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PIZZA PORTAL BUSINESS PLAN EVALUATION

While many agree that patients are the customers of a hospital, they often neglect the fact that insurance companies and doctors are also its customers. For Pizza Portal, customers are not only the students, but also Pizza restaurants and more importantly, online advertisers. The business plan of Pizza Portal has adequately analyzed one group of its customers-the students, but not the other two groups, especially the online advertisers who will be, according to the plan itself, the primary revenue source.

The business plan does a fantastic job in analyzing the pizza industry trend and the student trend in regard to online pizza service, indicating that there is a demand for online pizza portal service among students. Regarding the student customers, the plan has convinced us that Pizza Portal is a fairly innovative business idea, has a product-market match, sufficient sales volume, repeat purchase, long-term need and certain level of expected margin. In this sense, the business plan has answered a good part, but not all, of the questions indicating that Pizza Portal “is a business”.

However, the plan has not sufficiently analyzed another two groups of customers-pizza restaurants and online advertisers.

It has not explained clearly the business relationship between Pizza Portal and the pizza restaurants. What is the attitude of pizza places toward a service like Pizza Portal? Will they cooperate with Pizza Portal or will they view it as a competitor? How will Pizza Portal obtain information from the pizza places? Will it charge a fee or will it be charged a fee for information released by pizza places to be provided to students? These and other questions need to be addressed since information about pizza places is the main service Pizza Portal is going to provide.

The most serious weakness of the plan perhaps lies in the lack of discussion of its advertisers expected to be the main source of revenue. Its projection of revenue from advertising is based purely on an assumption-once there are these many clicks, there will be this much advertising revenue. The assumption is precisely the reason for the failure of many online companies. To convince any investors to believe in your advertising revenue projection, you have to analyze the online advertisers’ behavior and online advertising industry trend as applicable to the business in discussion.

In fact, too much reliance on assumptions is another obvious weakness of the business plan. One needs to do a better job than just saying “we **believe** that we can obtain 20% market share in sales during... and 40% market share during...” to claim one’s market share.

Another weakness of the plan is the lack of indication how Pizza Portal can development sustainable competitive advantages to cope with imitation of other companies.

