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**EXECUTIVE SUMMARY**

[Fix It Bob] is a handyman service provider that offers any type of handyman services in the small neighborhoods in [Tucson], [Arizona]. It mainly caters to customers who have a small budget for the repair and maintenance needs of their homes, from simple cable repairs to time-consuming detail work. [Fix It Bob] will do all the work efficiently and cost-effectively.

[Fix It Bob] sees the need for affordable handyman services in the city. Most of the service providers only offer specialized services, capable of only doing certain jobs, and thus, often charge high rates. [Fix It Bob] is one of the few businesses that is licensed on a variety of trades.

**COMPANY OVERVIEW**

**Mission Statement**

[Fix It Bob] aims to provide consistent, high-quality, and affordable handyman services.

**Philosophy**

[Fix It Bob] believes that customer satisfaction is the ultimate measurement of success. The company’s operation is built on this belief and will consistently strive for excellence.

**Vision**

[Fix It Bob] seeks to become a cornerstone of the community; to be one of the most highly sought and reputable handyman service in [Tucson], [Arizona].

**Outlook**

The handyman business has experienced considerable growth in the last [five] years in the [United States]. Investments in home improvement and the rebound in home construction have greatly contributed to this growth. The industry has generated a revenue of $[4 billion] in [2018] fueled by its [6.2]% annual growth since [2013]. The number of businesses has also grown by [2.5]% within the same time frame.

It is said that the industry will continue to experience these benefits in the coming years as the housing construction and private spending on home improvement rises in [2019].

**Type of Industry:** Home Improvement Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Bob C. Mcmillan]

**Start-Up Summary**

The cost of the start-up is $[60,000] funded by the owner and will be used for the tools, supplies, rent, payroll, permits, and insurance policies.

|  |
| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $20,000 |
| Start-Up Assets | $40,000 |
| **Total Funding Required** | **$60,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $10,000 |
| Cash Requirements from Start-up | $12,000 |
| Additional Cash Raised | $6,000 |
| Cash Balance on Starting Date | $12,000 |
| **Total Assets** | **$40,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $60,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$60,000** |
| Loss at Start-Up (Start-Up Expenses) | -$20,000 |
| **Total Capital** | **$40,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$40,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $2,500 |
| Advertising | $1,500 |
| Legal Fees | $1,000 |
| Staff Training | $10,000 |
| Insurance | $3,000 |
| Other | $2,000 |
| **Total Start-Up Expenses** | **$20,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $30,000 |
| Start-Up Inventory | $3,000 |
| Other Current Assets | $3,000 |
| Long-Term Assets | $4,000 |
| **Total Assets** | **$40,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$60,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Andy S. Compos] | Business Manager/Senior Handyman | Team Handling, Business Management, Negotiation, and Creative |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Increase profit margin by [3]% within the first fiscal year | Marketing and sales efforts have already started. |
| Increase client base by [5]% within the first fiscal year | Brochures, full-page ads, and fliers are already being made. |
| **Long-Term Goals** | **Milestones** |
| Lower operating cost by [15]% over the next three years | Improve pricing strategies and train staff to be efficient |
| Increase market share by [10]% over the next five years | Continuously improve service, marketing strategies, and pricing strategies |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Fix It Bob] has a wide range of handyman services that include plumbing, electrical, drywall & paint, carpentry, HVAC, decks & patios, and remodeling & renovation.

**Value Proposition**

[Fix It Bob] distinguishes itself as one of the few handyman service providers that offer a wide range of services that reach the low-income bracket community with its highly affordable prices.

**Pricing Strategy**

[Fix It Bob] charges customers on a per hour basis and follows a cost-plus pricing strategy to earn a decent profit.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[Fix It Bob]

Profit Margin = 1 - ($86,000/$180,000)

 = 1-0.48

 = 0.52 or 52%

**EXECUTION**

**Marketing Plan**

[Fix It Bob] plans to spread awareness through local advertising mediums such as television, radio, magazine, brochures, fliers, and business cards. It will also make use of strategies such as loyalty and referral discounts, and coupons to attract and retain its customers.

**Market Research**

The handyman service industry is a $[4 billion] industry which has an annual growth of [6.2]% as of [2018]. The key factor that has affected this growth is the surge of private investments in home improvement. This expenditure has been protected from the market’s volatility because of the nature of repair projects. Home improvement spending will continue to rise along with the growth of housing construction and, in turn, provide tremendous opportunities in the home improvement services industry.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Fix It Bob] | * Experienced employees
* Fast and efficient system and service
* Lower overhead
 | * Still has a few employees
 | * The large pool of potential clients in the city
 | * Increasing competition in the marketplace and the number of growing businesses in the industry
* Abrupt technological changes
 |
| [Just Screw It! Repair Services] | * Specializes in repairs
* An expert in the trade
 | * Expensive
* Operates with old equipment
 | * Increase in the business’ ability to borrow money for renovation and repair services
 | * A rise in interest rates causing a decrease in credit access
 |
| [Yes We Can Handyman] | * Has a healthy funding
* Decent client base
* Good quality of service
 | * Growth is currently stagnant
* Has yet to adapt to current market changes
 | * Increase homeowners expenditure for home improvement
 |  |

**Marketing Strategy**

[Fix It Bob] heavily relies on word of mouth. Moreover, it will focus its initiatives on promoting the brand locally through brochures, fliers, banners, vehicle signs, television and radio ads, and local directories. To further attract customers, it will also make use of coupons, referral discounts, and loyalty gifts and freebies.

The company will also set up a website that will be optimized to increase its search engine ranking. The team has begun carrying out several activities to drive the marketing strategy forward. Below are some of the updates:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| TV and radio ads | Will hire copywriters and video scriptwriters to conceptualize an effective ad | April 1, 2019 | A powerful and persuasive message will be created. |
| Vehicle signs | Company van is printed with brand logo, slogan, and contact details | February 20, 2019 | Van is ready for operation with brand logo and company details. |
| Coupons and discounts | Has formulated pricing for coupons and has created a referral program | January 1, 2019 | Coupons are to be given to new customers and loyal patrons. |

**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** |
| QuickBooks | 1 |
| MS Excel | 1 |
| **Hardware** | **Quantity** |
| Hammers | 4 |
| Pliers | 4 |
| Spanners | 3 |

**IT Infrastructure**

The following table reflects [Fix It Bob’s] IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Accounting software | Y | Installed QuickBooks for managing the company finances. |
| Router | Y | Computers are able to seamlessly access the Internet. |

**FINANCIAL PLAN**

**Assumptions**

The following financial plan is made considering the following factors: trends in the handyman industry, market saturation, housing construction, and economic growth. The company’s key expenses will be on tools, marketing materials, maintenance, permits and insurance policies, training, payroll, and rent.

**Monthly Expense**

The chart below depicts the company’s projected monthly expenses for [2019].



**Monthly Revenue**

The chart below shows the company’s projected monthly revenue for [2019].



**Business Financing**

The $[60,000] fund for the business came entirely from the owner which will be spent on rent, tools, supplies, marketing materials, ads, insurances, permits, and payroll.

**Statements**

|  |
| --- |
| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $180,000.00 | $190,000.00 | $200,000.00 |
| Direct Cost of Sale | $101,000.00 | $120,000.00 | $130,000.00 |
| Other Cost of Sale | $9,000.00 | $10,000.00 | $11,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $70,000.00 | $60,000.00 | $59,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $110,000.00 | $130,000.00 | $141,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **61.11%** | **68.42%** | **70.50%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $20,000.00 | $23,000.00 | $25,000.00 |
| Insurance | $9,000.00 | $9,000.00 | $11,000.00 |
| Utilities | $12,000.00 | $10,000.00 | $10,000.00 |
| Salary (Including Tax) | $40,000.00 | $45,000.00 | $50,000.00 |
| Maintenance & Supplies | $5,000.00 | $4,000.00 | $3,000.00 |
| **Total Operating Expenses** | **$86,000.00** | **$91,000.00** | **$99,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$16,000.00 | -$31,000.00 | -$40,000.00 |
| Depreciation | $3,000.00 | $3,000.00 | $3,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $2,000.00 | $2,500.00 | $3,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$22,000.00** | **$36,500.00** | **$39,000.00** |

|  |
| --- |
| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $110,000.00 | $130,000.00 | $141,000.00 |
| Accounts Receivable | $8,000.00 | $9,000.00 | $11,000.00 |
| Inventory | $4,000.00 | $4,000.00 | $5,000.00 |
| Other Current Assets | $3,000.00 | $4,000.00 | $5,000.00 |
| Total Current Assets | **$125,000.00** | **$147,000.00** | **$162,000.00** |
|  |  |  |  |
| Long-Term Assets | $13,000.00 | $14,000.00 | $15,000.00 |
| Accumulated Depreciation | $3,000.00 | $3,000.00 | $4,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $10,000.00 | $11,000.00 | $11,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$135,000.00** | **$158,000.00** | **$173,000.00** |
|  |  |  |  |
| Accounts Payable | $15,000.00 | $16,000.00 | $17,000.00 |
| Notes Payable | $11,000.00 | $12,000.00 | $10,000.00 |
| Other | $1,000.00 | $1,500.00 | $2,500.00 |
| Total Liabilities | **$27,000.00** | **$29,500.00** | **$29,500.00** |
|  |  |  |  |
| Paid-in Capital | $6,000.00 | $7,000.00 | $8,000.00 |
| Retained Earnings | $115,000.00 | $120,000.00 | $130,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$108,000.00** | **$128,500.00** | **$143,500.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **25.00%** | **22.96%** | **20.56%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2018** | **FY2019** | **FY2020** |
| Operating Cash Beginning | $110,000.00 | $130,000.00 | $141,000.00 |
|  |  |  |  |
| **Sources of Cash** | $20,000.00 | $30,000.00 | $40,000.00 |
| Receivables | $13,000.00 | $14,000.00 | $15,000.00 |
| Sales | $180,000.00 | $190,000.00 | $200,000.00 |
| Others | $1,000.00 | $1,500.00 | $2,500.00 |
| **Total Cash** | $324,000.00 | $365,500.00 | $398,500.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $20,000.00 | $23,000.00 | $25,000.00 |
| Insurance | $9,000.00 | $9,000.00 | $11,000.00 |
| Utilities | $12,000.00 | $10,000.00 | $10,000.00 |
| Salary (Including Tax) | $40,000.00 | $45,000.00 | $50,000.00 |
| Maintenance & Supplies | $5,000.00 | $4,000.00 | $3,000.00 |
| **Total Expenditures** | $86,000.00 | $91,000.00 | $99,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$238,000.00** | **$274,500.00** | **$299,500.00** |