

# Plan Your Own Enterprise Competition 2023

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## National Winner – Division One

### JUDGES' COMMENTS

#### *Plan – SpecTrack*

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#### Overview of the Competition

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

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

The following comments on the winning plan for 2023 for *SpecTrack* are provided to assist students with their future business planning endeavours.

#### The name and logo

The business name *SpecTrack* with the tag line "Never Lose Sight", is catchy and clearly signals the purpose of the business and is easy to remember. A sample of the logo was provided to illustrate how the name would appear to customers and employees.

We suggest students complete a company search on ASIC website [Business names | ASIC](#) to check availability. For online businesses students should also complete a general internet search for use of the name.

#### Prime function

The prime function of the business is to "help individuals to keep track of their eyewear".

The business connects to those who wear glasses.

#### Mission, vision and objectives statements

Although not a competition criterion, this information extends the explanation provided in the mission statement, reinforcing the target market is individuals who wear glasses.

### **Business location**

It is predominately an online based business. The plan describes the advantages of an online business structure for this type of business.

After gaining brand recognition, the plan is to partner with a leading Optometrists chain and glasses retailers, to sell the product as an accessory to their products.

The plan does not mention the location of the administration, and with no budget costs for premises it is assumed it would be home based for the initial stages.

### **Legal structure of the business**

The planned structure is a Proprietary Limited structure (Pty Ltd).

### **Legal requirements and licensing**

The plan lists the scope of registrations, licences and compliance requirements.

For an online business it is vital to protect the name, trademark and intellectual property to make the business more valuable.

Cybersecurity and protection of users' information need to be a consideration when planning an online business.

### **Staffing requirements**

The planned resources to start the business are a combination of the owner, with contractors to develop the software and hardware of the product. Manufacturing will be outsourced.

The plan would have benefited from a description of purpose and output of the planned positions.

We encourage entrants to consider the risk and benefits of outsourcing manufacturing and distribution and how they would manage the outsourcing to reduce the risks to an acceptable level.

### **Marketing plan**

The plan addressed the key elements of a marketing plan –

- Marketing Objectives
- Market Research – survey included in appendices
- Target Market and Segmentation
- Competitor analysis – included in appendices
- SWOT
- Marketing Mix (4 P's) –
  - Product – a more detailed description of the product is provided.
  - Pricing – based on detailed analysis from a combination of customer, competitor and CoGs perspectives – included in appendices.
  - Promotion – plan has a strong focus on social media including SOE marketing and Word of Mouth (WOM) marketing.
  - Place – initial access to market will be by direct shipping, and then add indirect shipping to the mix as the brand and product gain brand recognition.

## **Financial plan**

The plan meets the competition criteria –

- Start-up costs – included in appendices
- Sources of Finance
- Sales Forecast
- Monthly cash budget for the first year
- Predicted bank balance at the end of each month

The start-up costs are well defined.

The Cash Flow shows an injection of \$45,000 in capital in the first month to fund the start-up costs, marketing and early months of deficits.

Although not part of the criterion, a break-even has been calculated to be 2017 units pa (first month to break-even is 11<sup>th</sup> month). The judges suggest discretionary information would be presented as an appendix.

A Cash Flow statement was provided in the appendices. All criteria elements should be in the body of the plan.

## **Future prospects**

After establishing itself the plan identifies the opportunities for growth through use of third-party distributors, and diversification with new products.

## **Overall**

The judges acknowledge the work and effort the student put into this plan. It is a well-rounded plan and it demonstrates the student has a good understanding of small business planning.

In general, the judges would like to reinforce the need to keep your plan concise and within the word limits and to ensure that all critical content is included within the body of the plan.