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**Executive Summary**

[Regas Station] is one of the subsidiary companies of Star Coms Inc., which specializes in the exploration and production of oil and gas and petroleum refining.

[Regas Station] will leverage on the use of a loyalty program, the company website, and email marketing to create a solid customer base.

**Company Overview**

**Mission Statement:** [Regas Station] provides residents and visitors of Englewood, Colorado, with gasoline at competitive prices.

**Philosophy:** [Regas Station] firmly believes that quality products combined with superior customer service would lead you to attain maximum profitability.

**Vision:**

The vision of [Regas Station] is to make a difference by forming a team of dedicated professionals and initiating sustainable development programs.

**Outlook:** Oil and gas trends show that the industry is recovering from the last few years of weak prices, enforced capital discipline, portfolio realignments, and productivity efficiencies. In the US alone, there is a continued increase in the demand for fuel.

**Type of Industry:** Retail Industry

**Business Structure:** Corporation

**Ownership:** Corporation, Shareholders: Antonio Morales, Susan Brown, Denise Fox, Leona Lewis, and Thomas Robertson

**Start-Up Summary**: The start-up cost of [500K] USD is to be provided by the shareholders and to be used mainly for the purchase of machinery and equipment, supplies, insurance, legal fees, and payroll.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $200,000 |
| Start-Up Assets | $300,000 |
| **Total Funding Required** | **$500,000** |
|  | |
| **Assets** |  |
| Non-Cash Assets from Start-Up | $200,000 |
| Cash Requirements from Start-up | $50,000 |
| Additional Cash Raised | $30,000 |
| Cash Balance on Starting Date | $20,000 |
| **Total Assets** | **$300,000** |
|  | |
| **Capital** |  |
| Planned Investment |  |
| Owner | $500,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$500,000** |
| Loss at Start-Up (Start-Up Expenses) | -$200,000 |
| **Total Capital** | **$300,000** |
| Liabilities | **$0** |
| **Total Capital and Liabilities** | $300,000 |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses | $5,000 |
| Supplies | $150,000 |
| Advertising | $1,000 |
| Legal Fees | $2,000 |
| Staff Training | $5,000 |
| Insurance | $30,000 |
| Other | $7,000 |
| **Total Start-Up Expenses** | **$200,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $50,000 |
| Start-Up Inventory | $200,000 |
| Other Current Assets | $30,000 |
| Long-Term Assets | $20,000 |
| **Total Assets** | **$300,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$500,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Antonio Morales | Administrative Manager | Technology, communication, organizational, time management, office coordination, and problem-solving |
| Susan Brown | Operations Manager | Leadership, conflict management, business negotiation, and decision-making |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Hire a gasoline station manager | The company has already hired a gasoline station manager last June 20, 2019 |
| Open the gasoline station in July 2020 | The company has already started the construction last January 1, 2019 |
| **Long-Term Goals** | **Milestones** |
| Open a second gasoline station by 2020 | The shareholders have decided to restrict 50% of its retained earnings for the year 2020 for the opening of the second gasoline station |
| Open a convenience store alongside the gasoline station | The shareholders have decided to restrict 30% of its retained earnings for the year 2021 for the opening of the convenience store |

**Products and Services**

**Product/Service Description:** [Regas Station] provides its customers with high-quality fuels, lubricants, bitumen, and fuel additives.

[Regas Station] also offers quick oil change service with free preventive maintenance checks. It also provides basic vehicle service, including brake system maintenance, minor mechanical repairs, transmission works, and tune-ups.

**Value Proposition:** One-stop shop for all the vehicle’s needs. [Regas Station] provides its customers with the best and high-quality products coupled with the best services by well-trained and experienced employees.

**Pricing Strategy:** [Regas Station] utilizes competitive pricing and the prices are in conformance with the prices set by the Organization of the Petroleum Exporting Countries.

**Execution**

**Marketing Plan:** [Regas Station] aims to increase its number of customers by introducing a loyalty program while using the company website as well as email marketing to promote the business.

**Market Research:** The current trend in the oil and gas industry shows that it is recovering from the continued weak prices from the past [5] years. The United States is the leading national market for gasoline due to high car ownership and lower efficiency standards as compared to markets in Asia and some parts of Europe.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Regas Station | Limited start-up risk | Competitors can offer the same products quickly | Continued expansion | Changes in regulations could have a negative impact on the business |
| Gas Unlimited | Highly experienced owner-operator | The prices are higher | Ability to develop additional stores | Products are already sold by major competitors |
| Total Inc. | Limited competition in the Englewood area | The services offered are limited | Affiliate relations with other vendors | The need for gasoline is expected to decline over the next 10 years |

**Marketing Strategy:** The company has kicked-off various activities to move the following marketing strategies forward. Here are some of the updates:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Loyalty program | The company has made a draft for the design of the loyalty card | March 1, 2019 | The final draft for the loyalty card design is submitted to the shareholders for approval on April 1, 2019 |
| Creation of company website | The company has hired an IT specialist for the creation of the website | April 1, 2019 | The company website is fully developed by May 1, 2019 |
| Email marketing | The marketing manager has prepared a list of prospective customers | May 1, 2019 | The marketing manager has finalized the list of prospective customers by June 1, 2019 |

**Organizational Structure:**

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**Operational Plan**

**Location and Facilities**

[Regas Station] is located in [3376] Sampson Street, Englewood, Colorado and is highly accessible to the public.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **POS management software** | **2** |
| **Storage tank ATG systems** | **6** |
| **Hardware** | **Quantity** |
| **Service Station Equipment** | **6** |

**IT Infrastructure**

[Regas Station] is outsourcing its IT operations and infrastructure.

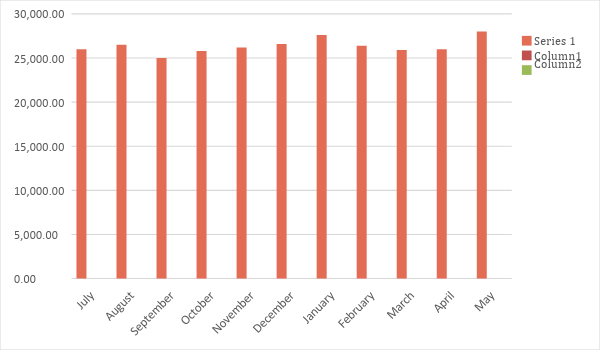
**Financial Plan**

**Assumptions**

The financial forecast is based mainly on the current trends in the oil and gas industry. The company will focus much of its efforts on its marketing strategies as well as on the creation of a convenience store and expansion in [2020] and [2021].

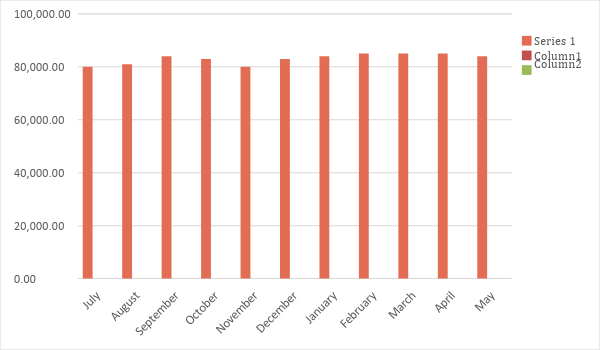
**Monthly Expense**

The chart shows the projected monthly expenses for [2019].



**Monthly Revenue**

The chart depicts the projected monthly revenues for [2019].



**Business Financing**

The funding for the business mainly comes from the investment of the shareholders, each contributing [$500,000]. The major expenses will go to the purchase of machinery and equipment, supplies, insurance, legal fees, and payroll.

**Statements**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY 2019** | **FY 2020** | **FY 2021** |
| Sales | $1,000,000.00 | $1,500,000.00 | $3,000,000.00 |
| Direct Cost of Sale | $300,000.00 | $500,000.00 | $800,000.00 |
| Other Cost of Sale | $50,000.00 | $70,000.00 | $90,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $350,000.00 | $570,000.00 | $890,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $650,000.00 | $930,000.00 | $2,110,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **65.00%** | **62.00%** | **70.33%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Supplies | $150,000.00 | $180,000.00 | $12,000.00 |
| Insurance | $30,000.00 | $30,000.00 | $1,200.00 |
| Utilities | $10,000.00 | $15,000.00 | $25,000.00 |
| Salary (Including Tax) | $80,000.00 | $100,000.00 | $150,000.00 |
| Maintenance & Supplies | $50,000.00 | $80,000.00 | $120,000.00 |
| **Total Operating Expenses** | **$320,000.00** | **$405,000.00** | **$308,200.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $330,000.00 | $525,000.00 | $1,801,800.00 |
| Depreciation | $5,000.00 | $5,000.00 | $5,000.00 |
| Interest Expense | $8,000.00 | $15,000.00 | $20,000.00 |
| Taxes Paid | $33,000.00 | $52,500.00 | $180,180.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$289,000.00** | **$457,500.00** | **$1,601,620.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY 2019** | **FY 2020** | **FY 2021** |
| Cash | $700,000.00 | $1,000,000.00 | $1,500,000.00 |
| Accounts Receivable | $30,000.00 | $80,000.00 | $317,000.00 |
| Inventory | $80,000.00 | $100,000.00 | $300,000.00 |
| Other Current Assets | $10,000.00 | $16,000.00 | $85,000.00 |
| **Total Current Assets** | **$820,000.00** | **$1,196,000.00** | **$2,202,000.00** |
|  |  |  |  |
| Long-Term Assets | $50,000.00 | $80,000.00 | $220,000.00 |
| Accumulated Depreciation | $5,000.00 | $10,000.00 | $15,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $45,000.00 | $70,000.00 | $205,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$865,000.00** | **$1,266,000.00** | **$2,407,000.00** |
|  |  |  |  |
| Accounts Payable | $30,000.00 | $40,000.00 | $50,000.00 |
| Notes Payable | $10,000.00 | $15,000.00 | $20,000.00 |
| Other | $5,000.00 | $6,000.00 | $7,000.00 |
| **Total Liabilities** | **$45,000.00** | **$61,000.00** | **$77,000.00** |
|  |  |  |  |
| Paid-in Capital | $70,000.00 | $80,000.00 | $80,000.00 |
| Retained Earnings | $750,000.00 | $1,125,000.00 | $2,250,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$820,000.00** | **$1,205,000.00** | **$2,330,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **5.49%** | **5.06%** | **3.30%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY 2019** | **FY 2020** | **FY 2021** |
| Operating Cash Beginning | $70,000.00 | $70,000.00 | $70,000.00 |
|  |  |  |  |
| **Sources of Cash** |  |  |  |
| Receivables | $30,000.00 | $50,000.00 | $70,000.00 |
| Sales | $1,000,000.00 | $1,500,000.00 | $3,000,000.00 |
| Others | $5,000.00 | $7,000.00 | $9,000.00 |
| **Total Cash** | $1,105,000.00 | $1,627,000.00 | $3,149,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Supplies | $150,000.00 | $180,000.00 | $12,000.00 |
| Insurance | $30,000.00 | $30,000.00 | $1,200.00 |
| Utilities | $10,000.00 | $15,000.00 | $25,000.00 |
| Salary (Including Tax) | $80,000.00 | $100,000.00 | $150,000.00 |
| Maintenance & Supplies | $50,000.00 | $80,000.00 | $120,000.00 |
| **Total Expenditures** | $320,000.00 | $405,000.00 | $308,200.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$785,000.00** | **$1,222,000.00** | **$2,840,800.00** |