

INFO 415 E-Commerce Semester Project

Creating An E-commerce Business Plan

A semester project is where you demonstrate that you can actually apply the knowledge you have gained over the course of the semester. It is that quintessential moment that brings everything together so you can see how it all really works and how it can serve you in life. After all, what good is all this work if you can't put it to use in advancing your career? In this project you start an e-commerce business. You would be amazed at how many online businesses that are common household words today, started as assignments in school (see: [12 Entrepreneurs Who Got Started In College](#)).

This project is great because you need to draw from the learning provided in every module to complete the work. While the business plan does not necessarily line up with each module, you should be able to find what you need using the index and table of contents for guides. But the book is not your only resource—not by a long shot. As many of you have discovered in your discussions and practical assignment, there are many online resources for research, direction, and ideas. I will not list any here because that is one of the many problem-solving activities in which you will need to engage to write an A-level plan. Here is the outline:

I. What is your business model? Choose a Product or Service

First up, reflect on what it is that you think would make a good product or service to offer online. As you have learned, there are many eCommerce models and not all are for profit. If you have a service that you feel is better offered as a not-for-profit, go ahead and develop that idea. The following bullet points are here to spur your thinking. Once you have an idea in your head, write it out free style (or “cocktail napkin it”, as they say in design). Refer to chapter(s): 4 & 10

- Finding a product or service to sell
- Will they be dropped shipped or will users be sent to another site (eg. Kayak.com)
- Evaluating your idea
- Obtaining your product or distributing your service
- In app purchases or outside
- What formats or platforms will you use (just mobile or PC as well). Will the exchange experience be different for those using mobile vs PC?

II. Market Analysis and Summary: Research and Prepare (*This is where I would expect to see citations from outside research sources*)

Once you have put your design on paper in broad terms it is time to begin to refine it. This is where you delve into specifics about how the product will appear to, and attract

customers. Show your description to others and see if, after reading your work up, they too can see exactly what you intend to do and how you will accomplish it. Listen to them if they have questions as these will help guide your development and discernment process. Use the following bullet points to help get your thinking started. Refer to chapter(s): 2, 4, 6, & 9

- Research your competition
- What is the real benefit your product or service provides? It must be something that your customers truly need. It must also offer real value. You must know your product's features, its advantages, and how they benefit your customers. (Amadeo, 2019)
- What is your target market (be very specific and list the demographics)? Who are your customers? What are their needs? You've got to know exactly who buys from you and how you can make their life better. That's how you create demand, the driver of all economic growth.
- Conduct a [Competitive Analysis](#): Have you identified your real competitors? They aren't just similar companies or products. They also include anything else your customer could do to meet the need you can fulfill.
- Make income projections
- How do you intend to build trust in your brand (Why should someone or some business (B2B) buy from you?)
- Social networking
- Design inhouse or outside; third party shopping cart one designed by your staff?

Take a moment and familiarize yourself with [Porter's 5 Forces](#) that describe how to differentiate your business from others. Porter and other thinkers are just the kind of outside resource I am going to be looking for as I look through your papers.

III. Execution: Setting Up Your Business (Have fun with this area-be creative)

No business, especially a startup, can be successful unless you can differentiate your product or service from others and make it clear what you do and how you help the customer. You have a unique idea but how to you let others know how unique it is? This is where your hidden creative side comes out. I know that some of you shut down at this point while others excel. If you have a creative friend, use them to help spur ideas. Refer to chapters 6 – 11 for guidance.

- Naming your business
- Creating a logo
- Understanding search engine optimization (SEO)
- Building your store
- Choosing your sales channels

IV. Company management summary

This section is an overview of who you are. It should describe the organization of your business, and the key members of the management team, but it should also ground the reader with the nuts and bolts: when your company was founded, who is/are the owner(s), what state your company is registered in and where you do business, and when/if your company was incorporated. Be sure to include summaries of your managers' backgrounds and experience—these should act like brief resumes—and describe their functions with the company. Full-length resumes should be appended to the plan.

V. Financial Plan: *(Just make up the numbers if you are not planning a real business)*

- Create a budget for start-up costs (list what you think they will be).
- Expenses
- Projected cash flows (list all flows in an out)
- Projected profit and loss (first year only for this plan)

VI. Post Launch

- Acquiring your first customer
- Marketing your store
- Email marketing essentials
- Driving traffic from social
- Optimizing for higher conversions
- Using analytics to uncover insights

All the items listed above need to be part of your E-commerce business plan in some fashion. Business plans come in many shapes and sizes so I will let you determine what headings and sub-headings you will use. Remember, the plan is not for you—it is to be read by potential investors or other interested parties. It needs to be clear, readable, in business style. No opinions. Some other considerations are:

- Keep it short: *Let's face it: No one has time to read a 40-page business plan. Instead of trying to cram everything in using small fonts and tiny margins, focus on trimming down your writing. Use direct, simple language that gets right to the point. Try not to repeat things and omit needless words. Short paragraphs and bullet points are always a good option as well. Remember, your goal is to communicate your business ideas, not to write the next "War and Peace."*
- Use visuals: *As the old adage goes, "a picture is worth a thousand words." This is especially true when you're formatting your business plan sections. Because readers will most likely skim your various business plan elements and not read*

every word, visuals will help communicate that extra information. Use charts and graphs to explain your forecasts. Add pictures of your product or of what your site might look like. Readers will always be able to understand your company and opportunity better if you “show” instead of just “tell.”

- Consider the audience: *You are writing to people who may not understand the product or service you are offering. You need to present your business ideas in a way that is clear to everyone.*
- Keep your formatting simple: *For general formatting, use single spacing with an extra space between paragraphs. If you’re printing your plan, use a nice serif font like Garamond or Baskerville. If your plan will mostly be read on a computer screen, go with a sans serif font like Verdana or Arial. Research shows that readers have much higher comprehension when they read a document with a serif font on paper, while they have higher comprehension reading with a sans serif font on a screen.*

Requirements:

1. Don’t ask how long it should be! Short enough to do the job, long enough without becoming redundant or boring. There are many templates available online, don’t be afraid to take advantage of them.
2. At the beginning of the plan, have an [executive summary](#) which includes, but is not limited to:
 - The problem your business is addressing
 - Your solution to the problem (i.e., your product or service)
 - Your target market
 - Why the timing is right for your business
 - Financial forecast highlights
3. Break your plan into understandable bites using headings that tell the reader what is coming and helps them navigate the plan quickly and efficiently. The best thing to do is to build your plan, then organize it.
4. Bibliography: If you get information, statistics, quotes, etc. from outside sources you need to **cite your work in the body of the plan and create a bibliography** of your citations placed before the appendix.
5. Appendix: Any charts or tables that were summarized in the body of the plan. For example, you may have stated what your expected cash flow may be in the body, in the appendix, you would put the table (spreadsheet) you used to figure that out. In short, any supporting documentation goes in the appendix.

N.B.: If you have a serious business plan and wish to use this project to develop it but do not wish to reveal your idea publicly, I am happy to sign a non-disclosure agreement if you wish.

E-Commerce Business Plan Rubric

CATEGORY	2.5	2	1.5	1	Score
Organization	Information is very organized with well-constructed paragraphs and subheadings.	Information is organized with well-constructed paragraphs.	Information is organized, but paragraphs are not well constructed.	The information is disorganized.	
Paragraph Construction	All paragraphs include introductory sentence, explanations or details, and concluding sentence.	Most paragraphs include introductory sentence, explanations or details, and concluding sentence.	Paragraphs included related information but were typically not constructed well.	Paragraphing structure was not clear, and sentences were not typically related within the paragraphs.	
Quality of Information	Clear use of supportive data and citations. Statistics, external references, book references, etc are used liberally to support plan direction and construction It is obvious the student grasps the concepts and can analyze deeply and effectively.	There is evidence of use of references and that the student understands how the information supports their work. There is also some evidence that the student can analyze but at low or simplistic level.	The plan is mostly opinion with unsupported contentions and little to no analysis.	No citations, no outside references to support contentions and concepts. No analysis.	
Consistency of Information	Information clearly relates to the main topic. It includes several supporting details and/or examples.	Information clearly relates to the main topic. It provides 1-2 supporting details and/or examples.	Information clearly relates to the main topic. No details and/or examples are given.	Information has little or nothing to do with the main topic.	
Internet Use	Successfully uses suggested internet links to find information and navigates within these sites easily without assistance.	Usually able to use suggested internet links to find information and navigates within these sites easily without assistance.	Occasionally able to use suggested internet links to find information and navigates within these sites easily without assistance.	Needs assistance or supervision to use suggested internet links and/or to navigate within these sites.	
Mechanics	No grammatical, spelling or punctuation errors.	1-3 grammatical, spelling or punctuation errors	4-6 grammatical spelling, or punctuation errors.	7 or more grammatical, spelling, or punctuation errors.	
Product Idea	Idea is realistic, well planned, and each part of the business plan fully developed.	Idea is realistic, mostly well planned, and 1-2 sections of the business plan are NOT fully developed.	Idea is somewhat realistic, partially well planned, and 3-4 sections of the business plan are NOT fully developed.	Idea is not realistic, is not well planned, and each part of the business plan is NOT developed.	
Sources	All sources (information and graphics) are accurately documented.	All sources (information and graphics) are documented but has a 1-2 errors.	All sources (information and graphics) are documented.	One or more sources are not accurately documented.	