Professional MBA
Entrepreneurship & Innovation

The freelancer marketplace for service engineers. Find service engineers to tackle any job, any size, any time

A Master's Thesis submitted for the degree of
"Master of Business Administration"

supervised by
Prof. Robert. D. Hisrich, PhD

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Vienna, June 27th 2016

Affidavit

I, **Severin Diepold**, hereby declare

1. that I am the sole author of the present Master's Thesis, "THE FREELANCER MARKETPLACE FOR SERVICE ENGINEERS. FIND SERVICE ENGINEERS TO TACKLE ANY JOB, ANY SIZE, ANY TIME", 64 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
2. that I have not prior to this date submitted this Master's Thesis as an examination paper in any form in Austria or abroad.

Vienna, 27.06.2016

Signature

Abstract

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Abstract:

This thesis is broken down into four main chapters following the introduction.

The first chapter outlines how the labor market is changing and how it might look like in five years. This is done by highlighting topics such as current trends that are shaping how we work, the growing freelancer economy and online talent platforms.

The second chapter explores which types of business opportunity have already led to successful ventures, and how field service engineers in the mechanical engineering industry can capitalize on labor market changes. How could this group evolve over the coming years, following on the trends described in chapter one?

Based on this opportunity, a business plan is introduced in chapter three. To this end, the business plan is divided into: executive summary, description of the business, technology plan, description of the industry, marketing plan, financial plan, required resources, organizational plan, operational plan and summary.

In the final, the fourth chapter the results of the previous chapters are summarized.

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1 Introduction

1.1 Relevance of the topic

Since 2005, eleven years ago, the number of worldwide internet users has more than trebled from 1,024 to 3,174 billion in 2015 (see Appendix A). Today 43,7% of the world´s population has internet access. In Germany, as high as 69% of the population has internet access (see Appendix B). In 2005, e-commerce was still in its infancy, Apple launched its first iPhone two years later, while Uber and Airbnb were founded some years later. Much has changed since then. We book accommodation online and hire private drivers through apps. Such new services are simple to use, and make our lives more convenient. Now the question arises which megatrend will follow on the internet? The job market, says Stephane Kasriel, CEO of Upwork, the largest international freelance platform for online work: “Many of us continue to torment ourselves with the daily commute to and from work. We sit for hours in offices. We feel as if we we’re waiting for the school bell to finally redeem us every working day. Why do we behave so? These habits are from the industrial era, i.e. from a time when your people had to be on hand as they worked on the assembly line. Today, however, this is usually no longer necessary.” (Upwork, 2015) Globalization and technology have created a more dynamic and fast-paced business environment, but the way we connect individuals at work is outmoded and doesn’t use the available technology. This may also be a reason why millions are unable to find jobs, even when companies report they cannot find the people they need. These millions of potential workers represent people who face unemployment (see Appendix C). This is sadly true, especially for young people (see Appendix D). Labor markets are ready for transformation, and this has begun already with online platforms. These platforms use the same technology that reshaped business in areas of e-commerce some years ago. Online talent platforms are marketplaces and tools that connect individuals with work opportunities.

Recently, Kleiner Perkins Caufield Byers published its internet trend report 2015 (Kleiner Perkins Caufield Byers, 2015). According to this report, a major change compared to twenty years ago is that we are connected to the internet nowadays almost 24/7, through our computers or smartphones. This also means, that we are theoretically always connected to work or to the next job offer. The internet brings more freedom when working with it. It enables

us to work when and where we want. The growing use of online talent platforms shows that these tools are changing the way individuals are searching for work, and also the way many employers now approach hiring. Since 2015, millennials, defined as those born between 1980 and 2000, are the largest generation in workforce in the US (See Appendix E). These workers have grown up as digital natives and the world they´ve grown up in is dramatically different to the world of generation X (born 1965-1980) and Baby Boomers (born 1946-1964). This trend also impacts field service-engineers in the mechanical engineering industry. The majority of these people are now also millennials. However, the industry is still very conservative and there is only a limited use of internet-based technologies so far. The internet provides new opportunities – especially young service engineers who are mostly digital natives might take advantage of these opportunities.

Therefore, this thesis provides a business plan based on the idea of adapting the existing concept of peer-to-peer-platforms to the needs of service engineers in the machine manufacturing industry. The internet platform www.pickmeright.com has been initiated already. The objective of the new platform is to create a more flexible market for field service engineers in the mechanical engineering industry. It will support manufacturing companies in appointing highly-qualified service engineers, at the right time, at a right price.

1.2 Course of investigation

This thesis is broken down into four main chapters following the introduction.

The first chapter outlines how the labor market is changing and how it might look like in five years. This is done by highlighting topics such as current trends that are shaping how we work, the growing freelancer economy and online talent platforms.

The second chapter explores which types of business opportunity have already led to successful ventures, and how field service engineers in the mechanical engineering industry can capitalize on labor market changes. How could this group evolve over the coming years, following on the trends described in chapter one?

Based on this opportunity, a business plan is introduced in chapter three. To this end, the business plan is divided into: executive summary, description of the business, technology plan, description of the industry, marketing plan, financial plan, required resources, organizational plan, operational plan and summary. This chapter is intended for use as a separate document to share with potential investors later on.

In the final, the fourth chapter the results of the previous chapters are summarized.

2 Tomorrow's labor market

2.1 The way we work is changing

It is not possible to predict the future. However, disruptive changes to business models will have impact on tomorrow's labor market. According to Miss Uschi Schreiber of Ernst & Young, "Goods, capital and labor are traveling globally at a faster pace than ever and moving in novel patterns. Technological innovation, including digital, is rewriting every industry and the way in which human beings manage their lives." (Schreiber, 2015). Many of these major drivers of transformation currently affecting global industries are also expected to have a significant impact on jobs (SCHWAB KLAUS, 2016). Our society is changing from an industrial- to a knowledge-based society. Accordingly, our company cultures and working environments are changing: Service, knowledge, innovation and creativity are becoming the backbone of our economy. While work-life balance is more important for the next generation, at the same time the boundaries between work and private life have become blurred. As creative workers we increasingly become more independent even when we are permanently employed.

2.1.1 Our behavior is changing

Our behavior has changed significantly over recent years. Today we share our private and corporate life on social media platforms, we create websites, we write blogs, we tell people were we are, we build expert communities, we recommend and rank products and services online, and we find everything on Google immediately. These are new behaviors shaped by new technologies developed in the last ten years. If someone had told us five years ago that we would share so much of our private life as we do nowadays, we would have declared him crazy. We have learned to accept a far higher degree of transparency, and many are comfortable with living in public view. We are much more open and cooperative now. This behavior is now also entering the corporate world, which is why collaborative platforms for companies are becoming increasingly popular. For millennials, it´s incomprehensible that the technologies which we use in our private lives are often not available in our corporate world. (Morgan, 2014)

2.1.2 Technologies

New technology is one of the main reasons for this change. The technology which has probably most impacted the way we work is the internet and the way we use it to connect and collaborate with each other. Hundreds of new collaboration platforms have appeared in our private and professional lives in recent years. These platforms help us to connect, collaborate and share information anytime and anywhere, as never before. This also enables companies, as their employees can now work in a more efficient and effective way. In addition, automation, robots, artificial intelligence and many other technologies have changed how many of us work today. In the coming years the internet of things, 3D printing and big data will again change the way we work. These new technologies have had a direct impact on how we work, however it is difficult to predict how others will impact work in future. (Morgan, 2014)

2.1.3 The millennial workforce

By 2020, approximately 50% of the US workforce will be millennials – 70-75% by 2025 (Morgan, 2014). This generation brings with it a different attitude to work; an evolved set of values; and new behaviors, approaches and expectations regarding a healthy work-life balance. It is not easy for companies to prepare for this new workforce. Millennials are questioning whether the work they do contributes to something bigger or whether their work is sustainable. They are always online and connected to each other, as they have grown up with internet technologies. For them, it is hard to understand why they need to wear suites at work, or a normal working day starts at 8 am and ends at 6 pm, or why we still commute every day to office.

2.1.4 Mobility

The number of smartphone users worldwide is rising constantly. In 2016, approximately two billion people were using smartphones. It is expected that a further 600 million will join them by 2019 (see appendix F). This means all these people have potential internet access wherever and whenever they like. Mobile devices now offer much the same functionality as laptops or PCs. This means enables people to work 'on the go' while sitting in a train, airport

or in a café. It is now normal for people who work for larger corporations to receive a laptop and a smartphone, so that they are always reachable. This company smartphone can enable them to access the company's databases, and so work as they would do in office. Furthermore, the way we communicate has changed due to smartphones. Nowadays we use free applications such as WhatsApp, Skype, FaceTime to text or video chat with each other. (Morgan, 2014)

2.1.5 Globalization

For companies it has never been easier to do business globally. Markets have grown closer together. For example, the European Union and USA are discussing the TTIP free trade agreement. However, it is not just free trade agreements that make global business easier but that companies are "*no longer bound by transportation, cultural, talent acquisition, currency, or communication barriers*" says Morgan (Morgan, 2014). Companies can theoretically open subsidiaries in any part of the world, while start-ups can sell their products globally via the internet. At the same time, currently-available technology helps companies to search for employees both locally, instate and worldwide. For many international teams it is irrelevant were they are located. (Morgan, 2014)

2.2 The "gig economy"

The emerging "gig economy"

The rise of the so called 'gig economy' and the increasing use of independent contractors is an emerging trend. The term 'gig economy' describes the independent freelancer who contracts with a customer for a short-term job. The 2008 recession forced people find temporary jobs more than in recent history. In practice this can mean working as an independent contractor and having several jobs at the same time. Approximately 40% of Germany's working population is self-employed as an independent entrepreneur in some form. How many of them are actively working as gig-workers is difficult to estimate, as actual studies have not been completed. In tech centers such as San Francisco, the number is even higher and has grown in the recent years. Online freelance marketplaces like Upwork, Airbnb and Uber have most of their users in the US. These new ways of work will continue to grow in the coming

years. However, Germans are still skeptical when it comes to new working models. The gig worker seems strange to them. The German economy is known for its exports, SME and permanent employment but behind the scenes the world looks different. Fictitious self-employment, limiting temporary work, precarious employment conditions, the generation of internships or consulting after termination appear to be growing as an alternative to full-time employment, often not by employee choice. All these models are closer to the American gig economy than Germany wants to admit. These models are considered by society as a marginal phenomenon. But the strong German economy will not last forever. Dealing with these new mini jobs is closely related to our attitude to work.

Types of freelancers

There are different types of freelancers, as shown in Illustration 1. First and biggest group are the **independent contractors** who do not have an employer and work from project to project. The second group are **'moonlighters'**. This group of freelancers have traditional jobs, but work in their own time on freelance projects for clients. The third group are **diversified workers** who have multiple sources of income from traditional and freelance jobs. Next come the **temporary workers,** who work for a single employer, client or project whereas their employment status is temporary. Finally, come the **freelancers-as-business-owners** who may have one or more own employees or contractors (Edelman, 2015).

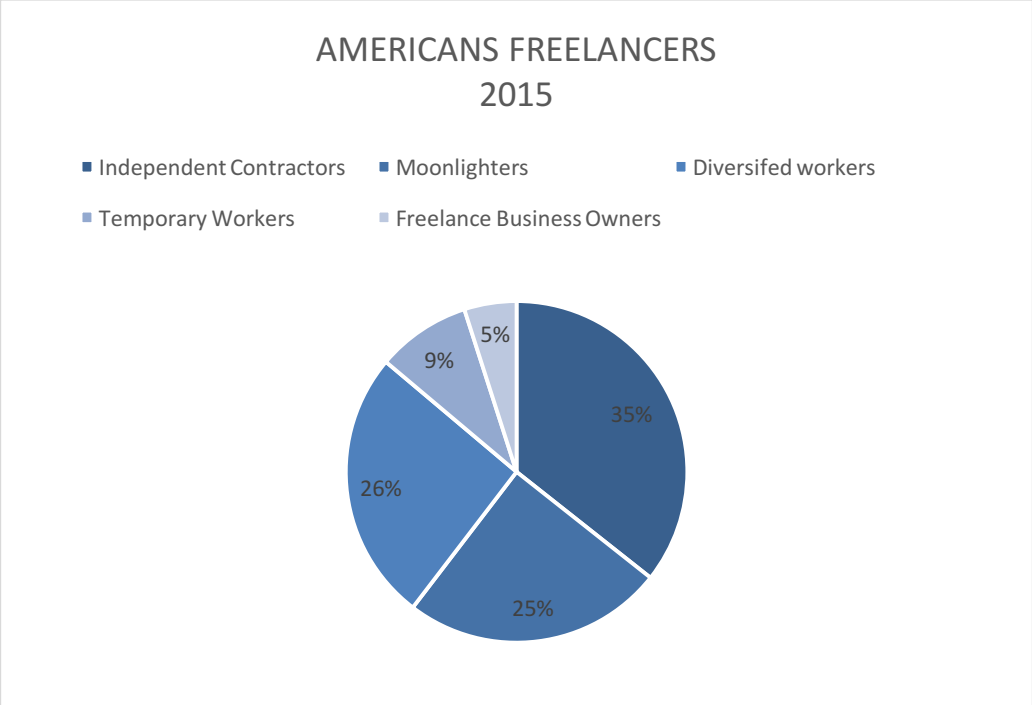

Illustration 1: American Freelancers in groups 2015, see appendix G, (Kleiner Perkins Caufield Byers, 2015)

2.3 Online talent platforms

Nowadays, small companies use e-commerce platforms such as Amazon or EBay to sell their products not only in their domestic market but also to customers around the world. These platforms enable startups to transform their businesses from micro companies to 'micro-multinationals' (Manyika, Lund, Robinson, Valentino, & Dobbs, June 2015). Online talent platforms are similar but not nearly as far advanced yet. Online talent platforms help workers to make themselves visible to companies around the world and vice versa. Some, like Monster and LinkedIn bring employees and traditional jobs together. Others like Upwork or TaskRabbit bring contract work and freelancers together. Still others like Paymetrics help to match employees with companies based on the individual skills and personal mindset. This shows how broad is the range of the talent platforms.

2.3.1 A short history of online talent platforms

Just 15 years ago it was completely normal for companies to post their jobs in the local newspaper. However, this has changed entirely because of new technology which accompa-

nied advances in the internet. Now people build networks, form specific working groups and share information across departments, companies and even continents. This has also changed how companies search for new employees. Companies now look beyond their local neighborhood for suitable staff to address a much wider audience by posting their jobs on online job platforms. At the very beginning of such talent platforms it was free of charge for the user and was only used by academic institutions.

By the end of the 90s, the first online talent platforms like Online Career Center (OCC), CareerMosaic or NetStar arose (Manyika, Lund, Robinson, Valentino, & Dobbs, June 2015). Very quickly the number of job posts and registered job applicants increased and became increasingly important for the job market. By improving the sharing and filtering functionality on the job platforms, they added value further for users. In 1999, Monsters.com was launched by the merger of The Monster Board (TMB) and Online Career Center (OCC). Today the company offers its services in more the 40 countries (Monster Worldwide, 2016). By the 2000s, the internet has replaced the newspaper in the sales volume of job adverts (Stevenson, 2006). Additionally, the social media boom at that time, particularly due to Facebook, helped job platform users to feel more comfortable posting their private information – such as education background, job history etc. – on the internet. This cultural readiness was detected by LinkedIn which was founded in 2003 (LinkedIn.com, About us, 2016). On LinkedIn, users create their individual and business profiles, add content, build networks with users who have similar interests, and chat directly with them without leaving the platform. Also in the early 2000s, the first freelance platforms started including Odesk, Elance and Taskrabbit. These platforms connect individuals with freelance projects. Especially after the financial crises in 2008, they have grown while many companies looked to cut costs by outsourcing. Over the last five years, as the mobile computing era has come to full power, a new peer-to-peer layer has emerged on these job platforms. Workers who used to find employment via staffing agencies now connect directly with prospective jobs via a mobile app, and work when they want (Lazar, 2015). Apps like Uber and Taskrabbit are businesses that are built around convenience and direct contact between the contactor and the service provider. The biggest of these freelance platforms is Upwork which was founded by the merger of the companies Odesk and Elance in 2015. Upwork's CEO Stephane Kasriel says: "The platform currently generates $1 billion worth of jobs. Upwork takes a 10 percent cut, meaning that its revenues are around the $100 million mark." (Lunden, 2016). He also said "We esti-

mate that the contractor job market is worth some $1 trillion annually, something that Upwork hopes to tackle with its existing network covering 180 countries and some 2,700 skills." Kasriel says "the aim in the next six years will be to grow the value of jobs filled on its platform to $10 billion." (Lunden, 2016).

2.3.2 Different types of online talent platforms

Platforms that match individuals with traditional jobs:

On these platforms the user creates a profile first and enters as much information as possible. In doing so they create online resumes that can be found by interested users based on matching attributes. On the one hand, this helps the worker to promote himself to companies, and on the other hand, companies can find qualified employees. A sophisticated search and match function, based on the profile and job data, helps identify the best employee available on the market. Usually the company offers full-time jobs in the formal sector on such platforms. The biggest online talent platform that matches with traditional jobs is LinkedIn with 414 million restarted users in the first quarter of 2016 (LinkedIn.com, About us, 2016). Other such platforms include companies like CareerBuilder, Glassdoor, Indeed, Monster, Vault, Viadeo and Xing.

Online marketplace for contract work:

Freelancing or part-time work existed a long time before the internet. However, online talent platforms that connect self-employed people with contract work have grown dramatically in recent years (Fox, 2014). Clients and freelancers appreciate finding and completing jobs in a short time span. This lowers the cost of services as no intermediate agency now has to be paid. Furthermore, even for big companies, it makes sense to hire freelancers over such platforms. Very often they have maximum headcount restrictions and therefore they use freelancers to get their work done without hiring someone permanently. Moreover, there are not only platforms out there for professional services but also for private services such as, driving, cleaning, shopping, etc. Freelancers who provide private services use platforms such as Uber, Taskrabbit, Helpling, etc. They normally do this as a second or third job to augment their income. Most of the private-service providers specialize on one service only. For example, Uber provides only the driving service, Helpling only cleaning services. The following Illustration 2 shows the leading online platforms in the Unites States in 2015.

Platform	Number of individuals in the United States[5]
Upwork	2,500,000 freelancers
Uber	160,000 drivers
Lyft	60,000 drivers
Taskrabbit	25,000 service providers
Freelance Physician	10,000 physicians
Sidecar	6,000 drivers
HourlyNerd	5,400 MBA consultants
Postmates	4,000 messengers
Instacart	1,000 shoppers
Favor	225 messengers

Illustration 2: Online talent platforms USA by number of user (OECD; Board, The Conference; Eurostat; BLS, 2015)

3 Capturing the opportunity

3.1 Types of opportunities

There are three main types of opportunities to start a successful venture. The first one is based on a paradigm shift. A paradigm shift is a fundamental change in how people behave and do business. It opens new markets and business opportunities. A paradigm shift doesn't happen every day, but approximately every 10-15 years. Examples of how such shifts have created new industries include the semiconductor industry in the 70s, and the internet industry in the 90s. The second opportunity arises with a new product or business model for existing markets. Such new products or business models usually provide solutions for painful problems. As soon as a solution is available, existing customers will consume the new product or service very rapidly, in contrast to the paradigm shift. With the former, the market usually needs to be developed first and therefore such opportunities are riskier. The third opportunity arises with a me-too product or service. A me-too product or service is one that already excised in a market but was improved. The product or service is now faster, cheaper or better. This is the less risky opportunity since market and consumer are already there and they know the product already.

3.2 How to capitalize the changing labor market?

To capitalize the changing labor market, you need to find an industry that has not exploited the technologies which are already available in other industries. In this thesis I will focus on the technologies described above – online talent platforms and in particular online marketplaces for contract work. This technology offers great potential as more and more people and things are now connected to the internet. Until now, there have been no end-to-end marketplaces for field-service engineers in any industry. However, this group is changing. Unfortunately, there are no official figures but the average age of the service engineers is approximately 28 to 30 years. This means that most of them are millennials and therefore digital natives. Moreover, these people demand more transparency and flexibility in the industry in which they work.

4 Business plan

Business Proposal by

Confidential business plan © 2016

PickmeRight.com

The freelancer marketplace for Service Engineers

Find Service Engineers to tackle any job, any size, any time

Illustration 3: Logo PickmeRight, (by the author)

4.1 Executive summary

PickmeRight is an innovative way of doing business within the service engineering field. This cutting edge model aligns the service engineering industry with the digitalization of the marketplace. This model is based on similar existing solutions within other industries such as Upwork and Freelancer. PickmeRight is based in Regensburg, Germany, where it provides an online marketplace platform to meet the supply and demand of highly qualified service Engineers. The objective of the platform is to create a more flexible and efficient service engineering market. It is a peer-to-peer marketplace that helps manufacturing companies to find a highly qualified service Engineer, when they need them, for a comprehensive price. This means potential customers can post jobs at their convenience or they can browse through the engineer pool and book the perfect match. Freelance service engineers from the machinery industry publish their profile on the platform and are able to acquire jobs. For a manufacturing company this means a revolutionary change in the way the business works. PickmeRight will encourage faster turnaround of service, a more competitive price, and will be more efficient. Several industries are already taking advantage of online marketplace platforms (e.g. AirBnB in the hotel field or Uber in the transportation service, etc.) and PickmeRight is now the first venture, that is introducing it in the service engineering industry. For the manufacturing company, using www.PickmeRight.com will benefit from easy access to a

large group of highly specialized, skilled engineers at a competitive price. Companies can view on demand the profiles of service engineers in their local area and compare online real-time prices, competences, experience, background and service offers. Engineers set their own hourly rate (e.g. 120 EUR/h), PickmeRight.com charges a 15% per working hour fee for its services payed by the engineers. This fee covers administration, customer service assistance and website upkeep. Customers can book, evaluate, rank and comment on the profiles of the engineers after each service intervention. PickmeRight.com is affiliated with a partnering traveling agency that will assist engineers in organizing their trips. PickmeRight.com provides a payment platform for the customer and the engineers are automatically paid after every job, based on their work.

Illustration 4: Starting point on the platform, (by the author)

PickmeRight will provide online resources such as a knowledge base and discussion forum. Machinery knowledge is getting hard to access as service engineers retire and take their knowledge with them. PickmeRight will encourage retired engineers to contribute to the knowledge base and mentor younger engineers.

However, in order to guarantee the high specialization of the service PickmeRight.com is therefore focusing on a defined area by providing solutions in five categories of service engineering, who have outstanding professional experience in feasible client companies: mechanical, electrical, programming, training and validators.

The specialization in high-quality engineering skills provided through the online market will differentiate PickmeRight.com from existing competitors: The machine manufactures who provide service engineers (i.e. Bosch), big freelancer platforms currently focusing on soft-

ware and web development who may also enter this market, or/and freelancers who don't use any platform and work directly with customers.

Below there will be summarized the benefits for the users:

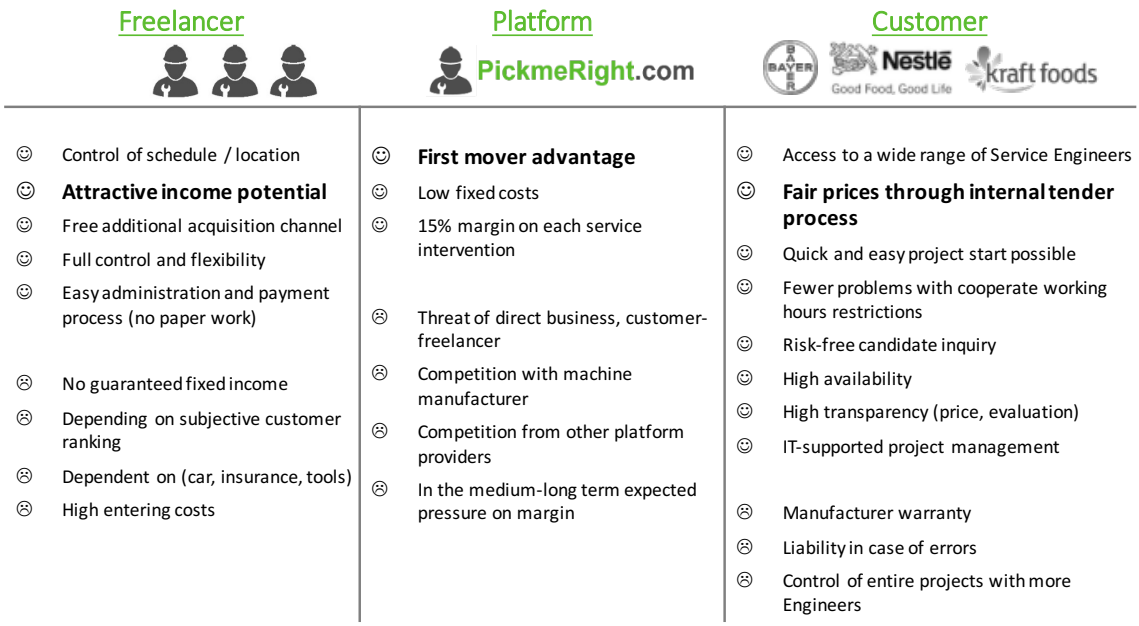

Illustration 5: Pros and cons, (by the author)

Any service engineer, no matter what industry he comes from, can use this platform and any company that uses machinery can choose our services. We foresee a broad market potential. We assumed that the company in the first year will focus only on machine manufacturers in Germany. There were 6,419 machine manufacturing companies in Germany in 2013 (see Appendix H, chart one) and 125 of them have more than 1,000 employees (see Appendix H, chart two). In the first five years, PickmeRight.com will target the 20 largest of them (see Appendix I) by forecasting that the Breakeven can be reached in year 2 (See chapter 4.6.4 Break-even analysis). We estimate **0.5 m EUR** investment is required to set up PickmeRight GmbH. The most important milestones are:

Year 0 ramp-up period (six months): Two founders start the business: Chief Executive Officer, Chief Technical Officer, rent office and purchase working tools, outsource the development of and specify the platform/database/algorithms and start promoting the brand in order to find freelancers who register on the platform.

Year 1 begin operation: Our goal is it to have 30 fulltime freelance service engineers on our platform in this year, supported by a frame contract with Bosch Packaging Technology and Krones AG. We will also recruit three additional people: Chief Marketing Officer, Chief Finance Officer, Chief Operating Officer and extensively promote the platform.

Break-even is reached, in the second year based on the following assumptions:

- 30 engineers on the platform
- 365 days a year, 250 working days on average, service engineers at Bosch are sold 200 working days a year on average → the plan is to utilize the service engineers registered on the platform 150 days on average
- An hourly rate on average of 80 EUR charged to the customer is expected, for example Bosch charges between 100 and 150 EUR per hour
- The platform charges 15% per sold working hour per engineer
- Assuming 30 engineers working 8 hours per day and 150 days per year we generate 432.000 EUR

4.2 Description of the business

Bosch Packaging builds packaging machines for the food and pharmaceuticals industries. One part of the business sells new machines to customers. The second, more profitable part of the business, offers servicing for the machines at the customer's request. There are three product lines within the Business Unit Services: Spare parts, modernizations and field service engineers for solving problems. For example, when a Bosch machine stops working properly at one of their customers' premises the customer calls Bosch and asks for a field service engineer. Bosch uses an Excel-based internal scheduling tool to check whether a service engineer is available to service this type of machine. If there is one, Bosch schedules this person and sends a confirmation to the customer. Afterwards Bosch sends the engineer to the customer to fix the problem. The price is based on an hourly rate and is limited to 8 working hours per day because of Bosch company rules. There are also applicable policies on how Bosch calculates the traveling cost for the service engineers. More and more, customers ask for specific service engineers that they have worked with in the past. For example, Mars UK, a chocolate bar producer, requests Peter, because he knows their machines best and always does a great job. Mars would prefer to have its issues solved in one business day rather than two business days, but due to the eight-hour work limit, servicing their machines takes longer. Customers may request more experienced engineers or may choose to pay less for junior service engineers or less experienced service engineers. Customers can search their area to find service engineers close to their company location.

Peter also has other customers who would exclusively book him. So Peter is thinking about quitting his job at Bosch and starting his own business as a freelancer. But this is highly risky for him since he has a limited base of five potential customers who would book him frequently. Moreover, Peter would like to arrange his schedule to be more efficient and productive. Finally, he would prefer not to be straddled with administrative paper work like quoting, timesheets, service report, invoicing etc. Training the service engineers is a costly activity for manufacturers, with unclear return. Service engineers must be paid a fixed annual salary, and the workforce cannot be sized according to activity. Moreover, service engineers might choose to leave the company after they were trained and find better employment, generating more costs than revenue.

Why not create a marketplace platform like upwork.com or booking.com for service engineers in the machine manufacturing industry? Engineers create their profile and start promoting themselves as freelancers. Machine manufactures can register as agencies as well and sell their fixed employed service engineers on the platform. Clients can choose exactly the service engineer they would like to book. The new platform is called PickmeRight.com.

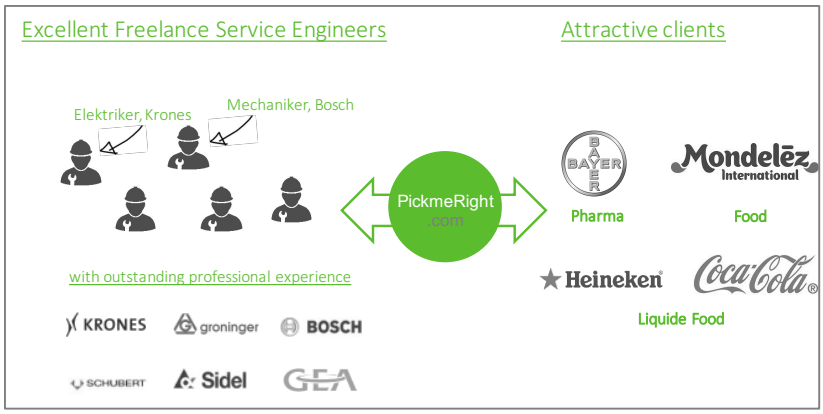

Illustration 6: Type of industry and business model, (by the author)

Freelance service engineers set their own hourly rate. Engineers who are listed under an agency cannot set their hourly rates; this has to be done by the agency admin. PickmeRight.com charges a 15% fee for each hour worked. Customers can book, evaluate, rank, and comment on the profiles of the engineers. PickmeRight.com helps engineers organize their trips. Another advantage for the engineer is that PickmeRight.com provides a payment process for the customer and the engineers get automatically paid after every job, based on his work as soon as the customer has paid. Other freelancer platforms are already available; however, they are not in the service engineer industry. PickmeRight.com aims to provide **fully automated and optimized processes**, covering all the aspects required by a service intervention: merge, order, confirmation, scheduling, trip booking, service intervention, invoicing and paying the freelancer. PickmeRight.com is a niche player aiming to provide the best service to end customers, therefore it verifies all the reviews its service engineers receive and requires all freelancers to obtain a certification from the manufacturers before enrolling on the platform, and this is how **high quality** can be maximized on behalf of customers. Offering a **large customer base** to service engineers all over the world, PickmeRight.com helps service engineers to start their own business as a freelancer/contractor.

4.2.1 Value proposition of the service

Manufacturers' Customers

Issues	Added Value
Customer wants to have the same engineer for servicing the machines and to pay a fair price in case the service engineer is not the one they wanted	Problem solving by the right expert for the right price • Get the right service engineer at the right time for a comprehensive price • Profile (resume of service engineer), comments and rankings help customer to find the right engineer for the job • Full transparency in the market, customers book exactly the person they would like to have, not the person selected by the manufacturer • Lower prices for the customer, as the service engineer decides how much he charges, so if he is frequently booked, highly ranked and has good comments on his profile, he may increase his rates, if he needs more jobs, he can reduce his rate • All service engineers must pass a certification test to be able to enroll on the platform
Customer requires fast problem solving with little effort	Smooth process • Availability of the engineer is displayed in real-time on the platform (integrated scheduling tool) • Additionally, the customer creates an online account to ensure an easy payment process and access to his personal dashboard which shows his upcoming service interventions • Support call center for service engineer, 24/7 • Customer can pay easily with credit card, PayPal or invoice (requires credit check) • Introduces automated processes for service engineer interventions at machine manufactures (e.g. Bosch) • Service Engineers may work more than 8 hours or less, depending on the individual arrangement between service engineer and customers, therefore issues may be solved faster than in the traditional way Accessibility • Easy access through website and mobile app for customers and service engineers • The PickmeRight.com platform is easy and intuitive to use Mobile App • Virtual timesheets • Tracks where service engineer is at the moment (is he really at the customer) using mobile phone GPS • Service Engineer creates a service report with the PickmeRight APP after his intervention (text and pictures / Videos) and customer can see how well the job was done
Customers may use different machines from different manufactures and will need experi-	Customization • Over time, there will be a separate page for each machine manufacturer (e.g. Bosch, Krones, GEA, Schubert…) in order to find the

enced service engineers for each of the machines	right service engineer • Platform has also hierarchy/ tag for machines (e.g. packaging industry; machine manufactures; specific machine; recommendation which service engineer fits to this technology / machine). This helps to match customer and freelancer.

Service Engineers

Issues	Added Value
Service engineers have little flexibility in their schedule and must work on the manufacturer's schedule	Flexibility • Service engineers may controle their own schedule and finish the tasks as soon as possible, rather than ending their work after 8 hours.
Service engineers may not earn as much as they could, even though most of the customers would prefer to work only with them	Higher income for service engineers • Service engineer decides how much he charges per hour, based on competitive market pricing • Good ranking can generate higher hourly rates and/or more frequent work assignments by manufacturers • Positive comments help Service Engineer to sell himself better
It is hard for a service engineer to start on his own because they do not have a large enough customer base	Large customer base available to service engineers all over the world • Service Engineers need a platform to promote themselves as freelancers • More Service Engineers/customers on the platform results in more business
	Mobile App • Tracks where the service engineer is • Timesheets for every intervention • Helps the service engineer to create a service report after his service-intervention (text and pictures / Videos) • Shows service engineer the next intervention/task (calendar) • Service engineer gets all traveling information
	Insurance • Service engineer who is booked over PickmeRight has a liability insurance from PickmeRight

Machine Manufacturers

Issues	Added Value
Uncertain returns on hired and trained service engineers	Service engineer academy • Rather than training the Service Engineers they hire, we would propose manufacturers to provide a training academy, which freelance service engineers will have to attend before enrolling to PickmeRight.com platform • Manufacturers will have certain revenue streams from their training activities

High costs in certain periods due to paying salaries to the service engineers who are not engaged in jobs to customers	Cost reduction and additional sales channel • Manufacturers will reduce their overhead costs by ceasing to pay monthly salaries to service engineers • Manufacturers will be granted a discount when hiring a service engineer from the PickmeRight.com platform, in order to maintain their profitability on a service job
Selling to Freelancer	Additional revenue • IT licenses • Selling spare parts, documents, drawings…

Table 1: Value proposition of the service, (by the author)

4.2.2 Description of the venture

The venture will be founded in Germany as a company with limited liability (legal form: GmbH). To start the business, the company needs 0,233 m EUR from the founders and 0,5 m EUR from investors equity in the first year. In order to raise this money, we are looking for two investors. The company shares will be distributed as follows: 35% founder one 35% founder two, 15% investor one, 15% investor two. Each investor has to invest 0, 25 m EUR in order to get the 15% of the company. This represents a company evaluation of 1.66 m EUR. It is important to find investors who support the new venture not only with money but also with customer contacts, knowhow, or own service engineers who can be redistributed immediately onto the new platform. The company will have two people from the beginning, the founders. First the CEO, second the CTO. As the business is in operation planned after 6 months, another three people will be hired, CMO, CFO and COO. The idea is to keep the venture as lean as possible which is also why we decided to outsource the first development of the platform to an IT expert company.

4.2.3 Mission statement

It is important to us to have a clear vision and mission statement for PickmeRight in order to show what the company – and the people who work for it – stand for. Our vision and mission should also help our employees to identify themselves with the company.

Our Vision

To connect business with great service engineers faster and easier than ever before.

Our Mission

To create economic and social value on a global scale by providing a trusted online market place for service engineers to connect, collaborate and succeed.

4.2.4 Business model

PickmeRight operates the website www.PickmeRight.com as an independent third-party facilitator for industrial services and provides customers with a platform to purchase service engineers online. PickmeRight gets a 15% commission payed by the service engineer provider based on sold working hours. Customers conclude by accepting the terms and conditions of two contracts: First the license agreement between the customer and the website (PickmeRight); and second a service contract between the customer and service engineer provider (freelancer). Customers enter into any transaction with a service engineer provider entirely at there own risk (Upwork, 2016).

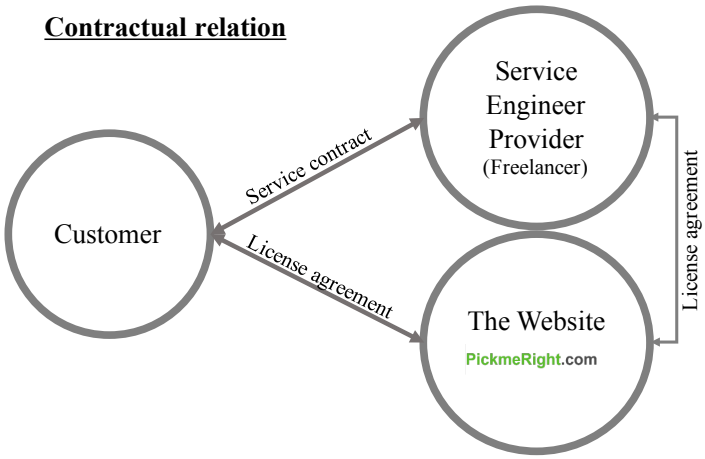

Illustration 7: Contractual relationship, (by the author)

The PickmeRight GmbH (“PickmeRight”) operates and manages an online platform at www.PickmeRight.com (the “Website”) through which a customer (the “Customer”) can book a service engineer appointment by submitting a Booking Request. Once a Booking Request has been submitted, PickmeRight then proposes via an algorithm the booking request to the most suitable service engineer provider from its database (the “Database”). Once assigned, the service engineer provider is permitted to accept or reject the booking request. Once booked services have been completed, PickmeRight issues an invoice to the customer on behalf of the service engineer provider. Once issued, the payment agent collects payment

of the booked service fee from the customer. Once collected the payment agent disburses the booked service fee to the service engineer provider. The role of PickmeRight is that of a website operator, manager of the database, and third-party facilitator of contracts and invoicing between the customer and the service engineer provider. To avoid conflict of interest, PickmeRight itself is not providing any maintenance services for customers.

For our customers (e.g. Mondelez, Heineken) we offer an easy solution to find and engage the preferred service engineer best suited for the company. There will be little paperwork for the manufacturers and cost-effective service. In terms of customer relations, the manufacturers are an integral part of business. We build up and maintain relations via our sales force, by offering a service hotline as well as fast and efficient delivery of our services.

How it works for clients

1. Project briefing

Start your project online easily by registering on the platform and completing the project briefing on the PickmeRight platform or by calling one of our account managers and fill out the project briefing together. Both procedures take only about 10 minutes.

2. Matching

According to your requirements PickmeRight proposes 2-3 suitable candidates per role. You decide which candidate gets the final contract for the project based on all relevant criteria (if desired by personal interview).

3. Contract signing

The signing of a contract with PickmeRight is quick and easy. Once you have made a binding decision on the service engineer, PickmeRight prepares the contract documents for you and the service engineer(s). You can then simply confirm the contract online (if desired you will also get the contract offline).

4. Project work

You work directly with the service engineer on your project. Your personal PickmeRight account manager is available at all times for further inquiries. Administrative efforts during the project duration are reduced to the approval of the monthly online time tracking and a brief intermediate feedback. 10 minutes of your time per month should be sufficient.

5. Feedback & Payment

According to the time tracking of the service engineer(s), which you approved, PickmeRight issues you an invoice. Then you just transfer the amount due to PickmeRight. In addition, we ask you for feedback on the individual engineer and service of PickmeRight at the end of the project. This feedback allows service engineers to build a reputation and PickmeRight to constantly improve its service

For service engineers, PickmeRight offers a platform where engineers can be self-employed. We offer them independence through setting their own rates and building up a client base. We also project a higher income for service engineers when they use our services, as well as a flexible work schedule. As the Service Engineers are an integral part of our "search & match" business, the customer relations to service engineers are estimated to be of utmost importance. Relations to the service engineers are built up and maintained via the PickmeRight service team. Customer relations is supported by our service call center for service engineers, the mobile app as well as organization of their travel via our travel business partner (CoMatch, 2016).

How it works for service engineers

1. Application & Admission

Register on the platform and apply for free and without any risks online and become a member of our exclusive service engineer and Industry Expert platform.

2. Matching

We will suggest projects based on your experience and personal preferences. However, the service engineer chooses what projects to select and complete.

3. Contract signing

The signing of a contract is extremely quick and easy. You simply acknowledge your interest in a project (including associated details such as project duration, start date, daily rate, etc.) and agree on the conditions. The client confirms that he would like to work with you.

4. Project work

You work autonomously on the client project of your choice. We are available to answer any further questions you have at any time. So you can stay focused on your work with the cli-

ent, we have reduced the administrative effort to a simple monthly online time tracking. Ten minutes of your time per month - and the administration including invoicing is done.

5. Feedback & Payment

Based on your time tracking you will get a monthly money transfer to your bank account. In addition, at the end of each project you will receive a comprehensive feedback from your clients and your colleagues. This feedback provides you with the opportunity to build a reputation and become even more attractive for future projects (CoMatch, 2016).

4.3 Technology plan

Marketplaces are already on the market and the idea is to use existing technology and develop it further. Basically the technology consists of two parts: The frontend and the backend, which should be independent from each other. The front end is the website and the APP which can be seen by our users. For this part of the technology recognition value is significant. Therefore, a unique style and branding is important. Beside that it is also important that the applications are easy to use and therefore user-friendly. The backend of the technology processes all the business processes.

4.3.1 Description of the technology

Front end

The front end to our users (clients and service engineers) our HTML5 website and native APP looks attractive, clean and user friendly. We will start with an IOS native APP. In the following we try to describe how the pages and the user flow could look like.

Starting page:

The starting page is the first point of contact with our users. Therefore, it is very important that this page is well designed and easy to understand. This page consists of four areas. First the company logo in the upper left corner, second the navigation menu centered on the top of the page, thirdly a background image across the entire page and finally in the middle of the page a short description of the service and a get started button.

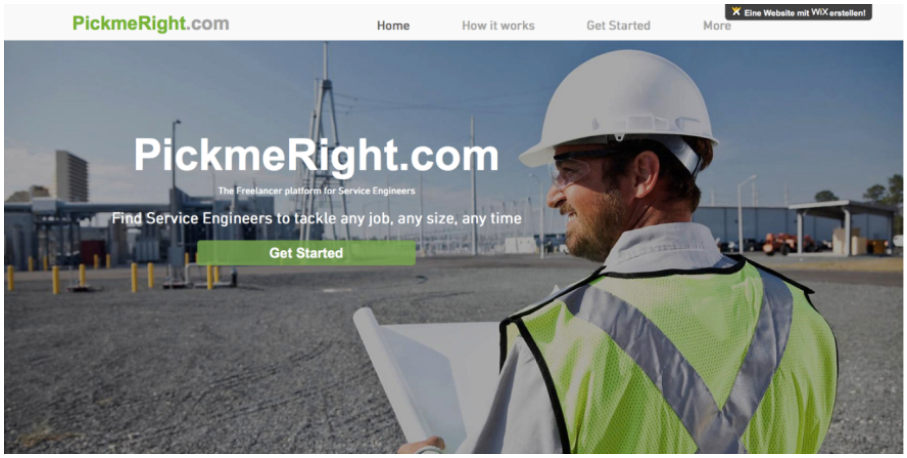

Illustration 8: Starting page, (by the author)

How it works page:

The purpose of this second page is to explain to the user how the platform works in a simply visualized way. This is done with the following three steps: hire a freelancer; collaborate and work with the freelancer; and finally pay and evaluate the freelancer.

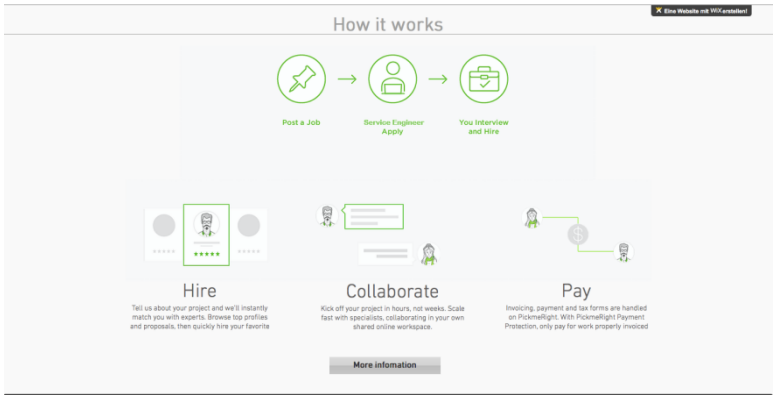

Illustration 9: How it workes page, (Upwork, 2016)

Get started page:

On this page the user is asked in a second step whether he is looking for a freelancer or for work. This is important as following this page, two different user flows start: one for freelancer, and the other one for clients. Again, the website is structured in a way that it is very simple for the user to understand. To the left is the button to hire, and to the right is the button to find work.

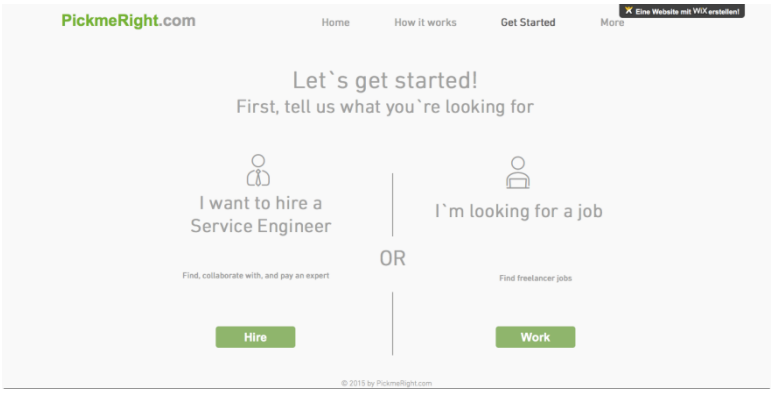

Illustration 10: Get started page selection, ((Upwork, 2016) and by the author)

Creating a profile page

The profile creation page differs only slightly between a freelancer and a client. Of course the freelancer has to enter much more information as his profile is pivotal to convincing customers. To create a client account only username, address, mail address and credit card information are required. The first step in creating a freelancer profile is to ask the user if he will link to an existing social media account e.g. Facebook, LinkedIn, to his PickmeRight account. This would save him for entering many data again. If the user is not willing to do so, or has no other account already, he has to enter his name, his professional title, a brief summary of himself, his skills, his language skills, and upload a profile picture.

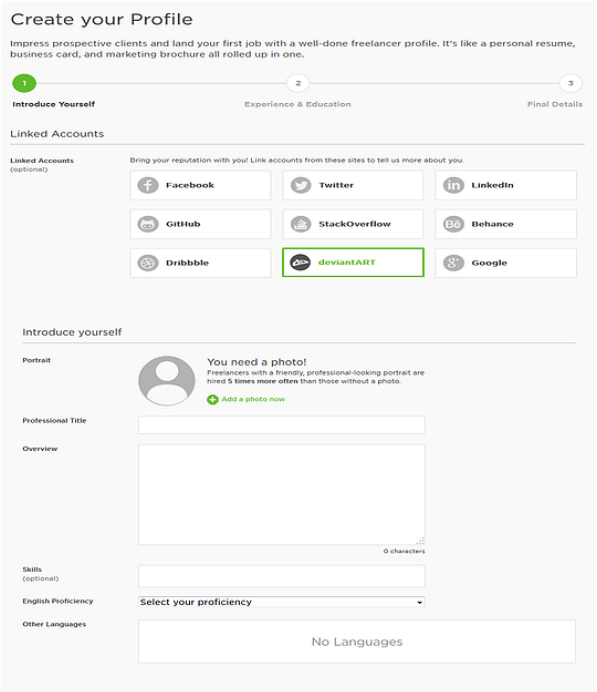

Illustration 11: Create a profile page 1, (Upwork, 2016)

In a second step the user is asked to rate his experience level on a scale of entry level, intermediate or expert. Next he is asked to upload his work history, education certificates, general certificates and project certificates.

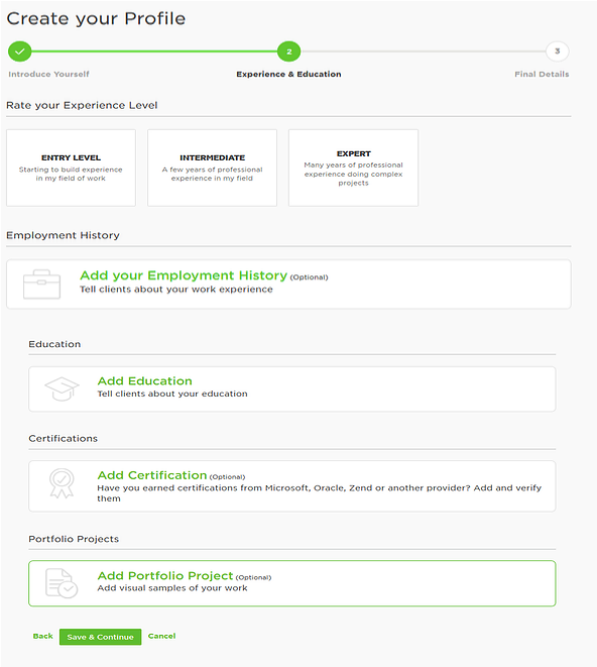

Illustration 12: Create a profile page 2, (Upwork, 2016)

In a tiered and final step in creating a freelancer profile, the user has to enter his preferred working hourly rate. He is also asked to enter his current address and add specializations or certifications to his profile. There are three different areas of specialization. The first is for machine manufacturers such as Bosch, Krones etc. The second is for customer products such as PET bottles, syringes, chocolate bars, etc. Thirdly come the machine types like Bosch ALF, Bosch FLC, etc. Finally comes his profession such as mechanic or electrician. His address and specializations will later on help the client to find the right service engineer nearby.

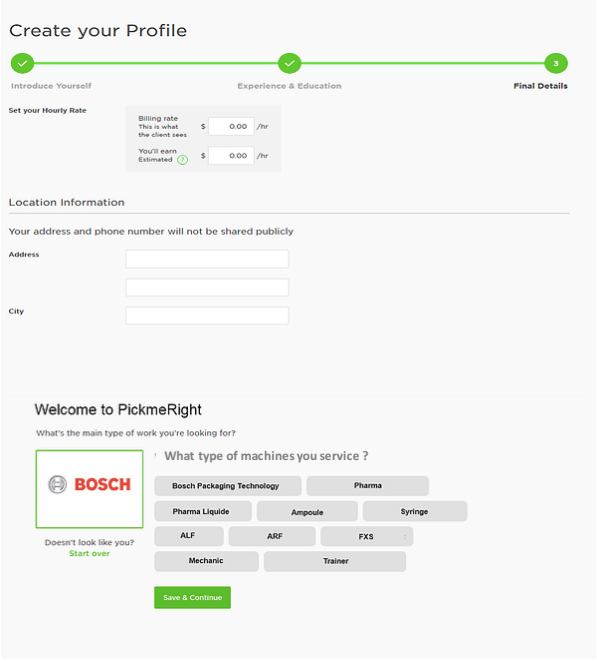

Illustration 13: Create your profile page 3, ((Upwork, 2016) and by the author)

Post a job page

As a client you have two ways to find a freelancer. First you post a job, and freelancers will apply for this job, or second you browse through service engineer profiles. The post a job page represents a framework which helps the client to describe his job in as much detail as possible. First the client has job categories e.g. mechanic, electrician etc. Second he gives his posted job a name and describes what needs to be done and which skills are required for this job. Next he enters how long he expects the job will take in days and what experience level of a freelancer he is looking for.

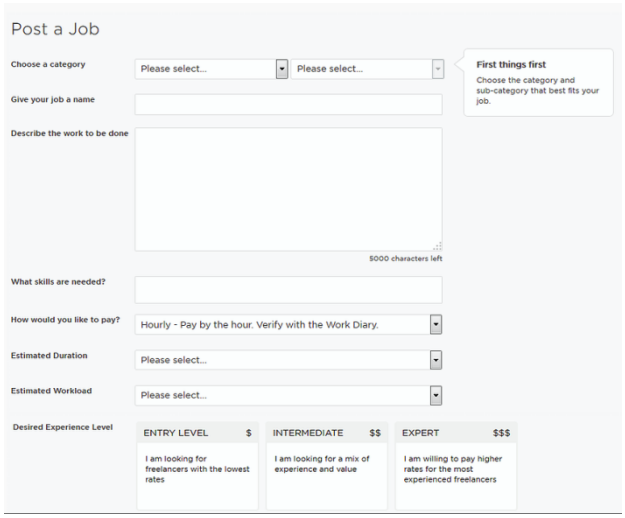

Illustration 14: Post a job page 1, (Upwork, 2016)

After this, he has to decide who can see this job post, how many freelancers he is looking for, and he then uploads a file which describes his job more in detail. This file could be a document, a picture or even a video.

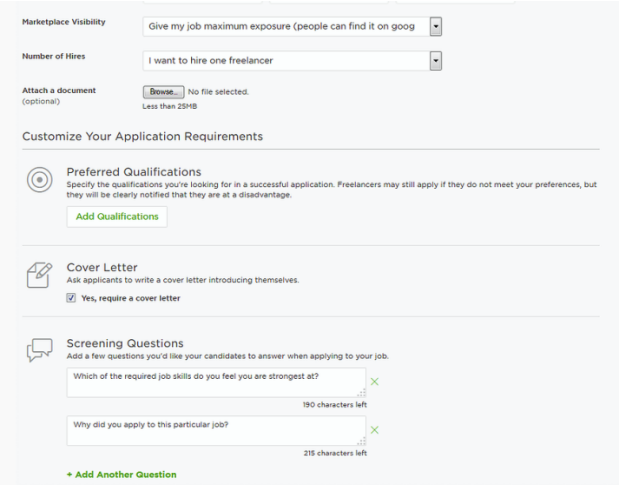

Illustration 15: Post a job page 2, (Upwork, 2016)

Search for service engineers page

On the other hand, clients can also browse through the service engineer's profiles. The following illustration shows for example, Alexander, who is an electrician specialized in Bosch HFM machines. He is currently biased in the Ukraine and charges 56 Euro per working hour.

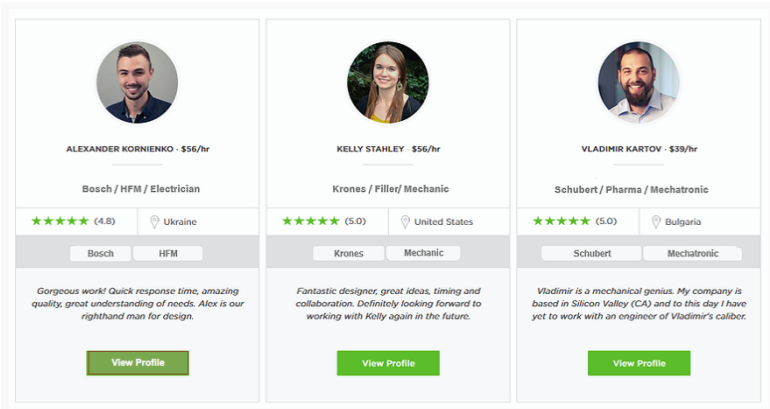

Illustration 16: Search for service engineer, ((Upwork, 2016) and by the author)

If the client is interested in Alexander, he can have a closer look by clicking to view his profile. Then Alexander's profile will be displayed with all his information.

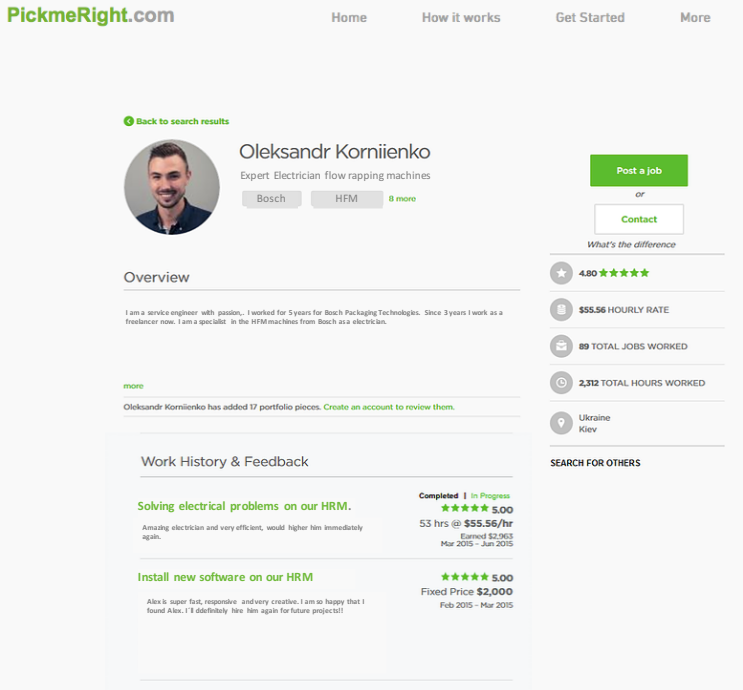

Illustration 17: Profile page, ((Upwork, 2016) and by the author)

Click dummy

For a better illustration, a click dummy of the PickmeRight page was developed and can be found at the following address: **http://severindiepold.wix.com/pickmeright**

Back end

The back end has two layers, the databases and the API.

Database client variable: Name, profile picture, address, mail address, password, payment information (e.g. credit card).

Database for service engineer variable: Name, profile picture, address, mail address, password, nationality (including which passport you hold, visas you have), overview (description of yourself, text or video), education history (including upload for certificates and degrees), employment history, skills, profession (mechanics, electricians…), machine manufacture brand, machine types, skill test done by PickmeRight, availability, when are you available to work, in which countries are you willing to work, traveling, flights (economy or business only over 8 h), hotels (what is still OK for you), banking account information, driving license.

The **database for services** like the matching function, chat function, payment function etc.

Our API processes all data between the front end and the backend

The following illustration gives an overview of the architecture.

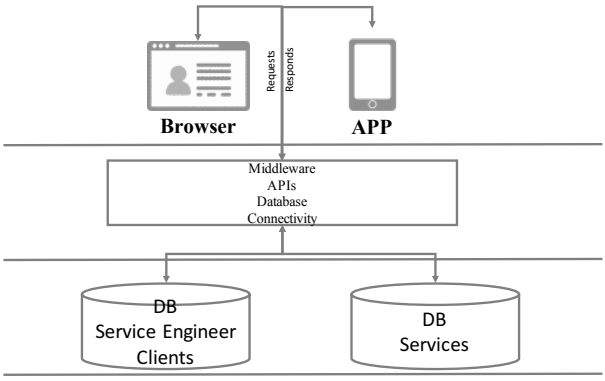

Illustration 18: Back end architecture, (by the author)

4.4 Description of industry

Service engineer industry

"Customer service support is an important part of most manufacturing companies that produce machines. Many of these companies have a customer service department that provides installation, commissioning, inspection and maintenance support for their worldwide customers. Although most of the machine customers have their own engineers to handle day-to-day maintenance and small scale troubleshooting, expert advice is often required from the manufacturing companies for more complex maintenance and repair jobs. Immediate response to service requests is needed to maintain customer satisfaction. Therefore, most of the machine manufacturers have a hot-line service center in order to solve problems from customers. The service center receives reports on faulty machines or equipment from customers via telephone calls. When a problem is reported the help-line associate tries to solve the customer's problem on the phone. If the problem still persists, a service engineer dispatcher schedules a field service engineer for an onsite repair. During such trips, the service engineer will take past records of the customer´s machine, related manuals, and spare parts that may be required to carry out the repair. At the end of each service intervention a service report is generated." (S.C. Hui, 1999).

4.4.1 Future outlook and trends

It is becoming increasingly more difficult for machine manufactures to service old machines in the market since many of their experienced service engineers have retired. The knowledge is not passed to the younger generation of service engineers. Another significant trend in this industry is that more and more young service engineers are no longer willing to travel more than 50% of their work time. Instead they prefer to assemble new machines at the home factory to be able to spend more time with their families. Due to pressure to reduce costs many privileges for service engineer travelers have been removed. For example, many companies don't allow their engineers to fly business-class anymore. Many younger, well educated, service engineers left their jobs at major machine manufactures and go into business for themselves.

4.4.2 Analysis of competitors

There are **existing competitors** such as the machine manufactures themselves, which have their own service engineers (i.e. Bosch or Krones AG). Furthermore, there are **immediate potential competitors** like major freelancer platforms (i.e. Upwork), which currently focus on soft- web- developer, writers, designers or marketers. **Future potential competitors** could be freelancers who don't use any platform and work directly with customers, basically these freelancers who maintain relationships with customers through connections and recommendations from previous employers.

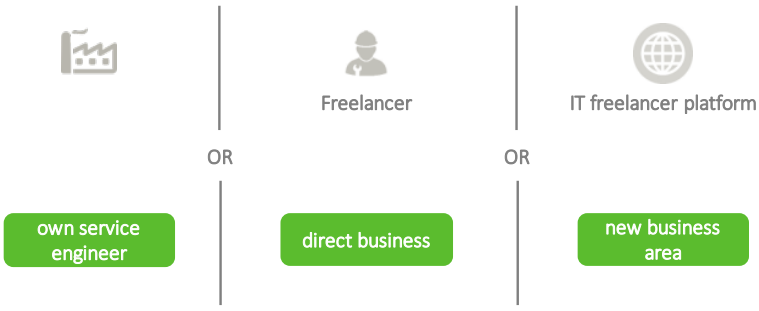

Illustration 19: Competitor overview, (by the author)

Our differentiators:

- We are setting up a business that is specialized in high quality service engineering skills provided through an online market instead of a general market place for all kind of freelancers.

- We will focus on the packaging market in food, liquid food and pharma in the first year
- All our engineers are well-trained and certified, willing to provide high quality service due to the rating system and the possibility to earn more with every job performed well
- Transparency in cost and quality provided by our business
- Excellent user experience

4.5 Marketing plan

4.5.1 Market segment

It is difficult to estimate the actual market potential for PickmeRight.com since theoretically any service engineer, no matter what industry he comes from, could use this platform and any company who uses machinery could also choose our services. So, PickmeRight decided to focus on the German mechanical engineering companies in the first years. There were **6,419 machine manufacturing companies** in Germany in 2013 (see Appendix H, chart one) and **125** of them have more than 1,000 employees (see Appendix H, chart two). In the first five years we want to target the 20 largest of them (see Illustration 20).

Most important German mechanical engineering companies in 2014 by sales (EUR bln.)

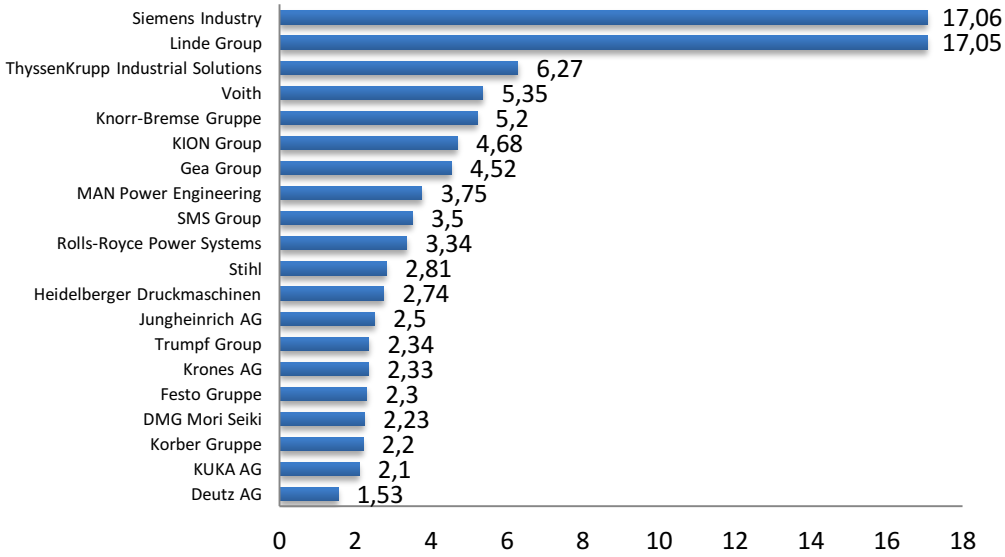

Illustration 20: German mechanical engineering companies 2014 (Statista, 2015)

On average we estimate that each of these companies have 400 service engineers. More details in chapter 4.5.5. These engineers can be utilized 250 days at 8 hours per day to customer. Market size calculation: 400 SE x 250 working days x 8 hours per day x 80 EUR per hour on average x 20 companies = 1,28 bln EUR

Market share of PickmeRight after five years:

48.000.000[1] EUR sales / 1,28 bln EUR market size = 3,75 %

4.5.2 Pricing

PickmeRight charges a service fee of 15% per sold working hour. The working hour rates are set by the freelance service engineer his own. The 15% corresponds to market averages of freelance market places in other industries. Upwork 10% or Uber 30%.

All the hourly rates which are shown to customers on the platform already include the 15% service fee. For example, if the customer sees an hourly rate of 80 EUR the true hour rate for the service engineer is 68 EUR and 12 EUR is the service fee. Beside the hourly rates there are also travel costs. The travel costs are composed of traveling hours, 75% of working hour

[1] 500 SE x 150 days x 8h x 80EUR

rate, traveling costs home-airport-home, hotel costs, flight tickets, daily allowance food and if required rental car including gas. This costs must be estimated by the service engineer before customer decides to book.

Payment conditions:

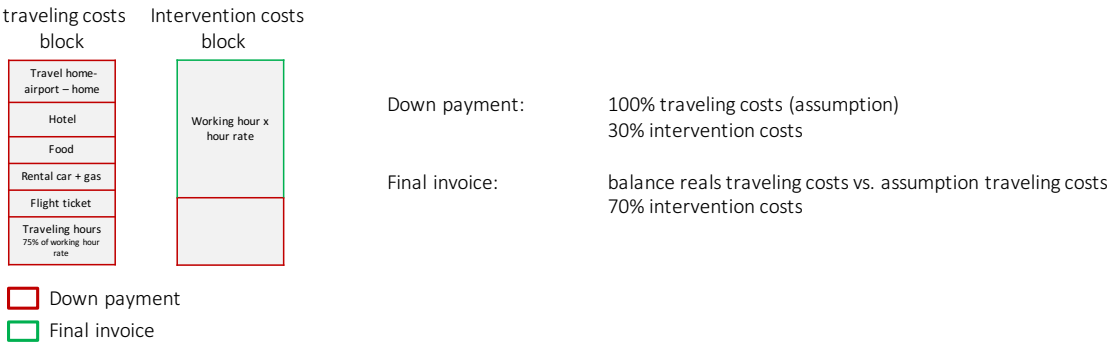

Illustration 21: Cost calculation for customers, (by the author)

4.5.3 Promotion

We have to promote our market place in two ways from the start. On the one hand, to freelance service engineers who will start to promote and sell their services over our platform. On the other hand, we have to attract customers want to book these service engineers. Therefore, we developed a two-channel promotion strategy:

Channels to customers:

At the very beginning, we will start to promote our website actively to small and midsized customers of Bosch Packaging and Krones. This means:

- Sales force recruiting new clients
- Active emailing
- Social media contact via Facebook, LinkedIn…
- Specific Google AdWords campaigns
- Press releases
- Blogging
- Exhibitions (Interpack May 2017, Düsseldorf, Germany)

Channels to service engineers:

In order to find the first service engineers we plan to do the following:

- Partnership with manufacturer/s
- Marketing (advertisements, promotional activities, etc.)
- Sales force recruiting new engineers
- Cooperation/partnerships with training facilities for engineers
- Use of professional social media, e.g. LinkedIn

We plan to use the following marketing KPIs:

- CAC = Customer acquisition costs
- CPA= Costs per acquisition
- CLV= Customer life time value
- ROI on marketing and sales campaigns
- CLV = CAC → 3:1 perfect balance

4.5.4 Additional services in future

Beside the main revenue stream, PickmeRight will offer additional services in the future in order to generate incremental revenue.

SE ranking of profile

Service engineers should have the option to pay to promote their ranking on the platform. This service is intended to be similar to that of Google AdWords. Of course it is very important to clearly visualize for customers that these profiles are prioritized as a result of advertising in order to maintain the integrity of the evaluation feature.

Travel agency commission

As the platform handles a lot of business travel for its service engineers, it makes sense to require a commission from the selected travel agency. E.g. 3% of the sold trips per month.

Insurance commission

As most of the service engineers work as independent freelancers they require a range of insurances. PickmeRight can help the engineer to select the right insurance and would receive a commission from the insurance company.

Selling market information, the mechanical engineering companies

PickmeRight gains a lot of important information by matching problems and solutions over time. Customers post their problems and service engineers create service reports after each intervention. This information can be filtered per machine type and sold back anonymized to the machine manufactures. They are usually very interested in the weak points of their machines, in order to improve it in the next development cycle.

Commission for SE, when he sells parts

Machine manufactures are very much interested in selling as many spare parts as possible, as the profit margins are good. Therefore, PickmeRight will seek general agreements with machine manufacturers to sell their original spare parts directly to their customers. This commission could then be shared with the freelancers.

4.5.5 Sales for first five years

We plan on starting the platform with Bosch Packaging and Krones AG engineers in the first year and then gradually develop close partnerships with other machine manufacturers. After the first year in operation, we plan on expanding our business to other areas including the energy market, servicing wind turbines, oil platforms, etc.

Our revenues will come from various sources as described in 4.5.4, the main one being the service fee coming from the service engineers who promote themselves through our platform. Taking into consideration the minimum and maximum that could be charged by a service engineer, together with the revenues they would like to earn as freelancers, we consider 15% of the hourly fee to be a fair price.

Type of Service Engineer	Hourly fee	Margin	After service fee	Yearly revenue for Service Engineer
Junior Engineer	EUR 80	15% = EUR 12	EUR 68	EUR 97,920
Engineer	EUR 100	15% = EUR 15	EUR 85	EUR 122,400
Senior Engineer	EUR 120	15% = EUR 18	EUR 102	EUR 146,880

[1] assuming 180 days worked, 8 hours/day

Table 2: Yearly revenues expected by a service engineer, (by the author)

Becoming a trustworthy engineer involves good preparation and vetting by a renowned institution, therefore, part of accepting engineers is quality certification. If they have previously worked for a manufacturer, we can safely assume they are already trained in the field and

would only require them to pass a test. If they are new entrants, we would require training in a manufacturer's academy e.g. Bosch Packaging Academy.

Moreover, service engineers entering the platform for the first time or the ones who feel they are underutilized could be offered an additional 10% service fee for better promotion on the platform until they get a better rating and a customer base. Companies on the other hand, can book an engineer in advance for planned revisions or could request an emergency intervention when no one is otherwise available. PickmeRight.com can also charge an additional EUR 50 fee/intervention for these additional services.

As the business grows, and we will start servicing machines produced by other manufacturers, the need for travel services will become even more evident. In order to provide service engineers with the best travel options, we can offer customers the possibility either to provide these services through their own resources, or to delegate this task to us. In case we would take care of travel services, we will need to partner with a travel agency and charge a 3% commission for each trip.

Assumptions:

We assume that each of these companies listed in the following Table 3 has on average 400 service engineers who are capable of maintaining their machines (employed, self-employed or freelancer)

	No. of companies	Target Technologies	SE on PickmeRight
Year1	2	Bosch Packaging/ Krones	30
Year2	5	Bosch, Krones, Linde Group, ThyssenKrupp Industrial Solutions, Voith, Knorr-Bremse Gruppe	90
Year3	10	Bosch, Krones, Linde Group, ThyssenKrupp Industrial Solutions, Voith, Knorr-Bremse Gruppe, KION Group, Gea Group, MAN Power Engineering, SMS Group	240
Year4	15	Bosch, Krones, Linde Group, ThyssenKrupp Industrial Solutions, Voith, Knorr-Bremse Gruppe, KION Group, Gea Group, MAN Power Engineering, SMS Group, Rolls-Royce Power Systems, Stihl, Heidelberger Druckmaschinen, Jungheinirich AG, Trumpf Group	400
Year5	20	Bosch, Krones, Linde Group, ThyssenKrupp Industrial Solutions, Voith, Knorr-Bremse Gruppe, KION Group, Gea Group, MAN Power Engineering, SMS Group, Rolls-Royce Power Systems, Stihl, Heidelberger Druckmaschinen, Jungheinirich AG, Trumpf Group, Festo Gruppe, DMG Mori Seiki, Körber Gruppe, KUKA AG, Deutz AG	500

Table 3: Market potential & planed engineers, (by the author)

4.6 Financial plan

Based on our assumptions we are planning to reach break even in year two. We are planning with a ramp up phase of six months in which we will set up the company before starting operation. In this ramp up period the company will spend 232.840 EUR mainly for developing the platform. In the first year of operation the company will still generate losses of 361.543 EUR. However, in year two of operation we will generate 154.764 EUR profit with seven employees.

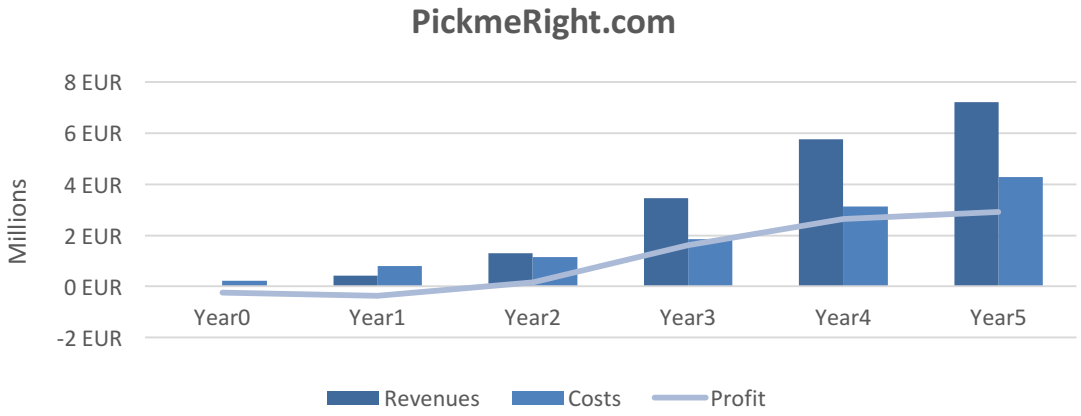

Illustration 22: 5 year revenues and costs, (by the author)

4.6.1 Pro forma Income Statement

Revenues calculation first five years

In year one we are planning to achieve revenues of 432.000 EUR. Therefore, we assume that on average we will have 30 full-time sold service engineers on the platform. Furthermore, we assume that these engineers are sold 150 days per year on average. For comparison a Bosch service engineer is sold 200 days a year to customer on average. Next, we assume that we can sell them for an hour rate of 80 EUR on average of which PickmeRight charges 15% = 12 EUR. Engineers from machine manufactures like Krones AG charge more than 120 EUR and more per working hour. To sum it up for the first year in operation, we calculate: 30 service engineers X 150 sold days x 12 EUR fee for PickmeRight x 8 working hours per day = 432.000 revenue in the first year.

	(6 month)	Year 1	Year 2	Year 3	Year 4	Year 5
Service fee		*80 €*	*80 €*	*80 €*	*80 €*	*80 €*
Average no. SE (1)	*0*	*30*	*90*	*240*	*400*	*500*
Revenues (2)	- €	2.880.000 €	8.640.000 €	23.040.000 €	38.400.000 €	48.000.000 €
Cost of services sold	- €	-2.448.000 €	-7.344.000 €	-19.584.000 €	-32.640.000 €	-40.800.000 €
Gross Profit (3)	- €	432.000 €	1.296.000 €	3.456.000 €	5.760.000 €	7.200.000 €
Unit wage	*-80.000 €*	*-80.000 €*	*-80.000 €*	*-80.000 €*	*-80.000 €*	*-80.000 €*
No of employees	*2*	*5*	*7*	*14*	*17*	*19*
Wages expense	-80.000 €	-400.000 €	-560.000 €	-1.120.000 €	-1.360.000 €	-1.520.000 €
Rent incl. Electric and water	-12.000 €	-108.000 €	-108.000 €	-108.000 €	-108.000 €	-108.000 €
Telephone and internet	-840 €	-4.200 €	-5.880 €	-11.760 €	-14.280 €	-15.960 €
Contact Center		-54.000 €	-90.000 €	-126.000 €	-162.000 €	-162.000 €
Website maintenance	-60.000 €	-60.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €
App maintenance		-20.000 €	-20.000 €	-20.000 €	-20.000 €	-20.000 €
Investment in hardware / Software	-20.000 €	-4.992 €	-5.000 €	-5.000 €	-5.000 €	-5.000 €
Advertising and Promotion	-20.000 €	-99.996 €	-300.000 €	-400.000 €	-1.400.000 €	-2.400.000 €
Legal setting	-20.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €
Unexpected expenses	-20.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €
SG&A	-232.840 €	-771.187 €	-1.118.880 €	-1.820.760 €	-3.099.280 €	-4.260.960 €
R&D expenses	- €	- €	- €	- €	- €	- €
Total operating expenses	-232.840 €	-771.187 €	-1.118.880 €	-1.820.760 €	-3.099.280 €	-4.260.960 €
EBITDA	**-232.840 €**	**-339.187 €**	**177.120 €**	**1.635.240 €**	**2.660.720 €**	**2.939.040 €**
Depreciation		-10.000 €	-10.000 €	-10.000 €	-10.000 €	-10.000 €
EBIT	**-232.840 €**	**-329.187 €**	**167.120 €**	**1.625.240 €**	**2.650.720 €**	**2.929.040 €**
Interest expense		- €	- €	- €	- €	- €
EBT	**-232.840 €**	**-329.187 €**	**167.120 €**	**1.625.240 €**	**2.650.720 €**	**2.929.040 €**
Taxes @30%	- €	- €	-50.136 €	-487.572 €	-795.216 €	-878.712 €
Net Profit	**-232.840 €**	**-329.187 €**	**116.984 €**	**1.137.668 €**	**1.855.504 €**	**2.050.328 €**

Table 4: Five-year pro forma income statement, (by the author)

(1) Assumption see chapter 4.5.5
(2) 30 SE x 150 days/year x 8 h/day x 80 EUR/h = 2.880.000 EUR
(3) 30 SE x 150 days/year x 8 h/day x 80 EUR/h x 0,15= 432.000 EUR

Ramp up phase:

This ramp up phase is needed to set up the company and to develop and build the platform. We are planning to start with two founders in this phase. The development of the website and the backend will be outsourced and will cost us approximately 60.000 EUR.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenues						
Service fee		- €	- €	- €	- €	- €
No of registered service engineers			10	30	60	80
Costs						
Wages expense (1)	-13.333 €	-13.333 €	-13.333 €	-13.333 €	-13.333 €	-13.333 €
No of employees	2	2	2	2	2	2
Rent incl. electric and water	-2.000 €	-2.000 €	-2.000 €	-2.000 €	-2.000 €	-2.000 €
Telephone and internet (2)	-140 €	-140 €	-140 €	-140 €	-140 €	-140 €
Contact Center						
Website development (3)			-30.000 €		-30.000 €	
App maintenance						
Investment in hardware /Software (4)	-20.000 €					
Advertising and Promotion			-5.000 €	-5.000 €	-5.000 €	-5.000 €
Legal checking of T&Cs (5)			-5.000 €	-5.000 €	-5.000 €	-5.000 €
Interest expense						
Unexpected expenses	-3.334 €	-3.334 €	-3.334 €	-3.334 €	-3.334 €	-3.330 €
Total Costs	-38.807 €	-18.807 €	-58.807 €	-28.807 €	-58.807 €	-28.803 €
Profit (loss) Pre-Tax						
	-38.807 €	**-18.807 €**	**-58.807 €**	**-28.807 €**	**-58.807 €**	**-28.803 €**

Table 5: Ramp up phase - Six months, (by the author)

(1) 80 k EUR / 12-month x 2 employees
(2) 70 EUR per employee per month
(3) Outsourced platform development incl. database
(4) Computer, furniture, software...
(5) Legal setting of T&C

First year in operation pro forma income statement per month:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Sum
Revenues													
Service fee (1)	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	36.000 €	432.000 €
No of registered service engineers	90	100	110	120	130	140	150	160	170	180	190	200	
Potential sellable hours (2)	11952	13280	14608	15936	17264	18592	19920	21248	22576	23904	25232	26560	
No of sold service engineers on average	30	30	30	30	30	30	30	30	30	30	30	30	
Sold hours (3)	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	
Utilization (4)	16,87%	15,18%	13,80%	12,65%	11,68%	10,84%	10,12%	9,49%	8,93%	8,43%	7,99%	7,59%	
Costs													
Wages expense (5)	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-33.333 €	-400.000 €
No of employees	5	5	5	5	5	5	5	5	5	5	5	5	
Rent incl. Electric and water	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-9.000 €	-108.000 €
Telephone and internet (6)	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-350 €	-4.200 €
Contact Center (7)	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-4.500 €	-54.000 €
Website development /maintenance			-30.000 €						-30.000 €				-60.000 €
App maintenance (8)		-20.000 €											-20.000 €
Investment in hardware /Software	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-416 €	-4.992 €
Advertising and Promotion	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-8.333 €	-99.996 €
Legal setting	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-10.000 €
Interest expense													
Unexpected expenses	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-833 €	-10.000 €
Total Costs	-57.599 €	-77.599 €	-87.599 €	-57.599 €	-57.599 €	-57.599 €	-57.599 €	-57.599 €	-87.599 €	-57.599 €	-57.599 €	-57.599 €	-771.187 €
Profit (loss) Pre-Tax													
	-21.599 €	**-41.599 €**	**-51.599 €**	**-21.599 €**	**-21.599 €**	**-21.599 €**	**-21.599 €**	**-21.599 €**	**-51.599 €**	**-21.599 €**	**-21.599 €**	**-21.599 €**	**-339.187 €**

Table 6: First year in operation pro forma income statement per month, (by the author)

(1) Month 1: 30 sold SE x (150sold days/12month=12, 5) 12, 5 days per month at customer x 8 h per day x 12 EUR (80 EUR customer price x 15% = 12 EUR per h for PMR)
(2) Month 1: 90 potential SE x 16,6 days per week (200 days per year / 12 = 16,6) x 8 h per day
(3) Month 1: 5 SE x 8,3 days per month x 8 h per day
(4) sold h / potential h
(5) 80 K EUR / 12 x 5 employees
(6) on average 70 EUR per employee per month
(7) Outsourced contact service center (support for SE and customer)
(8) Development of the PickmeRight APP IOS / Android

4.6.2 Pro forma cash flow statement

At the very beginning, both founders will invest 116.420 EUR, total 232.840 EUR. This will help us to cover our cost for the ramp up phase of six months. We are planning to spend in this first phase all 232.840 EUR. This means after six months at the latest we have to find an investor. In the first year of operation we plan to spend another 771.187.695 EUR. This will be covered by the planed revenue of 432.000 EUR and an investment of 500.000 EUR from our investors. In year two of operation we assume a positive cash flow and we do not need another financing round.

	(6 month)	Year 1	Year 2	Year 3	Year 4	Year 5
EBIT	-232.840	-329.187	167.120	1.625.240	2.650.720	2.929.040
- Taxes @ 30%	-	-	-50.136	-487.572	-795.216	-878.712
+ Depreciation		10.000	10.000	10.000	10.000	10.000
- Change in Net Working Capital	-	-	-	-	-	-
- CAPEX (servers etc)		-50.000				-50.000
Unlevered Free Cash Flow	-232.840	-369.187	126.984	1.147.668	1.865.504	2.010.328
- Interest Expense	-	-	-	-	-	-
Levered Free Cash Flow	-232.840	-369.187	126.984	1.147.668	1.865.504	2.010.328
Initial Outlay	732.840					
PV at						
10%	500.000	-335.625	104.945	862.260	1.274.164	1.248.256
15%	500.000	-321.032	96.018	754.610	1.066.608	999.488

Table 7: Cash flow, (by the author)

4.6.3 Pro forma balance sheet

Before starting the company

Current Assets		Current Liabilities	
Cash	232.840 €	Accounts Payable	- €
Accounts Receivable (net)	- €	Current Portion LTD	- €
Merchandise Inventory	- €	Other	- €
Supplies	- €		
Prepaid Expenses	- €		
Total Current Assets	**232.840 €**	**Total Current Liabilieties**	- €
Fixed Assets		**Long Term Liabilities**	
Fixtures	- €	Notes Payable	- €
Vehicles	- €	Bank Loan Payable	- €
Equipment	- €	Other Loans Payable	- €
Leasehold Improvments	- €		
Buldings	- €		
Land	- €		
Total Fixed Assets	**- €**	**Total Long Term Liabilities**	- €
		Net Wort (owner´s equity)	232.840 €
Total Assets	**232.840 €**	**Total Liabilities and Equity**	232.840 €

Table 8: Pro forma balance sheet before starting the company, (by the author)

After 6 month rampup

Current Assets		Current Liabilities	
Cash	232.840 €	Accounts Payable	236.712 €
Accounts Receivable (net)	236.712 €	Current Portion LTD	- €
Merchandise Inventory	- €	Other	- €
Supplies	- €		
Prepaid Expenses	- €		
Total Current Assets	**469.552 €**	**Total Current Liabilieties**	236.712 €
Fixed Assets		**Long Term Liabilities**	
Fixtures	- €	Notes Payable	- €
Vehicles	- €	Bank Loan Payable	- €
Equipment	- €	Other Loans Payable	- €
Leasehold Improvements	- €		
Buildings	- €		
Land	- €		
Total Fixed Assets	**- €**	**Total Long Term Liabilities**	- €
		Net Wort (owner´s equity)	232.840 €
Total Assets	**469.552 €**	**Total Liabilities**	469.552 €

Table 9: Pro forma balance sheet after 6 month, (by the author)

After first year in operation

Current Assets		Current Liabilities	
Cash	232.840 €	Accounts Payable	710.137 €
Accounts Receivable (net)	710.137 €	Current Portion LTD	- €
Merchandise Inventory	- €	Other	- €
Supplies	- €		
Prepaid Expenses	- €		
Total Current Assets	**942.977 €**	**Total Current Liabilities**	710.137 €
Fixed Assets		**Long Term Liabilities**	
Fixtures	- €	Notes Payable	- €
Vehicles	- €	Bank Loan Payable	- €
Equipment	- €	Other Loans Payable	- €
Leasehold Improvments	- €		
Buldings	- €		
Land	- €		
Total Fixed Assets	**- €**	**Total Long Term Liabilities**	- €
		Net Wort (owner´s equity)	232.840 €
Total Assets	**942.977 €**	**Total Liabilities**	942.977 €

Table 10: Pro forma balance sheet after first year in operation, (by the author)

4.6.4 Break-even analysis

PickmeRight plans to accomplish break even in year two of operation. Break even will be reached based on our cost structure as well as we having on average 80 service engineers on the platform selling 150 days per year.

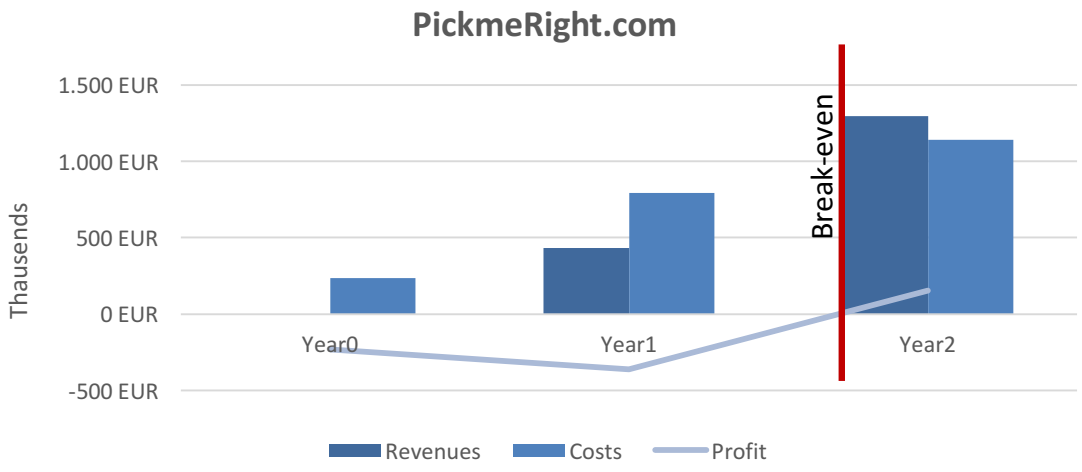

Illustration 23: Break-even analysis, (by the author)

4.6.5 Financial source and application of funds statement

In order to finance the venture, the founders will invest 232.840 EUR. In addition, we are planning to sell company shares to investors from the beginning. In total we will sell 30 % of the company shares and plan to receive 500.000 EUR in return.

4.7 Needed resources

In order to set up the venture we need the following resources split into hard- and software.

Hardware -Physical Key Resources:

- Office space for approx. 20-30 people
- Purchase office furniture
- Computers for all employees
- Servers
- High-speed internet
- Web space

Software-Intellectual Key Resources:

- Need to purchase the domain pickmeright.com
- Need to purchase a pre developed platform for peer-to-peer market places
- We have to obtain copyright for our brand
- We need web/application developing software
- Customer center with engineering background professionals can be outsourced to an external provider
- We need customer databases that initially are obtained through our own connections but in the future we may need to hire sales people with other connections in the industry
- Knowhow
- Contacts in the industry

4.7.1 Human resources

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Manager / Co. Founder (CEO)	1	1	1	2	2	2
Web developer/ database, IOS / Android developer (CTO)	1	1	3	4	4	4
Operations (COO)		1	1	1	1	1
Sales/Marketing/Communication (CMO)		1	0	1	4	5
Help line / Administrative		0	0	4	4	5
Accounting / Law (CFO)		1	1	1	1	1
Service Engineer (as an expert)			1	1	1	1
Total	2	5	7	14	17	19

Table 11: Staff plan over the first five years, (by the author)

4.8 Organization plan

Very important is the company culture which is composed of a set of shared values and norms. This culture must be built from the very beginning by the CEO.

4.8.1 Form of ownership

Both founders will have equal shares in the company. Furthermore, for us it´s important to have investors on board who support us not only with money but also with networks, own engineers, and contact to clients from the beginning. Therefore, we decided to sell 30% of the company in order to attract investment and the needed complimentary assets to start such a marketplace. We are convinced that this shareholder structure will give us enough flexibility that a second financing round is not planned to be required.

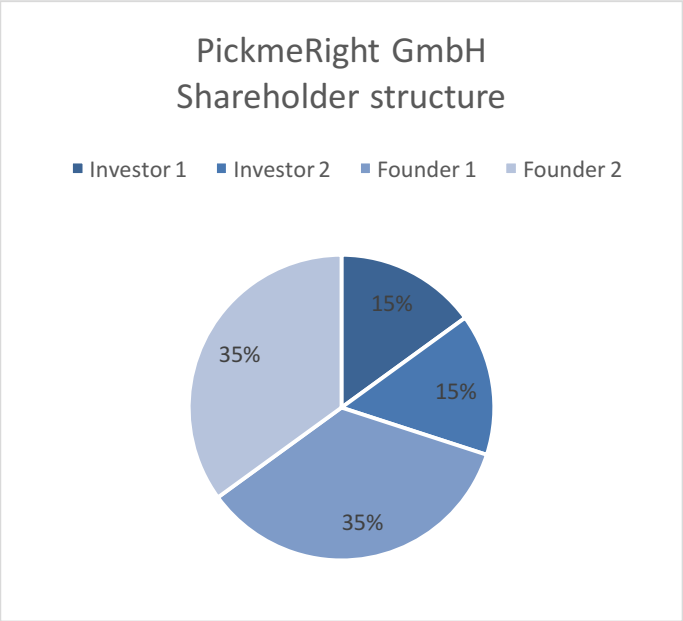

Illustration 24: Shareholder structure, (by the author)

4.8.2 Identification of partners and / or principal shareholders

Machine Manufacturers (e.g. Bosch):

The machine manufacturers are vital for the start of our business. If we partner with them, we are guaranteed to have not only access to a certain pool of service engineers, but we are also able to contract business. We basically offer the machine manufacturer the ability to outsource the matching of service engineers with manufacturers. The manufacturer will save administration costs as well as personnel costs by using our services. To ensure that they partner with us, however, we need not only to prove that our services are cost-efficient for them, but also offer incentives for them to join us in a partnership. Possible choices for incentives: Exclusivity clause for spare parts and modernization of machines. We guarantee that for their machines, we will use their spare parts. Or visibility of partnership on website (advertisement).

Travel agency

Through a strategic partnership with a travel agency, we outsource the administration and paperwork of organizing the service engineers' travels. As an incentive for a travel agency to partner with us, we charge the agency 3% for delivering all the travel arrangements through them. The partnership with the travel agency will be made visible on our platform website.

4.8.1 Organizational structure

Ramp up period first six months:

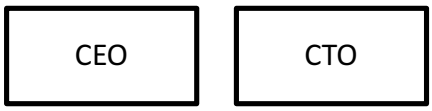

Illustration 25: Organization chart first 6 month, (by the author)

First year in operation:

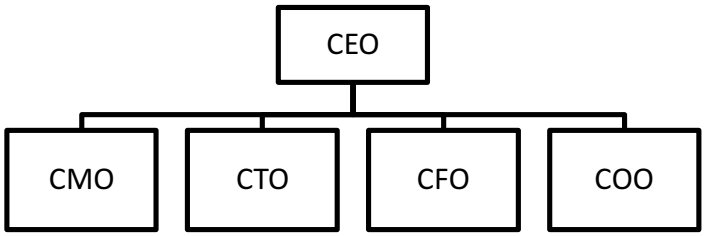

Illustration 26: Organization chart first year operation, (by the author)

4.8.2 Roles and responsibilities of members of organization

CEO (founder – idea visionary)

He is responsible for profit and loss of the whole company. He also takes care of hiring people, renting the office space and is the face of the company. He best understands the business idea, and executes it effectively.

CTO (founder – product/technology visionary)

He is responsible for setting up the platform and ensuring that all business processes run smoothly and efficiently. He understands the product and technology and how it should be applied.

After ramp up phase:

CMO (market visionary)

He is responsible for branding, reputation, marketing to service engineers and clients. He understands the market and the demands of our customers.

CFO

He takes care of all financial and tax issues

COO

Owner of all business processes (takes this over from the CTO)

4.8.3 Management-Team background

Most important in putting together the team is that all share the same vision and values since they will likely work together for many years. The team should have diverse and complementary skills and backgrounds. Moreover, it is important to ensure the founders goals for all founders are all aligned.

4.9 Operational plan

4.9.1 Start-up steps to form the business

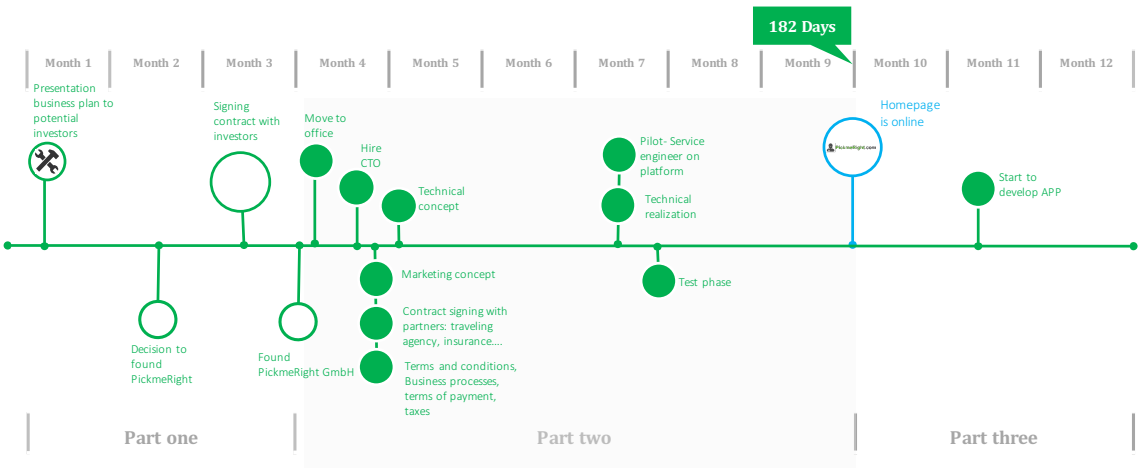

Illustration 27: Operational plan first 12 months , (by the author)

The first step is to present the business plan to potential investors. We expect that from that point it will need approximately one month for the investors to decide whether they will invest or not and another month till we have signed all the contracts. As soon the contracts are signed we can found the venture PickmeRight GmbH. Next steps are to develop a technical concept, a marketing concept, contract signing with partners and the development of our teams and conditions. Our plan is it to have the first pilot engineers on the platform after 4 months and after 6 months the official launch of the website.

4.9.2 Description of company´s operation

Setting up the business:

Develop the platform

Customers and service engineers are highly dependent on each other; development of the platform and mobile app is the foundation of our business. It is highly important to create a pleasant experience from the beginning because the platform will be the main customer interface both for service engineers and for our customers. As such, their development will be key to our core business, and a run/test-phase must be included to iron out bugs and ensure our processes run smoothly.

Recruit first service engineers

We will start to promote the platform within Bosch in order to convince the first service engineers to create their own profile on PickmeRight.com. We welcome all kinds of engineering skills, however well trained and certificated engineers are a priority for us, because they increase dependability and positively impact our reputation. Less experienced engineers are important for the business as well, as clients have different preferences.

Develop partnership with manufactures

We will develop and maintain our relationship with manufactures such as Bosch Packaging in order to offer them some benefits for taking part of their business, like providing licenses for freelancers or training them for a fee.

Promote the platform to customers

We will start to promote the platform to Bosch Packaging's biggest customers, those with which we have the best relationships.

After setting up the business:

Enroll new manufacturers and service engineers (marketing)

Investing in marketing and sales force to generate a strong 'PickmeRight.com' brand in the industry over the next four to five years.

Develop partnerships with customers

We will develop and maintain our relationships with customers – through transparency, better service and lower costs – that maximize customers' positive perceptions of our brand and quality of service. Therefore, it will raise our customer relationship to a high level and allow us to build mutually beneficial partnerships. Certainly it will bring additional benefits for our partners and customers such as exclusive rates and also will increase our profitability.

Invoicing

Customers invoices will be issued based on the engineers' timesheets (included in the PickmeRight.com APP). They will include a description of the service provided and the time spent for particular work (based on customer-approved timesheets when the job is done). Likewise, the service engineer's monthly payment must be calculated.

Quality control

As our business comprises 'problem solving', our profitability depends on the quality of service provided by engineers; hence we must establish a process of checking and following the reviews. For instance, to create a questionnaire system similar to the ones that tripadvisor.com or booking.com use, where customers click and rate based on a Likert scale. The following options could be available: Service, Value, Cost, Speed, Quality, Friendliness, etc. Where customers are dissatisfied, a PickmeRight.com customer relation's representative will connect directly to the customer to further clarify the situation. We believe that this is the correct approach to understand what went wrong and improve service. Moreover, a goodwill gesture has to be taken into consideration in order to not lose a customer and protect our reputation. Later, based on company growth, we could develop a service quality control department.

Schedule and book service engineers

Mainly customers and service engineers will perform this action, without any human contact. After finishing the process, one customer representative will call to confirm the order and guide both parties through the following steps.

Maintain the platform and mobile app

As we already mentioned, developing and further maintaining the platform and mobile app are one of the essential activities for our business, as all purchases will be made online, therefore we are aware of the importance of this for our business. We consider our business as a "value driven business" and not a "cost driven business", because prioritizing and focusing on delivering a good service and customer satisfaction is very important for business growth. Well-integrated key resources will ensure our job is achieved to the best of our ability, later as we expand our client list, we can consider selling our service at a premium price that will comprise faster service and preventive inspection once/twice a year.

4.10 SWOT analysis

INTERNAL DIMENSION		
	STRENGHTS	WEAKNESSES
Roots of competitive advantage	RESOURCES Strong relationship with potential customers CAPABILITIES Strategic approach to the whole market of industrial customers Close monitoring of the workforce COMPETENCIES First specialized freelancer hub for engineers	RESOURCES Small customer base High investment required CAPABILITIES We are not yet able to provide training to our enrolled service engineers
Competitive advantage, Value creation, and Profitability	VALUE CUSTOMERS PUT ON SERVICES Fast response to requests Tracking the service engineer PRICE CHARGED Lower price than working directly with the manufacturer COSTS Lower costs than manufacturers to provide services to customers	VALUE CUSTOMERS PUT ON PRODUCTS Long-term relationship with manufacturers COSTS High investment required to build a new brand

Value chain	PRIMARY ACTIVITIES: Simple and clear means of reaching the service Customer support and customer satisfaction check SUPPORT ACTIVITIES Human Resources – service engineers will be more committed Information systems	N/A
Building Blocks of Competitive Advantage	EFFICIENCY Faster and easier way to get to the customer Worldwide available service engineers QUALITY Quality is checked after each intervention with pictures, videos and a small report Reviews help service engineers improve their performance INNOVATION Unique service in the market Technology intensive	CUSTOMER RESPONSE Some customers would maybe prefer staying with the manufacturers due to brand loyalty/resistance to innovation BARRIERS TO IMITATION Rather low barriers to imitation, therefore new entrants might appear in the market INDUSTRY DYNAMISM Industrial robots are long-term assets and relationships with manufacturers might exist for several years
EXTERNAL DIMENSION		
	OPPORTUNITIES	THREATS
Industry Overview		
Risk of Entry by potential Competitors	ABSOLUTE COST ADVANTAGES Unlike manufacturers, our business model has absolute cost advantages as we will only pay service engineers if they are required for a job	BRAND LOYALTY Customers are loyal to renowned manufacturers, therefore we need to build and maintain a very strong brand
Rivalry Among Established Companies	INDUSTRY DEMAND Growing demand for digital mobility in all industries Increasing need for fast services Demand for new services and innovation Demand coming from service engineers for better and more flexible terms of employment	INDUSTRY COMPETITIVE STRUCTURE: Serious competition coming from manufacturers Competition may also arise from other freelancer platforms

Bargaining Power of Buyers	N/A	Some customers may require special terms and conditions to start working through our platform Manufacturers who will choose to outsource their service engineers through us will have high bargaining power because they may easily disrupt our business
Bargaining Power of Suppliers	Service engineers have low bargaining power due to the better working conditions they would have if they choose working through PickmeRight.com	In some countries with strong worker unions engineers will have a higher bargaining power. Strong opposition from workers' unions in these countries might set limits for our platform or at least pose an external threat worth evaluating when starting business in these countries.
Threat of substitutes	In case we create profitable arrangements with each manufacturer PickmeRight.com will be hard to replicate by new entrants or existing freelancer platforms	All manufacturers are considered competitors who offer substitute products Other freelancer platforms can start competing in our market
Macroeconomic environment		
	Macroeconomic forces Due to technological advancements in many countries, there is an increase in potential new customers to buy robots and start to service their equipment directly through PickmeRight.com Global forces Easier to access markets like China that have increasing potential to enter manufacturing business Technological forces Growing demand for mobile technologies Growing demand for easy to use systems Demographic forces Millennials are all about technology and they are the adopters of anything new. As they have recently started their career, they may now be promoters of new technologies for their companies and might want to acquire services provided by various platforms like PickmeRight.com.	

Table 12: SWOT analysis, (by the author)

5 Summary and results

Online talent platforms are already fundamentally changing the way we are searching for work and the way employers approach hiring. However, these platforms are mostly used by professionals of certain industries nowadays. The so called early adopters. I'm convinced online talent platforms in all their various forms, described in this thesis, will be used by a broader range of workers in the coming years. They will spread strongly to new geographies and industries. Some of the main reasons for this are that, existing networks will organically grow larger, data sets of candidates will become more diverse and readily available, and technologies will matter even more. Workers will become more capable and comfortable with a more digital job search and managing their professional online profiles. Companies will have to learn to take advantage of these new technologies in order to find the best-matching candidate for their vacancies or contract work. Only when they do so, will they stay sustainably competitive in future. But also in a broader picture, online talent platforms could help to reduce unemployment as they make hiring more efficient, labor markets can adjust faster, and organizations can be more productive.

The business plan in chapter three is based on the idea of applying the online talent platform to the mechanical engineering industry. There is a clear need for an online marketplace for contract work for field service engineers. However, the question remains open whether the mechanical engineering industry and especially the people who are working in the industry are ready for such an online market place yet. Whether the time is right or not, can only be found out by starting a venture like the PickmeRight GmbH.

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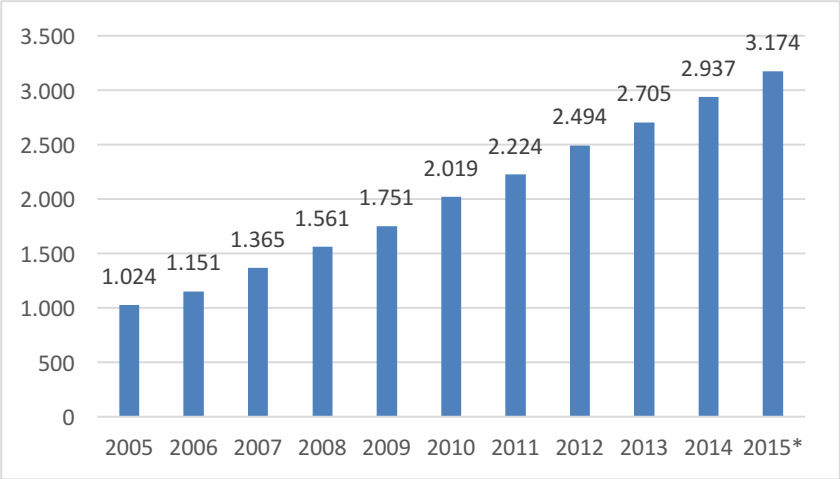
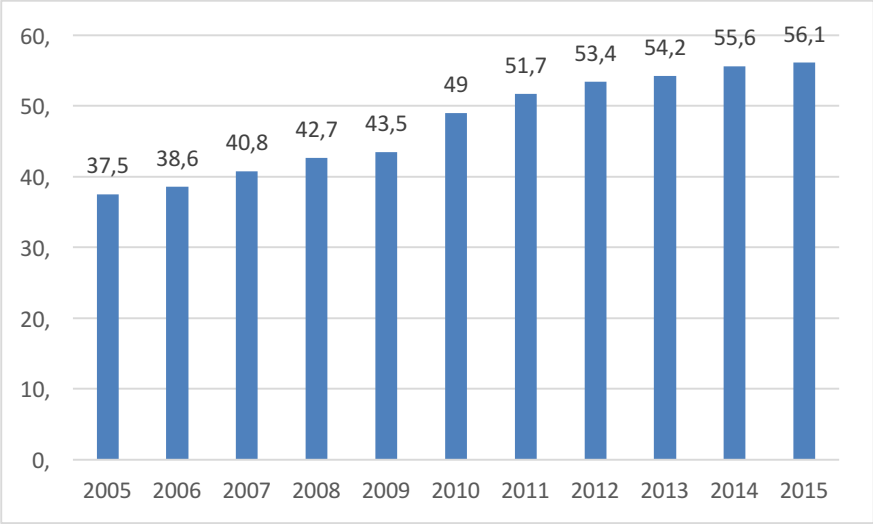
Appendix

A Global number of worldwide internet users 2005-2015 (in millions)



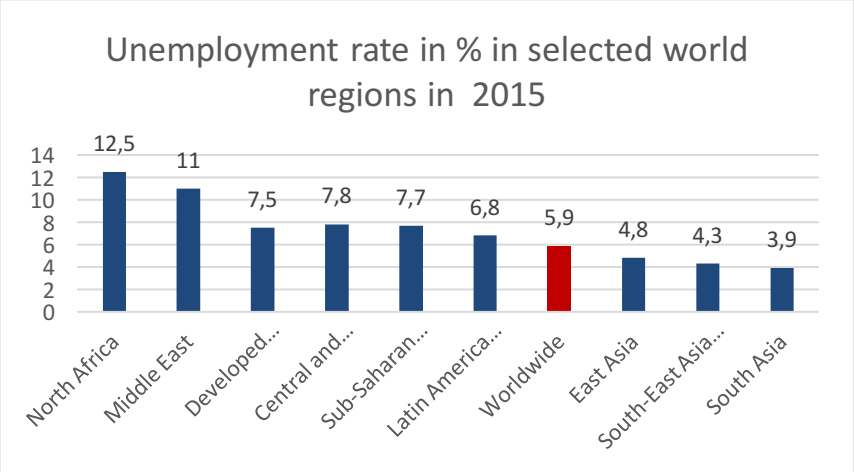
Source: ITU, May 2015

B Number of internet users in Germany 1997-2015 (in millions)



Source: ARD, ZDF, October 2015

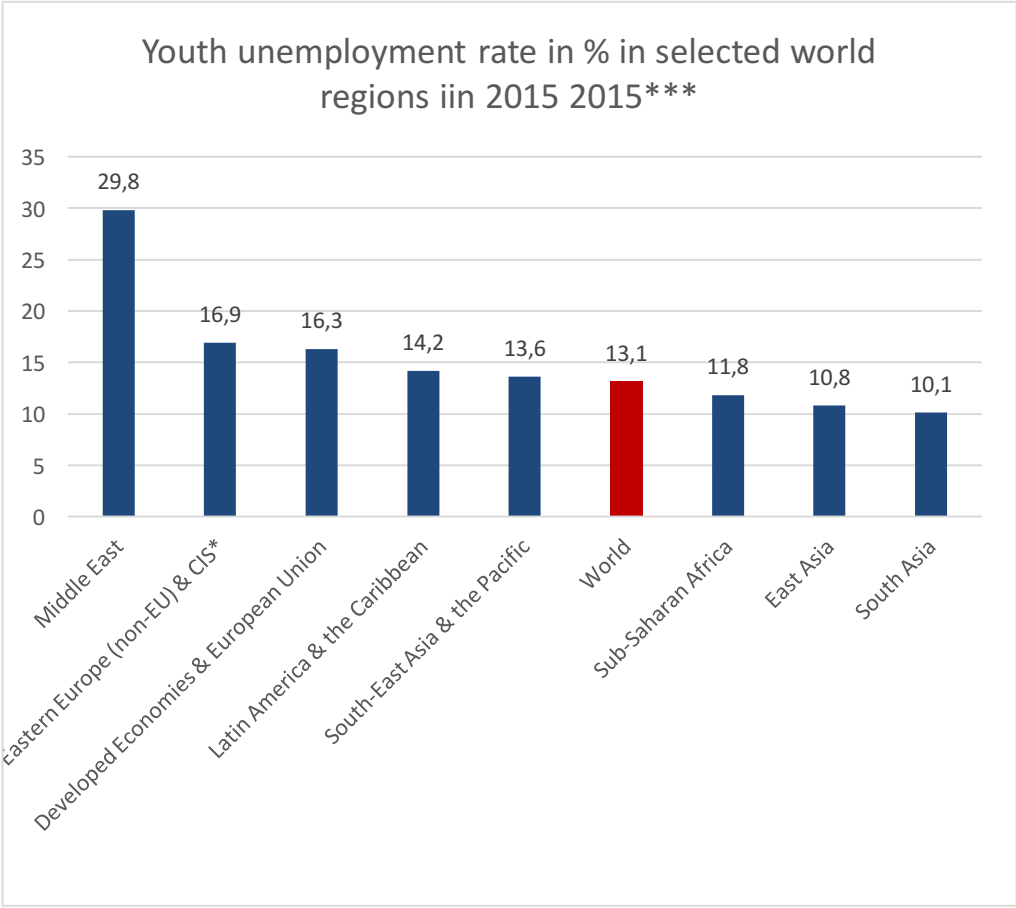
C Unemployment rate in selected world regions in 2015



Source: ILO, January 2015

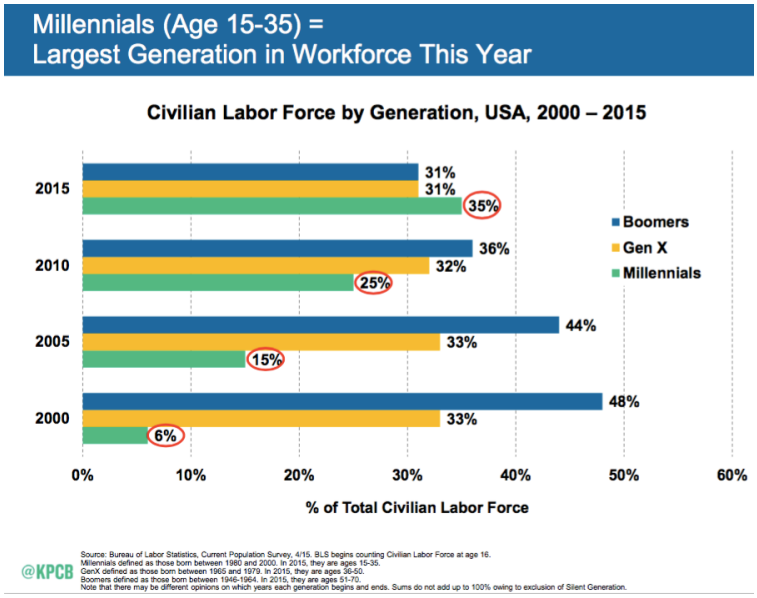
D Youth unemployment rate in selected world regions 2015

Age group 15-24 years



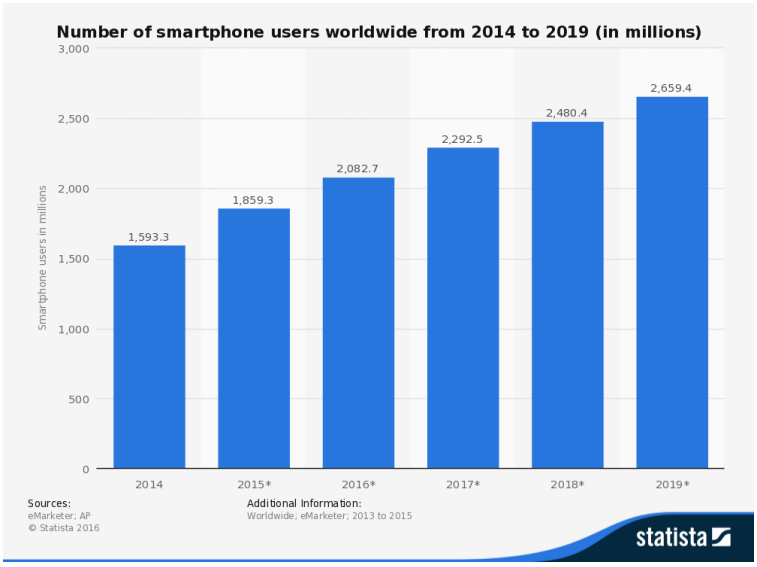
Source: ILO, January 2015

E Millennials largest generation in workforce since 2015



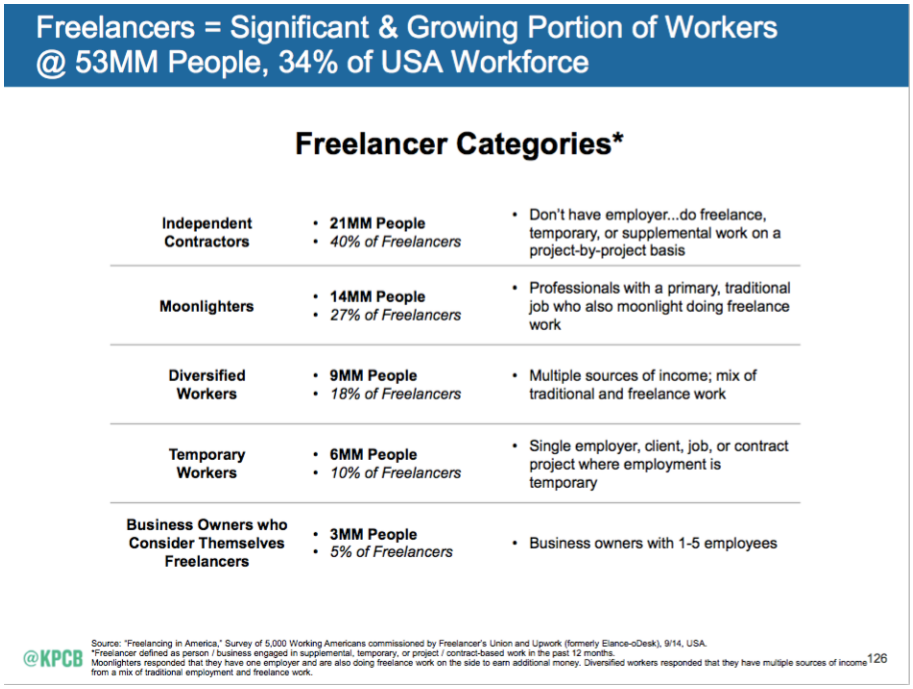
Source: (Kleiner Perkins Caufield Byers, 2015)Kleiner Perkins Caufield Bayers"Internet Trends Report 2015”

F Number of smartphone users worldwide from 2014 to 2019 (in millions)



Source: (Statista, 2015)

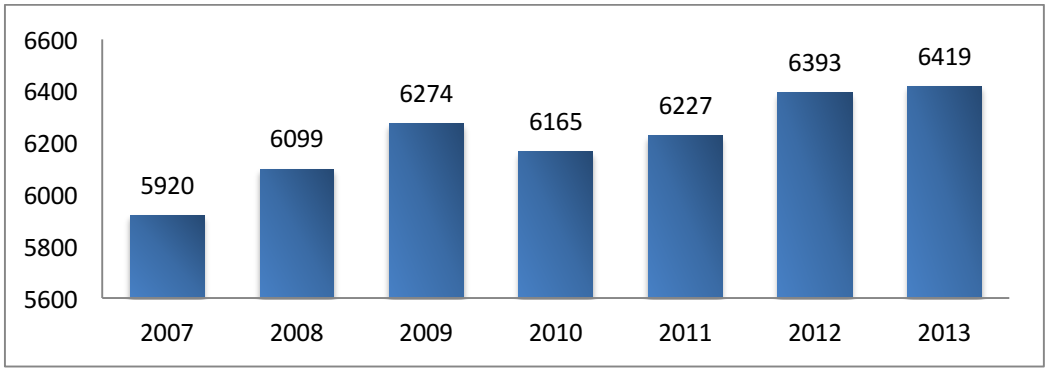
G Freelancer Categories



Source: (Kleiner Perkins Caufield Byers, 2015)

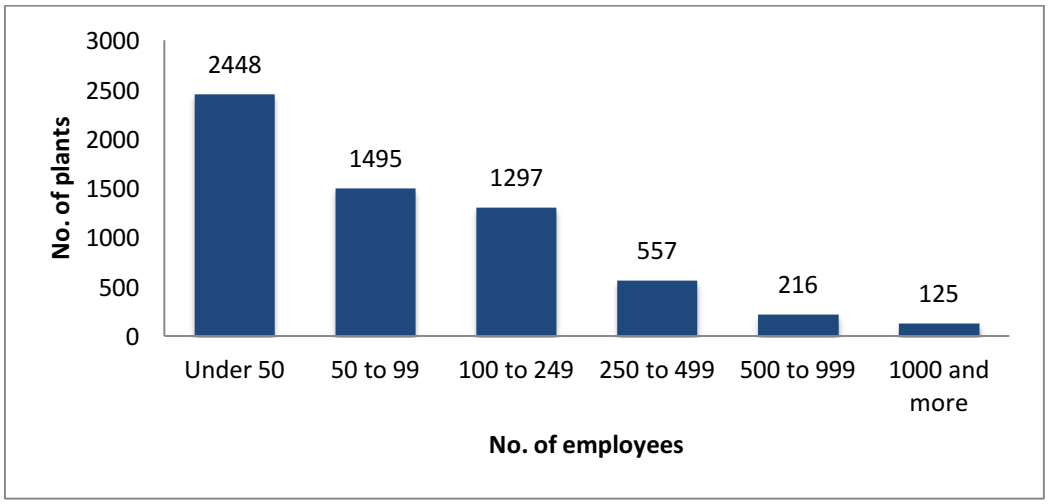
H Market Potential Statistics

Chart 1 - Number of companies in the mechanical engineering in Germany for years 2007-2013



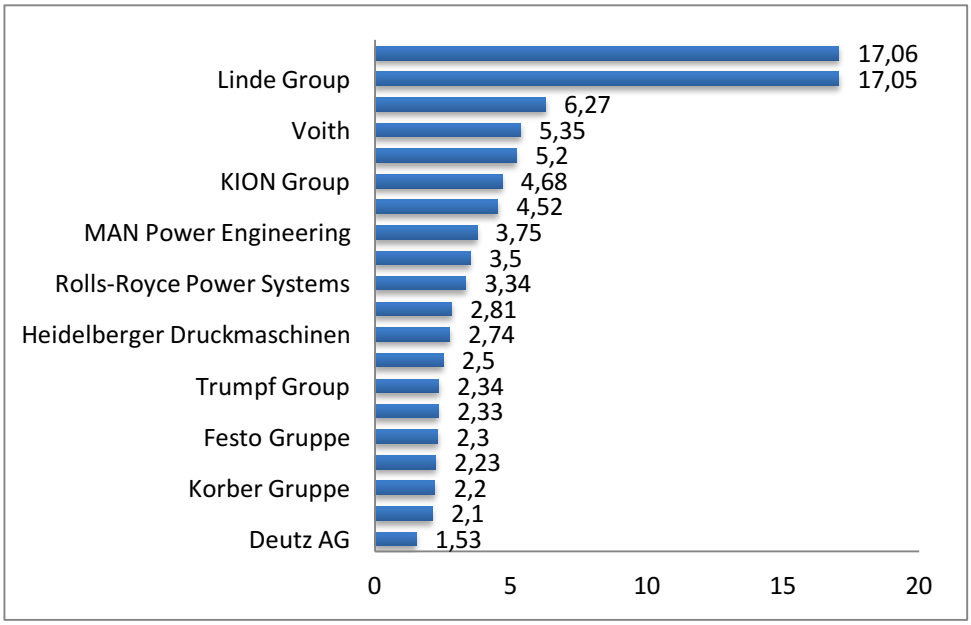
Source: (Statista, 2015)

Chart 2 - Number of plants in mechanical engineering in Germany by number of employees in 2013



Source: (Statista, 2015)

I Most important German mechanical engineering companies in 2014 by sales (EUR bln.)



Source: (Statista, 2015)