

Business Plan

Park it



Contents

1. Preliminary details
 - 1.1 Contact Information
2. Executive summary
3. Current situation
 - 3.1 Reason to establish this kind of business
 - 3.2 Limited Company
 - 3.3 Mission, vision and values
 - 3.4 Vision
 - 3.5 Values
 - 3.6 Services
4. External environment
 - 4.1 Market analysis
 - 4.2 Targeting
 - 4.3 Segmentation
 - 4.4 Positioning
 - 4.5 Product
 - 4.6 Price
 - 4.7 Place
 - 4.8 Promotion
 - 4.8.1 Corporate Design
 - 4.8.2 Corporate Communication
 - 4.9 Competitor analysis
5. Strategy and operating plan
 - 5.1 Central Objective
 - 5.2 Business strategy
 - 5.3 Economic and financial arrangements
 - 5.4 Supporting institutions
 - 5.5 Federation of Finnish Enterprises
6. Sustainability²¹
7. Financial analysis
 - 7.2 Other costs
 - 7.3 Balance sheet
 - 7.4 Cashflow
 - 7.5 Financial Prediction
8. Risk analysis

Business Plan - Park it

8.1 Overview

8.2 Alternative scenarios

9. SWOT

10. Conclusion

11. Sources

1. Preliminary details

1.1 Contact Information

Park It limited company

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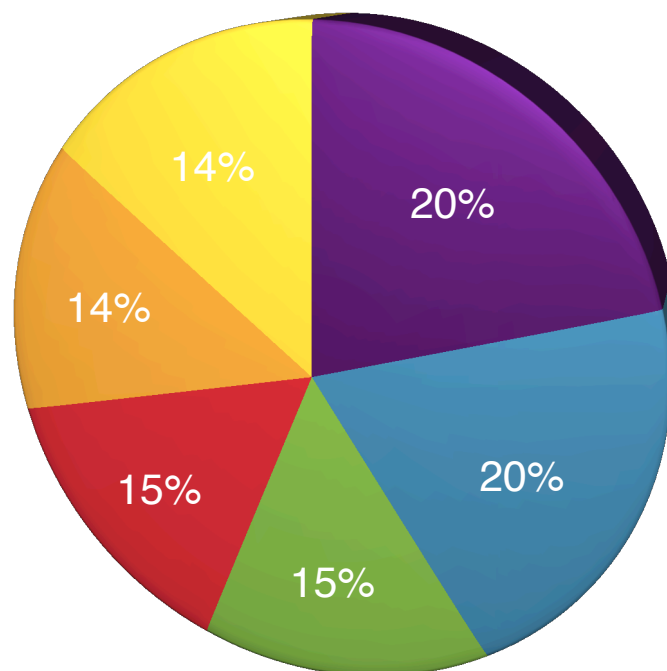
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1.2. Team Organisation

- Kairajarvi Joonas - CEO
- Zacharias Maike - Administration Manager
- Govaert Jens - Advertisement & Marketing Manager
- Mauser Georg - Financial Manager
- Onaciewicz Magdalena - PR Manager
- Siquiera Benedita - Sales Manager



2. Executive summary

As Helsinki faces a huge parking problem we have decided to develop a solution for this problem. The problem is situated by two factors, a shortage of parking places, and due to that, high parking prices. We found a solution for this problem in parking places which are private, and therefore not on the market. But actually they are available during office hours when the owners are gone. The solution consists of an internet service where we bring the owners of parking places, and the seekers of parking places together. Hence it follows we make private parking places available on the market. This is our unique selling point. We will focus on two sorts of public, first of all it is important to create a vast offer of parking places which we can propose to the parking seekers. This offer can be reached through three sorts of parking owners, first we have housing companies which own private parking places, second we will have to reach companies who have spare parking places, and as our biggest group we have inhabitants of Helsinki whos parking places are free during the day or night.

After we have created our offer, we can start to present them to the parking seekers who can rent these places via our website www.parkit.fi for the low price of € 5 per parking a day. One euro of those five euros go back to the owners as rent, with the rest we cover our costs and make profit. The potential renters of these parking places consist of people that work or study in the town, but live outside of it, commuters, companies, and shoppers.

We will have a good competitive position as others companies which own there own parking places offer there places at higher prices, and we can

strike a new segment of available parking places. In such a way we will be able to offer parking places all over the city which are owned by private persons.

As we are a motivated team of six creative entrepreneurs with a heart for innovation and offering solutions for social problems we consider the problem mentioned above as a great challenge to develop a sustainable business.

As a social engaged company we offer our clients a bigger quality of life, the parking place owners can earn an extra income in these times of financial crisis, and the parking place seekers can save money by using our cheaper services, as well as they do not waste time and energy by seeking parking places anymore. The parking situation of Helsinki will get better and a great amount of frustration will be avoided.

All the people we just offered a bigger life quality do live on the same planet, and if we want to keep it that way, we have to consider the environmental side of car driving as well. We do know that we can not prevent people from driving cars, so we think it is of big importance to transport ourselves in a considered enough comfortable way. In that way our contribution to planet earth consist of three points. To begin with, we prevent unnecessary pollution by carbon oxide because people can drive to there parking place in a straight way now, and do not have to drive around without any cause anymore. From the place they are parked in the city they will use public transport now, what will prevent a lot of traffic as well.

In addition to that we create a fund with our earnings to support research for less polluting and hybrid cars. This fund will be materialised in a 'Park it - Green Label' which will be passed on to our clients. In that way they can communicate with other partners that they are an environmental friendly family our business.

And last but not least we hope to promote the usage of environmentally friendly, or even hybrid cars by offering considerable reductions to the users of these cars. As we just mentioned before we want to develop a sustainable business, so there has to be created prosperity. Therefore three parties can be mentioned as well. Finland will get more income thanks to VAT and extra jobs. Parking owners earn an extra income, and we as a company will be profitable from the first year on.

In the first fiscal year we are in a good financial situation because we can cover all our costs and we are able to make some profit as well. Because of the company's form we do not have to pay rent because we do not have permits and other fixed costs like electricity and water. The biggest cost for us will be the reward we are paying back to customers who had rented their parking place. Our cost of goods sold is 1 € / parking and it is 20 % from turnover.

Other costs will be spent for marketing, launching a company and making a reserve for accidents. We will pay salary for our shareholders and that will be about 30 % of the turnover.

The first year we are making profit 3,78 % of our turnover and we are able to create some cashflow.

3. Current situation

The actual business area is the downtown of Helsinki. Helsinki is the capital of Finland with about one million inhabitants. Helsinki is well-known for its public transportation and as an environmentally thinking city.

“Park it” is a company which is operating with parking business. We offer our services via the internet. Our services can be divided into two groups depending on the sort of clients we are doing business with.

On the one hand our first type of client is the one who is searching for a parking space. We offer those customers the opportunity to reserve a parking space for a short period of time (1 day), nearby their destination. On the other hand we have the parking space owners whom we offer the opportunity to rent their parking space to the first type of clients we mentioned above. With our business we connect both parties via the internet.

3.1 Reason to establish this kind of business

We are offering our services because of our personal experience with the traffic situation in Helsinki. Especially the parking problem in Helsinki is problematic. On the one hand there is a big shortage of parking space in the whole city which is only getting worse as you get closer nearby to the centre of the city. Due to this shortage parking places are very expensive. On the other hand there are a lot of free parking places owned by people who live in the city but go to work outside the city. These are the free parking places

which can make the difference to upgrade the parking and traffic situation in Helsinki.

Through the service of renting these available parking places we can offer our clients a better quality of life, and let them save, or even earn money in a simple and easy way. We will make a effective business of spaces that stay normally unused.

3.2 Limited Company

In Finland the Limited Company it is the most adequate form to these kind of business. To establish a LTD you need 2'500 Euro and it is suitable because of tax reasons. The tax rate is 26 percents of the net profit and compared to doing business as entrepreneur in individual company where you have to pay taxes according to the progressive taxcard. For our kind of business it is the best solution to choose an LTD. It is also advantage to have LTD because there are six shareholders in our company and we can divide the shares unequally so that we will not have the risk of argument and have no discussions because of equal shares.

In Finland the limit to earn money without paying taxes is 500 Euros. In case that a customer is earning more than 500 Euros, we will kindly ask them to give us their tax card. Over the amount of 500 Euros the income tax percentage is 30%.

3.3 Mission, vision and values

Our mission is to help people for their daily life by offering a cheaper, quicker and easier option to find a parking place in downtown of Helsinki, Finland. Also we want to find people who are willing to earn some extra income and

reduce expenses by renting their parking places during their working hours to third party via our service.

Our company is established to offer a solution to solve the parking problem in Helsinki. According the yearly report of the traffic in Helsinki it is obvious that there is a demand to this kind of a company.

In a sustainable point of view our mission is to reduce the carbon oxide pollution by offering people easier and quicker way to find their parking place. So by using our company people are able to find their parking place faster and they do not have to drive all around to find the place. We also will encourage people to utilize public transport by using our services. For example, if one finds a parking place in point A and one has a few kilometres to walk to his final destination, one is able to see which bus one can take to get there.

In addition to that we want to take a part to social responsibility by give a discount to the customers who has a green car like a hybrid car or a electric car. The discount will be 1 € / parking which is 25 % discount of the normal price.

Our mission in a social responsibility point of view is also to improve the quality of life of our both segments.

3.4 Vision

Our vision is to be the leading company in our business area and we want to be known as a reliable and easy company to use.

The short time vision is to improve our position in Helsinki business area. We are also looking forward for a plan to expand to the other cities in Finland.

Our long time vision is to be the leader in our market where we act and to be known as sustainable and reliable company which is established to make parking more easily (repeating). We also want to solve problems, caused by parking, in to cities to offer different kind of option. We are also heading to be known as company who has taken part in social responsibility.

3.5 Values

Our values are the base of our operations. In every case we have to look at our values, which are:

Passion for innovation

Passion for innovation is based on a desire that we have to live our dreams. In the future you can only be succesful if you are innovative.

Customer-orientation

Customer orientation helps to simplify the life of the customers. With customer orientation we want to listen customers and use their feedback

to improve our service and make people feel special by using our company.

Profitability

We are looking for reasonable profit every year and we are going to check our budgets to keep the business profitable

Sustainability

We look our actions in a sustainable point of view to keep the planet and people satisfied through our operations. We also will keep our business profitable with accurate calculations of profitability

Simplicity and availability

We want to keep our service easy to use. We want to be available 24/7 and together with modern technologies like the internet we can achieve these values.

3.6 Services

The company has two kinds of services. In case A we have the customers who are willing to park their car via our service. In case B we have the customers who are willing to rent their proper parking spaces.

How can we do this? In case A the customer clicks on our web site, creates its account and add all his information, logs in and looks for an available place. The client reserves the suitable place and pays for it. Then he prints the code of the "reserve" parking to be able to use the service. He puts the code behind the window.

In case B, the customer goes to our web site, creates an account, which describes the available space. Afterwards he can choose the time he is willing to rent it. The idea is that the client makes a weekly plan. This schedule highlights the hours in which the parking space is available. This profile shows also very detailed description of the place.

The customer will receive an e-mail when the place is rented to the third part and additionally gets all the necessary information concerning the particular customer. At the end of each month, the customer will receive an invoice that shows the payments and earnings.

4. External environment

4.1 Market analysis

For determining the potential of the market we used the database SUOMICD2006 where you can find information about certain areas by using the particular postal code. We observed the different areas to investigate how many cars and users as well as parking spaces are available.

Helsinki is divided to three different areas. Area one is in the centre of the city and area five kilometres around it. In area one there are 110 000 inhabitants and 55 000 parking places which are suitable to rent. Area two is the area between five kilometres and 10 kilometres from the centre of Helsinki and there are 305 000 inhabitants and 170 000 parking places which are attractive to rent. In area three there are 500 000 inhabitants and 200 000 available parking places to rent. Area three is between 10 km and 20 km away from Helsinki city centre.

45 000 inhabitants of Helsinki are working outside Helsinki and they are willing to rent their places to the people who are coming into the city. According to SuomiCD2006 database there are 159 783 people who are coming from the other cities to work in Helsinki.

There are 9 different cities where most of the people come from. Cities are Vihti, Lohja, Kirkkonummi, Kerava, Tuusula, Järvenpää, Nurmijärvi, Sipoo and Porvoo.

We can easily prove that there is a big demand for a business like this and according to the yearly report of Helsinki's traffic, the options to get a parking place in downtown are bad.

There are also various companies in the centre of the city who are willing to rent their parking places and there are also the customers who stay in Helsinki as their pleasure.

4.2 Targeting

Our aim is to reach as many people as possible. We divided a large target group into two different subgroups. First we want to attract people who offer their private parking place to third parties, especially in the city center. For them it is very rentable because they get a particular amount of money for offering the place. Furthermore it is an effective usage of the space which is not used during working hours, vacations or other activities where the owner does not have to use his place. The special added value for the customer is that he will earn the money for having no work.

The second target group are these persons who have a demand for a parking space. We expect a group which is between 18 and 50+ years old who own a car respectively have a driving license. They are flexible, familiar with the internet and like to have their life organized. Of course they are conscious about their environment and want to avoid traffic jams as well as driving around for searching a parking space.

4.3 Segmentation

We can separate the first target group into people who are able to offer the parking place into three different segments. The first segment are the companies which offers their own parking places. In addition to that we can offer those companies another access. They can publish their logo and slogan on our website and additionally on the profile of the parking space. The second segment includes people who go to work by train or by public transport and do not need their parking space. Most of the time they are at work between 8/9 am till 5/6 pm. During their absence their parking space can be used. Another segment are the companies of apartment buildings. The goal is to get big complexes with a lot of space around. The third group includes families and business men who own a parking place which belongs to their houses or flats. Due to their activities as for example going on holidays it is also possible for them to offer their parking place.

The second target group as well consists of different segments. The first segment is the group of active people like for example students and business people who are often in a hurry. With this service it is easier for them to structure their life. The second segment consists of people who live outside the city and have to commute between the place of abode and their working place. For them it is a great chance to avoid the stressful searching

for a parking place. The last segmentation can be made with the shoppers and people who like to go to the city having a coffee or go out for dinner. They can use our offer to come faster to a decision.

4.4 Positioning

For our customers like the business man our service appears as a facility, because he can plan his week in advance, without having the worry's about what time it will lose parking his car. For people who only come occasionally to the city is not only a facility but also a great help because they can stop their car in a place that is near to all the places they have to go, without worrying about when they arrived if there is a place to park or not.

4.5 Product

The product is our service which will be offered to a wide range of customers. We connect parking-place seekers and owners of a parking place to award parking places in an efficient way.

4.6 Price

We are aiming to be the the cheapest company in our business area. The highest costs will be the renting profit paid to the customers who are renting their parking place. To keep the price reasonable compared to the competitors, we have chosen to charge 5 euros of every parking place. The price will not depend on the time. There is no difference and the price is the same if you are parking five minutes or five hours.

Competitor	Price	Location	Opening hours	Added Value	+/-
P-Forum	€ 0,5 / 9 min.	Underground city center	6 - 22	- Location - Carwash - Security	+ Near shopping center + Shopping Center - Expensive
P-Kamppi	€ 5 / h.	Underground city center	6 - 21	- Location - Carwash - Security	+ Near services of Helsinki Center + Security - Expensive
Autoparkki	€ 1 - 4 / h.	Various cities in Finland	8 - 18	- Security	+ Customer Service + Various Cities - Opening times - Expensive
P-Ruoholahti	Free	15 min. from city center	6 - 22	- Free - Near Metro	+ Free + Near services - Always full
Oikotie.fi	€ 100 / month	Internet	24 h. / 7 d.	- One month agreement	+ Price + Month agreement - Month agreement - Distance from city center
Park it	€ 5 / parking	Internet	24 h. / 7 d.	- Internet - Availability - Possibility to earn extra income	+ Price + Internet + Extra income + Availability + Uniqueness + Demand - No security

4.7 Place

The business will be established in Finland/Helsinki. We determined an address where the headquarter is located. The address is as follows:

Park It limited company

Joonas Kairajärvi
Viherpiiperöisenkuja, 02660 HELSINKI
Tel.: +358 – (09) 2224512
info@parkit.fi
www.parkit.fi

From the headquarter we coordinate the business. We only need a little office.

4.8 Promotion

4.8.1 Corporate Design

The corporate identity carries out a simple and clear message which is represented by the layout. In these times of overwhelming advertising attacks, we stand out by our clean and simple message, 'less is more'.

As we are a company that basically communicates via the internet it is very important to always direct people to our website; www.parkit.fi.

We decided for the name "Park it" because it has an easy understanding and a high recognition value. It sounds good (cfr. Post it) and is easy to pronounce. The name is the main part of our logo as well. Our logo expresses the simple and clear way of communicating. The logo is similar to a parking sign. It is simple and clean. People will directly know that we are active in the parking business. We decided for the slogan:

'Park - the easy way'

4.8.2 Corporate Communication

Guerilla advertisement is an unconventional system of promotion. It relies on time energy and imagination. It has an effective and provocative way of catching the eye of the customer. Furthermore this form of advertisement will get as much (free) media attention as possible.

As a suitable advertisement we will spread flyers under the window wipers of cars that are parked in the city which affects private parking seekers as well as business parking owners. Moreover we will distribute personalized information brochures where the purpose of our company and the benefits of our clients are explained. We combine that with the dispersing of informational brochures in gas stations, garages and car dealerships.

Another kind of commercial is that we rent parking places for a few days, and let artists like for example "Banksy" do some creative play on the particular parking place that catches the eye of potential customers. Furthermore we want to apply promotion cars parked on good visual places respectively drive around in the city with advertising messages on them.

Possible messages that will be carried out to the public can be:

- I found my parking place the easy way, www.parkit.fi
- www.parkit.fi , the bright side of parking
- Can't find a spot? www.parkit.fi
- How much do you pay for you parking space? www.parkit.fi

In addition to that we will establish banners in the city with the particular messages on them. To touch the aural sense of the customer we will also work with radio spots on two different frequencies. It is announced in the

morning and evening when people are going to work by car. In this situation where parking is associated with cruel chaos the message for a possible solution is made. During the spot we mention the name of our website so that they will be curious about it.

Another opportunity is flash mobbing stunts with cars where our name is on. A flash mob is a large group of people (in our case driving cars) who assemble suddenly in a public place and perform an unusual action for a brief period of time and then quickly disperse. These actions will be filmed and can be used to make a promotion movie. The movies made from flash mobs live their own life on the internet, and sometimes make the news.

In addition we establish a fund where we support researching to hybrid and environmentally friendly cars. As a materialisation of this fund we give our clients the opportunity to use our "park it – green label" and show others that they care about the environment. This label is available as a sticker for cars, and can be implemented on the websites of cooperating businesses. In this way "Park it", and its clients get an environmental friendly image, and is more visible as a brand.

4.9 Competitor analysis

Our company fulfills the expectations of the customers. We have researched the market in Helsinki. Our direct competitors are already existing private companies, which offer parking places. Our competitive advantages are:

- Higher quality of services
- Huge amount of available parking places in the city and in front of supermarkets

Business Plan - Park it

- Cooperations with the public authorities and public transport
- Competitive prices
- Internet system, it is possible to reserve place and buy a ticket online
- 24 hours service
- Green Label

We also consider indirect competition. People can use public transport in Helsinki. They can use:

- Bus for about 300
- 10 tram -line
- 2 subway-line
- trains

We are sure that we are able to gain customers because our services is attractive to the inhabitants of Helsinki.

5. Strategy and operating plan

5.1 Central Objective

We will create a car parking system in Finland, Helsinki. In Helsinki a burdon of people are unsatiesfied with the car parking system. Therefore we developed a very effective system which helps our clients to find easily and cheaply a parking slot. Our service system is based on an internet platform. It is easy to use and helps everyone day per day.

5.2 Business strategy

Shareholders

Shareholders own the company or the corporation and appoint directors and will ratify the CEO's proposal.

Board of directors

Our board of directors is responsible for setting or at least approving the strategic direction, monitoring progress, ensuring that the company complies with legal and ethical requirements, and communicating with our shareholders.

Administrative support

The administrative support department is responsible for making payments, accounting, personal belongings and processing orders.

5.3 Economic and financial arrangements

In Finland, there are different institutions that are meant for provision of loan for a business firms. If the starting business is quite similar than already existing enterprises, the most common choice is to apply a bank loan. The local employment office associated with Ministry of Labour can also provide start-up money in the beginning stage of the operations. In extraordinary cases (which include somehow special and innovative business idea) the firm could apply financing from a couple of Finnish institutions offering for example loan arrangements, financial support, guarantees and for example R&D.

The main public funding organization is Tekes, and also Finnvera, Chamber of commerce, Sitra and FinPro offers financial support to Finnish companies. One of these stages is when a firm intends to internationalize its business. Different institutions have different measures and deals on how to give the financial support. Some of the institutions are not offering straight-line financing, but SME's can financially benefit from the services they are providing. Both Tekes and Finnvera offer services through their regional offices in Finland. It's important to be close to the local small and medium sized enterprises, to be able to support and employ all the regional parts of the country and to understand more detailed their potential.

Tekes

In Finland, many SME's have been supported by governmental agencies, such as Tekes, the Finnish Funding Agency for Technology and Innovation is the main government financing and expert organisation for research and technological development in Finland. Tekes is funding and promoting innovative and risk – intensive projects in many fields of business, but its operations includes also R&D projects with other companies, universities and other research institutes. Tekes grants funding also for R&D projects for SMEs. It encourages internationalization by trying to get companies to network abroad. Eurostar -program is a funding program for supporting internationalizing of SMEs, by giving them funding to R&D.

Tekes offers to SMEs funding for R&D of products, services, processes and concepts supporting business and brands. The forms of funding to SMEs are for example incentives which are granted to R&D purposes or loans. When granting loans there will have to be for example some product or service

created from the process. There is also available De minimis –funding, which can be at maximum 50 000 €.

Finnvera

Finnvera is Finland's official Export Credit Agency, a specialized financing company offering financing services to promote the domestic operations of Finnish businesses, and to further exports and internationalization of enterprises. Finnvera advises and can grant funding for development and growth, internationalization and exporting. Finnvera has also additional benefits for women entrepreneurs, because they are trying to encourage more females to start businesses. The main services are loan arrangements, guarantees and export credits, but also capital investments. Finnvera is owned by the state of Finland.

Sitra

Sitra, a Finnish Innovation Fund is an independent public fund which is under supervision of the Finnish Parliament. Sitra aims to promote Finland's economic prosperity by encouraging research, backing innovative projects, organizing training programs and providing venture capital. The funding operations are based on investments to enterprises and equity.

5.4 Supporting institutions

Different institutions have different laws and deals on how to give the financial support. Some of the institutions are not offering straight-line

financing, like FinPro and Chamber of commerce, but SME's can financially benefit from the services they are providing. Finnish commercial banks offer traditional loans for new companies. However, banks require a rate of return, so the bank loan is not an efficient way of raising money. New start-up companies can get bank loans if they have such kind of valid guarantee (i.e. real estate). On the other hand, the loans need to be paid back in a certain schedule, in the beginning of a company's cash flows are highly uncertain and unpredictable, therefore paying back can be difficult. TE Centres give low-cost consultancy for new companies they also provide training as well as financial aid.

5.5 Federation of Finnish Enterprises

The Federation of Finnish Enterprises has the largest membership among economic federations in Finland. Membership consists of more than 100 000 enterprises of all sizes, from all corners of the country and covering the entire business spectrum. Federation of Finnish Enterprises has an active role in ensuring that the political decision makers act toward improving the operating environment of small and medium-sized enterprises. They also provide information to the public to help influence opinions and raise public awareness on entrepreneurship in Finland. They influence and interact with Finnish decision makers of different levels as well as with decision makers at the European Union and with the government, ministries, parliament, and major interest organizations.

The main fields of interest for the Federation of Finnish Enterprises in the public sector:

- Taxation

- Labor policies
- Legal issues dealing with enterprises
- Functioning of the public sector
- Entrepreneurship training
- International lobbying mainly within the EU

Examples of services, which are vital to entrepreneurs, are free legal consultation on labor legislation, contract law, and corporate taxation.

6. Sustainability

The sustainable part of "Park it" can be sketched as an interaction of three categories. We are socially active in the category 'people', we are environmentally friendly in the category 'planet', and last but certainly not least we are sustainable in a economic way as we are a profitable business.

People

The main idea for the social part of our company is to improve the quality of the life of our customers. We are helping the city Helsinki to solve its parking problems, so the people who live in the city do not spend a high amount of time and money on finding a parking spot. We want to prevent people of having a annoying search for a overpriced parking place inspecially when having very low temperatures in Helsinki. So we help them to get a slot as near to their place they want to go as possible. In addition to that we promote to use the public transport once people arrive in the city until they leave it again. Concretely we improve our customers quality of life by:

- Helping parking owners to earn some extra money.

Business Plan - Park it

- Helping parking seekers to find parking in a cheaper and faster way.
- Helping Helsinki to solve their parking problem.
- Promoting public transport

Planet

As we live on planet earth we should be aware about how it will evolve and will effect the further life of our further generations. As we are appreciate the fact that we can not and must not force people to leave their car totally at home, we can give them the opportunity to use their cars in a more responsible way.

In that way we are stimulate people to drive environmentally friendly cars as we offer them a considerable reduction, also we make people use public transport once they are parked until they leave the city again.

The most significance point is that we are helping to increase the CO2 reduction as people do not have to drive around for hours to find a parking spot. Concretely we are environmentally friendly entrepreneurs because:

- We offer a considerable reduction for environmentally friendly cars.
- We help to reduce CO2, because people do not have to drive around without a
- cause anymore.
- We promote public transport.

Prosperity

As we have the ambition to be a sustainable company, 'profit' is a very important part of "Park it". Except for the fact that we ourselves as "Park it" are profitable, what will further explained in the financial part of this plan, we consider the importance to be profitable as well for other than just for ourselves. In that way we help parking owners to earn some extra income by our services. We promote the public transport, so their profit will grow as well. Moreover we help the government of Finland to create extra jobs, and earn VAT.

Concretely we are profitable as:

- We already make profit from year one
- We help parking owners to earn an extra income
- We stimulate public transport, and their profit
- We create jobs
- We pay Finland VAT

7. Financial analysis

Our mission is to keep our business profitable. We are using different kind of budgets to predict and plan our business.

According to the income statement we need 736 clients per day to reach our break even point. According our market research, we know that there are 179 400 suitable places for our business.

In case we have 608 customers at 22 days in every month:

Turnover is 802 560 Euros (726 * € 5)

No other operating incomes

Our COGS are the money we return to the customers who rent their places. COGS are 160512 and it is 20 % of the turnover so our reliability percentage is 80 %.

Depreciations are from the office furnitures and other equipments like computers. We will use 10 000 to buy those equipments and the depreciation percentage is 25 % so the depreciation will be 2 500 Euros.

Other operating cost are from marketing, internet design and server costs and together they are 453 165 Euros and it is 56,46 % from the turnover. We also have personal expenses. We pay 2 000 Euros every month to each shareholder.

Operating profit is 5,28 % of the turnover and it makes 42 383 Euros.

We need only 10 000 Euros from the bank and we are planning to pay them back during our first fiscal year in to parts. $(10\ 000 * 0,09 + 5\ 000 * 0,09) = 1\ 351$ euros.

Profit before taxes is 41 033 Euros and after taxes the net profit is 30 364 Euros.

According to the Finnish law the LTD has to pay taxes 26 % of its profit before taxes. So our company has to pay 10 668,60 Euros taxes to the state. In Finland you have to pay 22% value added tax of your sales.

7.1 Income Statement

Income Statement		
Net turnover	€ 802 560	
Other operating income	0 €	
Costs of goods sold	€ 160 512	20%
Depriciations	€ 2 500	
Personal expences	€ 144 000	
Other operating expences & reserve	€ 453 165	54,46%
Operating profit	€ 4 283	5,28%
Financial income	0 €	
Financial expences	€ 1 350	
Profit before taxes	€ 41 033	
Taxes	€ 10 668,6	
Net profit	€ 30 364,5	3,78%

Depreciation	
Office furniture & computers (25% from original price)	€ 10 000
	€ 2 500

7.2 Other Costs

Radiomarketing	€ 41 904
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Flyers	€ 16 000
Internetmarketing	€ 6 000
Guerillamarketing	€ 2 528, 95
Car event	€ 5 000
Internetsite design	€ 7 000
Office equipments	€ 10 000
'Green Label' promoting	€ 25 000
Green Label' stickers	€ 5 000
Initial costs	497 €
Salaries	€ 144 000
VAT	€ 175 735
Reserve	€ 150 000
Servercosts	€ 8 500
Total	€ 453 164,96

7.3 Balance Sheet

Assets	€ 291 972	Equity & Liabilities	€ 291 972
Non-Current assets	€ 170 512	Equity	€ 117 244
Intangible assets	0 €	Share capital	€ 20 000
Tangible assets	€ 160 512	Additional paid in capital	0 €
Investments	€ 10 000	Retained earnings	€ 66 880
Current assets	€ 121 460	Net profit	€ 30 364
Stock	0 €	Liabilities	€ 174 728
		Reserve	€ 150 000
(Trade) Receivable/ Accounts receivable	€ 2 530,37	Bank Loans	€ 1 000
Marketable securities	0 €	Trade creditors/ accounts payable	€ 1 352

Assets	€ 291 972	Equity & Liabilities	€ 291 972
Cash & cash equivalents	€ 118 930	Other creditors	0 €
		Accruals	€ 13 376

7.4 Cash Flow

Cash flows from operating activities		
Cash receipts from customers	€ 802 560	
Cash paid to suppliers and employees	€ 144 000	
Cash generated from operations	€ 946 560	
Interest paid	€ - 1 350	
Income taxes paid	€ 10 669	
Net cash flows from operating activities		€ 955 879

Cash flows from investing activities		
Proceeds from the sale of equipment	0 €	
Dividends received	0 €	
Net cash flows from investing activities		0 €

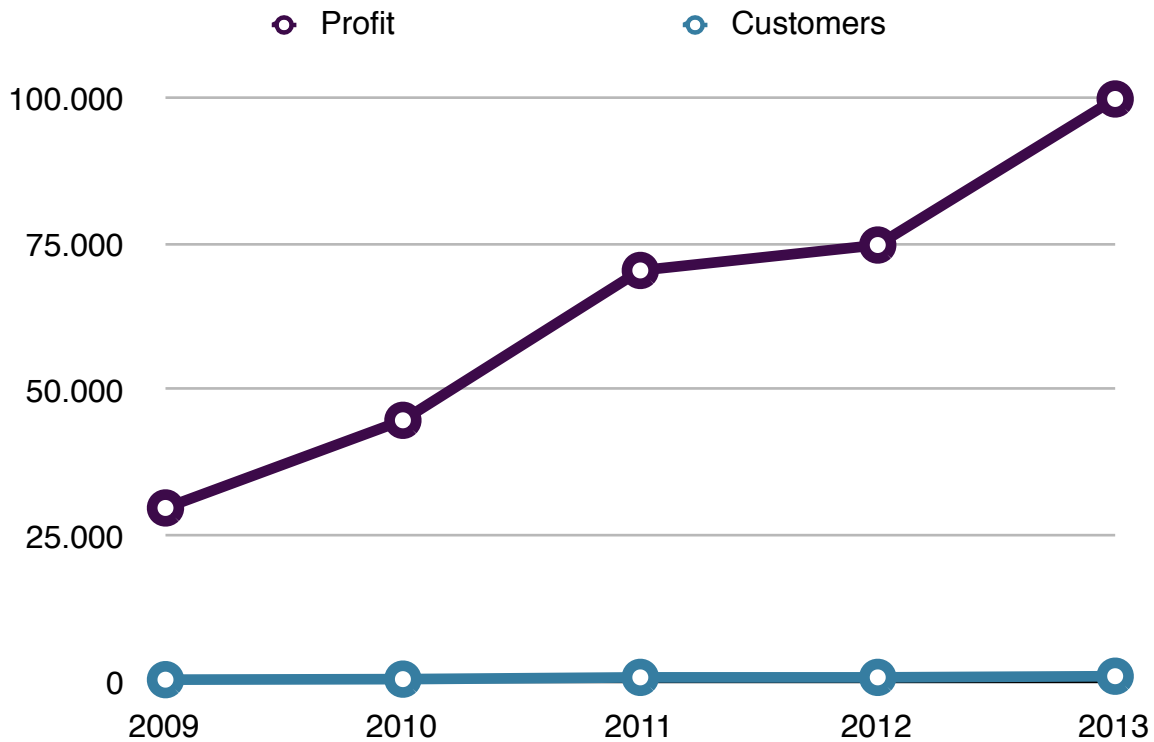
Cash flows from financing activities		
Dividends paid	0 €	
Net cash flows used in financing activities	0 €	

Cash flows from financing activities		
Net increase in cash and cash equivalents	0 €	
Cash and cash equivalents, beginning of year	0 €	
Cash and cash equivalents, end of year	0 €	

Year		€ 118 930
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According to our balance sheet we see that our company "Park It" is absolutely healthy. We do see that we have a very good liquidity and at end of the year the result is a very good profit. At the end of the year we will make some retained earnings and pay dividend to the shareholders. Furthermore the board of the directors will decide to launch a marketing instrument which supports the sustainability of the company. The amount needed therefore will be taken out from the net-profit.

7.5 Financial prediction



In the second year we are going to rise our customer level from 608 customers to 700 customers per year. With 700 customers and by raising marketing costs from 450 000 to 470 000 we can have 7,7 % higher turnover and profit than in the first fiscal year. In the second year our profit will be 45 000 Euros.

In the third year we are trying to reach 1 000 customers per day because there is a big potential and demand to this kind of business. With 1 000 customers we can increase our turnover by 57 %. In the third year our profit will be 70 650 Euros.

In the fourth year we are about to keep those 1 000 customers per day but we are going to increase our marketing by 10 % because we are going to expand in the other city.

The turnover will be the same 1 320 000 Euros and the profit will be 75 000 Euros.

In the fifth year we are going to increase our customer level from 1 000 daily customers to

1 200 customers. Our turnover will be 1 580 000 Euros and the profit will be 100 000 Euros because we are going to reduce our marketing in the second city.

8. Risk analysis

8.1 Overview

First of all, the weather is a problem in Finland, Helsinki. Located in the north of Scandinavia it is the matter of fact that during wintertime it snows a lot. Sometimes overnight it snows up to a meter. This means that people are unable to use their cars or the public transports.

Secondly, we think that it could happen that there are arguments between customers. For instance, that people are not punctual and therefore the next clients are not able to park their car.

Moreover we do believe that technical problems could happen too. For example there is a possibility that the Internet server crashes down. Then our customers would not be able to access to our system. Another reason could be that hackers attack our website and damage our page.

Overall the biggest problem is that competitors could relaunch another website with our strategy. We have no doubts that we will be the market

leader with offering our excellent services. In the nearest future we have to avoid being suddenly the second one on the market.

Right now the law in Finland allows us to establish "Park It". In the worst case it could happen that the authorities or the government will change the law to make it sure to be the only one who is offering parking services. Anyway, we do believe that this worst case will not happen because our company "Park It" will pay taxes and also will help the government or the city of Helsinki to improve the parking situation.

Due to researches made by our team we have the proof that without any exception all parking places are easy to access. But it could happen that suddenly people install gates or other security actions which prevent clients to access the parking place.

Finally, we know that the demand on parking places is unusually high. It could happen we are not able to offer as much parking places as our customers are requiring.

8.2 Alternative scenarios

If the market allows us we can expand our services to other cities or countries after a good market research. As a starting company we do think it is important to get the Helsinki market going well first. After at least one year we will have gathered enough experience, know how and funds to become active in other cities as well if that is a good opportunity for us at that time.

9. SWOT

Strengths	Weaknesses
<ul style="list-style-type: none">- Low prices for parking places.- Availability for parking places are secured to our service system.- We are very flexible due to on a internet based service system.- Usually bad weather conditions are an advantage for using the cars instead of public transport.	<ul style="list-style-type: none">- The current situation shows us a bigger demand on the parking places than we can offer.- Parking places are our competitors

Opportunities	Threats
<ul style="list-style-type: none">- We are the first to provider who is offering this services- Due to our services the clients will save money, this is good for our image.- Road tax stations raise.- Public transport is a advertisement instrument and therefore there is more sustainability	<ul style="list-style-type: none">- New internet companies could be raised easily within short time- Public transportation could be more sponsored by the government and therefore more attractive.- Abuse of our services by third parties.- Legal threats from the government.

10. Conclusion

We were faced with the problem that in Helsinki, Finland the situation for parking places is not arguable. To solve this problem, we created an internet

service which connects two parties. On the one hand there is the offer side on the other hand there is the demand side. Secondly, we paid special attention to sustainability. Consequently we decided for different opportunities as helping parking owners to earn some extra money and find parking places in a cheaper and faster way. Over all we help Helsinki to solve their parking problem by using the parking space more efficiently. Concerning the environment we advance people to get a sensible awareness for their surrounding. Moreover we support projects which develop environmentally friendly cars. We enable persons to simplify and upgrade their lives when using our system.

Our business strategy is to keep things easy. We are a down to earth company and establish a business without needing a lot of facilities. Our calculations showed us, that we are profitable from starting running business on.

11. Sources

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Otanta Oy:n tutkimus liikennetyytyväisyydestä Helsingissä
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