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**Executive Summary:**

[Heathe Cattle Ranch Co.] raises purebred Hereford bulls that sire market-topping steers and heifers. The company sells top quality commercial herds to big food processing companies and restaurants around Nevada. The company plans to expand its ranch and will be needing funds to buy additional lands for new barns and grass fields.

**Company Overview:**

**Mission Statement: [**Heathe Cattle Ranch Co.] aims to provide the best quality of cattle meat to big food processing companies and top class restaurants around Nevada.

**Philosophy: [**Heathe Cattle Ranch Co.] always works hard to live up to its core values which are dependability in execution and reliability in quality.

**Vision: [**Heathe Cattle Ranch Co.] aspires to become the largest provider of quality cattle meat in the country.

**Outlook:** As the demand for quality meat continues to increase in the United States, [Heathe Cattle Ranch Co.] looks forward to further broaden its business scope in terms of production number and its brand presence in several major states. In five years, the company will expand its farm size and within [15 to 20] years, the company looks forward to opening new ranches in Texas, Oregon, and Kansas.

**Type of Industry: [**Cattle Ranching Industry]

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Lucas Tokarev]

**Start-Up Summary**: The overall cost of the start-up, which is [$100,000], is funded by the owner and will be used for land purchases, business insurance, permits, payroll, supplies, and maintenance.

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| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $30,000 |
| Start-Up Assets | $70,000 |
| **Total Funding Required** | **$100,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $20,000 |
| Cash Requirements from Start-up | $15,000 |
| Additional Cash Raised | $20,000 |
| Cash Balance on Starting Date | $15,000 |
| **Total Assets** | **$70,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $100,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$100,000** |
| Loss at Start-Up (Start-Up Expenses) | -$30,000 |
| **Total Capital** | **$70,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$70,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $15,000 |
| Advertising | $3,000 |
| Legal Fees | $2,000 |
| Staff Training | $5,000 |
| Insurance | $2,000 |
| Other | $3,000 |
| **Total Start-Up Expenses** | **$30,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $15,000 |
| Start-Up Inventory | $20,000 |
| Other Current Assets | $20,000 |
| Long-Term Assets | $15,000 |
| **Total Assets** | **$70,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$100,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Jason S. Owens | Ranch Manager | Negotiation, Supervisory, Time-management, Organizational, and Farming |
| Hilda M. Cook | Office Manager | Numerical, Adaptability, Attention to Detail, and Commercial Awareness |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| * Hire two more ranch employees by the end of the first half
 | * The first employee has been hired last February 14, 2019.
 |
| * Develop a more sustainable farming process that reduces waste products
 | * The core team has started their planning process and research will begin on March 15, 2019.
 |
| **Long-Term Goals** | **Milestones** |
| * Increase the amount of farm income by 20% every year for the next three years
 | * The company has already partnered with four stores and restaurants last month.
 |
| * Pay off all the company’s current debt within two years
 | * The farm manager will create partnerships with new clients to increase the company’s profits.
 |

**Products and Services**

**Product/Service Description:** The farm is raising herds of purebred Hereford cattle and sells its meat to food manufacturing companies, restaurants, and supermarkets. The farm also sells seed stocks, eggs, and dairy products.

**Value Proposition: [**Heathe Cattle Ranch Co.] offers premier Hereford cattle meats to its clients around Nevada.

**Pricing Strategy: [**Heathe Cattle Ranch Co.’s] pricing strategies are bundle pricing, bulk pricing, and penetration pricing.

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**Execution**

**Marketing Plan: [**Heathe Cattle Ranch Co.] key marketing plan is to be visible on the internet. It needs to be enlisted on several online directories and online maps. The company also plans to send emails directly to prospective clients, such as restaurants and supermarkets, to bring awareness of its products and price offers.

**Market Research:** There has been a strong demand for beef that keeps pushing the industry forward. Despite the increase in production in beef in the past year, the cattle feeders still experienced a booming market that created about [$80] billion in revenue last [2018]. Beef exports are doing well, domestic demand has been good, and consumer spending remains positive. Although, one expert warns that it does not take much to make the trend in the industry move back the other way.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Heathe Cattle Ranch Co. | * Flexibility in pricing
* Decreasing operating cost
 | * Weak online visibility
* Weak ability to sell products online
 | * Limited competition in the area
* Increasing meat demand in Nevada
 | * Changes in city regulations that affect the profitability of the business
 |
| King Cub Ranch | * Experienced operator
* Competitive prices
 | * Weak online marketing strategies
 | * Opportunities for new client acquisition due to its long
* standing reputation
 | * Strong competitors that are selling the same products at competitive prices
 |
| OG Cattle Company | * Well-funded
 | * New to business
* Weak pricing strategies
 | * Demand for their products are strong in the area
 | * Too much supply can result in a decrease in prices
 |

**Marketing Strategy: [**Heathe Cattle Ranch Co.’s] marketing strategy will focus on its visibility on the internet. The company will create a website that is designed to attract its target customers. The team will make the website mobile ready and easy to navigate so as to make it convenient for most of its customers. The company will also make use of social media marketing and email marketing to spread brand awareness as well as attract prospective clients.

The team has started executing a few marketing activities to drive its strategy forward. Here is some of its progress:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Website set-up | * The ranch manager has hired a web designer and developer.
 | April 4, 2019 | The website will be launch before the end of April. |
| Email marketing | * The team has started to create email copies.
 | May 1, 2019 | The team will start blasting emails by the start of the second quarter. |

**Organizational Structure:**

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**Operational Plan:**

**Location and Facilities**

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**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **CattleMax** | **2** |
| **Quickbooks** | **2** |
| **Hardware** | **Quantity** |
| **Panels** | **20** |
| **Gates** | **20** |
| **Cattle Waterers** | **15** |
| **Cattle Feeders** | **15** |
| **Fences** | **30** |

**IT Infrastructure**

The following table reflects [Heathe Cattle Ranch Co.’s] IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Desktop Computer | Y | Essential equipment for the company’s accounting, business, and marketing operations |
| Company Website | N | Still under construction |

**Financial Plan**

  **Assumptions**

This financial forecast is based on the current trends in the [cattle ranching industry]. The company will focus on gaining visibility on the internet as its marketing strategy and aims to increase its profit margin by decreasing operating costs and increasing revenue. Majority of the expenses will be on payroll, supplies, maintenance, insurance, and marketing activities.

 **Monthly Expense**

The chart shows [Heathe Cattle Ranch Co.’s] projected monthly expenses for 2019.



 **Monthly Revenue**

The chart illustrates the company’s projected monthly revenues for 2019.



**Business Financing**

The business’ funding comes from the owner worth [$100,000]. The bulk of the funds will be spent on supplies, marketing activities, maintenance, insurance, permits, and employee salary.

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $1,000,000.00 | $1,200,000.00 | $1,300,000.00 |
| Direct Cost of Sale | $200,000.00 | $300,000.00 | $400,000.00 |
| Other Cost of Sale | $30,000.00 | $40,000.00 | $50,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $770,000.00 | $860,000.00 | $850,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $230,000.00 | $340,000.00 | $450,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **23.00%** | **28.33%** | **34.62%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $80,000.00 | $90,000.00 | $90,000.00 |
| Insurance | $15,000.00 | $25,000.00 | $30,000.00 |
| Utilities | $30,000.00 | $30,000.00 | $30,000.00 |
| Salary (Including Tax) | $90,000.00 | $100,000.00 | $100,000.00 |
| Maintenance & Supplies | $10,000.00 | $14,000.00 | $15,000.00 |
| **Total Operating Expenses** | **$225,000.00** | **$259,000.00** | **$265,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $545,000.00 | $601,000.00 | $585,000.00 |
| Depreciation | $4,000.00 | $4,000.00 | $4,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $4,000.00 | $5,000.00 | $6,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$1,000.00** | **$76,000.00** | **$179,000.00** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $350,000.00 | $450,000.00 | $550,000.00 |
| Accounts Receivable | $200,000.00 | $300,000.00 | $400,000.00 |
| Inventory | $30,000.00 | $40,000.00 | $50,000.00 |
| Other Current Assets | $20,000.00 | $30,000.00 | $40,000.00 |
| **Total Current Assets** | **$600,000.00** | **$820,000.00** | **$1,040,000.00** |
|  |  |  |  |
| Long-Term Assets | $100,000.00 | $200,000.00 | $300,000.00 |
| Accumulated Depreciation | $3,000.00 | $2,500.00 | $2,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $97,000.00 | $197,500.00 | $298,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$697,000.00** | **$1,017,500.00** | **$1,338,000.00** |
|  |  |  |  |
| Accounts Payable | $40,000.00 | $50,000.00 | $60,000.00 |
| Notes Payable | $40,000.00 | $45,000.00 | $55,000.00 |
| Other | $20,000.00 | $30,000.00 | $40,000.00 |
| **Total Liabilities** | **$100,000.00** | **$125,000.00** | **$155,000.00** |
|  |  |  |  |
| Paid-in Capital | $50,000.00 | $55,000.00 | $60,000.00 |
| Retained Earnings | $300,000.00 | $400,000.00 | $500,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$597,000.00** | **$892,500.00** | **$1,183,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **16.75%** | **14.01%** | **13.10%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $300,000.00 | $400,000.00 | $500,000.00 |
|  |  |  |  |
| **Sources of Cash** | $30,000.00 | $40,000.00 | $50,000.00 |
| Receivables | $200,000.00 | $300,000.00 | $400,000.00 |
| Sales | $100,000.00 | $200,000.00 | $300,000.00 |
| Others | $20,000.00 | $25,000.00 | $30,000.00 |
| **Total Cash** | $650,000.00 | $965,000.00 | $1,280,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $80,000.00 | $90,000.00 | $90,000.00 |
| Insurance | $15,000.00 | $25,000.00 | $30,000.00 |
| Utilities | $30,000.00 | $30,000.00 | $30,000.00 |
| Salary (Including Tax) | $90,000.00 | $100,000.00 | $100,000.00 |
| Maintenance & Supplies | $10,000.00 | $14,000.00 | $15,000.00 |
| **Total Expenditures** | $225,000.00 | $259,000.00 | $265,000.00 |
|  **Net Income/Loss (Total Cash - Total Expenditures)** | **$425,000.00** | **$706,000.00** | **$1,015,000.00** |