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**Executive Summary**

[Latonia B. Stone] is an independent architect based in [San Antonio], Texas. Her services include all basic planning, design, and consultancy services. Stone plans to position herself as a reliable architect for millennial homeowners and retail store developers. In order to attract her target markets, she will utilize social media and other forms of digital marketing to communicate directly to her customers.

**Company Overview**

**Mission Statement:** Stone is committed to providing cost-efficient design, planning, and other architectural services for private project owners in San Antonio, Texas.

**Philosophy:** Professionalism, creativity, and close coordination with the customer are central to [Latonia Stone's] conduct of business.

**Vision:** Stone aims to build good and profitable relationships with homeowners and commercial builders in San Antonio. She aspires to be one of the trusted contractors of architectural services in the city.

**Outlook:** Both residential and non-residential constructions are booming in [San Antonio, TX]. The value of residential construction is seen to increase as the demand for construction of single and multi-family residential units increases. Recent developments in the busier districts of the city foresee more commercial property development projects in the future. Independent architects, engineers, and other key industry personnel will be more in demand as contractors and project owners bid for reasonably priced yet quality service providers.

**Type of Industry:** Architecture Industry / Construction Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Latonia B. Stone, Owner/Operator

**Start-Up Summary**: The total start-up cost is [$50,700.00], covering basic expenses such as rent, utilities, equipment and tools, and operational costs.

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| **Start-Up Funding** |
| Start-Up Expenses | $23,200.00 |
| Start-Up Assets | $27,500.00 |
| **Total Funding Required** | **$50,700.00** |
|  |
| **Assets** |  |
| Non-Cash Assets from Start-Up | $5,000.00 |
| Cash Requirements from Start-up | $18,200.00 |
| Additional Cash Raised | $2,300.00 |
| Cash Balance on Starting Date | $2,000.00 |
| **Total Assets** | **$27,500.00** |
|  |
| **Capital** |  |
| Planned Investment |  |
| Owners | $10,000.00 |
| Additional Investment Requirement | $17,500.00 |
| **Total Planned Investment** | **$27,500.00** |
| Loss at Start-Up (Start-Up Expenses) | -$23,200.00 |
| **Total Capital** | **$4,300.00** |
| **Total Capital and Liabilities** | **$4,300.00** |
|  |  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent | $6,000.00 |
| Utilities | $4,200.00 |
| Equipment & Tools | $5,000.00 |
| Operations | $6,000.00 |
| Marketing & Promotion | $2,000.00 |
| **Total Start-Up Expenses** | **$23,200.00** |
|  |
| **Start-Up Assets** |  |
| Cash Required | $22,500.00 |
| Other Current Assets | $2,500.00 |
| Long-Term Assets | $2,500.00 |
| **Total Assets** | **$27,500.00** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$50,700.00** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Latonia B. Stone | Overall Management | Design and planning, organization, negotiation |

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

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| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Register with the Texas Board of Architectural Examiners | * Completed all pre-examination requirements on September 29, 2018
* Passed the examination on October 27, 2018
 |
| Acquire funds for start-up expenses | * Loan $5,000.00 from parents on December 1, 2018
 |
| **Long-Term Goals** | **Milestones** |
| Build client list | * Acquire a mailing list of potential customers in November 2018
* Send service proposal to select recipients in December 2018
 |
| Break-even on Q3 of FY 2020 | * Created sales and marketing plan on December 2, 2018
* Created budget outline for 1-year operations on December 7, 2018
 |

**Products and Services**

**Product/Service Description:** Architect Stone offers standard architectural services such as design certification, exterior and interior design, measurement survey and drawing, and basic consultancy. She specializes in designing and planning residential and retail properties.

**Value Proposition:** Simplicity is key in designing exteriors and interiors that are both ergonomic and eye pleasing. Latonia Stone takes pride in her ability to combine what’s necessary and pretty in order to come up with a design that will benefit her clients in the long run.

**Pricing Strategy:** Pricing strategies will be project-based. Cost-plus pricing will be applied to projects that require additional materials and paraphernalia. Architect Stone will charge a fixed hourly fee for consultancy and certification services.

**Execution**

**Marketing Plan:** Architect Stone aims to secure contractual work for residential and retail properties. The strategies for reaching her target market include networking through social media and conventions related to construction and design.

**Market Research:** As of 2018, the construction industry in Texas has the highest growth rate at 10% in the US. In San Antonio alone, experts anticipate a 13% growth rate and 9% employment growth rate, which means that there are sufficient job opportunities in the city for large firms and independent contractors alike. Major industry drivers include non-residential design projects for mid- to large-scale firms. Small firms and individual contractors will find a considerable number of potential clients in the residential construction market.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Latonia B. Stone, RA | * Strong creative agency
 | * No second opinion on business decisions
 | * New homeowners looking for contractors who can adjust their prices accordingly
 | * Other competing independent architects
 |
| ArchiTex Design Studio | * Sufficient working team
 | * Weak internal management systems
 | * More tech startups opening in San Antonio in need of like-minded building design consultants
 | * High market volatility
 |
| Build N Improve Home Renovation Services | * Large customer base
 | * Poor digital marketing strategies
 | * Positive customer referrals/recommendations
 | * Customers' need for online accessibility
 |

**Marketing Strategy:** Architect Stone will utilize social media and other digital capacities to attract her target market of new homeowners and retail store developers.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Online marketing | * Create Facebook, Instagram and Twitter pages
* Sign up with LinkedIn and Houzz
* Develop a blog
 | * 2nd to 3rd week of December 2018
 | Increase of inquiries directly messaged to any of the pages/accounts |
| Word-of-mouth advertising | * Attend design conventions, real estate development events, and other related conferences
* Ask friends and relatives to spread the word
 | * October 2018 to present
 | Obtain contacts from other firms, developers, and other pertinent industry players |

**Organizational Structure:** All roles and functions in the business will be the responsibility of Architect Stone.

**Operational Plan**

**Location and Facilities:** Stone will operate the business at her residential unit in Todds Lane.

**Tools and Equipment Checklist:**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **AutoCAD LT** | **1** |
| **Microsoft Office 2016 Professional** | **1** |
| **Hardware** | **Quantity** |
| **Plotter** | **1** |
| **Multi-functional printer** | **1** |

**IT Infrastructure**

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Data Storage | Y | * Basic storage capacities only
* To be upgraded once clients come in
 |
| Network Security | N | * To be checked by IT service provider
 |
| Social Media | Y | * LinkedIn, Facebook, Instagram, Twitter, Houzz
 |

**Financial Plan**

**Assumptions:** The financial plan for this business is based on the following assumptions:

 1. Monthly expenses after Q1 of 2019 will not exceed $2,000.00.

 2. Revenue from contractual work will come in by Q2 of 2019.

**Monthly Expense**

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**Monthly Revenue**

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**Business Financing:** Architect Stone will finance the business through personal funds and a loan from her parents. Beginning in FY 2020, operational costs will be covered by business revenue.

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $19,551.00 | $38,769.99 | $51,284.46 |
| Direct Cost of Sale | $1,000.00 | $2,500.00 | $3,000.00 |
| Other Cost of Sale | $0.00 | $0.00 | $0.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $1,000.00 | $2,500.00 | $3,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $18,551.00 | $36,269.99 | $48,284.46 |
| **Gross Margin % (Gross Profit/Sales)** | **94.89%** | **93.55%** | **94.15%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $6,000.00 | $6,000.00 | $6,500.00 |
| Utilities | $4,200.00 | $4,800.00 | $5,200.00 |
| Equipment & Tools | $5,000.00 | $3,000.00 | $1,500.00 |
| Operations | $6,000.00 | $6,000.00 | $6,000.00 |
| Marketing & Promotion | $2,000.00 | $2,300.00 | $3,500.00 |
| **Total Operating Expenses** | **$23,200.00** | **$22,100.00** | **$22,700.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$22,200.00 | -$19,600.00 | -$19,700.00 |
| Depreciation | $0.00 | $500.00 | $500.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $0.00 | $100.00 | $100.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **-$4,649.00** | **$14,069.99** | **$25,484.46** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $22,500.00 | $25,000.00 | $27,500.00 |
| Accounts Receivable | $0.00 | $0.00 | $500.00 |
| Inventory | $0.00 | $500.00 | $1,500.00 |
| Other Current Assets | $2,500.00 | $3,500.00 | $4,000.00 |
| Total Current Assets | **$25,000.00** | **$29,000.00** | **$33,500.00** |
|  |  |  |  |
| Long-Term Assets | $2,500.00 | $3,000.00 | $4,000.00 |
| Accumulated Depreciation | $0.00 | $500.00 | $500.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $2,500.00 | $2,500.00 | $3,500.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$27,500.00** | **$31,500.00** | **$37,000.00** |
|  |  |  |  |
| Accounts Payable | $3,000.00 | $3,500.00 | $3,500.00 |
| Notes Payable | $1,000.00 | $1,540.00 | $2,000.00 |
| Other | $1,500.00 | $2,000.00 | $1,750.00 |
| Total Liabilities | **$5,500.00** | **$7,040.00** | **$7,250.00** |
|  |  |  |  |
| Paid-in Capital | $10,000.00 | $15,000.00 | $20,000.00 |
| Retained Earnings | $3,745.00 | $7,438.00 | $11,454.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$22,000.00** | **$24,460.00** | **$29,750.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **25.00%** | **28.78%** | **24.37%** |

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| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2022** |
| Operating Cash Beginning | **$22,500.00** | **$25,000.00** | **$27,500.00** |
|  |  |  |  |
| **Sources of Cash** |  |  |  |
| Receivables | $0.00 | $0.00 | $500.00 |
| Sales | $19,551.00 | $38,769.99 | $51,284.46 |
| Others | $2,500.00 | $3,500.00 | $4,000.00 |
| **Total Cash** | **$44,551.00** | **$67,269.99** | **$83,284.46** |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $6,000.00 | $6,000.00 | $6,500.00 |
| Utilities | $4,200.00 | $4,800.00 | $5,200.00 |
| Equipment & Tools | $5,000.00 | $3,000.00 | $1,500.00 |
| Operations | $6,000.00 | $6,000.00 | $6,000.00 |
| Marketing & Promotion | $2,000.00 | $2,300.00 | $3,500.00 |
| **Total Expenditures** | **$23,200.00** | **$22,100.00** | **$22,700.00** |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$21,351.00** | **$45,169.99** | **$60,584.46** |