

**DOUBLE CLICK  
DESIGN & PRINT**

**An Emerging Social Enterprise**

Business Plan  
With Social Objectives  
2013 –2016

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# 1. Executive Summary.

Double Click Design and Print is currently a social services run work scheme which produces a range of printed materials for the local authority and private clients. Its vision is to be a thriving social enterprise which builds opportunities for disadvantaged groups through training and employment.

In recent years Local Authorities have increasingly engaged with social enterprises to deliver sustainable services and to help stimulate local economies. The Welsh Government is strongly encouraging this model. The concept of Social Enterprise is included in Flintshire County Council's Transformation of Social Services for Adults agenda and is also conducive to the Council's strategic objectives.

Double Click Design and Print would have two main sources of income as a Social Enterprise. In addition to producing bespoke, high quality photographic and digital printed materials, they would provide a service to the Local Authority in the form of training placements for people from disadvantaged groups. This second objective would be more central to the enterprise than the product which is being sold, though the trading aspect must still be financially viable in order to further develop the company, to offer more training placements, and in some situations to provide paid employment to disadvantaged individuals. This is reflected in the financial analysis section of this report, where sales forecasts are conservative due to the emphasis on the training element of the business.

Social Firms Wales along with Flintshire County Council's senior business development officer have assisted the Mental Health Support Services team in making recommendations as to the commercial viability of Double Click Design and Print as an independent business. Double Click's ability to provide bespoke and unique hand finished products, with a photographic element is a key factor in distinguishing them from the competition. As a Social Enterprise, Double Click would also hope to appeal to Corporate Social Responsibility, thus further widening the client base. There is no direct competition with other such supported businesses within Flintshire due to the nature of the business activity undertaken.

It is proposed that the most appropriate organisational and legal structure for this social enterprise would be a Community Interest Company which is limited by guarantee. This is so as to protect the assets and social ethos of the business, and ensure that any profits are used for public good. It would be a business independent of the Local Authority which would have social ownership and be registered at Companies House; it would also have limited liability in order to protect members of its Board of Directors/Trustees who would be involved on a voluntary basis. Directors would be carefully appointed, with representation from the local authority and people with financial expertise, experience in human resources, knowledge of the industry and general business skills.

A business manager would need to be appointed as soon as possible on the setting up the company who would be accountable to the Board of Directors and responsible for the overall management of Double Click Design and Print. This cost can be met out of savings within the Mental Health support services budget. It is essential that the social enterprise has this expertise in order for the business to succeed.

There are currently 4 staff employed by the local authority within Double Click which constitute approximately 2.5 full time posts. Informal consultations about the potential changes have already taken place and staff would initially be seconded to the new business for a period of 3 years. If staff do not wish to transfer under TUPE regulations after this period, they will be slotted into a vacancy in Mental Health services at an equivalent level. There are currently approximately 25 service users attending Double Click over the week. It is envisaged that the new business would have 20 training placements for people with mental health problems and some additional volunteer places. As the business develops and profit increases there would be opportunities for people to take up some paid employment if they have the suitable skills.

It is envisaged that an agreement with the local authority would ensure that in the event that the business fails, Double Click Design and Print would revert back to being a social services run work-scheme at the same costs.

## 2. Company Description.

### **Vision and Mission Statement.**

Double Click Design & Print is currently a Social Services run work scheme located in Shotton, Flintshire. It's vision is to be a thriving social enterprise which builds opportunities for disadvantaged groups through training and employment.

The mission using Social Enterprise status is:

- to produce a high quality and diverse range of printed materials suitable to provide an economic return on investment,
- to ensure that profits are reinvested appropriately in order to further the development of individuals and the community,
- to provide a development opportunity for staff and service users which promotes independence thus building self esteem and confidence,
- to offer training placements and in some cases paid employment for people from disadvantaged groups who are excluded from the labour market.

### **Background and History.**

There are more than 62,000 social enterprises in the UK, contributing £24 billion to the UK economy and employing almost one million people. In the past ten years there has been a significant interest in social enterprise, and Local Authorities and other public bodies have increasingly engaged with social enterprises to deliver sustainable services and to help stimulate local economies. Flintshire County Council has introduced the concept of Social Enterprise by including it as one of 13 work streams to be addressed as part of its Transformation of Social Services for Adults agenda.

Double Click Design and Print (previously known as "Capabilities") has been established for over 10 years as a mental health work service. In the past, the objective of social services run day/work services was simply to provide meaningful occupation for vulnerable people. In many cases this inadvertently led to services which fostered dependence and did not necessarily promote social inclusion or citizenship. Better understanding of the recovery approach (and indeed the importance of paid work in the recovery process of people with a disability) requires support services to develop more modern models of service delivery with better quality outcomes for people. Alongside this is the increased evidence of the benefits to local economic regeneration by establishing new businesses with social objectives through the employment of people with disabilities and working in partnership with local councils and others.

This idea is conducive to Flintshire County Council's strategic objectives including:

*To protect and grow the local and regional economy, to be a prosperous county and to provide help and support for those vulnerable to poverty*

*To promote independent, healthy and fulfilled living in the community with the highest quality personalised and supportive social care and health services.*

The strategic policy direction established for Social Services as set out in “Sustainable Social Services for Wales: A framework for Action” (2011) also emphasises the need for change in models of delivery and cites the importance of social firms as examples of models of modernisation and sustainability. Recently the Welsh Government has written to Local Authorities asking them to consider their engagement with businesses/ social enterprises providing supported employment for people with disabilities (WG July 2012).

### **Legal model.**

An options appraisal was undertaken which highlighted that the most appropriate organisational and legal structure for this social enterprise would be a Community Interest Company which is limited by guarantee. The CIC model has been specifically designed for social enterprises who want to use their profits and assets for the public good. The primary purpose of a CIC is to benefit the community and not its shareholders, directors or employees. A significant feature is an “asset lock” which generally does not allow the company to distribute its assets to members. This protects the assets of the CIC and ensures that the assets and profits of the CIC will be devoted to the benefit of the community and not for rewarding shareholders and directors.

The enterprise would also be a Company Limited by Guarantee, i.e. a business independent of the Local Authority which would have social ownership and be registered at Companies House. Guarantee companies are useful for non-profit organisations that require corporate status. This means that its profits are not distributed to its members but are retained to be used for the purposes of the guarantee company. Where an organisation is likely to enter into contracts it may need the benefit of limited liability to protect members of its Board of Directors/Trustees, who are usually involved on a voluntary basis.

### **3. Products and Services.**

There will be two sources of income for the new business.

#### **1. Printing service.**

Newsletters, documents, greetings cards and wedding stationary already form a core part of Double Click's product portfolio and can easily be extended to include a full range of stationary items, document production and marketing materials. Some elements of the products and services listed are already being delivered to local authority and private clients. Double Click will be providing a range of stationary, marketing materials, document services and specialist hand finishing. In addition, they are building upon their photography and IT skills to provide bespoke, high quality photographic and digital printed materials.

#### **2. Training placements.**

The company will provide training placements for people from disadvantaged groups as purchased by the local authority via a contract or service level agreement. This will enable individuals to further develop work related skills in an environment which is more business orientated yet at the same time is able to adequately support the volunteers and employees with additional needs. This objective is more important than the product which is being traded, though the business must still be financially viable in order to further develop the company and offer more training placements and in some situations paid employment to disadvantaged individuals. \* This is reflected in the financial analysis section of this report, where sales forecasts are conservative due to the emphasis on the training element of the business. People who are training will be gaining in competency to complete the tasks required for production and will also be encouraged to look for work outside of the business (even though some paid work within Double Click may be an option). Therefore work capacity may be more limited than in an unsupported business and as a result profits lower.

## **4. Market Analysis.**

Social Firms Wales along with Flintshire County Council's senior business development officer, have assisted the Mental Health Support Services team in making recommendations as to the commercial viability of Double Click Design and Print as an independent business.

### **Print Service.**

Double Click is in an area of high industrial activity, there are a significant number of competitors. However, Double Click are able to provide short run, bespoke printed matter at competitive prices. Their photography services will add value to their offering, as will their design services. In addition to these, their unique hand finishing services, especially for products such as wedding stationary, will be a key factor in distinguishing them from the competition. Only a small minority of local print companies offer document services plus photography. Double Click pride themselves on their close customer relationships, providing face-to-face contact with clients and accommodating their specific requests. This has proven to be valuable in securing repeat business and has already increased their client base.

Furthermore, Double Click through their close links with the local authority, are uniquely placed to capitalise on the significant amount of work generated annually from such a client. As a Social Enterprise, Double Click would operate a different business model, reinvesting all their profits to support their social agenda. This will enable them to complete labour intensive work at very competitive rates and so attract a wider pool of clients and appeal to Corporate Social Responsibility.

### **Training Placements.**

There is no direct competition with other such supported businesses within Flintshire due to the nature of the business activity undertaken. This is beneficial to the procurement process within the local authority in contracting with the social enterprise to provide services (i.e. training placements). Article 19 regulations form part of European legislation that allows organisations to reserve public contracts for supported businesses and thus restricts the tendering process for goods or services to supported businesses only. Therefore public bodies can fulfil their social objectives in helping more disabled people into work. (Welsh Government Paper, "Procurement, public sector engagement, and supported businesses in Wales").



## **5. Strategy and Implementation.**

### **Key objectives.**

- To continue to support existing staff and service users during transitional culture change from work service to independent business.
- To appoint a commercial business manager, ideally with a background in the print industry and an understanding of the needs of disadvantaged groups.
- To recruit a voluntary Board of Directors with appropriate skills and knowledge to bring additional expertise to the company.
- To establish the Community Interest Company Limited by Guarantee.
- To continue to develop staff, volunteers and trainees in the appropriate skills and knowledge required to fulfil commercial operations.
- To continue to engage with individuals from disadvantaged groups who have barriers to employment.
- To review the social business model in light of changing trends within the print industry and update equipment in accordance with market demand.
- To continue to identify gaps in the market and develop products accordingly so as to achieve a reasonable profit.
- To nurture existing customers and develop a wider customer base, including those with a Corporate Social Responsibility.
- To continue to ensure the quality of all products and to deliver on time and at a reasonable cost.
- To deliver a quality service to the local authority via training placements in accordance with the contract and Key Performance Indicators.
- To implement robust financial, legal and HR processes and practices for the business.

### **Risk Strategy.**

There is recognition of the need to prepare for worst case scenarios and a range of measures will be implemented to attempt to counter this. Business performance will be closely monitored by the management team who will continually appraise and evaluate all systems and adjust practices if necessary.

Staff will be regularly appraised and supervised. The existing staff (4 staff in total, 2.5 fte) will initially be seconded to the new firm for a period of 3 years. If staff do not wish to transfer after this period, they will be slotted into a vacancy in MH services at an equivalent level. Where appropriate, trainees (service users) may opt to undertake some paid employment. This can be arranged under permitted earnings regulations which may not affect their benefits.

Social Firms Wales and Flintshire County Council's senior business development officer will continue to provide specialist advice and support. Financial controls will include a standard accounting package and the services of a book keeper and qualified accountant. The business will ensure that all public and employee liability insurances are current and up-to-date.

It is envisaged that an agreement with the local authority will ensure that in the event that the business fails it will revert back to being a social services run work-scheme at the same costs.

A SWOT and PESTLE analysis have been conducted which form part of the risk strategy and cover a wide range of issues. This will be attached as an appendix to this business plan.

## **6. Management Team.**

### **Board of Directors.**

A voluntary Board of Directors would be carefully appointed, with representation from the workforce, the public sector and local businesses. The Board would be responsible for the overall strategic direction of the company. Board members would bring a wide range of additional skills and knowledge in support of the new company including; understanding of the employment of a diverse staff team, financial expertise and experience in human resources, knowledge of the industry and general business skills.

### **Workforce.**

A business manager would need to be appointed as soon as possible on the setting up the company and they would be accountable to the Board of Directors and responsible for the overall management of Double Click Design and Print. This would be someone with proven business experience and an interest in and commitment to social objectives. To support the development of the business, the additional cost of procuring a Business Manager has been factored in, and would be reflected in the cost of training placements to the local authority. In essence costs would remain the same other than this additional funding which can be met out of savings within the Mental Health support services budget. It is essential that the social enterprise has this expertise in order for the business to succeed. In this case, costs to the local authority could reduce or additional training placements could be negotiated.

There are currently 4 staff employed by the local authority within Double Click which constitute approximately 2.5 full time posts. Within the culture of the social enterprise, these would no longer be called “support workers” but “co-workers” as their role would be as much to do with the running of the business as to support trainees and volunteers. Informal consultations about the potential changes have taken place with existing staff, with union and HR representatives present. Staff would initially be seconded to the new business for a period of 3 years. If staff do not wish to transfer under TUPE regulations after this period, they will be slotted into a vacancy in MH services at an equivalent level.

There are currently approximately 25 service users attending Double Click over the week. It is envisaged that the new business would have 20 training placements for people with mental health problems and some volunteer places. All trainees will have a schedule that will be time limited and will lead to an achievement or accreditation. Volunteers would have a volunteer agreement that clearly outlines their role in any activity undertaken. As the business develops and profit increases there would be opportunities for people to take up some paid employment if they have the suitable skills, and/or for additional training placements to be offered.

## 7. Financial Analysis.

<b>Income</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	
Sales of Product	13,000	20,000	25,000	30,000	45,000	In 2011 trading income amounted to around £2,000 which covers the costs of materials
Other Income						*See section on products and services for further explanation of sales forecasts
Sale of Supported Placements	110,000	110,000	110,000	110,000	110,000	Based on 20 places initially dependent on SLA and performance, with a view to increasing the amount of placements available
<b>Total Income</b>	<b>123,000</b>	<b>130,000</b>	<b>135,000</b>	<b>140,000</b>	<b>155,000</b>	
<b>Cost of Goods Sold</b>						
Cost of Goods Sold	5,487	10,000	12,500	15,000	22,500	
<b>Gross Profit</b>	<b>117,513</b>	<b>120,000</b>	<b>122,500</b>	<b>125,000</b>	<b>132,500</b>	Gross Profit year 1 @ 58%
Staff Costs (inc pension and NI)	61,000	62,830	64,715	66,656	68,655	Figures from Vicky Forman re 2012/3 budget
Supervisory Staff (inc pension and NI)	20,500	10,558	10,874	11,200	11,536	Reduces to 50% in line with Business Manager appointment
Business Manager (inc pension and NI)	16,770	29,612	30,500	31,415	32,357	note: year 1 costs at 7/12ths of annual costs, proposed start date Sept 13
<b>Travel Costs</b>						
Essential lump sum	1,239	1,239	1,239	0	0	Per Vicky Forman may reduce in line with supervisory staff costs

Essential mileage	264	264	264	0	0	Per Vicky Forman may reduce in line with supervisory staff costs
Vehicle Costs	0	0	0	1,503	1,503	
Vehicle Lease	2,804	0	0	0	0	Advised that the lease expires in 2013/4
Vehicle fleet charges	3,859	0	0	0	0	
Accountancy	1,000	1,000	1,000	1,000	1,000	
Legal Costs	10,000					Initial costs covering transfer of assets, State Aid etc can be covered within Support Services budget.
Website	3,000	100	100	100	100	
HR costs				1,500	1,500	Costs not envisaged until after secondment period
<b>Premises Costs</b>						
Rent	5,166	5,166	5,320	5,320	5,320	Assume 3% increase in year 3
Service Charges	1,404	1,446	1,590	1,490	1,535	Assume 3% increase year on year
Electricity/Gas	1,500	1,650	1,815	2,000	2,200	Assume 10% increase year on year
Telephones	871	897	923	950	979	Assume 3% increase year on year
Insurances	100	105	110	116	122	Assume 5% increase year on year
Mobile Phones	39	40	41	42	44	Assume 3% increase year on year
Total	129,516	114,907	118,491	123,292	126,851	
Surplus/(Deficit)	-12,003	5,093	4,009	1,708	5,649	
<b>Cumulative</b>	<b>-12,003</b>	<b>-6,910</b>	<b>-2,901</b>	<b>-1,193</b>	<b>4,456</b>	

**NB: On becoming an independent Community Interest Company it is envisaged that Double Click will be able to apply for grants to further support the business if necessary.**

## DOUBLE CLICK

## Sales Forecast 2013-2014

### YEAR 1

Income		Start-up	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan 14	Feb	Mar 14	TOTAL
Mindful Mag					400			400			400			400	1600
Overview Report				400											400
FCC Training Bro			200			200				200			200		800
Greetings Cards			80	80	80	80	80	80	80	120	200	80	100	100	1160
Business sector			300	300	300	350	350	650	750	900	900	1200	1200	1300	8500
Other/Sundries			30	30	30	40	40	40	50	50	50	60	60	60	540
<b>TOTAL</b>		<b>0</b>	<b>610</b>	<b>810</b>	<b>810</b>	<b>670</b>	<b>470</b>	<b>1170</b>	<b>880</b>	<b>1270</b>	<b>1550</b>	<b>1340</b>	<b>1560</b>	<b>1860</b>	<b>13000</b>
<b>Cost of sales</b>	<b>%</b>														
Mindful	50%				200			200			200			200	800
Overview Mag	50%			200											200
FCC Training Bro	75%		150			150				150			150		600
Greetings cards	50%		40	40	40	40	40	40	40	60	100	40	50	50	580
Business	37%		111	111	111	130	130	241	278	333	333	444	444	481	3145
Other/Sundries	30%		9	9	9	12	12	12	15	15	15	18	18	18	162
<b>Sub total</b>		<b>0</b>	<b>310</b>	<b>360</b>	<b>360</b>	<b>332</b>	<b>182</b>	<b>493</b>	<b>333</b>	<b>558</b>	<b>648</b>	<b>502</b>	<b>662</b>	<b>749</b>	<b>5487</b>
<b>Gross Profit</b>		<b>0</b>	<b>300</b>	<b>450</b>	<b>450</b>	<b>339</b>	<b>289</b>	<b>678</b>	<b>548</b>	<b>712</b>	<b>902</b>	<b>838</b>	<b>898</b>	<b>1111</b>	<b>7513</b>
<b>GP%</b>			<b>49.18%</b>	<b>55.56%</b>	<b>55.56%</b>	<b>50.52%</b>	<b>61.38%</b>	<b>57.91%</b>	<b>62.22%</b>	<b>56.06%</b>	<b>58.19%</b>	<b>62.54%</b>	<b>57.56%</b>	<b>59.73%</b>	<b>58%</b>

Sales Forecast Year 1 - shows individual revenue streams and cost of sales.  
Please note: figures take no account of VAT !

# Appendix1.

## SWOT Analysis:

This SWOT Analysis has been prepared using key information and criteria that directly affect the business. Although the criteria used are specific to Double Click, they are also generally common to much of the printing industry.

### Strengths:

Double Click's main strengths are:

#### 1. Modern high-end digital printing machine

The new digital printer will meet local demand for on-demand print and short-run orders. Our market analysis shows that there is a market for on-demand print and a growth trend towards short-run digital printing.

#### 2. Flexible workforce

The workforce is very flexible and able to meet a diverse range of work. Skills include graphic design, photography and specialist finishing. Additional training is planned for design staff and photography to ensure that these key commercial services can be met.

#### 3. Competitive

A low cost base enables the business to be very competitive. As an externalised business there is strong support from the local authority which positively impacts our bottom line. In addition, Double Click has a low capital investment cost with much of the equipment needed for the operation of the business already in place.

#### 4. Niche hand finishing services

Double Click have an excellent and unique complex hand finishing service. Wedding stationary, favours and the like are normally available only in catalogues, are costly and generally produced in the Third World. Double Click are able to produce such items and have done so very competitively in the past.

#### 5. Strong appeal to customer Corporate Social Responsibility (CSR) agendas

As a Social Enterprise Double Click would appeal to customers who are keen to promote their own CSR policies. As part of our core social activity of providing employment skills, service users are able to support the production process as part of the rehabilitative process.

#### 6. Location

Double Click is situated in the commercial and industrial heartlands of Deeside, the North East and West Midlands. With such a wide variety of businesses Double Click have conservatively planned for very modest growth.

#### 7. Local Authority support

As an externalised business from Flintshire County Borough Council, Double Click would receive strong support from the Local Authority and stakeholders.

#### 8. Strong business and social support.

Double Click is supported by, and receives strong business support from key support agencies such as Social Firms Wales.

### Weaknesses.

#### 1. New business

Although operating for a number of years, Double Click is launching as a new enterprise and faces the same issues that affect new start-up businesses. The business guidance we receive is helping to reduce risk and provides us with the oversight needed to ensure that decision making is informed and relevant.

#### 2. Skills gaps

Double Click recognises that there are gaps in the skills and knowledge we possess. This is being addressed through our recruitment programme and through the on-going support we receive. The appointment of an experienced Business Manager will also help to strengthen the business further.

### 3. Finishing limitations

Double Click is investigating the case for purchasing an industrial guillotine and other finishing equipment. This will be based upon market requirements and customer demand.

### 4. Finances

Operating capital and other funding will be in place prior to trading as an independent enterprise. All accounting procedures will be in place and industry standard systems used to ensure compatibility with key financial providers.

### 5. Limited resources

As a small company Double Click's planned growth accounts for the limited resources at our disposal. Services have been specially tailored to account for market need and ability to deliver. The choices made reflect the best value to service ratio and will be continuously reviewed as the business grows.

## **Opportunities.**

### 1. Location

The regional density of commercial and industrial activity represents a significant opportunity for growth. Double Click is building a strong database of local businesses and is developing a marketing plan to take advantage of our proximity to this commercial hub.

### 2. Internet

The new digital printer provides Double Click with the opportunity to offer on-demand online printing via the Internet. We plan to have an online ordering facility developed for our website and this is currently being investigated.

### 3. Photography

Following a detailed competitor analysis it was found that only one or two of our competitors provided any form of photography as part of their design service. Double Click have a well-established photography service and all the inherent equipment that is currently being developed for the commercial market.

### 4. Niche services

Our market analysis also identified a number of niche services that are currently unfulfilled in the region. The move to digital printing, together with specialist hand finishing and photography, point to a number of niche markets that are popular in other regions of the UK but are under delivered locally.

### 5. Training

As a social employer there would be opportunities to provide training courses for disadvantaged individuals in the local area.

### 6. Social placements

Double Click would provide placements for individuals under a Service Level Agreement with local Social Service and Adult Care providers.

## **Threats:**

### 1. Competition

Double Click has carried out a detailed Competitor Analysis and has identified a number of strategies for addressing competitor activity. The provision of on-demand and specialist printing services will help to limit adverse competitor activities. In addition, we will continuously monitor competitor activity and canvas our customers to ensure that high standards of quality and service are consistently delivered.



## 2. Low Sales

Double Click recognises that at the commencement of trading the sales skills we lack may impact upon the business and could threaten sales. To mitigate this risk we would hope to recruit a Business Manager with the commercial experience and skills to drive both the business and sales. In addition, sales tools, such as Customer Relationship Management (CRM) software, and other monitoring systems will be implemented.

## 3. Financial

Key financial risks for Double Click include cash flow, liquidity and ensuring sustainable income streams. Adequate capital is spread between traditional funding sources and the depreciating funding provided by the Local Authority during the externalisation process will secure the business and ensure that adequate funds are in place throughout the term of the business plan. Income will be secured through a proactive programme of sales and marketing and by securing the employment of an experienced Business Manager with the appropriate commercial skills.

## 4. Operational

Operational risks are mitigated by the use of robust monitoring systems and careful tracking of all live orders. The supply chain will be assessed on a continual basis and efficiency analysed through the monthly management accounts and day-to-day control systems.

## 5. Economic

The economic environment continues to be challenging and will be monitored for trends and changes. Although the outlook for the traditional printing sector is bleak, the digital printing market is expected to grow and whose growth reported as being above general economic forecasts. Double Click have ensured that our offering matches customer needs and is responsive to changes in the market. Active customer engagement will ensure business and products remain relevant.

## Appendix 2.

### PESTLE Analysis:

#### Political:

The externalisation of Double Click from the Local Authority places a particular emphasis on the management of this transition, and the decisions of key parties within the council will affect this process. Double Click and the Local Authority have been working closely with Social Firms Wales who have considerable experience of this process.

The Legislative framework varies between Wales and England, an example of which is the compulsory purchase of plastic bags in Wales and not the rest of the UK. As a border region business Double Click will be monitoring these variations in legislation and ensuring that customers are aware of any differences that may affect them.

Changes in the local political landscape may have an impact on funding, especially against a backdrop of austerity measures and general fiscal tightening. The reliance on public funds will be mitigated by actively seeking private sector work and building capital reserves as part of our ongoing business strategy. The Local Authority's externalisation funding and assets would be secured via a Transfer Agreement. There is an increasing expectation by Government that the third sector and others will take a more prominent role in supporting and delivering public services. As part of the agreement with the Local Authority, Double Click would be delivering services for social care departments, adding to the business revenue streams. This would be carefully managed and any fiscal policies closely monitored for their effect on the business.

#### Economic:

Current economic conditions are challenging and have made conventional sources of funding harder to obtain. Double Click could use social lenders to avoid the restrictions faced by the commercial sector.

The weakness of the economy has led to a downturn in media spending. However, the continued move toward digital solutions has translated into growth for the digital printing sector. Costs of papers and other printing consumables have continued to rise against stagnant inflation. At present the cost to sales ratio can bear some increase and rises in costs are expected to slow<sup>1</sup>.

<sup>1</sup> Source: BPIF (<http://www.britishprint.com/>)

The tightening of customer's cash flows can lead to delayed payments and increases in credit periods. Double Click will manage this by keeping tight control over invoicing and by developing online payment services where customers pay up front for orders. Low bank interest rates are forecast to continue in the medium term, having a positive impact on cash flow.

#### Social:

Tough economic conditions are impacting on individual spending habits. Double Click's competitive edge, particularly for goods such as business cards and wedding stationary, is expected to attract customers from traditional printing sources.

As unemployment increases there may be further opportunities to provide training and volunteering positions. Local agencies will be looking to provide placements which could supplement the workforce and help meet under capacity during peak periods. The move towards Third Sector delivery of services will provide opportunities for additional service delivery. Under a carefully managed programme Double Click would be able to expand this service to other social support agencies.

**Technological:**

There is a general move toward digital solutions, especially for on-demand printing and document fulfilment. The development of online solutions is a key strategy for Double Click and will help to control costs and increase efficiency and enhance the customer experience. Development of our website is an important part of our business strategy. As mentioned above, the Internet is a key tool used by customers to engage with their supply chains. Double Click are developing an online strategy to take advantage of the technology and maximise returns against a modest investment in the website. IT systems would be networked and supported by a service contract. Appropriate training would be given for software users and the accounts packages would conform to industry standards. Our communications strategy includes telephone, email, social networking and mobile technologies. A comprehensive strategy is still being finalised for all our communication channels.

**Legal:**

Legislation and all legal requirements would be met in full. Supplier agreements would have oversight from our advisors and Health & Safety, Employment and public liabilities would be subcontracted to specialist professional providers.

Data would be protected via a firewalled system with a high level of redundancy for all our IT equipment. A data storage management system will be in place and all data will be carefully controlled via password protected access.

All Service Level Agreements (SLA's) would be strictly adhered to and will have built in review periods to address any changes that may need to be addressed. All agreements would have had full legal scrutiny by all relevant parties.

All tax, National Insurance and other statutory fiscal payments will be strictly adhered to. VAT registration will occur at the point of meeting eligibility criteria or as may be deemed necessary if sooner.

**Environmental:**

Double Click recognises that there is a continuous drive by governments to reduce environmental impact. Most consumables can now meet better environmental criteria and we would intend to source all materials against our environmental policy. Our environmental activities would be used as a positive contributor to our marketing message and that of our customers. Internally all waste would be processed and recycled accordingly. In addition, our supply chain would reflect our policies and affect our material choice. An accreditation, such as the Green Dragon standard, could be implemented.