

Blueprints Business Planning Pty Ltd

Business plan for the period
July 2011 to June 2012

Blueprints Business Planning Pty Ltd
Australian Business Number (ABN) 99 999 999 999

135 Central Boulevard
Sydney New South Wales, 2000 Australia

Telephone: +61 2 9999 9999
Facsimile: +61 2 9999 9998
Email: jessie@blueprintsbusinessplanning.com.au
Internet: www.blueprintsbusinessplanning.com.au

Prepared June 2011

Contents

Section 1. Executive summary

- 1.1 Business idea and goals
- 1.2 Marketing
- 1.3 Operations
- 1.4 Finance

Section 2. Background

- 2.1 Mission statement
- 2.2 Company history
- 2.3 Business goals

Section 3. Marketing

- 3.1 Market research
- 3.2 Market analysis
- 3.3 Marketing plan
 - 3.3.1 Products/services and target market
 - 3.3.2 Placement
 - 3.3.3 Promotions and advertising
 - 3.3.4 Pricing policy
- 3.4 Evaluation of marketing

Section 4. Operations

- 4.1 Legal and licensing requirements
- 4.2 Management details
- 4.3 Organisational structure and staffing
- 4.4 Professional advisers
- 4.5 Insurance and security issues
- 4.6 Business premises
- 4.7 Equipment required
- 4.8 Production processes
- 4.9 Critical risks/contingency plans

Section 5. Financial projections

- 5.1 Basic assumptions and information
- 5.2 Analysis of financial forecasts
 - 5.2.1 Sales mix forecast
 - 5.2.2 Cash flow forecast
 - 5.2.3 Projected profit and loss statement
 - 5.2.4 Owner's personal expenses
 - 5.2.5 Owner's personal assets and liabilities

Section 6. Implementation timetable 2011–12

Section 7. Appendix — Research reference sources

Section 1: Executive summary

1.1 Business idea and goals

The main goal is to establish a small, private (proprietary limited) company that specialises in management consulting services for the small and medium-sized enterprise (SME) sector in Sydney and other cities within the state of New South Wales, Australia. The services to be provided will include preparation of business plans, training in small business management skills, and book sales.

The owners plan to begin by employing one person full time (Jessie Jones, a major shareholder) and gradually grow to the point where the business employs three or four people within two to three years of inception. The business intends to generate sales revenue of about A\$100 000 and to make a A\$2000 profit by the end of its first year of trading.

1.2 Marketing

Blueprints Business Planning Pty Ltd will have two key target markets: small business managers (for whom it will prepare business plans, feasibility studies and associated services) and SME support agencies (for whom it will provide contract services, principally training in small business management skills). There are approximately 200 000 SMEs in the Sydney metropolitan area. Market research indicates that there is currently unmet demand for the products we plan to offer. We will promote the business using a variety of methods, including direct mail, telephone canvassing, a Yellow Pages listing, networking, a website and testimonials.

1.3 Operations

The business will operate with one employee (Jessie Jones, managing director) at start-up and be based from an office at her home. A minimal outlay of equipment and expenses is envisaged at this stage, as most necessary equipment has already been obtained.

1.4 Finance

The business will be self-funding. The directors will provide an initial capital injection of A\$10 000, and it is envisaged that the company will generate enough funds from subsequent operations to allow it to operate on a 'no borrowing' policy unless there is a major change in focus.

Section 2: Background

2.1 Mission statement

Blueprints Business Planning Pty Ltd exists to provide business planning services, business education (training) programs and management advice to small and medium-sized organisations.

The company intends to become known as one of the best business planners and advisers in the Sydney marketplace. We want to be known as an organisation that emphasises honesty, accuracy and objectivity in the

information we provide to clients; that values confidentiality and sensitivity in all its relations with other parties; and that gives tailor-made responses to individual client needs.

In this way, Blueprints Business Planning Pty Ltd seeks to promote the interests of the following.

- *Clients.* By providing the above services, we can help our clients achieve success in the marketplace and realise their own business goals.
- *The wider community.* Helping businesses become more successful ultimately stimulates local economic development, job creation and wealth distribution.
- *Our employees.* A well-paid, motivated and well-educated staff is essential to ongoing success. In return, employees should expect to receive secure employment, to continually expand and improve their business skills, to be encouraged to try new ideas and approaches and to work in a comfortable, encouraging environment.
- *The owners of the company.* Successful achievement of the company mission should allow the company to operate profitably and to provide a fair return on effort and investment by the owners on a long-term basis.

2.2 Company history

This is a new business that springs from the existing work of Jessie Jones as a management consultant (operating as a sole trader) from August 2001 to June 2011. During this time, Jessie provided training programs, mentoring services and a limited amount of business planning to a range of clients.

2.3 Business goals

The business's goals for the short term (next 12 months) are to employ at least one person full-time on a salary of approximately A\$42 000 p.a. (gross), to meet all operating expenses and to generate a net profit of at least A\$2000 for future investment. The long-term (next two or three years) goals are to establish a viable consultancy service employing up to five people based in Sydney, delivering services in business planning with its own purchased building.

A future exit strategy has been agreed to by the three foundation shareholders/directors, should any of them wish to liquidate their interest in the business at a later stage. The directors have agreed that, after the end of the third year of trading, any shareholder will have the right to ask for the business to be independently valued; the remaining directors will then have first option to buy out that person's interest. If they do not wish to exercise this right, the shareholder may sell to an outside party.

Section 3: Marketing

3.1 Market research

The following sources were used to prepare this business plan:

- Australian Bureau of Statistics
- NSW Small Business Advisory Network
- personal interviews with several business enterprise centres in and around Sydney
- Institute of Management Consultants, Australia

- a brief survey of SMEs that already use outside consultants
- other existing management consultancies
- a search of the relevant management literature.

3.2 Market analysis

After a review of the industry, the following conclusions were drawn.

(a) *Industry analysis*

There is a definite demand for generic management consulting services, although the industry is still unregulated and ill-defined (Brown 2008, p. 48). Most services provided are aimed at larger corporations since, at the 'bottom end', micro-enterprises are too small to afford business planning services. Accordingly, niche opportunities to provide these services best exist among small to medium-sized (mid-range) businesses (Ziericki 2007). A study of Australian SMEs recently showed that most need more training but are unsure where to find this (Australian Bureau of Statistics 2009, pp. 23–4). This need is especially evident among the 200 000 known SMEs in the Sydney metropolitan region (Sydney Chamber of Commerce 2009).

(b) *Seasonality*

It is estimated that business declines in December and January, which represents the Christmas break and summer holiday period in Australia.

(c) *Competitors*

The business's competitors are very similar to its potential strategic allies. They include:

- other management consultants (especially those who focus on SME training)
- accountancy practices (which also act as advisers to many small firms)
- publicly funded business support agencies (such as business enterprise centres)
- commercial training providers.

The Sydney Yellow Pages lists 123 management consultancies, 3000 accountancy practices, 20 public agencies and 34 commercial training providers in the city. This does not include non-Sydney advisers who are contracted on an 'as needed' basis by firms who wish to use their services.

(d) *Potential strategic alliances*

Potential exists to subcontract work from:

- accountants (that is, those who don't want to do business plans themselves but who do want to offer it as a service to their clients)
- business enterprise centres (such as those who want training courses provided or business plans assessed)
- other management consultants (who may need someone to help if their workload becomes too great).

We intend to focus our efforts on finding a small number of strategic allies (about six) with whom we can form long-term relationships.

(e) *SWOT analysis*

The information on the previous page was used to develop a list of potential strengths, weaknesses, opportunities and threats.

Potential strengths	Jessie's substantial SMEs advisory experience Links to NSW Small Business Advisory Network
Potential weaknesses	One-person operation at present Minimal track record in external consultancies Little skill in preparing tenders
Potential opportunities	Growth in external training programs Growth of ongoing mentoring services Good placement to qualify if sector becomes regulated
Potential threats	Competitors Sensitivity of SMEs to economic downturns

3.3 Marketing plan

3.3.1 Products/services and target market

(a) *Business planning*

Preparation of detailed business plans, covering all parts of a firm's activities

Target markets:

- Small to medium-sized firms (10 to 100 employees).
- Sydney metropolitan area.
- Established companies (preferably two years or older).
- Approximately 200 000 such firms.

Customer buying motives:

- SMEs often need specialist expertise to help in running their firms.
- It is often too difficult to do themselves.
- Such advice is often needed for organisational survival or repositioning.

(b) *Training*

Short, intensive (one- or two-day) courses on marketing, human resources, business planning, basic financial management and record-keeping for SMEs

Target markets:

- New small business owners and existing owners keen to increase their knowledge.
- Central Sydney metropolitan area.
- Sufficient business income (A\$200 000+) to be willing to pay for services.
- An estimated 5000 new businesses that start trading each year.

Customer buying motives:

- Owner-managers of SMEs want short, focused courses that develop their own knowledge base and competencies.
- Such courses allow them to acquire useful skills in different aspects of management.
- The increased knowledge helps them to grow their own business.

(c) *Small business development books*

Sales of various book titles, best done in conjunction with training courses (that is, sell books at the end of a particular course).

Target markets:

- Participants in training courses, as discussed above.
- Central Sydney metropolitan areas.
- Sufficient business income (A\$200 000+) to be willing to pay for services.

Customer buying motives:

- These books provide more information about materials initially covered in our training courses.

3.3.2 Placement

Since this is a home-based business dealing directly with clients at their premises, no particular distribution arrangements are envisaged as necessary.

3.3.3 Promotions and advertising

To start trading, the business already has a number of secure contracts in place. As such, it is not necessary to actively promote the enterprise to the general community. However, it would be useful to alert other potential clients to its existence, with a view to seeking work from them at a later stage. To this end, the following promotional tools will be used by the business:

- business cards and letterheads
- direct mail followed up by telephone contacts
- listing in the next edition of the Sydney Yellow Pages under 'Management Consultants'
- promotional literature — a series of A4 sheets about the company covering staff of the organisation, services provided, the benefits of using the company and a listing of previous clients
- networking — links to other practising professionals through membership of the Institute of Management Consultants and other local business bodies
- testimonials — a file of positive testimonials from clients that can be used as references for future marketing
- internet — a website and more links to this to be built in over time.

3.3.4 Pricing policy

Charge-out rates for tendered or casual consulting and training services will be A\$120 per hour, which is the current market rate (Jones 2010 p. 1). The standard price of preparing a basic 10-page business plan will be A\$2000; this figure is comparable to prices charged by other private sector business planners (both fees exclude GST). Any specific costs (such as travel and accommodation) will be additional. These prices are set towards the higher end of those charged within the commercial training sector, but well within the acceptable price range for management consulting services. Terms of payment will be 10 working days (two calendar weeks) and accounts will be tendered on the day that the services are provided.

3.4 Evaluation of marketing

The effectiveness of our marketing strategy will be assessed on a six-monthly basis by analysing sales data to see what draws the company's work. For example, if most work is coming from the distribution of promotional brochures, then this source of promotion will be seen to be effective.

Section 4: Operations

4.1 Legal and licensing requirements

(a) *Business name and legal structure*

Blueprints Business Planning Pty Ltd (Australian Business Number 99 999 999 999) is a proprietary limited company. The company structure has already been registered and established with three shareholders:

Stephen Molloy	(40% shareholding)
Jessie Jones	(40% shareholding)
Andrew St John	(20% shareholding)

who also serve as the directors of the entity.

(b) *Operating laws and licences*

After checking with the Small Business Development Corporation's Business Licence Centre, it appears that no specific licences are needed to operate this business, except for a home-based business permit from the City of Sydney.

4.2 Management details

The managing director of the company will be:

	Jessie Jones
Home address:	135 Central Blvd, Sydney NSW 2000
	Ph: (02) 9999 9999 Fax: (02) 9999 9998
Date of birth:	14 August 1970
Qualifications:	Bachelor of Business (distinction)
Experience:	Owner of café, 1992–2001
	Management consultant and owner of Jones Consultancies, 2001–11

4.3 Organisational structure and staffing

Initially, the following tasks of the business will be done by the managing director:

- consulting
- training
- servicing board of directors
- marketing and public enquiries
- bookkeeping and administration of the enterprise.

Two casual trainers will be employed to help deliver the training programs, and to help conduct research and write business plans for clients. Both will report directly to the managing director.

The following is an intended final staffing structure as part of the business's long-term (two to three years) goals:

• *Managing director — business consultancy*

Duties: Provide business planning, mentoring and occasional training to clients; undertake marketing of the business; provide administrative services and strategic development of the firm

Salary: Set at approximately A\$42 000 per annum in Year 1, rising to A\$50 000 by the end of Year 2

This role will be filled by Jessie Jones.

- *Consultant — general business planning*
Duties: Conduct business planning and general management consultancy work for clients; undertake office management
Salary: A\$45 000 per annum
Qualifications required: Aptitude for dealing with the public; small business background; experience in preparing and evaluating business plans; business degree useful, but not essential.
- *Consultant — training activities*
Duties: Prepare and deliver training courses
Salary: A\$45 000 per annum
Qualifications required: Aptitude for dealing with the public; small business background; training qualifications (or willingness to obtain); proven ability to deliver effective training sessions; formal educational qualifications preferred.
More detailed job descriptions, employment contracts and ongoing performance appraisal mechanisms will be needed during the second year of operations, or when the employment of full-time staff other than Jessie is necessary (Anderson & James 2008, p. 2). This information must be compiled and entered into that year's business plan. When the business does reach the stage of employing more than one full-time person, it will also use a team-based approach in dealing with specific projects, with different staff members leading the rest of the team on particular assignments.

Training

A minimum of 20 hours professional development must be undertaken by each employee each year, as such training is needed to keep abreast of general developments in the field. One area where specific knowledge is needed is in the preparation of tender submissions.

Professional associations

The managing director will seek to join the Institute of Management Consultants of Australia (IMCA).

4.4 Professional advisers

Accountant

Sunshine Street Accountants
4 Sunshine Street, Midland NSW 2050
Ph: (02) 7999 9999 Fax: (02) 2222 9999 Email: info@sunshinestreet.com.au

Lawyer

Moot & Moot Partners
Suite 1, 1 Main St, Sydney NSW 2002
(Postal address: PO Box 1, Sydney NSW 2045)
Ph: (02) 8999 9999 Fax: (02) 3999 9999 Email: reception@moot.net.au

Insurance broker

To be determined

Bank account

MegaBank Australia
5 St Gregory Tce, Sydney NSW 2000
Manager: Janine Gregory
Ph: (02) 2222 3333 Fax: (02) 2222 3334
Email: Janine.Gregory@megabank.com.au

Bookke
To be c
longer

4.5 Ir

The fo

- prof
- publ
- worl
- direc

It is
mately

Nec
include
for the
and sto

4.6 B

- (a) Lo
Th
NS
abl
ow
rer

on

- (b) Co
A
Sy
ne

- (c) Ab
Sir
off
is
th
th

4.7 E

The ex

- ans
- tele
- mol
- con
- high
- filir
- tabl
- ergo

Bookkeeper

To be determined. This will not be sought unless the managing director can no longer provide this service.

4.5 Insurance and security issues

The following insurance will be required for the business:

- professional indemnity
- public liability
- workers compensation
- director's liability (possibly).

It is estimated that the combined cost for these insurances will be approximately A\$2500 in Year 1 of trading.

Necessary security precautions for the business property and equipment include the provision of a locked filing cabinet for client records. Online security for the website will be needed, and electronic data will be backed up regularly and stored off-site.

4.6 Business premises

(a) Location

The business will be based at Jessie's home at 135 Central Boulevard, Sydney NSW 2000. A separate room that can be used as a dedicated office is available, with all required furniture and equipment. The property concerned is owned by Jessie and her husband, so it has security of tenure indefinitely. No rent is payable and no special equipment or fixtures are required.

Training courses will be conducted at specialised venues that can be hired on a daily basis.

(b) Council and government rules

A home-based business licence will have to be obtained from the City of Sydney. No other licences apply to the project. Trainers and business planners do not need to be licensed.

(c) Ability to access target market

Since most services will be provided on-site at the customer's premises, the office will easily allow the business to access its target markets. The office is located close to most major roads and freeways. Clients will be scattered throughout the metropolitan area, therefore, the firm will need to travel to the client's preferred locations.

4.7 Equipment required

The equipment required for the business will be:

- answering machine
- telephone line
- mobile phone
- computer, printer and scanner
- high-speed internet access
- filing cabinet
- table
- ergonomic office chair.

Quotes from suppliers indicate that the total cost of these items will be approximately A\$11 500. All materials required for the proposed training programs (such as TV, video and whiteboard) are provided by commercial training venues.

Likely future needs

If future growth necessitates the use of a fax/modem, the existing home phone line will need to be replaced with a business phone line. Future computing needs will probably include an upgraded system with wireless internet.

4.8 Production processes

An operations manual, updated every six months, will explain procedures and processes within the office. It will also allow the company to apply for quality assurance certification at a later stage, if it wishes to do so.

4.9 Critical risks/contingency plans

The critical risks facing this business and contingencies to deal with them are:

- liability — to be covered by professional indemnity insurance
- injury to the managing director — to be covered by workers compensation
- excessive workload — other directors may take on work, or it may be redirected to other consultancies with whom a strategic alliance has been developed.

Section 5: Financial projections

5.1 Basic assumptions and information

(a) Calculation of income and expenses

Expenses have been calculated based on market research and the manager's own knowledge of costs. It is assumed that all accounts revenue will be paid within the month issued (so there is no delayed income on a monthly basis). No provision has been made for the impact of inflation or increases in costs. Pricing and costs for the second year of operations will be reviewed in next year's business plan to take these factors into account.

Depreciation of equipment items purchased in July 2011 is calculated using the straight-line method at 10% per annum of total initial outlay. Book sales assume a gross cost of goods of 60% (that is, a A\$20 gross profit on sales price of A\$50). Only one year's forecasts have been provided due to the difficulty of forecasting over a longer time period.

(b) Financing of the business

The directors will provide an initial capital contribution to the business according to their shareholdings — Stephen Molloy A\$4000, Jessie Jones A\$4000, Andrew St John A\$2000. Sales income for July 2011 is based on commitments or early orders from prospective clients, thus providing initial cash flow and removing the need for short-term debt financing. The overall financing strategy is to operate, wherever possible, with a cash surplus in the bank account at all times. Bank loans will not be required. If necessary, the directors will reduce the wages paid to them during times of cash flow difficulty.

The bank account required for the business is one that:

- has mobile phone/internet banking access
- pays interest on sums below A\$5000
- provides monthly bank statements (for reconciliation with accounts)
- has credit card and electronic funds transfer facilities.

For security reasons, a minimum of two directors will be required to verify all accounts.

(c) *Distribution of profits*

Profits in Year 1 will be retained in the business. In future years, annual net profit after tax will be divided in the following manner: three-quarters will be paid to the shareholders at the end of the financial year in accordance with their shareholdings, and the remaining quarter will be kept as retained earnings. The retained capital will be used for reinvestment in the business, mainly to upgrade equipment and to meet unforeseen contingencies. If the business is highly profitable, some of the retained capital may eventually (in two to three years' time) be used to help fund the purchase of permanent business premises.

(d) *Goods and services tax*

No GST figures are shown in any of the financial documents; in other words, all forecasts are net of tax.

(e) *Loans*

The firm has no current loans or debts.

5.2 Analysis of financial forecasts

- (a) The owners have decided to use net profit margin as the main indicator of the firm's performance. Based on the projections made in this document, it is estimated for Year 1 that this will be:

$$\text{Net profit margin \%} = \frac{\text{Net profit before tax}}{\text{Sales turnover}} = \frac{\$2320}{\$103\,750} = 2.24\%$$

This figure is relatively low and below industry norms, according to a recent study by Jones (2010), but is not unusual for a business in its first year of trading. We expect margins to increase substantially in Year 2 and Year 3.

In future years, as more data are gathered, it will also be possible to use other ratios to help analyse the financial performance of the firm.

(b) *Break-even point*

Assuming that cost of goods sold is the only variable cost, the contribution margin is equal to the projected gross profit margin (94%).

$$\begin{aligned}\text{Projected fixed costs} &= \$95\,280 \\ \text{Break-even point in dollars} &= \frac{\text{Fixed costs}}{\text{Contribution margin}} \\ &= \frac{\$95\,280}{0.94} \\ &= \$101\,362\end{aligned}$$

5.2.1 Sales mix forecast (All figures are in Australian dollars, A\$)

Blueprints Business Planning Pty Ltd SALES MIX FORECAST for the period July 2011 to June 2012

Item:	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	TOTAL
Item: Business planning													
Number sold	2	2	3	3	4	0	1	3	4	5	5	5	37
Selling price	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$74 000
Total sales income	4 000	4 000	6 000	6 000	8 000	0	2 000	6 000	8 000	10 000	10 000	10 000	
Cost of goods sold per item	0	0	0	0	0	0	0	0	0	0	0	0	
Total cost of goods sold	0	0	0	0	0	0	0	0	0	0	0	0	0
Item: Training courses													
Numbers sold (hours delivered)	15	15	15	20	20	10	15	20	25	25	25	20	225
Selling price	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$27 000
Total sales income	1 800	1 800	1 800	2 400	2 400	1 200	1 800	2 400	3 000	3 000	3 000	2 400	
Cost of goods sold per item	20	20	20	20	20	20	20	20	20	20	20	20	
Total cost of goods sold	300	300	300	400	400	200	300	400	500	500	500	400	4 500
Item: Supplementary books													
Number sold	3	3	3	5	5	2	5	5	6	6	6	6	55
Selling price	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$2 750
Total sales income	150	150	150	250	250	100	250	250	300	300	300	300	
Cost of goods sold per item	30	30	30	30	30	30	30	30	30	30	30	30	
Total cost of goods sold	90	90	90	150	150	60	150	150	180	180	180	180	1 650
Total sales revenue	\$5 950	\$5 950	\$7 950	\$8 650	\$10 650	\$1 300	\$4 050	\$8 650	\$11 300	\$13 300	\$13 300	\$12 700	\$103 750
Total cost of goods sold	\$390	\$390	\$390	\$550	\$550	\$260	\$450	\$550	\$680	\$680	\$680	\$580	\$6 150

5.2.2 Cash flow forecast (All figures are in Australian dollars, A\$)

Blueprints Business Planning Pty Ltd CASH FLOW FORECAST for the period July 2011 to June 2012

	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	TOTAL
Income													
Sales revenue	\$5 950	\$5 950	\$7 950	\$8 650	\$10 650	\$1 300	\$4 050	\$8 650	\$11 300	\$13 300	\$13 300	\$12 700	\$103 750
Capital	10 000												10 000
Sundry													
Total income	15 950	5 950	7 950	8 650	10 650	1 300	4 050	8 650	11 300	13 300	13 300	12 700	113 750
Expenses													
Cost of goods sold	390	390	390	550	550	260	450	550	680	680	680	580	6 150
Accounting/legal services	1 500		800					200					2 500
Advertising	2 000	100	100	100	180	100	100	100	100	100	100	100	3 180
Bank fees	15	15	15	15	15	15	15	15	15	15	15	15	180
Equipment purchases	11 500												11 500
Equipment leases													0
Insurance	2 500												2 500
Light & power													0
Loan repayments													0
Motor vehicle -- fuel	50	50	50	50	50	50	50	50	50	50	50	50	600
Motor vehicle -- other costs													0
Petty cash	25	25	25	25	25	25	25	25	25	25	25	25	300

5.2.2 continued

Blueprints Business Planning Pty Ltd
CASH FLOW FORECAST
for the period July 2011 to June 2012

	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	TOTAL
Postage, printing & stationery	400												400
Rent													0
Repairs & maintenance	100			100			100						400
Staff casual wages	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	24 000
Staff superannuation												6 000	6 000
Staff director's wages	3 400	3 340	4 700	3 220	3 340	3 400	3 220	3 340	3 400	3 220	3 340	3 400	41 320
Telephone	50	50	50	50	50	50	50	50	50	50	50	50	600
Other	100	50	50	50	50	50	50	50	50	50	50	50	650
Total expenses	24 030	6 020	8 180	6 160	6 260	5 950	6 060	6 380	6 370	6 290	6 310	12 270	100 280
Cash surplus/(deficit)	\$(8 080)	\$(70)	\$(230)	\$2 490	\$4 390	\$(4 650)	\$(2 010)	\$2 270	\$4 930	\$7 010	\$6 990	\$430	\$13 470
Bank balance													
Start of month	0	(8 080)	(8 150)	(8 380)	(5 890)	(1 500)	(6 150)	(8 160)	(5 890)	(960)	6 050	13 040	
End of month	(8 080)	(8 150)	(8 380)	(5 890)	(1 500)	(6 150)	(8 160)	(5 890)	(960)	6 050	13 040	13 470	

5.2.3 Projected profit and loss statement (All figures are in Australian dollars, A\$)

Blueprints Business Planning Pty Ltd
PROJECTED PROFIT AND LOSS STATEMENT
for the period July 2011 to June 2012

Revenues	
Sales revenue	103 750
Less: Cost of goods sold	6 150
Gross profit	<u>97 600</u>
Expenses	
Accounting/legal services	2 500
Advertising	3 180
Bank fees	180
Equipment purchases	11 500
Equipment leases	0
Insurance	2 500
Light & power	0
Loan repayments	0
Motor vehicle — fuel	600
Motor vehicle — other costs	0
Petty cash	300
Postage, printing & stationery	400
Rent	0
Repairs & maintenance	400
Staff wages	24 000
Staff superannuation	6 000
Staff director's wages	41 320
Telephone	600
Other	650
Depreciation	1 150
Total expenses	<u>95 280</u>
Net profit	<u><u>\$2 320</u></u>

5.2.4 Owner's personal expenses (All figures are in Australian dollars, A\$)

Blueprints Business Planning Pty Ltd
OWNER'S PERSONAL EXPENSES: JESSIE JONES
for the period July 2011 to June 2012

	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	TOTAL
Monthly commitments													
Food	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4 800
Health	100	100	100	100	100	100	100	100	100	100	100	100	1 200
Clothes	80		80			80			80			80	400
Entertainment	200	200	200	200	200	200	200	200	200	200	200	200	2 400
Transport	120	120	120	120	120	120	120	120	120	120	120	120	1 440
Education													0
House payments	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	16 800
Car payments													0
Other loan repayments													0
Telephone			100			100			100			100	400
Electricity & gas		120			120			120			120		480
Rates			1300										1 300
Personal income tax	900	900	900	900	900	900	900	900	900	900	900	900	10 800
Credit cards	100												100
Other	100	100	100	100	100	100	100	100	100	100	100	100	1 200
Monthly drawings needed*	\$3 400	\$3 340	\$4 700	\$3 220	\$3 340	\$3 400	\$3 220	\$3 340	\$3 400	\$3 220	\$3 340	\$3 400	\$41 320

*Shown as 'Staff - director's wages' in cash flow forecast

5.2.5 Owner's personal assets and liabilities (All figures are in Australian dollars, A\$)

Blueprints Business Planning Pty Ltd
OWNER'S PERSONAL ASSETS AND LIABILITIES: JESSIE JONES
as at 1 July 2011

Assets	
Own house (market value)	\$700 000
Other real estate (market value)	0
Motor vehicle (insured value)	25 000
Cash (on hand or in bank)	6 000
Superannuation	84 000
Furniture & personal effects (insured value)	25 000
Other (list if appropriate)	0
Total assets	<hr/> 840 000 <hr/>
Liabilities	
Outstanding mortgage (on home)	201 500
Outstanding mortgage (on other real estate)	0
Personal loans	0
Credit cards	100
Current bills	0
Other debts	600
Total liabilities	<hr/> 202 200 <hr/>
Personal worth (total assets minus total liabilities)	<hr/> \$637 800 <hr/>

Section 6: Implementation timetable, 2011-12

2011

July	Apply for home-based business licence Open business bank account Prepare letterheads, business cards Send copy of business plan to accountant and lawyer (for their information) Obtain all relevant insurance policies
August	Start direct mail campaign Review contents of website
September	Start compiling operations manual Visit accountant re: progress to date, recordkeeping Enquire re: computing equipment required
October	Enquire with Institute of Management Consultants (Australia) re: membership
November	Prepare promotional brochure
December	Print promotional brochure

2012

January	Staff/directors' retreat to review progress to date Review business plan Review effectiveness of marketing plan and analyse source of sales to date Review operations manual
February	Attend Small Business Development Corporation course on managing business growth
March	Implement benchmarking of advertising by outside adviser
April	Update website
May	Visit accountant re: end-of-financial-year returns
June	Write business plan for 2012-13 Review and write new marketing plan

Section 7: Appendix — Research reference sources

- Anderson, Z. & James, R., *Small Business Employment Guide*, Smiley & Sons, Sydney, 2008.
- Australian Bureau of Statistics, *Training Needs in Australian SMEs*, Cat. No. 2222.8, ABS, Canberra, 2009.
- Brown, B., 'Revisiting new enterprise opportunities', *Micro-Enterprise Australia*, vol. 6, no. 3, September, 2008, pp. 42-9.
- Jones, J., 'Consultancy rates — an overview', *Management Techniques and Issues*, no. 5, January, 2010, pp. 1-5.
- Small Business Development Corporation, *Opportunities for New Beginnings*, SBDC, Sydney, 2009.
- Sydney Chamber of Commerce, *Survey of Small Organisation Professional Development Needs*, Sydney Chamber of Commerce, Sydney, 2009.
- Ziericki, B.B., *Consulting: An Overview of the Personal Services Sector*, available online at Management Myopia website www.managementmyopia.com, 2007.