

**Index**

Executive Summary [PAGE NUMBER]

Company Overview [PAGE NUMBER]

Products and Services [PAGE NUMBER]

Execution [PAGE NUMBER]

Operational Plan [PAGE NUMBER]

Financial Plan [PAGE NUMBER]

**EXECUTIVE SUMMARY**

[Blackwater Security] is a startup security guard agency founded by [Alex Webber], a former [Lieutenant] General for the US Army. Located in [Alhambra, California], the agency will provide security guards and recommend security equipment providers for commercial buildings and retail businesses in the vicinity.

[Blackwater Security] will grow its base of security guards carefully based on client contracts and employ both full-time and part-time security guards. The business expects modest sales in the first year of operation, but increasing and nearly doubling its numbers by the end of the third year. After its initial launch, the agency aims to establish its office and training grounds in its second year and focus on expansion in its third year.

**COMPANY OVERVIEW**

**Mission Statement**

[Blackwater Security] strives to be the best in security and investigation services for corporate businesses, serving not only corporate offices and buildings but also special events.

**Philosophy**

[Blackwater Security] understands that a company grows with its employees. This is why the agency is looking into working with staff to create an environment that gives job satisfaction. This could include tailoring schedules and offering flexible hours to accommodate the personal situations of each of its employees.

**Vision**

[Blackwater Security] is committed to improving the services that it provides to its clients. By investing and developing the agency’s most important assets, it aims to achieve its goals and exceed client expectations.

**Outlook**

Increasing fears of criminal and terrorist activity, as well as the current economic climate, promises an upswing in general and in outsourced services. Thus, the agency’s launch is arriving at the right time as more and more businesses feel more comfortable with 24-hour security.

**Type of Industry:** Security Services

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Alex Webber]

**Start-Up Summary**

[Blackwater Security] aims to launch its services in [California], where it will provide security guard training and employment. Start-up costs include costs of operations and permits, including concealed weapon permits, business licenses, police clearances, and other legal fees, and initial website development and marketing.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses to Fund | $55,000 |
| Start-Up Assets to Fund | $445,000 |
| **Total Funding Required** | **$500,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $300,000 |
| Cash Requirements from Start-up | $95,000 |
| Additional Cash Raised | $45,000 |
| Cash Balance on Starting Date | $5,000 |
| **Total Assets** | **$445,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owners | $450,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$500,000** |
| Loss at Start-Up (Start-Up Expenses) | $55,000 |
| **Total Capital (Total Planned Investment - Loss at Start-Up)** | **$445,000** |
| **Total Capital and Liabilities** | **$445,000** |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 6 Months | $12,000 |
| Advertising | $2,000 |
| Legal Fees | $6,000 |
| Staff Training | $3,000 |
| Insurance | $2,000 |
| Other | $30,000 |
| **Total Start-Up Expenses** | **$55,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $145,000 |
| Start-Up Inventory | $100,000 |
| Other Current Assets | $30,000 |
| Long-Term Assets | $170,000 |
| **Total Assets** | **$445,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$500,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Owen Yang] | Store Manager | Communication, People Management, Teamwork, and Resilience |
| [Christina Hunt] | HR Manager | Communication, Onboarding, People Skills, and Performance Management |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Recruit an efficient, qualified workforce | Recruitment process finished. Training is in progress. |
| Create a solid marketing campaign for the agency | The marketing division is finalizing the marketing materials, which are to be submitted by [March 30, 2019]. |
| **Long-Term Goals** | **Milestones** |
| Receive accreditation and be recognized in industry quality standards | Application for accreditation filed |
| Deliver consistently high levels of service to clients | End the year with a [90]% satisfactory rating |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Blackwater Security] shall be a licensed and insured business that offers the services of both armed and unarmed security guards based on client needs and budget. Each of the guards working for the security force shall be certified for security work and to carry firearms.

[Blackwater Security] will provide the following services for its clients:

* Armed and unarmed security guards who can guard and screen guests and employees entering guarded premises, deter crime and organize a response in case of fire, evacuation, or other emergencies as applicable.
* Audit and recommend security and refer clients to providers of security technology such as camera systems and alarms.

**Value Proposition**

[Blackwater Security] delivers a meaningful security program that fits the needs of its customers, emphasizing on the importance of locally-experienced security agency with responsive management. The agency delivers flexible, responsive, and personalized services with extensive industry knowledge to serve the clients the best that it could.

**Pricing Strategy**

Due to the uniqueness of every business, [Blackwater Security] offers personalized pricing strategies based on the needs and monetary abilities of its clients.

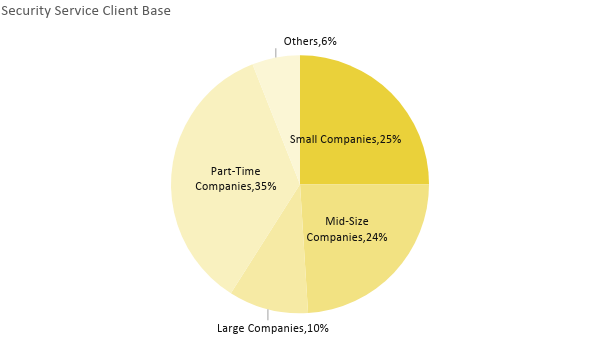
**EXECUTION**

**Marketing Plan**

Security services are sold on a business-to-business basis, and thus, marketing and advertising are targeted mainly on the markets and industries that they seek to serve. These businesses generally search for providers online or through referrals from other companies that they trust. Thus, [Blackwater Security] will focus its marketing plan on creating and maintaining a search engine-optimized website.

**Market Research**

Research has shown that there are over [50,000] security service firms in the US, all of which are running approximately [80,000] establishments. The average size of a firm has a $[700,000] revenue per year, meaning that the industry serves both small and larger companies. The industry depends on a supply of labor and for as long as establishments continue to grow in the city, the industry shall thrive.



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Blackwater Services] | Trained in disaster mitigation | New in the industry | Potential expansion of the agency | Other more established security guard agencies |
| [Advanced Security Services] | Has access control on the majority of businesses in the area | Focuses on VIP clients | Keeping up-to-date with technology | The increasing number of security services in the area |
| [Protection One Security Service] | Known to be the best in law enforcement | Limited variety of options | Provide more advanced apps and services | The rise in popularity of do-it-yourself security practices |

**Marketing Strategy**

[Blackwater Security] will use different tactics to reach its target markets. Among these tactics include developing basic brochure websites with services and contact information. Direct selling based on purchasing or developing target lists, and direct mailing brochures and letters to the aforementioned list of potential clients in the area.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Develop an agency website | Front-end developer hired | March 10, 2019 | Agency website up and running efficiently |
| Design a downloadable brochure | Graphic designer hired | March 15, 2019 | Downloadable brochure created and compatible with different systems |
| Create a mailing list and mail advertising materials | Marketing officers creating a mailing list, 45% done | April 1, 2019 | Sending out advertising mail, achieving a minimum of [65]% response rate from potential clients |

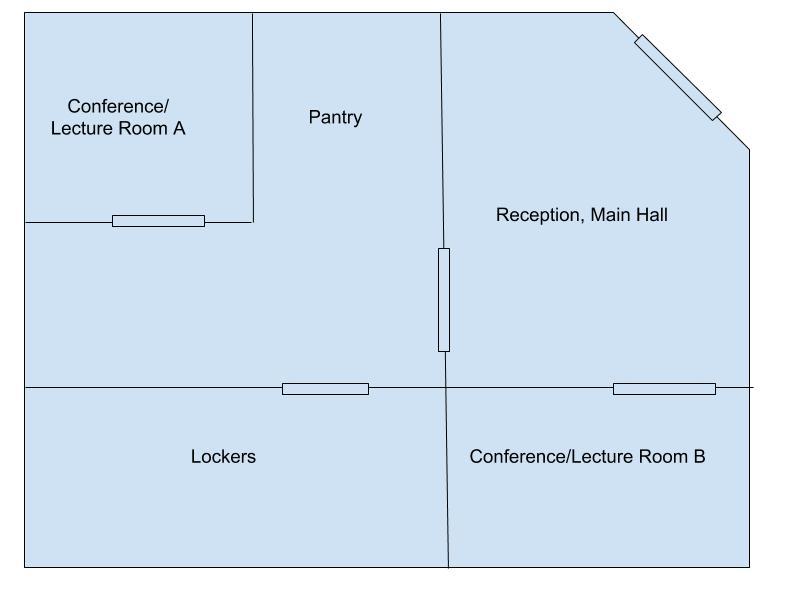
**Organizational Structure**



**OPERATIONAL PLAN**

**Location and Facilities**

The agency office is located in [downtown Alhambra] and is a large office space divided into several areas that include the reception hall for clients, two conference rooms that serve as lecture rooms for training purposes, lockers, and a pantry.

****

**FINANCIAL PLAN**

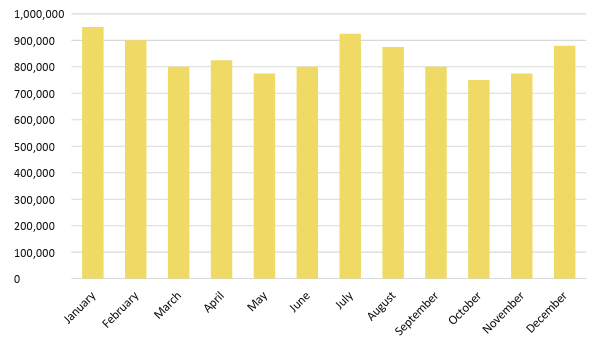
**Assumptions**

Based on the current economic climate, security guard service sales shall be recurring. Assuming a client retention rate of [85]% annually, sales are expected to escalate quickly with a possibility of agency expansion within the next [three to five] years.

Sales will be a combination of clients requiring 24/7 security service and daytime only or nighttime only coverage as well. Sales are expected to meet the agency’s objective of $[700,000] by its third year of operations.

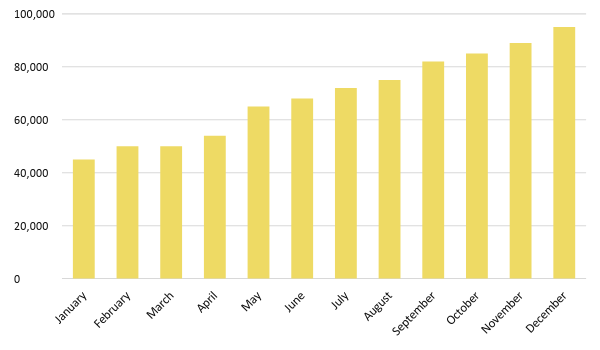
**Monthly Expense**

The chart shows the agency’s projected monthly expense for [2019], including training and fixed expenses.

****

**Monthly Revenue**

The following chart depicts the monthly net revenue of the security agency for [2018]. This already excludes fixed expenses and employee salaries.

****

**Business Financing**

The funding for the business mainly comes from a business loan worth $[500,000.00]. The major expenses will go to business insurance, rent, salaries, supplies, and maintenance.

**Statements**

The following projected financial statements show the agency’s possible standing in the next three years.

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Sales | $3,200,000.00 | $3,500,000.00 | $3,700,000.00 |
| Direct Cost of Sale | $500,000.00 | $570,000.00 | $600,500.00 |
| Other Cost of Sale | $100,000.00 | $141,000.00 | $157,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | **$2,600,000.00** | **$2,789,000.00** | **$2,942,500.00** |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | **$600,000.00** | **$711,000.00** | **$757,500.00** |
| **Gross Margin % (Gross Profit/Sales)** | **18.75%** | **20.31%** | **20.47%** |
|  |  |  |  |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $72,000.00 | $72,000.00 | $72,000.00 |
| Insurance | $12,000.00 | $12,000.00 | $12,000.00 |
| Utilities | $20,000.00 | $20,000.00 | $20,000.00 |
| Salary (Including Tax) | $350,000.00 | $350,000.00 | $350,000.00 |
| Maintenance & Supplies | $5,000.00 | $5,000.00 | $5,000.00 |
| **Total Operating Expenses** | **$459,000.00** | **$459,000.00** | **$459,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $2,141,000.00 | $2,330,000.00 | $2,483,500.00 |
| Depreciation (Asset Cost - Residual Value)/Useful Life of the Asset) | $10,000.00 | $10,000.00 | $10,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $15,000.00 | $18,000.00 | $20,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$126,000.00** | **$234,000.00** | **$278,500.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $1,000,000.00 | $1,250,000.00 | $1,450,000.00 |
| Accounts Receivable | $100,000.00 | $150,000.00 | $110,000.00 |
| Inventory | $7,000.00 | $8,000.00 | $10,000.00 |
| Other Current Assets | $20,000.00 | $25,000.00 | $35,000.00 |
| Total Current Assets | **$1,127,000.00** | **$1,433,000.00** | **$1,605,000.00** |
|  |  |  |  |
| Long-Term Assets | $45,000.00 | $43,000.00 | $47,000.00 |
| Accumulated Depreciation | $3,000.00 | $2,500.00 | $2,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $42,000.00 | $40,500.00 | $45,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$1,169,000.00** | **$1,473,500.00** | **$1,650,000.00** |
|  |  |  |  |
| Accounts Payable | $150,000.00 | $170,000.00 | $155,000.00 |
| Notes Payable | $7,000.00 | $7,500.00 | $5,000.00 |
| Other | $3,500.00 | $7,000.00 | $5,000.00 |
| Total Liabilities | **$160,500.00** | **$184,500.00** | **$165,000.00** |
|  |  |  |  |
| Paid-in Capital | $10,000.00 | $5,000.00 | $5,000.00 |
| Retained Earnings | $90,000.00 | $120,000.00 | $130,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$1,008,500.00** | **$1,289,000.00** | **$1,485,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **15.91%** | **14.31%** | **11.11%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $1,000,000.00 | $1,500,000.00 | $1,600,000.00 |
|  |  |  |  |
| **Sources of Cash** | $15,000.00 | $18,000.00 | $15,000.00 |
| Receivables | $10,000.00 | $12,000.00 | $30,000.00 |
| Sales | $70,000.00 | $25,000.00 | $35,000.00 |
| Others | $50,000.00 | $7,000.00 | $8,000.00 |
| **Total Cash** | $1,145,000.00 | $1,562,000.00 | $1,688,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $72,000.00 | $72,000.00 | $72,000.00 |
| Insurance | $12,000.00 | $12,000.00 | $12,000.00 |
| Utilities | $15,000.00 | $15,000.00 | $15,000.00 |
| Salary (Including Tax) | $350,000.00 | $40,000.00 | $450,000.00 |
| Maintenance & Supplies | $4,500.00 | $4,500.00 | $4,500.00 |
| **Total Expenditures** | $453,500.00 | $143,500.00 | $553,500.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$691,500.00** | **$1,418,500.00** | **$1,134,500.00** |