

2017 Business Plan (Part 2)

DesignOne Concreting
Printed September 2016



8.8 Balance Sheet

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2021
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection Budget	Projection Budget	Projection Budget	Projection Budget	Projection Budget
Cash At Bank	504,990	878,982	1,345,917	1,875,076	2,493,432
Accounts Receivable	0	0	0	0	0
Inventory	12,256	16,470	19,325	21,340	23,234
Other Current Assets					0
Current Assets	517,246	895,452	1,365,242	1,896,416	2,516,666
Fixed Assets	20,000	15,000	10,000	5,000	0
Other Non Current Assets					0
Total Assets	537,246	910,452	1,375,242	1,901,416	2,516,666
Short Term Debt	4,701	4,983	5,282	5,599	0
Accounts Payable	27,149	32,044	35,653	38,750	42,157
Other Current Liabilities	135,399	135,399	135,399	135,399	135,399
Current Liabilities	167,249	172,426	176,334	179,748	177,556
Long Term Debt	105,838	100,855	95,573	89,974	89,974
Other Non Current Liabilities	635	635	635	635	635
Non Current Liabilities	106,473	101,490	96,208	90,609	90,609
Total Liabilities	273,723	273,916	272,542	270,357	268,165
Share Capital	2	2	2	2	2
Other Equity	14,378	14,378	14,378	14,378	14,378
Accumulated R/E	373,485	733,359	1,186,240	1,701,173	2,305,041
Retained Earnings from P&L	314,540	359,873	452,881	514,933	603,868
Previous Balance	20,614	373,485	733,359	1,186,240	1,701,173
Equity	387,865	747,739	1,200,620	1,715,553	2,319,421
Liabilities & Equity	661,588	1,021,654	1,473,162	1,985,910	2,587,586



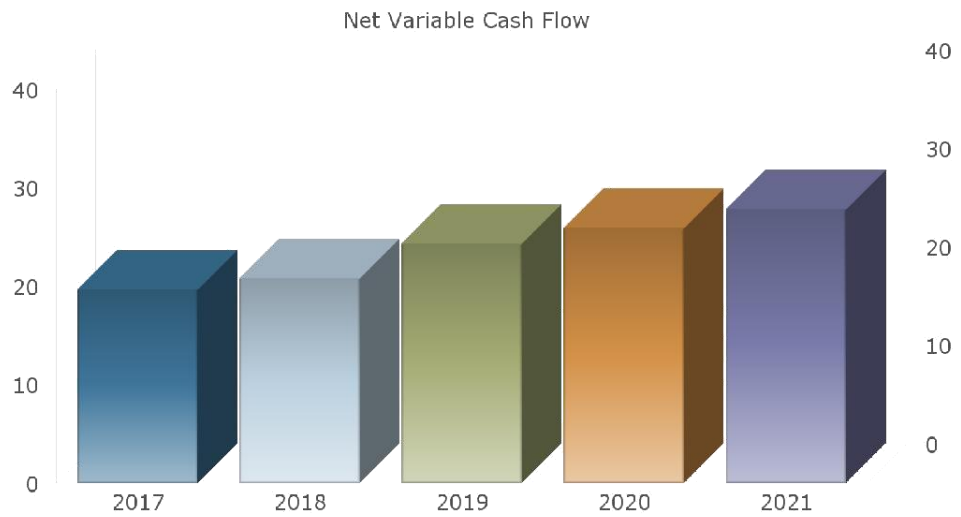
8.9 Annual Cash Flow

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2021
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection	Projection	Projection	Projection	Projection
	Budget	Budget	Budget	Budget	Budget
Revenue	1,814,100	1,926,040	2,047,263	2,182,012	2,375,839
Change In Accounts Receivable	253,938	0	0	0	0
Cash Received From Sales	2,068,038	1,926,040	2,047,263	2,182,012	2,375,839
Cost of Goods	-1,012,470	-1,078,564	-1,156,531	-1,217,828	-1,310,193
Add Depreciation	0	0	0	0	0
Change In Inventory	-7,161	-4,214	-2,855	-2,015	-1,893
Change In Accounts Payable	7,641	4,894	3,609	3,097	3,407
Cash Paid to Suppliers	-1,011,990	-1,077,885	-1,155,776	-1,216,746	-1,308,679
Gross Cash Profit	1,056,048	848,155	891,487	965,266	1,067,160
Operating Expenses	-456,783	-454,445	-399,938	-408,227	-416,244
Add Back Depreciation	10,000	5,000	5,000	5,000	5,000
Add Back Amortisation	0	0	0	0	0
Other Expenses					
Cash Operating Costs	-446,783	-449,445	-394,938	-403,227	-411,244
Cash After Operations	609,265	398,711	496,549	562,038	655,916
Income Tax Paid	0	0	0	0	0
Net Cash After Operations	609,265	398,711	496,549	562,038	655,916
Interest Paid	-752	-1,077	-795	-496	-179
Dividends	-16,555	-18,941	-23,836	-27,102	-31,783
Financing Costs	-17,307	-20,017	-24,630	-27,597	-31,961
Net Cash Income	591,959	378,693	471,918	534,441	623,955
Investment in Non Current Assets	-30,000	0	0	0	0
NCI After Assets	561,959	378,693	471,918	534,441	623,955
Change In Equity	0	0	0	0	0
NCI After Equity	561,959	378,693	471,918	534,441	623,955
Change In Long Term Debt	15,864	-4,983	-5,282	-5,599	0
Change In Short Term Debt	-94,148	282	299	317	-5,599
Change In Cash At Bank	483,675	373,992	466,935	529,159	618,356
Opening Cash At Bank	21,315	504,990	878,982	1,345,917	1,875,076
Closing Cash At Bank	504,990	878,982	1,345,917	1,875,076	2,493,432



8.10 Marginal Cash Analysis

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2020
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection Budget	Projection Budget	Projection Budget	Projection Budget	Projection Budget
Revenue	100	100	100	100	100
Cost of Goods	56	56	56	56	56
Gross Profit	44	44	44	44	44
Accounts Receivable	0	0	0	0	0
Inventory	1	1	1	1	1
Accounts Payable	2	2	2	2	2
Working Capital	-1	-1	-1	-1	-1
Marginal Cash Flow	45	45	44	45	45
Overheads	25	24	20	19	19
Net Variable Cash Flow	20	21	24	26	26

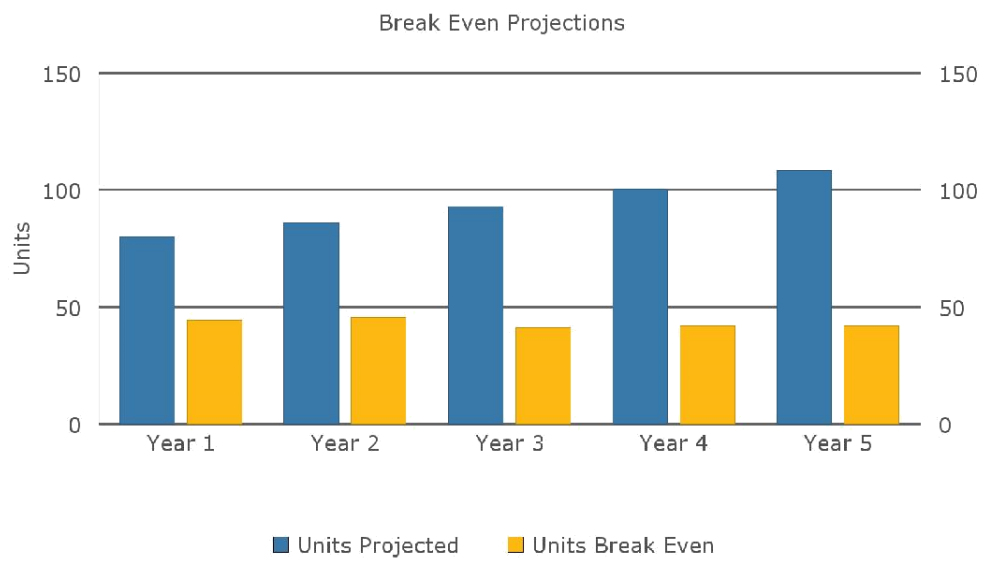




8.11 Break Even Projections

The first two row of numbers displays the total projected revenue for each year and the total projected number of units sold for each year. The third and fourth row of numbers displays the projected revenue needed to break even and the total number of unit to sell in order to break even.

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2021
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
Total Revenue (Projected)	1,814,100	1,926,040	2,047,263	2,182,012	2,375,839
Total Units Sold (Projected)	80	86	93	100	108
Revenue To Break Even	1,010,907	1,021,365	907,567	912,391	916,788
Units To Break Even	45	46	41	42	42





8.12 Monthly Cash Flow

Year 1 - Quarter 1	July	August	September
Cash from Sales	172,330	172,330	172,330
less cash out flows			
Paid To Suppliers	84,329	84,329	84,329
Cash Operations	10,815	10,815	10,815
Key People Salary	26,416	26,416	26,416
Cash Purchase	5,000		
Interest Payments	122	-2	118
Debt Payments	360	483	364
Historical Debt	8,237	8,237	8,237
Dividends	-	-	-
Income Tax Paid	-	-	-
plus			
Opening Cash	21,315		
Cash Flow Projections			
Cash - Monthly	58,366	42,051	42,051
Cumulative	58,366	100,417	142,469
Year 1 - Quarter 2	October	November	December
Cash from Sales	172,330	172,330	172,330
less cash out flows			
Paid To Suppliers	84,329	84,329	84,329
Cash Operations	10,815	10,815	10,815
Cash Purchase	26,416	26,416	18,183
Interest Payments			
Debt Payments	116	114	112
Historical Debt	366	367	369
Dividends	8,237	8,237	8,237
Income Tax Paid	-	-	-
plus	-	-	-
Opening Cash			
Cash Flow Projections			
Cash - Monthly	42,051	42,051	50,284
Cumulative	184,520	226,571	276,855
Year 1 - Quarter 3	January	February	March
Cash from Sales	172,330	172,330	172,330
less cash out flows			
Paid To Suppliers	84,329	84,329	84,329
Cash Operations	10,815	10,815	10,815
Cash Purchase	26,416	26,416	26,416
Interest Payments			
Debt Payments			
Historical Debt	110	109	107
Dividends	371	373	375
Income Tax Paid	8,237	8,237	8,237
plus	-	-	-
Opening Cash			
Cash Flow Projections			
Cash - Monthly	42,051	42,051	42,051
Cumulative	318,906	360,958	403,009
Year 1 - Quarter 4	April	May	June
Cash from Sales	172,330	172,330	172,330
less cash out flows			
Paid To Suppliers	84,329	84,329	84,329
Cash Operations	10,815	10,815	10,815
Cash Purchase	26,416	26,416	26,416
Interest Payments			
Debt Payments			
Historical Debt			
Dividends	105	103	101
Income Tax Paid	376	378	380
plus	8,237	8,237	8,237
Opening Cash	-	-	-
Cash Flow Projections	-	-	-
Cash - Monthly	42,051	42,051	25,496
Cumulative	445,060	487,111	512,608



8.13 Cost Of Goods - Fixed

The information within this sub section has been left blank on purpose, however the heading has been included to demonstrate all aspects of the business (inclusions and non inclusions).



8.14 Key People Salary

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2021
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection Budget	Projection Budget	Projection Budget	Projection Budget	Projection Budget
Key People Salary					
Simon Scott	98,800	98,800	98,800	101,764	104,817
James Scott	95,836	95,836	95,836	98,711	101,672
Harry Scott	70,000	70,000	70,000	72,100	74,263
Samantha John-Jones	52,364	0	0	0	0
Key People Salary Total	317,000	264,636	264,636	272,575	280,752



8.15 Overheads

Statement Date	30 Jun, 2017	30 Jun, 2018	30 Jun, 2019	30 Jun, 2020	30 Jun, 2021
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection Budget	Projection Budget	Projection Budget	Projection Budget	Projection Budget
Overheads					
Accounting Fees	6,000	6,000	6,120	6,242	6,367
Electricity	3,800	3,876	3,954	4,033	4,033
Equipment Rental	15,983	16,143	16,304	16,467	16,632
Fuel	30,000	30,000	30,600	31,212	31,836
Marketing	20,000	20,400	20,808	21,224	21,649
Phone And Internet	14,000	14,140	14,281	14,424	14,568
Printing	15,000	14,250	13,110	11,799	10,029
Rent	25,000	25,000	25,125	25,251	25,377
Trademark Consultant	0	55,000	0	0	0
Overheads Total	129,783	184,809	130,302	130,652	130,491

9.0 Strategy For Improvement & Action Plan

9.1 Overview

The following Strategy Action Plan incorporates the strategies the management team believe will be effective in supporting the growth of DesignOne Concreting as defined throughout this plan.

Average Value Sale

Ask People To Buy Some More Product

To increase the average value of sale it's important to ask your existing customers to buy more (at the time they are buying). Their confidence in your business is already there and a simple question like: "would you like me to add XYZ to your order" or a statement that works for your business. The key is to assess future customer interactions and implement scripts that match those situations.

Harry Scott 1/07/2016 | 31/07/2016

Change Product Mix To Your Own Line

By creating your own line you have an ability to change your product so customers find it more difficult to compare your item with a competitors thus allowing for increased sales and increased margin and profit. As well you start to build a brand about you, increase the value of your business over time and a following.

Simon Scott 1/04/2017 | 1/05/2017

COGS Reduction

Get Stock On Consignment

Outside of working out your yearly stock requirements and having your suppliers tender on your supply (you lock them in for a year if they are the best price for quality / delivery) you can ask suppliers to place stock at your premises and you pay for it as you use it. A formal agreement is signed that they are your only supplier as a result. Reduces number of days in stock / money held in stock. Keep asking until you get it!

James Scott 1/08/2016 | 30/09/2016

Cash Flow Specific

Review pricing, margins, product lines, sales people and implement a how to increase prices (or margins) by > 10%.

Pricing and / non discounting has a massive positive affect on cash flow. Discounting is a killer of most business (it does this over a long period). To increase the cash flow you need to investigate how you can put up your price and / or stop having to discount. Brainstorm this and ask 'how can we - rather than why we can't'.

James Scott 1/12/2016 | 31/12/2016

A Focus On Improvement Of Net Variable Cash Flow

Refer To Page 'Cash flow - Big Picture Overview' within this report. Your Net Variable Cash Flow is negative. Before you grow your business in customer numbers, annual revenue etc., you need to move your Net Variable Cash Flow to positive or as close as possible. Review Cash Flow Strategies as a high priority.

Samantha John-Jones 1/07/2016 | 1/08/2016

Identify slow moving stock as matter of priority and conduct (sale, bundle with other items, special offers).

Create bundled deals e.g. slow moving stock bundled with fast moving stock as an overall 'deal'. Create special offers on old moving stock and have sales, tele marketers move the stock from stock to sale. You will need to monitor stock days, and stock days per item or group of items. If not possible make a judgement call.

James Scott 01/07/2017 | 31/07/2017

Monitor Debtors weekly, implement debt collection system (when you chase for Money / handed over to debt collectors).

Your business needs to continually monitor accounts receivable (debtors) to ensure the timely collection of money outstanding in order for you to enhance the cash flow into your business and as a result allow for stronger growth and to also increase the value of your business. Debtor monitoring and collection is key to cash flow.

Simon Scott 01/01/2016 | 01/03/2016

Competitiveness

Educate managers and team members as to why customers buy / customers expectation of our business.

Meet with key managers to have them gain a higher understanding toward how your products contribute toward meeting the needs of your customers. To do this you need to know what the ultimate benefit your product provides to your customers e.g. Harley Davidson '

Harry Scott 01/07/2016 | 01/08/2016

Conversion Rate

Flowchart Your Sales Process

By flowcharting your sales process you will get to (1) find out if its logical, (2) assess what you need to include to improve the conversion, (3) build scripts for each step, (4) train team members on each step, (5) create a conversion rate for each step, (6) assess conversion with each area and (7) monitor and improve.

James Scott 01/02/2017 | 01/03/2017

Lead Generation

Government Contracts For Larger Volume Sales

Government contracts can cross a broad range of products and services. Most business are too busy to look for and then go after government contracts. Look online for government contract and tenders, talk to your local member, look toward your major newspaper and you may also want to investigate grants.

Harry Scott 1/07/2016 | 1/08/2016

Trade For Longer Hours To Create A Competitive Advantage

This can be a longer-term strategy to become viable and needs commitment. Open outside the hours that your competitors do and continually promote it to your prospects and customers. Idea is to get those people that may not shop normal hours. Must be an ongoing promotion re your hours to become effective.

Harry Scott 1/07/2016 | 1/09/2016

Hold Events, Board Room Events, Evening Events, Social Events

Events can be more social in nature as long as the people attending get to see what your business is about e.g. at your business, displays showing what you do, movie screens that quietly promote what you do, speaker that build you up prior to the even, tours and / or simple credibility of your team. You want leads though.

Simon Scott 01/07/2016 | 01/10/2016

Promote Your Business On Youtube / Create Interest In Your Business On YouTube

Marketing on YouTube turns viewers into fans, and fans into new customers - delivering you real success day by day. YouTube makes it easy for any business to market with video, just like the biggest brands. Deliver your message to the right viewers at the right price. Step 1 make a video, step 2 promote it (its free).

James Scott 01/01/2017 | 01/02/2017

Look toward CRM vendor providers and check for more cost effective CRM systems that do the same job.

If the cost of running your database is high look toward getting a higher yield from your marketing activities e.g. more lead generation, higher conversion at a higher average value reduces overall % cost. Goole search different options as a CRM system as well: <http://crm-software-review.toptenreviews.com/>

Harry Scott 01/04/2017 | 01/06/2017

Margins

Meet regularly re key financial ratios (Days Receivable, COGS % to Revenue, % of Overhead to Revenue).

Your business needs to report, and meet monthly to assess and act upon variances to budget, amongst others, the Key Financial Ratio statements such as cost of goods %, overhead %, pricing achieved, profit margin, interest coverage, number of sales to break even, debtor days, stock days, creditor days etc.

Simon Scott 01/07/2016 | 01/12/2016

Ensure that trade creditors does not exceed trade debtors - continually assess situation.

Trade debtors and trade debtors should be around the same value. If debtors is higher than creditors then collections may be slow or payment of creditors too fast. If creditors are higher than debtors it may show that payment to creditors is lagging. Don't pay creditors faster than trading terms and collect debtors fast.

Simon Scott 01/10/2016 | 01/12/2016

Change Product Mix And Introduce More Exclusive Lines

Becoming more exclusive will enable the attraction of a customer that spends a higher average amount. Generally a more exclusive line has a higher profit margin which can be attractive to your business. Be mindful that a higher exclusive line will reduce the number of customers that purchase. Assess strategy further.

|

Reduce Overheads

Automate Where Cost Effective

Reduction of rework (where tasks, jobs, client fulfilment, functional processes have to be redone e.g. not done correctly the first time etc.) through automation of processes via scripts, check sheets, online



systems, software (application) handling of tasks can cut costs, build productivity and make the business more profitable. Investigate where high employment costs can be automated and given to less costly people and / or taken over by an application.

James Scott 1/07/2016 | 1/09/2016

10.0 Actions to Take

10.1 Overview

This section of the Business Plan details additional actions beyond the strategies within section 9.0, which management have documented during the overall planning process. Therefore, Actions To Take may include micro strategies, support notes and comments on specific micro areas of the business and as a direct result of the planning process.

No further actions are required.



11.0 Appendix Information (Historical Financial Reports)

11.1 Overview

The appendix section of this business plan may contain other support information such as financial information, graphical information, and other relevant business information not included in the body of the business plan.