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**Executive Summary**

[Frank's Farm Warehouse] is a warehousing company based in [Craig, MO]. The company targets grain farmers and producers based in [Missouri, Iowa, and Nebraska] as well as grain importers in the Midwest region. As the demand for warehouses increases due to excessive yields in the past year, [Frank's Farm Warehouse] is hopeful that the company will see profitable growth in the next two years.

**COMPANY OVERVIEW**

**Mission Statement**

[Frank's Farm Warehouse] aims to provide clean, safe, and secure off-farm storage solutions for farmers and producers in the Midwest.

**Philosophy**

[Frank's Farm Warehouse] values service consistency, systematic planning and management, and customer focus.

**Vision**

[Frank's Farm Warehouse] envisions to be a leading off-farm product storage solutions provider for farmers based in [Missouri, Iowa, and Nebraska].

**Outlook**

Current volatile prices of grains such as corn, soybean, and wheat continue to encourage farmers to store their products for future sales. In [2017], the average grain storage capacity in the US grew by a mere [1]%, indicating a need for more off-farm storage providers to service farmers and producers whose crop yields are in excess. The increase of imported grains also signifies a need to increase grain storage capacity.

**Type of Industry:** Storage and Warehousing Industry

**Business Structure:** General Partnership

**Ownership**

The business will be owned and operated by partners [Frank Moreland, Roberto Plando, and William Hurst]. Each owns [33.33]% shares of the business.

**Start-Up Summary**

The $[60,000.00] start-up cost will cover the purchase of land and equipment, payments for utilities and other operational expenses.

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| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $30,000.00 |
| Start-Up Assets | $30,000.00 |
| **Total Funding Required** | **$60,000.00** |
|  |
| **Assets** |  |
| Non-Cash Assets from Start-Up | $5,000.00 |
| Cash Requirements from Start-up | $10,000.00 |
| Additional Cash Raised | $5,000.00 |
| Cash Balance on Starting Date | $10,000.00 |
| **Total Assets** | **$30,000.00** |
|  |
| **Capital** |  |
| Planned Investment |  |
| Owners | $30,000.00 |
| Additional Investment Requirement | $30,000.00 |
| **Total Planned Investment** | **$60,000.00** |
| Loss at Start-Up (Start-Up Expenses) | -$30,000.00 |
| **Total Capital** | **$30,000.00** |
| **Total Capital and Liabilities** | **$30,000.00** |
|  |  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Land | $10,000.00 |
| Utilities | $4,000.00 |
| Equipment | $10,000.00 |
| Operations | $5,000.00 |
| Marketing and Promotion | $1,000.00 |
| **Total Start-Up Expenses** | **$30,000.00** |
|  |
| **Start-Up Assets** |  |
| Cash Required | $25,000.00 |
| Other Current Assets | $1,000.00 |
| Long-Term Assets | $4,000.00 |
| **Total Assets** | **$30,000.00** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$60,000.00** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Frank Moreland | Business & Finance | Conflict management, accounting |
| Roberto Plando | Operations | Organization, resource management |
| William Hurst | Sales & Marketing | Negotiation, marketing |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Purchase land | Met with the land vendor [June 2, 2018]Signed purchase agreement [June 17, 2018] |
| Build a storage facility | Commissioned a contractor for design and planning [July 30, 2018]Commenced construction [August 7, 2018] |
| **Long-Term Goals** | **Milestones** |
| Integrate order fulfillment services | Conducted research on requirements and costing [October 13, 2018] |
| Achieve $[50,000.00] sales goal by Q2 of [2020] | Created sales and marketing plan [September 2018] |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Frank's Farm Warehouse] stores grains such as corn, soybeans, wheat, oats, and barley. The company uses both metal and wooden storage bins, depending on the grade and type of grain delivered for storage.

**Value Proposition**

[Frank's Farm Warehouse] ensures that the right kind of storage system is used to store each customer's product. The company is mindful about the duration of storage, indoor temperature, elevation, and other aspects that directly affect the quality of the grain when in storage.

**Pricing Strategy**

The business utilizes cost-plus pricing. Price bundling is effective for clients who have more than one type of grain for storage.

**EXECUTION**

**Marketing Plan**

The target market of [Frank's Farm Warehouse] consists of middle-aged farmers. In order to attract this demographic, the business will focus on a people-to-people approach.

**Market Research**

[Frank's Farm Warehouse] targets grain farmers based in [Missouri, Iowa, and Nebraska]. More than 300 farmers in Iowa produce a surplus of corn and are in need of off-farm facilities to store and preserve their products. The company also aims to provide storage services for rice and grain importers located in the [Midwest].

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Frank's Farm Warehouse | Strategic location | No trucking service | Increase in imports | Continued decrease in grain prices |
| DV Logistics | Huge customer base | Internal management issues | Expansion | State regulations |
| Big Lake Storage and Delivery | Low prices | Unmotivated workforce | Approval into federal storage facility | Volatile market |

**Marketing Strategy:** [Frank's Farm Warehouse] will directly market its services to target customers.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Online marketing | Set up Facebook pageMake a website that features useful information about the company | December 17, 2018November 2018 to present | 1000 likes within Q1 of 2019Increased site visits between Q1 and Q2 of 2019 |
| Print advertising | Distribute/display brochures, posters | November 2018 to present | Increased personal and phone inquiries |
| Networking | Attend farm industry conventions/events | September 2018 to present | Increased contact list |

**Organizational Structure**



**OPERATIONAL PLAN**

**Location and Facilities**

[Frank's Farm Warehouse] is located at a [7-acre property in Craig, Missouri]. Facilities include silos, metal and wooden bins, and covered courts where bagged grains are stored.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| Excalibur WMS | 1 |
| Office 360 | 1 |
| **Hardware** | **Quantity** |
| Metal bin | 15 |
| Grain spreader | 15 |

**IT Infrastructure**

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Social media | Y | Facebook is only for communication with target market |
| Website | N | Currently under development |
| Data storage | Y | Through Excalibur WMSFor client inventory tracking |

**FINANCIAL PLAN**

**Assumptions**

The financial plan for [Frank's Farm Warehouse] is based on the following assumptions:

1. The total expenses for each month in FY [2019] will not be higher than $[1,500.00].
2. The monthly revenue will increase by [1.7]%.

**Monthly Expense**

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**Monthly Revenue**

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**Business Financing**

The partners contribute a total of $[30,000.00]. A business loan will be acquired to finance the business if it does not reach its sales goals by the end of FY [2019].

**Statements**

|  |
| --- |
| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** |
| Sales | $13,201.18 | $47,653.98 |
| Direct Cost of Sale | $1,650.87 | $11,650.87 |
| Other Cost of Sale | $0.00 | $0.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $1,650.87 | $11,650.87 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $11,550.31 | $36,003.11 |
| **Gross Margin % (Gross Profit/Sales)** | **87.49%** | **75.55%** |
|  |  |  |
| **Operating Expenses** |  |  |
| Land | $10,000.00 | $5,000.00 |
| Utilities | $4,000.00 | $4,000.00 |
| Equipment | $10,000.00 | $10,000.00 |
| Operations | $5,000.00 | $5,000.00 |
| Marketing and Promotion | $1,000.00 | $1,000.00 |
| **Total Operating Expenses** | **$30,000.00** | **$25,000.00** |
|  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$28,349.13 | -$13,349.13 |
| Depreciation | $0.00 | $5,000.00 |
| Interest Expense | $0.00 | $0.00 |
| Taxes Paid | $0.00 | $0.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **-$18,449.69** | **$11,003.11** |

|  |
| --- |
| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** |
| Cash | $25,000.00 | $30,000.00 |
| Accounts Receivable | $0.00 | $0.00 |
| Inventory | $0.00 | $0.00 |
| Other Current Assets | $1,000.00 | $1,000.00 |
| Total Current Assets | **$26,000.00** | **$31,000.00** |
|  |  |  |
| Long-Term Assets | $4,000.00 | $5,000.00 |
| Accumulated Depreciation | $0.00 | $5,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $4,000.00 | $1,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$30,000.00** | **$32,000.00** |
|  |  |  |
| Accounts Payable | $2,000.00 | $2,000.00 |
| Notes Payable | $0.00 | $0.00 |
| Other | $18,000.00 | $1,000.00 |
| Total Liabilities | **$20,000.00** | **$3,000.00** |
|  |  |  |
| Paid-in Capital | $30,000.00 | $40,000.00 |
| Retained Earnings | $10,000.00 | $2,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$10,000.00** | **$29,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **200.00%** | **10.34%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** |
| Operating Cash Beginning | **$25,000.00** | **$30,000.00** |
|  |  |  |
| **Sources of Cash** |  |  |
| Receivables | $0.00 | $0.00 |
| Sales | $13,201.18 | $47,653.98 |
| Others | $5,000.00 | $5,000.00 |
| **Total Cash** | **$43,201.18** | **$82,653.98** |
|  |  |  |
| **Expenditures** |  |  |
| Land | $10,000.00 | $5,000.00 |
| Utilities | $4,000.00 | $4,000.00 |
| Equipment | $10,000.00 | $10,000.00 |
| Operations | $5,000.00 | $5,000.00 |
| Marketing and Promotion | $1,000.00 | $1,000.00 |
| **Total Expenditures** | **$30,000.00** | **$25,000.00** |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$13,201.18** | **$57,653.98** |