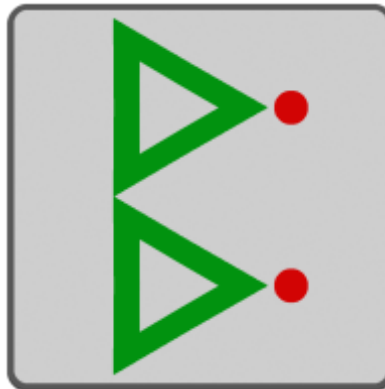


MAZIJ

BUSINESS PLAN



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1 Statement of Confidentiality & Non-Disclosure

This document contains proprietary and confidential information. All data submitted to The Art Institute of Philadelphia is provided in reliance upon its consent not to use or disclose any information contained herein except in the context of its business dealings with MAZIJ. The recipient of this document agrees to inform its present and future employees and partners who view or have access to the document's content of its confidential nature.

The recipient agrees to instruct each employee that they must not disclose any information concerning this document to others except to the extent that such matters are generally known to, and are available for use by, the public. The recipient also agrees not to duplicate or distribute or permit others to duplicate or distribute any material contained herein without MAZIJ's express written consent.

MAZIJ retains all title, ownership and intellectual property rights to the material and trademarks contained herein, including all supporting documentation, files, marketing material, and multimedia.

BY ACCEPTANCE OF THIS DOCUMENT, THE RECIPIENT AGREES TO BE BOUND BY THE AFOREMENTIONED STATEMENT.

2 Executive Summary

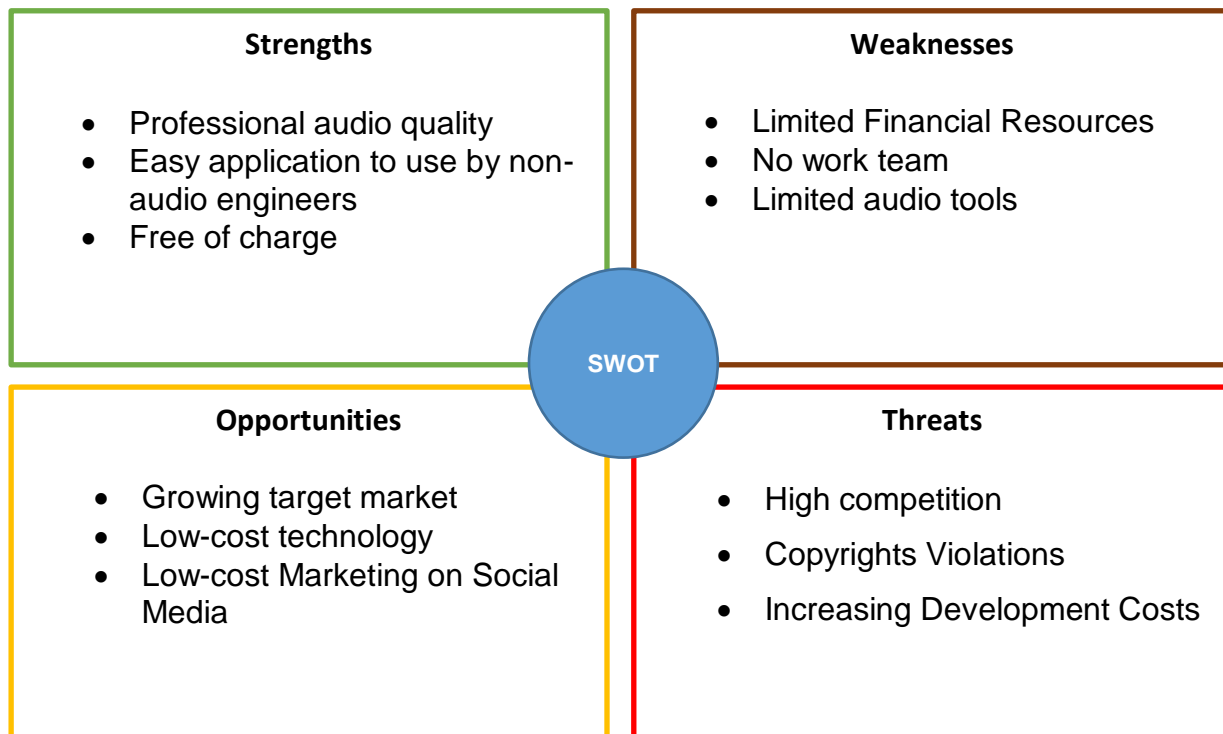
2.1 Mission Statement

To give people the ability to remix a selection of music easily by adjusting some levels within one simple web interface and share the multitrack projects with other people.

2.2 Goals and Objectives

- 2.2.1 Achieving profitable returns on investment.
- 2.2.2 Develop easy tools for audio production
- 2.2.3 Satisfying our customers and meeting their desires.
- 2.2.4 Provide a new convenient deliverable method for music.

2.3 SWOT Analysis



2.4 Business Description

Mazij application is for Music producers who usually publish their records in the way they believe sounds good to them, regardless of what potential listeners would prefer. The primary cause of this problem is the lack of technology and publishing platforms that allow people to listen to music in an interactive and adjustable format. Therefore, Mazij is the middleware for both music producers and their clients as a new form of deliverable audio. What separates Mazij from other online mixing websites is the concentration on stem mixing in which all music producers can deliver their songs in a new customizable method.

2.5 Company Ownership

This company is a Sole Proprietorship company. The following table is to clearly how the ownership will be broken down:

As of the establishment		
Name	Title	Percentage of Ownership
Sultan Bin Masoud	Owner/Founder	100%
	TOTAL	100%

2.6 Financial Requirements

Since I am starting this business as the owner and the developer in the meantime, I do not need a large budget for several reasons:

- I have no high costs fro the establishment
- I want to start small to lower the risk
- I want to assess the market in the first year before I increase my budget

Therefore, I am going to start with an operational cash of only **\$1000**

2.7 Exit Strategy

Possible exit strategies include:

- The sale or merger of Mazij company
- A management buyout

3 Products and Services

3.1 Service Description

Our services are a set of audio tools for online mixing. Customers can use Mazij's tools for mixing music or any simple multitrack mixing.

3.2 Unique Features about Mazij's Services

- 3.2.1 Professional sound quality
- 3.2.2 Suitable services for customer needs
- 3.2.3 Easy to use
- 3.2.4 Options for different budgets
- 3.2.5 Varying levels of sharing security
- 3.2.6 Unlimited number of Projects and file storage
- 3.2.7 Archiving and free accessibility

3.3 Pricing for Subscription Plans

Monthly Plans	Starter	Economy	Professional
File Uploads	20 Files	120 Files	320 Files
Viewing Bandwidth	3 GB	10 GB	25 GB
File Upload Size	50 MB	250 MB	1 GB
Sharing Level	Public Only	All Levels	All Levels
Price Per Month	Free	\$9.99	19.99

4 The Market

The market of online audio tools is still young, yet it is a fast growing market because of the technological movement from traditional standalone software into online on-demand applications.

4.1 Market Analysis

In this market analysis subsection, I will describe the particular market in which Mazij will be competing. The target audience is music producers who need a new deliverable method for their music records. The characteristics of the target audience are described in the following lines.

4.1.1 Demographics

- ❑ Age: (14-25)
- ❑ Income range: (\$2000 - \$5000) monthly.
- ❑ Sex:
 - **Male**
 - Female
 - Other
- ❑ Occupations:
 - **Student (hobbyist)**
 - Employed
 - **Freelancer**
- ❑ Marital status:
 - **Single**
 - Married
 - Widowed
 - Separated
 - Divorced
- ❑ Education: High school and above
- ❑ **Company Size: Small to medium sized companies (small-scale studios)**
- ❑ **Music Genre: Hip Hop producers**

4.1.2 Geographic

- ❑ Area served → United States → Worldwide
- ❑ Nature of the location → downtown, business, and residential
- ❑ Transportation → Cars, Trains, and Busses

4.1.3 Lifestyle

- ❑ Hobbies: music and entertainment interests
- ❑ Media preferences: Television, radio, magazines, and the internet

4.1.4 Psychographics

- ❑ Status seeking

- ❑ Socially conscious
- ❑ **Free spending**
- ❑ Fun seeking

4.1.5 Buying Factors and Sensitivity

- ❑ **Unique product features**
- ❑ **Price**
- ❑ Quality
- ❑ Brand name
- ❑ Customer service
- ❑ Advertising

4.1.6 Market Needs

Current requirements in the market are to have special tools for online audio mixing.

4.1.7 Market Growth

Gathering information on the historical development and growth of web applications is aiding in assessing potential market opportunities for the future. Therefore, I expect that:

- ❑ The prices of our services should increase in future based on stage
- ❑ The market would grow up fast
- ❑ The current stage of development of the market is *Growth*
- ❑ The market should be affected by the state of the economy as any other market that offers minor products or services

4.2 Competitor Analysis

Competition occurs on a daily basis in our line of business. Advances in technology can send the profit margins of a successful business into a tailspin causing them to plummet overnight or within a few hours. For example, when a large company like Adobe or even Soundcloud announces a new service similar to what Mazij offers, then most Mazij's customers will consider moving to the new service if all factors suggest the movement. When considering these and other factors, we can conclude that Mazij business is a highly competitive. Because of this volatility and competitiveness, in some cases, it is important to know our competitors, what they have accomplished, and the challenge they had before us. Our competitors have preceded us into the market. They have established position, market exposure, and a customer base. The success of our business depends on Mazij's ability to take market share away from these competitors or to address a segment of the market that is not currently being addressed. If we are anticipating taking market share, we need to explain how we are going to do it. There are several issues that we should consider in completing this competitive analysis.

4.2.1 Competitive Landscape

The competition in the market of online audio tools is on a moderate level tends to be intensifying in some services like music creation. Often the competition lies in the strength of

the brand, proliferation in the market, and the ability to reach the largest possible number of customers. The increasing demand for new audio tools makes the competition much to imitate any idea or new service, which will accelerate the duration of the life cycle of the product.

The nature of intangible services offered by the technological media industry makes the difference between competitors not significant in most cases. There are many applications to do audio recording, editing, mixing and mastering. However, there is an inability of a large segment of the target clients to differentiate between the levels of quality that they receive, due to lack of knowledge about different methods of productions and technical differences. Nevertheless, the customer can always notice the simplicity or the difficulty of any audio application. Also, the fame of brand could be a significant differentiation by many clients.

New competitors can quickly enter the market of audio tools applications because of the availability of open source platforms for audio processing. A Large number of competitors are seeking various ways to earn a piece of the market share. Meanwhile, due to the small operational expenses, it is also easy to exit the market as the inability of some service developers to sustain.

4.2.2 Competitive Analysis Table

FACTOR	Mazij	Soundation	Audio Joiner	Audiotool	Soundtrap	Twistedwave	Importance to Customer
Domain	Mazij.audio	soundation.com	audio-joiner.com	audiotool.com	soundtrap.com	twistedwave.com	
Mixing Tools	Yes	Yes	Yes	Yes	Yes	Yes	High
Ease of Use	Yes	Yes	Yes	No	Yes	Yes	Medium
Price	Free	Free, \$4.99, \$9.99/month	Free	Free	Free, \$3.99, \$7.99/month	Free, \$5, \$10, \$20/month	High
Audio Effects	No	Yes	No	Yes	Yes	No	Medium
Reliability	Yes	Yes	No	Yes	Yes	Yes	High
Stability	Yes	Yes	Yes	Yes	Yes	No	High
Reputation	No	Yes	No	Yes	Yes	No	Medium
Good Appearance	No	Yes	No	Yes	Yes	No	Low/Medium
Private Sharing	Yes	No	No	Yes	No	No	Medium
Secure Storage	Unlimited	Unlimited	Unlimited	Unlimited	Limited/Unlimited	Limited	Low/Medium

5 Marketing Strategies

5.1 Introduction

In this marketing section, will make or break the prospects for Mazij venture. A great idea is meaningless if we cannot find customers. Carefully drafted and logical financial projections are irrelevant if nobody buys our services. In this Marketing Strategy section, there is indeed an eager market for online audio tools. The Marketing Strategy section is where we show how we are going to fit into the market structure. The fundamentals of this marketing plan include stating target market segments we wish to penetrate, how we plan to achieve this and the period for capturing a specific percentage of the online audio tools market share.

5.2 Market Segmentation Strategy

The strategy for each segment will be based on the following segmentation factors to fulfill the needs of our potential customers. The combination of segmentation strategies we are going to use in this plan are as follows:

- ❑ Geographic segmentation: segmenting customers based on geographic area
 - United States
 - Saudi Arabia
 - Worldwide
- ❑ Product-user segmentation: segmenting customers based on product usage
 - Music Producer
 - Music Consumer

5.3 Targeting Strategy

In this plan, we are going to use only one targeting strategy because we do not have enough resources. Therefore, we are not going to use some standard targeting strategies such as *Mass Marketing* to go after the market as a whole with one offer that answers common needs. Rather, we are going to use a different type of targeting strategy, which is the *Niche Marketing* strategy that allows us to go after a small segment, which produces music, with a tailored offer.

5.4 Positioning Strategy

In this plan, we are going to use the strategy of Positioning in relation to the target market. We will set a position for Mazij wherever there is a demand for stem mixing in the market. Moreover, will position Mazij in an empty area where Arabic users have no audio mixing tools with Arabic interface.

5.5 Corporate Message and Image

The message we portray through all our marketing efforts should be clear, consistent, and reflect Mazij's image. Therefore, the image will be suggesting that Mazij offers free online tools for stem mixing with a simplicity of use and high sound quality for the audio output.

5.6 Service Strategy

Mazij's services will be designed and offered based on the needs of our potential customers. We are going to regularly research the market and the feedback from our current customers to develop new services or improve the current services.

5.7 Pricing Strategy

Our pricing strategy is a marketing technique that is part of our overall marketing and positioning strategy. Therefore, the strategy of Multiple Pricing should be the primary pricing strategy for Mazij's services. However, we are going to start with only one free plan for all users until we build a good base of loyal customers. Afterward, we can add more plans with more features for different prices. In structuring our pricing plan, we will consider all the following factors:

- ❑ Competitor pricing
- ❑ Direct/indirect costs
- ❑ Profitability
- ❑ Financial justification
- ❑ Customer needs and what they are willing or not willing to pay for
- ❑ How consumers view additional features and benefits
- ❑ What kind of cost savings might interest customers

5.8 Promotion and Advertising Strategy

Having a good product or service and poor advertising is like not having a business at all. Our purpose is to introduce, promote, and support our Services in the marketplace. Although considered a cost, a properly designed and executed campaign is an investment. It is critical that we educate our target market about Mazij's services. However, we are going to regularly communicate our benefits to that market.

5.8.1 Marketing Vehicles

Employing the following promotional activities direct to producers can generate awareness:

- ❑ Ad campaigns
- ❑ E-mailing lists
- ❑ Free subscriptions
- ❑ Social networking
- ❑ Public relations

5.8.2 AdWords Campaign

We are going to launch some Google AdWords campaigns to make awareness and attract new users. The keywords we are going to use are the following phrases:

- online audio mixer
- music online mixer
- audio mixer
- stem mixer
- stem mix
- online audio tools
- sound mixing
- online music mixer
- mixer audio
- sound mixer
- music mixer

6 Operational Costs and Cash Flow Projection

Mazij - Cash Flow Estimates

	(Pre) Startup EST	Fiscal year begins: 1/5/18												Total Item EST
		JAN 05	FEB 05	MAR 05	APR 05	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	OCT 05	NOV 05	DEC 05	
Cash on Hand (beginning of month)	1000	1000	951	1100	1128	1543	1930	2433	2765	3455	3990	4480	4793	4793
Number of Customers														
Existing Customers	0	0	79	127	182	215	261	288	331	357	399	424	466	466
New Customers	0	132	132	176	176	220	220	264	264	308	308	352	352	352
Total	0	132	211	303	358	435	481	552	595	665	707	776	818	818
Cash Receipts														
Cash Sales	330	528	528	757	894	1086	1202	1381	1489	1663	1768	1941	2044	2044
Collections fm CR accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans/ other cash in.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	330	528	757	894	1086	1202	1381	1489	1663	1768	1941	2044	2044
Total Cash Available (before cash out)	1000	1330	1479	1857	2022	2829	3132	3814	4254	5118	5758	6421	6837	19876
Cash Paid Out														
Purchases (online storage)	49	49	49	49	49	149	149	149	149	149	299	299	299	1838
Purchases (server hosting)	20	20	20	20	20	40	40	40	40	40	80	80	80	560
Purchases (mailchimp.com)	10	10	10	10	10	10	10	10	10	10	195	195	195	876
Gross wages (exact withdrawal)														0
Payroll expenses (taxes, etc.)														0
Outside services														0
Online Ads	300	300	300	400	400	500	500	600	600	700	700	800	800	750
Accounting & legal														6600
Telephone														0
Utilities														0
Interest														0
Other expenses (specify)														0
Miscellaneous														0
Total	0	379	379	729	479	699	699	1049	799	1128	1278	1628	1378	10624
Cash Paid Out (Non P&L)														
Loan principal payment														0
Other startup costs														0
Owners' withdrawal														0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Paid Out	0	379	379	729	479	699	699	1049	799	1128	1278	1628	1378	10624
Cash Position (end of month)	1000	951	1100	1128	1543	1930	2433	2765	3455	3990	4480	4793	4793	9252

7 Cash Flow Details

I made all the cost estimates based on researching the prices online. All the income estimates are based on PPC (Pay Per Click) conversion rate in Google AdWords:

7.1 Lead Conversion Rate expected from Google AdWords campaigns

- ❑ The expected conversion rate for new customers who sign up for free accounts is (20%).
- ❑ The expected conversion rate for customers who upgrade to the (Economy) paid plan is (5%) of the total signed up customers for free plans.
- ❑ The expected conversion rate for customers who upgrade to the (Professional) paid plan is (25%) of the total signed up customers for paid plans.

7.2 Loyal Customers rate who maintain their paid subscription plans

- ❑ The expected rate is (60%) of current customers will remain loyal to the paid plans.

The following chart explains and example of how much income expected from direct costs on Google AdWords:

<i>Google AdWords campaign's cost</i>	\$100.00	
<i>Maximum cost per click</i>	\$0.45	
<i>Number of consumed clicks</i>	222.22	Clicks
<i>Conversion rate for new customers</i>	20%	
<i>Number of new customers</i>	44.44	New sign ups
<i>Conversion rate of upgrades to paid plans</i>	20%	
<i>Total number of Paid Plans</i>	8.89	Paid plans
<i>Conversion rate for Professional Plan</i>	25%	
<i>Number of Professional Plan Customers</i>	2.22	Professional Plans
<i>Number of Economy Plan Customers</i>	6.67	Economy Plans
<i>Income from Professional Plans</i>	\$19.99	\$44.42
<i>Income from Economy Plans</i>	\$9.99	\$66.60
Total Income	\$111.02	
<i>Rate of Revenue Per Customer</i>	\$2.50	

8 Development and Growth Plan

In this section, I will outline how I intend to improve Mazij's business. The development section is a road map of how we are going to get from where we are now to where we want to be in the future.

8.1 Development Strategy

- I will make a revised development plan every time I review SWOT analysis.
- I will add new features and fix some issues every three months.

8.2 Development Timeline

The timeline of SWOT analysis and development evaluation will be every three months.

8.3 Development Expenses

All of the development costs will be budgeted as a percentage of 20% of net profit.