



*Magazine*

# Business Plan

Saja Khashman  
Sherif Roshdy

Fachhochschule Koln  
Cologne University of Applied Sciences  
2012

# SHE Magazine



## Introduction

This Business plan aim to:

1. To provide a full description of issuing a new social magazine.
2. To identify the market analysis parameters
3. To draw a full picture for potential partners and to be presented for banks.
4. To estimate the self-cost and the expected revenue.



# SHE Magazine



## Vision and Mission

- **SHE Magazine** is a monthly magazine linked to all aspects of Jordanian women`s social life, ranging from regional social events, nightlife, hot spots, celebrity news to interviews, fashion, beauty, shopping, body & soul.
- **SHE Magazine** Creates a multi dimensional platform to all women in the Jordanian society.
- **SHE Magazine** mission is to promote the concept of “women community" in the society.
- **SHE Magazine** is a privet company



## Keys to Success

Attaining targeted circulation levels

Controlling costs while spending subscription

Monitoring response rates of all media

Attaining targeted advertising sales revenues

Having quality editorial content in each issue

Production and distribution dates in a timely fashion



## Market Analysis

1

- Site Selection

2

- Competition

3

- Market Size & Selected Group

4

- Prices

5

- Quality



## Market Analysis

### Site Selection

- Location: City of Amman
- Amman is the capital city of Jordan.
- Active social life (our working core ).
- Highest percentage population 40% of the total population



### Competition

- Few Magazines that aim to the same working core. Most of them issued outside of Jordan
- Availability of multi revenue resources.
- The effect of welfare increment, increase the demand of such type of business
- low risk of competition



## Market Analysis

### Market Size & Selected Group

- According to the department of statistics (2010):
  - 1217000 male
  - 1150000 female
  - 2367000 ( Total number of Amman )
- Target Group (Class A (upper-class), Class B (The middle-class))
- Assumption had been taken to assume the total number of target group
- This assumption based on: Age, Gender ,level of education , level of income , willingness and ability to pay , Internet users, diversity of social events
- The Approximated total number of target group = **350,000 capita**



## Market Analysis

### Prices

- The price of such magazine is relatively high comparing with different type of magazine.
- Other similar magazines in the market is sold with high price because most of them are imported
- Average prices in the market range between 15 to 20 JOD
- We target to sell in lower price using the benefit of local production

### Quality

- Will publishing the **SHE Magazine** in high quality with gloss paper,40page,colored and contemporary in look and appeal
- Will also publish a softcopy (E-Magazine) to be subscribed by internet users



## Market Analysis

### Result

Parameter	Specific Assumption	Notes
Total Production	25000 copy / month 300000 copy / year	With the 6 <sup>th</sup> year aim to increase the copies to be 30000 / year
Target group	350,000 capita	Class A , Class B
Work time	5 days/week (one shift 8 hours)	
Selling Price	11-14 JOD / copy	
Place of production	Amman, Jordan	
Product	<ul style="list-style-type: none"><li>•Woman Social life magazine</li><li>•Web site</li></ul>	Number of pages = 40

## Understanding of Total cost

*Investments Costs*

*Depreciation Costs*

*Marketing Cost*

*Printing Cost*

*Distribution Cost*

*Financial Cost*

*Labor cost*

*website Management*

*Utility /Equipment cost*

*Unexpected Cost*

## Calculation of the Investments and Depreciation Costs

Description	Amounts of investment in JOD	Depreciation rate in years	Depreciation in JOD / year
Buying Office ,Cost 500m2 to 800 JOD/m2	400000	50	8000
Additional expenses	20000	0	0
Interior Design(Engineering)	15000	5	3000
Finishing Work ( flooring, Elect, HVAC, Plumbing ,Doors ,Wall,..etc)	100000	5	20000
Furniture ( offices, chairs,..etc)	75000	10	7500
Equipments (Computers, printers, cameras,..ets)	40000	5	8000
Vehicles (2 pass.cars)	30000	5	6000
Vehicle (1 Mini Bus)	60000	5	12000
Licenses	20000	5	4000
website Management + IT Network	90000	3	30000
<b>sum</b>	<b>850000</b>		<b>68500</b>

## Calculation of the labor Costs

Personal in cost centre	Number	Personnel direct costs/year
CEO	1	120000
Editor in Chief	1	100000
Managing Director	1	100000
Senior Editor	1	80000
Editors	3	160000
PR & Marketing	1	60000
Project Manager	1	50000
Design Director	1	60000
Designers	5	200000
Business Development	1	50000
Financial Director	1	70000
Printing Coordinator	2	80000
Distribution Coordinator	2	90000
IT Manager	1	80000
IT Engineer	2	80000
External Consultants	6	138000
Photographers	2	100000
Administration	4	100000
Driver	3	15000
<b>sum</b>		<b>1733000 JOD</b>

## Calculation of the Marketing, Printing, distribution network costs

Description	Amounts of investment in JOD/year
Marketing Cost	750000
Printing Cost*	1200000
Distribution cost**	150000
Mail Rent cost	30000
Newsstand Development	6000
Utilities Cost	12000
<b>sum</b>	<b>2148000</b>

\* The average rate for printing = 0.1 JOD/Page

\*\* The average rate for Distributing = 0.5 JOD/copy

Total cost Investment	
Sum of Hard work	850000
Sum of Soft work	1886000
Unexpected	1000000
	3736000 JOD



45% own capital funds (shareholders equity)	1,644,075
55% outside financing (bank loan)	2,009,425

## Calculation of the Financing costs

Year	Balance of debt	Interest rate(%)	Interest Costs Paid / year	Repayment / Paying back loan / year
1	2,009,425	8	160,754	200,942.50
2	1,808,483	8	144,679	200,942.50
3	1,607,540	8	128,603	200,942.50
4	1,406,598	8	112,528	200,942.50
5	1,205,655	8	96,452	200,942.50
6	1,004,713	8	80,377	200,942.50
7	803,770	8	64,302	200,942.50
8	602,828	8	48,226	200,942.50
9	401,885	8	32,151	200,942.50
10	200,943	8	16,075	200,942.50
<b>Total</b>			<b>884,147</b>	<b>2,009,425.00</b>

## Calculation of the Total costs

Year	Foundation Year	1	2	3	4	5	6	7	8	9	10
Utilization of capacity (%)		60%	80%	100%	100%	100%	100%	100%	100%	100%	100%
Quantity produces in copy		180000	240000	300000	300000	300000	360000	360000	360000	360000	360000
Costs	Costs / Copy	Cost /year	Cost /year	Cost/Year	Cost /year	Cost /year	Cost /year	Cost /year	Cost /year	Cost /year	Cost /year
Depreciation costs	0.33	60500	60500	60500	60500	60500	60500	60500	60500	60500	60500
Financing costs	0.89	160754	144678.6	128603.2	112527.8	96452.4	80377	64301.6	48226.2	32150.8	16075.4
Labor costs	9.62	1733000	1710000	1710000	1710000	1710000	1710000	1710000	1710000	1710000	1710000
Marketing Cost	2.5	450000	600000	750000	750000	750000	750000	750000	750000	750000	750000
Printing Cost*	4	720000	960000	1200000	1200000	1200000	1200000	1200000	1200000	1200000	1200000
Distribution cost*	0.5	90000	120000	150000	150000	150000	150000	150000	150000	150000	150000
website Management + IT Network	0.5	90000	90000	90000	90000	90000	90000	90000	90000	90000	90000
Utility Costs	0.067	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000
Mail Rent cost	0.17	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
Newsstand Development	0.033	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000
sum	18.62	18.62	15.55	13.79	13.73	13.68	11.35	11.31	11.26	11.22	11.17

# SHE Magazine



## Definition of price

The self costs for the production of one copy of **SHE Magazine**

- 18.62 JOD in the first year of production
- 11.17 in the 10<sup>th</sup> year of production

**We decide to sell the copy at 13 JOD (net of VAT)**





## Sources of Revenue

- Advertising - (*who buy ads*)
- Subscriptions to website- (*people who pay to receive the e- magazine*)
- Newsstand Sales

## Calculation of turnover/revenue

Year	1	2	3	4	5	6	7	8	9	10
<b>Output</b>	180000	240000	300000	300000	300000	360000	360000	360000	360000	360000
<b>Price per copy</b>	13	13	13	13	13	13	13	13	13	13
<b>Turnover/Revenue</b>	2340000	3120000	3900000	3900000	3900000	4680000	4680000	4680000	4680000	4680000
<b>Advertising Revenue</b>	240000	240000	360000	360000	360000	480000	480000	480000	480000	480000
<b>website subscription</b>	60000	120000	180000	240000	300000	360000	420000	480000	540000	600000
<b>Total Revenue</b>	2640000	3480000	4440000	4500000	4560000	5520000	5580000	5640000	5700000	5760000





## Total dividend

- Total dividend cumulated over 10 years: 4334031.36 JOD
- It is not so attractive to invest in the project ,need to be increase

## Conclusion

- We decide to increase the total price of copy to be 14 JOD
- We decide to reduce the total number of papers to be 30 page
- We decide to reduce the labor cost by 20%
- We decide to increase the revenue of advertising ( Advertising plan)
- We decide to extend the market to the nearest countries (Egypt ,Lebanon, Syria)
- We decide to increase the number of subscription for e-magazine
- We decide to increase the subscription of e-magazine to be 7 JOD/month