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Business plan of a media start-up
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Business Model

The world has gotten digitized over the last decade, as humans are getting more and more into media that is on their screens, whether it is on their phone or computers and even televisions that are smart and connect to the internet. The need for content has hence increased tremendously, where everyone with a mobile phone has a camera that can take pictures or video. The quality and the method of footage can be questioned, however, when the media organizations are looking for footage, they would use whatever they get if there is nothing better for them to use.

The idea that SIS came into inception is when as journalism students we realised that there is a gap in the market, where the need for footage is important when creating a video documentary or any sort of video; even news. The idea was to have a large database of video footage that can be used by media organizations, independent news makers, advertising companies and anyone who will require video footage. Considering that the project is made up of individuals who are strategically placed in the Caucasus countries and have easy access to go there, and have a network they can rely on, this project became more concrete. Hence, SIS media library or database, filled with video footage would become an easier way for them to get the footage they wanted instead of them needing to create the footage themselves, buying or requesting the exact footage from SIS Media.

Brief presentation of the project

Media companies globally create news, printed, on TV or online based. The approach can differ in many instances depending on several factors; era, organization management styles and even approach. For instance, www.praguemonitor.com is a combined news portal that employs all the methods used on online media, from linking to other news sites to making the news themselves. This requires either a large team of people who can get the correct footage or they would buy the footage from other media companies like Reuters and Associated Press. When these media create news, they need to also **create B-rolls** and also content fillers that are connected to the news being created. For instance, graphics and publishers have several options of getting ready made content from **royalty free sites** over the internet to get images that they can use readily, however to get quality images that are also exclusive require a paid membership or payment for the service, usually all these services come with a very hefty price tag, that can be detrimental in the long run for media organizations with a limited budget. Our idea is similar to this, however it will be about **video footage**, and at an affordable price, without loss of quality. All this because of several factors that are a combined strength of the 3 partners who conceptualized the idea.

Niche Market Industry

Niche Market : Though Adobe Stock and Stock Photos can have content, the content they offer is very generic and can be used by anyone, content created by GoldFund will be Caucasus specific initially, covering all South Caucasus countries.

Competition in the industry: The industry we are talking about is open to competition. This allows us to mature over time and acquire more material base. From the moment we join the process, we also join the healthy competition. Over time, the quality and availability of the product we will offer will be the main goal to have a say in this industry.

Potential of new entrants into the industry: The advantage of new entrants to this industry is to take advantage of the experience of their successors. When new mistakes and successes are made based on the practices of their predecessors, it is important for new entrants to better understand the industry. This shows how much potential there is.

Power of suppliers: As it is known, this media industry is considered specific, because only experts are interested in this field. Therefore, it will not be too difficult to attract suppliers or show interest in new entrants.

Power of customers: This industry, which will be founded, will first address the geographical area in which it was created. Given the differences in media freedom in the South Caucasus, it is certainly not difficult to predict how high the demand will be. Customers will prefer to choose an easier, faster and more cost-effective way to obtain the necessary materials. Another opportunity offered to customers is to see them not only as customers, but also as employees.

The threat of substitute products: The above points in fact provide a complete answer to this part. This industry is like a kind of "jewelry business". Reproduction of this industry is not possible, only the theft of rights is possible, which is also regulated by copyright law.

Product Service

The product being offered is straight forward, and the customer knows what they want and what they are getting, whether a product is ready or whether they want it customized. The product service hence is unique as it is all paperless and also does not need interactions, perfect for the time when humans are quarantined for elongated periods of time.

Unique Features

The uniqueness of the product is that initially it will be footage that is at the height of quality and specifically from the Caucasus region; a market that has not been tapped. The footage can be used in telling a story or used as B-roll in stories that have been created before.

Threat of Substitutes

Substitutes that can be in the market that are already there and can have a price point advantage for a newcomer into the marketplace. Yes, we can say we have something special in the South Caucasus region and we do not have competition, but our substitute product has to be an indirect competition. Obviously, we are not the first Media company who is going to do

business of video footage in the world, however we are innovative in our region. We are among those who bring both substitute products and innovation.

Threat of New Entrants

Will there be another media footage making ideas like ours? - no because having 3 people from different countries in the Caucasus means that we have an advantage.

Since this force refers to the number of competitors and their ability to criticize and hinder us, here we have to stop and think carefully. It is well known that as many competitors we have (with the huge product and quality they offer) our efforts to show that SIS's power is more.

We think that competition is good on the other hand, however, not for the start-up company as we are (with less financial opportunities). Meanwhile we believe that in this marketplace all the competitors' companies do not have to be in the same success level. We are not afraid to "welcome" new entrance after our entrance. Nevertheless we think uniqueness, a strong and creative team is the key. We have the key!

Rivalry amongst Existing Firms

Since ADOBE and others are mostly online and dont have easy access to the region, SIS media has the advantage over the region, as there is no such entity that covers the region except major media companies that get or create footage as needed, rather than having it in archive.

Bargaining Power of Suppliers

We don't have suppliers in the long run - because we only need a camera to get footage ... we aren't expecting anything from anyone as we are on the top of the pyramid, meaning that people are dependent on our product and not the other way around.

Bargaining Power of Buyers

This is a weakness because if Adobe or other media footage companies realise that there is a new person in the market whose footage is being used, then they can reduce their prices, and this can be difficult for us, however we can mitigate this because we can create footage whenever we are there personally, as we travel to the countries always. This will be the advantage, and the other advantage is that we have friends who can assist in sending us the footage and this can be cheap for us as getting it from networks means that we are using a

friend connection - a type of fundraising but more like friend raising. In this case we also save time which is one of the most important aspects.

SWOT analysis

Strengths

Open to all : Companies and Individuals can use the service. There are no restrictions in who can procure the service, The advantage of this will also be a different pricing system for different tiers, from students who will use the footage for assignments to media rooms that will use it commercially; they will be given access to the material accordingly having signed terms of references, memorandum of operations, and nondisclosure statements or simply a consent form that has all the necessary details, underlining all terms and conditions.

Independent Content : The content will be initially created by the founders, this is important as it will reduce the amount of funding capital to create the initial content. Using experiential knowledge gained in the field and knowledge of what is required in the market, the initial team will work on the footage that will populate the website so that it can at least go online in the soft opening phase. There is a gap, as students this gap was noticed when assignments were due and the material needed to be made fresh as finding B-roll for the stories was either too expensive or not available.

Price Point : Since it will be a startup - initial prices will be low, this is a marketing strategy that will allow for more traffic to the website where the footage is, This will also make the users see and share feedback about the footage and also maybe lead us towards what is needed by them, making it easy for us to then collect the footage that is needed and save it on the server systems of the website. The content will be created over the next 1 year as the project is building and sustaining, the content archive will grow slowly and steadily.

Niche Market : Though Adobe Stock and Stock Photos can have content, the content they offer is very generic and can be used by anyone, content created by SIS media will be Caucasus specific initially, covering all South Caucasus countries. This is where the advantage really is, this is where the users of these footage will notice the benefit of having SIS footage, as it will be specific for the countries in question and also the angles will be vast as the experience to get the footage and use it has been attained by the team in their education about video and imaging.

Weakness

Funding: Initial investment will be done by Founders, including family and friend funding. Over the next 1 year as the project grows, crowdfunding can be engaged and we expect that business will have started, such that there is some income generation. This will eventually become the only method of sustainability for SIS Media.

Technical equipment : Though there could be a lack of vast options of technical equipment initially, the founders have their own equipment that they can use, and also there are places that they can rent these equipment from at a very reduced price or sometimes free. Friends have also offered to either lend their equipment or even shoot for the project. This is currently a weakness however, there are factors that are helping mitigate this weakness, and this includes the large network that SIS team can rely upon.

Time and footage: time is a factor that cannot be bought however it can be invested in. In order to get a large amount of footage for the archive, several people will be assisting to shoot footage from different vantage points and their own perspectives using 1080i 60fps to 100fps video depending on the equipment that can be found, for upto 30 minutes every day, but not limiting to. The amount of footage hours that would be collected over time can be extensive considering the probation phase of 1 year.

Market and advertising: This is a weakness that can only be covered by specific exposure. Facebook is a free platform that can be used to peddle the videos and also advertise the product. Initially using small funds to do so. Using social media marketing skills also attained in the last year, the team is able to make full advantage of a platform like Facebook and then upgrade to LinkedIn, Twitter and even YouTube and Vimeo. and a network of people working in media organizations or even independent journalists and filmmakers can become pivotal for the project. As well as Twitter, LinkedIn, Flipboard and Instagram.

Opportunities

Human resources with technical advantage: The founders are all students of audiovisual from GIPA and have learned the appropriate skills to get the footage required. Its not about the human resources anymore, it is all about resourceful humans¹, the trick is to get the correct people in the team who can work independently, creatively and with little supervision as we have learned during the Covid-19 Pandemic

¹ Quoted from Abdulhusein Tejani Managing Director of People Matter LLC Dubai UAE

Without boundaries: Having come from different countries, the boundaries for footage gathering is not a concern. This is a greater advantage as the footage is across the borders and amalgamated to a single source.

GIPA + Network: With the network of journalists, this is an opportunity that can be tapped into and used

Crowdfunding: Friends and family are supportive of the project and even if they were to fund little dollars, the amount required to start off this project is not astronomical

Threats

Competition: Stock footage websites online can be a threat, however, their prices are high, and this is the only thing initially that we can bank on, the other thing is the originality of the footage and also from the area covered there is usually nothing that is readily available

Freelancer street photo/video reporters: there are lots of people who are there at the right time sometimes for instant photos, however these are impulse driven people who are not professionals and hence would not have filler footage or B-roll footage. Hence the project would need to make sure that the content produced is always amazing and usable for those who need it

Limits + restrictions: governmental restrictions can be a hindrance, however with the right method and permissions, all this will become easy to solve.

Unavoidable circumstance: there are times where footage cannot be gotten, if the area is far or protected, there is no way around this, but the opportunity will always be looked at and followed through.

Why partner with us?

A partnership with SIS will give a chance to magnify the line of time and quality available to our customers. We provide quality materials: both at their demand and at our offer depending on their interest. For the beginning we have limited facilities, however, we provide opportunities to our partners to choose how they cooperate with us within our capabilities. We provide the specific material to meet the needs of our customers. As well as, we are going to do social queries to understand our partner's interest and focus on the key sources and develop our opportunities in buyer-supplier relationships to assure reliable supplies. SIS aligns with our partners' objectives and expectations and we restate what we can deliver in a brief at the end of

our interface with the customer as well as we provide ability and willingness to work in emergencies.

Investors and Stakeholders

With organizations and other entities suffering massive losses due to the Pandemic, job losses and also reduced incomes have made all businesses think again about their strategies. Small and medium businesses could flourish or get destroyed during the next 18 months, entrepreneurship businesses are slowly cutting their losses and closing, or running on a skeleton crew. SIS is currently team driven, without an overhead burden, meaning that losses have been mitigated and whatever costs are there, can be looked at as bare minimum.

Family, Friends and Self as well as trusted acquaintances can be the initial founders for a startup, which is very little, approximately about \$3000 for equipment and a website with storage space.

Website

Domain one off price \$20

and Hosting \$8 per month for 500GB space.

Storage space in Google drive² upto 100TB at \$0.08 with networking and retrieval prices not beyond \$1000 per month, but this is when there is a need to have a cloud storage that is large, initially upto 1TB is good enough for SIS Media, and the prices of this does not exceed \$100 per month, this can be employed after we start making a sale of the first footage.

Budget

Preliminary Income Statements

Typical Day (cost per acquisition) : \$40 min ----- \$500 targeted

Revenue Projections

Sources - Preliminary : Self Capital, Crowdfunding, Family and Friends

Post : Product sales

Cost of Good Sold - Creation of the Product - Labour

² <https://cloud.google.com/storage/pricing>

Operational Costs

Drivers: Big buyers and small buyers, products as need be, between \$10 - \$1000 depending on what they need, and its conditions of use, depending on demand, the supply will be available and they will buy as per need - if the supply will be high, the demand will rise also.

Details	Amount	Percentage Profits	Total Revenue
Website	\$8/30	0	-0.30
Administrative	\$20	0	-20
Internet	\$33/30	0	-1.03
Remunerations	\$30	0	-30
Sales expected	\$100	75%	75
			51.33
Total Profit			23.67

Daily Projections Estimates

World media experience shows that as a number of world media giants develop, they create a number of their own sub-institutions. A number of sub-institutions create the basis for these media giants to be called giants. One of the most important and significant of these institutions is the archives and databases.

Conclusion

In the overall image of the company that will be led by a resourceful team, and the methodology of which the setup has been decided upon, it seems like the organization will be a good one and possibly break even in the first year and become profitable thereafter.

The video archive business may have been tapped into however, one specifically for the Caucasus region is inexistant, making this venture one that is niche and also one that is going to cover the gap that has been realised.

References

Placed as footnotes in the page.