

**BUSINESS PLAN
FOR
FRED BLOGGS**

**PREPARED BY:
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Introduction

The legal status of the business venture will be that of a sole trader and the objective of the business is to provide general cleaning services.

The business will trade as CARPETCARE and offer such work as curtain, carpet, and upholstery cleaning service.

The target market will be Hotels, Residential Homes, Public Houses, Restaurants, and Individual Homes who require a cleaning service within the Walsall area.

The objective of the business is to provide a cleaning service that is affordable, Quick, Reliable and at a high standard for the customer.

To begin with the only assistance needed is a partner Jane Doe, who will help with the day to day administrative and accounting of the business. She will handle any letters received or sent out, Invoices and posting of the figures in my accounts.

The majority of the work will be undertaken by myself, these responsibility include:

- Administrative work - answering the phone for bookings and enquiries
- Selecting suppliers and agreeing terms
- Costing work (giving quotations on jobs)
- Completion of all practical work e.g. carpets, curtains & upholstery cleaning.

I have enclosed my full curriculum vitae as an Appendix, which details my previous employment & training. I believe that my previous employment has helped me gain knowledge and experience for this business.

My employment in carpet fitting has enabled me to know the types of carpet and do quick measurements and estimates of rooms, which is needed to be able to give a quote on the jobs required. Working with Dodgy Doors has enabled me to have excellent customer relations. During this job of a sales rep I was able to explain and help sell the DD 2,000. I can do the same with my cleaning service.

I will require funding of £ 1,500 by way of loan/ grant and the support of PYBT.

As the business develops I will Sub-contract extra work, as I will not be able to employ staff initially. I have 2 contacts with experience of cleaning who would be willing to do this sort of contract work as and when needed. I will consider employing someone directly when there is sufficient work to justify this commitment.

I have chosen self-employment, as I have wanted to do this for sometime. I am determined to succeed, with my training in cleaning I feel I have the required skills, and I am good at what I do. I want to make cleaning my profession. There is a gap in the market, which I can fill.

Resources

SERVICE DETAILS

Carpetcare will offer the following services:

Carpet Cleaning - Cleaning, Stain removals, Deodorising, Fire and Flood restoration and Scotch guarding.

Curtain Cleaning - Mobile hassle free curtain cleaning service, Stain removals, and Deodorising.

Upholstery - Cleaning, Stain removals, and Scotch guarding.

In addition to these services I will provide estimates for insurance purposes.

From the initial enquiry clients will be visited to cost the work required and, if possible, a verbal quotation will be given immediately, then confirmed in writing within 24 hours. With my prices published on the price leaflet a lot of jobs will be standard priced, and I will be booked to undertake the work straight away.

Jane will maintain my diary and I will have a work sheet for each day, to reduce too much non-productive time I will look to regionalise work on set days in the week. e.g Mondays Bloxwich, Tuesdays South Walsall etc.

STAFFING

As explained before I will only be hiring people as and when they would be needed (Depending on demand, Sub-contractors). Holidays will be taken in the quieter periods, although it is not planned to take any in the initial 12 months of trading. There will be no cover for sickness; however, should I not be able to finish any work I will re-contract the work out to another cleaner.

LEGAL & OTHER CONSIDERATIONS

The following insurance will be taken out:

- Contents Insurance to cover tools & equipment, & Public Liability Insurance for £1 million cover costing £ 172 p.a.
- Vehicle Insurance £ 540 p.a.

All insurance will be taken out with Eagle Star Insurance services.

I will hold appropriate insurance to cover employer's liability in respect of employees if, in the future, I employ anybody.

In running my business I will comply with all relevant Health and Safety legislation, and Health and Safety Commission approved codes of practice.

PURCHASING POLICY, CREDIT TERMS AND STOCK CONTROL PROCEDURES

I will purchase materials from a regular and reliable source. I have so far researched 2 suppliers, it is unlikely that in the initial stages these suppliers would give credit, therefore all purchases will be for cash at the point of sale. I will maintain a small supply of materials, and be paid for the work on completion, credit to commercial clients only 14/28 days max.

1. Ashburys
Ashbury Commercial Centre
Scanner Lane
Leeds
LD3 4PT

Based within 100 miles radius within 2nd closest supplier to get to and from.
Offers all chemicals needed.
Free Advice.

2. Capital Cleaning Supplies Ltd
99 Monument Street
BIRMINGHAM
B1 4XX

They are based 12 miles from my business location.

Offer cash and credit

Supply all chemicals and equipment I need + offered to store them for me so that I can always obtain them.

Any extra training I need eg. Hard floor cleaning and buffing they can assist with.

Free Advice.

PREMISES

My business address will be my home address although to a large extent I will be a mobile business, and I will not need separate business premises. All my stock & machinery will be stored in a room at home.

My home is rented accommodation, which is a secure property. All my calls will be received at home unless I am out then they will be diverted to my mobile. The local authority has been contacted and, for the use of the above for the business, no formal planning permission will be needed. Should it become necessary to store an excessive amount of materials such as chemicals or more machinery, then an alternative rented "lock up" will be found.

CAPITAL EQUIPMENT

In order to do my job I needed a hot water extractor Cost £ 600.00 which I have already purchased, and a DD 2,000 cost £850 which has not been purchased yet. I also needed a business van to carry my equipment & my self to and from jobs; I have purchased a TRANSIT at a cost of £900.

NON-CAPITAL ITEMS

Non-capital items small hand tools such as brushes and towels, total value £50, are already owned, for the car valeting I will need a generator cost £250.

The Market

MARKET RESEARCH UNDERTAKEN

Within Walsall there are some established cleaning companies, such as Homecare, and The Genuine Steam Cleaning Co. And I have researched their pricing and advertising. Neither of these offer the mobile curtain and dry cleaning.

I have told my family, friend and neighbours of my intentions to go self-employed, and have been offered jobs already. I have completed a small job with the equipment I have already for:

Mr Davies
xx Elmwood Road
Walsall

Cleaning of carpet £40

Miss Begum
xx Beacons Road
Aldridge

Cleaning of carpet £30

MARKET SIZE

Walsall is a large market town and as I live in Walsall for the last 10 years I am familiar with the properties in the surrounding districts. There are a wide variety of properties offering many opportunities for my business. I will be able to offer the cleaning services to both residential and commercial clients. With the car valeting I will have even more opportunities.

ADVERTISING AND METHODS OF ATTRACTING CUSTOMERS

Printed leaflets (2000) will be pushed through doors within the local area and repeated, if necessary, at a cost of £75.

Cards will be placed in local newsagents.

Local newspaper advertising on a weekly basis in the Bargain Pages at a cost of £44 per month.

The company name, logo and telephone number will be clearly visible on the company van.

Work will be gained through these channels as well as, in the future, recommendations by past customers.

S.W.O.T. ANALYSIS

STRENGTHS

Hardworking
Enthusiastic
Personal service
Advertising policy
Family support

WEAKNESSES

Lack of business experience
Lack of customer awareness
Purchasing power
Cash Flow limitations
Lack of time
One-man business

OPPORTUNITIES

Employing staff
Large contracts
Further market research
Contacts with associated companies

THREATS

Competition
Bad debtors
Economic climate
Illness
Van breakdown

Finance

A 12-month Cash Flow and Profit and Loss forecast are enclosed in the following pages.

START UP COSTS

VEHICLE	900	ALREADY PURCHASED
TOOLS	650	PART PURCHASED (Est £197)
CHEMICALS	100	ALREADY PURCHASED
A5 LEAFLETS (2000)	75	
PUBLIC LIABILITY	72	
LETTER HEADS	150	
GENERATOR	250	
DD 2,000	850	
TOTAL	£ 3,047	

FUNDING REQUIREMENT

I will inject £1,047 cash into the business, including the vehicle and tools. A loan or Grant will be required of £1,500 for working capital and purchase of the remaining equipment.

COSTING, PRICING & CREDIT TERMS

The costing of work will be at the rate of £20.00 per hour labour charge. I have worked on this figure for my pricing. The labour charge has been based on the following:

40 weeks per year
48 hours per week (Mon - Sat)
75% productive hours

Costing Equation

$$\frac{\text{Overheads (including drawings)}}{\text{Productive hours}} = \frac{14000}{48 \times 40 \times 75\%} = \text{£9.72 per hour}$$

The initial cost for most jobs is £1.26 = £10.98

I will have a mark up of 80% = £10.98 x 1.80 = £19.76 hence £20 per hour.

BREAK EVEN CALCULATION

Fixed Costs	3179
Drawings	9000
Sales	17066
Variable Costs	1002
Gross Profit	16064
Gross Profit %	94.13

Break-Even	Fixed Costs (inc Drawings) x100	=	12939
	Gross Profit %		

PROFIT & LOSS FORECAST		
	£	£
SALES		17066
LESS COST OF SALES		1002
LESS CONSTRUCTION INDUSTRY SUB CONTRACT COSTS		
LESS OTHER DIRECT COSTS		
	TOTAL TRADING COSTS	1002
GROSS PROFIT		16064
EXPENDITURE		
EMPLOYEE COSTS		
PREMISES COSTS		
REPAIRS		
GENERAL ADMINISTRATION COSTS	682	
MOTOR EXPENSES	1668	
TRAVEL & SUBSISTENCE		
ADVERTISING/PROMOTION & ENTERTAINMENT	525	
LEGAL & PROFESSIONAL COSTS	244	
BAD DEBTS		
INTEREST	60	
OTHER FINANCIAL CHARGES		
DEPRECIATION AND LOSS (PROFIT) ON SALE		
OTHER EXPENSES		
	TOTAL EXPENSES	3179
NET PROFIT		12885

	PRE START	Jan	1 Feb	2 Mar	3 Apr	4 May	5 Jun	6 Jul	7 Aug	8 Sep	9 Oct	10 Nov	11 Dec	12 TOTAL	
INCOME															
CASH SALES			758	1138	1517	1517	1517	1517	1517	1517	1517	1517	1517	1517	17066
Credit Sales															0
CAPITAL INJECTED	1197														1197
LOANS															0
GRANTS/LOANS	1850														1850
ENTERPRISE AWARD															0
TOTAL INCOME	3047		758	1138	1517	1517	1517	1517	1517	1517	1517	1517	1517	1517	20113
EXPENDITURE															
Capital Equip	700			850	400										1950
Stock/Raw Materials	100			82	82	82	82	82	82	82	82	82	82	82	1002
															0
Insurance		244													244
Prof.Fees															0
Subscriptions															0
Petrol		65	98	130	130	130	130	130	130	130	130	130	130	130	1463
Advertising		75	75		75			75		75				75	525
Printing/Stationary	50	100													150
Postage															0
Telephone		20	20	93	20	20	93	20	20	93	20	20	93	93	532
Drawings		600	600	600	800	800	800	800	800	800	800	800	800	800	9000
Loan Repayment		60	60	60	60	60	60	60	60	60	60	60	60	60	720
Vehicle Expenses		155	50												205
Vehicle	900														900
															0
															0
TOTAL EXPENDITURE	1750	1319	1835	1365	1167	1092	1240	1092	1167	1165	1167	1092	1240	16691	
MONTHLY CASHFLOW	1297	-561	-697	152	350	425	277	425	350	352	350	425	277	3422	
OPENING BALANCE	0	1297	736	39	191	541	966	1243	1668	2018	2370	2720	3145		
CLOSING BALANCE	1297	736	39	191	541	966	1243	1668	2018	2370	2720	3145	3422		

PERSONAL SURVIVAL BUDGET

Drawings from the business are £600 per month for the 1st 3 months increasing to £800 per month thereafter. In the first 3 months my partner Jane will be funding the shortfall of £180 per month.

The monthly outgoings are:

Rent	110
Council Tax	40
Heat/light/power	100
Car expenses	185
Food	260
Other	50
Insurance	35

TOTAL £ 780

ASSUMPTIONS

The sales forecast has been calculated on achieving a start up of 50% of productivity hours in month 1 75% in month 2 rising to 100 %. With the variety of services I will offer I will reduce the peaks and troughs of seasonal trade.

The Future

Future opportunities will be in associated areas such as hard floor cleaning for offices and shops; I have already identified a training course to cover this by Pronoto-chem who offers a variety of 2 or 3-day courses.

If I can develop my business in other areas I may need to take on additional staff, perhaps with specialist training in these areas of cleaning.

The main threat is lack of work in a competitive market, especially in the initial stage prior to developing my business name in the industry.