BUSINESS PLAN: TwentyFive To Life Magazine

*8000 York Road, Towson, MD 21204*

*TwentyFive To Life is a demographically well-positioned magazine appealing to a growing and ever-changing population of college graduates. Because it is a start-up business with big expectations and professional goals, it is looking for a capital infusion to grow its audience and revenue.*

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**MISSION STATEMENT**

TwentyFive To Life Magazine is a survival guide and resource for the post-graduate who is looking for success in his or her professional and personl life. TwentyFive To Life Magazine is a versatile source for young adults looking for a meaningful and successful life after college that gives readers the knowledge, resources, motivation, and inspiration to prosper in some of the most challenging years of their lives. TwentyFive To Life Magazine shows readers how to build an enriched life on a budget filled with laughs, triumphs and failures. While many publications will feature those who are leaders and excelling in their field, our magazine will assure our readers that just be cause they don’t “have it all figured out,” they’re not alone.

**EXECUTIVE SUMMARY**

**Business Description**

TwentyFive To Life is a breakthrough new online magazine with quarterly print editions designed to help transition a new college graduate into the working and professional world.

**Business History**

Established in February of 2015 as an online magazine, it had a projected circulation of about 3,000 readers. Developed for a college magazine publishing class in the journalism department, the concept was born out of the need to have a resource guide to new college graduates who were trying to figure “it” out. “It” refers to the desire and expectation to have one’s life figured out – having a meaningful full-time job waiting for them after graduating, a stable living situation either at home or in an apartment, understanding their finances, and feeling comfortable living as an adult.

**Business Highlights**

**Product**

8 3/8” × 10 7/8", saddle-stitched, web offset printed, 4-color (CYMK), lifestyle and guidance magazine. Produced on 50 lb. coated stock paper with sheen for cover, and 34 lb. enamel-coated stock for full body text pages.

**Customer Base**

This magazine has the unique position of being the only publication specifically focused to 20-29 year old male and female college graduates as they transition from student to professional. Generally our readers are not married, they are employed, and they’re making about $35,000 per year. They are college educated, earning associates, bachelors, and graduate degrees.

**Sales**

Projected income is expected to be over $94,000 after year one, with a median monthly income of about $13,000 in the first ten months. Our revenue will come from advertisements and subscriptions as we rely on college campuses and alumni departments to push and advertise the magazine.

**Management**

The management team is made up of six individuals who are qualified authorities on TwentyFive To Life’s main topic areas and lifestyle management issues in this emerging market. This top management team is in place, fitted into apt and stable roles that will remain solid and lasting.

An advisory team made of career counseling professionals will act as consultants for some of the editorial content, and business managers for local magazines will also consult especially in the early stages of development.

**Potential**

Not only does this magazine have the potential to be a monopolized magazine, there is a high community engagement potential to grow a network of readers across the nation. Beginning as on online publication with constant content updates with a quarterly print supplement, after establishing itself in the market, TwentyFive To Life will explore the possibility of growing to be a monthly publication.

**OVERVIEW**

Established in 2015, TwentyFive To Life Magazine uniquely serves that segment of the growing college graduate consumer base that has the following characteristics:

* Male or Female
* Between 20 and 29 years old
* Household income is approximately $35,000
* College educated

This publication serves an active and involved reader community whose numbers are continuing to grow and turnover as more and more young adults in their twenties graduate from college and enter the professional workforce. Almost 3 million associates and bachelor’s degrees are expected to be awarded in May of 2015, and each year adds more and more college educated young people to the world.

The importance of this magazine is illustrated by the need for life help and experience as all new college graduates try and “figure it all out.” They’re looking for a job, they’re finding their new apartment, they’re moving to a new city and settling down. Or, they’re stuck in the same part-time job waiting tables, they’re moving back home, and they’re watching their friends have new experiences and do what they want to do.

Other entities are attempting and succeeding to provide a guide to this population, but it is gender-specific and they are only online. College career centers are doing their part to prepare their students, but they are the water, and the horse won’t drink. Our magazine eliminates the need to have a training or counseling session with a student, but rather assures them that they are not alone, and this publication is here to make that transition easier.

TwentyFive To Life was established in December of 2014 by a small group of journalism students at Towson University. All of the group members were to be graduating in the coming semester, and each one of them was worried about what was next. Some had interviews lined up, one thought she had a guaranteed job in June, and another was searching for jobs remotely. They saw a problem, and they wanted to fix it for future generations of college seniors.

**FINANCIAL SUMMARY**

TwentyFive To Life is a unique niche magazine that will prove to be a valuable resource to the 20-something community.

The magazine has the potential for nearly instantaneous revenue because operating costs are so low. All of the design and editorial work is completed in-house with contributing writers being compensated for their time.

TwentyFive To Life has the opportunity to expand into new markets and create a community of readers to foster the mission of the magazine. There is a high opportunity for expansion given the somewhat low risk of being only a quarterly print publication with the majority of the content online.

This magazine represents a promising niche publication ready to break into a market that is otherwise untapped by other media. The projected return on investment is high, and the success of this magazine is promising.

TwentyFive To Life will be a registered trademark, copyright, and LLC.

The magazine is currently located at 8000 York Road, Towson MD, 21252. Towson is roughly ten miles north of Baltimore, MD. As of now, the magazine will be produced remotely and printed through a fulfillment house. When the staff needs to meet, they will support local small businesses by ordering lots of coffee and pastries. Money is allocated in the budget for a small office space beginning in year 2.

**PERSONNEL**

The organization employs 6 people as of January 1, 2015. The organization offers salary to employees. The following list identifies the employees by position:

**Editorial**Matt Hamilton Editor in Chief  
Kati Day Assistant Editor

**Administration**Megan Cronhardt Publisher/Business Manager

**Production**Greg Grant Art Director  
Caryn Altman Digital/Social Media Director  
Becca Nappi Assistant Art Director

**Sales**Kati Day Advertising Director  
Becca Nappi Circulation/Marketing Director  
Caryn Altman Assistant Advertising/Sales Director  
Megan Cronhardt Assistant Marketing Manager

As in many entrepreneurial companies, the staff of TwentyFive To Life Magazine performs in multiple roles, and the above titles indicate only the primary responsibilities of the individuals.

**EDITORIAL OVERVIEW**

TwentyFive To Life is a new lifestyle and development magazine that will feature articles about success, failure, weekend projects, how-to’s, dating and relationship advice, interview preparation and career tips.

TwentyFive To Life is different than its competitors because it aggregates all of the advice and tips into one tangible resource. Many of the websites and blogs that act as resources for the recently graduated are gender-specific, branding themselves for the modern gentleman or the Gen-Y woman. Our magazine will not only be a resource to both guys and gals, but it will create and foster a community of Millennials and Gen-Y-ers that are figuring it out together.

The content will primarily be from contributing authors who want to build their resume and become published writers. In the early stages of the magazine, there is a small free-lance budget to allow for writer compensation, but there will be no on-staff writers aside from the Editor-in-Chief. Once the magazine begins to yield high profits, the freelance budget will grow and potential staff writer positions will become available.

The print issues will have unique content not featured on the website to encourage customers to invest in the print issue as well as the free and subscription based content on the website.

**INDUSTRY AND MARKETING STRATEGY**

**Industry Analysis**

**Trends in College Graduates and Magazines**

***College Graduates:*** With approximately 1.8 million students expected to receive bachelor’s degrees and another one million expected to receive associate’s degrees in 2015, there is a consistent supply of new college graduates that is expected to keep increasing, according to the National Center for Education Statistics. As reported by the 2010 Census, 39.3 percent of Americans aged 25 to 34 received a post-secondary degree, up from 38.8 percent of Americans the year before. That half of a percent increase represents about 100,000 new graduates (O’Shaughnessy).

***Magazines:*** With respect to magazine circulation, print numbers aren’t increasing; instead, they’re slowly decreasing or holding steading in the number of issues sent to readers. Niche magazines are holding steady or slowly increasing making *TwentyFive To Life* risky in print (“Magazines: By the Numbers”). If our magazine is introduced as an online publication where the risk and cost is low, we will have a much better chance of success and ability to expand to print if we have the resources and funding later on.

**External Forces**

Content for the magazine will come from contributors who are doing it for experience and name recognition; at this stage of the product the company will not have the means to pay them for their articles. As the magazine grows and we get investors and advertisers to help fund the magazine, we can look into compensating the more senior freelance writers. Both of these factors (writers and investors) will help the magazine grow, but could pose a challenge if contributors aren’t consistent and advertisers won’t invest in us. The magazine could still function with our staff, but it wouldn’t be as successful.

An issue that was discussed was why there wasn’t already a magazine like this on the market; has one failed already? Has it tested poorly with our target audience? Lots of competition isn’t good because it’s harder to succeed, a little competition is great because we know that this is a niche that needs this product. With no competitor, we can’t compare our success and failures and know that we have a chance with our product.

**Customer Analysis**

*TwentyFive To Life* is an online magazine that is for college-educated men and women. The target age range will be from 20 to 28, and will be for both those with a bachelor’s degree and those with an associate’s degree. Customers will have been engaged in their college community and are looking to transition what they learned both in and out of the classroom into their post-graduate lives.

Our magazine will feature both male and female specific articles since we are appealing to a co-ed audience. Much of the content will be non-gender specific, and if there is a topic that requires gender-specific content, it will be addressed.

The target income for our audience is extremely hard to predict since the purpose of our magazine is to help carry our readers through one of the biggest transitions of their lives. If a 20 year old begins reading our magazine his junior year, he may be involved in campus life and working two part-time jobs maybe only making $5,000 a year. If that same student continues reading our magazine after graduation and into his first full-time job, his income may be $30,000 or more. Any of the products or services we advertise or write about will be tailored to those on a budget: nothing designer, $$ and $$$ restaurant options, and Groupon-friendly adventures.

**Competitor Analysis**

Our main competitors are going to many of the magazines that are already in print and online. There is a huge market of women’s magazines that include sections for fashion, lifestyle, and work-life skills, and the men’s magazines that are currently in publication include similar categories.

Our magazine is at a huge advantage because there is no magazine aimed at both male and female readers in our age range. We have the opportunity to break into this field and act as a valuable resource and engage our readers in educated and meaningful discussion with one another.

**Marketing Strategy**

Because we anticipate our audience being a young, vibrant, and excitable group, we have developed multiple marketing strategies in order to advance our magazine. The three main aspects of our marketing tactics will be events, public relations, and community advancement.

*Events*  
 The TwentyFive To Life team knows that our readers want to enjoy their twenties, so we have developed a Kick-Off Party, Grown-Up Spring Breaks, Graduation and Networking Parties, and special anniversary parties for the magazine. By combining sweepstakes and giveaways with subscriptions, we can guarantee new and returning readers to stay invested in our magazine. These sweepstakes will be posted on all of our social media and website, which will facilitate traffic to all outlets. Contests like DIY contests, “Show Us Your Digs,” and hashtaging “#my25tolife will increase reader participation and snowball and pick up more prospective readers.

*Public Relations*  
 Keeping with traditional marketing techniques, sometimes simple is best with news releases in local papers, and feature stories from contributing partners. We will do our part in the community and sponsor and volunteer with different community organizations that are already established. Community sports leagues, small concerts and local festivals are always looking for monetary help, and by supporting small businesses and local events, we are able to brand ourselves as a community that helps out the neighborhood.

*Community Advancement*  
 We will have community ambassadors in the cities where we have a large concentration of readers. This may start with the majority being college towns, but will grow as our magazine gains popularity. These ambassadors will serve as local experts to what is popular within the city. They’ll also receive swag like t-shirts, magnets, and bumper stickers to promote the magazine. The community ambassadors will also be our liaisons to coordinate the volunteer events, and they will be in charge of hosting an annual scavenger hunt around their city. This scavenger hunt will be featured in our magazine with pictures and stories fom the event, and it will allow anyone, young or old, to come out and have a good time.

**ADVERTISING**

**Direct Competition**

TwentyFive To Life is at a unique advantage in this market since there is no direct competitor publication in print. While lifestyle publications exist that provide many of the features that we share, there is no publication that caters to both male and female graduates.

Magazines like *Cosmopolitan, GQ, SELF, InStyle, Men’s Health,* and *Glamour* all include sections on health/fitness, love and relationship advice, fashion, and inspiring feature stories, but they are very gender-specific.

SELF is a monthly publication produced by Conde Nast with a circulation of 1.48 million readers through subscription and newsstand sales. The median age of readers is 43 with a household income of about $90,000. The editorial content includes more of a focus on health and wellness over life skills, but is entertaining and inspiring for readers.

GQ is a montly publication also produced by Conde Nast, reaching 943,676 print subscribers. The median age of their audience is 35 and their readers are making $75,000 per year.

**Indirect Competition**

There are plenty of new blogs and websites devoted to helping the newly graduated with life advice and inspiring words of wisdom. One site, *Levo League* prides itself on being a “Community for Gen Y women looking for mentoring, jobs, career advice and peer networking.” This is a great source of all types of professional and personal development material, but it is very gender-specific to its female audience.

With any how-to guide, we need to add more to the story than what one could find on Google. Making a story out of a life lesson instead of making that the focus is the best way to get our message across to our audience.

**Advertising Sales Background**

TwentyFive To Life hopes to grow from a small regional publication to a national brand over the course of just a few years. In doing so, TwentyFive To Life has the ability to grow advertisers while staying loyal to the local “original” readership. Our potential advertisers would be alcohol brands, insurance agencies, real estate brokers and rental agencies, entertainment packages like Groupon and Living Social, car companies, and home improvement stores.

**OPERATING PLAN EXPLANATION**

**Introduction**

The following explanations are written to clarify the logic of the financial projections in the budget spreadsheet. This section is meant to serve as a reference and explanation of the projected expenses and revenues.

**Revenue**

Projected advertising revenue will be based upon the “average pay rate method” meaning that projected ad pages are multiplied by the average pay rate.

Revenue by circulation/subscriptions is centered on regular subscriptions at a flat rate of $19.99 for a yearly subscription by mail and contracts with college and universities at a rate of $2,195/500 copies for both the spring and winter graduating classes.

Revenue in the five-year plan is skewed low so that way we have the opportunity to exceed projections and yield a higher return.

**Production Expenses**

The number of pages in the magazine is expected to be about 80 to 120 pages long. The advertising content ratio is only expected to be about 45 to 50 percent, allowing enough space for editorial content. Since the number of pages can only be in incriments of 8 for printing purposes, each issue will have to be evaluated on the editorial content for exact length.

**Sales Expenses**

**Postage (Magazine Distribution)**

Second class postage will be used for subscription cards. Magazine shipping and distribution will be handled by a third-party fulfillment house that will handle printing and distribution.

**General & Administrative**

*TwentyFive To Life* will begin without an office space, so administrative costs are low to non-existent. We have budged for licensing and trademark fees, as well as money each year reserved for legal consulting if necessary.

**Payroll & Related**

The six staff members on the original team will receive compensation for their time and work. As the magazine becomes more established, the salary will increase, transitioning from part-time wages to a more full-time living wage.

There is money reserved for contributors to compensate them for their time, but we will not have on-staff writers until much later in the magazine’s life.

**Cash Flow Projections**

All numbers in the cash flow model come directly from the Operating Plan, except for balance sheet items for July, 1991, when the projections of cash begin.

The method used to project cash is as follows:

1. Following the model of year 1, years 2 and on will be structured the same. Any one-time expenses at the end of the fiscal year will either be used or roll-over into the following year.
2. Total profit is calculated by subtracting the Total Monthly Burn Rate (the total amount of expenses) from the Total Income projected from ad sales, and subscriptions.
3. Because our expenses are so low, it is projected that we will make money in our first year of production, with revenue yielding higher returns as each year progresses.