**[YOUR COMPANY NAME] Business Plan**

**[YOUR NAME]**

**[YOUR ADDRESS]**

**[YOUR CITY], [YOUR STATE/PROVINCE] [YOUR ZIP/POSTAL CODE]**

**Phone: [YOUR PHONE NUMBER]**

**[YOUR EMAIL@YOURCOMPANY.COM]**

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by [YOUR COMPANY NAME] in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of [YOUR COMPANY NAME]

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to [YOUR COMPANY NAME]

Upon request, this document is to be immediately returned to [YOUR COMPANY NAME]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name (typed or printed)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

***This is a business plan. It does not imply an offering of securities.***

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**1.0 Executive Summary**

[YOUR COMPANY NAME]

[YOUR NAME]

[YOUR ADDRESS]

[YOUR CITY] [YOUR STATE/PROVINCE] [YOUR ZIP/POSTAL CODE]

[YOUR PHONE NUMBER]

[YOUREMAIL@YOURCOMPANY.COM]

[YOUR COMPANY NAME] is a sole proprietorship owned and operated by [YOUR NAME]. [YOUR NAME] has been owner and operator of the business since 1973. [YOUR COMPANY NAME] is a family business started by [YOUR NAME] grandfather in 1905. [YOUR NAME] is responsible for all operational and administrative aspects of the business. The business is operated out of [YOUR NAME] home. The Company has been in the bag business for over 60 years and in the charcoal business over 25 years and has a loyal customer base of business along with an honest and trustworthy reputation.

[YOUR COMPANY NAME] provides bags for the agricultural and packaging industries. The Company only sells bags using US paper, which makes a much higher quality bag then a bamboo paper bag. The Companies main vendor for bags is [COMPANY NAME] in Hayward California. [YOUR COMPANY NAME] started selling Charcoal products over 25 years ago. The Company has partnered with and sells charcoal products to [YOUR COMPANY NAME] located in Kihei Hawaii and their unique Kiawe wood Charcoal products.

The reason customers buy [YOUR COMPANY NAME] products are:

On time deliveries

Competitive prices

Terrific service

Excellent quality

Custom made products

The focus of this business plan is to put forth objectives to work efficiently and effectively, expand internal operations giving the Company the opportunity to grow. [YOUR COMPANY NAME] is ready to elevate to the next step. The Company is seeking grant funding in the amount of $600,000. The grant funding will be used to launch the processing center, hire four employees, purchase necessary equipment and supplies, purchase inventory of bags, wood charcoal, build a website and travel for marketing efforts. Also, once Grant Funding is received, the Company plans to pay down accounts payable.

**Chart: Highlights**

***1.1 Objectives***

[YOUR COMPANY NAME] has the following objectives.

1. Obtain Grant Funding in the amount of $[AMOUNT] to expand the business.

2. Work more efficiently and effectively - We pride ourselves on the quality of our products and our business relationships. The company has been in business since [YEAR].

3. Hire four new employees to expand our wood and charcoal business.

4. Pay off our outstanding accounts payables.

***1.2 Mission***

[YOUR COMPANY NAME] will distribute and support only the highest quality services and products. With this as our primary mission, we will work closely with our valued clients to establish solid business relationships with our vendors and customers. Today's market requires new approaches to marketing and client satisfaction. Today's client is seeking the most cost-effective alternatives while expecting the best possible products and services from its vendor base. [YOUR COMPANY NAME] mission will be to provide all of the above to the Feed and Charcoal Industry.

***1.3 Keys to Success***

[YOUR COMPANY NAME] keys to success are:

1. Seasoned management with over 37 years of business experience under current ownership in the distribution industry.

2. Focused and well defined long-range goals for longevity. Plan is developed to allow flexibility and growth.

3. Strong marketing goals with niche products and services, targeted services and products delivered with unique marketing approaches.

4. Strong vendor relationships developed over the last 37 years.

5. Guarantee our products are the highest grade of materials available.

6. Previous base of quality external support vendors available to build on, with over 37 years of industry contacts to work with, in both the purchasing of quality products, and also in the marketing of our own products.

**2.0 Company Summary**

[YOUR COMPANY NAME] is located in [YOUR CITY], [YOUR STATE/PROVINCE] and has been in the distribution business since 1905. The following is the Company's contact information:

[YOUR COMPANY NAME]

[YOUR NAME]

[YOUR ADDRESS]

[YOUR CITY] [YOUR STATE/PROVINCE] [YOUR ZIP/POSTAL CODE]

[YOUR PHONE NUMBER]

Email:

[YOUREMAIL@YOURCOMPANY.COM]

The Company is a sole proprietorship owned and operated by [YOUR NAME]. [YOUR NAME] is responsible for all operational aspects of the business. The company operates out of [YOUR NAME] home.

[YOUR COMPANY NAME] is a wholesaler of bags for various applications in the feed and charcoal industries. Additionally, the Company has entered into an agreement with [COMPANY NAME] to process, cut and pack, mesquite wood and charcoal for sale to retail establishments. This process will use the Companies line of bags for packing the wood chips and charcoal. The Company shares a warehouse with [COMPANY NAME] in Nogales Arizona, the location of Kiawe trees, mesquite wood.

Feed companies in the agricultural industries, such as [COMPANY NAME], will purchase bags for [YOUR COMPANY NAME] to package feed and other products for their customers around the world. Mesquite wood and charcoal is ultimately used in barbequing and grilling by the general public. [YOUR COMPANY NAME] sells bags to package the wood chips and charcoal for packaging companies that sell to retailers.

***2.1 Company Ownership***

The Company is a sole proprietorship owned and operated by [YOUR NAME]. [YOUR NAME] has been owner and operator of the business since 1973. As the family business started in 1905, [YOUR COMPANY NAME] has a loyal base of Vendors and Customers.

To achieve our objectives, [YOUR NAME] is seeking $600,000 in Grant Funding to expand the business.

***2.2 Company History***

[YOUR COMPANY NAME] is a family business started by [YOUR NAME] grandfather in 1905. The business was handed down to [YOUR NAME] father in 1941. [YOUR NAME] inherited the business in 1973. The Company is a sole proprietorship and [YOUR NAME] is responsible for all operational aspects of the business.

[YOUR COMPANY NAME] has been in the bag industry for over 60 years. Currently, the Company purchases 90% of their bags from [COMPANY NAME]. [YOUR COMPANY NAME], Inc. has been making Circular woven bags in California for over 20 years. In addition to its domestic operation, the company owns a plant in Taiwan making bags for 35 years. Our Sales staff has over 20 year's sales experience in the packaging industry.

[YOUR COMPANY NAME] has been in the Mesquite wood Charcoal industry for over 25 years. The Company purchases the majority of Mesquite wood and charcoal from a Mexico supplier and sells their product under a partnership to [COMPANY NAME]. 100% all natural [YOUR COMPANY NAME] is the Finest Producer of Premium Professional-Grade Kiawe Charcoal.

The Company had a decrease in sales from 2008 to 2009 of 11% due to the downturn in the economy and cash flow concerns. Additionally the Company had a decrease in Gross Profit from 15.52% to 10.97%. Upon receipt of Grant Funding, the Company will be able to purchase product at a better economic order quantity increasing Gross Profit to approximately 15% for 2010 and into future years.

**Table: Past Performance**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Past Performance*** |   |   |   |
|   | 2007 | 2008 | **2009** |
| **Sales** | $1,281,436  | $1,423,996  | **$1,264,755**  |
| **Gross Margin** | $156,872  | $220,993  | **$138,684**  |
| **Gross Margin %** | 12.24%  | 15.52%  | **10.97%**  |
| **Operating Expenses** | $90,269  | $125,510  | **$119,805**  |
|   |   |   |   |
| **Balance Sheet** |   |   |   |
|   | 2007 | 2008 | **2009** |
| **Current Assets** |   |   |   |
| **Cash** | $0  | $0  | **$3,372**  |
| **Other Current Assets** | $0  | $0  | **$0**  |
| **Total Current Assets** | $0  | $0  | **$3,372**  |
|   |   |   |   |
| **Long-term Assets** |   |   |   |
| **Long-term Assets** | $0  | $0  | **$126,315**  |
| **Accumulated Depreciation** | $0  | $0  | **$123,142**  |
| **Total Long-term Assets** | $0  | $0  | **$3,173**  |
|   |   |   |   |
| **Total Assets** | $0  | $0  | **$6,545**  |
|   |   |   |   |
| **Current Liabilities** |   |   |   |
| **Accounts Payable** | $0  | $0  | **$1,000**  |
| **Current Borrowing** | $0  | $0  | **$0**  |
| **Other Current Liabilities (interest free)** | $0  | $0  | **$350,000**  |
| **Total Current Liabilities** | $0  | $0  | **$351,000**  |
|   |   |   |   |
| **Long-term Liabilities** | $0  | $0  | **$0**  |
| **Total Liabilities** | $0  | $0  | **$351,000**  |
|   |   |   |   |
| **Paid-in Capital** | $0  | $0  | **$0**  |
| **Retained Earnings** | $0  | $0  | **($363,334)** |
| **Earnings** | $0  | $0  | **$18,879**  |
| **Total Capital** | $0  | $0  | **($344,455)** |
|   |   |   |   |
| **Total Capital and Liabilities** | $0  | $0  | **$6,545**  |
| **Payment Days** | **0**  | **0**  | **0**  |

**Chart: Past Performance**

**3.0 Products**

[YOUR COMPANY NAME] provides bags for the agricultural and packaging industries. The Company only sells bags using US paper, which makes a much higher quality bag then a bamboo paper bag. The Companies main vendor for bags is [COMPANY NAME] in Hayward California. [COMPANY NAME] sells a PP Woven bag widely used in the packing of chemical products, construction material agricultural products, light industry products, textile and knitting products, metallurgical dust and san feeding stuff, sugar, salt and so on. The product has got chemical stability, moisture-proof, drip-proof, and abrasion resistant properties. [YOUR COMPANY NAME] references all charcoal bag inquiries to [COMPANY NAME]. The Company does not carry inventory as [COMPANY NAME] drop ships all orders for [YOUR COMPANY NAME]s.

The reason customers buy [YOUR COMPANY NAME] products are:

On time deliveries

Competitive prices

Terrific service

Excellent quality

Custom made products

[YOUR COMPANY NAME] started selling Charcoal products over 25 years ago. The Company has partnered with and sells charcoal products to [COMPANY NAME] located in Kihei Hawaii and their unique Kiawe wood Charcoal products. [COMPANY NAME] is the Finest Producer of Premium Professional-Grade Kiawe Charcoal. Kiawe wood is a Hawaiian tradition of the famous Luau the Hawaiian family BBQ. Rich in history, it was introduced to the Hawaiian Islands in 1828 from the Sonoran Desert. Master Chefs world-wide use Kiawe Charcoal because of its pure, natural wood smoke and perfect cooking temperature to sear in the natural juices, aroma and moistness of food. 100% Natural Premium Professional-Grade contains no tar, additives, fillers, recycled wood or chemicals. KIAWE is a species of the mesquite tree family.

The advantages of Kiawe Charcoal are:

**ALL NATURAL**

, 100 % hardwood charcoal with no chemical additives

**EASIER TO LIGHT THAN BRIQUETTES**

**LIGHT WITH OR WITHOUT**

 lighter fluid

**BURNS HOTTER**

 than briquettes. 1 lb. of [COMPANY NAME] produces the equivalent heat of 2 lbs. of briquettes

**DELICIOUS**

 flavor of [COMPANY NAME] gives a uniquely mouth-watering taste and aroma to grilled foods

**LOW ASH**

 increases food quality and reduces environmental pollution

**ECOLOGICALLY**

 responsible, [COMPANY NAME] growers utilize a green method of harvesting; for over 20 years, Kiawe has been produced by using elective and sustainable pruning and thinning techniques

**4.0 Market Analysis Summary**

[YOUR COMPANY NAME] sells into two different types of industries and customer base:

Packaging Industry - the Company supplies packaging companies with PP Woven bags for packaging. [YOUR COMPANY NAME]'s majority of customers are packaging Wood Chips and Charcoal for distribution in retail environments for consumer use in barbecuing. Currently [YOUR COMPANY NAME] sells to approximately 50 clients in the US and Mexico. [YOUR COMPANY NAME] sells into a very small niche market with anticipated increase in customer base of 10% per year.

Agricultural Industry - [YOUR COMPANY NAME] sells bags to agricultural companies like [COMPANY NAME] for packaging feed. This accounts for approximately 10% of [YOUR COMPANY NAME] sales. As this is a secondary market for [YOUR COMPANY NAME], they anticipate growth of 5% per year.

Charcoal Processing - The Company will process Charcoal and wood chips in partnership with [COMPANY NAME] in their Nogales Arizona warehouse. This is a new part of their business and will expand upon receipt of grant funding.

[YOUR COMPANY NAME] projects sales increases over the next few years from a launch of their processing warehouse in Arizona with [COMPANY NAME] and the projected increase in market conditions.

***4.1 Market Segmentation***

[YOUR COMPANY NAME] market segmentation scheme is fairly straightforward, and focuses on the target market, Customers in the agricultural and packaging industries who use PP woven bags for packaging feed and Charcoal products. These customers prefer certain quality of product, fair pricing and on time delivery and it's the Companies duty to deliver on their expectations.

The information contained in our market analysis table, displays [YOUR COMPANY NAME] customers counts in the packaging and agricultural industries. The Company will target the largest percentage increase in sales from packaging companies in the charcoal industry. All of our customers will benefit from our professional reputation and exceptional customer service.

**Table: Market Analysis**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Market Analysis*** |   |   |   |   |   |   |   |
|   |   | 2010 | 2011 | 2012 | 2013 | 2014 |   |
| **Potential Customers** | Growth |   |   |   |   |   | **CAGR** |
| **Packaging Industry** | 10%  | 50  | 55  | 61  | 67  | 74  | **10.30%**  |
| **Agricultural Industry** | 5%  | 10  | 11  | 12  | 13  | 14  | **8.78%**  |
| **Other** | 0%  | 0  | 0  | 0  | 0  | 0  | **0.00%**  |
| **Total** | **10.05%**  | **60**  | **66**  | **73**  | **80**  | **88**  | **10.05%**  |

**Chart: Market Analysis (Pie)**

***4.2 Target Market Segment Strategy***

[YOUR COMPANY NAME] services the Packaging industry for wood chips and charcoal for consumer use in barbecuing. Additionally, the Company services the agricultural industry for packaging of feed. As the Company has been in the bag business for over 60 years, they have developed a personal relationship with their customer base and have a loyal base of customers.

The Company would like to increase sales in the market segments above with a concentration of growth in the packaging industry. Additionally, the Company will increase sales as they launch operations with [COMPANY NAME] to process, cut and pack charcoal and wood chips for [YOUR COMPANY NAME] distribution.

Because [YOUR COMPANY NAME] focuses on a unique niche business segment, the Company knows how to meet the specific needs of its customers. Therefore, the Company will utilize the following sales strategy to reach its target market:

Printing of Company name and phone number on bags they sell

Travel and personal sales calls and visits by the Company's owner

Work with [COMPANY NAME] and [COMPANY NAME]'s sales force as they receive referrals from their customers

Word of Mouth advertising is very important to the Company. The Company will obtain testimonials for use on website

Develop a website with Company and Product information

***4.3 Industry Analysis***

[YOUR COMPANY NAME] sells into two different types of industries:

Packaging Industry - the Company supplies packaging companies with PP Woven bags for packaging. [COMPANY NAME]'s majority of customers are packaging Wood Chips and Charcoal for distribution in retail environments for consumer use in barbecuing.

Agricultural Industry - [YOUR COMPANY NAME] sells bags to agricultural companies like [YOUR COMPANY NAME] for packaging feed. This accounts for approximately 10% of [YOUR COMPANY NAME] sales.

Processing Charcoal - The Company will process Charcoal and wood chips in partnership with [COMPANY NAME] in their Nogales Arizona warehouse.

**4.3.1 Competition and Buying Patterns**

[YOUR COMPANY NAME] competition consists of several established distributors nationally. What distinguishes [YOUR COMPANY NAME] from its competitors is the quality of the bags they use. [YOUR COMPANY NAME] sells US paper bags as opposed to bamboo paper bags, which are a much higher quality bag.

The reason customers buy [YOUR COMPANY NAME] products are:

On time deliveries

Competitive prices

Terrific service

Excellent quality

Custom made products

[YOUR COMPANY NAME] has been in business since 1905 and has developed business relationships with long time customers.

Besides a strong customer base, [YOUR COMPANY NAME] has a strong relationship with its main vendor, [COMPANY NAME] and partnership with [COMPANY NAME]. [YOUR COMPANY NAME] and [COMPANY NAME] have an aggressive sales force. [COMPANY NAME] references all charcoal bag requests to [YOUR COMPANY NAME]. As a processor of Charcoal for [COMPANY NAME], [YOUR COMPANY NAME] sales will increase as [COMPANY NAME] develops new customers.

Quality, reputation and customer service will help set the Company apart from its competition.

**5.0 Web Plan Summary**

[YOUR COMPANY NAME] website will be an opportunity to offer current information on service offerings, company background, announcements and special discounts. The website will be another method to generate steady business.

Upon receipt of Grant Funding the Company will talk with several persons qualified to provide an attractive and exciting website.

The Company is only considering web designers that are residents of the Petaluma community. The Company feels very strongly in keeping its funds within the community

***5.1 Website Marketing Strategy***

Our website will be promoted on all of our marketing materials and during any of our future advertising campaigns. We will advertise our site on our business cards as well as in other industry related publications.

***5.2 Development Requirements***

[YOUR COMPANY NAME] will increase its presence on the web by promoting the site to its current customer and vendor base. The Company plans to expand our presence on the web to our targeted customer base.

**6.0 Strategy and Implementation Summary**

[YOUR COMPANY NAME] has clearly defined the target market and has differentiated itself by offering a solid solution to fulfilling its customers' needs. Reasonable sales targets have been established with an implementation plan designed to ensure the goals set forth below are achieved.

***6.1 SWOT Analysis***

The SWOT analysis aids in displaying the internal strengths and weaknesses that [YOUR COMPANY NAME] must address. It allows us to examine the opportunities presented to the Company as well as potential threats. The company's

**strengths**

will help it to succeed. These strengths are:

Experience - Over 60 years experience in the bag industry

Quality - The Company's products are of the highest quality in the industry

Customer Care - The Company takes extra time to make sure the customer is satisfied with the service provided

Base of loyal satisfied customers built over the last 60 years

Suppliers - The Company has built a strong personal relationship over many years with its two main suppliers and receives referrals from both suppliers sales departments

Strengths are valuable, but it is also important to realize the

**weaknesses**

 the Company must address. [YOUR COMPANY NAME] main weakness is lacking the funds to grow the business and launch processing operations.

The Companies strengths will help it capitalize on emerging opportunities. These opportunities include, but are not limited to:

Launching and growing Processing Center operations for wood charcoal

Expansion of sales in all sectors of the packaging and agricultural industries

Strategic alliances offering sources for referrals and joint marketing activities to extend our reach

Build a private label brand wood charcoal product line for direct retail and consumer sales

Threats that the company should be aware of include, the economy, market trends and cash flow concerns.

**6.1.1 Strengths**

[YOUR COMPANY NAME] strengths include:

1. Experience - Over 60 years experience in the bag industry

2. Quality - The Company's products are of the highest quality in the industry

3. Customer Care - The Company takes extra time to make sure the customer is satisfied with the service provided

4. Base of loyal satisfied customers built over the last 60 years

5. Suppliers - The Company has built a strong personal relationship over many years with its two main suppliers and receives referrals from both suppliers sales departments

**6.1.2 Weaknesses**

[YOUR COMPANY NAME] weaknesses come from the lack of funding to grow the business. Upon receipt of the grant funding, [YOUR COMPANY NAME] will launch its processing operation with [COMPANY NAME]. Additionally, the Company will use working capital available to build a website and travel for marketing efforts.

**6.1.3 Opportunities**

[YOUR COMPANY NAME] opportunities include:

1. Launching and growing Processing Center operations for wood charcoal

2. Expansion of sales in all sectors of the packaging and agricultural industries

3. Strategic alliances offering sources for referrals and joint marketing activities to extend our reach

4. Build a private label brand wood charcoal product line for direct retail and consumer sales

**6.1.4 Threats**

The only threats that could cause problems for [YOUR COMPANY NAME] are the economy, market trends and cash flow concerns.

***6.2 Competitive Edge***

As [YOUR COMPANY NAME] has been in business since 1905, they have many advantages over the competition. [YOUR COMPANY NAME] has a solid relationship with its two main suppliers and receives many referrals for business directly from the suppliers. The Company has built a loyal customer base over a 60-year period to guarantee a flow of sales yearly.

Additionally, the Company has an outstanding reputation in the industry and is known for the following:

On time deliveries

Competitive prices

Terrific service

Excellent quality

Custom made products

***6.3 Marketing Strategy***

[YOUR COMPANY NAME] marketing strategy is to launch the processing center in partnership with [COMPANY NAME] and secure the relationship with [COMPANY NAME]. As [COMPANY NAME] has an aggressive sales force and marketing campaign, [YOUR COMPANY NAME] sales will grow with [COMPANY NAME]'s sales. [YOUR COMPANY NAME] will have an increase in sales for the wood charcoal they process besides using the bags [YOUR COMPANY NAME] sells for packaging of the processed goods.

Additionally, upon grant funding the Company will utilize the following strategy to reach its target market:

Printing of Company name and phone number on bags they sell

Travel and personal sales calls and visits by the Company's owner

Work with [COMPANY NAME] and [COMPANY NAME]'s sales force as they receive referrals from their customers

Word of Mouth advertising is very important to the Company. The Company will obtain testimonials for use on website

Develop a website with Company and Product information

***6.4 Sales Strategy***

As [YOUR COMPANY NAME] has been in the bag business for over 60 years and the charcoal business for over 25 years, the Company can rely on a solid loyal customer base for the majority of its sales. The owner works closely with its main vendor’s sales department, [COMPANY NAME] and with its partner [COMPANY NAME], to promote the products [YOUR COMPANY NAME] sells and for referrals on new business. Additionally, [YOUR COMPANY NAME] has [COMPANY NAME] print the companies name and phone number on the bags [COMPANY NAME]'s sells to its customers. As "word of mouth" is very important to [YOUR COMPANY NAME] sales, [YOUR NAME] has built a personal relationship with all of the Company's main customers and suppliers.

The Company will utilize the following sales strategy to reach its target market:

Printing of Company name and phone number on bags they sell

Travel and personal sales calls and visits by the Company's owner

Work with [YOUR COMPANY NAME] and [COMPANY NAME]'s sales force as they receive referrals from their customers

Word of Mouth advertising is very important to the Company. The Company will obtain testimonials for use on website

Develop a website with Company and Product information

**6.4.1 Sales Forecast**

The sales forecast shows a consistent increase in sales over the next three-year period due to the following:

1. Increased economic growth in the market

2. Launch of the Processing business for [COMPANY NAME]

3. Increased cash flow capabilities upon receipt of Grant Funding

4. Marketing efforts upon increase in cash flow and working capital

5. Website development

The sales for 2012, 2013 and 2014 are $1,300,000, $1,500,000 and $1,700,000, respectively. Once Grant Funding is received, giving [YOUR COMPANY NAME] the ability to launch processing business, hire four employees, purchase equipment supplies, purchase inventory and retain the working capital necessary to build website and travel for marketing efforts. The Gross Profit will be 15% of bag sales and 10% of charcoal wood sales for 2010. Upon receipt of grant funds, the Company will purchase inventory of bags, charcoal and wood at a better economic order quantity. The Company estimates a 5% increase in Gross Profit in 2011 2012 due to better pricing.

**Table: Sales Forecast**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Sales Forecast*** |   |   |   |
|   | 2012 | 2013 | **2014** |
| **Sales** |   |   |   |
| **Bag Sales - Packaging Industry** | $1,111,000  | $1,130,000  | **$1,290,000**  |
| **Bag Sales - Agricultural Industry** | $124,000  | $130,000  | **$145,000**  |
| **Charcoal Wood Processing Sales** | $65,000  | $240,000  | **$265,000**  |
| **Total Sales** | $1,300,000  | $1,500,000  | **$1,700,000**  |
|   |   |   |   |
| **Direct Cost of Sales** | 2010 | 2011 | **2012** |
| **Bag Cost of Sales** | $1,049,750  | $1,008,000  | **$1,148,000**  |
| **Charcoal Wood Costs** | $58,500  | $204,000  | **$225,250**  |
|   | $0  | $0  | **$0**  |
| **Subtotal Direct Cost of Sales** | **$1,108,250**  | **$1,212,000**  | **$1,373,250**  |

**Chart: Sales Monthly**

**Chart: Sales by Year**

***6.5 Milestones***

In order to achieve the growth and marketing goals that have been outlined in this business plan, the Company has deadlines to meet and ideas to implement. Some of these are outlined below:

1. Obtain grant funding to expand and improve the business

2. Hire Four Employees to launch wood charcoal processing business

3. Purchase inventory of bags, wood charcoal for processing center and purchase at a better economic order quantity

4. Purchase the necessary equipment and supplies for the processing business

5. Pay down existing accounts payables

6. Working Capital funds for future growth and opportunities

**Table: Milestones**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Milestones*** |   |   |   |   |   |
|   |   |   |   |   |   |
| **Milestone** | Start Date | End Date | Budget | Manager | **Department** |
| **Hire Four Employees** | 9/1/2010 | 12/31/2010 | $78,000  | Owner | **Operations** |
| **Purchase Inventory** | 8/16/2010 | 8/31/2010 | $100,000  | Owner | **Operations** |
| **Purchase Equipment** | 8/16/2010 | 8/31/2010 | $3,000  | Owner | **Operations** |
| **Purchase Supplies** | 8/16/2010 | 8/31/2010 | $2,000  | Owner | **Operations** |
| **Pay Down Accounts Payable** | 8/16/2010 | 8/20/2010 | $350,000  | Owner | **Administrative** |
| **Working Capital** | 8/16/2010 | 12/31/2010 | $67,000  | Owner | **Operations** |
|   | 8/1/2010 | 8/1/2010 |   |   |   |
|   | 8/1/2010 | 8/1/2010 |   |   |   |
|   | 8/1/2010 | 8/1/2010 |   |   |   |
| **Totals** |   |   | **$600,000**  |   |   |

**7.0 Management Summary**

Currently, the Company is owned and operated solely by its owner [YOUR NAME]. [YOUR NAME] has been the sole owner of [YOUR COMPANY NAME] since 1973. Upon receipt of grant funding, [YOUR COMPANY NAME] will launch its processing center in Nogales Arizona and hire four employees. The operation will have a fulltime operations manger, a fulltime bookkeeper/administrative assistant and two part-time processing workers.

***7.1 Personnel Plan***

The table below contains the details of our personnel plan. As [YOUR COMPANY NAME] is a sole proprietorship owned by [YOUR NAME], [YOUR NAME] will take no salary for the 2012, 2013 2014 period. [YOUR NAME] will take distributions based on profits and cash flow.

Upon receipt of grant funding, [YOUR COMPANY NAME] will launch the processing center and hire four employees. There will be a fulltime operations manager at $15 per hour and a fulltime bookkeeper/administrative assistant at $10 per hour. Additionally, the Company will hire two part-time operations workers at $10 per hour who will report to the operations manager.

**Table: Personnel**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Personnel Plan*** |   |   |   |
|   | 2012 | 2013 | **2014** |
| **[YOUR NAME], Owner** | $0  | $0  | **$0**  |
| **Operations Manager** | $10,400  | $31,200  | **$32,800**  |
| **Bookkeeper/Administrative Assistant** | $6,936  | $20,800  | **$21,800**  |
| **Two operations workers** | $8,664  | $26,000  | **$27,300**  |
| **Total People** | 5 | 5  | **5**  |
|   |   |   |   |
| **Total Payroll** | **$26,000**  | **$78,000**  | **$81,900**  |

**8.0 Financial Plan**

The current financial plan for [YOUR COMPANY NAME] is to obtain grant funding in the amount of $600,000. The grant will be used to launch the processing center, hire four employees, purchase necessary equipment and supplies, purchase inventory of bags, wood charcoal, build a website and travel for marketing efforts.

The following sections of this plan will serve to describe [YOUR COMPANY NAME] financial plan in more detail:

General Assumptions

Break-even Analysis

Profit and Loss

Cash Flow

Balance Sheet

Ratios

***8.1 Important Assumptions***

The table below presents the assumptions used in the financial calculations of this business plan.

[YOUR COMPANY NAME] is a sole proprietorship and is taxed accordingly, estimated at a 25% tax rate. The average Gross Profit % is estimated to be 15% for bags and 10% for Charcoal in 2012. The Company estimates an increase in Gross Profit of 5% in 2013 2014. Depreciation expense is based on past equipment purchases. Insurance, utilities and all other expenses assume a 5% increase due to inflation other cost variables

***8.2 Break-even Analysis***

For the Company's break-even analysis for 2012, the monthly revenue break-even is projected to be $93,075. Operating Expenses as a % of sales will remain within a 3% margin over the 2012, 2013 and 2014 period. Sales are projected to increase 15% for the 2013 and 13% for 2014 due to the launch of the processing center and marketing efforts.

**Table: Break-even Analysis**

|  |  |
| --- | --- |
| ***Break-even Analysis*** |   |
|   |   |
| **Monthly Revenue Break-even** | **$93,075**  |
| **Assumptions:** |   |
| **Average Percent Variable Cost** | **85%**  |
| **Estimated Monthly Fixed Cost** | **$13,729**  |

**Chart: Break-even Analysis**

***8.3 Projected Profit and Loss***

[YOUR COMPANY NAME] Pro Forma Profit and Loss statement was constructed based in large part on past performance over the last 3 years, economic market conditions in the last 18 months, the improving economy starting in the second quarter of 2012, and investment in a processing operation.

The sales for 2012, 2013 and 2014 are $1,300,000, $1,500,000 and $1,700,000, respectively. The average Gross Profit % is estimated to be 14.75% in 2012 and 19.2% in 2013 and 19.22% in 2014. The Company will show a Net Profit of $20,256 in 2010, $37,754 in 2011 and $57,574 in 2012. The Company will show EBITDA of $28,820 in 2012, $51,700 in 2013 and $76,765 in 2014. The Operating expenses as a percentage of sales for this period were 13%, 16% and 15%, respectively. The percentages of the net profit to sales for this period were 1.56%, 2.52% and 3.39%, respectively. The Operating Expenses and Net Profit to Sales for the 2013 and 2014 period are affected by the internal expansion of the Company. Operating Expenses to Sales will remain in the 15% range for 2015 and future years. Net Profit and Net Profit to Sales Percentage will continue to rise in future years as the internal expansion and investments in Marketing and Advertising bear fruit.

**Table: Profit and Loss**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Pro Forma Profit and Loss*** |   |   |   |
|   | 2012 | 2013 | **2014** |
| **Sales** | $1,300,000  | $1,500,000  | **$1,700,000**  |
| **Direct Cost of Sales** | $1,108,250  | $1,212,000  | **$1,373,250**  |
| **Other Costs of Sales** | $0  | $0  | **$0**  |
| **Total Cost of Sales** | $1,108,250  | $1,212,000  | **$1,373,250**  |
|   |   |   |   |
| **Gross Margin** | $191,750  | $288,000  | **$326,750**  |
| **Gross Margin %** | 14.75%  | 19.20%  | **19.22%**  |
| **Expenses** |   |   |   |
| **Payroll** | $26,000  | $78,000  | **$81,900**  |
| **Marketing/Promotion** | $800  | $1,200  | **$1,500**  |
| **Depreciation** | $1,812  | $1,361  | **$0**  |
| **Rent** | $900  | $3,000  | **$3,000**  |
| **Utilities** | $5,600  | $7,200  | **$7,600**  |
| **Travel Expense** | $2,800  | $6,000  | **$6,600**  |
| **Car Truck Expense** | $36,000  | $40,000  | **$42,000**  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Equipment Supplies Expense** | $6,900  | $3,600  | **$3,800**  |
| **Website Development** | $2,150  | $800  | **$1,000**  |
| **Freight** | $69,600  | $75,000  | **$80,000**  |
| **Insurance** | $3,480  | $4,800  | **$5,000**  |
| **Payroll Taxes** | $3,900  | $11,700  | **$12,285**  |
| **Other** | $4,800  | $5,000  | **$5,300**  |
|   |   |   |   |
| **Total Operating Expenses** | $164,742  | $237,661  | **$249,985**  |
|   |   |   |   |
| **Profit Before Interest and Taxes** | $27,008  | $50,339  | **$76,765**  |
| **EBITDA** | $28,820  | $51,700  | **$76,765**  |
|  **Interest Expense** | $0  | $0  | **$0**  |
|  **Taxes Incurred** | $6,752  | $12,585  | **$19,191**  |
|   |   |   |   |
| **Net Profit** | $20,256  | $37,754  | **$57,574**  |
| **Net Profit/Sales** | **1.56%**  | **2.52%**  | **3.39%**  |

**Chart: Profit Monthly**

**Chart: Profit Yearly**

**Chart: Gross Margin Monthly**

**Chart: Gross Margin Yearly**

***8.4 Projected Cash Flow***

[YOUR COMPANY NAME] has applied for a grant of $600,000. In 2012, the Company forecast that it will receive $600,000 in the month of August. After receipt of the Grant Funding, it will use the grant to launch the processing center, hire four employees, purchase necessary equipment and supplies, purchase inventory of bags, wood charcoal, build a website and travel for marketing efforts. Also, once Grant Funding is received, the Company plans to pay down accounts payable in the amount of $350,000. Additionally, the Company will purchase inventory of bags, wood charcoal in the amount of $100,000 in 2012, $30,000 in 2013 and $40,000 in 2014, shown as Other Current Assets for Statement purposes.

The following table displays [YOUR COMPANY NAME] cash flow and the chart illustrates monthly cash flow in the first year. Monthly cash flow projections are also included in the appendix.

**Table: Cash Flow**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Pro Forma Cash Flow*** |   |   |   |
|   | 2012 | 2013 | **2014** |
| **Cash Received** |   |   |   |
|   |   |   |   |
| **Cash from Operations** |   |   |   |
| **Cash Sales** | $1,300,000  | $1,500,000  | **$1,700,000**  |
| **Subtotal Cash from Operations** | $1,300,000  | $1,500,000  | **$1,700,000**  |
|   |   |   |   |
| **Additional Cash Received** |   |   |   |
| **Sales Tax, VAT, HST/GST Received** | $0  | $0  | **$0**  |
| **New Current Borrowing** | $0  | $0  | **$0**  |
| **New Other Liabilities (interest-free)** | $0  | $0  | **$0**  |
| **New Long-term Liabilities** | $0  | $0  | **$0**  |
| **Sales of Other Current Assets** | $0  | $0  | **$0**  |
| **Sales of Long-term Assets** | $0  | $0  | **$0**  |

|  |  |  |  |
| --- | --- | --- | --- |
| **New Investment Received** | $600,000  | $0  | **$0**  |
| **Subtotal Cash Received** | $1,900,000  | $1,500,000  | **$1,700,000**  |
|   |   |   |   |
| **Expenditures** | 2012 | 2013 | **2014** |
|   |   |   |   |
| **Expenditures from Operations** |   |   |   |
| **Cash Spending** | $1,277,932  | $1,460,885  | **$1,642,426**  |
| **Bill Payments** | $1,000  | $0  | **$0**  |
| **Subtotal Spent on Operations** | $1,278,932  | $1,460,885  | **$1,642,426**  |
|   |   |   |   |
| **Additional Cash Spent** |   |   |   |
| **Sales Tax, VAT, HST/GST Paid Out** | $0  | $0  | **$0**  |
| **Principal Repayment of Current Borrowing** | $0  | $0  | **$0**  |
| **Other Liabilities Principal Repayment** | $350,000  | $0  | **$0**  |
| **Long-term Liabilities Principal Repayment** | $0  | $0  | **$0**  |
| **Purchase Other Current Assets** | $100,000  | $30,000  | **$40,000**  |
| **Purchase Long-term Assets** | $0  | $0  | **$0**  |
| **Dividends** | $0  | $0  | **$0**  |
| **Subtotal Cash Spent** | $1,728,932  | $1,490,885  | **$1,682,426**  |
|   |   |   |   |
| **Net Cash Flow** | $171,068  | $9,115  | **$17,574**  |
| **Cash Balance** | **$174,440**  | **$183,555**  | **$201,129**  |

**Chart: Cash**

***8.5 Projected Balance Sheet***

[YOUR COMPANY NAME] net worth is $275,801, $313,555 and $371,129 for 2012, 2013 and 2014, respectively. The Company will be debt free at the end of 2012 with Total Assets of $275,801, $313,555 and $371,129 for 2012, 2013 and 2014, respectively.

As of 12/31/11, the company owned its vendors $351,000. The Company is paying its vendors as it receives money on sales. The outstanding balance will be paid upon receipt of grant funding. For Statement purposes, $350,000 of the payable is shown as Other Current Liabilities.

**Table: Balance Sheet**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Pro Forma Balance Sheet*** |   |   |   |
|   | 2012 | 2013 | **2014** |
| **Assets** |   |   |   |
|   |   |   |   |
| **Current Assets** |   |   |   |
| **Cash** | $174,440  | $183,555  | **$201,129**  |
| **Other Current Assets** | $100,000  | $130,000  | **$170,000**  |
| **Total Current Assets** | $274,440  | $313,555  | **$371,129**  |
|   |   |   |   |
| **Long-term Assets** |   |   |   |
| **Long-term Assets** | $126,315  | $126,315  | **$126,315**  |
| **Accumulated Depreciation** | $124,954  | $126,315  | **$126,315**  |
| **Total Long-term Assets** | $1,361  | $0  | **$0**  |
| **Total Assets** | $275,801  | $313,555  | **$371,129**  |
|   |   |   |   |
| **Liabilities and Capital** | 2012 | 2013 | **2014** |
|   |   |   |   |
| **Current Liabilities** |   |   |   |
| **Accounts Payable** | $0  | $0  | **$0**  |
| **Current Borrowing** | $0  | $0  | **$0**  |
| **Other Current Liabilities** | $0  | $0  | **$0**  |
| **Subtotal Current Liabilities** | $0  | $0  | **$0**  |
|   |   |   |   |
| **Long-term Liabilities** | $0  | $0  | **$0**  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Liabilities** | $0  | $0  | **$0**  |
|   |   |   |   |
| **Paid-in Capital** | $600,000  | $600,000  | **$600,000**  |
| **Retained Earnings** | ($344,455) | ($324,199) | **($286,445)** |
| **Earnings** | $20,256  | $37,754  | **$57,574**  |
| **Total Capital** | $275,801  | $313,555  | **$371,129**  |
| **Total Liabilities and Capital** | $275,801  | $313,555  | **$371,129**  |
|   |   |   |   |
| **Net Worth** | **$275,801**  | **$313,555**  | **$371,129**  |

***8.6 Business Ratios***

The table below presents the projected business ratios from the Other Miscellaneous Nondurable Goods Merchant Wholesalers for businesses with sales between $1,000,000 - $4,999,999 as a reference.

**Table: Ratios**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Ratio Analysis*** |   |   |   |   |
|   | 2012 | 2013 | 2014 | **Industry Profile** |
| **Sales Growth** | 2.79%  | 15.38%  | 13.33%  | **-1.98%**  |
|   |   |   |   |   |
| **Percent of Total Assets** |   |   |   |   |
| **Other Current Assets** | 36.26%  | 41.46%  | 45.81%  | **29.55%**  |
| **Total Current Assets** | 99.51%  | 100.00%  | 100.00%  | **85.54%**  |
| **Long-term Assets** | 0.49%  | 0.00%  | 0.00%  | **14.46%**  |
| **Total Assets** | 100.00%  | 100.00%  | 100.00%  | **100.00%**  |
|   |   |   |   |   |
| **Current Liabilities** | 0.00%  | 0.00%  | 0.00%  | **47.14%**  |
| **Long-term Liabilities** | 0.00%  | 0.00%  | 0.00%  | **23.73%**  |
| **Total Liabilities** | 0.00%  | 0.00%  | 0.00%  | **70.87%**  |
| **Net Worth** | 100.00%  | 100.00%  | 100.00%  | **29.13%**  |
|   |   |   |   |   |
| **Percent of Sales** |   |   |   |   |
| **Sales** | 100.00%  | 100.00%  | 100.00%  | **100.00%**  |
| **Gross Margin** | 14.75%  | 19.20%  | 19.22%  | **17.30%**  |
| **Selling, General Administrative Expenses** | 13.19%  | 16.68%  | 15.83%  | **6.92%**  |
| **Advertising Expenses** | 0.06%  | 0.08%  | 0.09%  | **0.33%**  |
| **Profit Before Interest and Taxes** | 2.08%  | 3.36%  | 4.52%  | **2.31%**  |
|   |   |   |   |   |
| **Main Ratios** |   |   |   |   |
| **Current** | 0.00  | 0.00  | 0.00  | **1.61**  |
| **Quick** | 0.00  | 0.00  | 0.00  | **1.13**  |
| **Total Debt to Total Assets** | 0.00%  | 0.00%  | 0.00%  | **70.87%**  |
| **Pre-tax Return on Net Worth** | 9.79%  | 16.05%  | 20.68%  | **34.74%**  |
| **Pre-tax Return on Assets** | 9.79%  | 16.05%  | 20.68%  | **10.12%**  |
|   |   |   |   |   |
| **Additional Ratios** | 2012 | 2013 | 2014 |   |
| **Net Profit Margin** | 1.56%  | 2.52%  | 3.39%  | **n.a** |
| **Return on Equity** | 7.34%  | 12.04%  | 15.51%  | **n.a** |
|   |   |   |   |   |
| **Activity Ratios** |   |   |   |   |
| **Accounts Payable Turnover** | 0.00  | 0.00  | 0.00  | **n.a** |
| **Payment Days** | 0  | 0  | 0  | **n.a** |
| **Total Asset Turnover** | 4.71  | 4.78  | 4.58  | **n.a** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |   |   |   |   |
| **Debt Ratios** |   |   |   |   |
| **Debt to Net Worth** | 0.00  | 0.00  | 0.00  | **n.a** |
| **Current Liab. to Liab.** | 0.00  | 0.00  | 0.00  | **n.a** |
|   |   |   |   |   |
| **Liquidity Ratios** |   |   |   |   |
| **Net Working Capital** | $274,440  | $313,555  | $371,129  | **n.a** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Interest Coverage** | 0.00  | 0.00  | 0.00  | **n.a** |
|   |   |   |   |   |
| **Additional Ratios** |   |   |   |   |
| **Assets to Sales** | 0.21  | 0.21  | 0.22  | **n.a** |
| **Current Debt/Total Assets** | 0%  | 0%  | 0%  | **n.a** |
| **Acid Test**  | 0.00  | 0.00  | 0.00  | **n.a** |
| **Sales/Net Worth** | 4.71  | 4.78  | 4.58  | **n.a** |
| **Dividend Payout** |  **0.00**  | **0.00**  | **0.00**  | **n.a** |

**Table: Sales Forecast**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Sales Forecast*** |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **Sales** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Bag Sales - Packaging Industry** |   | $75,000  | $75,000  | $75,000  | $80,000  | $86,000  | $90,000  | $100,000  | $100,000  | $110,000  | $110,000  | $110,000  | **$100,000**  |
| **Bag Sales - Agricultural Industry** |   | $8,333  | $8,333  | $8,333  | $8,889  | $9,556  | $10,000  | $11,111  | $11,111  | $12,222  | $12,222  | $12,222  | **$11,667**  |
| **Charcoal Wood Processing Sales** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $10,000  | $15,000  | $20,000  | **$20,000**  |
| **Total Sales** |   | $83,333  | $83,333  | $83,333  | $88,889  | $95,556  | $100,000  | $111,111  | $111,111  | $132,222  | $137,222  | $142,222  | **$131,667**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Direct Cost of Sales** |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **Bag Cost of Sales** |   | $70,833  | $70,833  | $70,833  | $75,556  | $81,222  | $85,000  | $94,444  | $94,444  | $103,889  | $103,889  | $103,889  | **$94,917**  |
| **Charcoal Wood Costs** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $9,000  | $13,500  | $18,000  | **$18,000**  |
|   |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Subtotal Direct Cost of Sales** |   | **$70,833**  | **$70,833**  | **$70,833**  | **$75,556**  | **$81,222**  | **$85,000**  | **$94,444**  | **$94,444**  | **$112,889**  | **$117,389**  | **$121,889**  | **$112,917**  |

**Table: Personnel**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Personnel Plan*** |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **[YOUR NAME], Owner** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Operations Manager** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $2,600  | $2,600  | $2,600  | **$2,600**  |
| **Bookkeeper/Administrative Assistant** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $1,734  | $1,734  | $1,734  | **$1,734**  |
| **Two operations workers** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $2,166  | $2,166  | $2,166  | **$2,166**  |
| **Total People** |   | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 5  | 5  | 5  | **5**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Total Payroll** |   | **$0**  | **$0**  | **$0**  | **$0**  | **$0**  | **$0**  | **$0**  | **$0**  | **$6,500**  | **$6,500**  | **$6,500**  | **$6,500**  |

**Table: Profit and Loss**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Pro Forma Profit and Loss*** |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales** |   | $83,333  | $83,333  | $83,333  | $88,889  | $95,556  | $100,000  | $111,111  | $111,111  | $132,222  | $137,222  | $142,222  | **$131,667**  |
| **Direct Cost of Sales** |   | $70,833  | $70,833  | $70,833  | $75,556  | $81,222  | $85,000  | $94,444  | $94,444  | $112,889  | $117,389  | $121,889  | **$112,917**  |
| **Other Costs of Sales** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Total Cost of Sales** |   | $70,833  | $70,833  | $70,833  | $75,556  | $81,222  | $85,000  | $94,444  | $94,444  | $112,889  | $117,389  | $121,889  | **$112,917**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Gross Margin** |   | $12,500  | $12,500  | $12,500  | $13,333  | $14,333  | $15,000  | $16,667  | $16,667  | $19,333  | $19,833  | $20,333  | **$18,750**  |
| **Gross Margin %** |   | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 15.00%  | 14.62%  | 14.45%  | 14.30%  | **14.24%**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Expenses** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Payroll** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $6,500  | $6,500  | $6,500  | **$6,500**  |
| **Marketing/Promotion** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $200  | $200  | $200  | **$200**  |
| **Depreciation** |   | $151  | $151  | $151  | $151  | $151  | $151  | $151  | $151  | $151  | $151  | $151  | **$151**  |
| **Rent** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $250  | $150  | $250  | **$250**  |
| **Utilities** |   | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $600  | $600  | $600  | **$600**  |
| **Travel Expense** |   | $100  | $100  | $100  | $100  | $100  | $100  | $100  | $100  | $500  | $500  | $500  | **$500**  |
| **Car Truck Expense** |   | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | $3,000  | **$3,000**  |
| **Equipment Supplies Expense** |   | $100  | $100  | $100  | $100  | $100  | $100  | $100  | $5,000  | $300  | $300  | $300  | **$300**  |
| **Website Development** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $2,000  | $50  | $50  | **$50**  |
| **Freight** |   | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | $5,800  | **$5,800**  |
| **Insurance** |   | $235  | $235  | $235  | $235  | $235  | $235  | $235  | $235  | $400  | $400  | $400  | **$400**  |
| **Payroll Taxes** | 15%  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $975  | $975  | $975  | **$975**  |
| **Other** |   | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $400  | $400  | **$400**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Total Operating Expenses** |   | $10,186  | $10,186  | $10,186  | $10,186  | $10,186  | $10,186  | $10,186  | $15,086  | $21,076  | $19,026  | $19,126  | **$19,126**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Profit Before Interest and Taxes** |   | $2,314  | $2,314  | $2,314  | $3,147  | $4,147  | $4,814  | $6,481  | $1,581  | ($1,743) | $807  | $1,207  | **($376)** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EBITDA** |   | $2,465  | $2,465  | $2,465  | $3,298  | $4,298  | $4,965  | $6,632  | $1,732  | ($1,592) | $958  | $1,358  | **($225)** |
|  **Interest Expense** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
|  **Taxes Incurred** |   | $579  | $579  | $579  | $787  | $1,037  | $1,204  | $1,620  | $395  | ($436) | $202  | $302  | **($94)** |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Net Profit** |   | $1,736  | $1,736  | $1,736  | $2,360  | $3,110  | $3,611  | $4,861  | $1,186  | ($1,307) | $605  | $905  | **($282)** |
| **Net Profit/Sales** |   | **2.08%**  | **2.08%**  | **2.08%**  | **2.66%**  | **3.26%**  | **3.61%**  | **4.37%**  | **1.07%**  | **-0.99%**  | **0.44%**  | **0.64%**  | **-0.21%**  |

**Table: Cash Flow**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Pro Forma Cash Flow*** |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **Cash Received** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Cash from Operations** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Cash Sales** |   | $83,333  | $83,333  | $83,333  | $88,889  | $95,556  | $100,000  | $111,111  | $111,111  | $132,222  | $137,222  | $142,222  | **$131,667**  |
| **Subtotal Cash from Operations** |   | $83,333  | $83,333  | $83,333  | $88,889  | $95,556  | $100,000  | $111,111  | $111,111  | $132,222  | $137,222  | $142,222  | **$131,667**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Additional Cash Received** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Sales Tax, VAT, HST/GST Received** | 0.00%  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **New Current Borrowing** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **New Other Liabilities (interest-free)** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **New Long-term Liabilities** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Sales of Other Current Assets** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Sales of Long-term Assets** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **New Investment Received** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $600,000  | $0  | $0  | $0  | **$0**  |
| **Subtotal Cash Received** |   | $83,333  | $83,333  | $83,333  | $88,889  | $95,556  | $100,000  | $111,111  | $711,111  | $132,222  | $137,222  | $142,222  | **$131,667**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Expenditures** |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **Expenditures from Operations** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Cash Spending** |   | $81,447  | $81,447  | $81,447  | $86,377  | $92,294  | $96,239  | $106,100  | $109,775  | $133,378  | $136,466  | $141,166  | **$131,798**  |
| **Bill Payments** |   | $1,000  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Subtotal Spent on Operations** |   | $82,447  | $81,447  | $81,447  | $86,377  | $92,294  | $96,239  | $106,100  | $109,775  | $133,378  | $136,466  | $141,166  | **$131,798**  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Additional Cash Spent** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Sales Tax, VAT, HST/GST**  |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Principal Repayment of Current Borrowing** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Other Liabilities Principal Repayment** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $350,000  | $0  | $0  | $0  | **$0**  |
| **Long-term Liabilities Principal Repayment** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Purchase Other Current Assets** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $100,000  | $0  | $0  | $0  | **$0**  |
| **Purchase Long-term Assets** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Dividends** |   | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Subtotal Cash Spent** |   | $82,447  | $81,447  | $81,447  | $86,377  | $92,294  | $96,239  | $106,100  | $559,775  | $133,378  | $136,466  | $141,166  | **$131,798**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Net Cash Flow** |   | $887  | $1,887  | $1,887  | $2,512  | $3,262  | $3,762  | $5,012  | $151,337  | ($1,156) | $757  | $1,057  | **($131)** |
| **Cash Balance** |   | **$4,259**  | **$6,145**  | **$8,032**  | **$10,543**  | **$13,805**  | **$17,566**  | **$22,578**  | **$173,914**  | **$172,758**  | **$173,515**  | **$174,571**  | **$174,440**  |

**Table: Balance Sheet**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Pro Forma Balance Sheet*** |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
| **Assets** | Starting Balances |   |   |   |   |   |   |   |   |   |   |   |   |
| **Current Assets** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Cash** | $3,372  | $4,259  | $6,145  | $8,032  | $10,543  | $13,805  | $17,566  | $22,578  | $173,914  | $172,758  | $173,515  | $174,571  | **$174,440**  |
| **Other Current Assets** | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $100,000  | $100,000  | $100,000  | $100,000  | **$100,000**  |
| **Total Current Assets** | $3,372  | $4,259  | $6,145  | $8,032  | $10,543  | $13,805  | $17,566  | $22,578  | $273,914  | $272,758  | $273,515  | $274,571  | **$274,440**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Long-term Assets** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Long-term Assets** | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | $126,315  | **$126,315**  |
| **Accumulated Depreciation** | $123,142  | $123,293  | $123,444  | $123,595  | $123,746  | $123,897  | $124,048  | $124,199  | $124,350  | $124,501  | $124,652  | $124,803  | **$124,954**  |
| **Total Long-term Assets** | $3,173  | $3,022  | $2,871  | $2,720  | $2,569  | $2,418  | $2,267  | $2,116  | $1,965  | $1,814  | $1,663  | $1,512  | **$1,361**  |
| **Total Assets** | $6,545  | $7,281  | $9,016  | $10,752  | $13,112  | $16,223  | $19,833  | $24,694  | $275,879  | $274,572  | $275,178  | $276,083  | **$275,801**  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Liabilities and Capital** |   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | **Dec** |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Current Liabilities** |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Accounts Payable** | $1,000  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Current Borrowing** | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Other Current Liabilities** | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $0  | $0  | $0  | $0  | **$0**  |
| **Subtotal Current Liabilities** | $351,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $0  | $0  | $0  | $0  | **$0**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Long-term Liabilities** | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | **$0**  |
| **Total Liabilities** | $351,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $350,000  | $0  | $0  | $0  | $0  | **$0**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Paid-in Capital** | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $0  | $600,000  | $600,000  | $600,000  | $600,000  | **$600,000**  |
| **Retained Earnings** | ($363,334) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | ($344,455) | **($344,455)** |
| **Earnings** | $18,879  | $1,736  | $3,471  | $5,207  | $7,567  | $10,677  | $14,288  | $19,148  | $20,334  | $19,027  | $19,632  | $20,538  | **$20,256**  |
| **Total Capital** | ($344,455) | ($342,720) | ($340,984) | ($339,249) | ($336,888) | ($333,778) | ($330,167) | ($325,307) | $275,879  | $274,572  | $275,178  | $276,083  | **$275,801**  |
| **Total Liabilities and Capital** | $6,545  | $7,281  | $9,016  | $10,752  | $13,112  | $16,223  | $19,833  | $24,694  | $275,879  | $274,572  | $275,178  | $276,083  | **$275,801**  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| **Net Worth** | **($344,455)** | **($342,720)** | **($340,984)** | **($339,249)** | **($336,888)** | **($333,778)** | **($330,167)** | **($325,307)** | **$275,879**  | **$274,572**  | **$275,178**  | **$276,083**  | **$275,801**  |