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**EXECUTIVE SUMMARY**

[Royal Flush Plumbing Company] is a licensed plumbing company that is based in [Boston], [Massachusetts]. The company will focus on servicing residential buildings.

[Royal Flush Plumbing Company] will handle plumbing services such as installing and maintaining plumbing fixtures, emergency repair jobs, etc. The company seeks to become the leading plumbing company in the growing residential community of [Boston], [Massachusetts].

**COMPANY OVERVIEW**

**Mission Statement:** To provide the finest plumbing services to households, ensuring their plumbing systems are always in their best conditions.

**Philosophy:** [Royal Flush Plumbing Company] believes that in order for it to succeed, it will have to:

* Attract clients by offering fair prices.
* Show outstanding handiwork that exceeds the client’s expectations.

**Vision:** To be recognized as the leader in residential plumbing services in [Boston].

**Outlook:** One difference between the previous and today’s generation is the transition from a do-it-yourself mentality to a do-it-for-me mentality. This is because time has become more precious than money. Therefore, the plumbing industry will continue to grow as long as people, who do not have time to spare, continue to seek out companies that can fix their plumbing problems at their homes.

**Type of Industry:** Plumbing Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Omar F. Smith]

**Start-Up Summary**: The total start-up cost for Royal Flush Plumbing Company is [$62,232.52], which will be fully provided by the owner, [Omar F. Smith]. The amount that will be invested in the company will be used for operating expenses, advertising, and insurance.

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| **Start-Up Funding** | |
| Start-Up Expenses | $ 7,783.23 |
| Start-Up Assets | $ 54,449.29 |
| **Total Funding Required** | **$ 62,232.52** |
|  | |
| Assets | |
| Non-Cash Assets from Start-Up | $ 32,777.40 |
| Cash Requirements from Start-up | $ 17,455.86 |
| Additional Cash Raised | $ - |
| Cash Balance on Starting Date | $ 4,216.03 |
| **Total Assets** | **$ 54,449.29** |
|  | |
| Capital | |
| Planned Investment | |
| Owner | $ 62,232.52 |
| Other | $ - |
| Additional Investment Requirement | $ - |
| **Total Planned Investment** | **$ 62,232.52** |
| Loss at Start-Up (Start-Up Expenses) | $ 7,783.23 |
| **Total Capital** | **$ 54,449.29** |
| Liabilities | $ - |
| **Total Capital and Liabilities** | **$ 54,449.29** |
|  | |
| **Start-Up** | |
| Requirements | |
| Start-Up Expenses | |
| Rent | $ - |
| Advertising | $ 1,045.64 |
| Legal Fees | $ 838.23 |
| Staff Training | $ 2,229.36 |
| Insurance | $ 3,474.92 |
| Other | $ 195.08 |
| **Total Start-Up Expenses** | **$ 7,783.23** |
|  | |
| Start-Up Assets | |
| Cash Required | $ 21,671.89 |
| Start-Up Inventory | $ - |
| Other Current Assets | $ 10,028.53 |
| Long-Term Assets | $ 22,748.87 |
| **Total Assets** | **$ 54,449.29** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$ 62,232.52** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Marjorie M. Drew | Head Plumber | Flexibility, Manual Dexterity, and Precision |
| Rosemarie F. Clough | Administrative and Human Resource Manager | Time Management, Problem-solving, Performance Management, and Project Management |

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

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| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Conduct feasibility studies | Completed on January 22, 2019 |
| Remodel the office | Completed on February 13, 2019 |
| **Long-Term Goals** | **Milestones** |
| Train the employees | Identified specific training programs for the employees in March 2019 |
| After five years, the company will offer services to commercial establishments | Identified companies in Boston that can be potential clients. |

**PRODUCTS AND SERVICES**

**Product/Service Description:** [Royal Flush Plumbing Company] will offer plumbing services to the residential areas of [Boston]. The company has chosen to focus on households because it hopes to swiftly gain market shares by serving a specific target. The company will be operating for twenty-four hours a day to better serve the community even during the wee hours.

[Royal Flush Plumbing Company] will offer the following services:

* Installing and maintaining plumbing fixtures
* Working on bathroom and toilet fixtures
* Constructing, cleaning, and repairing drains
* Emergency repair jobs

**Value Proposition:** There are only a few plumbing companies that are consistent in their trim quality. That said, [Royal Flush Plumbing Company] will stand out by having excellent trim quality in every job performance. This is one way to impress the homeowners and build the company’s reputation.

**Pricing Strategy:** [Royal Flush Plumbing Company] will keep the fees for its plumbing services below the average market rate. To maximize profitability, the company will keep its overhead low and will collect advance payments. Also, the company will regularly offer special discounts to all clients, depending on the owner’s judgment.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[Dream Flush Plumbing Company]

Profit Margin = 1 - ($99,154.14/$117,664.63)

= 1-0.8427

= 0.1573 or 15.73%

**EXECUTION**

**Marketing Plan:** [Royal Flush Plumbing Company] conducted feasibility studies in Boston that show a pattern of incompetence when it comes to plumbing services. That said, the company believes that the professionalism and trim quality, which the company showcases, are enough to gain market shares in the community of [Boston]. The company will also leverage the internet to display its finished jobs in hopes of attracting new clients.

**Market Research:** Today, the current number of plumbers does not meet the high demand for plumbing services, which means that there is not much competition in the market. This is exactly why Royal Flush Plumbing Company will devote its services to residential buildings only in order to accommodate and win over a large part of the Boston market.

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| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Royal Flush Plumbing Company | * Focuses on residential buildings * Outstanding trim quality * Affordable Fees | * Focuses on residential buildings only * Lacks financial capacity to promote its business on a large-scale | The residential areas of Boston comprise about 70% of the total market | * Economic downturn * DIY people |
| Mr. Plumber Pants | * World-class brand * Offers a wide range of plumbing services | Expensive fees | Clients always recognize world-class brands first | Companies that offer high-quality plumbing services at an affordable price |
| 24-7 Plumbing Kings | Has established branches all over the United States | Can sometimes be disorganized because of the company’s size | Towns and cities that do not have established plumbing companies yet | Emerging competitors |

**Marketing Strategy:** The plumbing industry thrives on established business networks and referrals. [Royal Flush Plumbing Company] will form healthy client relationships in the residential areas of [Boston], establishing itself as a company that specializes in residential plumbing services. The company will also engage in online advertising campaigns to promote its finished jobs to the public.

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| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Word-of-mouth marketing | Encourage clients to spread the company’s trim quality | Indefinite | There are, at least, twenty-five referrals every month. |
| Networking | Reach out to every household in Boston | March 2019 to September 2019 | The residents of Boston are aware of the company’s services. |
| Online advertising | Post photos of the company’s finished jobs on different social media platforms | Once a week | Each post garners 100 views every week. |

**Organizational Structure:**

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**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**

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| --- | --- |
| **Software** | **Quantity** |
| QuickBooks | 4 |
| Ever note | 7 |
| **Hardware** | **Quantity** |
| Plumbing Tool Kit | 7 |
| Pipe Bender | 4 |

**IT Infrastructure**

The following table reflects the current status or condition of the IT infrastructure of [Royal Flush Plumbing Company].

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Social Media | Y | The company has Facebook and Instagram accounts. |
| Latency Proof | Y | Network connections suffer from no delay. |
| Zero Downtime | Y | There have been no business disruptions due to the network. |
| High-Performance Storage | N | Storage is limited. |

**FINANCIAL PLAN**

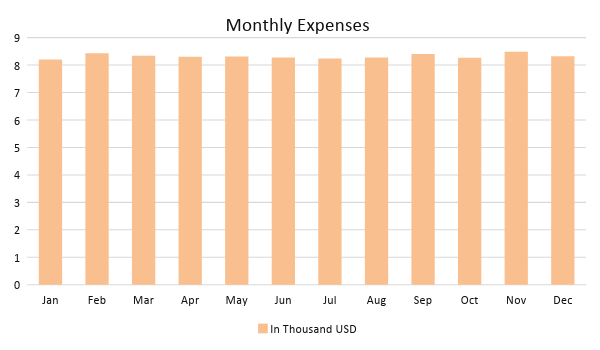
**Assumptions**

The basic assumptions for [Royal Flush Plumbing Company] are as follows:

* The company’s monthly expenses will vary, depending on a wide range of factors such as transportation and operating expenses.
* The company will not reach profitability for the first few months of operations. This is because the company is not fully accepted yet by the community and it has to work hard on building its reputation. But once the company is able to create visibility, the company’s monthly revenues will trend exponentially higher.

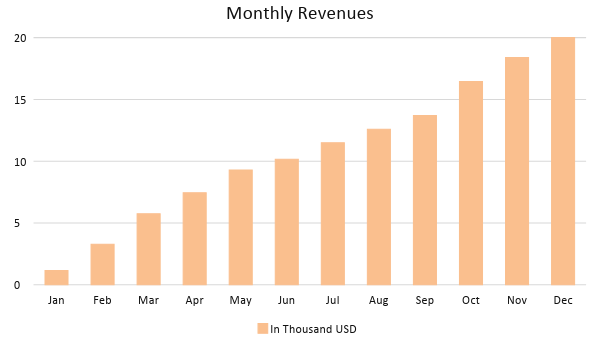
**Monthly Expenses**

The chart shows the projected monthly expenses for [2019].



**Monthly Revenues**

The chart depicts the projected monthly revenues for [2019].

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**Business Financing**

Royal Flush Plumbing Company is owned and managed by [Omar F. Smith] and his immediate family. The company does not welcome external investors, thus restricting the sources of funding.

**Statements**

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| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $ 131,202.66 | $ 190,470.58 | $ 254,979.82 |
| Direct Cost of Sale | $ 13,538.03 | $ 17,230.54 | $ 19,906.38 |
| Other Cost of Sale | $ - | $ - | $ - |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $ 13,538.03 | $ 17,230.54 | $ 19,906.38 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $ 117,664.63 | $ 173,240.04 | $ 235,073.44 |
| **Gross Margin % (Gross Profit/Sales)** | **89.68%** | **90.95%** | **92.19%** |
|  | | | |
| **Operating Expenses** | | | |
| Rent | $ - | $ - | $ - |
| Insurance | $ 6,192.49 | $ 4,821.43 | $ 3,802.12 |
| Utilities | $ 1,731.33 | $ 2,329.15 | $ 2,945.70 |
| Salary (Including Tax) | $ 84,649.04 | $ 95,957.04 | $ 106,299.62 |
| Maintenance & Supplies | $ 6,581.28 | $ 8,737.69 | $ 10,773.20 |
| **Total Operating Expenses** | **$ 99,154.14** | **$ 111,845.31** | **$ 123,820.64** |
|  | | | |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $ 18,510.49 | $ 61,394.73 | $ 111,252.80 |
| Depreciation | $ 4,000.00 | $ 4,000.00 | $ 4,000.00 |
| Interest Expense | $ - | $ - | $ - |
| Taxes Paid | $ 8,929.11 | $ 14,576.55 | $ 18,179.33 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$ 9,581.38** | **$ 46,818.18** | **$ 93,073.47** |

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| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $ 24,739.29 | $ 68,693.71 | $ 92,279.77 |
| Accounts Receivable | $ 15,194.60 | $ 20,441.09 | $ 26,972.03 |
| Inventory | $ - | $ - | $ - |
| Other Current Assets | $ 12,983.20 | $ 13,088.42 | $ 17,285.22 |
| **Total Current Assets** | **$ 52,917.09** | **$ 102,223.22** | **$ 136,537.02** |
|  | | | |
| Long-Term Assets | $ 27,307.26 | $ 30,686.92 | $ 31,549.85 |
| Accumulated Depreciation | $ 2,851.03 | $ 5,696.04 | $ 12,126.32 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $ 24,456.23 | $ 24,990.88 | $ 19,423.53 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$ 77,373.32** | **$ 127,214.10** | **$ 155,960.55** |
|  | | | |
| Accounts Payable | $ 2,701.74 | $ 5,210.92 | $ 6,144.89 |
| Notes Payable | $ 1,577.28 | $ 1,687.79 | $ 1,997.82 |
| Other | $ - | $ - | $ - |
| **Total Liabilities** | **$ 4,279.02** | **$ 6,898.71** | **$ 8,142.71** |
|  | | | |
| Paid-in Capital | $ 62,232.52 | $ 70,572.85 | $ 79,899.57 |
| Retained Earnings | $ 71,982.41 | $ 239,742.48 | $ 490,153.46 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$ 73,094.30** | **$ 120,315.39** | **$ 147,817.84** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **5.85%** | **5.73%** | **5.51%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $ 24,739.29 | $ 68,693.71 | $ 92,279.77 |
|  | | | |
| **Sources of Cash** | $ - | $ - | $ - |
| Receivables | $ 15,194.60 | $ 20,441.09 | $ 26,972.03 |
| Sales | $ 131,202.66 | $ 190,470.58 | $ 254,979.82 |
| Others | $ - | $ - | $ - |
| **Total Cash** | $ 171,136.55 | $ 279,605.38 | $ 374,231.62 |
|  | | | |
| **Expenditures** | | | |
| Rent | $ - | $ - | $ - |
| Insurance | $ 6,192.49 | $ 4,821.43 | $ 3,802.12 |
| Utilities | $ 1,731.33 | $ 2,329.15 | $ 2,945.70 |
| Salary (Including Tax) | $ 84,649.04 | $ 95,957.04 | $ 106,299.62 |
| Maintenance & Supplies | $ 6,581.28 | $ 8,737.69 | $ 10,773.20 |
| **Total Expenditures** | $ 99,154.14 | $ 111,845.31 | $ 123,820.64 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$ 71,982.41** | **$ 167,760.07** | **$ 250,410.98** |