



ICT STRATEGIC IMPLEMENTATION FOR M2M GROUP: INTERNAL AND EXTERNAL ANALYSIS

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ABSTRACT

M2M Group is a worldwide provider of secure e-transactions processing solutions. Founded in 1990, M2M Group earned a market leading position in expert domains such electronic payments, egov, e-ticketing and data automation (M2M, 2015). M2M Group develops and delivers highly efficient and future-proof solutions that are designed to better serve consumers, citizens and employees (M2M, 2015)With expertise that covers the entire IT value chain, ranging from consulting to delivery, M2M Group provides, integrates and implements solutions, ensuring that delivered platforms are fit for purpose, reliable, secure and scalable (M2M, 2015)Design ➤ Develop ➤ Integrate ➤ Deploy ➤ Operate By leveraging proven experience and expertise in advanced technologies (IT security, multi-application, multi-channel processing, identification techniques, decision-support systems) M2M Group works constantly to remain at the forefront of technology and business innovation. M2M Group is developing R&D programs that aim to stretch the reach of secure e-transactions to larger everyday uses and continue to push the boundaries of creativity, mobility and convergence of devices, channels and technologies

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INTRODUCTION

Methodology

External Factor Evaluation Matrix

External Factors Evaluation	Weight	Score	Weighted score
Opportunities			
• Increasing returns due to the growth of technology utilization	0.10	4	0.4
• Growing electronic payments market because of the increase of people’s and businesses familiarity with e-transactions	0.10	4	0.4
• Growing BPO market since many companies nowadays need outsourcing especially in terms of technological help	0.08	4	0.32
• R and D activities are becoming a crucial factor that enhances the success and expertise of any business	0.08	3	0.24
• Growing of the e transaction industry because of the switch from traditional payments into technological ones	0.08	4	0.32

• Moroccan market expansion by targeting maximum of private and public organizations	0.06	3	0.18
• Proximity to African countries that will enable them to penetrate their market	0.08	2	0.16
Threats			
• Highly competitive market	0.09	4	0.36
• Security breach	0.08	3	0.24
• Rapid and constant technological changes that require maximum responsiveness to the latest market trends	0.10	4	0.4
• Lack of adequate human resources required in the E transaction industry.	0.04	3	0.12
• Fraud risk of the highly confidential information	0.07	3	0.21
• The political instability as well as the economic decline.	0.04	2	0.08
Total:	1		3.43

CPM (Competitive profile matrix)

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of the e payments. Indeed, they are mainly working with the banking sector which means that the company has not

Critical success factors	M2M			HPS			S2M		M2T	
	Weight	Rating	Weighted score							
Brand image and reputation	0.12	4	0.48	4	0.48	3	0.36	3	0.36	
Loyal customers	0.07	4	0.28	3	0.21	2	0.14	2	0.14	
Effective solutions	0.12	4	0.48	3	0.36	3	0.36	3	0.36	
International expansion	0.07	3	0.21	3	0.21	2	0.14	2	0.14	
Recognized suppliers	0.09	4	0.36	3	0.27	2	0.18	3	0.27	
Portfolio diversification	0.12	4	0.48	3	0.36	2	0.24	2	0.24	
Last released technologies	0.08	4	0.32	4	0.32	3	0.24	3	0.24	
Quality of the service	0.08	4	0.32	4	0.32	3	0.24	3	0.24	
Maintenance and follow up	0.07	3	0.21	3	0.21	3	0.21	3	0.21	
Human Resources expertise	0.1	4	0.1	3	0.3	3	0.3	3	0.3	
Competitive costs	0.08	3	0.24	3	0.24	2	0.16	2	0.16	
Total	1		3.48		3.28		2.57		2.66	

M2M

M2M is the leader in the E transaction industry. Its strong abilities in terms of developing scalable, efficient, and effective solutions enable it to compete aggressively within the market. Also, the concluded partnerships with international leaders such as Sagem Morpho, ... as well as with the Moroccan government permits it to diversify largely its portfolio. On the other hand, the fact that M2M is the first independent company that was approved by Bank Al Maghrib, the Moroccan central bank, for the management and provision of any electronic mean of payment. This opportunity and its high qualified and expertized employees enable it to take advantage from many projects operated in Morocco. Moreover, its brand image and recognition is another major factor enabling it to position itself not only in Morocco but in Africa (M2M, 2015).

HPS

HPS is one of the Moroccan companies playing in the e transaction payment. This enabler of the e payment is continuously increasing its profitability and profit. According to the financial results of 2014, it is confirmed that their revenues achieved 25 MDH; the profit has increased by approximately 36% compared to the year before. Also, it has a good brand image within and outside Morocco. The Moroccan company has some forces as well as weaknesses. First, the company has highly expertized human resources and trainings (HPS Academy). Secondly, they are offering different solutions that match the demand of many sectors such as the banking sector, government, oil industry, etc. Moreover, they have strong partnerships ones such as Oracle, IBM, etc.

On the other hand, HPS is facing some issues that may reduce its positioning and developments. First of all, since HPS is a Moroccan company and the country is seen as a non-producer technology. Thus, this factor could limit the number of international customers. Moreover, the services' quality does not meet sometimes the promised ones. Furthermore, they have a lack in terms of the portfolio diversity (hpsworldwide, n.d).

S2M

S2M or "Société Marocaine de monétique" is one of the players in the e transaction payment industry. The company offers diverse solutions that ensures the security

a very diversified portfolio. In fact, the company rely on the B to B services. Moreover, the company has strong technological partnerships such as Oracle, IBM, Gemalto, etc.

Furthermore, the company is expanded mainly in Africa. Thus, we can say that it is exploring the African market and took advantage from it. S2M is specialized in the development, integration, and innovation of electronic ways of payments. The company focuses mainly on the banking sector, oil industry, and telecom operators. Moreover, S2M production offers customized services in terms of the e payments (S2M, 2014).

M2T

M2T is another Moroccan operator in the e payment industry. It is operating 12 years ago in national country as well as in Senegal and France. Furthermore, the company has over 150 partners in many countries all over the world. The partners appeal in terms of banks, petroleum distributors, and e businesses. The latters rely on the solutions M2T develop and offer. However, the fact that M2T is considered as a startup does not enable it to compete with international players such as M2M and HPS. Moreover, the company has not a much diversified portfolio. Indeed, it is relying more on the B to B and B to C (M2T, 2014).

Internal strategic position

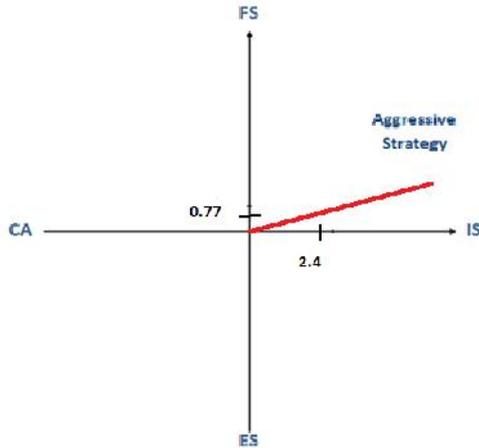
- Financial Strength (FS): With a score of 3 we can say that M2M is doing pretty well financially speakink. After comparing the company with competitors and assessing the financial health of it, we distributed the above scores to each variables making the financial strength reaches an average score of 3.
- Competitive Advantage (CA): M2M is the leader in its industry in Morocco, consequently the average score of -2.2 reflects how well the company is using its competitive advantage to stay the leader. With the latest technologies and product quality M2M scored pretty well in the competitive advantage set.

External strategic position

- Environmental stability (ES): The company scored well concerning the environmental stability since it is always making efforts to adapt to its

environment. Evolving with the new trends to always reach the customers needs.

- Industry Strength (IS): This is the highest score the company has, which reflects how well M2M is using the industry strength to its advantage. As a leader in the industry in Morocco the high scores assigned to each variables in this set represent the good level of M2M.



BCG Matrix

M2M is the market leader in the field of the e-transactions and the dematerialized flows. It has a much-diversified portfolio and proposes wholesome solutions that the competitors are not capable of doing. Since we couldn't find the necessary data concerning the market share of our company. However, since we are the leaders in Morocco as well as in all Africa, we can assume that we have the highest relative market share. Concerning the market growth, we will be taking as an indicator the increase and the growth of its revenues every year which is 15% each year. As a result, M2M Group will fall in the second quadrant of the BCG matrix which is Stars.

The strategies total average scores are:

Strategy I: Service development introducing the caching checks	3.54
Strategy II: Product development, e-fraud	3.19
Strategy III: Market development, temporary cards	2.16
Strategy IV: Product development, Mou9ata3 24/7	3.01
Strategy V: Diversification, Digital tracking	2.13

The first strategy concerns developing a new platform that enables any check user to both verify and immediately cash the check. This strategy scored 3.54 on the QSPM which is the highest score compared to the other strategies. In other words, this platform will generally allow any two-people involved in a transaction to the automatic debit and credit of the check. That is to say that before being engaged in the business transaction, the seller will be able to both verify the liquidity of the client's check and then cash it if he/she wants to do so. Indeed, throughout this strategy, we aim to achieve many goals that enhance our position in the industry and at the same carry out market's needs.

The second strategy's principal objective is to increase the road safety in Morocco by increasing the monitoring of frauds from an internal perspective (police and gendarmerie corruption) as well as from an external perspective (bribery from citizens, and fines avoidance). This strategy actually scored an average score of 3.19

which is considered the second highest score in the QSPM compared with the other strategies. The development and implementation of a national strategy against corruption by the government in order to provide a framework and tools to the competent authorities to fight corruption, which joins the previous opportunity since the ICPC will be granted with more powers. The strategy has clearly defined objectives and a time frame that will permit to better assess and monitor the efforts and realizations in this critical area.

The third strategy is a market development that deals with theft and losses of bank credit card. The idea behind this strategy is to provide the customers with temporary card in an easy way. All what the customer is asked to do is after recognizing that he or she lost their credit card or were subject of a robbery, they can go to the nearest ATM and provides his or her finger print in order to get a new temporary credit card. This strategy scored on the QSPM an average score of 2.16 which is before the lowest score compared to the other strategies.

Our fourth strategy is a product development, the aim of our strategy is to install smart terminals that would allow Moroccan citizens who are willing to pay their taxes or get an administrative document to do it easily and without wasting time on queuing. Our strategy mainly took a great advantage of the market available opportunities. This strategy has scored on the QSPM an average score of 3.01 which is considered among the highest scores in the QSPM. M2M will eventually take advantage of some of the adequate opportunity since from now on the number of people using electronic payments or e-transaction in general will be increasing. For our company this strategy will widen our target segment and will allow us to generate decent revenues.

Last but not least, the fifth strategy is a diversification and it deals mainly with the digital tracking. We will be offering this product/service to transiting companies located in ports of Casablanca, Agadir, Nador, and Tangier. The aim of this service/product is to insure the security of the transported merchandise since these locks are going to be tied to the containers. These locks are highly automated and will allow the easiness of the tracking of the merchandise and in case of opening of the container, it is going to be mentioned automatically to the frontiers polices as well as the owner of the transported merchandise. This strategy scored on the QSPM an average score of 2.13 which is considered the lowest score in the QSPM compared to the other proposed strategies (Gemalto, 2014).

First strategy: Mou9ata3a 24/7

New service

Product development: Enable Moroccan citizens to get their administrative papers easily and pay their taxes

Objectives

- Increase integrity
- shift Moroccan citizens from the manual to the digital world
- improve the smoothness of payment
- Encourage people to pay their governmental duties

- Make administrative documents available anytime anywhere
- Saving time by reducing the long lines
- reduce the work load for employees

Opportunities

The aim of our strategy is to install smart terminals that would allow Moroccan citizens who are willing to pay their taxes or get an administrative document to do it easily and without wasting time on queuing. Our strategy mainly took a great advantage of the following available opportunities

Growing electronic payments market: Over the past years the electronic payment market has grown in a very drastic way. The government is making huge efforts and trying to encourage people who are unbanked to be actually banked and therefore start using their credit cards and electronic payment ways more often. Also the many partnerships that the Moroccan government has developed with known and leader companies in the field, helped and enhanced this growth. In addition, nowadays we can see more and more e-commerce's that are web based and now they are ravaging the market. According to Timetric, the number of debit and credit Moroccan payment cards demonstrated a positive growth during a recent research. According to the same study, the findings showed that the average Moroccan transaction value was of 93.4 US dollar, and the average of transaction per card was of 21.8 transaction. M2M will eventually take advantage of this opportunity since from now on the number of people using electronic payments or e-transaction in general will be increasing. For our strategy this opportunity will widen our target segment and will allow our company to generate decent revenues (timetric, 2012).

Increase of people's and businesses familiarity with e-transactions: Not like the past years where everything was paper based and people were afraid from using computer based transactions, now people are becoming more and more familiar with the e-transactions world. Moroccans in a specific way are becoming more open and familiar with internet and dematerialized flow whether it is an e-payment (buying a product from the internet, paying the bills or simply using their credit card at an ATM). Businesses as well are more open to the e-transaction world since it facilitates its operating activities. M2M will benefit from this familiarity of businesses and people in order to introduce more solutions and electronic devices to help organizations and individuals to complete easily their daily tasks in addition the company will generate some good profits out of this opportunity. For our strategy, this opportunity will allow us to easily deal with the customers since they are already familiar with the electronic devices and the e transactions the thing that will not be much of a limitation to our strategy. However, for people who are new to the technology world, we will be providing some assistance at the beginning in order to familiarize them with it. In addition, we will be advertising in the national TV in order to reach maximum of people who don't have access to internet. However, for young people and others who are familiar with internet, we will be just providing them with the necessary steps to

follow in order to complete their operations (timetric, 2012).

The Moroccan government willingness to invest in advanced technologies in the field of the e-transaction:

The Moroccan government is very warm to the concept of transforming Morocco to an electronic world. The government is convinced that if they turned the country to a numeric transaction world, this will make life easy for the businesses and the individuals. For this action the Moroccan government has already started automate the administrations by introducing the biometric Moroccan ID cards, the biometric driving licences, the biometric passport, and the biometric car grey cards. In collaboration with M2M, the Moroccan has developed those biometric cards that are supposed to be helpful to the daily life of Moroccan citizens. M2M have now to take advantage of this opportunity since the government is willing to invest in this field. For our strategy, our opportunity will make out investment possible and feasible since the government has already the willingness to invest in such projects. The government is the one that will finance the acquisition of all the equipment, the installation and maintenance fees and charges.

The strong and unique partnership of M2M with Bank-Al-Maghreb:

This opportunity is very valuable! M2M is the first and only independent operator approved by Bank-Al-Maghreb (BAM) for the management and provision of any electronic mean of payment. This big trust that Bank-Al-Maghreb accorded to M2M is considered a very valuable asset that our company should be proud of and also take full advantage out of it. With such an opportunity, M2M can create more platforms and devices that have a relationship with banks that need highly secured transactions. This actually could be considered a strong competitive advantage over the competition since nobody else had this partnership with Bank-Al-Maghreb except for M2M. For our strategy, this opportunity will help us while making the payment that will be done through the terminals that we will install all over Morocco in other world, when people will choose to pay by their credit cards and will see that their transaction is secured by M2M that has a partnership with Bank-Al-Maghreb, they will be sure that their accounts are not at stake (timetric, 2012).

M2M is the market leader of the e-government transactions:

M2M is the market leader in Morocco among a fierce competition that includes major players: HPS, S2M, and M2T that are not easy competitors. M2M has a much-diversified portfolio and offers diverse solutions than its competitors. This competitive advantage will allow M2M to take more projects and target wider markets. In addition, when taking advantage of this opportunity, M2M will be known more than ever and will overcome one of its weaknesses, which is the lack of advertising. For our strategy, this opportunity will help us since the market leader is M2M, and who says market leader says expertise, know how, and major field experience. Our terminals will be high definition and will ensure the necessary security for our customers' transactions

The government efforts to reduce the corruption rates:

The Moroccan government is ashamed of its world raking of corruption and has already started some actions to sensualize people with the unethality and the sever sanctions that will be waiting for corrupted people. We can see on the internet and on TV many programs and advertisements that shows that corruption is no longer tolerated in Morocco. This is a very challenging dilemma to get rid of, however, reducing it is possible. Our strategy's main objective though is to reduce and decrease the corruption rates. By the terminals that we will be installing everywhere, will help decrease bribery. In other words, those machines will reduce the queuing time and the human dependency the two main reasons that push people to commit corruption.

The trust that the Moroccan government allocates to M2M:

The Moroccan government has already worked with M2M when they created the biometric cards: biometric Moroccan ID cards, the biometric driving licences, the biometric passport, and the biometric car grey cards. Therefore, they have established very good relationships with the Moroccan government and wouldn't be a challenge to convince them to work again with them. For our strategy, this opportunity will save us the negotiations and the client requirements since M2M has already worked with this client which is the government. In addition, M2M is the suitable choice for the government since it is already the one who did the biometric cards for it; therefore it is going to be easier to just continuous working of the implementation of the project (m2m, 2014).

The work load on Moroccan public employees: This is actually another reason why people tend to be corrupted, because they think that they work more than what they are supposed to work and get little in return. The Moroccan administrations are facing a work overload for employees, and people are obliged to go early and take enormous queues which cost them time and money since they are obliged to let their main work to go and get the needed papers. This opportunity will help M2M develop some devices that help the labour force without taking their places and threaten them to be replaced. For our strategy, this opportunity will help M2M to take advantage of the workload and provide the government with those terminals that will be installed in all public institutions in addition to supermarkets, malls, and highway stations. The aim of this strategy is to make the administrative documents accessible anytime anywhere.

Business Model of our strategy

The service basically that we will be offering will mainly consist of equipping the public service or what we call in Arabic "mou9ata3a" with terminals with high security. Those terminals will allow customers to get whatever administrative paper or pay their taxes within few minutes.

We will install those machines as well in supermarkets, malls and highway gas stations. How are we going to create and capture value? Well by enabling Moroccans to get their administrative papers and pay their taxes within few minutes, therefore, they will save time and invest it in other useful activities. One alternative that allows

customers to get their administrative papers or pay their taxes is taking the queue, which will make them wait for hours. The other alternative, would be putting in charge the neighbourhood responsible or what we call in Arabic "Im9edem", and this will cost you more money. For our service, we will be providing public institutions with those terminals that would include the 5 major cities in Morocco as a beginning. We chose Casablanca, Rabat, Marrakech, Tangier, and Fez. We will as well install those electronic terminals in malls and supermarkets in those cities. For Casablanca, it is going to be in Morocco Mall, Anfa Place, and Ghandi mall, in addition to all the other super markets including Marjane and Carrefour market. For Rabat, we will provide Mega Mall and marjane, asowakassalam and Carrefour market. For Marrakech, we will be equip its malls which are Carre Eden and Almazar and for the supermarkets we will stick to Marjane and Label' Vie. For Tangier, we will be installing our terminals in Lux Mall and Aswak Plaza Tanger, in addition, to Marjane and Atacadeo. And finally, in Fez we will install it in Burj Fes and Marjane and Carrefour market.

A Walkthrough Process

First the machine asks you to insert your ID

Once in front of the machine, it will ask you to insert your ID card in the specific place. When your card is inside the machine, it is subject to data reading since it is a biometric card. This will allow the machine to identify who you are and check the validity of your card in order to move to the next step.

Second, the machine will ask you for you preferences: whether continue reading or click the button for voice guidance if you are not capable to read

The next step is about reaching all possible customers with different ages and different educations. Since Morocco still faces illiteracy issues (60% of the population is illiterate), we thought that the machines that we will be providing have to deal with those people as well. For this purpose we provided those machines with the option of voice guidance, this option will verbally guide those people and make the process easy for them. The machine will use the Moroccan Arabic language and will refer to the set of choices with colours. For example, the machine will say: "if you would like to get a certificate of birth, please press the green button" and so on and so forth. However, for people who are capable of reading, they will follow the steps by reading and selecting the necessary choices.

Third the customer will be asked to provide his/her finger print

For security purposes, we decided to add the option of finger print scanning. This option will allow the customers to make sure that only they can effectuate their personal actions such as getting papers and paying governmental duties. M2M is very qualified in terms of security therefore this option will be performed on a high level of trust and security.

Fourth the machine will display the set of choices you have: whether get an administrative document or pay taxes

After checking the validity of the card and the physical presence of its holder, the machine then will display the set of choices from where the customers will choose. There will be a set of choices that the customer is interested in. The choices displayed will be divided into two sections the first one is getting your administrative documents and the second one is paying your taxes.

Fifth the machine will exhibit the amount required to pay: for taxes if the amount that must be paid is above 1000 MAD, the machine will display a message that indicates that you need to pay at one of the service tellers

After placing your order, the machine will display the amount you are to pay. However, there will be some exceptions in terms of payment. For example, if you are to pay your taxes and the amount that you need to pay is superior to 1000 MAD, the machine will immediately ask you to go and check with one of the tellers in the Mou9ata3a.

Sixth you pay whether by cash or using your credit car

After knowing the amount that you need to pay, it is time to choose the best way that suits you in order to pay. Whether you choose to pay cash or by credit card the choice is yours. This is going to give the Moroccan citizens a wider ways of payments and make them comfortable with the payment mode they desire.

Lastly you validate your request and get your document or receipt if you paid taxes

After completing all the steps talked about earlier, now we reached the last step, which is receiving a physical evidence of your action. So if the customer has chosen to get an administrative document, after paying, he or she needs to validate the request in order to get the asked for document whether it is a certificate of birth, a certificate of residency, and so on and so forth. The same thing will be allocated to tax payers and would get a receipt as an evidence for their payments.

Marketing Campaign

Way of advertising

Brochures to explain the use of the machines

Target segment

- Every Moroccan holding a biometric identity card.
- Since the DGSN (Direction generale de la suretenationale) fixed the deadline to renew the old national ID to the Biometric format to December, 31th 2013 we consider our target segment to be the entire Moroccan population above 15years old (legal age to have a national ID). In other words, according to the latest census made by the government in 2014 Morocco counts 33,762,036 inhabitants with 25,046,000 people above 15 years old (HCP website census 2014).
TAM: 25,046,000 million people

Cost of advertising

Since we are in a B2B relationship (considering the Moroccan government as a Business) the advertising of M2M will target only the Government. Indeed, it is the Moroccan government which will have to advertise to the

population the new electronically based way of getting the official papers.

M2M will develop specified high quality brochures to be distributed to the government employees in order to provide them with all the necessary information about our distributors and their functioning.

We will outsource the conception and printing of the brochures to (Imprimerie Al Maarif Al Jadida) a well-known printing house located in Rabat.

Each brochure will cost us 15MAD. We will print 5,000 brochures per city (Rabat, Casablanca, Marrakech, Tangier, and Fes) (5,000 x 5 = 25,000 brochures) for a cost of 25,000 x 15MAD = 375,000MAD

Strategy’s financial analysis

Costs

Our strategy will eventually need some investment in terms of the machines needed, the installed soft wares, and specialized employees. In order to start the implementation of this strategy, we chose as a beginning five major cities in Morocco, which are Casablanca, Rabat, Marrakech, Tangier, and Fez. We will be installing 30 machines in Marrakech, 50 machines in Casablanca, 30 machines in Rabat, 30 machines in Tangier, and finally 20 machines in Fez.

Since M2M is the one who is manufacturing the machines that we will be using, there will be need for outsourcing or looking for suppliers. The machines that we will need in this project are machines that cost 14,500 MAD per machine including the software installed. This actually will total for 435,000 MAD for the machines dedicated to Marrakech, 435,000 MAD for Rabat, the cost of the machines dedicated to Casablanca is 725,000 MAD. It is going to be 290,000 MAD for Fez and finally 435,000 MAD for the machines of Tangier. Then for the installation and maintenance, there will be needed for this action some skilled employees that will be paid a daily wage of 500 MAD per day. This will lead us to 15,000 MAD for the machines that we will install in Marrakech, 15,000 MAD for the ones in Rabat. For the cost of installation of machines in Casablanca, it’s going to cost us 25,000 MAD, then for Fez is 10,000 MAD and finally for the machines concerning Tangier, it’s going to cost to install them 15,000 MAD. The cost that concerns the marketing campaign as mentioned before is of 375,000MAD.

The total of the implementation of our machines in each of the chosen cities is going to be 450,000 MAD for the city of Marrakech, 450,000 MAD for Rabat and Tangier as well. For Casablanca, the total is 750,000 MAD and finally for Fez the total is 300,000 MAD. The grand total of our strategy’s costs is going to total a sum of 2,400,000 MAD

Here is our total cost:

	Marakesh	Rabat	Casablanca	Fes	Tanger
Costs (30)	435000	435000	725000	290000	435000
machines					
Installation & maintenance	15000	15000	25000	10000	15000
Total	450000	450000	750000	300000	450000

The following table shows our cost per machine:

Machine	14500
Installation and maintenance	500
total	15000

The following table shows our fixed costs:

Software	500000
Marketing campaign	375000
Total	875000

Revenues

For our revenues, we based them of the profit margin that the company is already using. The company is adding a profit margin of 8,000 MAD on each machine installed and sold. For the number of machines that we estimated to sell per year is going to increase by 10% each year and it is to be as follows: 160 machines for the year 2015, 170 for 2016, 180 for the year 2017, 190 machines for 2018, and finally we will be selling 200 machines for the year 2019. The price that we will be charging after adding our profit margin is going to be 23,000 MAD. Finally the revenue that we will be generating per year is 3,680,000 MAD for 2015, 3,910,000 MAD for year 2016, 4,140,000 MAD for the year of 2017, for the year 2018 we will be generating 4,370,000 MAD, and finally we will generate 4,600,000 MAD for the year of 2019 (investing, 2015).

	2015	2016	2017	2018	2019
Number of machine sold per year	160	170	180	190	200
Price per machine	23000	23000	23000	23000	23000
Total revenue per year	3680000	3910000	4140000	4370000	4600000

Mode of financing

For the financing of the strategy Mou9ata3a 24/7, we calculated previously the average cost of capital of the company and we ended up with a score of 5.13%. After calculating our debt to equity ratio, we ended up with a percentage of 39% equity and 61% debt as a capital structure. Consequently, the company has more debt than equity. Therefore, we are to follow and keep the same capital structure of the company. Definitely, we will opt for 61% debt and 39% equity to finance our strategy. The initial cost of our investment is about= 875,000 MAD.

Initial cost of investment = 875,000 MAD
39% of the Initial investment = 341,250 MAD
61% of the Initial investment = 533,750 MAD

Certainly, we computed our loan amortization over 2015-2019 of 61% of the whole initial investment. The table below illustrates the balance before interest, the interest, the payment, and the balance after payment:

Mou9ata3a 24/7 profitability

Concerning the profitability of this strategy, we are forecasting our net income over 5 years. Actually, we are estimating that for the first year, we are going to sell 160 machines then for the second year it is going to be 170 machines which means a growth of 10%. This growth actually means to reach more and more cities in Morocco within the 5 years that we forecasted. Without a doubt, we chose 5 years of forecasting in order to see how we are going to deal with the short term challenges.

In the table below, we projected our net income over the next five years. The income statement will cover our forecasted revenues, the cost of goods, the operating expenses, the selling expenses, and finally the tax. Therefore, we ended up with the following net incomes over 2015-2019

	2015	2016	2017	2018	2019
Revenues	3680000	3910000	4140000	4370000	4600000
COGS	2400000	2550000	2700000	2850000	3000000
Gross profit	1280000	1360000	1440000	1520000	1600000
Operating expenses	80000	85000	90000	95000	100000
Selling expenses	600000	600000	600000	600000	600000
Income before tax	600000	675000	750000	825000	900000
Tax	30%	30%	30%	30%	30%
Net income	184800	472500	525000	577500	630000

Also, we forecasted our cash flow statements after calculating the forecasted income statement. Consequently, we included out net operating activity, the financing activities, and the investing activities (investing, 2015). The table below illustrates our cash flow:

	2015	2016	2017	2018	2019
Net income	184800	472500	525000	577500	630000
Operating activities	600000	675000	750000	825000	900000
Depreciation	-	-	-	-	-
Cash from Operating Activities	784800	1147500	1275000	1402500	1530000
Investing activities	-	-	-	-	-
Financing activities	-	-	-	-	-
Cash flow	784800	1147500	1275000	1402500	1530000

Furthermore, we used our cash flow statement in order to compute the Net Present Value of the cash flow of our strategy. In order to do so, we discounted our cash flows by the WAAC that we already calculated, then we deducted the initial investment that we used in order to carry out our strategy.

Initial investment	875000
WAAC	5.13%
NPV	4346605

For the three scenarios that we should have compute that appear in terms of the pessimistic, realistic, and optimistic, we stated first by computing the net present value. Indeed, the computation of the net present value will enable us to assess the strategy's profitability under the three cases. Furthermore, we calculated the IRR and this in order to see whether our strategy will be profitable for M2M.

The table below demonstrates the three cases that appear in terms of pessimistic, optimistic, and realistic. For the pessimistic scenario, M2M will not achieve its forecasted revenues but will lose since it will reach about the half of the expected objectives. On the other hand, the results of the realistic and optimistic cases will be positive and will incur a positive net present value. Furthermore, the Internal return rate of both the cases will be greater than the WAAC we calculated previously.

Scenario	NPV	IRR	WAAC (5.13%)
Pessimistic	-1738642	4%	< WAAC
Realistic	4346605	10%	> WAAC
Optimistic	17386420	40%	> WAAC

CONCLUSION

Being the first independent operator approved by Bank Al Maghrib, M2M is considered the leader company in the electronic security transaction. In fact, the external and internal analysis of the M2M shows that the company is responding to the external and internal environment in an outstanding way. The company is trying to take advantage from its opportunities and at the same minimize its threats. Moreover, M2M Group is using its strengths efficiently and at the same time try to reduce its weaknesses and this by competing aggressively in the E transaction industry. Furthermore, the group is competing on both the national and international level.

Based on the different matrices we completed, we were able to come up with strategies which respect the performances of the company. In other words, we decided to adopt aggressive strategies in order for the company to keep its leader position and decrease the threats and weaknesses. The results on the balance sheets and income statements for each strategies prove their relevance and the possibility to implement them.

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