**GENERAL** 

**CONTRACTOR**

**BUSINESS PLAN**



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**EXECUTIVE SUMMARY**

[Bill Gil Construction] is a general contracting service company based in [Houston, Texas]. The company can complete small or large-scale construction projects for companies from different fields of business.

[Bill Gil Construction] directs its funding and marketing strategies around building a solid portfolio. Since Texas is in a good economic state, the company is looking at an increasing profit margin over the next three years.

**COMPANY OVERVIEW**

**Mission Statement**

It is [Bill Gil Construction] mission to execute its services at the highest level of quality while also maintaining full transparency all throughout the process.

**Philosophy:** The Company values honesty in all aspects and dealings of the business.

**Vision:** [Bill Gil Construction] vision is to be the go-to general contracting company in Houston.

**Outlook**

Beginning in [2015], [Houston] has seen an economic boom. This has resulted in the skyrocketing number of houses and buildings being built, and the trend continues up to this day. With this, [Bill Gil Construction] client base is set to grow at a steady [15]% each year.

**Type of Industry:** Construction Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Billy Gilchrist]

**Start-Up Summary**

The start-up cost worth [300k] USD is to be provided by the owner and to be used mainly for supplies, payroll, operational expenses, and business fees.

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| **Start-Up Funding** |
| Start-Up Expenses | $250,000 |
| Start-Up Assets | $50,000 |
| **Total Funding Required** | **$300,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $15,000 |
| Cash Requirements from Start-up | $15,000 |
| Additional Cash Raised | $15,000 |
| Cash Balance on Starting Date | $5,000 |
| **Total Assets** | **$50,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $300,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$300,000** |
| Loss at Start-Up (Start-Up Expenses) | -$250,000 |
| **Total Capital** | **$50,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$50,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 6 Months | $60,000 |
| Advertising | $100,000 |
| Legal Fees | $90,000 |
| Staff Training | $0 |
| Insurance | $0 |
| Other | $0 |
| **Total Start-Up Expenses** | **$250,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $50,000 |
| Start-Up Inventory | $0 |
| Other Current Assets | $0 |
| Long-Term Assets | $0 |
| **Total Assets** | **$50,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$300,000** |

**Management Team**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Henry Ferguson] | CEO | Communication and leadership |
| [Jorge Landers] | Marketing Manager | Marketing Strategies and Performance Monitoring |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Build up the company’s industry connections | The company is actively seeking out subcontractors willing to work with Bill Gil Construction. |
| Renovate the general contractor’s office | The company is putting subcontractors to the test by hiring them to handle the renovation of its office space. |
| **Long-Term Goals** | **Milestones** |
| Add new departments to the company to eliminate the need for subcontractors  | The budget plan has been approved.  |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Bill Gil Construction] deploys licensed professionals, with extensive connections in the construction industry, to oversee projects. Depending on the scale of the project and completion date, the company may or may not hire subcontractors for some portions of the construction work.

**Value Proposition**

[Bill Gil Construction] has subcontractors and affiliates that can work even on the weekends. This allows the company to ensure timely completion of the projects.

**Pricing Strategy:** The Company matches the standard pricing level of [Houston’s] market.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[Bill Gil Construction]

Profit Margin = 1 - ($241,000/$501,000)

 = 1-0.48

 = 0.52 or 52%

**EXECUTION**

**Marketing Plan**

[Bill Gil Construction] brand-awareness strategies focus on having its logo and branding attached to its heavy machinery. Apart from this, the company will also focus on building a strong portfolio. [Bill Gil Construction] believes that a good background and strong business relationships will make it thrive successfully for a longer period of time.

**Market Research**

The company receives projects of any size, be it an apartment or a large commercial building. This is what the company differentiates from most of the general contractors in [Houston]. Recent market data reveals that seven out of 10 general contractors in Houston are only open to managing large-scale projects. The rest are mostly focused on building residential buildings.

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| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Bill Gil Construction] | Timely completion of projects | Has not built enough credibility yet | An improving economy resulting in clients expanding their businesses by building new stores or offices | Competitors with a strong portfolio retain customer loyalty |
| [Ace General Contractors Incorporated] | The company commands the most significant market share | Hard-to-reach client support |
| Melon Construction Company | Has an exceedingly positive reputation | The company is unable to extend after-sales services |

**Marketing Strategy**

[Bill Gil Construction] plans to make full use of its website and client testimonials in getting the attention of potential clients before making a strong case and participate in the bidding process.

The marketing team has started the implementation of various activities. Here are some of the updates:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Website Optimization | The writer sees to it that the blogs are compliant with current SEO standards. | February 25, 2019 | Significant number of website visits and inquiries. |
| Client testimonials | Supervisors to filter the content that will be added on the website | February 26, 2019 | New clients chose the company because they were moved by the testimonials. |

**Organizational Structure**

The owner, [Mr. Billy Gilchrist], runs the company. An operations manager, marketing specialist, and one human resource manager will oversee the flow of the business. For client issues and concerns, two customer service representatives are tasked to handle them.

**OPERATIONAL PLAN**

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| Procore | 1 |
| Contractor Foreman | 1 |
| Sage 100 Contractor (formerly Sage Master Builder) | 1 |
| **Hardware** | **Quantity** |
| Vehicles and Trucks | 8 |
| Construction Equipment (Bulldozers, Backhoe Loaders, Excavators, and Graders)  | 5 |

**IT Infrastructure**

The company has a website which allows clients to contact the company and a server room that connects and saves all data that the company uses.

**FINANCIAL PLAN**

**Assumptions**

The financial forecast is based on the company’s confidence in being able to penetrate the market. The major expenses will be on the acquisition of tools and heavy equipment, payroll, and legal fees. The company plans on expanding to other states in the US.

**Monthly Expense**

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

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**Monthly Revenue**

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

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**Business Financing**

The business’ capital comes from [Mr. Billy Gilchrist’s] business loan.

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $350,000.00 | $400,000.00 | $650,000.00 |
| Direct Cost of Sale | $150,000.00 | $126,000.00 | $90,500.00 |
| Other Cost of Sale | $5,000.00 | $8,000.00 | $270,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $195,000.00 | $266,000.00 | $289,500.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $155,000.00 | $134,000.00 | $360,500.00 |
| **Gross Margin % (Gross Profit/Sales)** | **44.29%** | **33.50%** | **55.46%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $10,000.00 | $10,000.00 | $10,000.00 |
| Insurance | $20,000.00 | $10,000.00 | $15,000.00 |
| Utilities | $20,000.00 | $25,000.00 | $20,000.00 |
| Salary (Including Tax) | $70,000.00 | $20,000.00 | $20,000.00 |
| Maintenance & Supplies | $20,000.00 | $20,000.00 | $4,500.00 |
| **Total Operating Expenses** | **$140,000.00** | **$85,000.00** | **$69,500.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $55,000.00 | $181,000.00 | $220,000.00 |
| 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)** | **$11,000.00** | **$44,000.00** | **$285,000.00** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $300,000.00 | $400,000.00 | $500,000.00 |
| Accounts Receivable | $6,000.00 | $11,000.00 | $11,000.00 |
| Inventory | $11,000.00 | $5,000.00 | $11,000.00 |
| Other Current Assets | $6,000.00 | $6,000.00 | $8,000.00 |
| **Total Current Assets** | **$323,000.00** | **$422,000.00** | **$530,000.00** |
|  |  |  |  |
| Long-Term Assets | $6,000.00 | $6,000.00 | $2,500.00 |
| Accumulated Depreciation | $2,500.00 | $2,500.00 | $6,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $3,500.00 | $3,500.00 | -$3,500.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$326,500.00** | **$425,500.00** | **$526,500.00** |
|  |  |  |  |
| Accounts Payable | $2,500.00 | $30,000.00 | $2,500.00 |
| Notes Payable | $5,000.00 | $2,500.00 | $8,000.00 |
| Other | $3,500.00 | $2,500.00 | $2,500.00 |
| **Total Liabilities** | **$11,000.00** | **$35,000.00** | **$13,000.00** |
|  |  |  |  |
| Paid-in Capital | $120,000.00 | $5,000.00 | $120,000.00 |
| Retained Earnings | $5,000.00 | $120,000.00 | $5,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$315,500.00** | **$390,500.00** | **$513,500.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **3.49%** | **8.96%** | **2.53%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $160,000.00 | $160,000.00 | $160,000.00 |
|  |  |  |  |
| **Sources of Cash** | $15,000.00 | $3,000.00 | $15,000.00 |
| Receivables | $160,000.00 | $12,000.00 | $3,000.00 |
| Sales | $30,000.00 | $3,000.00 | $35,000.00 |
| Others | $3,000.00 | $7,000.00 | $8,000.00 |
| **Total Cash** | $368,000.00 | $185,000.00 | $221,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $3,000.00 | $55,000.00 | $3,000.00 |
| Insurance | $10,000.00 | $3,000.00 | $15,000.00 |
| Utilities | $20,000.00 | $25,000.00 | $3,000.00 |
| Salary (Including Tax) | $70,000.00 | $3,000.00 | $90,000.00 |
| Maintenance & Supplies | $3,000.00 | $4,000.00 | $4,500.00 |
| **Total Expenditures** | $106,000.00 | $90,000.00 | $115,500.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$262,000.00** | **$95,000.00** | **$105,500.00** |