**Business Plan For Fiscal Year 2019**

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**EXECUTIVE SUMMARY**

[JMC] works to satisfy the clients’ needs for effective and advanced marketing strategies to help their businesses get ahead of their respective industry. The company is led by [John M. Cisneros] who has a twenty-year experience in the marketing and advertising industry. The company will be well-equipped with advanced methods and tools to identify the clients’ core needs that can help devise an effective strategy for their business. This alone puts the company ahead over its competitors.

The company is composed of a team of experts who has over three decades of combined experience in the field. They keep themselves updated with the latest trends in the industry and always strive to stay ahead of the curve.

**COMPANY OVERVIEW**

**Mission Statement**

[JMC] strives to keep the businesses of its clients ahead of their respective industries by providing solutions that are simple, innovative, effective, and efficient.

**Philosophy**

[JMC] maintains a customer-first environment, giving each client the service that exceeds expectations. It will not call itself a service provider until optimum results are being met.

**Vision**

[JMC] seeks to be one of the largest marketing and advertising solutions provider that helps drive tremendous growth to every business.

**Outlook**

Marketing and advertising have greatly evolved since the dawn of the Internet. Many businesses have lagged behind the trend due to lack of understanding of the current demands of the new market. This is why many companies have turned to the expert care of consultants to help them navigate through the waves of digital and online marketing, advertising, and sales.

Over the past five years, corporate expenditure for advertising has increased resulting in higher demands for consulting services. Clients are spending more on advertising which has led to an industry revenue growth rate of [6.2]% to reach a revenue of $[55 billion] in [2018]. The improving economy and the [3.4]% growth in the number of businesses in the United States have also contributed to the demand.

**Type of Industry:** Marketing Industry

**Business Structure:** [Limited Liability Company]

**Ownership:** LLC, [John M. Cisneros], [Jeff C. Brown], and [Mary T. Hamilton]

**Start-Up Summary**

The cost of the start-up worth $[150,000] is shared by the owners. Founder John Cisneros provided $[90,000] and his partners [Jeff Brown] and [Mary Hamilton] funded $40,000 and $20,000 respectively. The total funds will be used for supplies, payroll, maintenance, marketing initiatives, and rent.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $60,000 |
| Start-Up Assets | $90,000 |
| **Total Funding Required** | **$150,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $40,000 |
| Cash Requirements from Start-up | $20,000 |
| Additional Cash Raised | $10,000 |
| Cash Balance on Starting Date | $20,000 |
| **Total Assets** | **$90,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owner | $150,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$150,000** |
| Loss at Start-Up (Start-Up Expenses) | -$60,000 |
| **Total Capital** | **$90,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$90,000** |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $10,000 |
| Advertising | $3,500 |
| Legal Fees | $2,500 |
| Staff Training | $10,000 |
| Insurance | $3,000 |
| Other | $31,000 |
| **Total Start-Up Expenses** | **$60,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $50,000 |
| Start-Up Inventory | $10,000 |
| Other Current Assets | $10,000 |
| Long-Term Assets | $20,000 |
| **Total Assets** | **$90,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$150,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Jeff Brown] | Managing Director | Leadership, Time Management, Public Relations, and Effective Decision Making |
| [Mary Hamilton] | Marketing Manager | Attention to Detail, Organization, Networking, and Adaptability |
| [John Mason] | Online Advertising Manager | Creative, Innovative, Effective Communication, and Project Management |

**Short- and Long-Term Goals and Milestones:**

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Build a strong, effective, and efficient supporting staff | Hired client strategist and media specialist and advanced specialization training is underway |
| Earn [30]% of the profits from the members’ previous clients and connections. | The founders have brought with them their vast connection of customers |
| **Long-Term Goals** | **Milestones** |
| Increase profit margin by [3]% each year for the first three years of operation | Sales and marketing strategies are currently formulated. |
| Provide the best quality of customer service | All the company’s staff will be trained in the best client handling practices. |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[JMC] helps its clients drive their businesses forward by providing them with expert advice and solutions to help them navigate the unstable tide of the marketing and advertising world.

**Value Proposition**

[JMC] utilizes advanced business analysis tools to best diagnose business problems and device the best solution and strategy. The company will perform intensive research to determine the behavior and buying patterns of the clients’ target market and predict the incoming trends based on the data collected.

**Pricing Strategy**

Consultation prices will vary depending on the duration, size, and difficulty of the project. [JMC] will more likely use a cost-plus pricing strategy to cover for the costs while still making a healthy profit.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[JMC]

Profit Margin = 1 - ($242,000/$800,000)

= 1-0.30

= 0.70 or 70%

**EXECUTION**

**Marketing Plan:**

[JMC’s] marketing plan focuses on building strong networks among previous, existing, and potential clients. The company understands that in order to be successful in the consulting business, it must cultivate a vast network of clientele and thrive mainly on the power of word-of-mouth. Building a strong online presence will also be part of the company’s initiatives to effectively spread brand awareness.

**Market Research**

Now that the economy has started improving, many businesses have also improved their profitability and started gaining extra money to spare on other expenditures. Many of these businesses have preferred to spend on marketing campaigns, research, and advertising. This has resulted in a higher demand for marketing and advertising advisory services.

For the past five years, many companies sought the expertise of advertising consultants to help them navigate the unsteady waters of digital marketing and online advertising. This demand has resulted in steady growth for the industry which has amassed a total revenue of $[54.8 billion] dollars in [2018]. Since [2013] the marketing consulting industry has grown a steady rate of [6.2]% each year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [JMC] | * Advanced tools and strategies * Highly-competent industry experts * Vast client connections | * High overhead costs * Limited funding opportunities | * An improving economy that leads to an increase in advertising expenditure * Trends in multimedia advertising that have a direct effect on the industry | * A decrease in the business sentiment index * Preexisting business leaders in the industry |
| [Diversity Marketing Services] | * Has been in the business for a decade | * Has not fully caught up with the latest online advertising trends | * The increasing business confidence index | * The poor performance of the economy * New competitors with advanced advertising strategies |
| [LitFab Corp.] | * Specialized * Large corporation with a huge client base | * Service is only limited within its specialty | * Preexisting strong professional network * Availability of funding | * New laws that might increase the cost for consultants |

**Marketing Strategy**

Although it will be leveraging the power of digital advancement, the company will not only rely on online medium to market and spread brand awareness. The heart of [JMC’s] marketing strategy will be the value and quality of its services. With this, the company will mainly rely on word-of-mouth, active networking, brand promotion, and its good reputation, to be able to gain new clients and expand its client base.

To supplement this initiative, the company will build its online presence across essential online mediums such as Twitter, Facebook, LinkedIn, and a company website. Valuable contents will be produced and posted regularly and will be optimized to increase their visibility across all search engines.

The team has started marketing initiatives by executing several important activities. Below are their progress so far:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Service quality enhancement | Hired experienced consultants and supporting staff | January 25, 2019 | Increase customer satisfaction and referrals |
| Content marketing | Will be outsourced to freelance content creators | March 1, 2019 | Enough contents to be uploaded regularly across social media platforms |
| Website set-up | Hire a web developer and designer | February 28, 2019 | The website will be launched on the target date. |

**Organizational Structure:**

****

**OPERATIONAL PLAN**

**Location and Facilities**

Provide a sketch or blueprint of the facility.

Provide photos or images of the location/facility.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| Excel | 1 |
| Google Analytics | 1 |
| **Hardware** | **Quantity** |
| Desktop Computers | 7 |
| Printer | 2 |
| Network Server Solution | 1 |

**IT Infrastructure**

This following is [JMC’s] current IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Wireless Router | Y | To provide access to the internet |
| Analytics Software | Y | Tracks and reports website traffic |
| Network Servers | Y | Centers the management of workstations to simplify different tasks |

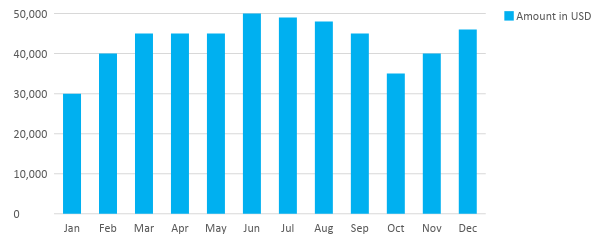
**FINANCIAL PLAN**

**Assumptions**

The following forecast is based on the predicted economic performance for the next three years and the current and predicted trends of the consulting industry. Majority of the expenses will be for supplies, rent, insurances, employee salary, and maintenance.

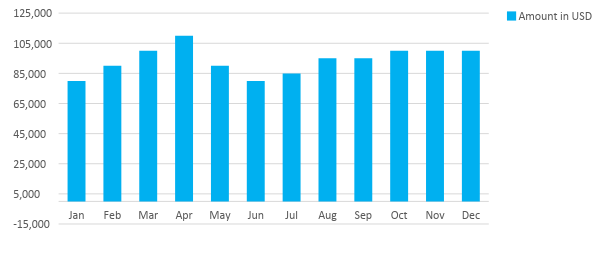
**Monthly Expense**

The chart shows [JMC’s] monthly expense for [2018].



**Monthly Revenue**

The chart depicts [JMC’s] monthly revenue for [2018].



**Business Financing**

The funding of the business is shared among the founders and is worth $[150,000]. [John Cisneros] invested $[90,000], Jeff Brown provided $[40,000], and the rest came from Mary Hamilton worth $[20,000]. Majority of the expenses will go to marketing initiatives, supplies, talent acquisition, payroll, maintenance, and insurances.

**Statements**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $800,000.00 | $1,000,000.00 | $1,200,000.00 |
| Direct Cost of Sale | $500,000.00 | $600,000.00 | $700,000.00 |
| Other Cost of Sale | $100,000.00 | $100,000.00 | $120,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $200,000.00 | $300,000.00 | $380,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $600,000.00 | $700,000.00 | $820,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **75.00%** | **70.00%** | **68.33%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $45,000.00 | $45,000.00 | $50,000.00 |
| Insurance | $20,000.00 | $20,000.00 | $20,000.00 |
| Utilities | $15,000.00 | $15,000.00 | $15,000.00 |
| Salary (Including Tax) | $150,000.00 | $190,000.00 | $200,000.00 |
| Maintenance & Supplies | $12,000.00 | $13,000.00 | $15,000.00 |
| **Total Operating Expenses** | **$242,000.00** | **$283,000.00** | **$300,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$42,000.00 | $17,000.00 | $80,000.00 |
| Depreciation | $12,000.00 | $12,000.00 | $14,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $15,000.00 | $17,000.00 | $19,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$343,000.00** | **$400,000.00** | **$501,000.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $100,000.00 | $140,000.00 | $150,000.00 |
| Accounts Receivable | $20,000.00 | $25,000.00 | $30,000.00 |
| Inventory | $5,000.00 | $6,000.00 | $7,000.00 |
| Other Current Assets | $24,000.00 | $24,000.00 | $25,000.00 |
| Total Current Assets | **$149,000.00** | **$195,000.00** | **$212,000.00** |
|  |  |  |  |
| Long-Term Assets | $50,000.00 | $50,000.00 | $55,000.00 |
| Accumulated Depreciation | $12,000.00 | $12,000.00 | $14,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $38,000.00 | $38,000.00 | $41,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$187,000.00** | **$233,000.00** | **$253,000.00** |
|  |  |  |  |
| Accounts Payable | $15,000.00 | $25,000.00 | $30,000.00 |
| Notes Payable | $20,000.00 | $25,000.00 | $35,000.00 |
| Other | $5,000.00 | $5,000.00 | $6,000.00 |
| Total Liabilities | **$40,000.00** | **$55,000.00** | **$71,000.00** |
|  |  |  |  |
| Paid-in Capital | $15,000.00 | $15,000.00 | $15,000.00 |
| Retained Earnings | $600,000.00 | $700,000.00 | $820,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$147,000.00** | **$178,000.00** | **$182,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **27.21%** | **30.90%** | **39.01%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2020** |
| Operating Cash Beginning | $100,000.00 | $140,000.00 | $150,000.00 |
|  |  |  |  |
| **Sources of Cash** | $50,000.00 | $55,000.00 | $70,000.00 |
| Receivables | $20,000.00 | $25,000.00 | $35,000.00 |
| Sales | $800,000.00 | $1,000,000.00 | $1,200,000.00 |
| Others | $4,000.00 | $5,000.00 | $6,000.00 |
| **Total Cash** | $974,000.00 | $1,225,000.00 | $1,461,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $45,000.00 | $45,000.00 | $50,000.00 |
| Insurance | $20,000.00 | $20,000.00 | $20,000.00 |
| Utilities | $15,000.00 | $15,000.00 | $15,000.00 |
| Salary (Including Tax) | $150,000.00 | $190,000.00 | $200,000.00 |
| Maintenance & Supplies | $12,000.00 | $13,000.00 | $15,000.00 |
| **Total Expenditures** | $242,000.00 | $283,000.00 | $300,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$732,000.00** | **$942,000.00** | **$1,161,000.00** |