

STRATEGIC PLAN PRIMARY ASSUMPTIONS



	STRATEGIC PLAN ASSUMPTIONS	DESCRIPTION
1	WHAT IS MY PRODUCT	Specialty Leather Gloves for first four years. Add new product 5th year
2	VOLUMES: ESTIMATED PAIRS OF GLOVES I EXPECT TO SELL	First Year - Attract 5% of Entire Market; Thereafter: Grow by 50% of Sales per year
3	WHERE ARE MY SALES AREAS / TERRITORY	Sell directly in state 1st year, expand to 3 state area after two years. Go regional in 5th year
4	WHO ARE MY CUSTOMERS	Primary Industrial Chemical Manufacturers, Secondary Utility Companies
5	HOW IS MY PRODUCT SOURCED	1st year Purchase Finished Product from contract manufacturer and then Resale to customers. Self-Manufacture Finished Product thereafter
6	WHAT PRICE WILL I SELL MY PRODUCT	Substantially under Market Average for first year. Slightly under average for next four years
7	WHO WILL DO SALES AND PROMOTION	I will sell and promote my product first four years. Hire Sales person by 5th year
8	MANAGEMENT STAFF	Hire Plant Mgr 2nd year, Hire Secty 3rd Year, Hire Salesman 5th year
9	WHAT IS MY SALARY PLAN	First Year: Below Industry Standard, thereafter, as profits allow - Pay Industry standard
10	HOW WILL I FINANCE MY BUSINESS	Borrow \$60,000 for 1st year start up and expenses. Finance from profits second year onward
11	WHERE IS MY OFFICE LOCATION	Work out of office in home for first two years. Rent office space thereafter

STRATEGIC PLAN PRIMARY ASSUMPTIONS

STRATEGIC PLAN ASSUMPTIONS

DESCRIPTION



1	WHAT IS MY PRODUCT	
2	SALES VOLUME: ESTIMATED UNITS / PRODUCTS I EXPECT TO SELL	
3	WHERE ARE MY SALES AREAS / TERRITORY	
4	WHO ARE MY CUSTOMERS	
5	HOW IS MY PRODUCT SOURCED	
6	WHAT PRICE WILL I SELL MY PRODUCT	
7	WHO WILL DO SALES AND PROMOTION	
8	WHO WILL BE MY MANAGEMENT STAFF	
9	WHAT IS MY SALARY PLAN	
10	HOW WILL I FINANCE MY BUSINESS	
11	WHERE IS MY OFFICE LOCATION	

BUSINESS START UP NEEDS ANALYSIS



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ANY LEGAL
NEEDS

KNOWLEDGE
NEEDED

EQUIPMENT
NEEDED

FINANCING
NEEDED?

STAFFING?

TIME TO
STEADY
STATE

WHAT IS MY
PRODUCT

STATE LICENSE TO
SELL PRODUCT

NO

YES

YES

YES

TWO YEARS

ESTIMATED PAIRS OF
GLOVES I EXPECT
TO SELL

N/A

YES, MARKET
RESEARCH FIRM -
PAY FOR SERVICE

N/A

N/A

N/A

FIVE YEARS

WHERE ARE MY
SALES AREAS /
TERRITORY

N/A

YES, MARKET
RESEARCH FIRM -
PAY FOR SERVICE

N/A

N/A

YES

THREE YEARS

WHO ARE MY
CUSTOMERS

N/A

YES, MARKET
RESEARCH FIRM -
PAY FOR SERVICE

YES, A CAR

N/A

YES

THREE TO FIVE
YEARS

HOW IS MY PRODUCT
SOURCED

STATE LICENSE TO
MANUFACTURE
PRODUCT

YES. MANUFACTURING
CONSULTANT

YES, A
MANUFACTURING
SITE

YES

YES

TWO YEARS

WHAT PRICE WILL I
SELL MY PRODUCT

N/A

NO, I'LL RESEARCH
THIS MYSELF

N/A

N/A

N/A

FIVE YEARS

WHO WILL DO SALES
AND PROMOTION

PROVIDE DEFINED
MARKETS AND
PRODUCTS

USE OF
PROMOTIONAL
AGENCIES

YES, BLACKBERRY
AND Ipad

YES

YES

THREE YEARS

MY MANAGEMENT
STAFF

N/A

YES, HIRING
COMPANY

N/A

YES

YES

FIVE YEARS

WHAT IS MY SALARY
PLAN

N/A

YES, HIRING
COMPANY

N/A

N/A

N/A

TWO YEARS

HOW WILL I FINANCE
MY BUSINESS

N/A

YES, FINANCIAL
ACCOUNTANT

N/A

YES

N/A

TWO YEARS

WHERE IS MY OFFICE
LOCATION

SIGN A RENTAL
AGGREEMENT

REAL ESTATE AGENT

YES

YES

YES

THREE YEARS

BUSINESS START UP NEEDS ANALYSIS



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ANY LEGAL
NEEDS

KNOWLEDGE
NEEDED

EQUIPMENT
NEEDED

FINANCING
NEEDED?

STAFFING?

TIME TO
STEADY
STATE

WHAT IS MY
PRODUCT

ESTIMATED PAIRS OF
GLOVES I EXPECT
TO SELL

WHERE ARE MY
SALES AREAS /
TERRITORY

WHO ARE MY
CUSTOMERS

HOW IS MY PRODUCT
SOURCED

WHAT PRICE WILL I
SELL MY PRODUCT

WHO WILL DO SALES
AND PROMOTION

MY MANAGEMENT
STAFF

WHAT IS MY SALARY
PLAN

HOW WILL I FINANCE
MY BUSINESS

WHERE IS MY OFFICE
LOCATION

STRATEGIC PLAN ASSUMPTIONS OVER FIVE YEAR TIME FRAME



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	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
WHAT IS MY PRODUCT	INDUSTRIAL GLOVES				
ESTIMATED PAIRS OF GLOVES I EXPECT TO SELL, BY YEAR	10,000	17,500	20,000	20,000	35,000
WHERE ARE MY SALES AREAS / TERRITORY	IN STATE		TWO TO THREE STATE AREA		REGION
WHO ARE MY CUSTOMERS	PURCHASING AGENTS AND PLANT PERSONNEL AT CHEMICAL MANUFACTURING FIRMS				
HOW IS MY PRODUCT SOURCED	FINISHED PRODUCT PURCHASED FROM VENDOR	FINISHED PRODUCT PRODUCED BY MY PLANT BUT I WILL KEEP NO INVENTORY ON SITE. PRODUCT WILL BE MADE TO ORDER			
WHAT PRICE WILL I SELL MY PRODUCT	UNDER PRICE THE PRODUCT AND THE MARKET AVERAGE TO CAPTURE MARKET SHARE		PRICE PRODUCT SLIGHTLY UNDER MARKET TO CONTINUALLY BUILD SHARE		
WHO WILL DO SALES AND PROMOTION	I AM THE SALES PERSON				HIRE SALES PERSON
WHO WILL BE MY MANAGEMENT STAFF	ME	ME + PLANT OPERATOR	ME + PLANT OPERATOR + SECTY		ADD ONE SALESMAN
WHAT IS MY SALARY PLAN	PAY SELF SALARY AND BENEFITS OF \$70K	PAY SELF SALARY AND BENEFITS OF \$100K	PAY SELF SALARY OF \$105K AND SECTY \$45k		PAY SELF SALARY OF \$125K AND SECTY \$45k AND SALESMAN \$110K
HOW WILL I FINANCE MY BUSINESS	BORROW \$60,000 TO PAY FOR FIRST YEAR LOSS AND FINANCE PURCHASES AND EXPENSES		SELF FINANCED THROUGH PROFITS: USE PROFIT TO PAY BACK DEBT AND INVEST IN EXPANSIONS		
WHERE IS MY OFFICE LOCATION	HOME OFFICE		OFFICE IN RENTAL SPACE		

STRATEGIC PLAN ASSUMPTIONS OVER FIVE YEAR TIME FRAME

 TKG LLC © 2012	 TKG LLC © 2012	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
WHAT IS MY PRODUCT						
ESTIMATED PAIRS OF GLOVES I EXPECT TO SELL, BY YEAR						
WHERE ARE MY SALES AREAS / TERRITORY						
WHO ARE MY CUSTOMERS						
HOW IS MY PRODUCT SOURCED						
WHAT PRICE WILL I SELL MY PRODUCT						
WHO WILL DO SALES AND PROMOTION						
WHO WILL BE MY MANAGEMENT STAFF						
WHAT IS MY SALARY PLAN						
HOW WILL I FINANCE MY BUSINESS						
WHERE IS MY OFFICE LOCATION						

INCOME STATEMENT

PLAN

ACTUAL

DIFFERENCE

SALES AND INCOME

Estimated Number of Sales Units per year	21,000		21,000
Average Price per unit	\$15.00		15
Total Sales (Units x Price)	\$315,000	\$0	\$315,000
LESS:Product Returns (ESTIMATED 2 %)	\$6,300	\$0	\$6,300
TOTAL REVENUE	\$308,700	\$0	\$308,700

LESS OPERATING EXPENSES

MATERIALS COSTS

PURCHASED Product Material	\$48,000	\$0	\$48,000
Any Wrapping or Package Materials	\$6,000	\$0	\$6,000
Any Shipping Materials / Other Materials	\$3,000	\$0	\$3,000

LABOR

Compensation for people who touch the product or run the machines to produce the product	\$20,000	\$0	\$20,000
All Assemblers / Materials Handlers / Shipping / Warehousing who move the product	\$16,000	\$0	\$16,000

OTHER PLANT COSTS

Production and shipping supplies	\$3,333	\$0	\$3,333
Equipment maintenance & repair	\$2,667	\$0	\$2,667
Utilities and power	\$4,000	\$0	\$4,000
Depreciation on Equipment	\$6,667	\$0	\$6,667
Other Operating Costs	\$1,333	\$0	\$1,333

ADMINISTRATIVE COSTS

Management and Office Compensation	\$150,000		\$150,000
Rent & Office Expenses	\$5,000		\$5,000
Supplies	\$4,000		\$4,000
Advertising/Promotion	\$4,000		\$4,000
Phone / Internet / Communications	\$5,000		\$5,000
Debt Repayment / Interest	\$12,000		\$12,000

TOTAL EXPENSES

NET PROFIT / (LOSS)

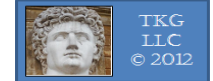
FEDERAL STATE AND LOCAL INCOME TAXES

NET AFTER TAXES

TOTAL EXPENSES	\$291,000	\$0	\$291,000
NET PROFIT / (LOSS)	\$17,700	\$0	\$17,700
FEDERAL STATE AND LOCAL INCOME TAXES	-\$5,310	\$0	-\$5,310
NET AFTER TAXES	\$12,390	\$0	\$12,390



STRATEGIC FINANCIAL FIVE YEAR PLAN



INCOME STATEMENT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SALES AND INCOME						
Estimated Number of Sales Units per year		10,000	17,500	21,000	22,000	35,000
Average Price per unit		\$10.00	\$13.50	\$15.00	\$15.00	\$15.00
Total Sales (Units x Price)		\$100,000	\$236,250	\$315,000	\$330,000	\$525,000
LESS Product Returns from Customer (ESTIMATED 2 % will be returned)		\$2,000	\$4,725	\$6,300	\$6,600	\$10,500
TOTAL REVENUE		\$98,000	\$231,525	\$308,700	\$323,400	\$514,500
LESS OPERATING EXPENSES		= DIRECT INPUT INPUT THE COST ASSUMPTIONS IN THE YELLOW CELLS				
MATERIALS COSTS						
Product Material that is part of Finished Product: All Ingredients / Substances / Materials			\$36,000	\$48,000	\$50,286	\$80,000
Any Wrapping/Package/Shipping Materials			\$4,500	\$6,000	\$6,286	\$10,000
PURCHASED PRODUCT		\$40,000	\$5,000			
LABOR						
Compensation for people who touch the product or run the machines to produce the product			\$15,000	\$20,000	\$20,952	\$33,333
All Assemblers / Materials Handlers / Shipping / Warehousing who move the product			\$12,000	\$16,000	\$16,762	\$26,667
OTHER PLANT COSTS						
Production and shipping supplies			\$2,500	\$3,333	\$3,492	\$5,556
Equipment maintenance & repair			\$2,000	\$2,667	\$2,794	\$4,444
Utilities and power			\$3,000	\$4,000	\$4,190	\$6,667
Depreciation on Equipment			\$5,000	\$6,667	\$6,984	\$11,111
Other Operating Costs			\$1,000	\$1,333	\$1,397	\$2,222
ADMINISTRATIVE COSTS						
Management and Office Compensation		\$70,000	\$100,000	\$150,000	\$150,000	\$165,000
Rent & Office Expenses			\$5,000	\$5,000	\$5,000	\$5,000
Supplies		\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Advertising/Promotion		\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Phone / Internet / Communications		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Sales Salaries and Expenses						\$110,000
Debt Repayment / Interest			\$12,000	\$12,000	\$12,000	\$12,000
TOTAL EXPENSES		\$123,000	\$216,000	\$288,000	\$293,143	\$485,000
NET PROFIT / (LOSS)		(\$25,000)	\$15,525	\$20,700	\$30,257	\$29,500
FEDERAL STATE AND LOCAL INCOME TAXES		\$0	-\$4,658	-\$6,210	-\$9,077	-\$8,850
NET AFTER TAXES		(\$25,000)	\$10,868	\$14,490	\$21,180	\$20,650

STRATEGIC FINANCIAL FIVE YEAR PLAN



INCOME STATEMENT

YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5

SALES AND INCOME

Estimated Number of Sales Units per year					
Average Price per unit					
Total Sales (Units x Price)					
LESS Product Returns from Customer (ESTIMATED 2 % will be returned)					

TOTAL REVENUE

LESS OPERATING EXPENSES

= DIRECT INPUT INPUT THE COST ASSUMPTIONS IN THE YELLOW CELLS

MATERIALS COSTS

Product Material that is part of Finished Product: All Ingredients / Substances / Materials					
Any Wrapping/Package/Shipping Materials					
PURCHASED PRODUCT					

LABOR

Compensation for people who touch the product or run the machines to produce the product					
All Assemblers / Materials Handlers / Shipping / Warehousing who move the product					

OTHER PLANT COSTS

Production and shipping supplies					
Equipment maintenance & repair					
Utilities and power					
Depreciation on Equipment					
Other Operating Costs					

ADMINISTRATIVE COSTS

Management and Office Compensation					
Rent & Office Expenses					
Supplies					
Advertising/Promotion					
Phone / Internet / Communications					
Sales Salaries and Expenses					
Debt Repayment / Interest					

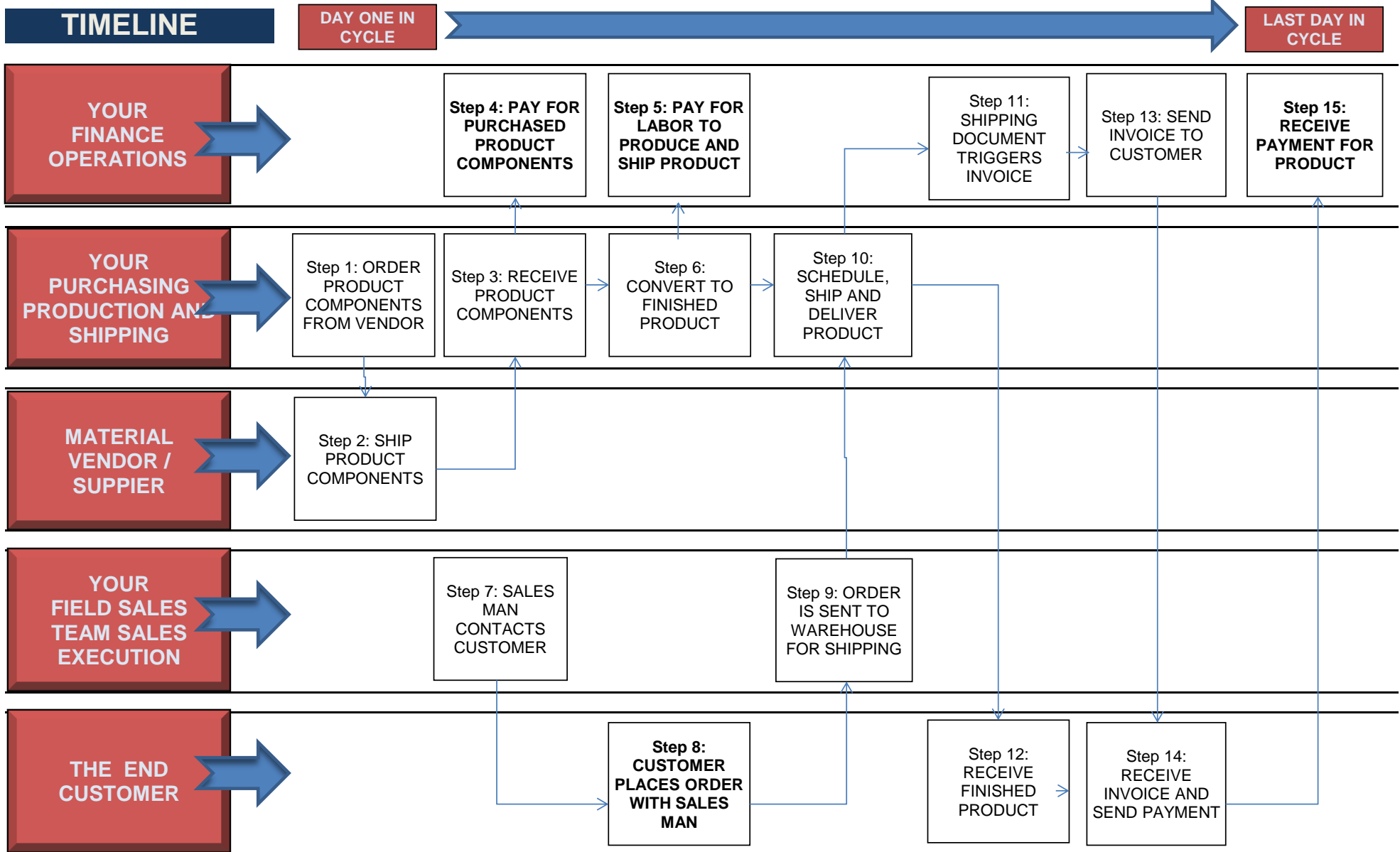
TOTAL EXPENSES

NET PROFIT / (LOSS)

FEDERAL STATE AND LOCAL INCOME TAXES

NET AFTER TAXES

BUSINESS MODEL REVENUE CYCLE



EXECUTION PLAN FOR FIRST SALE



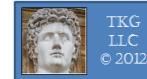
	REQUIREMENTS FOR THE FIRST SALE:	NEEDED FOR EXECUTION	STATUS
1	A billing system in place to invoice customers and a bank account to receive payments	Company Name, Tax ID Number, Business Bank Account Number	IN PLACE
2	An invoice with all charges and terms listed, with all necessary company and customer information	Letter Head Stationery Invoice with Remitting Address. Sales calculated and costs, delivery dates and product identified,	IN PLACE
3	IF A PRODUCT SALE: A physical product in hand, on a truck or in a warehouse ready to be shipped and confirmed that it is received	Either: Source to Purchase Product for Resale or Direct Production of Product: Plant in Place, Materials and Labor in Place, Equipment in Place, Warehouse and Shipping Operations in Place	IN PLACE
4	IF A SERVICE SALE: Trained people ready to perform service with the right equipment and/or software up and running waiting on customer site)	A trained team in place with necessary equipment, vehicles, etc. Any Software FULLY debugged and trained technical people ready to install	IN PLACE
5	A mutually agreed upon selling price communicated to the buyer	Purchase Contract or Purchase Order with stated terms of transaction: Price, payment methods, payment terms	IN PLACE
6	A customer wanting and waiting to buy at price agreed	Markets Identified,. Customers Identified, Customers Marketed and Product Promoted. To Buyers / Decision Makers	IN PLACE
7	A face-to-face, or phone-to-phone, or email-to-email business sales exchange transaction	Contacted, Sales Transaction Initiated by Sales Representative	IN PLACE
8	Customer Follow Up Actions	Post Sale follow up and follow through: Check customer's needs and possible additional sales	IN PLACE

EXECUTION PLAN FOR FIRST SALE



	REQUIREMENTS FOR THE FIRST SALE:	NEEDED FOR EXECUTION	STATUS
1			
2			
3			
4			
5			
6			
7			
8			

CASH FLOW FORECAST SCHEDULE



FORECAST
DATE

1/1/2013

SIX MONTH PLAN	JAN	FEB	MAR	APR	MAY	JUN
CASH BEGINNING BALANCE	\$25,000	\$41,150	\$21,550	\$4,550	\$47,550	\$42,050

CASH INFLOWS: ADD

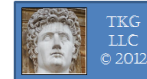
Product Sales				\$60,000	\$20,000	\$20,000
Services Sales						
Other Incomes / Cash Sources						
Borrowings / Loans	\$45,000					
TOTAL CASH IN	\$45,000	\$0	\$0	\$60,000	\$20,000	\$20,000

CASH OUTFLOWS: SUBTRACT

Product and Shipping Materials		\$15,000			\$2,500	
Licenses, Permits	\$5,000					
Employee Salaries and Wages			\$5,000	\$5,000	\$5,000	\$5,000
Management and Office Compensation			\$5,000	\$5,000	\$5,000	\$5,000
Production and shipping supplies	\$6,000				\$6,000	
Equipment Purchases	\$1,250					
Automobile Expenses			\$1,500	\$1,500	\$1,500	\$1,500
Utilities and power			\$400	\$400	\$400	\$400
Other Operating Costs			\$500	\$500	\$500	\$500
Prepaid Rent & Office Expenses	\$12,000					
Operating & Computer Supplies	\$300	\$300	\$300	\$300	\$300	\$300
Advertising/Promotion Expenses	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Phone / Internet / Communications	\$300	\$300	\$300	\$300	\$300	\$300
Debt Repayment / Interest	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Federal, State or Local Tax Paymnts						
TOTAL CASH OUT	\$28,850	\$19,600	\$17,000	\$17,000	\$25,500	\$17,000

CASH ENDING BALANCE	\$41,150	\$21,550	\$4,550	\$47,550	\$42,050	\$45,050
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CASH FLOW FORECAST SCHEDULE



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FORECAST
DATE

SIX MONTH PLAN						
CASH BEGINNING BALANCE						
CASH INFLOWS: ADD						
Product Sales						
Services Sales						
Other Incomes / Cash Sources						
Borrowings / Loans						
TOTAL CASH IN						
CASH OUTFLOWS: SUBTRACT						
Product and Shipping Materials						
Licenses, Permits						
Employee Salaries and Wages						
Management and Office Compensation						
Production and shipping supplies						
Equipment Purchases						
Automobile Expenses						
Utilities and power						
Other Operating Costs						
Prepaid Rent & Office Expenses						
Operating & Computer Supplies						
Advertising/Promotion Expenses						
Phone / Internet / Communications						
Debt Repayment / Interest						
Federal, State or Local Tax Paymnts						
TOTAL CASH OUT						
CASH ENDING BALANCE						