



**Business Plan for Hera
Virtual Assistant Agency**

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Hera is a real project which I have spent lots of time and energy on, so I plan to realize it sometime in the future.

Abstract

Nowadays, the world is rapidly digitalizing reshaping every aspect of human living from social life to work environment. The digitalization of workplaces occurs through more and more employers switching to telework in their operations or outsourcing some of their business activities to virtual assistants who produce the same job for cheaper (VAs). Even though the VA industry is globally expanding, there is no such business in Azerbaijan so far which is both a gap and opportunity in the market that inspired me to create the given business plan. Limited in both financial and physical resources, micro and small businesses are evaluated as potential customers of the given business. The online survey conducted among over 200 micro and small Azerbaijani business owners showed that 70% of them are ready to outsource some of their business activities to VAs, namely graphics/ web design, social media management, content writing and administrative tasks which ultimately became the first four services we aim to offer to our potential clients in 2023-2026. Our calculations showed that to start the business and to be able to operate it without profit during the first quarter of 2023, we will need 45.000 AZN which we aim to fund with a bank loan. Overall, the financial analysis of the company showed that it is a profitable investment option since the business is expected to cover its costs starting from the second quarter of 2023 and make considerable net profit each year being almost 460.000 AZN in 2026 with return on investment of over 10%.

Keywords: Telework, virtual assistant (VA), return on investment.

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1. Introduction

With the outbreak of coronavirus disease, in 2020, the world entered a new economic era in which it had to protect health and lives of people without causing serious damage to the economy. The most feasible measure to achieve it was to implement social distancing methods, such as quarantines, closing educational institutions, crowded places, as shopping malls and theatres, and workplaces that did not necessarily require physical presence of employees. In response, education in most of countries shifted to remote learning, retail businesses started to heavily rely on online platforms to sell their goods and services, and the majority of workplaces switched to teleworking. Teleworking is a flexibility of employees to work from home using their computers or other devices having access to internet (OPM, n.d.). Besides, COVID-19 resulted in shutdown, downsizing and disrupted operations of numerous businesses around the world, including Azerbaijan, so lots of people globally lost their jobs or worked fewer hours during the pandemic. Consequently, the surviving businesses had to cut their costs, including those on labor force, since they had less workload and, thus, earned less profit during that time (Thomas, 2020).

Taking everything into consideration, the digitalization of work processes and specifically increased tendency to online work regimes as well as diminished workload and profitability of companies increased the need to outsource some of the business activities to remote workers. In that case, the most successful solution for businesses is to hire virtual assistants that are more cost-effective, less time consuming, are already trained and skilled to undertake the activities of the clients and are not working based on long-term contracts (Thomas, 2020). Apart from the businesses suffering consequences of the economic recession, hiring virtual assistants is also useful for individual entrepreneurs and small companies that want to save costs on their labor force.

2. Company description

Virtual assistant, or VA for short, is a person who takes on some of the business tasks and completes them from remote location. There is no need for businesses to provide VAs with office space and health insurance and pay additional taxes. Thus, VAs save employers both time and money since they are a cheaper labor than full-time employees and they do not need trainings which is both time and financial release for businesses.

My startup plan is to create a Virtual Assistant agency, Hera, the services of which will include graphics/ web design, social media marketing, content writing and administrative tasks. All VAs will be bilingual, college-educated with minimum five years of experience in their fields. The services will be provided in Azerbaijani and English, but starting from 2024, it is planned to hire VAs fluent in Russian as well, so our services will be available in three languages.

There will first be a free interview with the clients to determine their needs and develop a work as well as pricing plan. After the interview, in case our VAs are not familiar with the job or software that the client requires, the company will train these VAs at no cost to the client. At the end of the partnership, there will be a rating system in which both clients and VAs will be able to rate each other.

Since the business will be online, all transactions will be website-based. The website of the agency, Hera.az, will be developed by professional back-end and front-end developers and will contain everything needed for the smooth operation of both VAs and our clients. The clients will have to first register, clarify what services they need and choose a pricing model in accordance with their needs. In case they are not sure on which pricing model to choose or want to have negotiations on the services, they will have a chance to request an interview with the agency representatives who will assist them in choosing the best option for them. After that, the representatives of Hera will match the clients with the most appropriate VAs and in case VAs lack some knowledge on the tasks required, they will be trained by the agency at no cost to the clients. As the partnership starts, the clients will be able to see the VAs they are working with along with their CVs as well as information on other available VAs; the list of pending, going and completed tasks they have requested; deadlines they have set; and their balance. They will also have a chat box which they will be able to use to communicate with both VAs and customer support service. The same is applicable to VAs: they will be able to see the list of their clients as well as clients waiting to receive service from the agency; their pending, going and completed tasks; deadlines they have; and their balance.

From the third year of our operation, we plan to develop an application in both Apple Store and Play Market which will be available for usage of both VAs and clients where they will be able to do basically everything they did on the website, but, unlike the website, it will be a more convenient way to operate since apps are generally easier to use, load faster, store data on the

mobile devices themselves, not browsers, and have push notifications and reminders which boost the user experience. They will also be able to use the app as a messenger to communicate with each other; however, it will be up to those two parties to decide which means of communication are the most convenient for them.

On its behalf, Hera will enable its clients to assign tasks on Trello, a tool to manage tasks and projects which shows who and when works on the tasks, in order to track the progress of their activities. Hera will purchase the business class version of Trello which costs 150 USD (255 AZN) annually to ensure both clients and the VAs get the most benefits of the software (<https://trello.com/pricing>). Besides, to ensure that the VAs are working on tasks and do not waste clients' paid hours working on their own businesses, clients will also have a right to require the VAs to use Time Doctor, a software that tracks working time of individuals on a specific task which will notify the client on the productivity of the VA. To enable clients get access to the Time Doctor and give them the maximum advantages of the tool, Hera will purchase the premium version of the app which will cost it 240 USD (408 AZN) annually (https://www.timedoctor.com/pricing_plans.html). So, the clients will be charged neither for Trello nor Time Doctor usage.

The pricing model for the graphics/ web design, social media marketing, content writing and administrative services will be calculated on an hourly basis and is assumed to be as following for each:

- Mini- 10 hours per month- 150 AZN (15 AZN per hour)
- Standard- 20 hours per month- 280 AZN (14 AZN per hour)
- Silver- 40 hours per month- 520 AZN (13 AZN per hour)
- Gold- 60 hours per month- 720 AZN (12 AZN per hour)
- Platinum- 80 hours per month- 880 AZN (11 AZN per hour)

The unused paid hours of the clients purchasing silver, gold and platinum packages will be transferred to the next month. Besides, we will offer our clients purchasing gold and platinum packages a chance to manage their hours as they wish; they will be able to enjoy services of several VAs and distribute their available hours between them as they need. Finally, the clients purchasing

platinum packages will be referred as VIP, so they will be allocated a VA first, even if we will have clients having purchased other packages in queue before.

Despite this pricing plan, if paid annually, the clients will get a 10% discount on the services.

2.1 Graphics/ web design VA

The studies show that over 90% of information transmitted to the humans' brains comes from visuals which highlights the importance of having proper visual content to communicate the brand to its target audience (Manic, 2015). The graphics/ web design VAs of Hera will create digital assets for the clients to promote and represent their brands. These VAs will take on graphic design tasks, such as creating logos, developing websites and print materials.

The first thing with regards to the brand that the customers interact with is logo. It needs to be thoroughly and carefully developed since it will be the face of the company, so the VAs of Hera will help companies develop logos in order to deliver right messages to the customers to make the brand memorable and different from its competitors (Tailor Brands, n.d.). While the logo creates first impression on the brand, the website helps to make that impression long-lasting, so our VAs will create relevant and quality visual content for the clients' websites. The importance of visual content is that it attracts visits to the website, makes visitors engaged, improves the overall user experience and eventually turns those visitors into potential customers. Lastly, the graphics/ web design VAs will create personalized print materials, as business cards, flyers and brochures for the clients to ensure their audience knows what those businesses are and what they offer.

2.2 Social media VA

Nowadays, social media is an essential tool used by businesses to reach and engage with customers and sell and promote their products or services (Australian Government, 2021). Having strong track record in social media management, social media VAs of Hera will assist clients with managing their social media accounts in different platforms; identifying target audience and creating means, such as posts or ads, to communicate specifically with them; developing social media strategies to enhance audience engagement; and creating schedules and timelines to have a course of fresh content for audience interaction.

2.3 Content writer VA

As mentioned above, it is of crucial importance for businesses to have well-designed websites and actively managed social media accounts. However, it is impossible to have these two without creating successful content in them, be it blogs, posts or the overall website content. Having good content drives traffic to the website which leads to more clicks and more leads, and which ultimately improves its search engine optimization (SEO). Apart from creating regular posts and blogs, the content writer VAs of Hera will assist clients with making research on what to post to trigger and engage the target audience, finding and uploading articles as well as pictures and videos to make the content as attractive as possible. Along with all aforementioned, content writer VAs of Hera will have effective language skills that will ensure they craft persuasive, creative and powerful content that will “sell” the clients’ products or services. Practicing it all on a continuous basis will ensure the clients of Hera have more people finding them on search engines, have more clicks and visits on the websites leading to the online growth of the business, and turn those visitors into their customers.

2.4 Administrative VA

Administrative tasks lie at the core of a company of any size and scope since they ensure smooth operation of business processes. They can be undertaken by any person within the organization from employees to managers; however, it is not rational, especially for small businesses, since they can focus instead on business growth and outsource these tasks to administrative assistants. Virtual administrative assistants do basically everything that administrative assistants do but it is more beneficial for small businesses to hire virtual ones to reduce their costs. The virtual administrative assistants of Hera will take all routine but essential tasks of the businesses to free up their time to spend on activities that necessarily require their expertise. They will be responsible for carrying out daily office tasks of the clients which include data entry, managing calendars, files, email accounts and calls of the businesses. Besides, they will schedule appointments, travels and meetings. Apart from businesses, virtual admin services can also be purchased by individuals who want to hire an assistant to manage their personal matters, as emails and calls.

3. Literature review

As mentioned above, virtual assistant is a person who takes on business activities from a remote location. Though the VA business is present in the market from early 2000s, the concept is still unknown to lots of business owners, so it is worth mentioning the global state of the virtual assistant industry. Generally, the VA market is under-researched which makes it hard reach proper statistics on its state; however, it is projected that there are over 170 VA companies operating globally. The research by The Alternative Board found out that a typical entrepreneur spends 68% of their time on day-to-day business activities and only 32% of their time on long-term business tasks that will bring value to their organization (Prialto, 2021). Thus, outsourcing these tasks to VAs can improve flexibility of the companies, enable them enjoy expertise of remote professionals and cut their costs.

The research by Virtalent, a UK-based VA company, suggests that with the positive changes in attitude towards remote workers that occurred specifically after the pandemic and continuous development of the cloud-based technology that eases conductance of virtual business relationships, the virtual assistant industry around the globe started to sharply expand. Nowadays, the demand for VA services is growing in the UK and Europe with almost 60% of UK companies having some forms of remote working (Virtalent, n.d.).

Besides, the US can be considered a market where VA industry is developed and used the most. In 2014, numerous top corporations outsourced 30%-45% of their business tasks to VAs (OutsourceWorkers, n.d.). According to estimations, the global value of the services outsourced to VAs in 2014 was 104 billion USD most of the demand of which accounted to the US and Canada (Virtalent, n.d.). An Indian VA agency, Wishup, proposes that in 2016, almost 40% of the overall US workforce consisted of VAs. The reason behind it is that the US companies are eager to take advantage of the remote labor located in developing countries, such as India and Philippines, since it helps them to greatly reduce their costs. France, China, Australia, Philippines, Brazil and India are also among countries the businesses of which have heavy reliance on VA labor (Pundora, 2021).

In Azerbaijan, the market for VA industry can be considered “blue ocean” since there is no local VA business in the country. Though there are numerous Azerbaijani freelancers operating

individually as well as a part of the international VA companies, as Upwork, there is no business in our country that have created and gathered a team of freelancers under one roof.

4. Data collection

In order to collect data on the need for VA agency in Azerbaijan, we conducted the following online survey using SurveyMonkey among a sample of 212 business owners of online and offline local micro and small companies functioning in different sectors. Originally, the survey was conducted in Azerbaijani considering the fact that the majority of respondents would be more comfortable responding to the questions in their native tongue.

The survey questions are the following:

1. Is your business online or offline?
 - Online
 - Offline
2. Do you know what virtual assistant agency is?
 - Yes
 - No
3. Have you ever worked with a freelancer?
 - Yes
 - No
4. Which of the following business activities are necessary for your operations, but you spend the least time on per month?
 - Social media management
 - Graphic/ web design
 - Content writing
 - Administrative
 - Accounting
 - Legal
 - Your option
5. Would you outsource these activities to VAs instead of hiring full-time employees?

- Yes
 - No
6. How much time per month would you allocate to VAs to undertake these activities?
- 10 hours
 - 20 hours
 - 40 hours
 - 60 hours
 - 80 hours
 - Your option
7. How much would you pay a VA per hour for the services you have mentioned above?
- 10 AZN
 - 15 AZN
 - 20 AZN
 - 25 AZN
 - 30 AZN
 - Your option
8. What other services would you outsource to VAs?
- Your option
9. Apart from Azerbaijani, what other languages should a VA know to undertake these activities?
- English
 - Russian
 - Your option

The first three questions were designed to get to know our respondents and see their familiarity with VA and freelancer services.

The fourth and fifth questions were asked in order to identify which business tasks those companies spend the least time on, and whether they would outsource them to VAs which helped us establish the list of services that our company, Hera, will offer them and if offered, whether they would use them.

The aim of the sixth question was to identify how many hours a month the respondent would like to use VA services which enabled us to create suitable packages that will satisfy their needs while the seventh question aimed at identifying how much the respondents are ready to pay for an hour of VA service to set corresponding prices for our service packages.

The eighth question was used to see what other services apart from those listed in question four would the respondents outsource to VAs in order to include the most demanded ones in the list of our services.

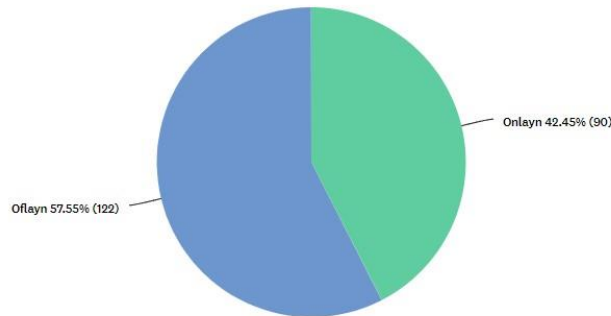
Finally, we asked the ninth question to see what languages apart from Azerbaijani are necessary in the operations of our target customers in order to ensure we hire VAs that are capable of meeting their needs.

5. Findings

The results of the survey showed that almost 58% of our respondents are offline business owners.

Biznesiniz aşağıdakılardan hansına aiddir?

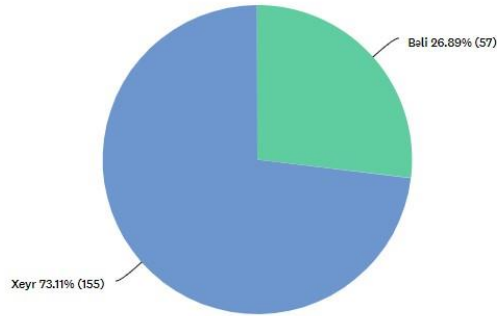
Answered: 212 Skipped: 0



A vast majority of respondents, 73.1%, did not know what virtual assistant agency is. However, approximately 63% of them had an experience of working with freelancers, so we understood that most owners prefer having hybrid working regime in their businesses and save their costs through hiring freelancers.

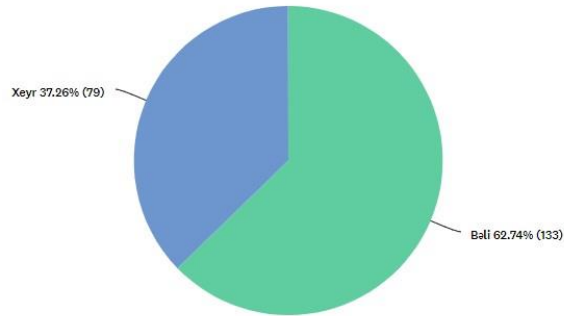
Virtual köməkçi agentliyinin nə olduğunu bilirsinizmi?

Answered: 212 Skipped: 0



Heç frilanserlə (ştatdankənar işçi ya da sərbəst işçi mənasını ifadə edən ingilis mənşəli ifadə) işləmisiz?

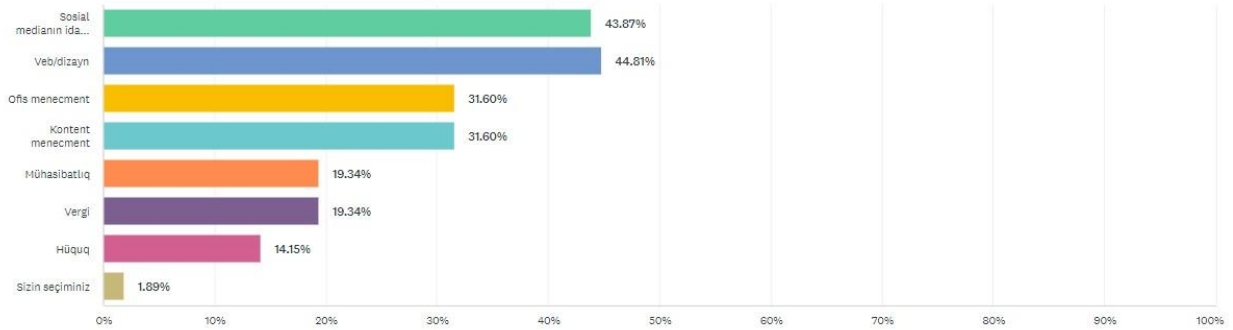
Answered: 212 Skipped: 0



With the fourth question, it became obvious that most of these businesses spend the least time on social media management (44%), graphic/ web design (45%), administrative activities (32%) and content writing (32%) even though they are needed for their operations, while the fifth question showed that almost 71% of respondents are ready to outsource these services to VAs. So, it gave grounds for Hera to start its operations offering specifically these services first.

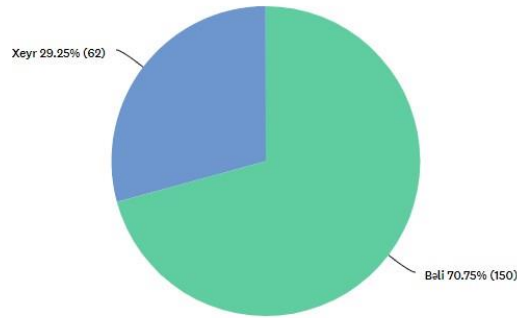
Aşağıdakı fəaliyyət sahələrindən hansının sizin əməliyyatlarınız üçün zəruri olmasına baxmayaraq siz ayda ən az vaxt sərf edirsiniz?

Answered: 212 Skipped: 0



Yuxarıda qeyd etdiyiniz fəaliyyət üçün işçi götürmək əvəzinə işinizin Virtual köməkçi vasitəsilə idarəedilməsini istəyerdinizmi?

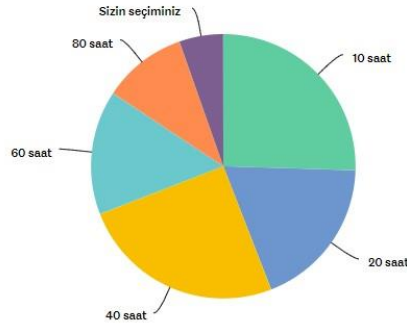
Answered: 212 Skipped: 0



The answers for the sixth question on how many hours the businesses would use VA services were all similar and we thought it would be irrational to pick only a couple of the most preferred work hours. Instead, we decided to establish packages with all indicated hours to give the choice of preference to our potential customers and, therefore, we established the following monthly packages: mini (10 hours), standard (20 hours), silver (40 hours), gold (60 hours) and platinum (80 hours) with respective additional benefits for each which are discussed in the price section of the Marketing mix part.

Əgər 5-ci suala cavabınız bəlidirsə, virtual köməkçiyə qeyd etdiyiniz işlərin görülməsi üçün 1 ayda nəçə saat ayırdığınızı?

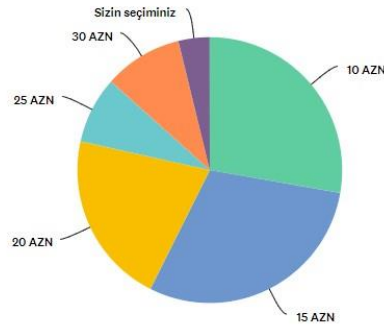
Answered: 204 Skipped: 8



It is obvious from the seventh question that a major part of respondents is willing to pay VAs 15 AZN per hour (30%). Thus, we assigned the following prices for each package: mini- 15 AZN per hour, standard- 14 AZN per hour, silver- 13 AZN per hour, gold- 12 AZN per hour and platinum- 11 AZN per hour.

Yuxarıda qeyd etdiyiniz fəaliyyət(lər) üçün hər göstərilən xidmətə görə Virtual köməkçiyə saatda neçə AZN ödənilməsi sizin üçün məqsədmüvafiq hesablayın?

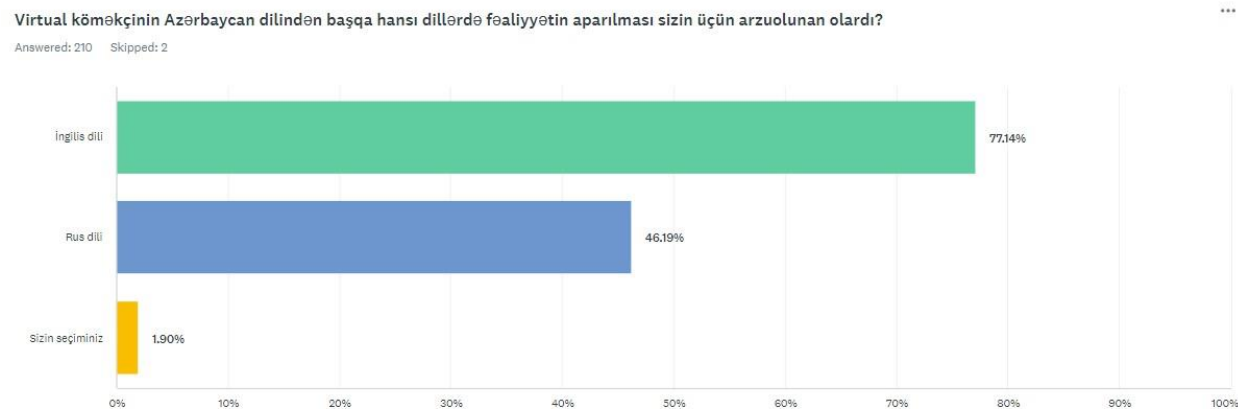
Answered: 209 Skipped: 3



The eighth question was asked to identify services apart from those listed in the fourth question that the respondents would like to outsource to VAs and to choose the most requested ones to include them in our services. Though they were listed in the question four, the most frequently observed requests were accounting and tax services which we decided to include into our service range when expanding our operations.



Finally, over 77% of respondents indicated that they want to work with VAs fluent in English while the request for the Russian speaking VAs was also quite high, 46%. Thus, along with Azerbaijani, we decided to employ English speaking VAs first by giving priority to those knowing Russian as well, but it will not be mandatory in the first year of our operations. However, starting from 2024, we will hire VAs fluent in both English and Russian (mandatory).



6. Market Analysis

6.1 Target market

As mentioned above, Hera will provide graphics/web design, social media, content writing and administrative services. So, the potential customers of the agency for each service are online and offline micro or small businesses that want to create or develop their established websites; online

and offline micro or small businesses and individuals, as bloggers, that want to improve their social media presence; online and offline micro or small businesses that need persuasive content to attract customers; and any business or even individuals that need a person managing their routine tasks, whether business related or personal ones.

It can be noticed that the target market is limited mainly to online and offline micro or small companies while there are no limitations with regards to the industry of the business Hera will cooperate with. Therefore, it is worth first mentioning what micro and small businesses mean and what their presence in Azerbaijan is. According to the decision of the Cabinet of Ministers of the Republic of Azerbaijan dated December 21, 2018, v 556, micro businesses are those with an average employee payroll till 10 and annual revenue until 200 thousand AZN, while small businesses are those with an average employee payroll of 11- 50 and annual revenue of 200 thousand- 3 million AZN (SSC, 2021).

According to statistics, in 2019, there were over 265 thousand micro and small enterprises in Azerbaijan and their number was expected to increase in subsequent years. Out of this number, in total 167.4 thousand micro and small businesses were in the construction (5.829), trade (84.129), transportation and storage (42.799), tourism (19.817), information and communication (3.995), real estate (6.000), education (3.844) and human health and social work (1.008), 30%, approximately 50 thousand, of which we consider needing the services we offer (SSC, 2021). The survey results showed that almost 70% of the respondents are willing to use our services, so we consider 70%, 35.000, of the above-mentioned businesses to be our potential customers. By filtering our survey outcomes to respondents who are willing to purchase our services at the prices we have set, we concluded that 143 of those businesses can be our target customers. Thus, for the first year, we target 143, approximately 0.4% of the above-mentioned 35.000 businesses; in 2024, 0.5%, 182 of those businesses (considering 27% increase in the number of our clients which will be shown in detail in the Financials part); in 2025, 0.66%, 232 businesses (28% increase in the number of our clients); and in 2026, 0.85%, 300 businesses (29% increase in the number of our clients).

The reason behind restricting cooperations to micro and small-sized companies is that they are usually limited in both physical and financial resources which makes them more advantageous when outsourcing some of the business tasks to remote workers which is less costly and does not

require them to provide VAs with office space and equipment. On the other hand, there are no limitations with regards to the industry of the businesses Hera will work with since the VAs of our agency will be experienced and professional enough to assist clients with any business task and, as mentioned, in case VAs have knowledge gap regarding the tasks, the agency will provide them with additional training.

6.2 Competition

The market for the local VA agencies in Azerbaijan does not have a dominant player since there is no such business established in the country. However, it is an emerging market in Azerbaijan because the country is gradually moving towards digitalization of work processes. Even though there is no VA agency in our country today, according to estimations of the ETF, in 2017, there were forecasted to be almost 200 thousand freelancers in Azerbaijan selling their services online and their number was expected to increase (2021). Therefore, entry of new players into such a promising market in the near future will not be surprising and, thus, early market entry of Hera while there are no barriers of entry will make it take maximum advantage of the emerging market.

Since the business is “virtual”, remote and does not require physical presence of assistants, international VA companies can be considered the major competitors of Hera. Out of a wide range of VA companies, we believe the key direct competitors of Hera are Upwork, Freelancer, myTasker, Fancy Hands and Prialto. The reason for choosing specifically these companies is that they mainly cooperate with small and medium sized companies and the services they provide are similar to the ones of Hera. Besides, there are several Azerbaijani freelancers operating through Upwork and Freelancer. There are also indirect competitors of Hera- freelancers for each service provided by the agency.

Upwork and Freelancer offer a wide range of services which include the services provided by Hera as well. They do not have fixed prices for each service; the prices vary for every VA. For instance, the prices set by content writer VAs of Upwork range from 15 USD to 200 USD per hour, while those of Freelancer VAs cost from 5 USD to 70 USD per hour. The companies themselves do not take any role in matching VAs with clients and, accordingly, do not take any responsibility for their VAs; thus, the communication flows between the two parties without interference of Upwork and Freelancer representatives (<https://www.upwork.com/hire/content-writers/>; <https://www.freelancer.com.ru/freelancers/skills/copywriting/1?w=f&ngsw-bypass=>). Besides,

the operational process of myTasker is similar to that of Hera; they find VAs corresponding the needs of their clients and ensure their smooth collaboration. They have subscription plans from 10 hours a month costing 140 USD to 100 hours a month for 900 USD (<https://mytasker.com/plans.php>). Fancy Hands is another potential direct competitor of Hera which offers mainly administrative and research services. Their pricing plan is different from the rest of competitors since they charge for the number of requests per month. Their clients can have 3 requests per month which will cost them 17.99 USD, 5 requests for 29.99 USD, 15 requests for 74.99 USD and 30 requests for 149.99 USD per month (<https://www.fancyhands.com/pricing>). Lastly, the VAs of Prialto offer administrative, sales and operational support to the clients. Their pricing plan varies in accordance with the number of people that will enjoy their services. When the VA service is received by an individual, Prialto offers 55 hours of monthly support for 1350 USD; for a team of 3 people, they have 165 hours of monthly support for 4050 USD; and for the organization of 8 and more people, they provide 440 hours of monthly support the price of which is negotiated individually with the clients (<https://www.prialto.com/pricing>).

Having given brief information on each direct competitor of Hera, it is worth mentioning why we believe Hera will beat them in the local market. First of all, since most of our competitors are the US based, they charge their services in USD. The exchange rate of USD to AZN is almost 1.7 today which makes Azerbaijani entrepreneurs worse off when paying in USD since locally they mainly trade with AZN. Thus, purchasing VA services from a local agency will save businesses from the burden of currency conversion loss. Also, even though some of the competitors, as Prialto and Fancy Hands, offer VA control benefits to the clients, they are not as extensive as the ones that will be offered by Hera. These businesses allow their clients to check on the VAs through their internal tools where they see the activity of the VA on the given task. However, these tools do not guarantee that the VA is in fact working on that specific task without wasting clients' paid hours. In contrast, Hera will enable its clients to use Trello and Time Doctor apps which help businesses track real time activity of the VAs on specifically the tasks assigned by the clients. Another disadvantage of direct competitors of Hera is the possibility of misunderstandings in tasks due to cultural differences. It is obvious that each culture is unique and different from one another, so what is accepted and welcomed in one culture can be totally intolerable in another. Thus, when working with overseas VAs, Azerbaijani entrepreneurs have to explain VAs and monitor the nuances that may change with culture, which is apart from being a waste of time they could spend

on activities bringing them more benefits, is also inconvenient since they outsource these tasks to focus on other business objectives. Apart from this, when working with international VAs, the language of communication is usually English which may impose linguistic barriers to Azerbaijani businesses. This problem will be successfully avoided by Hera since all VAs will be bilingual, fluent in both Azerbaijani and English, so the clients will be able to enjoy services in both of these languages, while, as the business will grow and more VAs will be hired, we will also employ VAs fluent in Russian as well. Finally, it is also beneficial for local companies to get VA services from Hera, an agency based in their home country, because they will be in the same time zones with their VAs which will make communication easier and more efficient.

With regards to our indirect competitors, freelancers, their main strength is that they do not have hourly limits when providing services, while the VAs of Hera will provide services in accordance with the purchased packages of clients. However, they also have cons when compared to Hera. Firstly, unlike the prices set by Hera, it is more costly to take services of individual freelancers. For instance, the price of the services of junior (having less than one year of experience) social media specialists (SMS) ranges between 400-600 AZN per month, while cooperation with SMSs having similar background as VAs of Hera costs between 1300-1500 AZN. Also, similar to direct competitors, the usage of software as Trello and Time Doctor is not included in the benefits freelancers offer their clients. Another advantage of Hera over its indirect competition is the ease with which businesses reach VAs they need. When looking for the specialists by themselves, businesses have to spend a considerable amount of time to research, analyze and contact numerous freelancers until they find the one that fits their selection criteria. Nevertheless, when cooperating with Hera, the businesses will only need to take the interview with the agency representatives who will identify their wants and needs and appoint an appropriate VA by themselves. Consequently, clients will free up time spent on these processes to undertake business tasks that can bring value and help to grow their new or small businesses.

The below table summarizes service details of Hera and the above-mentioned competitors to compare and contrast the benefits received when cooperating with each.

	Hera	Upwork	Freelancer	myTasker	Fancy Hands	Prialto	Freelancers
<i>Bilingual VAs</i>	Yes	N/A	N/A	N/A	N/A	N/A	Depends
<i>Fixed prices</i>	Yes	No	No	Yes	Yes	Yes	No
<i>Hourly limits</i>	Yes	Yes	Yes	Yes	Yes	Yes	No
<i>Limited requests</i>	No	Depends	Depends	No	Yes	No	Depends
<i>Intermediary between VAs and clients</i>	Yes	No	No	Yes	Yes	Yes	Yes
<i>Ease of reaching VAs</i>	Yes	Yes	Yes	Yes	Yes	Yes	No
<i>VA control benefits</i>	Yes	No	No	No	Yes	No	Depends

Table 1.

7. Environmental analysis

It is critically important to analyze the environment that the business will operate in for identifying potential opportunities and threats that can come from both inside and outside its borders. So, carefully conducted environmental scanning helps companies develop appropriate organizational strategies to forecast, mitigate or turn the potential obstacles into opportunities. It is worth doing PESTLE and SWOT analysis of Hera to assess environmental impacts on it.

7.1 PESTLE analysis

PESTLE, which stands for political, economic, social, technological, legal and environmental, is analysis of external factors that can have an influence on business operations (Sheffield Hallam University, n.d.).

- Political factors

Political factors refer to the changes in the government policy that can either lead to gain or loss of the business. Azerbaijan is ranked 75th freest economy in the world with the total score (61.6)

being above the world average, so businesses generally have a freedom of operation with little government interventions (2022 Index of Economic Freedom, n.d.). However, even though the country generally has business-friendly legislation and taxation systems, considering continuing disputes and the recent war over Nagorno-Karabakh region that also disrupted work processes, the country is not considered politically stable (BTI, 2022).

- Economic factors

Economic factors analyze financial situation both globally and locally that can influence business operations. Considering the economic recession in Azerbaijan during and after the COVID-19 which resulted in the reduced size and operations of businesses, Hera has a great potential in the market to grow its operations since businesses will be willing to reduce their labor costs through hiring VAs. Besides, the number of micro and small businesses in Azerbaijan is increasing each year; from 2019 to 2020 there was a 15% increase from almost 269 thousand to 314 thousand (SSC, 2021). Such a growth creates a favorable condition for operations of Hera since micro and small companies are limited in financial resources and are most likely to evaluate a chance of diminishing their labor costs through outsourcing their activities to VAs.

- Social factors

Social factors refer to the changes in the society and culture both within and out of the business that influence its operations. In Azerbaijan, the concept of remote working is not fully established and accepted by people since, as part of a collectivistic society, Azerbaijanis are more inclined towards having face-to-face interactions. Besides, the attitude towards career and work environment in Azerbaijan is mostly traditional meaning majority of people prefer working at the place with a physical location instead of a home office. So, some businesses might refuse using Hera services since its operations are totally online having no live meetings. Also, since there is a resistance to change within the society, especially among older generation, they can resist to using the services of Hera which is a technology-based company.

- Technological factors

Technological factors refer to how introduction, development and usage of technology impacts the operations of the business. Though it is mentioned in the social factors part that in Azerbaijan there is a resistance towards innovation and technology, the world is rapidly digitalizing which

influences every aspect of human living; thus, sooner or later, Azerbaijanis will also adapt to changes in the workplace. However, the increasing number and power of cybercriminals may impose risks to the safety of technology and internet-based businesses, including Hera.

- Legal factors

Legal factors are those factors in which law affects and regulates the operations of the businesses. It is crucial that we investigate whether and how the employment laws change when hiring virtual assistants since these laws have established employee treatment norms and minimum wage policies the violations of which can lead to civil penalties of Hera. For instance, not registering employment agreements is fined in the amount of 20,000- 25,000 AZN (Doing Business 2020, 2020).

- Environmental factors

Environmental factors are all those factors that surround the business and can have an impact on its operations from weather to pollution. Hera is not subjected to changes in environment, such as weather and climate as it is a web-based business and does not have a negative impact on the environment itself for the business does not have a physical location, does not engage in activities bringing damages to the environment and does not even require gathering of its employees in one space that will restrain them from using any kind of fuel-based transportation which also harms the environment.

7.2 SWOT analysis

SWOT analysis is a strategic management tool employed to identify internal factors, strengths and weaknesses, and external factors, opportunities and threats, of the business (Sarsby, 2012).

- Strengths

The key strength of Hera is its uniqueness in the market. Though it has both local and international competitors in the industry, there is no VA agency in the local market which makes the business more advantageous. Another strength of the agency is its human resources, VAs, which will facilitate the job of clients since VAs offering different services are gathered under one agency, so the clients will not have to search for individual freelancers for the services they need. Apart from the local competition, the strength of Hera over its international competitors lies in its knowledge

of the local culture which will make the communication and the overall flow of information easier both for the clients and VAs.

- Weaknesses

The main weakness of Hera may be resistance of businesses to employ remote workers. The tendency to employ remote workers is quite low in Azerbaijan since businesses usually prefer sticking to traditional working format. Though with the pandemic the switch to online jobs increased, offline work environment is still more preferable by employers since they assume employees are more productive and do higher quality jobs when working in the office.

- Opportunities

When launching the business, it will initially offer four services to its clients, namely graphic/ web design, social media, content writing and administrative. If the business proves itself in the market, one of the opportunities for Hera could be expansion of its service range by adding new services possibly in the areas of IT, legal and finance. Besides, another opportunity that the business can benefit from and which also depends on the prosperity of the company is development of the application for the agency from the third year of its operations.

- Threats

As mentioned above, the VA services industry in Azerbaijan does not have a dominant market leader which makes it an attractive market to enter; thus, there is a threat of new entrants which can increase competition in the local market.

8. Organization and management

This section of the business plan summarizes information on the organizational structure and team of Hera.

8.1 Organizational structure

The organizational structure of Hera will be a limited liability company (LLC) which is the most preferred option by small businesses and startups. The key advantage of LLC that makes it that popular is that it protects personal assets of the business owners in case the business is in debt or

bankruptcy. Besides, owners of LLCs are exempt from double taxation since LLCs are legal entities separate from their owners (Truic, n.d.). Also, generally, it is easy and inexpensive to form an LLC worldwide, including Azerbaijan where the registration of the LLC costs 11 AZN and involves presentation of documents by shareholders that should be submitted to the Legal Entity Registration Department at the Ministry of Taxes (Caspian Legal Center, n.d.).

There will be two partners of the Hera LLC who will be both founders and shareholders of the business. The percentage of ownership will be allocated equally between two members. One of the co-founders will be a senior accountant with an MBA degree from the University of Sheffield working in one of the most prestigious entities of the country with a 10-year experience in the field who also has founded and managed a startup. Another co-founder is the author of the given business plan who is a potential MBA graduate of ADA University working in the field of project management and also has an experience of working in a startup.

Besides, the business will be a manager-managed LLC meaning the partners will appoint a manager to undertake operational tasks of the business and manage the rest of employees, namely front-end and back-end developers, HR specialist, accountant, marketing specialist and lawyer. The general manager with a degree in Business Management or related field who will have at least five years of proven experience in a managerial position will act as a scaled-down CEO

8.2 Human resources

Apart from the founders and manager, our team will consist of HR specialist, front-end developer, back-end developer, marketing specialist, accountant, lawyer, graphic/ web design VAs, content writer VAs, social media VAs and administrative VAs.

Our HR specialist with educational background in Business or Communications will have at least five years of experience in the field and will also have an experience of regulating HR related tasks of online businesses. He/ she will have relevant skills and knowledge to manage all human resources procedures, including, but not limited to, developing company policies, identifying hiring needs and ensuring smooth running of recruitment processes, updating and keeping employee records, identifying training needs of employees and creating respective individual plans for each, and solving any job-related issues of employees. In addition, the HR specialist will be

responsible for monitoring performance of the administrative VAs and ensure they are able to deliver their tasks properly.

Our front-end developer with Computer Science or related degree will have at least three years of experience in the field and will be proficient in programming languages, as Python, JavaScript, C++, etc. He/ she will have appropriate skills, knowledge and experience to design and debug websites in order to make our website and then app as appealing, simple and user-friendly as possible. Other responsibilities of the front-end developer will include modifying our website and application in accordance with the requirements of the market and changing preferences of the clients, finding ways and tools to update our website and app to increase user experience, and ensuring both the website and app are bug-free and speedy.

The back-end developer of the same qualifications as the front-end developer will have minimum five years of experience in the field and will have fluency in programming languages, have skills and knowledge of web development, algorithms and web design and of writing reliable web applications. He/ she will be responsible for developing the server, back end, side of our website and application, creating reliable and bugs-free code to make our web applications maximum effective and efficient, integrating work produced by the front-end developer, and developing and designing APIs to support our web-based operations. Apart from this, the front-end and back-end developers will monitor activities of the graphics/ web design VAs and guide them in case of inability to deliver some of their tasks.

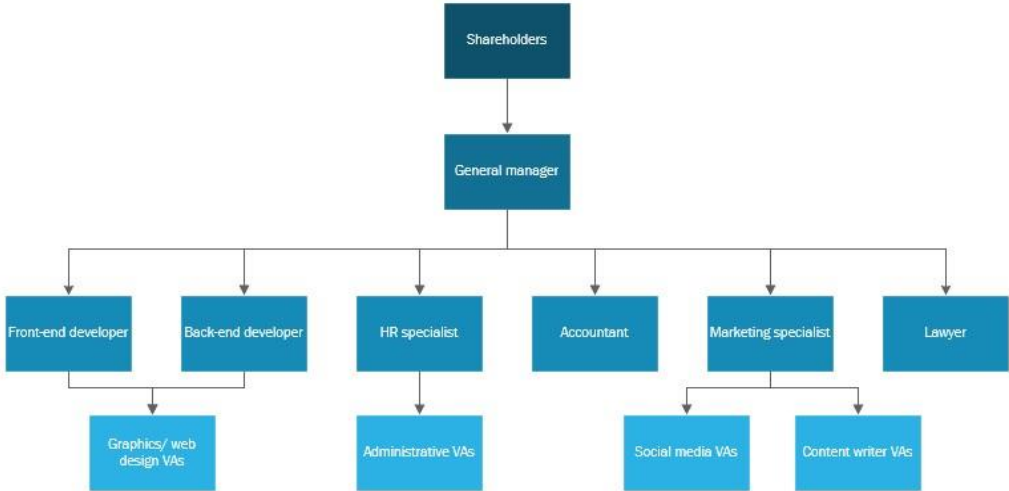
The marketing specialist with Marketing or Communications degree will have at least five years of experience in the similar role. He/ she will have profound computer skills, including familiarity with marketing software and analytics tools (CRM, Web analytics, Marketo, etc) and web languages, as HTML and CSS. He/ she will be responsible for creating and monitoring strategic marketing initiatives, conducting research on the changing trends within the market to identify new marketing opportunities for the business, ensuring strong online presence of the company, developing and implementing marketing campaigns using different means, as social media, e-mail or TV, and monitoring the performance of the campaigns and developing new ones if the existing ones are not enough effective and efficient. Besides, the marketing specialist will closely monitor the performance of the social media and content writer VAs and if needed, provide them with guidance.

Our accountant with BSc in Finance or Accounting will have three years of experience in the field and will have advanced knowledge of accounting rules and MS Excel skills. He/ she will manage, analyze and audit all financial and accounting transactions of the business, prepare compensation and benefits packages, create and publish financial reports of the company, as P&L and BS, calculate taxes and file tax returns, and monitor and report to managers information on the financial health of the business.

Lastly, our legal services will be outsourced to a lawyer with relevant educational background and minimum three years of experience in the field who is planned to be contracted once per quarter. He/ she will assist us in establishing appropriate objectives, structure and policies for our company, design and create legal paperwork needed for the operations of the business, ensure our business activities are in compliance with the local laws and regulations, and scrutinize and report any legal issues that are or can be within the company.

During the first year of our operations, we will employ VAs (the job description of which is given in the Company description part) specializing in graphics/ web design, social media, content writing and administrative services and due to expanded operations, each year we expect to have 56 VAs employed in 2023 the number of which is projected to increase to 118 by 2026.

The initial organizational chart of Hera is assumed to be as following:



9. Marketing Plan

As seen in the competition part, even though Hera has numerous pros over its competitors in the local market, it is still important to develop relevant marketing strategies to deliver those advantages to its potential customers.

9.1 Marketing mix

There are four key factors to consider when planning the marketing activities: product, price, place and promotion. Called 4Ps, together they form the marketing mix (Singh, 2012).

1. Product

Hera will be a VA service offering platform which will satisfy the needs of the clients by fulfilling their needs for experienced workforce in the spheres of graphics/ web design, social media, content writing and administration that can deliver their tasks remotely without causing the employers burdens of additional cost and time. Since the business is online, the customers will be able to contact the agency whenever and wherever they want and will get the service through the website of the agency where they will communicate with the company representatives who will identify the clients' needs and match them with the most appropriate VAs. The means through which clients will get in touch with the VAs depend solely on the preference of these two parties; although the website will have a messages functionality, they will be free to choose any other communication platforms. Later on, starting from the third year of the agency's operations, it is planned to develop an application for the business which will improve its user experience and will be a convenient communication channel for customers and VAs.

Branding is a crucial part of any product or service since apart from sticking the business in the minds of people, it helps build trust, improves advertising and increases awareness with the brand (Jones, 2021). Successful branding comes with unique, but also short and simple brand name, clear and meaningful tagline as well as distinctive and reflective logo. The brand name Hera is the name of the Greek goddess of support, so the name speaks for itself: We are here to support and assist our clients. With this, we wanted to deliver a message that once working with us, the clients will be free of concerns regarding the activities to be done since everything will be undertaken by our professional VAs. Apart from this, since the brand name might be unfamiliar to some of our customers, we have developed a short tagline "Virtually backing you up" to briefly tell our clients

who we are, how we function and what they should expect from us. Besides, the candle-shaped logo of the brand given below illustrates the candle of the goddess Hera which she used to enlighten the ways and support people and, by this, we give a message that we aim at facilitating business activities and free up our clients time to ensure they are engaged in other tasks that will promote the growth of their companies.



As color of the logo, we have chosen two shades of blue, light and deep. The reason for choosing specifically these shades is that light blue is a color associated with calmness, security and loyalty, while deeper blue expresses confidence and professionalism of the business (Tailor Brands, n.d.). By this, as a service providing company, we aim to communicate our brand identity and the values, namely security, professionalism, trustworthiness and reliability, that we promise to bring to our customers.

2. Price

As mentioned above, the pricing model of the services will be calculated on an hourly basis and will be as following:

- Mini- 10 hours per month- 150 AZN (15 AZN per hour)
- Standard- 20 hours per month- 280 AZN (14 AZN per hour)
- Silver- 40 hours per month- 520 AZN (13 AZN per hour)
- Gold- 60 hours per month- 720 AZN (12 AZN per hour)
- Platinum- 80 hours per month- 880 AZN (11 AZN per hour)

Both the hours of the packages and prices are developed in accordance with the survey results which showed that the majority of respondents would like to get our services for 10, 20, 40, 60 and 80 hours a month and by filtering the survey results, we understood that we will get the highest number of customers and largest profit by setting our prices between between 10 to 15 AZN.

When comparing these prices to those of competitors (discussed in Competition part), it is reasonable to conclude that Hera sets moderate prices for its services.

Apart from this, as visible from the below Table 2, clients purchasing silver, gold and platinum packages will have an opportunity to transfer unused paid hours for the usage in the next month. Furthermore, clients who will purchase gold and platinum packages will be able to delegate their paid hours among several VAs which will enable them to use multiple services while paying only for one. Lastly, we will consider clients purchasing platinum package as our VIP clients and, thus, offer them services first, even if we will have clients purchasing other packages contacting us before. Despite this pricing plan, if paid annually, the clients will get a 10% discount on the services.

	Transfer	Delegation	Priority	Service hours	Price per hour
<i>Mini</i>	-	-	-	10	15
<i>Standard</i>	-	-	-	20	14
<i>Silver</i>	+	-	-	40	13
<i>Gold</i>	+	+	-	60	12
<i>Platinum</i>	+	+	+	80	11

Table 2.

3. Place

As it is clear from the company description, the services will be provided by virtual assistants, so there will be no physical space where clients will meet with Hera representatives. Instead, the place where we will “store” and offer our services will be our website and later on our application. Therefore, since all transactions will be exclusively online, the clients will not have to waste their time in traffic and, thus, will be able to reach the company whenever they want and wherever they are using any device having access to internet.

4. Promotion

Promotion is one of the most crucial parts of the marketing mix since it informs our potential customers of our services and develops tactics to incentive them purchase these services. For this,

we plan to use direct marketing, search engine marketing, social media and influencer marketing as well as targeted ads.

Direct marketing is one of the most widely used means to inform target customers about the products or services offered since there is a transition from mass to individual communications, as direct mail and telemarketing, that seeks to deliver personalized messages to each potential customer (Fill & Jamieson, 2014). So, we will send personalized emails to our target customers who we will classify in accordance with the industry they operate in and make our offers based on their needs and wants.

Furthermore, search engine marketing (SEM) is a paid strategy used to drive website traffic via search engine results page. The marketing specialist of Hera will set up a SEM campaign, so when users within defined geographical location (Azerbaijan) search for selected keywords, they will see the Hera's ad.

Social media marketing is another strategy used by brands to advertise their goods or services through social media platforms, as Facebook and Instagram, to promote and grow their brand and increase traffic to their websites. The marketing specialist of Hera will use various social media tactics, as content creation, use paid and organic ads to boost leads and conversions as well as targeted ads to reach right customers that would show interest towards our services and establish partnerships with social media influencers to raise awareness of our company.

What is more, we believe there are other Ps along with the 4Ps, namely people, process and physical evidence, that are worth mentioning, so we included additional 3Ps of marketing.

5. People

People refer to the staff employed by the organization. As a service providing company, it is of vital importance for us to employ right people and ensure they do not have any skill gaps in their area of expertise in order to provide our customers with positive experience. Our customers will generally communicate with our VAs, so to ensure they are professional enough in their positions, we will hire VAs with 5+ years of experience, relevant educational background as well as soft skills needed to conduct effective communication with the clients. Besides, we will provide our staff with relevant training if we see they lack some skills and knowledge to deliver tasks requested by our clients.

6. Process

Process section refers to how businesses deliver their goods and services to the customers. The business process of Hera will be website- and, later on, app-based, so to ensure convenience of the clients while getting our services, our back-end and front-end developers will regularly work on the design, load and speed of both the website and application to improve their user-friendliness. Furthermore, we will constantly explore the global VA market to see the innovations in the market, have a customer support service with whom our clients will share their concerns, and will frequently survey our clients to identify their needs and wants and add new features to our website. Besides, through our control tools, we will monitor our VAs to make sure they meet the deadlines set by the clients.

7. Physical evidence

Physical evidence refers to every tangible aspect of the good or service that the customer interacts with. The first thing our customers see when getting our services is the logo of the company. The blue candle-shaped logo of the company inspired by the candle held by the Greek goddess, Hera, is used to communicate the clients our mission of providing people with virtual assistance.

Apart from this, as discussed earlier, since our business is online, there is not any physical location where we will meet with our customers. However, our website and application can be considered our meeting point since the clients will get the services and get in touch with employees they need there; thus, we will ensure they are ease to use, contain features needed for proper functioning of both customers and staff, are bugs and errors free, and are regularly updated to meet the demands of the changing market.

10. Financial projections

10.1 Overview

Before discussing the expected financial position of the company, it is worth first mentioning details on the market and on our business in general. To start the business, we need to develop a website which will cost 10.000 AZN in total and we assume there is a probability of not having profit during the first three months of our operations; thus, we calculated that we would need

roughly 45.000 AZN to run the business in the first quarter of 2023. Therefore, as shown in Tables 3 and 4, we will finance the business through a 45.000 AZN loan for 4 years from Azer Turk Bank with annual interest payments of 7% (ATB, 2020).

	2023	2024	2025	2026
Bank loan	(45,000.00)			
Investment in website	(10,000.00)			
App development			(20,000.00)	
Hera VAs				
Selling price (per hour)	13.00	13.65	14.33	15.05
COGS (per hour)	(6.00)	(6.30)	(6.62)	(6.95)
Average hours per client per month	39.30	39.30	39.30	39.30
Number of VAs	56.20	71.53	91.22	117.89

Table 3.

We expect to have around 5% of inflation rate during 2023-2026 that will affect the prices at which we will offer our services and salaries we will pay to employees (Table 4).

Database	2023	2024	2025	2026
Increase in revenue and costs due to inflation	5%	5%	5%	5%
Clients increase per year	25%	27%	28%	29%
Corporate tax	20%	20%	20%	20%
Interest on bank loan	7%	7%	7%	7%

Table 4.

Besides, we expect to have 25%-29% increase in the number of our clients due to the over 15% market growth which is projected by the State Statistical Committee (2021) and 9%-12% growth in our own operations, and, thus, we project to have 143, 182, 232 and 300 clients each year respectively (Table 4, Table 5). Based on the survey results, considering the fact that our VAs will spend on average 39.3 hours per customer in a month and assuming they will monthly work for 100 hours, we will employ 56, 72, 91 and 118 VAs each year respectively.

	2023	2024	2025	2026
Expected number of clients per year	143	182	232	300
Q1	36	46	58	75
Q2	72	91	116	150
Q3	107	137	174	225
Q4	143	182	232	300

Table 5.

The below table 6 illustrates the monthly costs of Hera for 2023-2026. As seen, from 2024 to 2025, there will be almost 60% growth in the company's total operating costs which is associated with development of application which also results in over 30% increase in marketing costs due to the need to communicate our new software to our potential customers, and, apart from the raise in salaries, employment of additional workers due to the expanded business operations and increased number of VAs employed.

Therefore, website, application, loan payments and amortization will be our fixed costs while salaries, marketing and taxes variable costs.

Costs per month	2023 Q1, Q2	2023 Q3, Q4	2024	2025	2026
Website	10,000.00				
Application				20,000.00	
Salaries					
General manager	2,000.00	3,000.00	3,800.00	4,200.00	7,000.00
Front end developer	1,800.00	2,000.00	2,800.00	6,000.00	6,900.00
Back end developer	1,800.00	2,000.00	2,800.00	5,000.00	6,000.00
HR specialist	800.00	2,000.00	2,400.00	4,500.00	5,500.00
Accountant	1,000.00	1,000.00	2,250.00	5,600.00	6,000.00
Marketing specialist	1,000.00	1,500.00	1,800.00	4,200.00	5,300.00
Lawyer	1,000.00	1,500.00	3,300.00	4,500.00	5,350.00
Marketing	2,000.00	2,250.00	3,500.00	5,250.00	6,300.00
Loan payments	1,077.58	1,077.58	1,077.58	1,077.58	1,077.58
Total costs	23,558.58	16,345.58	24,797.58	61,397.58	50,497.58

Table 6.

10.2 Projected Profit & Loss Statement of Hera

The income statement of Hera is developed in order to show income earned during 2023-2026 as well as costs incurred while earning this profit. As visible from the Table 7, starting from the second quarter of 2023, it is expected that the business will make a considerable amount of profit each year with monthly net profit increasing from 19.5 thousand AZN in 2023 to 38.1 thousand AZN in 2026.

P&L statement	As of 2023, Q1	As of 2023, Q2	As of 2023, Q3	As of 2023, Q4	2023 Total	2024	2025	2026
Revenue from sales	54,794.03	219,176.10	493,146.23	876,704.40	876,704.40	1,169,106.12	1,571,278.63	2,128,296.90
COGS	(25,289.55)	(101,158.20)	(227,605.95)	(404,632.80)	(404,632.80)	(539,587.44)	(725,205.52)	(982,290.88)
Gross profit	29,504.48	118,017.90	265,540.28	472,071.60	472,071.60	629,518.68	846,073.11	1,146,006.02
Operating expenses	(32,917.00)	(69,708.00)	(121,951.02)	(165,000.51)	(165,000.51)	(260,295.48)	(451,884.35)	(554,955.25)
Training budget	-	-	(1,339.02)	(4,284.51)	(4,284.51)	(9,348.48)	(11,337.35)	(12,008.25)
General manager	(6,000.00)	(12,000.00)	(27,000.00)	(36,000.00)	(36,000.00)	(45,600.00)	(50,400.00)	(84,000.00)
Front end developer	(5,400.00)	(10,800.00)	(18,000.00)	(24,000.00)	(24,000.00)	(33,600.00)	(72,000.00)	(82,800.00)
Back end developer	(5,400.00)	(10,800.00)	(18,000.00)	(24,000.00)	(24,000.00)	(33,600.00)	(60,000.00)	(72,000.00)
HR specialist	(2,400.00)	(4,800.00)	(9,000.00)	(12,000.00)	(12,000.00)	(28,800.00)	(54,000.00)	(66,000.00)
Accountant	(3,000.00)	(6,000.00)	(13,500.00)	(18,000.00)	(18,000.00)	(27,000.00)	(67,200.00)	(72,000.00)
Marketing specialist	(3,000.00)	(6,000.00)	(10,800.00)	(14,400.00)	(14,400.00)	(21,600.00)	(50,400.00)	(63,600.00)
Lawyer	(1,000.00)	(6,000.00)	(1,500.00)	(1,500.00)	(1,500.00)	(13,200.00)	(18,000.00)	(21,400.00)
Marketing	(6,000.00)	(12,000.00)	(20,250.00)	(27,000.00)	(27,000.00)	(42,000.00)	(63,000.00)	(75,600.00)
Other related costs	(54.00)	(108.00)	(162.00)	(216.00)	(216.00)	(84.00)	(84.00)	(84.00)
Trello	(255.00)	-	-	-	(255.00)	(255.00)	(255.00)	(255.00)
Time doctor	(408.00)	-	-	-	(408.00)	(408.00)	(408.00)	(408.00)
Maintenance cost	-	(1,200.00)	(2,400.00)	(3,600.00)	(3,600.00)	(4,800.00)	(4,800.00)	(4,800.00)
Amortization	(500.00)	(1,000.00)	(1,500.00)	(2,000.00)	(2,000.00)	(2,000.00)	(6,000.00)	(6,000.00)
EBIT	(3,412.53)	48,309.90	143,589.25	305,071.09	305,071.09	367,223.20	388,188.75	585,050.77
Interest expense	(3,232.74)	(6,465.48)	(9,698.22)	(12,930.96)	(12,930.96)	(12,930.96)	(12,930.96)	(12,930.96)
Corporate tax	(1,329.05)	(8,368.88)	(26,778.21)	(58,428.03)	(58,428.03)	(70,858.45)	(75,051.56)	(114,423.96)
Net profit	(7,974.32)	33,475.54	107,112.83	233,712.10	233,712.10	283,433.79	300,206.24	457,695.85
Monthly net profit	(2,658.11)	5,579.26	11,901.43	19,476.01	19,476.01	23,619.48	25,017.19	38,141.32

Table 7.

To analyze the profitability and efficiency of our investment, we also calculated return on investment (ROI) of Hera. It is generally agreed that ROI of 7% and above is a good indicator showing that the business is profitable enough (Birken & Curry, 2021). We can see from Table 8 that the ROI of Hera starts at 5% and increases to over 10% in 2026 which is a good index showing that the business makes adequate amount of return relative to the cost of investment.

Year	2023	2024	2025	2026
Net profit	233,712.10	283,433.79	300,206.24	457,695.85
ROI	5.19	6.30	6.67	10.17

Table 8.

10.3 Projected Statement of Financial Position of Hera

To project the state of Hera's financial health over 4 years, we developed the following balance sheet which includes assets, liabilities and equity of the business to show what the business owns and owes. So, from the below Table 9, we can observe that while our cash and cash equivalents as well as retained earnings are increasing each year, our liabilities keep decreasing. Nevertheless, despite the fact that we expect to be able to easily pay off our obligations regarding the loan at the end of 2023, we decided to keep this cash in hand to pay for R&D expenses in order to evaluate investment opportunities starting from 2027.

Financial position of Hera	2023	2024	2025	2026
Assets				
Cash and cash equivalents	270,724.10	309,514.83	295,356.32	452,638.81
Intangible assets	8,000.00	6,000.00	24,000.00	18,000.00
Total assets	278,724.10	315,514.83	319,356.32	470,638.81
Shareholders equity	233,724.10	283,445.79	300,218.24	457,707.85
Equity capital (2 shares at 6 AZN)	12.00	12.00	12.00	12.00
Retained earnings	233,712.10	283,433.79	300,206.24	457,695.85
Liabilities				
Long-term borrowings	32,069.04	19,138.08	6,207.12	
Interest Payable	12,930.96	12,930.96	12,930.96	12,930.96
Total liabilities and equity	278,724.10	315,514.83	319,356.32	470,638.81

Table 9.

11. Risks and exit strategy

As in every business, there is a risk of failure in our business as well. In fact, 90% of startups fail within the first year of their operations (Patel, 2015). However, if considering potential risks in advance, businesses can avoid huge losses and exit the market on time. Some of the risks of our business are:

- Failing to embed the VA business in Azerbaijani culture where employers which prefer traditional working environment over online one.
- Even though there are no VA agencies in Azerbaijan, the entrance of existing online business owners with a similar company into the market can impose challenges to Hera in gaining market shares.
- Since our business will be fully online and all transactions will be website and app-based, our operations can be vulnerable to cybersecurity threats.

Thus, considering those risks, it is worth developing an exit strategy in order to stop our operations when needed. Generally, the main exit strategies are merger and acquisition (M&A), initial public offering (IPO), selling to a friend or family, or simply liquidating and shutting down the business (Zwilling, 2011). Even though there is no similar business in Azerbaijan, we assume within several years there will be several competitors in the market since the number of Azerbaijani virtual assistants is growing and the VA industry itself is globally expanding, so there definitely should

be entrepreneurs that will benefit from the new market. Thus, our first exit option will be M&A, meaning we will consider selling our business to another similar or larger enterprise. Our second exit strategy will be simply closing the business and leaving the market. We will evaluate this option if we see that our culture is not ready to accept totally remote, web-based working format making continuation of our activities in this market meaningless.

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