


Creating a mobile application: SportGo

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Spine

Abstract

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i. English

The mobile application industry is booming. Sports are trendy. People spend several hours a day on social network. Put these three together and you get SportGo.

Sport Go is a mobile application that aims to put into contact people that are willing to practice sports together.

The application provides its users with information of available courts in their surroundings, allows them to team up with other users and take reservations.

The revenues of the application come mainly from advertisement during the three first years. We also develop a datamining service that we expect to grow from the second year on.

The company is expected to generate a turnover of nearly 1.4M€ turnover in its third year and generate a profit of 175.000€.

ii. Portuguese

A indústria dos aplicações móveis está crescendo. Os esportes estão na moda. As pessoas passam várias horas por dia sobre os esítios de rede social.

Coloque estes três juntos e você ganha “SportGo”. “SportGo” é uma aplicação móvel para colocar em contato pessoas que estão dispostas a praticar esportes juntos.

O aplicativo fornece aos usuários informações sobre os instalações esportivas disponíveis nos arredores, permite que eles se juntem com outros usuários e façam as reservas.

As receitas da aplicação provêm principalmente da publicidade durante os três primeiros anos. Também desenvolvemos um serviço de datamining que esperamos crescer a partir do segundo ano.

Espera-se que a empresa gere um volume de negócios de cerca de 1,4 milhões de euros em seu terceiro ano e gere um lucro de 175.000 €.

1. Acknowledgements

I would like to thank my friends and family for their support. It is thanks to them that I could become who I am now.

For as long as I can remember I have had ideas that I wanted to put into action. At a young age, this could be simply organising an afternoon play with friends, as a teenager selling donuts to buy windsurfing gear. Through all these steps I have been able to find the support I needed in the people that were close to me. They have always pushed me to go forward with my dreams, especially my mother who always has done everything in her power to prepare the path I was going down for me.

I can only confirm that as an entrepreneur it is important to have this kind of support for when you go through a difficult time with your start-up.

2. Table of contents

Table des matières

- 1. Acknowledgements 3
- 2. Table of contents..... 4
- 3. Summary..... 5
- 4. Executive summary 7
- 5. Description of the promoting entity – if this was to be described to a financing entity 10
- 6. Literature review 11
 - From the Digital Marketing to the Mobile-Marketing 11
 - The M-Marketing the tool of the future 14
 - From the Mobile-Marketing to the Holy Grail..... 19
- The mobiles applications, a powerful lever for the companies 20
 - The mobile apps, an environment more complex that it sounds 20
 - The digital distribution platforms: the new virtual markets 24
 - Smartphone users, the demanding customers..... 25
- 7. Methodology 27
- 8. Market analysis..... 28
- 9. The Market Segmentation..... 28
- 10. World wide focus..... 28
- 11. Internal & external analysis..... 35
- 12. Competitive analysis..... 37
- 13. Objective of the plan 39
- 14. Development strategy 40
- 15. Definition of implementation policies with mapping of respective costs 41
- 16. Implementation requirements 44
- 17. Financial evaluation 46
- 18. Bibliography 54

3. Summary

According to public surveys, the major reason why people refrain from sports is because of the lack of motivation. The SportGo team took this point to turn it into an opportunity: SportGo is a mobile application; more than an app it's a new way for connecting sports people for in and outdoor sports activities.

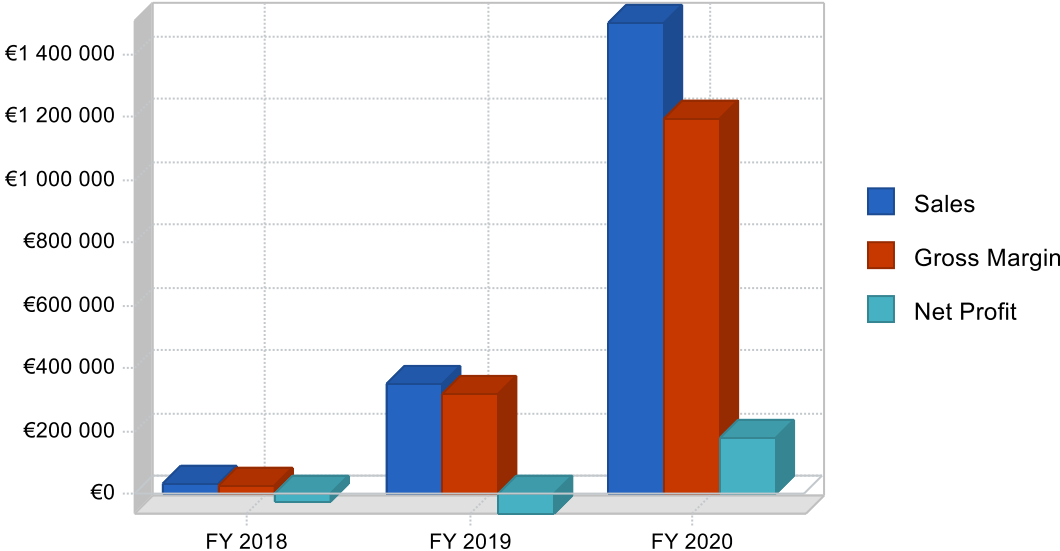
The application references all venues located near the user, shows availability, possible courses, allows online reservations, allows users to team up and plan their activity together; Also sharing costs. After the activity, the application can be used to share performance, scores, statistics or comments with the users' network.

Aiming at a wide range of the population we seek to promote social life through sports. Meeting people with common interests is made simple by the application allowing the users to chat through the interface building a new network and to keep connected with them after the activity. The statistics indicate that people who fall in the age group of 18 to 24 years of age use more mobile apps than any other group.

The market we enter is fast paced. Many multinationals such as Google, Facebook even Nike can be considered as competitors. The value of the market has not ceased to increase. The estimated global mobile app revenue was €35 billion in 2014, €45 billion in 2015, €58 billion in 2016, and a predicted €77 billion in 2017. When it comes to the growth in time spent on mobile apps, health and fitness grow with 51% - faster with 2 points compared to social media.

We project sales reaching nearly 350.000€ in year 2 and just over 1.4M in year three. After three years of operations our company will have a value of nearly 180.000€.

Highlights



4. Executive summary

SportGo reaches its public through a mobile application of the same name. The aim of the application is to connect people and help them to team up for sports.

The application has all sport venues (street, public & private clubs) referenced. For clubs with an existing online reservation system, the application can relay the reservation process through the application. Users can connect with their friends and network and continue to grow it. Sharing performance has been made easy on the user's personal page, discussions made possible with a chat function.

Users can find their best match by indicating the sports they practice, their level, their body weight, height, age and other personal data. This data mining can be sold to companies from the sport industry such as Nike or Adidas are interested in person specific information on sporting habits.

This mobile solution offers its users the possibility to team up for sports, and for sports clubs to advertise their premises and events.

SportGo has the ambition to become the market leader of sports social media with these following objectives:

Development of the application: 3 months

Global go Live on Google play & Apple store: January 2018

2018 turnover: 31.200 €

2018 active users: 300.000

2019 turnover: 350.000 €

2019 active users: 3M

2020 turnover: 1,4M €

2020 active users: 12M

The number of smartphone users has not stopped increasing and has surpassed the number of laptop users since 2014. The number of applications available has followed the same trend. The Apple App store accounts for 2 million applications when Google play has over 2.2 million applications.

From the infographics from Go-Globe we can see that the overall usage of mobile apps is on the rise. According to their statistics 52% of the time that people spend on digital media is spent on mobile applications. It's not a surprise to discover that the global application market predicts €77 billion of revenues generated in 2017 with a constant raise since 2014.

The same statistics show that the most frequent users fall in the 18 to 24 years age group followed very tightly by 25 to 34 years, 35 to 44 years, 45 to 54 years, and over 55 years respectively.

The same statistics show that women spend more time on apps than men and that the global time spent on applications has increased by 20% between 2014 and 2015.

1% represents the time that people spend on health fitness and lifestyle apps; 26% on social networking. Both these types of applications have a growth of 50% of time spend on them in 2014. We can see from this figure that the market for health applications is only starting its entry in the market but already figuring in the highest rates of user growth.

From the previous figures, we can see that the mobile application market is growing. Also, health applications are on a growth tendency. By this we can see that external factors are an opportunity for the development of SportGo. Now, we have no direct competitor offering the same kind of service. Some indirect competitors could be existing social media platforms such as Facebook or Google+. SportGo has some serious advantages compared to existing social media though as we position ourselves on this new developing market. As first entrant into this market we also have the advantage to reach the population before competitors try to copy us. With our global entry strategy will allow us to conquer the market.

As far as this business plan goes we are focussing on the development of a mobile application. Further developments can be focused on web based features for computer users. For example, Waze, the smart commuting application, is mainly used on smartphones but also is accessible via their website for scheduling a future trip or checking traffic in real time. Web developments would be easy to setup and cheap compared to the maintenance of the mobile application. This is planned for mid-2018.

Start-up costs covering until end 2017:

Legal	300
Stationary	2000
Insurance	0
Rent	0
Computer	3000
Total start-up expenses	5300 €

Legal costs are for the creation of the company. Stationary accounts for small equipment such as a white board, calculator, pens, paper, etc. We chose to kickstart the company from our homes for the first 3 years to avoid any additional costs. Therefore, we won't have to cover with insurance either. We will need three laptops to start with.

Start-up Assets covering until end 2017:

Cash	5000€
Other current assets	2000€
Application development (other current assets)	20700€
Total assets	27700€

The cash is for our first expenses such as internet connection and telephone plans. Our other current assets include chairs, desks, shelves, clocks, etc. The major asset we have is of course the application that we will develop.

Total Requirements 33000€

5. Description of the promoting entity – if this was to be described to a financing entity

Before pointing out Sport Go's innovations, let us consider what literature must say about innovation. Schumpeter implied in his innovation theories that there were five ways to introduce an innovation. It could arise from a new product, new ways of organizing business, new methods of production, new markets and new sources of supply (Schumpeter, 1942). More recently, authors adapted this theory and pointed out that an innovation could emerge from products, services, processes, management and marketing.

Let us consider SportGo. It's a social sports application that plans to connect people for sports. No such application operates successfully as of today. No such application has been able to make use of the right marketing and commercial development strategy. SportGo therefore is introducing a new product, with appropriate service & marketing.

6. Literature review

The purpose of a literature review in a business plan is to offer a comprehensive overview of the sectors in which the new project is going to develop. This will enable us to be more prepared to face the many challenges that arise from opening a new business.

The Mobile-Market, the trend which boosts the mobile apps.

From the Digital Marketing to the Mobile-Marketing

Since the ICT revolution, marketers have been “compelled” to take advantage of the digital markets as it was a market easy to reach: it was the Business Models of the companies themselves which gave the tools for the marketers. Indeed, it was Google which implemented the SEO or Facebook which decided to offer to the companies a privileged means to target the right persons. Now these tools are used by all the companies which bring an increase of the expenditure on the digital marketing. Business Insider forecasts that between 2015 and 2020 in the USA, there will be an increase of 11.0% of the total digital spending whereas there will be an increase of only 0.4% on the total traditional channels (Hoelzel 2015). This means that even if the both types of channels are coexisting, the companies are investing more and more money on Digital Marketing. However, inside the digital marketing a sub field is getting more and more important: the mobile-market. We can wonder why this field is being highlight today.

Since its creation, the mobile (as mobility) market experienced a real explosion: According to Business Insider, the volume of smartphones sold in the world overcame the volume of computers in 2012. Moreover the graph below highlights the fact that all the electronic devices linked to internet are going to experience growth, however this growth is not the same according to the devices: If from 2000 the computers were the most sold devices between the three (tablets and smartphones) , the Smartphones first and then the tablets had a fast growth in 2005 and 2009 respectively, to the extent that in the coming years there will be a generation of web surfers who will never use a computer (meaning they will work on their smartphones or tablets).

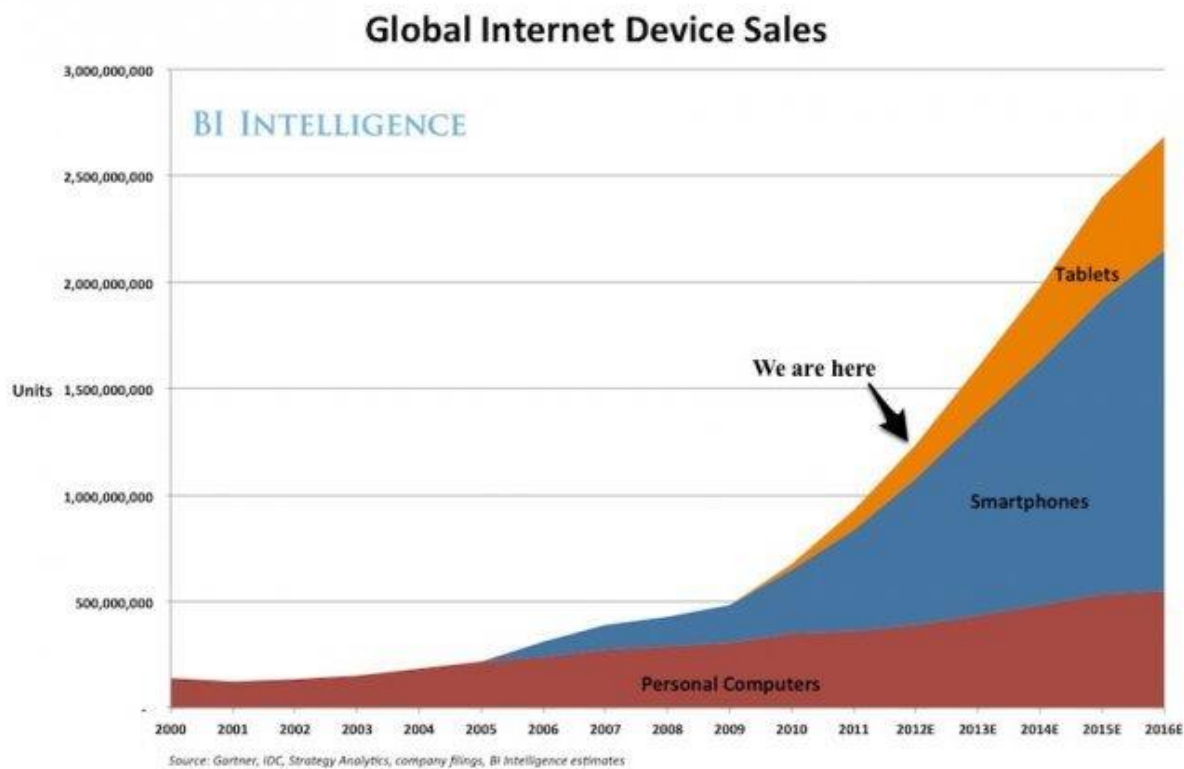


Figure 1: Global Internet Device Sales Graph done in 2012 (Cocotas, 2013)

IDC is even going further in his forecast, as it is pointing that in 2017, there will be a growth of 78.9% of the tablets from 2013 to 2017 (227.3 million units to 406.8 million of units) and a forecast a little bit less for the smartphones of 71.1% (1,013.2 units to 1,733.9). However, it also highlights the fact that the Desktop PC sales are going to decrease by -8.4% (from 134.4 units to 123.11) whereas the Portable PC are going to increase. On addition to that, people around the world are getting more easily internet access: when in 2010, one billion people had access to internet, today we are more than three billion (internetlivestats.com, 2015). Once again, these figures underline that people want to be always connected and “mobile” (idc.com, 2014).

The final thing is that even if more consumers have more smartphones, one question remains? How much time do they spend on it? Globally more users are spending daily, more time on the

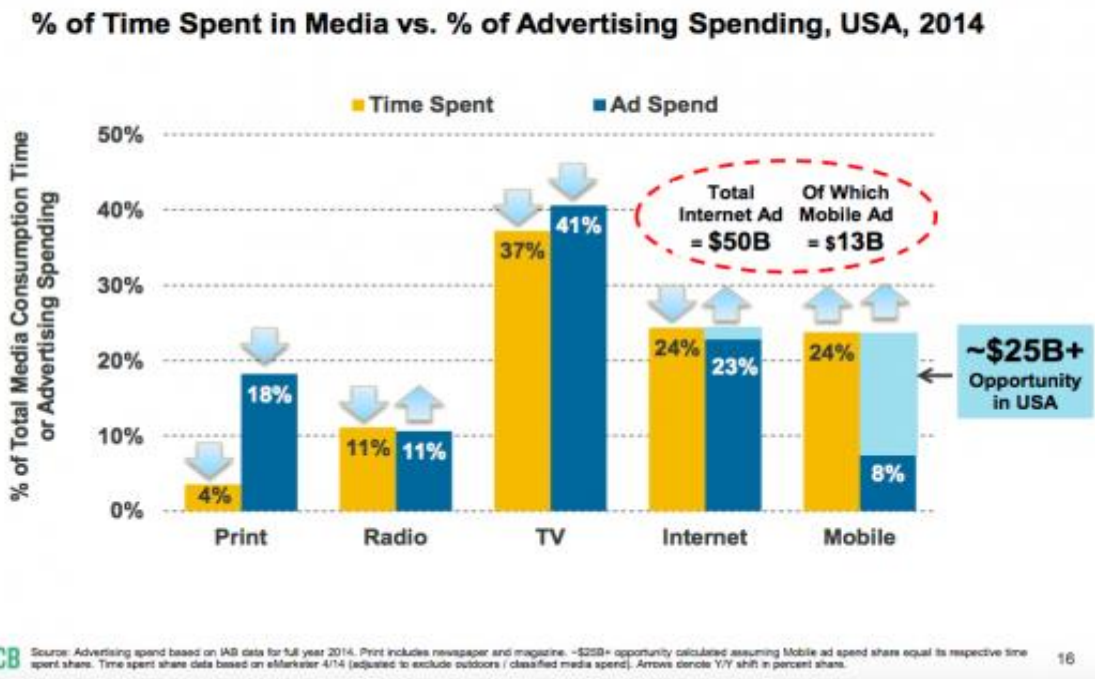
mobile devices (97 minutes) than on television (81 minutes), desktop (70 minutes), radio (44 minutes) or print media (33 minutes) (Forbes, 2015). Moreover, this trend is going to create a gap deeper and deeper as more people are spending time on their Smartphones to the detriment of all the other mediums.

As a result, marketers must review their strategy and understand that they must focus more on the digital and especially more on Mobile-Marketing.

On KBCP's report called the "Internet Trends 2015", a graph (see below) is comparing the time spent in media by the Americans and the advertising spending by the companies in 2014 (in USA). Firstly, it follows the same forecast as Forbs, as all the time spending on the traditional media by the population is going to decrease whereas for the mobile, it is going to increase. Moreover, it also highlights the fact that Advertising spending is going to decrease for Print and TV channels but it is going to increase for the mobile. Finally, we can observe that mobile spending is only at 8 % in 2014 and it can be seemed small as the smartphone market is in real boom. The reason is that mobile marketing is a new science and it is even newer than digital marketing (It is important to remember that Google and Facebook became well-known and well-used all around the world in 2007): companies are hesitating to invest too much money in it, because they do not trust entirely this media as they don't have the benefit of hindsight. However, KBPC underlines that there is a real interesting market there where they are going to invest in a near future. This forecast is also confirmed by Gartner company, where they expect to see an increase of 233% of the mobile advertising spending worldwide between 2014 and 2017 (From €18 billion to 42 €billion (For more information please look at the Appendix)) (McGuire, 2014).

Figure 2: Graph showing the percentage of time spend in Media vs the percentage of

**Remain Optimistic About Mobile Ad Spend Growth...
Print Remains Way Over-Indexed Relative to Time Spent**



Advertising Spending in USA, in 2014 (Meeker, 2015)

We have seen that more and more companies are seduced to invest more money on the digital marketing and especially on the Mobile-Marketing. Even if today it is not the major component of their strategies, marketers are expecting an unprecedented growth in this field, and maybe it will one day be the leader of the marketing tools. Since we know the infatuation for this “discipline” we can see what exactly the Mobile-Marketing is.

The M-Marketing the tool of the future

The mobile market can be defined as “the interactive multichannel promotion of products or services for mobile phones and devices, smartphones and networks. Mobile marketing channels are diverse and include technology, trade shows or billboards” (techopedia.com, 2015). The mobile market based on mobile phone is characterized by a specific number and unique components which can be SMS, MMS, Bluetooth, Mobile Internet, Mobile Applications (Persaud, 2012)... According to Smith, m-marketing requires a tailored approach, different from

traditional marketing where they have identified four major dimensions owned by mobile marketing: geolocation, temporality, hobbies and entertainment (Jordan, 2013). These dimensions allow the companies to target directly at the right time for the customers (birthday, near a shop, they can have a special offer for example) (Smutkupt, 2012). This new tool is really focused on the experience of the client as on digital marketing in which users are really demanding.

The French society “L’Association Francaise du Multimédia mobile (AFMM)” is summarizing the advantages of the M-Marketing into 5 forces, which are the following:

- **Strong:** The rate of penetration is strong, as on most of the developed country in the world the penetrate rate is higher than 100%. It means that some persons have more than one cell-phone. Moreover, as the internet mobile has also exploded (with in addition with the free Wi-Fi connector), it is now possible for the company to evaluate the audience.
- **Personal:** The mobile terminal is by Excellency the idea tool for one-to-one as they can reach other at anytime, anywhere. This also create the symptom of “mobile dependence” as now, people must be connected to the web all the time.
- **Relevant:** the mobile handsets allow the companies to capture the social context and the consumptions of their clients. An accurate targeting allow - thanks to the cookies, the geolocation, the X-pixels (...) - to understand much better their customers and adapt their targeting for each one of them.
- **Multifunction:** The terminal mobiles are so that they can be several tools inside one device. You can use different things inside a same tool: If we are talking an app (as the application is an advertising itself) it can also bring other advertising through notifications, pop up videos or banner advertising
- **Profitable:** the mobile marketing allows companies to deploy big digital advertising to a lower price which can reach the acquisition and the loyalty of their users. Moreover, it is the only one which can integrate a payment terminal and then generate some revenue directly.

However, this mobile marketing has also some disadvantages which are the following one:

- **There is no international standard:** It exists a lot of different mobile phones with different types of sizes and operating systems (it is a drawback for the mobile apps). Because of this, a team of developers need to work and follow this 24/24h and 7/7 per week to solve potential maintenance issues and be aware of the upgrade of the operating systems of the connected device.

- **The lack of privacy:** because companies are taking advantage of the SEO and data information, people can feel mugged by the lack of privacy and permission. The privacy is always in question on any network or device.

- **The navigation:** The mobile phones and the tablets are not the same thing as the computers: a smaller size, most of the time they do not have a real keypad but a virtual one, and they do not have a mouse. It means that to reach the greatest experience for the consumer, the optimized ergonomics need to work and follow daily, weekly and yearly all the mobile-marketing tools.

We have seen a quick overview of what can be the advantages and the disadvantages of the mobile-marketing. We will see now what the major components of the mobile-marketing thanks to the table below:

The different channels	The main objectives of the channels	Advantages	Drawbacks
Advertising (commercials, banners, SEO ...)	<ul style="list-style-type: none"> • Create awareness • Can invite the consumers to go to the official page websites or the stores 	<ul style="list-style-type: none"> • Large audience • Can reach the right targets • Can bring some revenues (YouTube according to the number of viewers, it is also easy to share on social network) • People cannot remove the advertising on their tablets and smartphones (whereas it is possible on PC) 	<ul style="list-style-type: none"> • People are not necessarily willing to see advertising • It is expensive (but it is cheaper than the traditional channels) • Because people cannot remove the advertising sometimes they can feel annoyed by this surplus
Mobile Websites	<ul style="list-style-type: none"> • it is a requirement for the companies to develop it (see part on the mobile apps) • Can bring some revenues • Possible to collect some data from consumers 	<ul style="list-style-type: none"> • It is the willing of the users to go the websites • Companies can hide some cookies and trackers to collect some data and personalize the advertising and the offer 	<ul style="list-style-type: none"> • It is a tool not often used by the mobile users • Users are not aware that some cookies can be install without their consent • Users are really demanding • It can be expensive
Mobile applications	<ul style="list-style-type: none"> • It is a requirement for the companies • Can bring some revenues • Possible to collect some data from consumers 	<ul style="list-style-type: none"> • It is the willing of the users to download the app and they understand it will have access to a lot of features (GPS, Cookies...) • Can add some cookies, trackers to collect some 	<ul style="list-style-type: none"> • Users are really demanding • It exists a lot of mobile apps • It can be expensive • Incompatibility of one SDF kit to be on other

		<p>data and personalize the advertising and the offer.</p> <ul style="list-style-type: none"> • It can trigger other channels 	
Emails	<ul style="list-style-type: none"> • Create awareness/reminder • Can inform the clients of promotions or push them to visit the official websites or the stores 	<ul style="list-style-type: none"> • It is cheap • Companies can hide some cookies and trackers to collect some data and personalize the advertising and the offer (less than Mobile application and websites) • Companies can contact directly the consumers and personalize the message • It can redirect easily to the official websites 	<ul style="list-style-type: none"> • Because of cookies and the format sometime the mail services (outlook, Gmail, Naver, Wechat...) can directly put the Emails on the junk folder. • Even if it is not on the junk folder, few persons read it.
SMS and MMS	<ul style="list-style-type: none"> • Can inform the clients of promotions or push them to visit the official websites or the stores 	<ul style="list-style-type: none"> • It is cheap (but more expensive than emails) • Companies can contact directly the consumers and personalize the message (limited) • People read it 	<ul style="list-style-type: none"> • People can feel a lack of privacy • Harder for users to go directly to the websites (content and design is simple)

First this table the mobile-marketing (non-exhaustive list) have several tools which work differently and do not have the same objectives. Because it is digital, the users are now expecting an appropriate and personalized message and offers, that is why companies can and need to take data from their clients with or without the client being willing. If we take the example of the Emails, they are invading the private access of the client (with the cookies), but this can play a trick to themselves as according to each email services (Outlook, Gmail, WeChat, Naver). The Email sent from the companies can be put automatically on the junk folder of their clients.

By contrast, when the user is downloading an application, the consumer understands cookies and trackers will be added onto their connected devices.

The fact of developing a mobile application can be useful in terms of collecting data, having direct interactions between the companies to the users and trigger the other channels. The mobile application generally allows it to use all the features related to the devices and the operating system, the GPS, the camera, or the address book. This allows the user to get a better experience than any other channels. For example, an application with GPS access, help the users to localize himself and find relevant information nearby. Furthermore, the functionality of mobile predicts interactions and outflow with the mobile. It may indeed even send him a notice on the application, but it can also trigger a phone call, an SMS, or downloaded content to further customize the offer to customers. The company Renault has used this leverage with geolocation: Once downloaded, the application (which need a GPS access) holds the route most often used by the client (which has been studied to be the road to go from home to work). Once this is achieved, the mobile application triggers a SMS to the customer, saying that for his birthday, they could get a discount on a new car at the Renault car dealership near where they work or their home (La fabrique du net, 2015).

From the Mobile-Marketing to the Holy Grail.

As seen above, mobile marketing is shaped and evolves according to the technical evolution in the telecommunication field. Now more than ever the mobile market is the next step of marketing (as it is not mastered today) which should create a direct dialogue between the consumers and the companies. Thanks to smartphones, the communication channels are numerous, that is why it is important - even primordial - that the companies which want to

develop this strategy must understand what its targets are and in which way they would prefer to be informed (SMS, notifications through applications, call, e-mails).

These traits also push the companies to create some mobile applications as they understand that the mobile apps can bring three things: they can easily collect data through the mobile apps of their customers, they push them to buy or use their services, or they can trigger other channels. These advantages show that mobile is a full relational channel for brands which they can keep in touch with their customers anywhere at anytime. With geolocation, SMS and push notifications (...) the mobile (as mobility) reinvents the relationship market with more spontaneity in the interaction with the customer. Because of these traits, the drawbacks of the M-market are accepted as they are directly also the cause that consumers have some many smartphones in their hands. It is because of their choices.

In July 2008, Apple marketed its first Smartphone 3G (broadband). At the same time, they launched something more revolutionary than the product itself, the applications and the App Store. From this moment, the actors of the mobile phones, the advertisers, or the developers asked themselves the utility of the mobile apps. All of them have reached the same conclusion: this new media can cover a broad area with a lot of different channels and answer to several marketing objectives. This boosts the success of the mobile applications.

It is not only a success that we are now talking about, but it is a boom: the first 500 apps have been available on 2008 on only one operating system today there are around 4 million mobiles apps available on digital distribution platforms (Google play, Apple Store, Amazon Appstore, Windows Phone Store, BlackBerry World). This phenomenon is even more important as the customers are there to download and use them: in 2012, there were already 63,985 billion mobile apps downloaded and the marketers are expecting that this increase will continue to grow exponentially (in 2017 they forecast 268,692 billion mobile apps downloaded; an increase of 319% (Statista, 2016)). The Worldwide revenue on this market was around €10.1 billion (Adobe Digital marketing, 2015) in 2014 and it was just the beginning.

The mobiles applications, a powerful lever for the companies

The mobile apps, an environment more complex that it sounds

Even if it is difficult to get a clear definition of a mobile app, the website Techopedia defines it like this: “A mobile application, most commonly referred to as an app, is a type of application software designed to run on a mobile device, such as a smartphone or tablet computer. Mobile applications frequently serve to provide users with similar services to those accessed on PCs. Apps are generally small, individual software units with limited function.” (Techopedia, 2015) This market, which is booming more than any other market, needs to be identified. Dirk Nicol, will add that it is important to clarify the three types of apps: the native apps, the Mobile web applications and the hybrid applications (Nicol, 2013) But what are they?

The Native application

A Mobile application or “native application” is an application made specifically for a platform (like Android, IOS or OS) thanks to a development kit called Software Development Kit (SDK) which is proper (For example the SDF of apple is called IOS 6 SDK, and for Google it is called Android SFK). A native application developed by a specific language will be proposed only in one “Application Store” associated to the SDK. It is impossible, for example, to install an iPhone app on a BlackBerry and vice versa. An app is a small piece of software (for the moment) which is saved and stoked on the memory on the cellphone which it does not require Internet Access to use the proposed service (For example the game Angry birds). Finally, most of the time you need to do some upgrade which requires internet access and the willingness of the customers.

The main advantage of a native application is its ergonomics designed specifically for the terminal, offering a much simpler and much quicker route than any other format (mobile websites, for example): the information is not displayed page by page but aggregated on an adapted screen to the center of interests, providing a better customer experience. Furthermore, it allows to develop more features as we have seen in the part of mobile marketing. Furthermore, with the mobile application, it is no longer necessary to remember a web address to open the browser. User have just to click on the installed application (or not) on the home screen of the smartphone. This icon will be the "call into action", essential to generate visits and creating awareness. This icon is critical for any brand because that is what will see daily by their consumers. In addition, the application provides the access of the function "push notification ": this feature allows the company to directly communicate in real time with all the people who have downloaded and accepted push notifications including where the application is not open.

This will convey personalized promotional offers, new content, or inform the user of new updates.

The main disadvantage of a native application is that it must be developed for each operating system which may require very substantial costs. However, there are two alternatives; the web apps and the hybrid apps.

The Web apps

A Web application is an enhanced mobile site whose ergonomics is a nice quality that allows it to compete with the mobile application. The major advantage of this application is that it is easy to install because it can be downloaded via web browsers or via digital distribution platforms. Once installed it operates as a native application where the only difference, it is that it opens in the web browser. Furthermore, the format (HTML5) allows it to be available anywhere, so it is much less expensive for the company.

However, this model has some constraints because of this same format: now, it is impossible for the companies to make through the Web applications, push notification, the augmented reality or automatically install the application on the desktop (it should be put in to favorite do this). The Financial Times was one of the first companies to opt for this type of application.

The Hybrid applications:

As the name suggests it, this application is the melting pot of both types of applications: It combines the HTML5 as a web application and the elements of a native application for using the native functionality of Smartphones and be distributed as applications on digital distribution platforms. The main advantage of this application is that with a single SDK, it may be available on all application platforms. It is saving time and money. However, it has the same constraints as web apps. A famous hybrid app is “Khan Academy” (Malavolta, 2014).

Today the native and hybrid applications are taking the lead on the Mobile web applications for the main reason that companies are developing more and more the mobile applications to get an optimized client experience (Han, 2012). These applications also have not the same objectives as they do not belong to the same categories. It exists at least 20 different categories of mobile applications which can be normal games, Production, Entertainment, lifestyle, finance.... In 2015 the most popular categories of mobile applications from Apple were game which detains 22,49% of the shares, the second one was the category Business (10,38%) and the third one Education (9,44%) (Statista, 2016).

Therefore, it exists a multitude of mobile applications, which do not have all the same goals, some have been created to inform, others to entertain.... However, the difference between one and the others does not stop there: the price is important! Indeed, if the mobile application market knows this magnitude today, it is because this is the first time that we can “enter” in a "specific market" (Apple AppStore or Google Play for Example) where hundreds of thousands of customized products are given for free: a dream for the consumer society in which we live. However not all of them are free and this can be explained by the different needs of the companies which create the mobile applications. It exists some companies which are developing their apps to be on a new and dynamic channel, which it can help to increase its notoriety and collect some data (For example the Banks, Government, Companies which are selling some goods and services ...) and others which are developing them because it is their Business Assets (Truer for the games, as Supercell (Clash of Clans; Rovio (Angry Birds) or social networks (Snapchat)). In 2015, 68.8 % of the mobile apps displayed on Google play were free mobiles, which means 31.2% were paid apps. Moreover, the company Gartner underlines the fact that 91% of the mobile apps downloaded in 2013 were free mobile

application and this will continue to increase as in 2017, it will represent 94.5% of the flux (Gartner.com, 2013).

The digital distribution platforms: the new virtual markets

The Application stores are now real audience portals where mobile users around the world come to upload applications. To measure the audience of these virtual markets, the measure used is the number of downloads recorded by their servers. As we saw it before, this market is really booming with is represented by an exponential growth which it means the supply and the demand of connected mobile device users are still increasing.

The increase of the virtual market attendance brings into focus the growing interest and the mass adoption of embedded applications by consumers. In other words, these figures perfectly demonstrate that mobile users demand for mobile apps will continue to increase during several years. However, for the companies creating their own mobile apps, this success can raise one issue: the visibility. Except if the customer is looking precisely of the mobile application, stounding of the mass is complicated.

According to Adeven, a German company analysist, 66% of applications on Apple Store are neither rated nor downloaded (Oliver, 2012) (41% for Google Play and 69% for Windows Phone MarketPlace (Iphon.fr, 2013). They are out ranking which provides to the companies which made the apps or the digital distribution platforms, any source of income; this type of mobile apps is called “zombies applications”. Christian Henschel, PDG of Adeven said in 2012: “The reality is there are only a couple of thousand apps that really make downloads. [...] This is based on Apple’s closed system — it’s tough to discover those kinds of apps. You don’t have proper search, so the only way to discover new apps is through the top listing.” (Oliver, 2012) Clearly the PDG is pointing the way the distribution system Apple is operating, to the extent that the system favors the best rate of downloads: You have to make it visible to emerge in the top applications. Moreover, being on this Top ranking, can push - between 5% to 25%- people to download a mobile application (known or not) (Statista, 2016)

Now, how to reach the top ranking?

Apple Store and Google play have two different approaches for doing this ranking (it is important to say that nobody has the real algorithm (except for the two companies, but they keep secret this information)).

The decisive criterion for being in the top rankings on Apple Store is the number of downloads done for an application, especially on the number of downloads made over a very short period (4 days). The ranking considers the last 4 days of downloads and a weighting decreasing. It also considers secondarily, the uninstall rate and active users. Clearly this can be a disadvantage for companies wanting to advertise. In effect, this means that for a specific budget, and to be present in this top ranking, must "strike hard" on the short term to achieve maximum downloads.

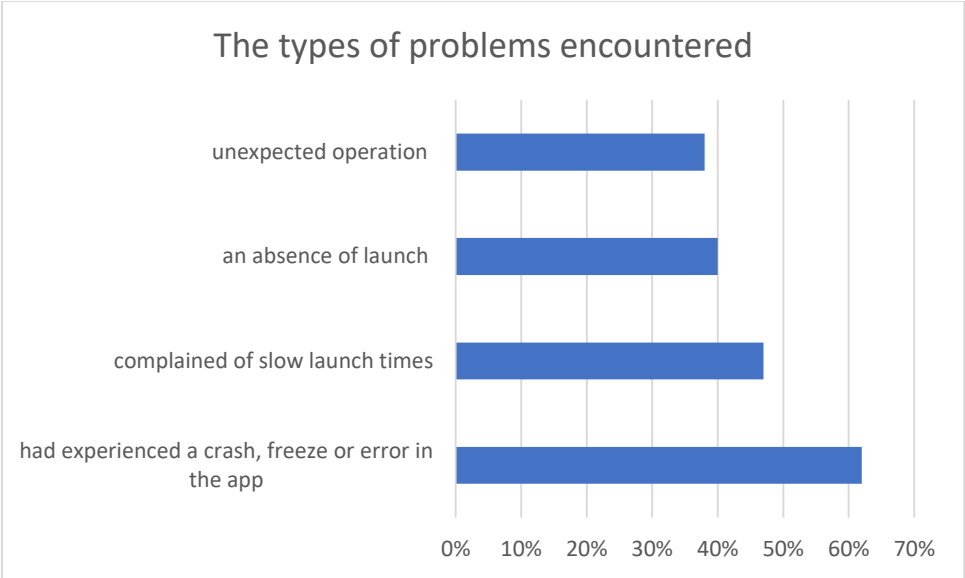
For Google Play, the first parameter considered is the total number of active users. This means that there is a low turnover of mobile applications as the best sellers (Facebook, Gmail ...) are hardly dislodgeable as they reached such so many users that it is now almost impossible to catch up. To remedy this issue Google Play offers other kinds of rankings called Top New apps (New add applications on the platform in less than 30 days) and Top Trending apps (the Most Significant apps downloaded in a month).

Smartphone users, the demanding customers

We have seen before that users are really demanding towards mobile applications but why? The first reason is obviously because of the "price". When 70% of the mobile applications are free, and the others are costing less than 2 euros, it exists a "disposable phenomenon" where people can just delete as soon as there is an issue or it does not correspond to their expectations. The second reason is the way they can reach their markets: there are available everywhere, anytime as the smartphone (maybe it is already the case) is the tool the most essential for the "citizen of today" (always connected and reachable). The last reason is the ease with which the users can download and install (or uninstall) a mobile application. In fact, 90% of the consumers no longer use one mobile application, six months after the download (La fabrique du net, 2015).

In 2012, Compuware had launched a survey (Allen, 2013) with 3534 people questioned, living in the world which shows that 56% of surveyed, had experienced problems with their applications in the last 6 months. The main problem relates to encounter a crash, error messages or freeze which represents 62% of the people questioned. They also complained of slow launch

times (47%), an absence of launch (40%) to finally finish with the unexpected operation (38%). To have a better visibility of the issues encountered I create the graph below.



Graph showing the types of problems encountered with the mobile app, by the consumers

The study went further as to quantify the "waiting time for application launch": 31% of people believe that it would be understandable to wait 2 seconds to see the mobile app launch. 28 % of them much less patient is expecting from the apps a launch which should take less than two seconds. Others who are more tolerant are ready to wait 3 seconds (21%) or even 4 seconds (20%).

Apps that perform poorly can have a serious impact on revenue and reputation, and consumers who experience poor performance take actions; 48% of end-users say they are less likely to use an app again if they are dissatisfied with mobile app performance. These issues are due a bad development or following of a mobile application.

The main reasons why a significant number of mobile applications are poorly developed are (Quora.com):

- The budgets allocated to the development of mobile applications are underestimated by companies
- There are few providers who have real expertise on mobile application field and an important background of applications launch (and if it is found it is very expensive)

- The complexity of mobile applications themselves and all terminals which should be managed at the same time
- The lack of a team that should be invested only on the mobile application 24 hours a day and 7 days out of 7.

As we have seen, a mobile application poorly developed can bring the exclusion of the app on the digital distribution platform and maybe worse, from the users themselves.

7. Methodology

The goal of this business plan is to offer a comprehensive overview of an innovative idea I developed over the years. The main question is the following: can a mobile application operating as a linking tool between people to do sports become a sustainable business?

To answer it, we first proceeded to a market analysis of both the mobile phone market and the sports practitioners. Both those analyses were based on macro data made by third-party researchers. The data we got from these studies allowed us to create a SWOT analysis; identifying the opportunities of the market and the strength of our company while underlying potential threats and weaknesses and how we could tackle them.

A pricing study has been made for our marketing service through the application which allows us to place us as a competitive tool for communication with our target population.

8. Market analysis

In individualized societies like ours, sport remains a social bonding because it is about sharing: sharing time and common passion. However, you do not always have friends available to go play with you, especially in collective games: you are stuck if you do not know anyone ready to play with you when you are willing to. Besides, a healthy lifestyle is more and more adopted. People really care about what they eat and what they do for their body. Those reasons explain why SportGo is born. It is a smartphone App that tends to gather people around playing sports based on two basic principles of the sports practice:

- Who wants to play with me at a specific time?
- Where can we play so that it fits with everyone?

Sports is for everyone so our target has no limits if people want to play; no matter their gender, nationalities, social categories, age or sport level. The only condition for the under 18 is a parental allowance to avoid any safety matters.

To implement our App, we want to begin with the French market for the following reasons:

- It is better to start in a country where you know trends, customs, and habits of the inhabitants, it will be easier to convince potential users to download and use the App.
- We want to limit the risks and costs because we have connexion in France to develop the App at low price
- France is one of the countries the most reluctant of smartphone users (comparing to other countries in Europe) so if we achieve to penetrate this market, we can penetrate all of them.

9. The Market Segmentation

a. Worldwide focus

As far as Sport and GO is an app, I won't take too much risk to say that the first people who we are going to focus are the people who have a cell phone and are always connected. The thing is

today almost 95% of the people on earth are corresponding to this market it would be more interesting to focus now on the people who are doing sport. Because we do not expect to see bill gates at our front door and at the beginning it will be hard to get a solid investor, we will begin to focus on a small scope and if we achieve our goals we will expand the app in Europe and then in the world.

Today sport is the current trend. The cultural aspect in the worldwide push people young and old to overcome their limits alone or in team through different and new events (Spartan Race, marathons, etc.). Let's have a closer look at the European Union Market: In January 2017, 510 million of people were living in the European Union. 95% of them have a cell phone and 60% of this population are between 18 and 65 years which represent 290,7M of the potential target. 50,2% of this potential target is doing sport at least once a week and the best thing is almost a third (29.9%) spent at least two and a half hours per week which means at least two different kind of activities per week in 2014 (this number still increasing) which represents 43,5M targets. Also, it is important to highlight that the age has real impact on their behaviour regarding the sport: Most 15-24-year-olds (64%) exercise or play sport at least once a week; this falls to 46% in the 25-39 age group. Finally, it really is important that the way of living (cultural aspect) make some difference regarding the inhabitants to a country to another. For example, according to the European Commission (SPORT AND PHYSICAL ACTIVITY REPORT, 2014.) the Eastern- Nordic countries are doing more sports than any other countries (see index). More than 55% of the population of Iceland, Norway, Finland, Denmark, and Norway are doing at least two and a half hours of exercises per week and on the contrary, in Romania and in Greece they are less than 15%.

i. French focus

For the first year, we want to focus on French market to make sure that we can implement the App in other countries. Moreover, the first year is free of tax for new companies in France so either in case of success or fail the final cost will be reduced. France is the best country since it is the hardest one to conquer. Indeed, it is the country with the less downloaded App figure in Europe. Consequently, if our project is successful in France with a significant growth, we can extend it to other countries.

First there is no a real distinction between men and women, as both have them. Moreover, as the major people who are using a Smartphone are aged between 35 and 49 years (27,70%). The

second age range is the people between 25 and 34 years (19.20%) closely followed by the people of 50 -64 years old (18,40%). Teenagers and students are also the loop as it represents 17,70% of them. This is showing that the smartphones are for every generation and for every social category. France account for appx 70M people and 42% of the population practices sport at least twice a week. Our target population counts for 13.1M people in France. (total population * % smartphone users * % 25 to 49-year population * % regular sport practitioners)

How do the customers react with the mobile applications?

In France, in 2012, mobile users had on average 31 applications installed on their smartphone, three more than in 2011. This represents an annual growth of 10%. Also on the 31 downloaded applications, only 11 have been used in the last 30 days and 6 of them were paid. This data may call into question the operation of the digital distribution platform Apple because it is based mainly on the analysis of the number of downloads as a criterion for success. In addition, 25% of French mobile users download at least, one mobile application per month.

b. Market Targeting

Our market is quite large and many different segments can exist: segment according to their social status, according to the gender, according the ages, etc. do not make sense in our first step in our process, as far as we want to target as much people as possible. The only real target we want to begin with are the people who daily/weekly need this application: People who are already doing sport and are always connected to internet through their mobile phone.

However, this targeting is still too large but to make it more accurate we must take into consideration the second externality: the other clients who want to take benefit of our data mining to do some advertisements on our application and be able to sell some products through our app. These clients are aligned to our vision and goals however to attract them more we will focus at the beginning on their exact target; which are described as people doing some sports, using quite often their mobile phone and especially they buy through this channel.

Because the second externality and our vision can find common ground we are going to target the people who belong to the Y generation (born around 1980 and 1990) to focus on the people who, have between 18 and 30 years old. The Millennials have grown up and matured with mobile technology and expect to be able to use it in every aspect of their life. They want to be

able to make purchases, use social media, chat with friends, do online research and pay for products. It is also a segmentation which likes to belong to a group (Same strategy as the Spartan racers: 'We want to be Spartans') The convenience of the mobile device is paramount to this group¹. This population represents 24%² of the EU Population in 2014 and represents 23.9%³ in France. This population are also the people who are doing the more sport than other type of generations.

However, it is also important to underline than the millennials are the most impatience people regarding the mobile applications. It should always work perfectly, with high customization, but intuitive and to be responsive.

c. Marketing Positioning

i. The marketing Mix (4'sP)

1. The product

a. Our main target

Our targets are the sportive millennials. This target is already defining our app. Sport and Go must be a really performant application, convenient, with obvious outcomes and which should suicide some emotions. The app must be also friendly and should represents our values which are the love of sport, but we are only one community.

It will have many big features and could in a way be associated or like other app. It should have a chat as user friendly as what's app, the performance of Facebook and a look and feel as the app 'Sporty'. Finally, the proposed sport will depend on where the user is localised, because we will our product to a country level. We really want to answer to their specifics needs so at the beginning we will only display 10 sports specifics to the top ten sports the most practice in the country and we will 5 that can reach a lot of users according to the market (for example squash, running, American Football, outdoor workouts ...).

¹ <http://www.fierceretail.com/operations/70-millennials-use-apps-to-buy>

² <http://www.pewresearch.org/fact-tank/2015/02/09/who-are-europes-millennials/>

³ <http://www.lefigaro.fr/societes/2016/06/03/20005-20160603ARTFIG00326-les-millennials-a-conquerir-a-tout-prix.php>

We estimate that our users should **at least** go on our application **twice a week**. We really want to create a fun application, where everyone ones to join because they want to belong to the Sport and Go family.

b. Our Business

In another hand, we will take a lot of information from our users: Age, gender, regularity of sport, where and when, with whom, it will be a gold mine for the sporting goods retailers (Nike, Adidas, Spalding...). We want to sell this kind of information to these companies to be sure to adapt to each potential customer the advisements. Our deal will be they will have the exclusivity for one sport (ideally the brand reflects the sport for example Spalding for Basketball in France) with increasing discounts according to the duration of the contract that is negotiated.

2. Promotion

Thanks to a study, we know that the three top criteria to lure French smartphone user to download the mobile application is the word of mouth, a good viral video (for instance Clash of clan) and being seeing in the top charts of app stores. We want to use this knowledge to boost our success and to achieve it, we will focus on four action plans:

1. Creating a solid and active community requires time; and that is why we want to do a strong digital marketing plan through “free traffic sources”: being present on all social medias, sport forums, blogs, crowdfunding, etc. We would like to find key players (famous French youtubers), ready to help us by doing some product placements (as Thibo inShape (fitness) Le Rire Jaune (Basketball) Séan Garnier (Football)). Finally, we want to create a video to make it viral.
2. To be in the top chart of the app stores, we need to have a big buzz the day following the launch of our mobile app in the app stores. For that, we plan to do a one-month contest with all the French university unions: The winner will get a 10,000 euros reward.
3. We also plan to do a mobile marketing campaign, we are ready to pay for some advertising in strategic places (l’equipe, GQ, Men’s health, ESPN...)
4. Finally, we also plan to find a partner: our first objective will be the ministry of sports, and the local authorities (they can get a lot of data through our mobile app).

Once we have reached our notoriety objective, we plan to do a strong strategy to get the second face of our business: the sportswear industries, where we could have a rich platform, with their

exact targets. As far as our database will be the most complete one ever done in all the world regarding, they will have to pay the display of their ads on our mobile app.

3. The Price

The revenues of SportGo come from two channels, datamining and advertising. For the advertising, we will target the sports sector. The potential is large as not only sportswear companies are potential targets, distributors, equipment vendors, retail, clubs & societies come also into count.

A single rate of 5€ CPM (per 1000 views) is applied for advertisement with the possibility of having exclusivity on a type of venue according to the following table. Rates are per country.

€/month	1 month	3 months	6 months	12 months
1 type venue	20000€	18000€	15000€	13000€
2 types venue	35000€	33000€	30000€	28000€
3 types venue	45000€	43000€	40000€	38000€

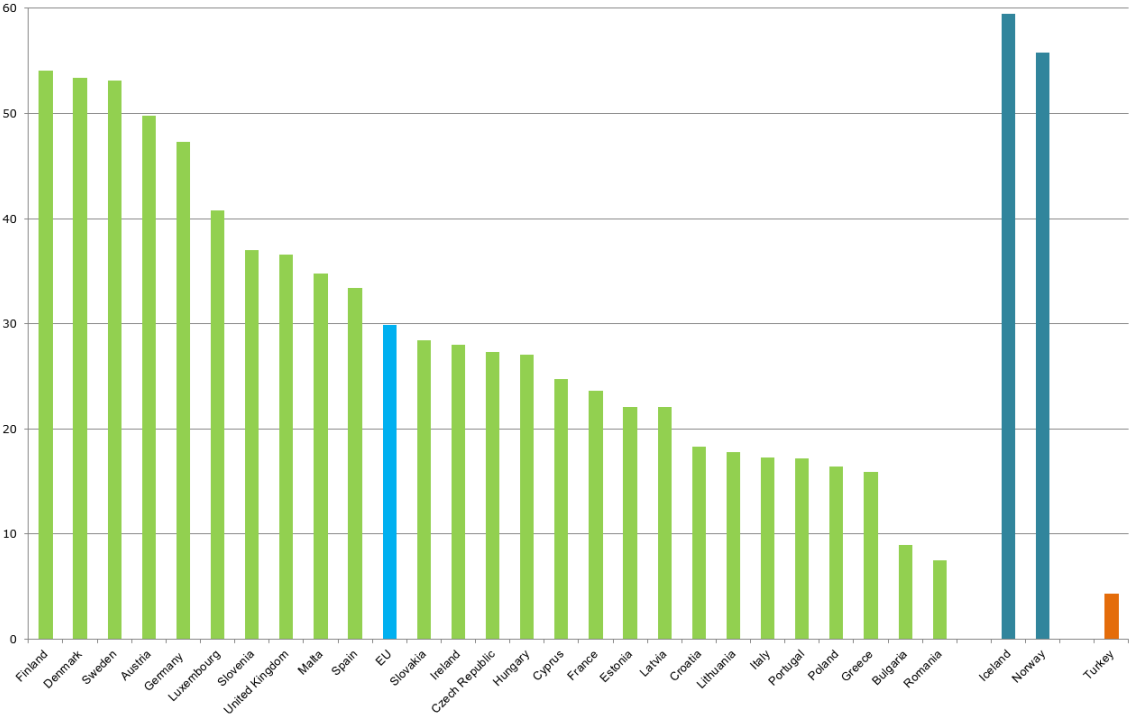
For datamining, we invoice 12500€ per variable and per country. To get regional info a 10% surcharge is applied.

4. Distribution

The distribution is closely link to our success progression. That is why we do not speak in term of date but in term of volume. The thing is with the SWOT Analysis we have a competitive advantage, however if we Relook at more closely and we imagine the Porter Force we need to have a one strike win.

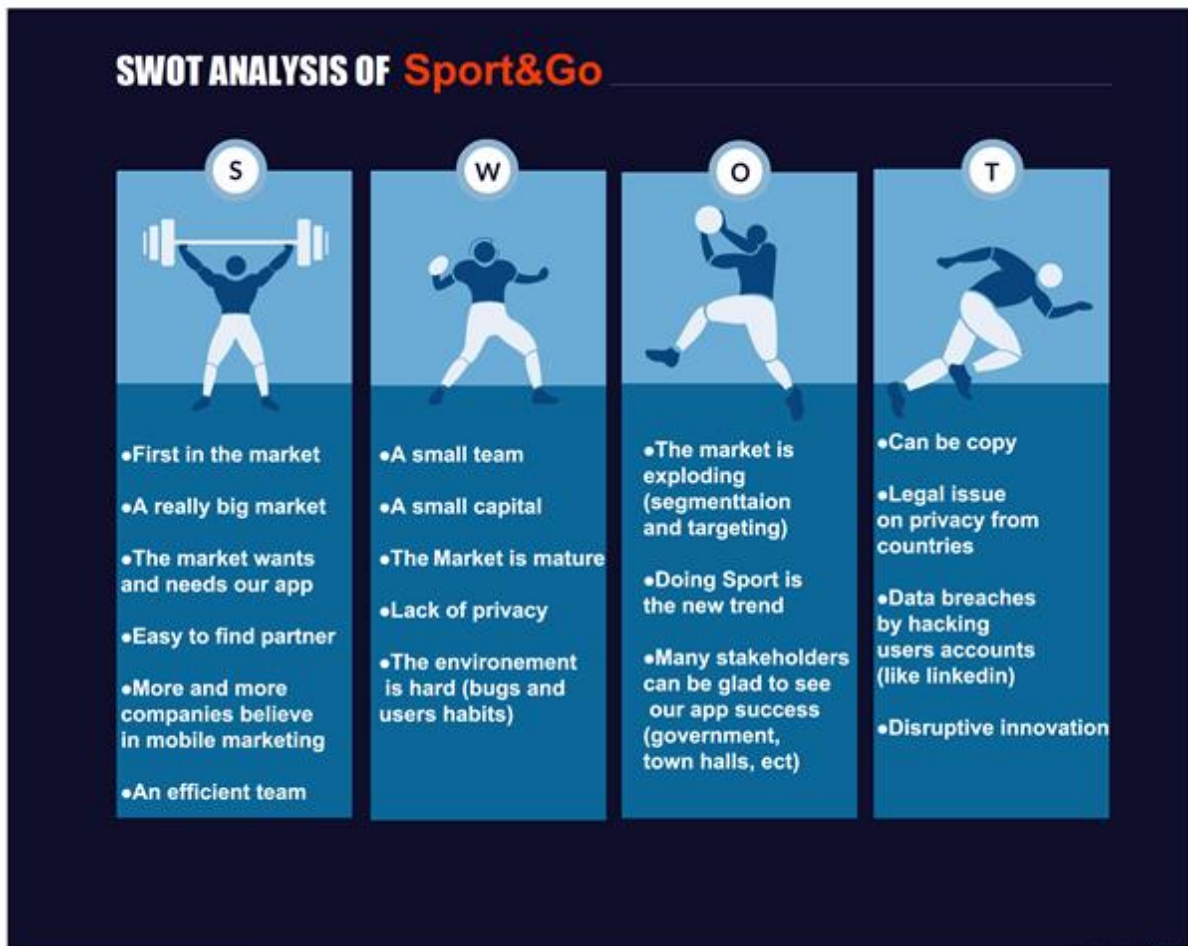
Marketers will first analyze on which internationalization model we want to focus on: should we focus on the Upsala model (step by step) or go for a born global organization. If we were supported from scratch by a big sponsor as Nike, reebok or even better google we would choose to do a born global strategy; However as far as we have not found a trusted investor in this project, we will begin to focus on one market (France) to be sure that we will not bring the attention to everyone, and not to be copied the first month we launch the application. Also, it allows us to have more impact regarding the French market (we won't split our resources everywhere but only will focus on one market). We will be able to be present on different apps and websites thought advertisement but also create a good video and doing promotional events.

Share of people spending at least two and a half hours per week of leisure time on physical activities, 2014 (%)



Belgium and the Netherlands: data not available

10. Internal & external analysis



Our strengths are numerous. Being a first mover is a very discussed advantage. Here in our case the advantage is to reach the maximum number of potential users. If our development strategy succeeds we would have a good head start on our competitors that will try to copy us. Also, the potential is big. As we have seen before, nearly half of the population practices sport on a weekly basis. In this population, there is a need existing for our service. On the other side, it's easy to find partners, sport clubs, associations, local communities, government, EU, etc. that can bring support and business.

We have identified several weaknesses as well. Having a small team can be a strength as it can be a weakness. It allows us to take quick decisions which is important as a start up to be able to cope with necessary adaptations to local markets. As we are starting up on our own funds we have limited capital. This is a weakness as we won't be able to afford expensive marketing. The market is mature as well, meaning we don't have technologic advantages compared to future competitors. The environment is hard as a simple bug can make users disconnect or uninstall the application.

The market offers a series of opportunities as well. The first one being the trend around sports and the business opportunities for marketing this brings to our company. Second, the world population is growing, fortunately linked, the number of people practicing sports as well. As we have seen before the market is growing fast. That is why we have done our specific segmentation & targeting. Potential partners such as government can have specific interest in the development of our service to help them improve the local populations' health. They could be a real support to counterbalance our weak capital or providing us with marketing support for example.

These threats also have been identified; an application can be copied and imitated. Therefore, it's important to be the first mover to be the authentic one that people will identify to. With our global deployment strategy, we could face different changing regulations about privacy. This would lead us to have a regulatory watch running so that we avoid a national impact on our service.

11. Competitive analysis

SportGo has no direct competition on its targeted market. In this part of the business plan we will try to see why there are little or no competitors to better understand what to expect when launching this business.

When 70% of the mobile applications are free, and the others are costing less than 2 euros, it exists a “disposable phenomenon” where people can just delete as soon as there is an issue or it does not correspond to their expectations. The second reason is the way they can reach their markets: they are available everywhere, anytime as the smartphone is the most essential tool for the citizen of today (always connected and reachable). The last reason is the ease with which the users can download and install (or uninstall) a mobile application. In fact, 90% of the consumers no longer use one mobile application, six months after the download.

In 2012, Compuware had launched a survey with 3534 people questioned that showed that 56% had experienced problems with their applications in the last 6 months. The main problems related the application crashing, error messages or the application freezing which represents 62% of the poll. They also complained of slow launch times (47%), the application failing to launch (40%), finally the application operating in an unexpected way (38%). To have a better visibility of the issues encountered I create the graph below.

The study went further as to quantify the waiting time for application launch: 31% of people believe that it would be understandable to wait 2 seconds to see the mobile app launch. 28 % of them much less patient is expecting from the apps a launch which should take less than two seconds. Others who are more tolerant are ready to wait 3 seconds (21%) or even 4 seconds (20%).

Apps that perform poorly can have a serious impact on revenue and reputation, and consumers who experience poor performance take actions; 48% of end-users say they are less likely to use an app again if they are dissatisfied with mobile app performance. These issues are due to the bad development or follow-up of a mobile application.

The main reasons why a significant number of mobile applications are poorly developed are:

- The budgets allocated to the development of mobile applications are underestimated by companies.
- There are few providers who have real expertise on the mobile application field and with an important background of applications launches (The few who do are very pricy).
- The complexity of mobile applications themselves and all terminals which should be managed at the same time.
- The lack of a team that should be invested only on the mobile application 24/7.

As we have seen, a poorly developed mobile application can result in the exclusion of the app from the digital distribution platform and maybe worse, from the users themselves.

Finally, even if we don't have any direct competitors yet, once SportGo created it will be easy to copy;

This topic explains why we need to do a fast-global strategy and get a developer as associate.

Today our offer is unique: no other platform exists that gathers all the services that we want to provide to our sportsmen:

- Finding all the free courts available in the world
- Knowing in real time (and before and after) who (sex, age, level) and how many people are playing
- Can create sport link and chat through our mobile application
- Free of charge

12. Objective of the plan

Sport Go's objectives are reaching:

- The development of mobile application done by November 2017
- French go live in January 2018 on google play & apple store
- Website up and running by June 2018
- Worldwide go live in September 2018

2018 turnover: 31.200 €

2018 active users: 300.000

2019 turnover: 350.000 €

2019 active users: 3M

2020 turnover: 1,5M €

2020 active users: 12M

SportGo aims to be the leading platform (mobile app and website) in the world which will reconnect people for real life through sport.

13. Development strategy

To ensure the commercial development of the application we want to capitalize on the experience of the founders. We will use a methodical approach to our business development. We will start with listing the companies that we want to target for our marketing service. For this we can use a simple excel file. We will target all sport companies that we can find. This is part of our push strategy. Interesting information further than the names of the companies is the size of the company to have an idea of the potential, localization so that during first contact we can personalize our speech, telephone number, email address, contact name, etc. Volume will be the key to the development.

In parallel, the marketing strategy with for example the video will help us gaining visibility & notoriety. This is part of our pull strategy. We are hoping that thanks to our marketing efforts we will make our application visible using the French business schools' network supported by social media.

The commercial team will have volumetric objectives and will benefit of a variable compensation for their results. The compensation is not limited so that we can put all chances on our side for maximum expansion in a short time. The commercial team will recruit young talents from these same business schools because they are part of our target population and therefore are the best suited to push our commercial strategy. Also, young graduates are less expensive as their wages are proportionally cheaper compared to experienced people. We are also hoping for the dynamism these youngsters can bring to the company that fits together with our corporate culture of sports & regeneration.

The marketing will have quite a challenge as well. We are counting on our knowledge and experience with business schools and their network to pierce in the market. As explained in the previous part we will start with a competition between business school's student societies. The timing for this competition would be perfect as it would coincide with the elections of the new bureau. French business schools all have their own sport organisation & sport teams. They regularly organise competitions & train for these competitions. Our application would help them to organise their trainings & book sport fields as well as organise competitions with other local teams such as those of the neighbour universities. The business school that will win the competition is that one that will have the most members on the application. This way is an easy

was as you can see to increase quickly our user base. The school that wins the competition will receive 10.000€ as prize money.

14. Definition of implementation policies with mapping of respective costs

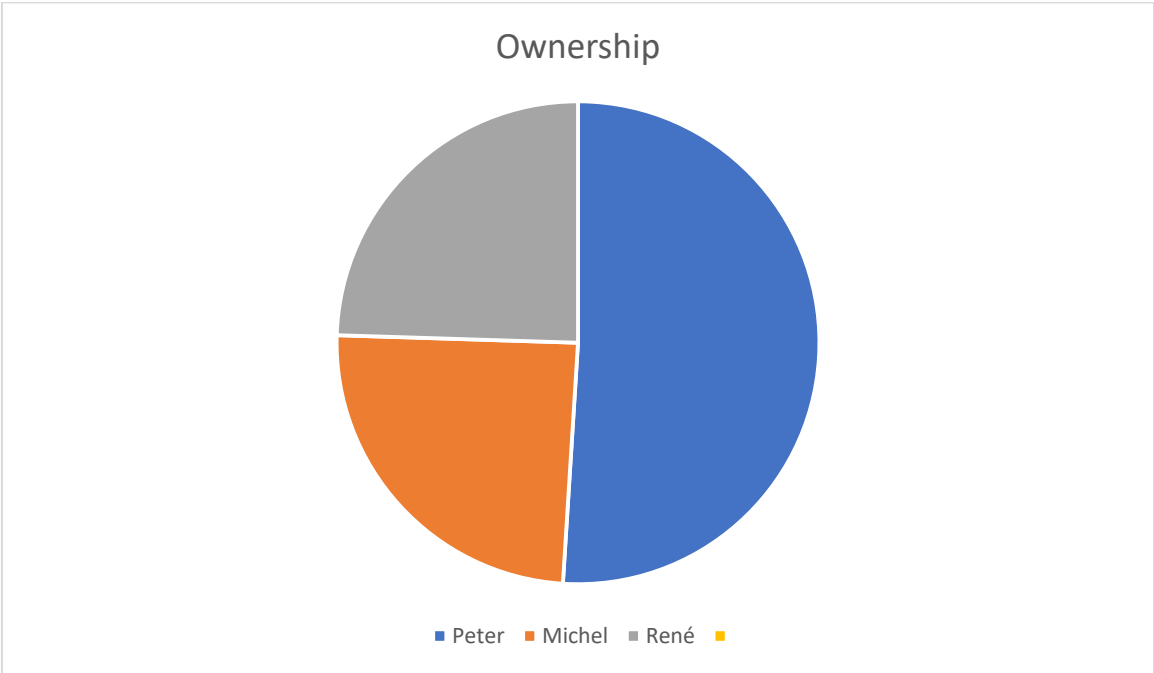
a. Company overview

i. Background

SportGo was born during my time at university. I have met a lot of fellow students that had given up sports as soon as they started university because they had difficulty integrating or were defensive about changing sports club from their home club to the local university of city club. When people get into active life and get a first job, sometimes we arrive as expats, without network. Then practicing a team sport can be even a harder challenge. I thought that the same way Facebook or Twitter had managed to connect people for sharing social moments I thought I could develop a tool to connect people for sports, no matter where they are. The benefits of this kind of application are further than the decrease of obesity. Sport connects people. Sports opens people's eyes on equality, puts aside racism. It made me think of the movie "joyeux noel" (2005) where during the '14-'18 war Germans and French soldiers played football together on Christmas. Imagine the possibilities!

I started looking out for existing applications. Over the years a few have tried to launch on the market but all of them failed because of their entry strategy. Community is everything. I quickly realised this was a big challenge but with amazing potential. I would need to find the right people to start this up to team up with the right set of skills to make it work from the first time.

ii. The company 'status & ownership:



The company will be a S.A.R.L (Limited Liability Company. At the beginning, I want to own the company at 51%. The other 49 % of shares will be split into two which will be owned by two other associates. Shares can be sold however, to do it, first, the seller will need to make aware its partner of his attention of selling the shares and ask if they want to buy them. If not, he can find someone else (however the shareholders must be aware and agree on the buyer). Each one should bring 10,000 euros in the capital.

When we will need a business angel, I will be able to sale 24% of my shares to him, to be sure that our first group is strongly linked by our effort put in the creation and deployment of the mobile app and they will be ready to see it growth exponentially.

b. Critical competencies

Taking two associates because I want to keep the start up big enough to build it fast but having too many people can be a nuisance so I want to keep it simple. Three people is also the minimum but the necessary to create this mobile application but also for assure its sustainability: each one will have a field of competencies different from the others. The three competencies we need at the start are marketing, IT & business development.

To create this mobile application we need a developer. The cost to create a Mobil app varies between 10K and 30K (estimated 20,000€ on <https://www.combiencoutemonapp.com/>), however to keep it stable on all the devices because of the updates, we need someone who works on it daily for its maintenance & improvement. Because of this requirement and the cost of developing a mobile application, a developer associate is the perfect option. Together with the business development team, this will be the department that will grow the fastest.

Finally, we need a growth hacker; someone who has a solid understanding of users, the market place, and the competition and of future trends for the domain or type of system being developed. He needs to have knowledge on sports, mobile application and all the interfaces which gather both fields. He will oversee the growth of the company on the long term and will plan the marketing strategy.

c. The interface

Today our priority is to get notoriety and create an active community. When all our first objectives will be reached we plan to propose more services to our users like the followings:

- Our first rule will be to optimize by small changes the interface of the application each semester to keep the customers' engagement.
- We also need to create new functionalities such as performance measurement
- We want to create an event tab which will be personalize according to each customer (sports he is playing, can be interested in, localization, age, price....). Thanks to this we can also generate a revenue, but it's not a priority at this point.

d. CSR

SportGo is concerned with returning part of our profit to society. With our expertise we would best support a sports organisation. Therefore, we chose to open a foundation to support the development of sports for disabled people in the countries we will operate through financial support of local organisations.

e. Corporate culture & values

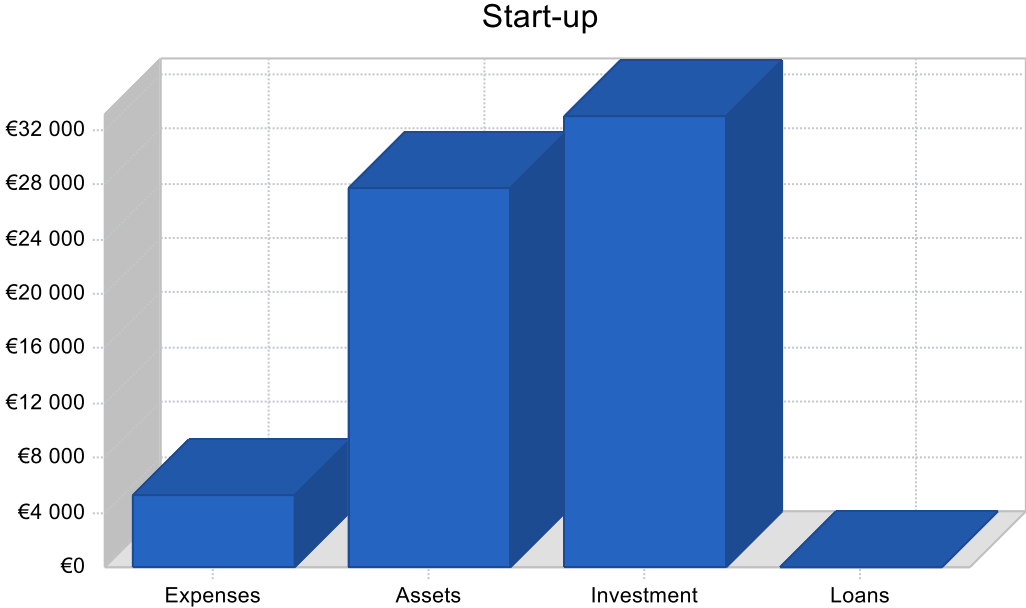
The values we chose for our company are innovation & dynamism. Our application would be an innovation to how people experience sports. The dynamism we want to inspire to our team is to foster performance & fun at the work place. We want our company to be a start-up that is answering an expressed by our generation. The need to get together, feel well & have fun. We want sports to be the mean to achieve this.

15. Implementation requirements

For the start-up of the company we have a few expenses to do. Hereunder a table doing a recap of the expenses:

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	€300
Stationery etc.	€2 000
Insurance	€0
Rent	€0
Computer	€3 000
Other	€0
Total Start-up Expenses	€5 300
Start-up Assets	
Cash Required	€5 000
Other Current Assets	€22 700
Long-term Assets	€0
Total Assets	€27 700
Total Requirements	€33 000

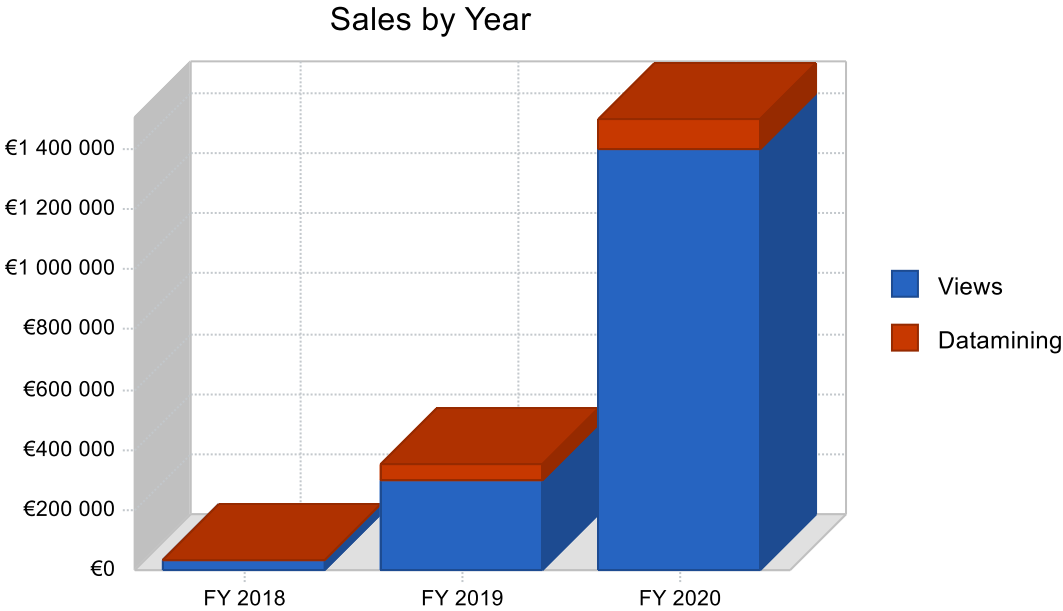
The legal expenses are for the creation of the legal entity. Stationary is an estimate of basic office equipment. We will need one computer as well for each of us, totalling three computers of about 1000€. The other current asset is the cost for the development of the application.



With this basic table, we can see that most of our investment is for our application and not for consumables.

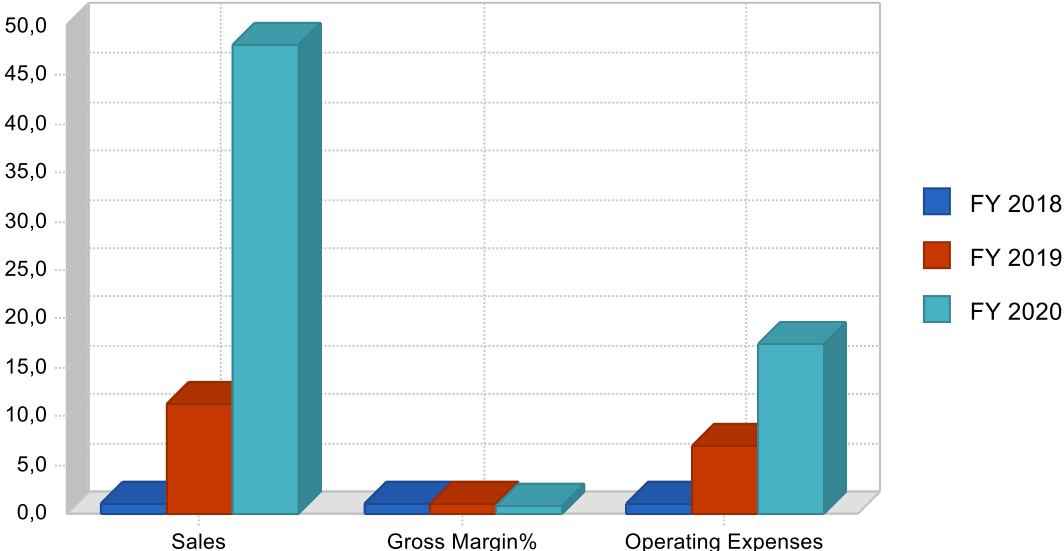
16. Financial evaluation

<i>Sales Forecast</i>			
	FY 2018	FY 2019	FY 2020
Sales			
Views	€31 200	€300 000	€1 400 000
Datamining	€0	€50 000	€100 000
Total Sales	€31 200	€350 000	€1 500 000
Direct Cost of Sales	FY 2018	FY 2019	FY 2020
Hosting	€3 000	€30 000	€300 000
Data extraction	€0	€1 000	€3 000
Subtotal Direct Cost of Sales	€3 000	€31 000	€303 000



<i>Start-up Funding</i>	
Start-up Expenses to Fund	€5 300
Start-up Assets to Fund	€27 700
Total Funding Required	€33 000
Assets	
Non-cash Assets from Start-up	€22 700
Cash Requirements from Start-up	€5 000
Additional Cash Raised	€0
Cash Balance on Starting Date	€5 000
Total Assets	€27 700
Capital	
Planned Investment	
Owner	€13 000
Associate	€10 000
Associate	€10 000
Total Planned Investment	€33 000
Loss at Start-up (Start-up Expenses)	(€5 300)
Total Capital	€27 700
Total Capital and Liabilities	€27 700
Total Funding	€33 000

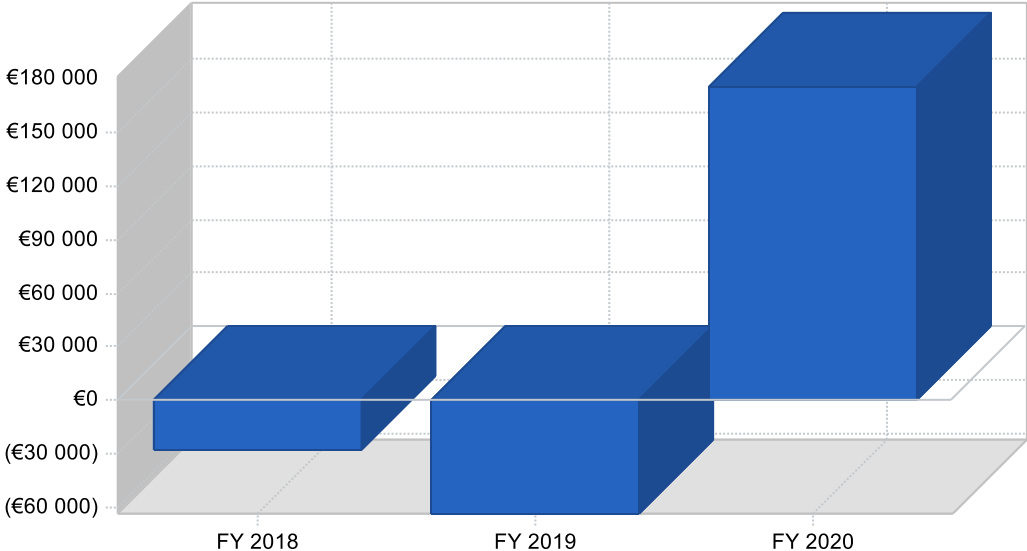
Benchmarks



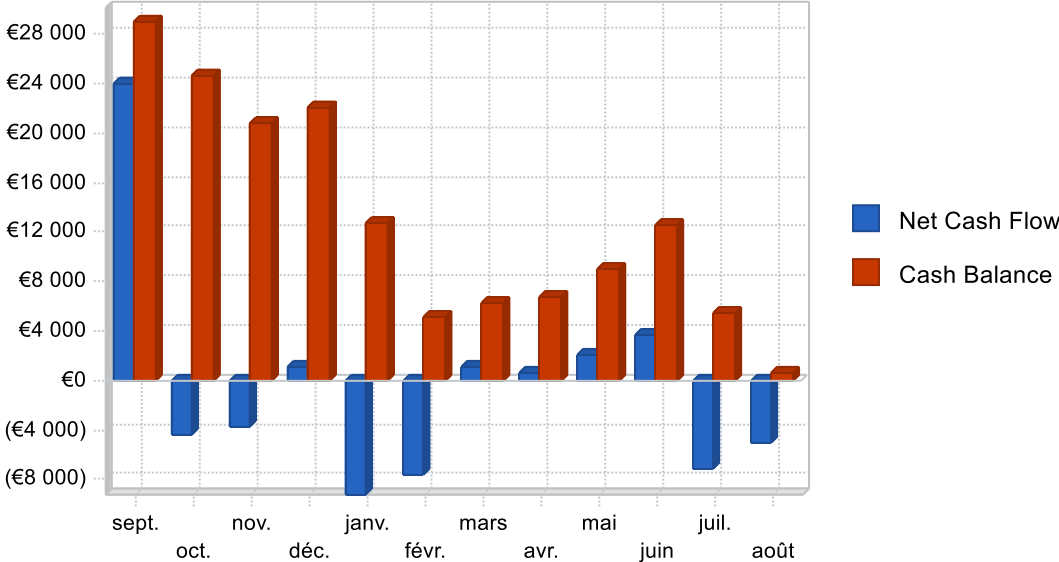
<i>Break-even Analysis</i>	
Monthly Revenue Break-even	€4 979
Assumptions:	
Average Percent Variable Cost	10%
Estimated Monthly Fixed Cost	€4 500

<i>Pro Forma Profit and Loss</i>			
	FY 2018	FY 2019	FY 2020
Sales	€31 200	€350 000	€1 500 000
Direct Cost of Sales	€3 000	€31 000	€303 000
Other Costs of Sales	€0	€0	€0
Total Cost of Sales	€3 000	€31 000	€303 000
Gross Margin	€28 200	€319 000	€1 197 000
Gross Margin %	90,38%	91,14%	79,80%
Expenses			
Payroll	€0	€225 000	€630 000
Marketing/Promotion	€54 000	€100 000	€200 000
Depreciation	€0	€0	€0
Rent	€0	€18 000	€18 000
Utilities	€0	€600	€600
Insurance	€0	€600	€600
Payroll Taxes	€0	€33 750	€94 500
Other	€0	€0	€0
Total Operating Expenses	€54 000	€377 950	€943 700
Profit Before Interest and Taxes	(€25 800)	(€58 950)	€253 300
EBITDA	(€25 800)	(€58 950)	€253 300
Interest Expense	€2 300	€4 300	€3 150
Taxes Incurred	€0	€0	€75 045
Net Profit	(€28 100)	(€63 250)	€175 105
Net Profit/Sales	-90,06%	-18,07%	11,67%

Profit Yearly



Cash



<i>Pro Forma Cash Flow</i>			
	FY 2018	FY 2019	FY 2020
Cash Received			
Cash from Operations			
Cash Sales	€31 200	€350 000	€1 500 000
Subtotal Cash from Operations	€31 200	€350 000	€1 500 000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	€10 399	€116 655	€499 950
New Current Borrowing	€23 000	€40 000	€0
New Other Liabilities (interest-free)	€0	€0	€0
New Long-term Liabilities	€0	€0	€0
Sales of Other Current Assets	€0	€0	€0
Sales of Long-term Assets	€0	€0	€0
New Investment Received	€0	€0	€0
Subtotal Cash Received	€64 599	€506 655	€1 999 950
Expenditures	FY 2018	FY 2019	FY 2020
Expenditures from Operations			
Cash Spending	€0	€225 000	€630 000
Bill Payments	€58 652	€165 689	€632 432
Subtotal Spent on Operations	€58 652	€390 689	€1 262 432
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	€10 399	€116 655	€499 950
Principal Repayment of Current Borrowing	€0	€0	€63 000
Other Liabilities Principal Repayment	€0	€0	€0
Long-term Liabilities Principal Repayment	€0	€0	€0
Purchase Other Current Assets	€0	€0	€0

Purchase Long-term Assets	€0	€0	€0
Dividends	€0	€0	€0
Subtotal Cash Spent	€69 051	€507 344	€1 825 382
Net Cash Flow	(€4 452)	(€689)	€174 568
Cash Balance	€548	(€141)	€174 427

<i>Pro Forma Balance Sheet</i>			
	FY 2018	FY 2019	FY 2020
Assets			
Current Assets			
Cash	€548	(€141)	€174 427
Other Current Assets	€22 700	€22 700	€22 700
Total Current Assets	€23 248	€22 559	€197 127
Long-term Assets			
Long-term Assets	€0	€0	€0
Accumulated Depreciation	€0	€0	€0
Total Long-term Assets	€0	€0	€0
Total Assets	€23 248	€22 559	€197 127
Liabilities and Capital	FY 2018	FY 2019	FY 2020
Current Liabilities			
Accounts Payable	€648	€23 209	€85 672
Current Borrowing	€23 000	€63 000	€0
Other Current Liabilities	€0	€0	€0
Subtotal Current Liabilities	€23 648	€86 209	€85 672
Long-term Liabilities	€0	€0	€0
Total Liabilities	€23 648	€86 209	€85 672
Paid-in Capital	€33 000	€33 000	€33 000
Retained Earnings	(€5 300)	(€33 400)	(€96 650)
Earnings	(€28 100)	(€63 250)	€175 105
Total Capital	(€400)	(€63 650)	€111 455
Total Liabilities and Capital	€23 248	€22 559	€197 127
Net Worth	(€400)	(€63 650)	€111 455

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