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**EXECUTIVE SUMMARY**

[For Keeps Co] is a start-up real estate agency that will operate in [Poughkeepsie], [New York]. The agency will offer its services to property investors, homeowners, and tenants who are looking for a real estate property in [New York].

[For Keeps] intends to specialize in the acquisition, development, selling, and leasing of residential, commercial, and industrial properties. Though the agency will provide its services to all types of clients, it will focus more on helping retired individuals and couples who are looking for a community that can better accommodate their age group and income levels.

**COMPANY OVERVIEW**

**Mission Statement:** To help the [New York community] residents achieve their goals of owning valuable real estate properties.

**Philosophy:** For Keeps believes that the keys to the agency’s success are the following:

* Superior client service in every aspect of the business.
* Close connections with the clients, maintaining long-term relationships in order to generate repeat business and to build a good reputation.

**Vision:** To be recognized as the leading real estate agency that best understands and meets all real estate needs of the clients in [New York].

**Outlook:** In the [United States], the real estate industry has experienced a growth rate of about [8%] over the last decade. On the other hand, the retirement industry has also been growing at about [3%] every year. [For Keeps Co] will capitalize on these rapid-growing industries in hopes of maximizing profits while aiding property investors, homeowners, and tenants.

**Type of Industry:** Real Estate Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Micah T. Baker]

**Start-Up Summary**: The total start-up cost is [$73,806.29], which will be fully provided by the owner, [Micah T. Baker]. The amount will be used for operating expenses, rent, advertising, and insurance.

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| **Start-Up Funding** |
| Start-Up Expenses | $ 19,712.81 |
| Start-Up Assets | $ 54,093.48 |
| **Total Funding Required** | **$ 73,806.29** |
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| Assets |
| Non-Cash Assets from Start-Up | $ 8,521.76 |
| Cash Requirements from Start-up | $ 31,706.20 |
| Additional Cash Raised | $ - |
| Cash Balance on Starting Date | $ 13,865.52 |
| **Total Assets** | **$ 54,093.48** |
|  |
| Capital |
| Planned Investment |
| Owner | $ 73,806.29 |
| Other | $ - |
| Additional Investment Requirement | $ - |
| **Total Planned Investment** | **$ 73,806.29** |
| Loss at Start-Up (Start-Up Expenses) | $ 19,712.81 |
| **Total Capital** | **$ 54,093.48** |
| Liabilities | $ - |
| **Total Capital and Liabilities** | **$ 54,093.48** |
|  |
| **Start-Up** |
| Requirements |
| Start-Up Expenses |
| Rent | $ 3,053.04 |
| Advertising | $ 6,430.25 |
| Legal Fees | $ 761.62 |
| Staff Training | $ - |
| Insurance | $ 1,478.90 |
| Other | $ 7,989.00 |
| **Total Start-Up Expenses** | **$ 19,712.81** |
|  |
| Start-Up Assets |
| Cash Required | $ 45,571.72 |
| Start-Up Inventory | $ - |
| Other Current Assets | $ 3,436.90 |
| Long-Term Assets | $ 5,084.86 |
| **Total Assets** | **$ 54,093.48** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$ 73,806.29** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Sam M. Moran | Project Manager | Communication, Leadership, Negotiation, and Risk Management |
| Jerry B. Knorr | Head, Acquisitions and Dispositions | Leadership, Analytical, Negotiation, and Accounting |

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

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| **Short-Term Goals** | **Milestones** |
| Conduct feasibility studies | Completed on January 22, 2019 |
| Establish funding’s | Completed on February 13, 2019 |
| **Long-Term Goals** | **Milestones** |
| Hire 10 real estate agents | 4 out of 10 real estate agents were hired. |
| Acquire real estate properties in New York | Acquisition of the first property is expected within March 2019. |

**PRODUCTS AND SERVICES**

**Product/Service Description:** [For Keeps] will focus on working with investors and buyers, mostly retired individuals and couples in their purchase or rental of a real estate property. The agency will collaborate with mortgage lenders on behalf of clients who would like to purchase properties that they found attractive.

[For Keeps Co] will offer real estate services, including the following:

* Provide consulting services during the buying and selling processes.
* Look for real estate properties in [New York] that are available for purchase or rent, making sure each property meets the client’s expectations.
* Counsel clients on how to handle any essential repairs on the real estate property.

**Value Proposition:** The owner, [Micah T. Baker], utilizes a hands-on approach in managing the agency. She personally assesses the quality and risk factors of each asset, thus ensuring successful outcomes.

**Pricing Strategy:** For Keeps will adopt the pricing scheme that the real estate industry has set in the US market.

**Formula:**

Profit Margin = 1- (Expenses/Net Sales)

For Keeps Co

Profit Margin = 1 - ($240,606.29/$823,551.08)

 = 1-0.2922

 = 0.7078 or 70.78%

**EXECUTION**

**Marketing Plan:** [For Keeps Co] will establish strong visibility in the real estate market of [New York] by networking with mortgage lenders, real estate attorneys, insurance agents, and real estate inspectors. This will further enhance the agency’s reputation and will set the business as the leading real estate agency within the metropolitan and suburban areas.

**Market Research:** Many retired individuals and couples are looking to buy new homes in the suburban areas of New York. On the other hand, many retired individuals are seeking valuable investments where they can rely on for a steady stream of income aside from receiving their monthly pensions. These two groups are the agency’s target market.

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| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| For Keeps Co | * Has a clear understanding of the market and its direction
* Available investment capital
 | * A new agency
* Not known to many property investors
 | Increasing number of retired individuals and couples | * A growing number of competitors
* Shirking property valuations
 |
| Brick Lane Realty | * World-class brand
* An experienced real estate investor
 | Expensive fees and high interest rates | The clients always recognize world-class companies first | Companies that offer high-quality real estate properties at an affordable price |
| Sterling Property Advisors | Has several networks of business | Has limited number of available real estate properties | Capitalize on hidden real estates | Unfavorable government policies |

**Marketing Strategy:** [For Keeps Co] will focus on three strategies: advertising campaigns, cold calling, and networking with real estate investors. These strategies will create awareness for the agency, increasing client interactions that can potentially lead to profits.

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| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Advertising Campaigns | * Advertise the agency in printed materials such as newspapers and brochures.
* Conduct online advertising by paying certain websites and personalities to endorse the agency.
 | March 2019 to December 2019 | There are, at least, forty client interactions every week. |
| Cold Calling | Conduct 100 cold calls per day. | Daily | Attract one client per day. |
| Networking | Establish long-term business relationships with real estate investors. | Indefinite | The New York community is aware of the agency’s services. |

**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 |
| Kiss flow | 7 |
| **Hardware** | **Quantity** |
| Computer | 7 |
| Laptop | 4 |

**IT Infrastructure**

The following table reflects the current status or condition of the company’s IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **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 | Y | Storage is vast. |

**FINANCIAL PLAN**

**Assumptions**

The basic assumptions for Keeps Co are as follows:

* The company’s monthly expenses will vary, depending on a wide range of factors such as maintenance costs and operating expenses. Expenses usually peak in December because this is when most employees are given bonuses.
* The company’s monthly revenues will start out small since it will be focusing on building its brand in the first few months of operations. However, the company will experience boosts in sales during springtime [March to June], before school starts [June and July], and during the holiday season [November to December].

**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**

[For Keeps Co] is a privately owned real estate agency that is managed by [Micah T. Baker]. The agency does not welcome external investors, thus restricting the major sources of funding only to [Micah T. Baker].

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $ 1,326,934.21 | $ 1,799,502.79 | $ 2,521,746.56 |
| Direct Cost of Sale | $ 503,383.13 | $ 644,190.82 | $ 788,793.55 |
| Other Cost of Sale | $ - | $ - | $ - |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $ 503,383.13 | $ 644,190.82 | $ 788,793.55 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $ 823,551.08 | $ 1,155,311.97 | $ 1,732,953.01 |
| **Gross Margin % (Gross Profit/Sales)** | **62.06%** | **64.20%** | **68.72%** |
|  |
| **Operating Expenses** |
| Rent | $ 28,212.36 | $ 28,991.07 | $ 29,021.09 |
| Insurance | $ 13,192.46 | $ 13,667.44 | $ 15,120.74 |
| Utilities | $ 1,329.51 | $ 1,392.34 | $ 1,406.23 |
| Salary (Including Tax) | $ 132,662.81 | $ 132,767.96 | $ 132,910.82 |
| Maintenance & Supplies | $ 65,209.15 | $ 66,307.61 | $ 66,404.35 |
| **Total Operating Expenses** | **$ 240,606.29** | **$ 243,126.42** | **$ 244,863.23** |
|  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $ 582,944.79 | $ 912,185.55 | $ 1,488,089.78 |
| Depreciation | $ - | $ - | $ - |
| Interest Expense | $ - | $ - | $ - |
| Taxes Paid | $ 236,194.29 | $ 320,311.50 | $ 448,870.89 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$ 346,750.50** | **$ 591,874.05** | **$ 1,039,218.89** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $ 240,235.56 | $ 811,093.45 | $ 1,607,787.08 |
| Accounts Receivable | $ - | $ - | $ - |
| Inventory | $ - | $ - | $ - |
| Other Current Assets | $ 4,430.93 | $ 5,589.57 | $ 6,845.44 |
| **Total Current Assets** | **$ 244,666.49** | **$ 816,683.02** | **$ 1,614,632.52** |
|  |
| Long-Term Assets | $ 7,910.57 | $ 8,703.74 | $ 9,738.04 |
| Accumulated Depreciation | $ 553.74 | $ 1,424.11 | $ 2,690.06 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $ 7,356.83 | $ 7,279.63 | $ 7,047.98 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$ 252,023.32** | **$ 823,962.65** | **$ 1,621,680.50** |
|  |
| Accounts Payable | $ 31,278.82 | $ 24,312.64 | $ 17,140.43 |
| Notes Payable | $ - | $ - | $ - |
| Other | $ - | $ - | $ - |
| **Total Liabilities** | **$ 31,278.82** | **$ 24,312.64** | **$ 17,140.43** |
|  |
| Paid-in Capital | $ 73,806.29 | $ 78,972.73 | $ 83,401.11 |
| Retained Earnings | $ 1,326,563.48 | $ 3,694,033.30 | $ 7,578,703.71 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$ 220,744.50** | **$ 799,650.01** | **$ 1,604,540.07** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **14.17%** | **3.04%** | **1.07%** |

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| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $ 240,235.56 | $ 811,093.45 | $ 1,607,787.08 |
|  |
| **Sources of Cash** | $ - | $ - | $ - |
| Receivables | $ - | $ - | $ - |
| Sales | $ 1,326,934.21 | $ 1,799,502.79 | $ 2,521,746.56 |
| Others | $ - | $ - | $ - |
| **Total Cash** | $ 1,567,169.77 | $ 2,610,596.24 | $ 4,129,533.64 |
|  |
| **Expenditures** |
| Rent | $ 28,212.36 | $ 28,991.07 | $ 29,021.09 |
| Insurance | $ 13,192.46 | $ 13,667.44 | $ 15,120.74 |
| Utilities | $ 1,329.51 | $ 1,392.34 | $ 1,406.23 |
| Salary (Including Tax) | $ 132,662.81 | $ 132,767.96 | $ 132,910.82 |
| Maintenance & Supplies | $ 65,209.15 | $ 66,307.61 | $ 66,404.35 |
| **Total Expenditures** | $ 240,606.29 | $ 243,126.42 | $ 244,863.23 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$ 1,326,563.48** | **$ 2,367,469.82** | **$ 3,884,670.41** |