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ARKANSAS SMALL BUSINESS AND
TECHNOLOGY DEVELOPMENT CENTER



TO THE POINT

BUSINESS PLAN
SAMPLE

ARKANSAS SMALL BUSINESS AND TECHNOLOGY DEVELOPMENT CENTER

Immaculate Cleaning Services
Twenty River Rock Place
North Little Rock, Arkansas
John Smith, Owner
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johnsmithemail@email.xyz

Summary

Immaculate Cleaning Services is a startup janitorial services provider servicing the needs of local churches throughout Central Arkansas. The office will be located in the ABC Office Building at Twenty River Rock Place, North Little Rock, Arkansas. John Smith will be the sole owner of the company and plans to organize as an S Corporation.

Immaculate Cleaning Services estimates total project cost of \$25,000. Mr. Smith needs debt financing of \$20,000. The loan proceeds will be utilized primarily in purchasing cleaning equipment & supplies, lease payments, payroll, and additional working capital needs throughout the first year. Mr. Smith will pledge home equity of \$18,000, as well as all new equipment purchased with loan proceeds as collateral. Mr. Smith will contribute 20% of his own cash from savings into the business, approximately \$5,000.

Products/Services

Immaculate Cleaning Services plans to provide quality cleaning services to the churches within Central Arkansas. Services will include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning services.

Contracts will be formed on a six month basis and rates will be charged on square footage rather than a flat fee due to their varying sizes. The proposed pricing strategy is \$0.08/sq. ft. per cleaning.

Market

Potential target customers include places of worship for any religious denomination located within Pulaski, Faulkner, Saline, Garland, and Lonoke counties. In 2009, there were more than 400 churches operating in Little Rock alone. Additionally, approximately 500+ churches are located in the surrounding cities/counties of North Little Rock, Benton, Cabot, Conway, Jacksonville, Hot Springs, Saline County, Faulkner County, Garland County, Pulaski County, and Lonoke County. Of these churches in Central Arkansas, 50% have congregations of over 100 members.

Cleaning services that cater only to churches are relatively rare; therefore, Immaculate can focus on the segmented market for maximum market share. Immaculate Cleaning Services will also implement a four-tier quality inspection plan to ensure the highest quality work from all employees. Additionally, Mr.

Smith will periodically contact all customers for comments, suggestions for improvement, and feedback concerning the quality of work. Based upon fee structure, time constraints, and employee force, Immaculate Cleaning will actively strive toward a “mix” of church sizes. A mix of small to mid-size churches based on square footage with a few large churches is the optimal target customer mix.

Most of the janitorial services competition in the state of Arkansas lies within the targeted geographic areas of Pulaski, Faulkner, Saline, Garland, and Lonoke counties. These five counties alone account for 51.04% of janitorial establishments within the entire state. Competition within the targeted area is fierce; therefore, Immaculate Cleaning Services will carve a niche market by targeting churches. Indirect competition for the business includes churches that have member volunteers clean the church rather than contracting with a cleaning service.

Direct sales and referrals will be vital to success. Immaculate Cleaning wants to portray a personal and professional image to potential clients. Immaculate Cleaning will target five counties for contract work; however, Mr. Smith will begin marketing in Pulaski County.

Currently, Immaculate Cleaning Services has contracts with three churches requesting services upon startup. Key aspects of marketing promotions and strategies are listed below.

- Direct Sales/Client Meetings – A significant marketing task will be contacting potential clients, setting up appointments and demonstrations, and working through contracts with new clients. Each week, Mr. Smith will contact potential clients with hopes to set up two client meetings and/or cleaning demonstrations.
- First-Time Client Promotion – Potential clients will receive a one-time demonstration cleaning of a portion of their church. This demonstration should take approximately one hour, after which a regular six-month contract will be sought.
- Referral Rewards – Clients will receive a 10% discount on their next cleaning when they refer a potential client who signs the initial six-month contract.
- Guest Satisfaction Survey – Immaculate Cleaning Services wants to know how it is doing! A fold-over postcard will be left approximately once a month thanking clients for their business. On the inside of this card will be a short survey, including comment section, which can be folded and dropped into a mailbox free of postage. Clients will get a small discount for participating. Clients also have the option of filling out the survey online at the website.
- Internet Presence – Immaculate Cleaning Services will maintain a simple website listing services available, contact information, and promotional activities including discounts, demonstrations, etc. The webpage will be located at www.immaculatecleaningservices.xyz. The URL address will be included on all business cards, signage, pamphlets, satisfaction surveys, stationery, and thank-you notes.
- Promotional Materials – Immaculate Cleaning Services will utilize promotional materials such as informational brochures, business cards, yellow page advertisements, online business listings,

and a unique logo design to generate business. Occasional direct mail will be sent to potential clients detailing the free demonstrations, referral rewards, and website.

Industry

According to the U.S. Census Bureau, the janitorial industry saw the second highest increase in the service sector from 2009 to 2010 with 20.4% growth. Competition is intense, as in any contract-bidding situation, and this has affected profitability. One of the largest problems and/or risks of the industry is employee turnover. Employees are vital components of providing a professional, quality cleaning service. Therefore, Immaculate Cleaning Services will provide adequate pay, additional employee benefits, and extensive application processes to extract the highest quality of customer service from all employees.

Operations and Management

Mr. Smith will be responsible for all management duties. He brings to this business 10 years working experience within the commercial cleaning industry. Mr. Smith will hire two full-time employees at \$9.00 per hour immediately to provide janitorial services. He will hire additional variable labor employees to assist during the probable busier months as needed. Once the business has grown, he will hire an administrative assistant.

Immaculate Cleaning Services will provide service in "teams." Teams will speed up the cleaning process and increase efficiency because each team member will perform specific tasks at each location. Teams will be monitored on quality of service by the supervisor (owner). During the beginning stages, the owner will be at every site to assist employees and to perform a quality inspection of their work.

Immaculate Cleaning Services will provide clients with an initial six-month cleaning contract. Cleaning services will be performed weekly and billed on the last day of each month. Clients will have until the 15th of the following month to pay their bill. Late payments will receive a small penalty based upon total amount due. Clients will have a prepayment option for the entire period or weekly installments.

Budget

Project Cost Summary

Equipment	\$5,700
Cleaning Supplies	\$3,621
Office Supplies	\$768
One-time Up-front Fees, Deposits	\$800
Working Capital	\$14,111
Total Cost	\$25,000

Budget Explanation

- Sales

July, August: 3 churches serviced @ approximately 12,500 sq. ft. \$0.08 per sq. ft. 4 times per month = \$4,000 in revenue per month

September, October: 4 churches serviced @ approximately 17,500 sq. ft. \$0.08 per sq. ft. 4 times per month = \$5,600 in revenue per month

November: 5 churches serviced @ approximately 22,500 sq. ft. \$0.08 per sq. ft. 4 times per month = \$7,200 in revenue per month

December, January: 6 churches serviced @ approximately 37,500 sq. ft. \$0.08 per sq. ft. 5 times per month = \$15,000 in revenue per month

February, March, April: 7 churches serviced @ approximately 42,500 sq. ft. \$0.08 per sq. ft. 4 times per month = \$13,600 in revenue per month

• May, June: 8 churches serviced @ approximately 50,500 sq. ft. \$0.08 per sq. ft. 4 times per month = \$16,160 in revenue per month

- Business Loan

Assume a \$20,000 loan at 10% amortized for five years.

- Expenses

Expenses were determined by contacting vendors and utilizing industry standards within the local market. Cleaning supplies are estimated to be \$25 per week. Personnel expenses include 2 FTE @ \$9.00/hr. X 40 hrs. per week = \$2,880 per month with additional labor during December and January: 1 Part-time employee @ \$8.50/hr. X 20 hrs. per week = \$680 per month. Payroll taxes were estimated at 15% to be conservative. Uniforms are expected to be \$50 per uniform x 3 uniforms = \$150 per employee; 2 employees = \$300.

**Immaculate Cleaning Services
Income Statement Projections
Month 1 through Month 12**

	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	YEAR 1	%
Sales														
Church Cleaning Services	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	16,160	129,520	100.0%
Gross Profit	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	16,160	129,520	100.0%
Operating Expenses														
Advertising & Postage	75	75	30	30	50	50	50	30	40	40	30	30	530	0.4%
Web Expense	9	9	12	12	12	12	12	12	12	12	12	12	137	0.1%
Auto Expense (Van Rental)	415	415	415	415	415	415	415	415	415	415	415	415	4,980	3.8%
Depreciation	95	95	95	95	95	95	95	95	95	95	95	95	1,140	0.9%
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	1.9%
Legal & Professional	75	75	150	75	75	150	75	75	300	75	75	150	1,350	1.0%
Office Expense/Supplies	793	25	10	10	10	25	25	15	10	10	10	15	958	0.7%
Rent - Office	596	596	596	596	596	596	596	596	596	596	596	596	7,150	5.5%
Cleaning Supplies	3,621	300	400	400	500	750	750	700	700	700	800	800	10,421	8.0%
Taxes & Licenses	200	-	-	-	-	-	-	-	-	-	-	-	200	0.2%
Fuel	200	200	200	200	250	300	300	325	325	350	400	400	3,450	2.7%
Utilities	50	50	50	40	40	45	45	45	40	40	50	50	545	0.4%
Repairs & Maintenance - Auto	-	-	200	-	-	-	250	-	-	200	-	-	650	0.5%
Bank Charges	50	50	50	50	50	50	50	50	50	50	50	50	600	0.5%
Dues & Subscriptions	100	-	-	30	-	45	-	-	-	-	-	-	175	0.1%
Training	100	100	50	50	50	75	75	50	50	50	50	50	750	0.6%
Miscellaneous	80	80	112	112	144	300	300	272	272	272	323	323	2,590	2.0%
Telephone & Internet	90	90	90	90	90	90	90	90	90	90	90	90	1,080	0.8%
Uniforms	600	-	-	-	-	100	-	-	-	-	-	-	700	0.5%
Personnel	2,880	2,880	2,880	2,880	2,880	3,560	3,560	2,880	2,880	2,880	2,880	2,880	35,920	27.7%
Payroll Taxes (FUTA, ss, Medicare)	432	432	432	432	432	534	534	432	432	432	432	432	5,388	4.2%
Total Operating Expenses	10,661	5,672	5,972	5,717	5,889	7,392	7,422	6,282	6,507	6,507	6,508	6,588	81,115	62.6%
Net Operating Income	(6,661)	(1,672)	(372)	(117)	1,311	7,608	7,578	7,318	7,093	7,093	9,652	9,572	48,405	37.4%
Interest Expense	(167)	(165)	(162)	(160)	(158)	(156)	(153)	(151)	(149)	(147)	(144)	(142)	(1,854)	-1.4%
Net Income Before Taxes	(6,827)	(1,836)	(534)	(277)	1,153	7,453	7,425	7,167	6,944	6,947	9,508	9,430	46,552	0.4%

Monthly Cash Flow Projection, Year 1

	PRE- STARTUP	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	YEAR 1
CASH ON HAND		18,500	7,509	5,508	3,206	2,759	2,140	1,619	8,867	17,255	24,019	30,782	37,544	
CASH RECEIPTS		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Sales		-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Credit Accounts		-	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	113,360
Loan or Other	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Injection		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIPTS	25,000	-	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	113,360
TOTAL CASH AVAILABLE	25,000	18,500	11,509	9,508	8,806	8,359	9,340	16,619	23,867	30,855	37,619	44,382	53,704	
CASH PAID OUT														
Advertising	-	75	75	30	30	50	50	50	30	40	40	30	30	530
Web Expense	-	9	9	12	12	12	12	12	12	12	12	12	12	137
Auto Expense (Company Van)	-	415	415	415	415	415	415	415	415	415	415	415	415	4,980
Insurance	-	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Legal & Professional	-	75	75	150	75	75	150	75	75	300	75	75	150	1,350
Office Expense/Supplies	-	793	25	10	10	10	25	25	15	10	10	10	15	958
Rent - Office Deposit	600	596	596	596	596	596	596	596	596	596	596	596	596	7,150
Cleaning Supplies Expense	-	3,621	300	400	400	500	750	750	700	700	700	800	800	10,421
Taxes & Licenses	-	200	-	-	-	-	-	-	-	-	-	-	-	200
Fuel	-	200	200	200	200	250	300	300	325	325	350	400	400	3,450
Utilities	200	50	50	50	40	40	45	45	45	40	40	50	50	545
Repairs & Maintenance - Auto	-	-	-	200	-	-	-	250	-	200	200	-	-	650
Bank Charges	-	50	50	50	50	50	50	50	50	50	50	50	50	600
Dues & Subscriptions	-	100	-	-	30	-	45	-	-	-	-	-	-	175
Training	-	100	100	50	50	50	75	75	50	50	50	50	50	750
Miscellaneous	-	80	80	112	112	144	300	300	272	272	272	323	323	2,590
Telephone & Internet	-	90	90	90	90	90	90	90	90	90	90	90	90	1,080
Uniforms	-	600	-	-	-	100	100	-	-	-	-	-	-	700
Personnel	-	2,880	2,880	2,880	2,880	2,880	3,560	3,560	2,880	2,880	2,880	2,880	2,880	35,920
Payroll Taxes	-	432	432	432	432	432	534	534	432	432	432	432	432	5,388
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	800	10,566	5,577	5,877	5,622	5,794	7,297	7,327	6,187	6,412	6,412	6,413	6,493	79,975
Loan Payment	425	425	425	425	425	425	425	425	425	425	425	425	425	5,099
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Purchases	5,700	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH PAID OUT	6,500	10,991	6,002	6,302	6,047	6,219	7,722	7,752	6,612	6,837	6,837	6,838	6,918	85,074
CASH POSITION	18,500	7,509	5,508	3,206	2,759	2,140	1,619	8,867	17,255	30,782	37,544	46,786	46,786	

Immaculate Cleaning Services Projected Balance Sheet

	Pre-Startup
Assets	
Current Assets	
Cash & Equivalents	19,300
Accounts Receivable	
Other Current Assets	
Total Current Assets	<u>19,300</u>
Other Assets - Deposits	
Fixed Assets	
Property, Plant & Equipment	5,700
Less: Accumulated Depreciation	
Net Fixed Assets	<u>5,700</u>
Total Assets	<u><u>25,000</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	
Line of Credit	
Current Portion Long Term Debt	3,245
Total Current Liabilities	<u>3,245</u>
Long-term Liabilities	
Loans - Long Term Portion	16,755
Mortgages	
Other Non-Current Liabilities	
Total Non-Current Liabilities	<u>16,755</u>
Total Liabilities	<u>20,000</u>
Equity	
Capital Stock	5,000
Retained Earnings	
Net Income (Loss)	
Total Equity	<u>5,000</u>
Total Liabilities and Equity	<u><u>25,000</u></u>

The **To the Point Business Plan Sample** is based on the **To the Point Business Plan Outline**. A business plan is a vital tool that will help you organize and develop your ideas and goals. The **To the Point Business Plan Outline** streamlines and simplifies the process of writing a business plan. Though every business is unique, the five sections (points) appearing in the preceding sample plan are essential to your business plan no matter your type of business. The Arkansas Small Business and Technology Development Center can assist you with compiling your answers into narrative form as they will appear in your completed business plan. Contact the ASBTDC office near you for assistance.



TO THE POINT BUSINESS PLAN SAMPLE

The business and all data appearing in this sample are fictional.

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