

*Mykola Mazanyy*

## *Business Plan*



# *Vantage Øresund*

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## **Executive Summary**

Business idea is to publish Vantage Oresund magazine, an innovative and forward thinking magazine about entrepreneurship development in the Oresund Region. The magazine will hold valuable information about starting and running business in the Oresund Region. It will cover business news; innovation and research development trends. Target readers are entrepreneurs, researchers, innovators, authority's representatives, general public interested in the entrepreneurship process in the Oresund Region.

Vantage Oresund Media&Services HB is legal company registered in Sweden that publishes the magazine. The first publication will be published in June. Target circulation is 3000 copies for the first issue and it will be increasing by 2,000 every six months. The magazine will be published monthly both in Swedish and English. Magazine will be distributed for free and revenues are to be made from the advertisement.

The project is expected to be profitable from the year 1, delivering net profit of SEK 815,424 in year 3.



**BUSINESS IDEA: Vantage Oresund Magazine**

The core idea is to publish an innovative and forward thinking magazine about entrepreneurial development and business opportunities in the Oresund Region. Vantage Oresund magazine will hold a lot of valuable and practical information about starting and running a business in the Oresund Region. Target readers are entrepreneurs, innovators, researchers; local authorities that need to stay updated on the entrepreneurial trends development in the region as well as those who need practical advice on running business.

Vantage Oresund vision is to be a universal platform where successful companies as well as young start ups will be able to learn about new opportunities, other players on the market, innovation and trends in the region. It will serve as a platform for communication and cooperation for companies, research institutions and municipal and regional authorities. There are a number of science parks, incubators and research centers with strong focus on innovation and sustainability. The key for successful and efficient way to develop opportunities within the region is cooperating, networking, ideas and advice exchange between key players. New research ideas that are being developed in the Region's universities and research centers will also be the focus of the magazine. This will stimulate implementing research concepts into real projects when potential investors, entrepreneurs start cooperating with researchers.

Magazine will be bi-lingual in Swedish and English targeting entrepreneurs with international background as well. Magazine will be distributed for free and revenues are expected to be made with advertising. The magazine will be published in the A5 format, 46 pages, in color print, 3000 copies during first six months, increasing by 2000 copies every six months.

Information in the magazine will be delivered in the form of articles, interviews, case studies, research business opportunities and interviews with successful entrepreneurs. It will also cover topics that are important in running day to day operations including management, financing and marketing. Great focus will be on the food technology, life sciences, packaging, ICT, logistics, cleantech and tourism-the major clusters of the Region.



An internet website will be developed as add on service to the magazine that will be more interactive with updated real time news and information. It has been discovered with a case study that Internet may add a “closer-to-reallife” dimension to the magazine concept, supporting the core print product [14]. Another role of the website will be a general platform where subscribers and readers can interact with each other, list their contact info and services they offer, arrange meetings and events, discuss problems and opportunities on the website forum.

### **Oresund Region**

The Øresund or Öresund Region (Danish: Øresundsregionen; Swedish: Öresundsregionen) is a transnational region in northern Europe, centered on the cities of Copenhagen and Malmö. Magazine will focus on the Oresund Region opportunities and environment development since Oresund Region is one of the most innovative and dynamic Regions in Europe - the area generates a quarter of the combined GDP of Sweden and Denmark. The cross-border location is an advantage to companies who operate in the Oresund Region, because it creates both a large and well-qualified recruitment base, and many interesting business opportunities [11].

The Oresund Region is a hub for high-tech companies and research organizations. The sectors which are especially strong here are pharmaceuticals/biotechnology, IT/telecommunication, food, environment, logistics and design. In these areas, the Oresund Region is at the forefront in Europe, thanks to its strong focus on education and research. Bringing together the best of Sweden and Denmark in research and industry fuels innovation, and ensures that the Oresund Region more than holds its own competing in the global market [11].

### **Benefit and Value for Customers**

The benefit for regions’ entrepreneurs, researchers and general readers as customers lies in the acquiring knowledge and information awareness; identifying new opportunities; using a magazine as a base for cooperation and establishing new deals with other players.



According Swedish Agency for Growth Policy Analysis only 66% of the newly established firms in 2005 survived till 2008. The magazine is also aimed to solve the problem of inefficient running and management of start-up companies in the Oresund Region. Particularly, this will be done through practical and hands on publications on financing, marketing and organizational management.

The benefit for advertisers lies in the ability to deliver the message to their potential customers in the efficient way by using creative ways of advertising magazine will offer and also by taking advantage of our diversified distribution model about which we will elaborate later. From our market analysis we found out that particularly it will be interesting to advertise for companies that offer services and products to other companies since the target readers are owners or managers of start up companies.

In general Vantage Oresund project will stimulate and boost the entrepreneurial activity of the Oresund Region which indirectly benefits society and local authorities as well. Apart from publishing magazine, Vantage Oresund Media&Services HB will also organize meeting events for its readers in the form of panel discussion and networking events. Events will be dedicated to the actual topics related to entrepreneurship and innovative development in the Oresund Region.

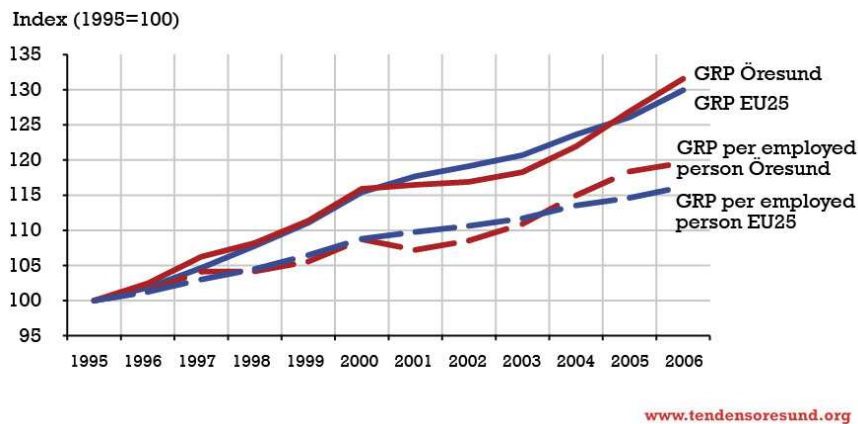
### **Growth Potential**

Demand for published goods tends to vary analogously with the overall economic activity. There are several key factors that drive the demand in the publishing industry. General economic activity is a crucial component as the industry tends to parallel the overall trends. Another key demand factor is average disposable personal income. The more discretionary income present the more consumers will buy reading materials such as books or magazines. Advertising expenditures are also very important to this industry and go in line with economic activity [15].

Overall economic activity for Oresund Region shows positive dynamics. During 1995-2006 economic growth in the Öresund region has only been better than the average for the EU25 area, 32 and 30 percent respectively (See Chart 1). Due to a



long delay in the regional economic statistics, information on GRP is unfortunately missing after 2006. [13].



**Chart 1. Growth in Gross Regional Product (GRP) and GRP per employed in Öresund compared to the EU25 1995-2006 (Constant prices, reference year 2000) Source: [www.trendoresund.org](http://www.trendoresund.org)**

Oresund Region has further intentions to grow and develop. Öresund Committee has formulated a development strategy for the Öresund Region- ÖRUS 2020 which objective is to create even more attractive environment and realize its full potential that will give a region a worldwide appeal.

With the vision of being a unique platform for opportunities development in the region, Vantage Oresund magazine will be developing in line with region's high promising dynamics as the demand for its value proposition will be met by newly arisen entrepreneurial actors. In its turn Vantage Oresund will be taking advantage of the general growth of the region being a mediator between the key players.

### **Revenue Model**

Revenue will be generated through the advertisement in the magazine. It will be distributed for free. Customers will also be able to subscribe and only pay delivery costs. Advertisers will pay 50% of the price in advance before the printing and this will allow to be self financed project from the beginning. External financing is not planned and the growth will be financed from internal cash flows. Detailed financial projections can be found in the financial plan.



## INDUSTRY ANALYSIS

In order to analyze publishing industry in Sweden Porter's Five Forces are used. Porter argued that knowledge of these underlying sources of competitive pressure highlights the critical strengths and weaknesses of a company, animates its positioning in its industry, clarifies the areas where strategic changes may yield payoff and highlights the areas where industry trends promise to hold the greatest significances as either opportunities or threats [4].

### **The threat of the entry of new competitors**

The magazine publishing industry exists in monopolistic competition and is characterized by low barriers to entry and a moderate level of direct competition. Also, magazine markets are mature with limited growth potential, and current trends with business process digitalization are leading towards a higher number of titles and a declining average circulation per title [1]. The capital requirements are relatively low and include design, content production marketing, editing and proofreading, paper, printing, packaging and distribution.

Publishing industry of Sweden shows above average competitiveness with above average share of the total advertising market. There are 58 magazine titles per million populations in Sweden and publishing corresponds to 0.08% of value-added to GDP and has 14.5% share of total advertising market [2].

Access to distribution might be limited in the retail due to high costs and preference to established brands. However, it is possible to distribute publications directly to subscribers by mail.

Magazine publishing involves substantial amount of sunk costs that are related to capital infusions into the brand equity. Thus, it increases exit costs.

Publishing is a high profit and high margin business. According to Yahoo Industry Summary, Net Profit Margin for periodicals publishing companies varies between 12-





51.6% with Return on Equity of 27%. This makes it attractive to enter this market and earn profits for other people.

Internet services and online publishing add pressure to the competition among existing competitors [3].

The above analytics allows making the conclusion that the threat of the entry of new competitors is high.

### **Power of suppliers**

There is also low power of suppliers to the publishing industry. The primary suppliers to all publishers are paper manufacturers, freelance journalists, printing houses, paper suppliers, and distributors. All the above mentioned actors do not have any particular power over magazine producers and can be easily substituted.

### **Power of buyers**

There is moderate power for buyers in the publishing industry. There are many competitors and readers have an opportunity to choose from a variety of publications. However, magazines have specific targeted audience. It is unlikely that buyer purchases a big number of magazines. Usually customers subscribe to certain publications and do not change its preferences often.

### **Substitutes**

The publishing industry has many substitute products as there are many alternatives to reading published materials. Online publications gained popularity with the development of internet. Many publications have introduced online versions of its publications to reach customers that prefer to read online. Threats from new technologies are moderately high in the magazine publishing industry [5].

Television and other leisure activities are also potential substitutes since they compete for publishing advertising revenues.

In overall, for the Vantage Oresund the publishing industry would be an attractive industry to enter. The project will meet the challenge of high competitive rivalry by being



highly specialized and targeted. Threat of online substitutes will be overtaken by establishing online interactive version of the magazine with real time news.

## **MARKET ANALYSIS**

Scandinavia, comprised of Denmark, Norway and Sweden, contributed \$17.7 billion in 2009 to the global media industry, representing a Compound Annual Growth Rate (CAGR) of 1.3% for the period spanning 2005-09. Sweden was the fastest growing country with a CAGR of 1.8% over the 2005-09 period. Sweden is the leading country among the Scandinavian countries, with market revenues of \$7.4 billion in 2009 [7].

The market for news and magazine in Sweden increased at a compound annual growth rate of 1.5% between 2003 and 2008. The magazines category led the news and magazine market in Sweden, accounting for a share of 61.8% [9]

The Swedish media market is characterized by many newspapers and high market coverage. During the last years magazines have proved to be more successful, and in the last two years more than 150 new titles have been launched annually, while numbers of newspapers reduced and the profitability decrease. For decades the domestic media market has been dominated by Bonniers, a privately owned company dominating most of the media sectors in Sweden; newspapers, TV, magazines, books and films. Books and magazines are the main profitable areas, with film/TV in the third place [10].

### **Retailer network**

In total there are about 10.000 press retailers in Sweden. About 60% of the domestic press is sold through supermarkets. The main chains are ICA, COOP and Axfood. Petrol stations cover about 15% of the market, with the biggest chains being Statoil, Preem and OKQ8. Pressbyrån with its 300 kiosks have about 10% market share. For the international press market Pressbyran is leader with a share of 65% [10].

### **Distribution**

The largest distributor in Sweden, Tidsam, is owned by the major publishing houses and has been heavily criticized by the smaller publishers who feel unfairly treated. Tidsam



distributes approximately 300 titles (only domestic) and has at times introduced a total stop for new titles due to lack of shelf space in the retailer stores. Even when they accept new titles the demands for draw as well as start-up costs are very high, making it practically impossible for smaller publishers to get distributed. The competing distributor, Interpress, with a focus on specialized domestic magazines and international press is an option for smaller publishers. While Tidsam distributes to 9.500 retailers, Interpress distributes to 4.000. Interpress distributes international newspapers and magazines as well as domestic press. In total they distribute about 2.600 titles from 100 international and 170 domestic publishers [10].

### **Ratio single copy sales vs subscriptions**

Dominating publishers sell their magazines mainly via subscriptions. 43% of their turnover comes from subscriptions, 18% from newsstands and 40% from advertising. A smaller publisher like Plaza on the other hand has 13% of revenue from subscriptions, 48% from newsstands and 38% from advertising. For the market overall 37% of the revenue comes from subscriptions, 19% from newsstands and 36% from advertising, while 8% are covered by membership fees (from membership magazines) [10].

### **Market analysis for the Oresund Region**

We haven't found any current printed publications on entrepreneurship in the Oresund Region in English language. There are electronic newsletters on general and business news in the Oresund Region. They are produced in Swedish language. Among them are "Nytt från Oresund" [www.nfo.nu](http://www.nfo.nu), Øresunddirekts nyhedsbrev, Rapidus, Oresnbron Rapidus is an electronic publication that focuses on business news and developments in the region. During the market analysis no service was found that would provide information services in English in the Oresund Region.

For better understanding of the market demand for our product, a market analysis was conducted with the help of survey method. A questionnaire (see Appendix 1) was developed in order to analyze the potential demand for the magazine as well as the content, pricing and the distribution method. A questionnaire was sent to 130 companies,



including manufacturing and services, b2b and business to consumers companies, which have activity in the Oresund Region. Questions were directed to companies as to potential readers as well as to potential advertisers. A brief description of the magazine was sent along with questions. 56 companies responded which gave us a response rate of 43%. The analysis of provided responses tells us that 77% of respondents recognize the need of such a publication. 70% would like to read printed version of the magazine on entrepreneurship and business developments in the region. 74% would like to have a free subscription for the publication starting June 1<sup>st</sup>. 67% think it should have content in English or have separate English version of the publication. 87% would like to have online interactive version of the publication. 45% would attend events organized by the Vantage Oresund if it would relate to business activity of their companies. 31% would be interested to involve into the advertising in the magazine, of which 35% would prefer traditional advertising, 55% would prefer advertising in the form of the articles, interviews, research about their companies, 10% would be interested to be partners. Content wise, 42% would like to see business news, 25% would like to read about successful companies in the region, 33% would be interested to see research with future trends implications. 55% would like to see it as a monthly publication, others bi-monthly.

General industry and market analysis of Swedish publications market as well as local market analysis gives us reasons to conclude that there is an attractive market niche to enter and that there is potential need for such publication in the Oresund Region.

### **MARKET STRATEGY**

Our customers are readers and advertisers. Target readers are people who are involved in the entrepreneurship activities in the Oresund Region. Also people who are interested in the entrepreneurship and are planning to start their business soon. Researches in the entrepreneurship field or researches that might potentially need commercialization of their project are also our target audience. Particularly, readers that are involved in the food technology, life sciences, packaging, ICT, logistics, cleantech and tourism-the major clusters of the Region. The motivation behind this choice of readers comes from our content that will be interesting and useful for them in their day to day activities as well as strategic analysis, planning and business environment overview.



Another customer group for our product is advertisers. They are companies that work in business to business segment and offer business support functions such as financing and accounting, legal services, consulting, outsourcing, etc or offer products that other business might need for production. Since our target readers are owners or managers of the companies, they are potential target customers for advertisers that offer business to business services or products.

Vantage Oresund will differentiate its offer through strong customer focus, flexibility and active involvement of customer, both readers and advertisers, into shaping the product according to their needs. This will be done through customer co-creation. We will have interactive feedback and suggestions form on the website where customers can participate and also tell us what kind of content they would like to see in the next issues. Another thing that differentiates us is that it will be distributed for free during the first year and at a low cost further on, having high quality information. For advertisers, different distribution options will be available. Apart from traditional ones, they will be able to choose specific businesses to address for an extra fee of SEK 10 per copy. This service will be outsourced with Swedish Post. Magazine will be available for distribution in Sweden and Denmark, Oresund Region.

We will also have interactive website as add-on to the magazine where customers can also interact and communicate. Vantage Oresund will organize networking events and panel discussions on the topic of entrepreneurship for its readers. The whole idea behind this is to differentiate ourselves from just traditional magazine publication but create cooperation platform for enhancing development in the Region. Our sustainable competitive advantage is based on the differentiation strategy and based on values of customer focus, constant interaction with stakeholders and relevant quality content. The project will be sustainable with regard to environment and social as aspects well since it will contribute to the economic development of the Region.

Customers will directly benefit from our establishment on the market. For readers it means potential business opportunities recognition and improved cooperation. For advertisers, better reach of local potential customers. The product is protected by its



brand name Vantage Oresund. Vantage Oresund Media and Services HB holds rights for this brand.

### **BUSINESS MODEL**

The content will be produced by the in-house team and also outsourced during the first year of development. Content production involves article writing, conducting of interviews, research, case studies, photos and other materials necessary for content production. Only content that relates to core capabilities and interests of team members will be produced in-house. The topics we feel unfamiliar with will be outsourced to professionals. Starting from the second year, with the increase of financial power, we will hire in-house professionals for all content production.

Design will be outsourced during the first year and in-house designer will be hired starting from the second year.

Printing will be outsourced to the printing house. Delivery will be also outsourced. After the analysis of distribution costs we have decided to use services of Swedish Post during the first year. Later on when publication circulation increases, Interpress will be used for distribution outsourcing. Our market analysis showed that Interpress is the most suitable for small publishers, rather than Tidsam that is being criticized for the unfair treatment of smaller publishers. Magazine will be distributed around research centers, incubators, universities, local authorities and other spots where entrepreneurial activities are conducted. Free subscriptions will be available and subscribers will only pay for the delivery costs. For an extra fee, advertisers will be able to select specific addresses to deliver the magazine in order to target customers better.

Marketing and sales will be conducted in-house. General partner will be in charge of sales since they will know the value and benefit of the product best. Marketing of the magazine will include networking events, panel discussions, conferences, entrepreneurial competitions. Vantage Oresund will also co-sponsor entrepreneurial activities around the Region in order to familiarize target audience with its brand.

Service in the form of customer interaction and initiative will be conducted in-house as well. Web-site production will be done in-house.



The infrastructure of the firm including organizational structure, control systems, company culture will be conducted in-house. Since our company is small we will conduct human resource management and procurement in-house. Technology development will be outsourced.

According to Porter, it is in these value chain activities that the firm has the opportunity to create superior value [16]. By differentiating in-house production and outsourcing we aim to achieve a competitive advantage. Outsourcing when necessary will provide us with flexibility, reduced costs of certain activities when compared to in-house production, reduced lead time.

Our potential collaboration partners are printing houses, distribution companies, journalists and designers.

## **ORGANIZATION**

### **Management Team**

**Mykola Mazanyy**- has background in finance and hands on experience from the publishing industry. Mykola has been involved in the family owned publishing business of the “RAES-Panorama” magazine that focuses on the energy market in Western Ukraine. His function was to assist in the advertisement sourcing and printing outsourcing. Mykola has experience of being project manager of the university magazine “Economist”. He was also a freelance writer for this magazine covering the topic of student entrepreneurship and was responsible for fundraising through advertisement and partnership. Apart from studying entrepreneurship in the Lund University, Mykola is very well acquainted with the practical aspect of entrepreneurship being involved in the family publishing as well as trade business. Within Vantage Oresund magazine Mykola is responsible for general management and personally being involved in the advertisement sourcing, content production and printing.

To carry out planned in-house business operations extra staff of 2 people will be hired. One person will be responsible for content production. The other one will be responsible for the website management and advertisement sourcing. Some functions will be outsourced as described in the business model.



## **Values**

Vantage Oresund magazine's mission is to enhance entrepreneurial activity and economic cooperation in the Oresund Region. Its vision is to be a universal platform where successful companies as well as young start ups will be able to learn about new opportunities, other players on the market, innovation and trends in the region. In order to realize its mission and vision Vantage Oresund will implement and establish entrepreneurial spirit within the company itself.

## **Implementation**

The first issue of the Vantage Oresund magazine is expected to be published in June 2011. It will be monthly publication during the first year of development. Starting from the second year it will be published bi-monthly. The circulation for the first six months is expected to be 3,000 copies and will be increasing by 2,000 copies each next six months. By the end of the 3 year period circulation will be 15,000 copies per month.

Magazine's add-on website is expected to be developed by September 2011.

Staff of 2 people will be hired starting from June 2011. In the second year of production extra staff will be hired for in-house production as described in the business model.

## **FINANCIALS AND PROFITABILITY**

### **Pricing**

We have conducted an analysis of indirect competitors' advertisement pricing for printed publications in Sweden. We have used both, popular nation wide publications as well as smaller regional publications in order to come up with an average advertisement pricing. Most of the publications are in A4 format so we have adjusted the pricing to A5 format for better comparison by reducing the price proportionally to the size reduction. The average charge was SEK 19,500 for the full page A5 and SEK 30,000 for the back cover. When developing pricing it is also important to account for the circulation number and brand equity of the magazine since most of the magazines have circulation over 10,000 copies per month.





We have also used a questionnaire to potential advertisers described in the market analysis in order to estimate how much they are willing to pay for advertising in our magazine. 47% of respondents are willing to pay between SEK 12,000-14,000 for the A5 page, 20% are willing to pay between SEK 10,000-12,000, 33% are willing to pay SEK 8,000-10,000.

Another point to consider when coming up with pricing is that our magazine offers extra benefits compared to others including flexible and targeted distribution options, interactive website as an add-on service and extra networking events.

Having considered the above analysis, we have decided to charge SEK 10,000 for the A5 page and SEK 15,000 for the back cover. Pricing is below the average since our circulation will be only 3,000 copies per month in the initial stage. In the same time, this pricing is in range the price our potential advertisers are willing to pay.

Advertisements in the form of articles, case studies, special interviews will be charged with premium and it is a subject to specific case.

We plan to increase our pricing by 20% and 30% in the second and third year respectively when our circulation increases and brand equity is gained. The magazine will have 46 pages in total, 18 will be filled with advertisements during first year. Second year 52 and 22, third year 58 and 26 pages total and filled with advertising respectively.

### **Costs**

The main cost we are going to incur is printing. It costs SEK 35,000 to print 3,000 copies of A5 magazine with 46 pages.

We plan to spend 30,000 on marketing and networking events monthly first year, increasing it by 15% each year.

Salaries and outsourcing costs are estimated to be SEK 70,000 monthly and will increase by 15% and 25% during second and third year respectively when more operations develop.

Distribution costs regarding free subscriptions are going to be absorbed by customers since they will pay for delivery. Distribution costs regarding our own distribution are



estimated to be SEK 25,000 monthly during first year and increase by 15 and 20% during second and third year proportionally to circulation increase.

Website production will be done in-house.

Considering the nature of the business, we have decided not to rent an office space and work remotely exchanging information and materials using online information exchange platforms like DropBox. Renting an office will start from the third year of operations and is estimated to be SEK 20,000 monthly. Travel expenses are estimated to be low since our activity is focused in the Oresund Region. We also make a small provision for unexpected costs that we might incur. In the Appendix A you can see pro forma selling, general and administrative expenses, pro forma printing and distribution costs, pro forma revenue projections and pro forma income for the first three years of operations. Tax rate of 38% is used in the calculations.

### **Profitability**

Based on the pro forma income statement the profitability is positive for the first three years. The profit margins are 2,3%, 11,3% and 16,3% for the first three years. Graphs for the profit margin dynamics as well as revenue and cost structure can be found in the Appendix A.

## **RISK ANALYSIS**

### **Strengths**

- Innovative and creative magazine concept with an interactive web-site;
- Distribution for free and flexible distribution model that increases targeting for advertisers;
- Flexible and creative kinds of advertising that will suit specific needs of the advertisers;

### **Weaknesses**

- Dependency on the economic cycles;
- Hard to gain access to retail channels;

### **Opportunities**

- Extend brand into online platform and services;



- Making digital content available to resellers;
- Making content available through mobile devices;
- Using online channels to establish direct relationship with readers and buyers;

**Threats**

- Printed products are of less interest to younger people;
- Migration of advertising to the online;

In order to mitigate weaknesses we are going to diversify our advertisement portfolio including companies from different industries that are differently affected by the economic cycles. Hard access to retail channels will be mitigated by the focus on the free subscriptions. In order to mitigate potential threats add-on website will be developed that will attract interest of young people as well as become the platform for future online advertising.



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## Appendix A

### Financials and Profitability

#### Selling, General and Administrative Expenses (SGA) SEK

	Year 1	Year 2	Year 3
<b>Payroll</b>	840,000	966,000	1,207,500
<b>Office Rent</b>	0	0	240,000
<b>Travel Expenses</b>	120,000	144,000	180,000
<b>Advertising Expenses</b>	360,000	414,000	476,100
<b>Communication</b>	36,000	48,000	60,000
<b>Other Expenses</b>	60,000	84,000	108,000
<b>Total</b>	1,416,000	1,656,000	2,271,600

#### Revenues, SEK

Revenue assumptions	Year 1	Year 2	Year 3
<b>Number of ad pages</b>	18	22	26
<b>Price per page</b>	10,000	12,000	15,600
<b>Price for the back cover</b>	15,000	18,000	23,400
<b>Ad revenue</b>	222,000	324,000	496,800

#### Printing and Distribution

Costs, SEK	Year 1	Year 2	Year 3
<b>Printing</b>	420,000	648,000	960,000
<b>Distribution</b>	300,000	345,000	414,000
<b>Total</b>	720,000	993,000	1,374,000

#### Pro Forma Income Statement, SEK

	Year 1	Year 2	Year 3
<b>Gross Income</b>	222,000	324,000	496,800
Less SG&A	1,416,000	1,656,000	2,271,600
Less Printing and Distribution	720,000	993,000	1,374,000
<b>EBIT</b>	84,000	591,000	1,315,200
Less Interest Expense	0	0	0
Less Taxes	31,920	224,580	499,776
<b>Net Income</b>	52,080	366,420	815,424

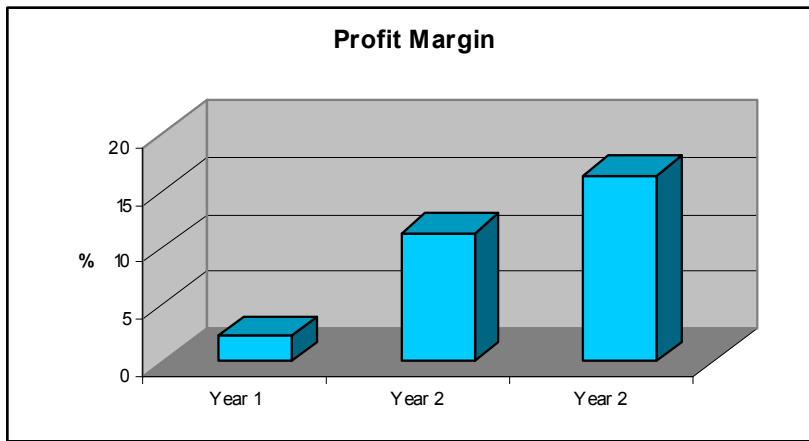


**Cash Flow Statement, SEK  
Inflows**

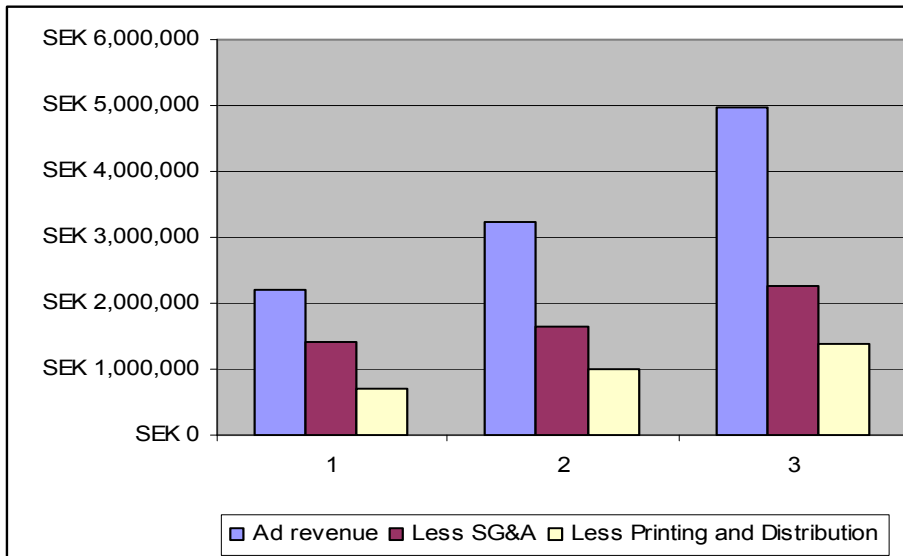
	Year 1	Year 2	Year 3
Ad Sales Revenues	2220000	3240000	4960800

**Outflows**

SG&A expenses	1,416,000	1,656,000	2,271,600
Printing and Distribution Expenses	720,000	993,000	1,374,000
Taxes	31920	224580	499776
<b>Net Cash</b>	<b>52,080</b>	<b>366,420</b>	<b>815,424</b>



**Revenue and Cost Structure**



## Appendix B Questionnaire

1. Would you be interested in reading and free subscription of this magazine?
2. Would you like to see printed or online version of the magazine? (choose one)  
-Printed -Online -Both
3. Would you like to subscribe for free for this publication starting June 1<sup>st</sup>?  
-Yes -No
4. In which language would you like to see this publication?  
-English -Swedish -Both
5. Would you find useful and interesting an online add on of the publication?  
-Yes -No
6. How often would you like to see the publication published?  
-Monthly -Bi-monthly
7. Would you attend meetings organized by the Vantage Oresund if it would correspond to the business activity of your company?  
-Yes -No
8. What kind of content would you be interested most of all?  
  
-business news; -case studies of successful companies in the region; -research with future trends implications; -interviews;
9. What type of advertising would you be interested in  
-Traditional (graphic, text ad) -Articles -Interviews -Research about company (case study) -Partnership
10. How much are you willing to pay for an ad in the magazine if you decide to advertise?  
  
-SEK 8,000-10,000 SEK 10,000-12,000 SEK 12,000-14,000

