

# BUSINESS PLAN



## Radio Station



2014

*Adaptation of this business plan is possible for similar project around the world.*

*This business plan includes computer-assisted financial model in Excel. To make re-calculations for a new project, it's enough to change basic indicators of the project. Financial model is built up in such a way that appearance of the new performance indicators of the project can be observed at once, after making changes in existing script. Financial model is simple and comfortable, which allow any person to successfully make calculations for his own project.*

## **Business Plan Description**

**Project idea:** the creation of radio station «\*\*\*\*» in Moscow, Russia.

**Project Audience:** the population of Moscow aged from 20 to 30 years. It is expected to attract daily \*\*\* listeners after one year of work.

**Musical direction:** popular foreign and Russian music, themed musical programs, hits and novelties.

**Project equipment:** the production of such firms as «DELTA», «Sony», «Allen Heath», «Sound King», «Cordial», «Apogee BIG BEN», «Behringer».

**Object location:** the radio station will be located in rented premises of \*\* sq. m. Additional costs are accounted in the category «Capital Expenditure» and included in the financial plan.

Among kinds of **promotion and marketing** the main Internet means will be: the creation of the radio station web-site, social networks, SEO. Also the advertising material will be placed in the print media.

**Project implementation:** the broadcasting in the FM-frequency range and online-broadcasting in the Internet Network.

**Start of project implementation:** January 2015.

## Basic Financial Indicators

Indicators	Units	Value
Revenue for 3 years of work	RUB	***
Necessary investment	RUB	***
NPV	RUB	***
IRR monthly	%	***
IRR annual	%	***
Payback period	months	***
Discounted payback period	months	***

## Excerpts from Research

Radio networks as a kind of information resource are widely used for carrying out of internal broadcasting in the Russia Federation. The results of survey showed that \*\*% or \*\*\* thsd. of Russians have confirmed the presence of at least one radio receiver.

The analysis of functioning of 52 radio stations showed that in total on the Moscow air the entertaining function in the form of musical and humorous content strongly predominates – \*\*%, the information function accounts \*\*% and on the educational – \*\*%.

On the average every quarter of an hour \*\*% of Moscow population listen the radio, at least once a day – \*\*% of population. Herewith on the average those, who contacted the radio, listened it for \* h. and \*\* min. a day.

It is important to notice that about \*\*% of all Moscow radio stations are included in holdings. And the fact that the total amount of registered licenses for broadcasting in 2012 increased by \*\*% approves of the intensity of appearing of new players in the market.

The main source of income of national radio stations is the sale of advertising time. At the end of 2012 the radio advertising market in Russia amounted about \*\* bln. RUB, in the structure of media advertising yielding to Internet advertising only in growth rate. The capital market of radio advertising makes about \*\*% of all Russian market. The average price for placing on the radio of 1 advertising 30-second spot is about \*\*\* RUB in Moscow radio advertising market.

It is not necessary to talk about the seasonality of this kind of business, but the experts are referred to the maximum percentage of radio station workloading: if the radio station is workloaded by \*\*%, it is a very good indicator.

The initial investment in the radio station of this type accounts approximately \*\* thsd. RUB: this sum depends on chosen equipment, cost of repair and specialization of premises. The monthly budget for marketing is planned in amount of \*\* thsd. RUB.

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*«VTSConsulting» team*

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Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

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*Respectfully,*

*Vladyslav Tsygoda,*

*the head of «VTSConsulting»*