn't require constant money being put into it the way that a product or some services would. Being a mobile application, there is basically only a one time cost in terms of development of the app. Sure, there are definitely little tweaks and updates that will need to be made from time to time, but that will all be covered conveniently under the subscription cost that is a part of the subscription with shoutem. Also factoring into the budget cost is an annual advertisement cost, and the cost of renewing the contract with the Appstore every year. All of this adds up to a total of about \$3,000 dollars. That amount will easily be covered by the revenue that Berkshire Bargains will be bringing in. Through advertising on the app, and featured deals, we will be drawing in monthly sums of money that will be well over the \$250 a month cost for our expenses.