



LED Installation in Abbottabad City by Chinar Digital Advertisers

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**Business
Project**



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Contents

Introduction.....	4
Executive Summary	4
Business Concept.....	4
Distinct Competencies.....	4
Company Description	5
Mission Statement.....	5
Product or Service	5
Objectives.....	6
Short Term Objectives	6
Keys to Success.....	6
Industry Analysis.....	7
Entry Barriers.....	7
Established Competitors.....	8
Regulatory Obstacles	8
Technological Factors	8
Seasonality.....	9
Economic Influences.....	9
Market Analysis	10
Market Size and Growth.....	10
Market Trends	10
Market Segments	10
Customer Needs.....	11
Purchasing Decision Process	11
Product Positioning	12
Branding	12
Competitive Evaluation of Product	12
SWOT Analysis	14
Marketing and Sales.....	14
Marketing Overview	14
Product	14
Services.....	14
Pricing.....	15
Place	16
.....	16

Promotion.....	17
Sales Force.....	18
Operations.....	18
Key Suppliers.....	18
Product/Service Delivery.....	18
Customer Service and Support.....	18
Human Resource Plan.....	18
Management and Organization.....	19
Management Team.....	19
Organizational Structure:.....	20
Project Timeline.....	21
Product Development Milestones.....	22
Pilot Test.....	22
Launch.....	22
Signing Significant Contracts.....	22
Achievement of Break-Even Performance.....	22
Expansion.....	22
Risk and Contingencies.....	23
Potential Competition.....	23
Loss of a Key Employee.....	23
Suppliers' Failure to Meet Deadlines.....	23
Regulatory Changes.....	23
Change in Business Conditions.....	23
Change in weather conditions.....	24
Questionnaire.....	25
Financial Projections.....	26
Details of Financial costs and expenses.....	26

Introduction

The global advertising landscape has seen a dramatic transformation over the past decade. While traditional print advertisements in newspapers and magazines have witnessed a decline that threatens the existence of some print news media outlets, market share and interest in interactive advertisement on web, mobile and other innovative media has inclined. The advent of affordable, interconnected, high-definition flat digital displays has enabled content providers, including advertisers, to replace static screens by timely targeted content delivered to the audience. Digital advertising through LED consists of a network of digital displays that are centrally managed and addressable for targeted information, entertainment, merchandising and advertisement. Out of all the outdoor mediums, the highest revenue comes from the major focus of the industry in Pakistan as well around the globe i-e digital out-of-home (DOOH) advertising.

Executive Summary

Business Concept

Chinar Digital Advertising Company is an enthusiastic, imaginative and innovative company aimed at catering to the ever changing advertising trends of the people of Abbottabad in the fastest and unique way. We provide fastest, most convenient solutions for out-of-home digital advertisement (above the line) moderately priced with the luxury of convenience to our customers.

Distinct Competencies

To survive and excel in the competitive market of the advertising industry, our success rests on the shoulders of our competencies. We aim to provide the most distinct solutions of advertising in one place at the most moderate prices. A few of our notable competencies are:

- Quality designing and Uniqueness
- With sensitive control system, LED can adjust screen brightness automatically according to the lighting change of indoor and outdoor, saving energy to reduce your operating costs greatly.
- High refresh rate and high gray make the picture more realistic, which meets the demand of high visual quality of commercial usage.
- The advertising contents can be changed at any time, for different customers and various advertisements.
- With dual hot spare function, two computers can control one screen, and when one computer has problem, the other computer can replace automatically to ensure the normal work.
- With high efficient optical fiber transmission system, LED can reduce signal delay caused by long transmission distance, which ensure the consistency of the display.

- All display information can be controlled by remote network, and to change the screen information by clicking the mouse, in order to achieve the network clustering of urban and regional ads.
- With multi-function card, it can turn on and turn off the screen by software timing or manually at any time, achieving unattended function.

Company Description

Mission Statement

Chinar Digital Advertiser is committed to high quality digital advertising by exceeding customer's expectations through quality, innovation, designing, efficiency and value creation. We at Chinar Advertising view ourselves as partners with our customers and our environment and thus keep our operating methods up to date with the needs of our partners. Our aim is to become a regionally recognized advertising brand, starting with a steady moderate growth in profitability and popularity in the advertising industry of Abbottabad.

Product or Service

Description

Chinar Digital Advertising provides Out-of-Home video advertising using state of the art digital advertising medium to all the professional businesses, corporate as well locals. We have developed a unique and innovative digital LED that allows advertisers to communicate their message direct-to-consumers across multiple digital advertising venues. Having thoroughly researched the marketplace, we possess a thorough and comprehensive knowledge of the industry and our clientele's advertising needs.

Benefits to Customer

- Chinar Digital Advertisers will maintain a work environment that is friendly, fair, and will provide rewards for creativity and those who help carry us forward to the future.
- We provide Innovative digital advertising in the city
- Central Location
- Covering a large target market for our customers

Development to Date

We have brought together skilled LED technical teams to install and maintain the hardware and software. They have an excellent creative staff to create attention grabbing content and commercials.

Additionally, they have added key employees with strong management, advertising, and marketing backgrounds to develop and implement the strategic and aggressive marketing plan.

Differences from Current Offerings

Out-of-home digital media will be a key driver of this change, enabling advertisers and marketers to reach an increasingly mobile consumer thereby improving potential ROI.

Consumers spend twice as much time out of their homes than in recent decades. Digital Media has exhibited very strong growth and upside potential. Forward thinking media clients are looking to stay ahead of the fast moving media curve by turning to digital signage. Major advertisers in the country had already begun to reallocate budgets to alternative media as compared to traditional OOH media to meet the challenges of the rapidly diversifying market needs.

Chinar Digital Advertisers is well positioned and prepared to take advantage of the significant explored opportunity available in Abbottabad city.

Objectives

Short Term Objectives

- To be market leaders in Abbottabad city for OOH digital advertising
- To keep pace with the advertising needs of professional businesses
- To have a profitable ROI.
- To develop a strong, professional team of technical support all time available for customer service.
- To provide high quality, well-designed creative productions
- To ensure that all customers and staff are treated with dignity and respect.

Long Term Objectives

- To be serving as a leading LED advertisers in the city.
- To gain a large market share.
- To ensure high customer satisfaction.
- To gain notable goodwill.

Keys to Success

The success of any business stems from a number of factors, which may include but not limited to, quality of service provided, accessibility to the consumer, competitive advantage and variety of services. Excellence in the aforementioned factors is essential to running a successful business. And thus, like any other business, we believe our success stems from excellence in:

- Providing far more exposure

- Moderate pricing
- Reaching out to local targets.
- 24-Hour promotion
- Effective at reaching those people on the move
- Encouraging Impulse-Buying

Providing far more exposure

Chinar Digital Advertising will allow marketing messages to end up being exposed repeatedly to customers thereby producing far more impact. The LED cannot be switched off therefore people may actually take a look at it.

Moderate Pricing

We charge moderate pricing for an advertisement to be broadcasted as compared to a few nearby advertising media such as television advertising, therefore providing our customer with more exposure for each and every rupee invested in their advertising and marketing.

Reaching out to local targets

Taking benefit out of our very well targeted location of the LED, Chinar Digital Advertisers can help businesses to avoid throwing away their revenue on the wrongly located advertisement spots.

24-Hour promotion

Our advertising medium promotes each business' marketing message throughout the day, ensuring that the message can reach possible targets at any time of the day.

Effective at Reaching Those People on the Move

Since plenty of consumers are extremely mobile, Our LED advertisements with very distinct graphics will end up being effective at reaching those on the go.

Encouraging Impulse Buying

Our advertising medium can be highly effective for encouraging impulse-buying simply by allowing businesses to advertise their own messages to their targeted audiences whenever they're prepared to buy.

Industry Analysis

Entry Barriers

Location

LED screens live and die by location. Ideal locations for starting an advertising LED are those which are visible, easily accessible to pedestrians, and surrounded by businesses that complement the visuals as well, preferably a central market place. The location of the LED screen should also offer ample line of sight visibility. Finding such a location can be difficult for an incubating business, not only because of availability, but also because of the rent payable and collateral costs.

High Initial Costs

New LED screen installation is not able to benefit from Economies of Scale, which most of the existing LED screens in other big cities like Islamabad, Lahore and Karachi enjoy. Economies of scale are the reduced average costs by large businesses. LED screens already in the market enjoy reduced costs of operations for they have enough clientage and they are more credible compared to starters. This poses a big barrier to entry in the advertising industry. It can only be overcome by gaining loyal customers by offering a unique designs and a unique delightful experience overall.

Established Competitors

When a new LED starts operating, it is in immediate and direct competition with nearby LED Screens, which might already have loyal customer bases. Winning these customers over can be difficult for new owners, especially if the new LED is not distinctly set apart in its offering to the customers from what is already being offered in the particular niche, but for the city of Abbottabad this LED screen would be first of its kind proving the first movers advantage and having no competition in digital advertising. New screen owners can contest entrenched competitors for bill board market by offering a highly different experience from existing options, by offering different or more variety of digital visuals and high quality pixels advertising, changing the entire dynamics of this business sector.

Regulatory Obstacles

Advertising company entails meeting strict local and federal government requirements. This and other regulatory hurdles might make survival difficult for new LED screen owners, though working with an attorney experienced in local regulations can ease the process. New LED Screens must contact a local advertising association to access information concerning regional regulatory and licensing hurdles, which can vary by sectors or even streets.

Technological Factors

In today's world of continuous technological advancement, it is crucial for any business to stay up to date in this regard to survive in the market. This makes technology an important factor for the success of any business. Where continuous advancement in technological terms can give you an edge over your rival, any slight slack in this regard could also make you lose out to your competitors.

Advancement in technology is also causing a change in the market trends. Where once the consumer looked forward to newspapers, bill-boards, radio now they require on the go information flashed every time they stop at a main boulevard traffic signal, providing entertainment and information. The dynamics of the advertising sector has changed over the period of time and keeping in view the industry recipe for advertising, it is essential that we keep ourselves updated with innovations in technology to cut our costs, increase our efficiency and come up with the best product for our customers in a desirable environment like LED screens. We believe in strengthening ourselves in every aspect which could make us stronger than our competition and will help us stand out in the market.

Seasonality

Most products are designed according to seasonality. However Chinar Advertising is not such a business. In the industry we operate in, the concept of seasonality does not play a very important role. Our offerings will be standard throughout the year with an exception for minute changes. Consistency and specialization in our product will help us gain customer loyalty and therefore a better market share.

Economic Influences

Economies of Scale

The aim of every business is to achieve economies of scale- minimized average costs over the range of output. In any industry, it is difficult for a new entrant to keep the prices low without making a loss, because usually, the older businesses have developed relations with suppliers to reduce costs and they produce at a much larger scale than the budding businesses.

Economies of scale can only be achieved in the long run after having been established as a successfully running business and achieving a stable market share.

Taxes and Inflation

Pakistan is a developing country and therefore, the tax and inflation rates are high. Taxes and inflation increase the cost of production. In the advertising industry, we can cater to our increased costs by causing a percentage increase in our prices. Our prices will have inculcated the effects of inflation but the taxes can be adjusted according to the prevalent rates. This will encompass for the price fluctuations caused by tax rates and inflation rates. The price fluctuations will be relatively stable and thus not something unexpected for our customers.

Regulatory Issues

Advertising company entails meeting strict local and federal government requirements. This and other regulatory hurdles might make survival difficult for new LED screen owners, though working with an attorney experienced in local regulations can ease the process. New LED Screens must contact a local

advertising association to access information concerning regional regulatory and licensing hurdles, which can vary by sectors or even streets.

Market Analysis

Market size is defined as the number of people willing to buy or sell a particular product. Chinar digital advertising qualifies to be part of the advertising industry and broadly for the digital industry, therefore sharing the stakes in these markets.

Market Size and Growth

The advertising industry in Pakistan is growing at a rapid pace, mainly because of the increase in population, urbanization, changing trends and moderately rising household spending. According to the 2014-15 annual report of the State Bank of Pakistan (SBP), the advertising industry in Pakistan now exceeds by Rs 65 Bn.

It is expected to continue growing at an increasing rate as Pakistan continues to adopt new advertising trends.

Market Trends

LED advertising service is a relatively a new concept in Pakistan, and therefore in Abbottabad specially. However, it is a fast growing trend for people are coming to realize of the need to have on the go information without having to read in magazines, newspapers etc. Chinar digital advertising is catering to this shifting trend. The business of networked digital displays in retail and other public venues is now on the path to sustainable growth, according to market research. Decision-makers are beginning to understand the advantages of digital networks over printed signage.

Market Segments

For the purposes of this report, we have chosen the following segments of the market:

Geographic Segments

- Country of Operations: Pakistan
- Province: KPK
- City: Abbottabad
- Density: Urban and Rural

Demographic Segmentation

- Age Group: Above 30 (Usually the business age group)

- Income Range: Rs 100,000 and above per month

Psychographic Segmentation

- Middle Class
- Upper Middle Class
- Upper Class

Targeted Segments

Target market is all advertisers who want to reach an ever increasing mobile consumer. The target market for Chinar digital advertising is geographically bound to the city of Abbottabad, but influx of flow of traffic on KKH (Karakoram Highway) and CPEC (Pak-China Economic Corridor) our target audience has no bounds. Our primary target segment is, but not limited to, middle class and upper middle class families. After successful establishment in this segment, we aim to expand our services to other segments of the market, as well as explore other markets in the long term. Although we are aiming to reach a few particular segments of the market, our reasonable prices will attract people from other segments as well, and thus, we shall not limit ourselves to a niche.

Customer Needs

Our customers are searching for a reasonable solution which provides:

- Quick service
- Innovative designs
- Greater target audience
- Unique taste
- Eco friendly environment
- A new experience
- Rapid action
- Prone to change

Purchasing Decision Process

It is essential that we try to keep our costs low since the initiation of our business. Our purchase decision will require rigorous thought, market research and planning because we need to use internationally produced high quality LED Screen at reasonable prices.

Market research will be required to search for the best suppliers available to us at low costs. The suppliers of our competitors can also be approached during this research. We will also have to present a

plan to the potential suppliers to make them understand why doing business with us will also be profitable for them.

As a business, Chinar digital advertising cannot afford to have high production costs, for we are embedded in a fiercely price driven industry. However, we also need to ensure high quality of adds, even if it means a reduced profit margin.

Product Positioning

Chinar digital advertising LED screen will be located in **Fawara Chowk**, which is a well-known hub of activity in Abbottabad; with front office in **Jadoon Plaza**. Therefore, we expect to be able to reach out to our customers easily. Retailers and brand managers want their promotional programs of any type to deliver sales lift and increase traffic, and they are becoming more confident that narrowcasting systems can deliver on that goal. Today, there are only a handful of networks that have matured to become viable marketing and communication channels that can reach large, unexploited national audiences. With interest and demand for this form of advertising on an exponential increase. Chinar Advertisers poised to carve out a significant market position.

Branding

Chinar Advertisers plan to brand and position itself as the premier digital OOH advertiser in the market place by

- Placing signs in the market to begin the branding process
- Conducting frequent direct mail campaigns to key business decision makers
- Regular attendance to networking organizations and business clubs
- Launching a simultaneous public relations campaign using press releases and other media

Competitive Evaluation of Product

Distinct Competitive Advantage

Though we may suffer from the disadvantages to a business entering to an indirect competitive industry of bill boards, we do bring with us our strengths which will help us survive and sustain in the market. We consider the following to be our strengths and our company has studied the industry for one year and has a complete and comprehensive understanding of it. We have developed a unique innovative model that is appealing to advertisers, and our management team that is well prepared and able to meet the demands of this rapidly emerging industry.

- Availability of capital
- Efficient online ordering service
- Innovativeness
- Strong management team
- Exclusivity
- A Unique Advertising Experience

Competitive Weakness

Our major weaknesses stem from the fact that we are a new business. These are some things which might create issues for us in our initial few months of operation:

- Lack of publicity
- Limited cash flow
- No established customer base
- High costs because of higher production costs

Future Competitors

It is not a question of if it will happen, but when....it's only a matter of time. This is the main reason their plans are to move with urgency to secure as many prime locations as rapidly as we can. As the location ad spot for installation of LED Screen is of the utmost importance.

The advertising industry in Pakistan is open to new forms of entrepreneurship. Chinar digital advertising is taking the opportunity to be part of the pioneer in LED advertising industry in Abbottabad. Alongside other companies in the advertising industry, this will also call for competition from all other advertising agencies.

Any new LED Screens which aim to operate on a small or medium scale in the future can be considered potential competition.

The potential threats to this market come from three areas:

- Major AOOH (Alternate Out-Of-Home) firms will enter our venues and invade our market
- Others already in the market will expand into our venues and dilute our market share.
- Once the vast opportunities in this market are made known to the general public, new entrants will begin enter the market creating additional competition.

SWOT Analysis

Strengths

- First mover advantage
- Exquisite location
- Innovative and latest digital marketing technology

Weaknesses

- Maintenance cost
- Repair an support facility
- High capital Expenditure
- High running cost

Threats

- Risk of damage due to unpredictable law and order situation
- Power shortfalls and energy crisis

Opportunities

- Increasing business momentum
- Virgin Market
- Locked out competitors
- Demand can be redefined

Marketing and Sales

Marketing Overview

Chinar Advertisers clearly understands the needs of its customers. Their primary objective is to place a digital LED in the most busy and identified market venue of the Abbottabad city with high volume of foot as well as car traffic to lift sales. The secondary objective is to increase revenue growth by selling ad space to advertisers that they actually were looking for. Each ad will contain a clear, specific call to action designed to drive customers from the host location directly to the local advertiser.

Product

Installation of LED Advertising Screen (5m*9m)(H*W) for outdoor advertisement purposes. Chinar digital advertising is offering a fusion of designs from all around the world. We also offer a variety of innovative ideas to advertise keeping in view the latest trends across the globe.

Services

Designing

Chinar digital advertising offers designing services for add/commercials composition to its customers.

Free Test Run

Chinar digital advertising will also offer the Free Test Run service to its customers. We will have our members to cater to the needs of our customers who want to make changes to their commercials and compositions.

Pricing

As a new entrant in the industry, we have to keep numerous factors in mind before pricing our packages.

Two of the major factors influencing our pricing decision are:

- To penetrate the market and gain a stable market share.
- To be able to sustain the pressure by competitors

Chinar digital advertising will initiate with the Penetration Pricing Technique, where the initial price is set slightly lower than the prevalent market price for the same advertising service to gain customers. This will be an attraction for customers to visit us. This will help us establish our brand name in the market. We will also have to ensure that our prices are not too low so as to cut down on our profits. It is also important to be able to break even in the short run for us to continue business.

Economy Plan	Deluxe Plan	Premium
<ul style="list-style-type: none">• 3 Months• Rs 270,000	<ul style="list-style-type: none">• 5 Months• Rs 480,000	<ul style="list-style-type: none">• 12 Months• Rs 840,000

Place

Chinar digital advertising front office will be located in Jadoon Plaza, which is a well-known hub of activity in Abbottabad city, therefore we expect to be able to reach out to our customers easily.



Promotion

Advertising and Publicity

Effective advertisement is essential for any business. To ensure that we reach out to our potential customers, we will make use of the following mediums of advertisement:

Electronic Media

Electronic media is another most important source of advertisement in today's time. However, since we operate in the digital advertising industry, our own LED screen will be used for promotion.

Social Media/Internet

In today's online world, it is important for every business to have an online business profile. This will make it easier for our customers to find us and reach us, and it will help us spread word about our product and promotional deals. People can review our product and services online, making it easier for other people to find reason to try our product.

We will use social media forums like Facebook, Snapchat, and Instagram to promote our product and make it easier for our customers to contact us. Chinar digital advertising will develop its own website and then start taking online orders as well. This will also be an addition in the ease of our customers. Moreover, we will publicize our promotional offers and products on the social media and internet alike so that the outreach is maximized.

Trade Shows

Trade shows like expo-festivals are crucial for publicity and outreach of any business. Chinar digital advertising will ensure its participation in the major trade shows at Islamabad, Karachi and Lahore to increase their outreach and gain more customers and corporate clients. Taking part in trade shows will also increase the credibility of Chinar digital advertising as an established digital advertising company and will spread the good WOM.

Partnerships

To gain a stronger footing in the market, we will have to form partnerships with different institutions and corporations. We can start by targeting schools and colleges, Government Institutions, NGO's and Hospitals by offering discounts to them which will promote our product. We can pursue this by entering into partnership contracts with such institutes as well.

Discounts and Incentives

Promotion via sales is widely used by businesses nowadays. Chinar digital advertising will introduce membership cards and offer discounts time and again to attract more customers and gain a greater market share.

Sales Force

Our Sales Team will be headed by a Sales Manager who is qualified in marketing and has experience in working as a Sales Manager in the advertising industry. He/she will be responsible for the effective functioning of his/her entire core team. The Sales Team will be responsible to ensure the end product of Chinar digital advertising is well promoted in the market, and they will be responsible to come up with the best deals and discounts which we can offer to attract more customers.

Operations

Key Suppliers

To ensure that high quality of service at Chinar digital advertising, Chinar digital advertising will only purchase LED screen from a well-known and reputed supplier who have prior experience to ensure the quality.

It is also essential that our suppliers adhere to the deadlines provided to them and are efficient at delivering. Prior experience in delivering to medium/large sized LED Screens will be helpful in deciding the suppliers who can be taken on board.

Product/Service Delivery

At Chinar digital advertising, we provide our customers with the best quality commercials/adds at their comfort. Any change in design/composition will be immediately be responded without any delay.

Customer Service and Support

We at Chinar digital advertising believe that our customers are the backbone of our business, and thus, aim to keep our customers satisfied with our product and services. To ensure maximum customer satisfaction, our team will collect customer feedback and identify the weak points felt by the customers and improve our product/service. Our staff will be trained to keep the customers' needs a priority and to respect every customer alike so as to ensure customer loyalty.

Human Resource Plan

HR management is crucial for the smooth working of any business. Chinar digital advertising Management will also ensure that we have enough staff members to conduct our business even in the case of any emergency. Our HR objectives are:

- To recruit staff essential to reach our organizational objectives
- To communicate HR policies to all employees
- To ensure legal compliance
- To motivate staff in order to enhance performance
- To increase job satisfaction of employees
- To keep staff turnover at the minimum
- To ensure essential staff attendance

Facilities

We at Chinar digital advertising aim to create the perfect advertising experience for our customers by creating a friendly and welcoming environment, trained staff and using the cutting edge technology.

They can also benefit from:

- Central Location
- High Quality commercials/adds
- Quick Service
- Free Test Run
- Affordable Prices
- Professional Designing
- Background Music

Management and Organization

Management Team

General Manager

The General Manager will be responsible to overlook the day to day workings of the business, monitor the staff and will be the first point of contact in case any emergency occurs.

Sales & Marketing Manager

The Sales and Marketing Manager will be responsible for receiving bookings, searching and developing new marketing relationships with the customers. It is also his responsibility to review the need of our business customers and to reach out to other potential customers e.g. Government or local bodies for certain announcements regarding weather, elections, traffic rules e.t.c.

Finance Manager

The Finance Manager is responsible to maintain financial records of the business. It is also the duty of the Finance Manager to evaluate the financial standing of the business and maintain records of potential investors.

Consultants and Contractors

We have engaged with several qualified individuals and firms to serve the company in specialized areas such as installation of digital screens, creative video production, editing and layout.

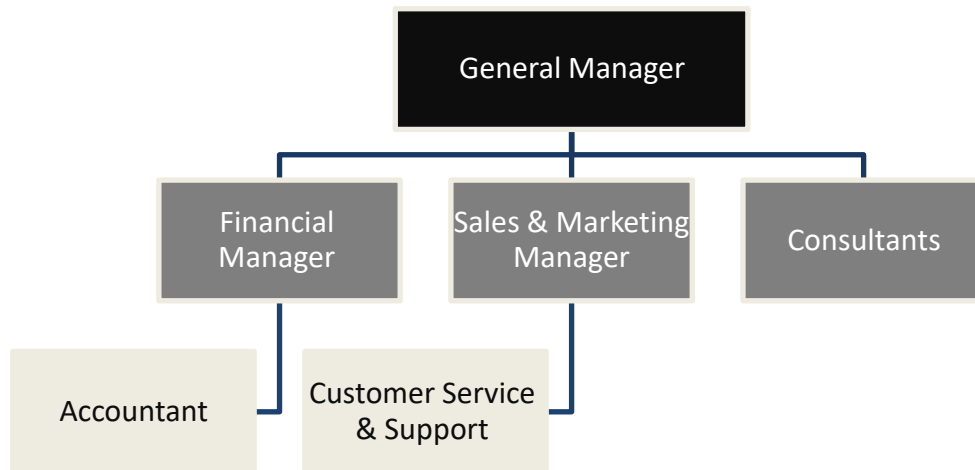
Open Positions

Open Positions at Chinar will be advertised in the widely read local newspapers of Abbottabad like *Jangg*, *Mashriq*, *The News* and *Dawn* along with being advertised on the our website. The recruitment process will be determined by the General Manager

Key Personnel

The Managers are the key personnel in the business, specializing in their own departments, and involved in the overall decision making of the business. However, only the General Manager will be the first point of contact in case of an emergency.

Organizational Structure:



Project Timeline

(Please note that the time scale provided under this section are estimates.)

Phases	Activities	Start Date	Duration
Phase 1	Company Registration	01/07/2017	14
	Legal Documentation	15/07/2017	5
	Supplier selection and Quotation	20/07/2017	2
	Negotiation and Price fixation	22/07/2017	3
	Finalizing the LED and purchase requisition	25/07/2017	2
	Import and Shipment (Letter of Credit)	15/10/2017	50
	LED reaching Abbottabad from Karachi	25/10/2017	10
Phase 2	Selection of LED placement site	30/07/2017	5
	Premises permit from local Govt.	05/08/2017	10
	Military Cantt NOC	05/08/2017	10
	Registering with Adv. Association of Abbottabad	10/08/2017	5
Phase 3	Establishing Front Office	10/10/2017	5
	Site Construction	10/10/2017	10
	Advertising Campaign	20/10/2017	5
	Bookings	20/10/2017	10
	Arrival of Engineer	25/10/2017	2
	Installation of LED	26/10/2017	2
	Pilot Test	28/10/2017	1
Phase 4	Grand Opening and Commissioning of LED	01/11/2017	1

Product Development Milestones

Pilot Test

The pilot test for the LED will be run on 28th October 2017 after the successful installment of the LED by the Chinese engineer. Various quality digital designs and selected video slideshows will be run in the pilot tests.

Launch

Chinar Digital Advertisers will officially launch its grand opening on 1st November 2017

Signing Significant Contracts

Due to its ideal location, Chinar will contact military personnel's and local government to help them make announcements and broadcast their message or any event for the general public. The rates, to be delivered at, shall be modified where we will like to participate educate the general public free of cost. Within very short time after the launch we plan to expand in rest of the parts of the city.

Achievement of Break-Even Performance

As a small scale but unique startup, we at Chinar aim to break-even within the fourth month of initiation. This can be achieved by being cost effective but not compromising on the quality of our product or service so as to maintain a high customer base. It is fairly possible for us to gain significant market share because we are bringing in a differentiated and exclusive medium of advertisement in the city.

Expansion

Chinar Digital Advertisers has the following options for expansion:

- Partnership with different investors to establish a strong customer base.
- Expanding our niche by providing our very own unique graphic designs to suit a larger market segment.
- Providing with another digital advertising mediums in Haripur and Mansehra city
- Contacting local government and bodies and broadcasting general messages and events specifically for public.

Risk and Contingencies

Some common risks include

Potential Competition

Currently we don't have any competition in the Abbottabad city for Digital LED advertising medium but we foresee potential competition as the city already is doing really good with other outdoor mediums of advertising.

To counter this, we will try to catch the big clients for outdoor advertising in the very first place and will try to make them our permanent clients for their advertisements. Since our LED is located at a very ideal spot, we'll also indulge and offer special packages to the local Government and bodies as well the military personnel's for advertising their functions and events e.g. PMA Passing Out Parade.

Loss of a Key Employee

Since Chinar Digital Advertisers is a small entrepreneurial business and currently we do not have a lot of number of employees instead we have a few best ones to look after the core functions of the business. If we lose any of them, it'll hinder our business for providing smooth servicing to the clients.

To prevent from such an unexpected risk, we will ensure that every task is divided on a team rather than only one person responsible for one duty. This way, we will have back up in every staff position without incurring the extra cost of hiring a new employee all together.

Suppliers' Failure to Meet Deadlines

If the shipping process takes more time than planned, it will cause a delay in the whole running of the business process. All our rest of the deadlines shall be affected.

To control the risk attached to our business process because of supplier, we intend to have a stand by supplier who is willing to provide us with on a short notice. We have also planned to write to suppliers on and off and inquire about the exact timelines for the delivery and keeping us in the loop for changes in the plan, if any.

Regulatory Changes

Regulatory changes can arise from differing political conditions of our country. We will have our management and legal negotiations at the ready for any foreseeable and unforeseeable changes in the political situation of the country, since they are bound to affect Abbottabad as well.

Change in Business Conditions

Business conditions are the effects of the economy on the running of a business. Some factors which determine business conditions are profits, revenues and productivity.

An unexpected decline in any of the factors which determine the success of our business will require immediate attention.

Change in weather conditions

Since Abbottabad is located towards the North of Pakistan and is a cold city comparatively. The weather conditions may differ and may become bad in the winters.

For that, we'll have our engineers make proper arrangements to save the LED from being affected from the bad weather.

Our skillful support members and consultants will search for the root of the problems, whether they are unexpected increase in costs or decrease in the efficiency of our staff. They will suggest remedies and devise methods to improve our financial position and success rate in the market. The team at Chinar Digital Advertisers will work to ensure that our profits increase as soon as we enter the market and that our market share increases alongside as well.

A strong core team which we plan to have with us as soon as we expand can ensure prevention of losses and damage control from unexpected risks faced by the business.

Questionnaire

Name of business: _____

Address: _____

City: _____

Contact person: _____

Telephone: _____ Fax: _____

Email address: _____

Nature of business: _____

1. How important do you think is the role of advertising for your business?

Extremely important Not so important
Very important

2. What is your monthly advertising expense?

0
Below Rs. 30,000
Below Rs. 60,000
Below Rs. 90,000

3. Are you familiar with LED advertising?

Yes No

4. Which advertisement methods you use to market your business / products?

Billboards <input type="checkbox"/>	Banners <input type="checkbox"/>
TV <input type="checkbox"/>	Radio <input type="checkbox"/>
Newspapers <input type="checkbox"/>	Brochures <input type="checkbox"/>
Pamphlets <input type="checkbox"/>	Digital / LED screen <input type="checkbox"/>

Rate the following advertisement mediums on a scale of 1 to 10 (10 = most effective, 1 = least effective):

Billboards _____	Banners _____
TV _____	Radio _____
Newspapers _____	Brochures _____
Pamphlets _____	Digital / LED screen _____

5. Would you advertise if an unconventional advertisement medium that is one of its kind in the city like a LED screen to play video and pictorial advertisements, was introduced?

Yes No

Financial Projections

Details of Financial costs and expenses

- By incurring an investment of Rupees 3.8MM.
- Achieving a market share of almost 40% right away.
- Breaking even in first month of year 2 of operations.
- Watch the revenues soar up to Rs. 500,000 in 2 years with an estimated 90% increase annually.

CAPITAL EXPENDITURE		
LED Cost	Unit	
Purchase price	USD	14,894
Exchange rate	Rs. / USD	104
Rupee Price	Rupees	1,548,976
Customs rate	% age of cost	80
Customs duty	Rupees	1,239,181
Engineer Charges	Unit	
Engineer ticket	Rupees	72,000
<i>Stipend for engineer:</i>		
Duration of stay	Days	3
Prof. fee per day	USD	100
Total prof. fee	Rupees	31,200
Misc. expenses / day	Rupees	5,000
Total daily expenses	Rupees	15,000
Generator	Unit	
Generator 15 KVA	Rupees	425,000
Civil work:	Unit	

Civil work	Rupees	50,000
Air conditioner:	Unit	
Split Units	units	2
Rate per Split Unit	Rupees / unit	50,000
Total cost	Rupees	100,000

RUNNING EXPENSES

Inflation	Unit	
Annual rate of inflation	% age	10

Diesel consumption	Unit	
Per day running	Hours	9
Diesel consumption	Ltr / hour	1.50
Diesel consumption	Ltr / day	14
Diesel rate	Rs. / ltr	85
Diesel cost per day	Rs	1190
Diesel cost per month	Rs	35,700

Insurance	Unit	
Insurance rate	% age	3
Insurance charges	Rs	83,645
Depletion in equip. value	% age	20

Premises rent	Unit	
Monthly rent	Rs	200,000

Guard salary	Unit	
Salary	Rs	15,000

Repairs & maintenance	Unit	
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Monthly repairs	Rs	20,000
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REVENUE

Big clients

Unit

No. of clients	Unit	3
Billing / month / client	Rs	50,000

Medium clients

Unit

Total population	Unit	40
% age captured	% age	25
Billing / month / client	Rs	25,000

Small clients

Unit

Total population	Unit	50
% age captured	% age	10
Billing / month / client	Rs	5,000

Clientele

Unit

Inc. in no. of clients	% age / year	5
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Financial Projections :-

Year -01

YEAR – 1	1	2	3	4	5	6	7	8	9	10	11	12
<u>OUTFLOWS:</u>												
<u>Capital Expenditure:</u>	(2,788,157)	(575,000)	(118,200)	-	-	-	-	-	-	-	-	-
<u>Running Expenses:</u>												
Rent	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Generator diesel	-	-	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)	(41,310)
Repairs & maintenance	-	-	-	-	-	-	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Insurance	-	-	(83,645)	-	-	-	-	-	-	-	-	-
Guard salary	-	-	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
	(200,000)	(200,000)	(332,955)	(249,310)	(249,310)	(249,310)	(269,310)	(269,310)	(269,310)	(269,310)	(269,310)	(269,310)
Total Monthly Outflow	(2,988,157)	(775,000)	(451,155)	(249,310)	(249,310)	(249,310)	(269,310)	(269,310)	(269,310)	(269,310)	(269,310)	(269,310)
<u>INFLOWS:</u>												
<u>Revenue:</u>												
- Big clients	-	-	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
- Medium clients	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
- Small clients	-	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Monthly Inflow	-	-	-	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Net cash flow for the month	(2,988,157)	(775,000)	(451,155)	175,690	175,690	175,690	155,690	155,690	155,690	155,690	155,690	155,690
Cumulative Cash Flow	(2,988,157)	(3,763,157)	(4,214,312)	(4,038,622)	(3,862,932)	(3,687,242)	(3,531,552)	(3,375,862)	(3,220,172)	(3,064,482)	(2,908,792)	(2,753,102)

Year-02

YEAR – 2	1	2	3	4	5	6	7	8	9	10	11	12
<i>OUTFLOW:</i>												
<i>Capital Expenditure:</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Running Expenses:</i>												
Rent	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)	(220,000)
Generator diesel	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)	(45,441)
Repairs & maintenance	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Insurance	-	-	(66,916)	-	-	-	-	-	-	-	-	-
Guard salary	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)	(8,800)
	(296,241)	(296,241)	(363,157)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)
Total Monthly Outflow	(296,241)	(296,241)	(363,157)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)	(296,241)
<i>INFLOW:</i>												
<i>Revenue:</i>												
- Big clients	173,250	173,250	173,250	173,250	173,250	173,250	173,250	173,250	173,250	173,250	173,250	173,250
- Medium clients	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750
- Small clients	28,875	28,875	28,875	28,875	28,875	28,875	28,875	28,875	28,875	28,875	28,875	28,875
Total Monthly Inflow	490,875	490,875	490,875	490,875	490,875	490,875	490,875	490,875	490,875	490,875	490,875	490,875
Net cash flow for the month	194,634	194,634	127,718	194,634	194,634	194,634	194,634	194,634	194,634	194,634	194,634	194,634
Cumulative Cash Flow	(272,910)	(78,276)	49,443	244,077	438,711	633,345	827,979	1,022,613	1,217,247	1,411,881	1,606,515	1,801,149

Year-03

YEAR - 3	1	2	3	4	5	6	7	8	9	10	11	12
<u>OUTFLOWS</u>												
<u>Capital Expenditure:</u>	-	-	-	-	-	-	-	-	-	-	-	-
<u>Running Expenses:</u>												
Rent	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)
Generator diesel	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)	(49,985)
Repairs & maintenance	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)	(24,200)
Insurance	-	-	(53,533)	-	-	-	-	-	-	-	-	-
Guard salary	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)	(9,680)
	(325,865)	(325,865)	(379,398)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)
Total Monthly Outflow	(325,865)	(325,865)	(379,398)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)	(325,865)
<u>INFLOWS</u>												
<u>Revenue:</u>												
- Big clients	200,104	200,104	200,104	200,104	200,104	200,104	200,104	200,104	200,104	200,104	200,104	200,104
- Medium clients	333,506	333,506	333,506	333,506	333,506	333,506	333,506	333,506	333,506	333,506	333,506	333,506
- Small clients	33,351	33,351	33,351	33,351	33,351	33,351	33,351	33,351	33,351	33,351	33,351	33,351
Total Monthly Inflow	566,961	566,961	566,961	566,961	566,961	566,961	566,961	566,961	566,961	566,961	566,961	566,961
Net cash flow for the month	241,096	241,096	187,563	241,096	241,096	241,096	241,096	241,096	241,096	241,096	241,096	241,096
Cumulative Cash Flow	4,007,440	4,248,536	4,436,099	4,677,194	4,918,290	5,159,385	5,400,481	5,641,576	5,882,672	6,123,767	6,364,863	6,605,958

