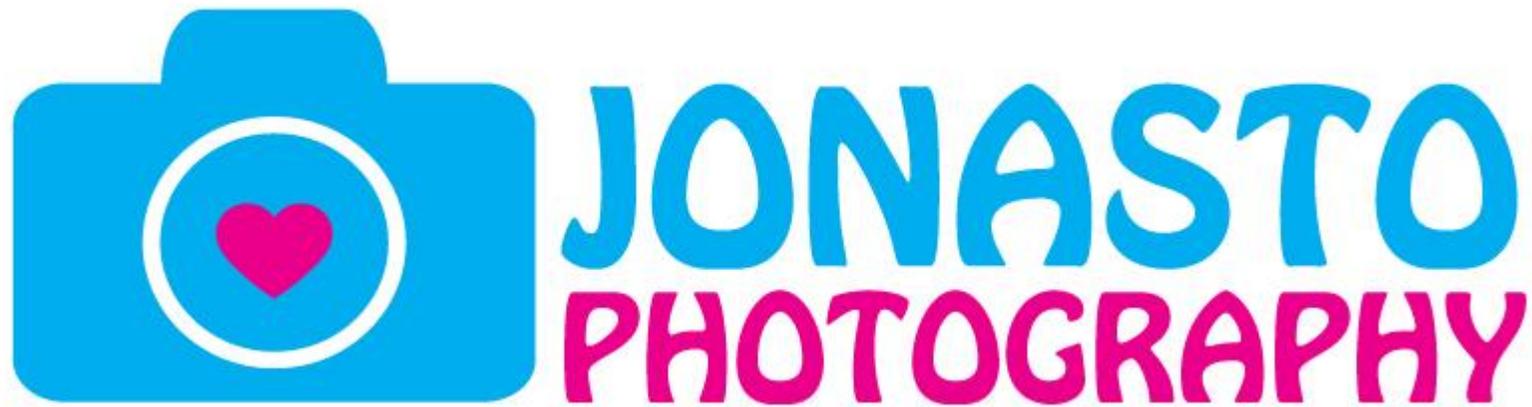


# Business Plan

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“Like every other means of expression, photography, if it is to be utterly honest and direct, should be elated to the life of the times – the pulse of today.”

- *Berenice Abbott - 1951*

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## Executive Summary

Jonasto Photography is an about to start new photography company operated by me: Jonas Olsson, an ambitious new photographer in the Lund area.

The business idea of Jonasto Photography is to develop a small photography company that will provide small and medium sized companies with a photography service tailored to their needs in the area of on-site product and corporate photography, corporate portraits, company documentation and corporate events.

With Jonasto Photography I plan to bridge the flexibility and personality of a small photography firm with the professionalism and quality of larger photo studios and media firms.

The target groups for Jonasto Photography is the many small and medium sized businesses in the Lund area needing commercial photography services as well as larger firms looking for event photo documentation.

Through Jonasto Photography I will provide my customers with great value and quality footage built on the core values of my business: Unique images that tell a story, a strive for great quality and an ambition to leave the customer more than satisfied.

## Background

Jonas Olsson has always had a keen interest in visual design and imagery. As a kid he used to draw everywhere and as a teenager he made comics of his classmates. Growing older he got more interested in visual design and more specifically creating homepages. He made homepages for friends, school projects, different organizations and other projects that he was a part of. Graduating from high school he joined the military and then started to work at a factory, during these dark years his creative side got lost.

One cold December night, the night before New Year's Eve of 2008, Jonas got to borrow his dad's camera and he went to try how it was to take photos. The venue was a light exhibition in the city center of Lund and what was supposed to be a quick walk through the exhibition ended up being four hours of relived creative joy and the birth of a new passion for Jonas, but also frost bitten cheeks and a cold. During the next coming months he started working extra in the evenings and saved up money for his own first camera. Since then Jonas has taken thousands of photos and his camera has been his trusty companion both when going for roadtrips in Sweden as well as when travelling through South East Asia and Europe.

For Jonas photography was a hobby and a passion, but he never viewed it as a potential profession for himself, and when he was accepted to the Master Year in Entrepreneurship at Lund University he had other considerations on what to pursue when starting up a company. After some projects where he could not find his drive or ambition he eventually, when reflecting upon himself and his passions, realized that photography was what he should pursue.

“Choose a job you love, and you will never have to work a day in your life.”  
– [Confucius](#)

## Business Idea

The business idea of Jonasto Photography is to develop a small photography company that will provide small and medium sized companies with a photography service tailored to their needs in the area of on-site product and corporate photography, corporate portraits, company documentation and corporate events. I will also offer value added services related to photography such as online gallery previews, printing and framing for display purposes.

## Problem

Today a short search reveals that most small firm photographers in Lund tailor to private ventures such as weddings and private model shoots, while the larger photography firms serve the company and corporate market for photography. With Jonasto Photography I plan to bridge the flexibility and personality of a small photography firm with the professionalism and quality of larger photo studios and media firms.

In addition more articles and books address the importance of social media marketing and that it is becoming an important promotional tool (Weber, 2007, Schindehutte, 2009). This implies that companies for example need to organize events and come up with other promotional strategies in order to attract customers and documenting these events is a growing market that differs from regular photograph jobs associated with corporate promotional photography.



## Service and products

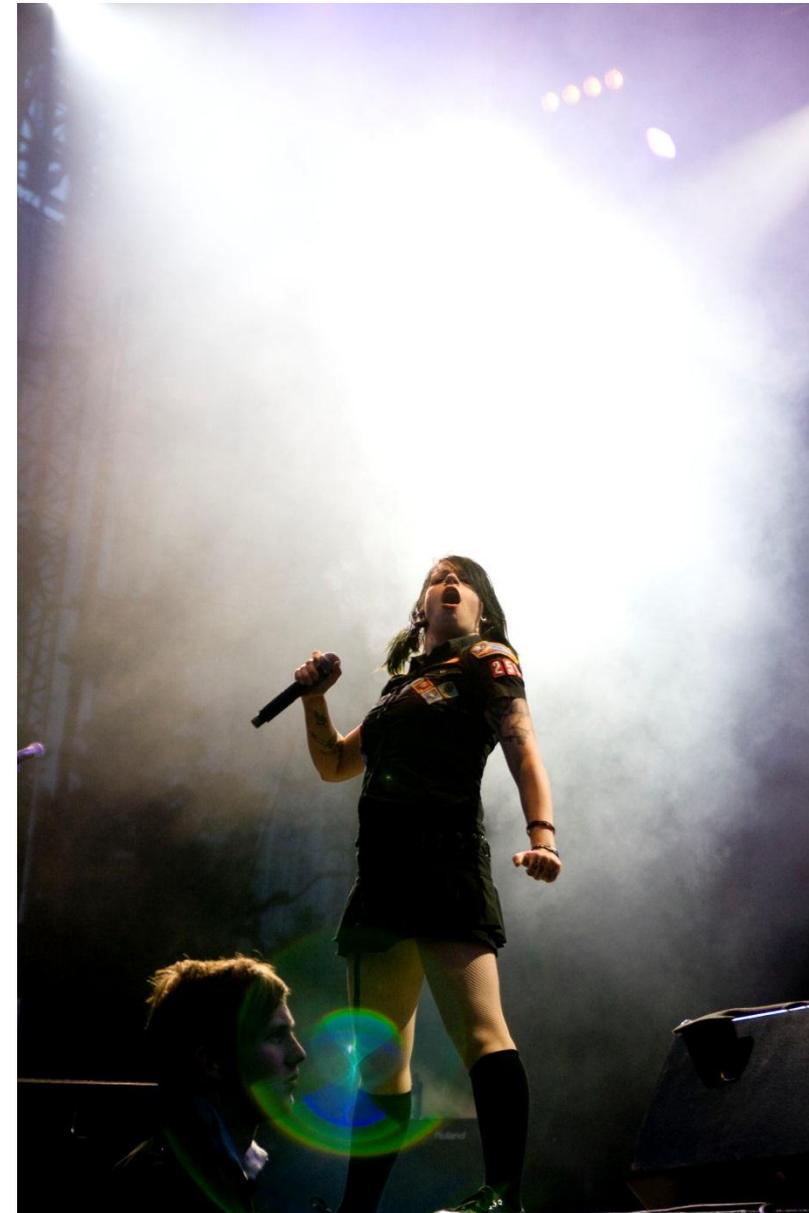
Jonasto Photography strives to deliver unique and professional photographs to small and medium sized firms that will serve client needs, offering excellent service and flexibility. The personality and flexibility of a small firm combined with the quality and competence from a bigger firm specializing in corporate photography. Jonasto Photography will provide photography services in these areas:

### On site commercial photography

This is close to regular corporate photography where I visit companies and take photos related to their business and their environment that will be used for promotional applications such as annual reports, web sites or articles. By offering a tailored product that is specific for each company I will differentiate from the very general stock photographs which appear to be the one of the more popular ways for companies to get ahold of photographs for promotional purposes.

### Corporate event photography

This is a service were I document events organized by companies, the goal could be to show the company, its customers and employees enjoying the company spirit during an event or other company specific activity. These photos are likely to be used on social media such as Facebook and in a provided in building on the community image that is one part of social media marketing.



## Target groups

Because of the nature of my company and experience I have, while still looking at the whole market, segmented my target groups in the following segments after what type of value I can provide them with.

### Small and medium sized businesses

For small businesses with I offer a regular photography service for product photos and some studio like capabilities. This will generate sufficient quality photographs for the small company to use in promotional applications while not having to pay the premium a large photography studio would charge. Small business customers seek low prices but still want a good enough quality that requires an experienced photographer and a somewhat controlled environment for the shoots. In addition small and medium sized businesses value the ability of the photographer to edit and post process photographs which is not usually demanded from larger corporations as they usually have this knowledge in-house.

### Larger corporations and event organizers

Looking at promotional photography larger firms are usually served by the larger photography firms that have well experienced photographers, the best equipment and their own studio making it possible to achieve great quality photographs in short notice and with a fully controlled environment. However, larger companies are usually prepared to organize larger events that can require a devoted and professional event photographer. Given that fact, the service I am able to offer to this segment is event photography as this is not usually what larger photo studios work with.



## Customer Value

Jonas Photography will offer some distinct value to its customers:

### Tailor made photographs

In comparison to stock photos that show general subjects and models photos taken by a dedicated photographer will show the actual customers business, facilities, employees and so on. This will in a much better way provide and show the image of the business and the company spirit. My customers will get photos that tell their story, images that are specific and tailor made just for them.

### Customized imagery

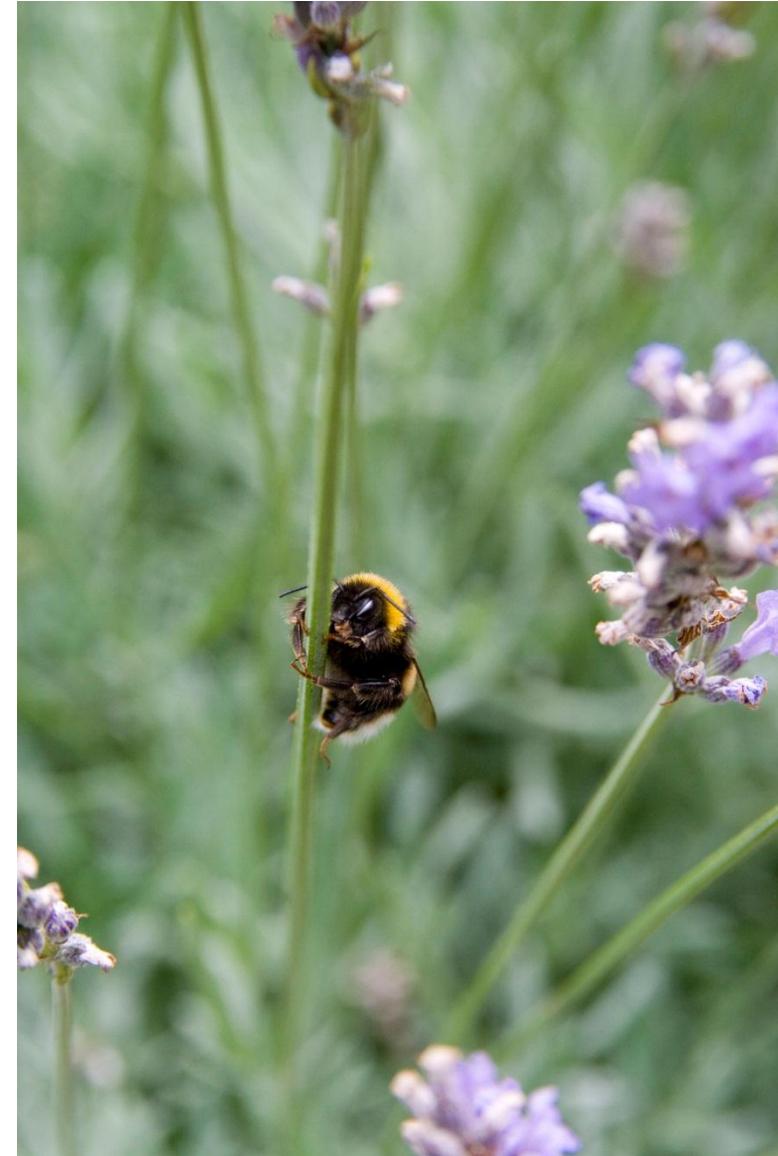
A great benefit of having an experienced and dedicated photographer is that I can provide my customers with a photographic feel and imagery that helps to convey the message my clients want to communicate in their photos.

### Interaction on a personal level

By having me actually visiting the firm and sitting down for meeting discussing the goals with the shoot and purpose with the pictures I can create interesting and lively event documentary photos that cannot be matched by stock photography.

### Unique pictures and exclusive rights

As this are photos taken for my customers for a specific reason there is no risk that the photos will show up in other promotions than in my clients, a risk which is quite apparent when buying stock photos for promotional uses. Community



## Marketing Plan

### Market description

The market for commercial photography includes all businesses and non-profits. For Jonas Photography the target market is both small and medium sized firms in the area of commercial photography as well as larger businesses in the area of event photography in the southern part of Sweden.

### Segmentation

#### Small and medium sized businesses

The small businesses are usually run and operated by their owners. Their needs in photography include basic marketing applications such as signs, menus, pamphlets, brochures, websites and other simpler things. In the beginning they usually tend to produce this by themselves but as they grow they realize that this provides sub-standard results. This opens up for the possibility to attract them as customers for commercial photography needs.

As new ventures grew they develop an ongoing need to regular photography services. Thus they value the relationship of a photography firm that are in tune with their needs and understands their way of working and can assist efficiently in their creation of marketing materials. They are quite pricing sensitive, but also put a value on the relationship they already have established.

#### Large corporations

These businesses have high photography needs and pay greater attention to the quality of the images that are produced. As a small venture these are mainly interesting the area of event photography as they are large enough that they are able to organize and benefit from creating social events and make good use of that area of social media marketing.

## Industry analysis

### Market for commercial photography

There are no easy accessible data on the market characteristics of the photography market in the southern part of Sweden, or in all of Sweden for that matter. There are however some reports provided by Datamonitor that look at media in Europe and Sweden which predict that the media market as a whole will grow by 3,7% annually until 2015, assuming this prediction includes and will spill over on the photography market there are some potential opportunities in the market for establishing a new venture. By looking at the 10 largest commercial photography businesses in Sweden sorted by revenue I have estimated their growth to about 7% annually looking back 5 years. However, these are companies that are already established in the market and also quite successful. I would assume the realistic growth potential is lower for the segment as a whole, probably closer to the 3,7% as mentioned for the entire media market. Still, this provides a reason to believe that there is some potential in the segment and for Jonasto Photography.

### Market for event photography

Looking at the potential event photography market there are about 35 potential customers in the Lund area alone. Based on the experience drawn from Eveshot.se Ludwig Mendez have shared with me that about 80% of event organizers and 20% of other firms and businesses may show interest in the event photography service. Eveshot.se estimated the market size to about 760 000 SEK which implies that there are potential for a profitable business in this segment.



## Competition

Looking at the close geographical area there are quite many of companies that can be considered as competition. A quick search for registered photography companies show us around 1000 only in the south of Sweden and around 100 in the close area of Lund.

It seems that they can be divided into two main groups: Firstly portrait photographers that seems to specialize in the private market such as weddings and model photo sessions for noncommercial uses and secondly regular commercial photography such as product photography and business portraits. Two of the more interesting ones are Apelöga and IMGhouse.se.

Apelöga is a relatively new photo bureau founded in 2010 and situated in Malmö. They mainly seem to specialize on corporate documentation and they have a background in press photography. Looking at their financials they seem to be doing quite well as they have gone from 1 employee in 2010 and a revenue of 471 kSEK to 6 employees as of April 2012 according to their homepage, in addition they do photography jobs in the Lund area such as for Lund University and Alfa Laval.

IMGhouse.se is a company that connects photographers and footage buyers on a personal level. Basically buyers can make a request and photographers then can upload their suggestions to match the buyer's needs. While this provided some form of flexibility it is not the same as having a photographer documenting your actual business. I do not consider IMGhouse.se as direct competition, but it is good to be aware that there is a middle ground between regular photo bureaus and professional photography services.

Apart from that there seems to be a lack of dedicated corporate photographers that are specialized in corporate events which is one of my main focus areas. Taking this into consideration and adding the added value of the technology that can be adapted from Eveshot and their website I see the potential competition as manageable.



## Market strategy

### Promotion

As I see it the most important part of the marketing strategy for this venture is the promotional part as this includes the business networking and building of relationships with customers. Especially to a small startup like this in a quite competitive market this is very important.

Word of mouth is very important in the photography business. It is crucial that every potential customer contact ends with the customers feeling strongly positive for Jonasto Photography as business networking and building relationships is the key to get customers. Building up a network with not only potential clients but also possible referrals will be very helpful in generating business opportunities, thus it is important to attend corporate, entrepreneurial and other mingle events to come in contact with new customers in for both commercial photography and event photography such as event organizers.

Web marketing is also a very important channel as this is the best and most efficient way to showcase your capabilities as a photography firm. Thus I have to put a lot of effort in creating a webpage that fully aligns with the image I want to convey to my potential customers.

### Product

Jonasto Photography will offer 3 types of photography services, product photos, documentary photos and, event photos. In addition to this we will offer post production services such as online galleries and post production editing.

Product photos are primarily targeted against small companies and startups that are looking for professional quality photos in a non-fully controlled environment, such as a studio. This service will be about products and every shot is carefully planned to make the best possible photos given the factors of the environment.



Documentary photos are primarily targeted to small and medium size firms that are willing to invest in professional photos that convey the company spirit for use in different promotional applications such as annual reports and so on. These photos require less equipment than product photos, but more time finding the perfect aspects of how to show the company from its best, quality and imagery are the key factors in these photos.

Event photos are somewhat like documentary photos, but do not require the same amount of time and planning to fulfill. While still needing to be of high quality, they can in a sense be made with less thought and staging as the aim is to convey a communal feeling, thus instead finding the perfect photography for an object as in documentary shots event photos are more about catching the right moment and showing a good crowd for social purposes. In addition we will offer services such as post production and uploading the best photos on Facebook.

### Pricing

The pricing strategy I am going to employ will consist of an early low price penetrating strategy to acquire the first customers and start building up a portfolio of marketable footage. To overcome this liability of newness as a fresh startup company I will offer my first customers heavy discounts and use some of the photos from them in my portfolio and for my own marketing of the company. This will result in less risk for my first customers and hopefully a growing initial customer base. The first sessions I have already done for free and as my portfolio grows I will increase my prices to a more standard price plan as the one below. On that is simple to understand yet profitable, the pricing plan is developed from both the national photography association in Sweden and aligned with prices offered by already established photographers in Sweden.

<b>Commercial photography</b>	<b>SEK</b>	<b>SEK</b>
<b>Price per hour (min. 2h)</b>	695	
<b>Half day (4h)</b>	2495	
<b>Full day (8h)</b>	3995	
<b>Price per photo (royalty free)</b>	<b>2 years</b>	<b>5 years</b>
<b>Online showcase w/ logo</b>	Free	
<b>1 MB</b>	1495	5295
<b>5 MB</b>	1995	6995
<b>10 MB</b>	2595	9095
<b>30 MB</b>	3595	12595

<b>Event photography</b>	<b>SEK</b>	<b>SEK</b>
<b>Price per hour (min. 2h)</b>	1995	
<b>Price per photo (royalty free)</b>	<b>2 years</b>	<b>5 years</b>
<b>Online showcase w/ logo</b>	Free	
<b>Low quality copies w/ logo</b>	Free	Free
<b>1 MB</b>	1495	5295
<b>5 MB</b>	1995	6995
<b>10 MB</b>	2595	9095

### Place

As a company based in Lund my initial focus will of course be in the surrounding area of south Sweden. I will approach my potential customers through direct marketing, such as visiting their offices and attend company events and organized mingle for small and medium sized firms. I will depend very much on word of mouth and referrals which means that I have to attend many of these events around the area and make great impression for my company to be successful.

### Sustainable competitive advantage

My competitive advantage as for many photographers is mainly based on my own imagery and way of taking photos. The character of my photography revolves around freezing moments of time, showing the “real” side of the objects. One could say that my photos have a documentary feel with a touch of artistic class. In addition an advantage for me is the pricing plan which I will keep as simple as possible, many photographers and photo providers nowadays have very complex pricing systems taking into account many different uses of the photos. With my pricing plan I will offer professional taken photos based on a royalty free pricing model.



## **Business Model**

There will be two streams of revenue which are associated with the type of service I will offer my customer segments.

### **Corporate photography revenue stream**

This is the foundation of the business, offering high quality and high value photos that tailor to our customers commercial needs. The revenue model for corporate photography consist of a hourly fee, which includes rigging and setting up gear, and a variable fee that depends whether on the types and size of photos needed well as the time period they want to be able to use the photos.

### **Event photography revenue stream**

This revenue stream is very interesting and has great potential, while not being the core of the company it will still provide great additional revenues. The revenue model for corporate event photography can be divided into two parts:

Firstly a plan system where the customers pay a monthly fee that depends on the number of events, hours needed per shoot or a one-time event price that is constructed mainly through an hourly fee.

Secondly, as with the commercial photography revenue stream, high quality pictures are sold separately on a royalty free model without our logo for use in commercial applications.

### **Resources and competences**

To be able to serve my customers as Jonasto Photography grows I will hire young aspiring photographers on a self-employed basis. To make them able to write me invoices I will help them set up the registration of their companies as this is somewhat difficult as due to the rules of Skatteverket, by having Jonasto Photography as already waiting customer their registration process will be simplified. This along with the opportunity to develop their photography skills will give them considerable intrinsic motivation.

To sum up the business model of Jonasto Photography is based on producing high quality photos for small and medium sized companies, photos that will tell a real story and show the real company, moving away from general micro stock photos that have no connection with my clients' actual businesses through an easy understandable pricing model.

## Organization

### Jonas Olsson

Jonas is an experienced photographer and graphical designer that have earlier done work for LundaEkonomerna and Miloo.se, amongst others. He also has management experience from managing different projects and committees in LundaEkonomerna, the business student union at Lund University. In the startup of the business the operations of the business will be handled by Jonas alone, but as the business grows there will be a need for additional photographers, both for commercial and event photography, as well as additional sales and administrative competence.

### Advisors

#### Ludwig Mendez

Ludwig is an experienced entrepreneur and photographer that formerly have been working on Eveshot.se which was an event photography company that was niched to party mingles photography and social marketing, but started working towards company events. He has also three years of experience from the managerial positions in the telecom industry and is now working at Venture Lab. Ludwig has provided me with advice and help in the fields of photography and working with photography businesses.

#### Johannes Crona

Johannes is a well experienced business analyst currently working as CEO at CoachHuset that specializes in professional training and business coaching. Johannes has provided useful insight and advice on how to motivate personnel and develop the business for growth.

### **Competencies needed**

In addition to the competencies I have myself, through my advisor board and network there will be a need for a flexible multi-skilled sales and administrative person as the business starts to grow. As the actual photography is my core capability there is a need for competencies in sales to be able to boost the company and gain the amount of customers that will make the firm grow to a sustainable and profitable level.

### **Core values of Jonasto Photography**

The core values of the business will guide the growth and serve as a benchmark as we grow. It is important to follow these and make them count as this the foundation in how Jonasto Photography differentiates from competitors.

### **Unique images that tell a story**

It is of the greatest importance to take photos that provide the right feeling, by offering photos that feel more real, unique and on the spot for what the clients want than those from micro stock sited and regular mobiles Jonasto Photography can overcome the hurdles that could hinder growth.

### **Always strive for great quality**

Be tuned in to the feedback the client gives so that the best photos can be delivered. It is also important to fix any mistake that has happened and taking responsibility if something went wrong so that Jonasto Photography is perceived professional and accountable.

### **Leave the customer more than satisfied**

Be prepared to go that extra mile that will make the photo great. Usually it will not cost a lot of extra time or income and it will result in a happy and more than satisfied client. This can go a long way for keeping the business on the radar for future projects as well as for referrals.



## Implementation

In order to achieve success and growing to a sustainable and profitable photography business I will need to improve the company portfolio and focus on marketing efforts during the startup phase. To achieve this I will in the very beginning offer my photography services for free and after collaborating with the first non-paying customers I will have a great portfolio that shows the capabilities of the business that will be crucial in

attracting new paying customers. After that comes the phases of attracting paying customers and growing the company not to only involve only me but also additional employees as there will be a need to hire additional competences in sales, administration as well as photography so we can offer a greater variety of imagery and photography style.

Period	Q2 2012			Q3 2012			Q4 2012			2013			
Month	4	5	6	7	8	9	10	11	12	1-3	4-6	7-9	10-12
<b>Phase 1 - Startup</b>													
Build company portfolio													
Create presentation material													
Create webpage													
<b>Phase 2 - Paying customer phase</b>													
DM to very small companies													
Purchasing additional equipment													
Register company and tax accounts													
<b>Phase 3 - Extended products phase</b>													
Hire hourly paid event photographers													
Educate part time photographers													
DM to small companies													
<b>Phase 4 - Business growth phase</b>													
Hire part time sales/administration person													
Hire part time commercial photographers													
Hire part time assistants													
In progress													
Remaining													

## Risk analysis

I have assessed the risk in the company by a modified SWOT analysis where threats are divided into internal and external risks. The analysis focuses mostly on the weaknesses and how I can overcome these to grow the business to a sustainable and profitable level.

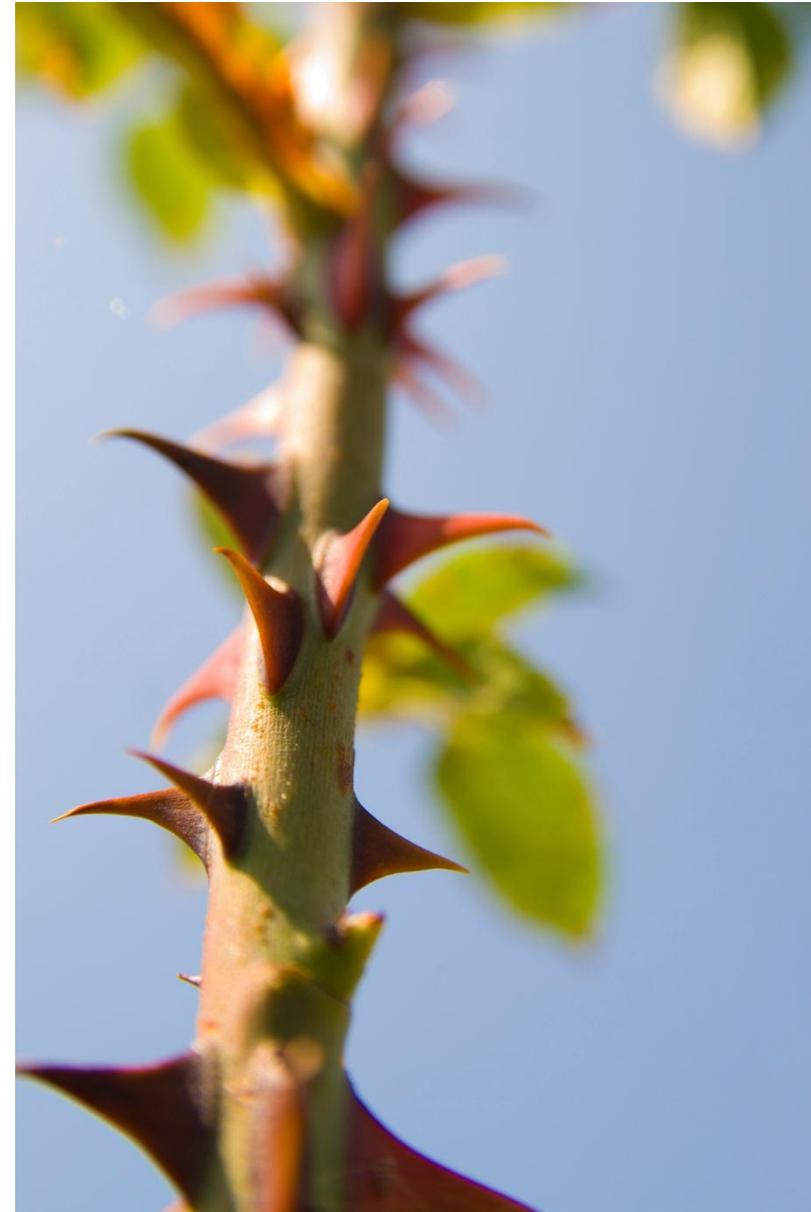
## Strengths

One of the main strengths with Jonasto Photography is the individual style Jonas has to his photography work. How he composes the photos and use imagery to create photos which reflects his personal style as well as telling the story of his customers businesses. An additional strength is that we as a company are very flexible and attuned to our customer's needs since. Furthermore our pricing model will be easy to understand which makes it easy for our customers to choose what kind of service they need and how much it will cost.

## Weaknesses

The main weakness to address is the liability of newness that comes from being a new company wanting to enter the market. As quality and the individual style of the photographer are very importance factors in this business the way to overcome this is to offer the first customers free photography services to be able to build up a portfolio of good quality photos that reflects the style and quality Jonasto Photography can deliver. Furthermore, another key factor is to create a good personal relations with potential customers and their peers as the photography business works a lot through referrals and from contacts within the industry, by putting extra effort on how I market myself at mingles and events I can increase the possibility of others recommending me and make the perceived risk of trying out my services lessened.

Another current weakness is the lack of an actual photo studio that fully enables me to control the environment in which the photos are taken. This becomes more importance as the business grows and I want to pursue medium sized companies that ask for better



quality photos than the startups and small firms I am going to focus on in the first and second phase of the business. There are some interesting potential studios in the area that can be interesting for renting if there is a need for studio photography in the future and as the business develops I will contact those to evaluate which suits the needs for my business the best.

As a starting up photographer I have the essential equipment needed, but depending on the needs of my customers the equipment I have might not be sufficient to produce the photos needed. To overcome this I will use my network of photographer friends and lend or rent additional equipment until I have positive cash flow to invest in more equipment. As a last resort there is always the possibility to rent this equipment from a professional rental service and even though this is relative expensive for a startup photographer it is a solution if there are no other options available.

As a result of the lack of data on the photography market in Sweden I might have overestimated the potential business opportunity for this kind of photography in the south Sweden area, even though I have gotten indications that there are many at least small companies that are asking for photography services. To lessen the risk I have relied on bootstrapping methods to gain the competencies and equipment needed until the business model has been proven successful, after that and when cash flow is generated I will invest more in equipment and additional photographers when the business grows beyond my competences and reach.

### Opportunities

By researching the market I have found that there seems to be less small photographers that focus on corporate photography, thus there is better opportunity in this segment than aiming at non-commercial photography such as weddings and family portraits. This is also in line with what Ludwig Mendez has told me about his experience with event photography and the demand for corporate event documentation.



## External risks

One of the risks with the commercial side of corporate photography is that potential customers do not like my style of photography and imagery. I have however mostly had good remarks on my prior work and in general I feel I am capable of adapting to my clients while still keeping the edge of my photography style. The way to manage this risk is to be very in tune and responsive to the feedback I get from my clients so I can quickly adapt and value my progress as a photographer and my work.

Another risk that has with the corporate event photo side of the business could be that event photos are less appreciated by attendants of the corporate events. According to Ludwig Mendez they experienced a difference in culture in that Swedes were less confident with figuring on event photos, especially if made publically available online on a webpage. To handle this it is important to ask the participants of the event if they are comfortable with posing on the event photos, to always show them a preview so they can approve or disapprove the picture directly and to make them feel confident that I am professional in the way I handle this. When photographing people it is very important to make the persons you are photographing feel relaxed and comfortable, and by doing this I will increase both picture quality as well as my customers satisfaction as well as giving a professional impression of my photography business, this is of course of utmost importance when educating additional photographers as the business grows.

## Internal risks

Looking at the internal risk one there is a risk that two types of photography services makes the business less focused, however, I firmly believe that combining both segments I can use and make benefit of the experience I get in both segments when it comes to the photographic quality. In addition I see the possibility to grow with my first small customers so as when they grow larger and may be interested in event photography services there is already an formed corporate relation that will help landing additional photography jobs.

Another internal risk as I see it to keep the quality high as the company grows and I need to hire additional photographers. To ensure high quality it is important to make new photographers feel like an important part of the company and educate them in the special photography style that ensure the high quality photos we strive for. There is also a small risk of hired photographers misbehave and thus will harm the image and brand of Jonasto Photography. To deal with this it is important to hire photographers that share the same value and vision of photography, as well as making them feel as an important part of the company while educating them in the values we strive for our customers to perceive.

## Profitability and financing

The launch of the business will be financed by me as a founder, both through providing my personal photography equipment in the company, not paying myself any wage until the business becomes profitable and putting in 30 000 SEK of my savings to fund the initial costs and to make possible to register a limited company. As the cash flow starts to increase I will eventually start to pay myself a minimum wage to be able to pay for my living expenses, all other profits will be reinvested in more equipment and measures to make the business grow, additional photographers will be hired but in a slow pace to make sure that there is time for adequate training not to jeopardize photographic and customers relations quality.

## Assumptions

For the financial estimates I have made some assumptions that are stated as assumptions in Appendix 1. For instance that I will make an initial investment of 30 000 SEK, that the medium order in general is half a day and that the customers will buy one 1mb photo, that I will occasionally rent a studio, and that travel costs and other costs account for derives from the revenue by 5% each. These assumptions are just estimates and thus the figures that derive from these should be considered as such as well.

## Startup capital

Start-up expenses include the legal fees associated with incorporating the business and getting the first customers. The startup will be financed through my personal savings and by putting my camera gear into the company as well as not taking out any wage during the first months.

## Profitability

### Scenario analysis

I have made a simple scenario analysis where I assume a 50% better case in the best case scenario and a 50% worse case in the worst case scenario. The projected scenario which also is showed in the cash flow projection shows a positive result from of 103.5 T SEK by the end of the first year. During the second year the profits is estimated to 117.4 T SEK while sales will increase largely. But due to increased investments and costs the profitability will decrease. In the best case scenario the profit is estimate to 155,2 T SEK year 1 and 176,1 T SEK year 2, the increase in profit is not that great in comparison to the projected scenario, but this is due to the assumption that I will also increase my investments in new equipment and additional photographers if sales are increasing. This shows how sensitive my business may be for changes in revenue as well as how the profitability decreases when I hire part time help to be able to grow the business.

### Cash flow statement analysis

Looking at the projected cash flow statement it clearly shows my ambition to always strive for a positive cash flow even during the startup phase. There will of course be a period of negative cash flow, but by adjusting costs and investments after sales I will be able to sustain a positive cash flow during most of the startup phase.

## Appendix 1 – Assumptions and key estimates

- There will be a need for an initial investment of 50 000 SEK to form a limited liability company. This is fully funded by myself by 30 000 SEK in cash and 20 000 SEK in photography equipment.
- I have assumed that the average order would consist half a day of work and that the customers will buy 1 photo of 1MB. This is a somewhat cautious estimate.
- I have estimated a very rapid growth during the first year, which will decline during the second year.
- In the beginning of year to I will hire a sales and administrative person part time.
- Travel cost and other costs are estimated to be 5% of the revenue each.

## Appendix 2 – Profit & Loss Statement With Scenario Analysis

Profit & Loss in T SEK						
	Projected case		Best case		Worst case	
	2012	2013	2012	2013	2012	2013
<b>Revenue</b>						
Sales	264	880	396	1320	132,0	440,0
<b>Costs</b>						
Depreciation of equipment	16,5	50,7	24,8	76,1	8,3	25,4
Webpage	0,3	20	0,5	30,0	0,2	10,0
Management	32	192	48,0	288,0	16,0	96,0
Administration	0	120	0,0	180,0	0,0	60,0
Photographers	26	180	39,0	270,0	13,0	90,0
Marketing costs	9	0	13,5	0,0	4,5	0,0
Office equipment	1	0	1,5	0,0	0,5	0,0
Studio rent	3	70	4,5	105,0	1,5	35,0
Travel costs	13,2	44	19,8	66,0	6,6	22,0
Other costs	15,2	44	22,8	66,0	7,6	22,0
<b>Total costs</b>	<b>116,2</b>	<b>720,7</b>	<b>174,3</b>	<b>1081,1</b>	<b>58,1</b>	<b>360,4</b>
<b>Operating results</b>						
Taxes (26.3%)	44,3	41,9	66,5	62,8	22,2	20,9
<b>Net income</b>	<b>103,5</b>	<b>117,4</b>	<b>155,2</b>	<b>176,1</b>	<b>51,7</b>	<b>58,7</b>
<b>Return on sales</b>	56%	18%	56%	18%	56%	18%

## Appendix 3 – Cash Flow Statement

Cash flow projections in T SEK															
Period	2012	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	2013	Q1	Q2	Q3	Q4
<b>Inflow from externals</b>															
Initial investment	30	30													
<b>Income from sales</b>															
Orders recieved	66				4	8	10	12	14	18	220	40	50	60	70
Invoicing / sales	264				16	32	40	48	56	72	880	160	200	240	280
<b>Inflow</b>	<b>222</b>	<b>30</b>			<b>0</b>	<b>16</b>	<b>32</b>	<b>40</b>	<b>48</b>	<b>56</b>	<b>851</b>	<b>178</b>	<b>185</b>	<b>224</b>	<b>264</b>
<b>Costs</b>															
Photography equipment	50						10	20	10	10	120	40	10	30	40
Webpage	0,3	0,3									20	20			
Management	32								16	16	192	48	48	48	48
Administration	0										120	30	30	30	30
Photographers	26							8	8	10	180		60	60	60
Marketing costs	9		1		2			2	2	2	0				
Office equipment	1				1						0				
Studio rent	3								3		70	10	10	20	30
Travel costs	13,2				0,8	1,6	2	2,4	2,8	3,6	44	8	10	12	14
Other costs	15,2	2			0,8	1,6	2	2,4	2,8	3,6	44	8	10	12	14
<b>Total costs</b>	<b>148,7</b>	<b>2,3</b>			<b>4,6</b>	<b>3,2</b>	<b>14</b>	<b>34,8</b>	<b>44,6</b>	<b>45,2</b>	<b>790</b>	<b>164</b>	<b>178</b>	<b>212</b>	<b>236</b>
<b>Cash flows (EOP)</b>		<b>27,7</b>			<b>-4,6</b>	<b>12,8</b>	<b>18</b>	<b>5,2</b>	<b>3,4</b>	<b>10,8</b>		<b>13,6</b>	<b>6,8</b>	<b>12,4</b>	<b>28</b>
<b>Liquidity</b>		<b>27,7</b>	<b>27,7</b>	<b>27,7</b>	<b>23,1</b>	<b>35,9</b>	<b>53,9</b>	<b>59,1</b>	<b>62,5</b>	<b>73,3</b>		<b>86,9</b>	<b>93,7</b>	<b>106</b>	<b>134</b>

## Sources

### Books

Schindehutte, M. *Rethinking Marketing: The Entrepreneurial Imperative*, Pearson Education International. Upper Saddle River, (2009)

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