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**Executive Summary:**

[Newborn Birth Center] is an independent birth center in [New Castle County], [Delaware] that will provide personalized prenatal, natural childbirth, and post-natal services to its clients. The birth center targets women who are interested in experiencing different ways of natural childbirth.

[Newborn Birth Center] plans to obtain many clients during its first year of operations. The birth center aims to spread information about natural childbirth and natural childbirth services through the creation of an informative website and social media advertising.

**Company Overview:**

**Mission Statement: [**Newborn Birth Center] provides an affordable, safe, and healthy environment for mothers to acquire prenatal services, to deliver the baby and to obtain post-natal care.

**Philosophy: [**Newborn Birth Center] allows mothers to gain a natural childbirth experience at a trusted facility. The midwives are committed to providing sufficient education, care, and respect to the needs of all women.

**Vision: [**Newborn Birth Center] will become one of the leading and trusted birth centers in [Delaware].

**Outlook:** The demand for [birth centers] in the [US] is rising rapidly with the growing interest of women to experience natural childbirth. This positive progress within the industry projects an increase in the clientele of birth centers in the next three years or more.

**Type of Industry:** Health Care

**Business Structure:** Partnership

**Ownership:** Partnership, [Melissa Barrow] and [Eunice Watson]

**Start-Up Summary**: The start-up costs for [Newborn Birth Center] amounts to [245K] USD. The partners will divide the payment of the start-up funds equally. The initial funds cover the rent, insurance, legal fees, and initial operating expenses of the business.

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| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $146,460 |
| Start-Up Assets | $98,540 |
| **Total Funding Required** | **$245,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $52,540 |
| Cash Requirements from Start-up | $10,000 |
| Additional Cash Raised | $31,000 |
| Cash Balance on Starting Date | $5,000 |
| **Total Assets** | **$98,540** |
|  |
| Capital |  |
| Planned Investment |  |
| Owners | $245,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$245,000** |
| Loss at Start-Up (Start-Up Expenses) | -$146,460 |
| **Total Capital** | **$98,540** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$98,540** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 6 Months | $38,160 |
| Advertising | $4,000 |
| Legal Fees | $1,800 |
| Staff Training | $10,000 |
| Insurance | $2,500 |
| Other | $90,000 |
| **Total Start-Up Expenses** | **$146,460** |
|  |
| Start-Up Assets |  |
| Cash Required | $46,000 |
| Start-Up Inventory | $12,000 |
| Other Current Assets | $15,000 |
| Long-Term Assets | $25,540 |
| **Total Assets** | **$98,540** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$245,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Melissa Barrow  | Operations Manager | Communication, Conflict Management, Decision-making, Leadership |
| Eunice Watson | Head Midwife | Leadership, Organization, Communication, Caring Attitude |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Comply with the state laws and regulations to form the business | Secured the necessary operating permits and licenses last January 15, 2020 |
| Hire qualified and certified midwives to handle the birth center’s services | Recruited 5 certified midwives last January 20, 2020, to begin on the first day |
| **Long-Term Goals** | **Milestones** |
| Adapt effectively to the market changes  | Prepared personalized childbirth services for its target market |
| Spread awareness on the different ways of natural birth | Planned the creation of a website for clients to browse through |

**Products and Services**

**Product/Service Description: [**Newborn Birth Center] offers personalized prenatal, delivery, and post-natal services to its clients. The birth center also provides counseling sessions to aid mothers in taking care of their newborn child.

**Value Proposition: [**Newborn Birth Center] adjusts to the needs of its clients. The birth center provides its services depending on the condition of its client.

**Pricing Strategy:** The **[**Newborn Birth Center] prices its services based on the competitor’s prices. The birth center will also apply the price-bundling scheme.

**Execution**

**Marketing Plan:** The **[**Newborn Birth Center] plans to spread awareness and information about its services to its target market. The birth center also aims to increase the number of clients through word of mouth and social media exposure.

**Market Research:** Certain laws and regulations in the US have contributed greatly to the rise in demand for birth centers. A recent survey shows that most women in Delaware opt to go to birth centers instead of maternity wards for childbirth.



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Newborn Birth Center  | Personalized assistance and services to pregnant women | Lack of support from hospitals and medical practitioners since the birth center is relatively new | There are women who prefer a personalized approach to their childbirth. | The problems caused by insurers of birth centers lead to business closures of start-up birth centers.  |
| New Castle Birth Center | A well-known and trusted birth center | Highly expensive fees for consultation and childbirth services | The increasing demand for natural childbirth | There are pending bills in the government that may hinder certain services offered by birth centers.  |
| Baby Care Birthing Center | Reliable facility for natural childbirth | Poor customer service | The growing interest of women in natural childbirth may result in an increase in clientele. | The increasing demand for birth centers enables hospitals to support and fund independent birth centers. |

**Marketing Strategy:** TheNewborn Birth Center aims to spread awareness on natural childbirth by opening an informative website. The birth center strives to advertise its services by word of mouth and social media. The following table shows the center’s activities to implement its marketing strategies.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Website Creation | Hire a website developer. | March 1, 2020 | Discuss the layout of the website with the developer by March 5, 2020. |
| Social Media Advertisements | Prepare video advertisements to be posted on various social media channels. | March 5, 2020 | Review the final draft of the video advertisements by February 28, 2020. |
| Word of Mouth | Post promotional information on community bulletin boards. | ASAP | Print posters by February 25, 2020.  |

**Organizational Structure:**

[Melissa Barrow] and [Eunice Watson], the owners of [Newborn Birth Center], will oversee the operations of the birth center as operations manager and head midwife respectively. They will closely supervise the delivery of services to its clients with the assistance of the hired midwives

**Operational Plan:**

**Location and Facilities**

Newborn Birth Center occupies a 4770 sq. ft. office and medical space in 1800 Naamans Rd. New Castle County, DE 19810, USA. The facility will have three birth rooms, a nursing station, a family area, and a storage room.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **Customer Database System** | **1** |
| **Inventory Management** | **1** |
| **Hardware** | **Quantity** |
| **Medical Equipment** | **7** |
| **Computer** | **2** |

**IT Infrastructure**

The table below describes the Newborn Birthing Center’s IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Website | N | The birth center is currently in the process of creating a website. |
| Latency Proof | N | Interruptions and delays in network connections were encountered. |
| Zero Downtime | Y | There were no disruptions caused by the network. |

**Financial Plan**

**Assumptions**

The [Newborn Birth Center] has the following financial assumptions in making its projected financial statements:

* The birth center expects to gain a [35%] increase in sales beginning in the second year of its operations.
* The prevailing market interest is [5.4%]. The tax rate is equal to 20% of the total compensation amount.
* Expenses are expected to increase during the second half of the year due to inflation.

**Monthly Expense**

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**Monthly Revenue**

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**Business Financing**

The partners obtained a business loan each amounting to [$122,500] to generate the initial funds of [$245,000]. The initial funds cover the starting operating expenses of the birth center.

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2020** | **FY2021** | **FY2022** |
| Sales | $467,500.00 | $631,125.00 | $852,018.75 |
| Direct Cost of Sale | $196,350.00 | $265,072.50 | $357,847.88 |
| Other Cost of Sale | $4,500.00 | $4,590.00 | $4,681.80 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $266,650.00 | $361,462.50 | $489,489.08 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $200,850.00 | $269,662.50 | $362,529.68 |
| **Gross Margin % (Gross Profit/Sales)** | **42.96%** | **42.73%** | **42.55%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $76,320.00 | $76,320.00 | $76,320.00 |
| Insurance | $5,000.00 | $5,000.00 | $5,000.00 |
| Utilities | $10,000.00 | $10,350.00 | $10,712.25 |
| Salary (Including Tax) | $70,000.00 | $70,000.00 | $70,000.00 |
| Maintenance & Supplies | $10,000.00 | $10,350.00 | $10,712.25 |
| **Total Operating Expenses** | **$171,320.00** | **$172,020.00** | **$172,744.50** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $95,330.00 | $189,442.50 | $316,744.58 |
| Depreciation | $1,150.00 | $1,150.00 | $1,150.00 |
| Interest Expense | $13,230.00 | $13,230.00 | $13,230.00 |
| Taxes Paid | $14,000.00 | $14,000.00 | $14,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$2,300.00** | **$70,412.50** | **$162,555.18** |

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| **Balance Sheet Projection** |
|  | **FY2020** | **FY2021** | **FY2022** |
| Cash | $14,380.00 | $78,325.00 | $222,619.75 |
| Accounts Receivable | $87,300.00 | $117,855.00 | $159,104.25 |
| Inventory | $45,540.00 | $56,469.60 | $70,022.30 |
| Other Current Assets | $36,230.00 | $36,230.00 | $36,230.00 |
| **Total Current Assets** | **$183,450.00** | **$288,879.60** | **$487,976.30** |
|  |  |  |  |
| Long-Term Assets | $65,000.00 | $65,000.00 | $65,000.00 |
| Accumulated Depreciation | $1,150.00 | $2,300.00 | $3,450.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $63,850.00 | $62,700.00 | $61,550.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$247,300.00** | **$351,579.60** | **$549,526.30** |
|  |  |  |  |
| Accounts Payable | $60,000.00 | $55,000.00 | $50,000.00 |
| Notes Payable | $5,000.00 | $6,000.00 | $7,200.00 |
| Other | $1,500.00 | $2,000.00 | $2,500.00 |
| **Total Liabilities** | **$66,500.00** | **$63,000.00** | **$59,700.00** |
|  |  |  |  |
| Paid-in Capital | $245,000.00 | $245,000.00 | $245,000.00 |
| Retained Earnings | $2,300.00 | $72,712.50 | $235,267.68 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$180,800.00** | **$288,579.60** | **$489,826.30** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **36.78%** | **21.83%** | **12.19%** |

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| **Cash Flow Projection** |
|  | **FY2020** | **FY2021** | **FY2022** |
| Operating Cash Beginning | $10,000.00 | $14,380.00 | $78,325.00 |
|  |  |  |  |
| **Sources of Cash** | $7,500.00 | $9,375.00 | $11,718.75 |
| Receivables | $50,000.00 | $67,500.00 | $91,125.00 |
| Sales | $115,000.00 | $155,250.00 | $209,587.50 |
| Others | $3,200.00 | $3,840.00 | $4,608.00 |
| **Total Cash** | $185,700.00 | $250,345.00 | $395,364.25 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $76,320.00 | $76,320.00 | $76,320.00 |
| Insurance | $5,000.00 | $5,000.00 | $5,000.00 |
| Utilities | $10,000.00 | $10,350.00 | $10,712.25 |
| Salary (Including Tax) | $70,000.00 | $70,000.00 | $70,000.00 |
| Maintenance & Supplies | $10,000.00 | $10,350.00 | $10,712.25 |
| **Total Expenditures** | $171,320.00 | $172,020.00 | $172,744.50 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$14,380.00** | **$78,325.00** | **$222,619.75** |