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The better the question. The better the answer.
The better the world works.



A few things about me...



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AS
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carpo

LET'S
FERRY

GLEEK



Business Plan

Written by



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Senior Manager





The Business Plan

Components of eCommerce Business Plan

Summary	<i>Overall, P&L in this table gives us the following conclusions for the first 3 years based on the calculations of each of the sheets individually.</i>
CoGS	<i>Cost of Goods Sold is also known as “cost of sales” or its acronym “COGS.” COGS refers to the cost of goods that are either manufactured or purchased and then sold.</i>
Visits, Orders & Revenues	<i>Presents the total visits per year and per visitor channel, which are linked to the marketing investment. Also, based on the average conversion rate in each channel separately (provided of course that the website is easy-to-use, offers good prices, full range of products, good product presentation, etc.), orders are calculated.</i>
Staff	<i>Presents the Team structure and costs, including eCommerce & Digital Team, Customer Support, Picking&Packing, Developers, Analysts, etc.</i>
Marketing	<i>It provides the Marketing budget per channel, strategy and country. Marketing budget can also be broken down per month.</i>
Partners	All costs from agencies, and professionals that are not included in the payroll costs are included in the Partners sheet. A key outlet are the fees for maintaining and continuously improving the eCommerce platform and ERP. Other costs include, Marketing Agencies (SEO, Performance Marketing, Creative etc), External Customer Support Team, Payment providers, Accountants, Lawyers, costs for eBusiness Consultants and so on.
Shipping	In this sheet, Shipping costs and earnings from deliveries are calculated. Each analysis takes into consideration the company's <ul style="list-style-type: none"> i. Cost of delivery per region, services provided by courier, packaging volumetric weight/weight ii. Earnings from customer charges for order below threshold, orders paid with Cash on Delivery, Premium Delivery Services etc.
Rent	Rental expenses can be calculated based on actual cost per sqm meters, or as a percentage of revenue generated. It is best to correlate office rental to number of office employees.
Travels	Cost depicts yearly travel expenses for a specific number of employees, for business development/need.
Bills	Utility costs such as Electricity, Water, Fixed line phones are included in the “Bills” sheet, among others. Costs are estimated based on staff and square meters of each warehouse/store.
Depreciation	In this category we record all the costs of the investment which can be amortized. The main costs here are warehouse/office equipment and the eCommerce platform development. All the investments have been calculated with a fixed depreciation of 5 years.

Identify Indicative eBusiness Risks

Business Risks

Commercial Risks

Technology Risks

Risks related to P&L

Identify Indicative eBusiness Risks

Business Risks

Commercial Risks

Technology Risks

Risks related to P&L

- ▶ **Failure** of the organization **to adapt** to the new era of online presence.
- ▶ **Delay in recruiting** the right people for core
- ▶ **Delays in the implementation** of marketing plan / campaign plan
- ▶ **Failure to train & persuade** B2C/B2B customers
- ▶ **Failure to penetrate** international markets.
- ▶ **Inability to promote premiumness/uniqueness** of products/services and experience.
- ▶ Company's **employees refuse to accept online operations**. Risk associated with resistance to change and adopt new way of working.

eBusiness Risks

Business Risks

Commercial Risks

Technology Risks

Risks related to P&L

- ▶ **Launch of competition with lower prices.** Risk associated with aggressive competition strategies, that might increase “barrier to entry” especially abroad.
- ▶ **Products are perceived as costly,** and customers do not recognize company’s expertise, high quality and taste of products.
- ▶ **Product returns and order cancellations.** Increased returns do to damaged goods/packaging, or from fake orders.
- ▶ **Products stock out.** Vendors are unable to fulfill demand.
- ▶ **Inability to fulfill orders and scale up** capacity of operations. Risk associated with lack of personnel, lack of logistics/operations processes and/or poor performance of employees.
- ▶ **Products damaged** during shipment. Inability to ship products intact, due to high temperature/moisture, or packaging mistreatment.

eBusiness Risks

Business Risks

Commercial Risks

Technology Risks

Risks related to P&L

- ▶ **Unable to develop eCommerce platform and API connections** within the timeplan. Following a specific timeplan and launching the eshops on time, is crucial for the P&L, since staff costs, rental and other expenses occur on a monthly basis.
- ▶ **Platform underperforms** in terms of stability & speed.
- ▶ **Vendors is unable to support** platform.

eBusiness Risks

Business Risks

Commercial Risks

Technology Risks

Risks related to P&L

- ▶ **Lower Average Basket.** eCommerce users have different behavior from the offline visitors, since they usually buy higher value baskets.
- ▶ **Increased Operational costs.** Risk is associated with fulfillment partners price list future increase, or payment providers increase of commissions.
- ▶ **Wrong estimations in performance indicators** (eg CR, CTR, CPC) of digital channels. Although estimations of Click-Through-Rate, Conversion Rate and Cost Per Click, are based on rather pessimistic industry standards, there is a risk of different actual performance metrics.

eCommerce Business Plan

Let's co-create an ecommerce company?

- We are a Greek Company selling Consumer products with an Avg. Gross Margin at 27%.
- Our Avg. Order Value is 70€ including VAT.
- We have a small customer database of 10K subscribers
- ...

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