

**Index**

Executive Summary

Company Overview

Products and Services

Execution

Operational Plan

Financial Plan

**EXECUTIVE SUMMARY**

[JMK Enterprises] will provide transportation services to retailers selling perishable goods and fresh produce. In [2017], the market for overland freight services is worth $[700 billion dollars]. Experts expect freight revenue to grow by [75]% over the next nine years based on trends and research. As long as people’s demand for products remain, moving freight will be essential for businesses for the years to come.

[JMK] will take advantage of the gap in the market by providing trucking services to specialized goods such as wet products and fresh produce. Currently, the majority of the truckers in Fullerton City only deliver dry goods and light parcels. This gives us the opportunity to fill the gap by giving trucking services to clients that best suit their transportation needs.

**COMPANY OVERVIEW**

**Mission Statement**

[JMK Enterprises] mission is to provide the best trucking services to merchants who need their perishable goods delivered at the right quality, time, and price.

**Philosophy**

[JMK Enterprises] is committed to giving its customers peace of mind and a satisfying experience with each business transaction and strives to be consistent in transporting goods efficiently.

**Vision**

[JMK Enterprises] seeks to be the number one provider of transportation services for perishable goods in the state of California.

**Outlook**

[JMK] will serve businesses that need delivery services for their fresh produce and perishable products. These are the supermarkets, fruit and vegetable merchandisers, and restaurants. The city is experiencing growth in these industries with [3]%, [2]%, and [5]% annual growth rate, respectively. Along with the demand for wet goods carriers in the city, there is a great opportunity to make a profitable trucking business that targets these growing industries.

**Type of Industry:** Trucking Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [John M. Kowalski]

**Start-Up Summary**

The funds for the start-up is $[400,000]. Two hundred thousand comes from the owner and the other half comes from the bank. The fund will be used for the initial supplies and equipment, insurance, marketing materials, salary, permits, and licenses.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $150,000 |
| Start-Up Assets | $250,000 |
| **Total Funding Required** | **$400,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $80,000 |
| Cash Requirements from Start-Up | $60,000 |
| Additional Cash Raised | $50,000 |
| Cash Balance on Starting Date | $60,000 |
| **Total Assets** | **$250,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owner | $400,000 |
| Other |  |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$400,000** |
| Loss at Start-Up (Start-Up Expenses) | -$150,000 |
| **Total Capital** | **$250,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$250,000** |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Freight Truck | $110,000 |
| Advertising | $4,000 |
| Legal Fees | $2,000 |
| Staff Training | $2,000 |
| Insurance | $20,000 |
| Other | $12,000 |
| **Total Start-Up Expenses** | **$150,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $170,000 |
| Start-Up Inventory | $15,000 |
| Other Current Assets | $10,000 |
| Long-Term Assets | $55,000 |
| **Total Assets** | **$250,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$400,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Jessica K. Hargrove] | Operations Manager | Administrative, Organization, Team Coordination, and Leadership |
| [Elizabeth B. Benson] | Sales and Marketing Director | Client Acquisition, Negotiation, Creativity, and Innovation |
| [Pauline M. Strohl] | HR Manager | People Management, Talent Acquisition, Scheduling, and Critical Thinking |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Establish an efficient back office team | Hired three management personnel |
| Ensure that the office facilities are up and running | Bought important office equipment and installed relevant software for operation |
| **Long-Term Goals** | **Milestones** |
| Increase the number of clients by [20]% at the end of the year | Hired a competent sales and marketing director last [December 19, 2017]. |
| Acquire two more trucks at the start of another fiscal year | Research-backed sales and marketing strategies currently underway |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[JMK] offers perishable goods and fresh produce transport services to targeted industries in the city of Fullerton, California.

**Value Proposition**

[JMK Enterprises] will be among the few companies that will transport wet goods in Fullerton, California. It will provide all of its customers quality service that is efficient, has superior client interaction and with a reasonable pricing scheme.

**Pricing Strategy**

In order to maximize revenue, the company will capitalize on the increasing demand for perishable goods truckers in the city by utilizing a yield management pricing strategy.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

JMK Enterprises

Profit Margin = 1 - ($365,000/$530,000)

= 1-0.689

= 0.31 or 31%

**EXECUTION**

**Marketing Plan**

Since the Internet is readily available to virtually all consumers including business owners today, the company will strive to strengthen its online presence to increase brand awareness and visibility. However, offline or traditional approaches will still be performed such as sending letters and brochures to targeted companies, TV and radio ads, direct mailing coupon, and posters and banners.

**Market Research**

Detailed analysis shows that the market for perishable goods transportation will expect a compound annual growth rate (CAGR) of [8]% which is equivalent to $[5.19] billion globally from [2018] through [2022]. This market is currently highly concentrated with few businesses taking up the market share. The company will take advantage of the looseness of the competition and will fill this gap in the affected industries.

Meanwhile, the refrigerated transportation market is expected to grow at an astounding CAGR of [13]% of the same year span an incremental growth of $[6 billion]. Fifty-two percent of this growth will come from the food and beverages industry.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [JMK Enterprises] | * Specialized transportation service * Reasonable price offerings | * Has only one truck * Caters to only a few clients | * The industry expects further growth in the perishable goods market * An improved economy will result in an increased demand for transportation services | * Profitability is greatly affected by fuel price changes * Economic downturns could affect the demand for trucking services |
| [J&J Express] | * Efficient transporter of light goods and parcels * Competitive prices | * Transports fresh produce and perishable products | * An improving economy will open it up to new markets and sources of sales | * Tight competition in light goods and parcels transport |
| [Road Runner Transport Co. Ltd.] | * Large-scale transportation company | * High operational cost and tight financing | * Easily recognized by old and potential clients due to its scale and experience | * Plenty of new players are getting into the dry goods transportation business |

**Marketing Strategy**

[JMK Enterprises] will execute two different marketing approaches in order to attract new clients and gain brand visibility. First is through online marketing, aiming to establish a strong online presence. Second is traditional marketing, utilizing direct mails, outdoor ads, traditional media such as TV and radio, and the use of discount coupons for loyal customers.

The approach will mainly target industries that the company is catering such us the food industry. The team will work intensively on the following: setting up the social media accounts and a website, improving service efficiency and price rates, strategic placement of outdoor ads, and crafting letters to targeted companies.

The team has started working on several projects to drive the marketing strategy forward. Below are their progress:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Set-up of a website and social media accounts | Hire a website and social media manager | January 25, 2018 | Functional website and active social media accounts by the end of [February] |
| Service efficiency and price development | The operations manager is currently creating a system to ensure competitive service and pricing | January 30, 2018 | Attract and retain customers through [JMK’s] competitive pricing and superior service |

**Organizational Structure:**

****

**OPERATIONAL PLAN**

**Location and Facilities**

Provide a sketch or blueprint of the facility.

Provide photos or images of the location/facility.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| Truckbytes | 1 |
| McLeod CRM | 1 |
| **Hardware** | Quantity |
| Printer | 2 |
| Office Computer | 3 |
| Laptop | 1 |
| Router | 1 |
| Truck | 1 |

**IT Infrastructure**

The following table reflects JMK Enterprises’ IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Website and Social Media Accounts | N | Online avenues to advertise the brand  Currently not active |
| Customer Relationship Management Software | Y | Organize sales and marketing efforts and allows seamless communication with customers |
| Router | Y | Allows forwarding of data packets between computer networks |

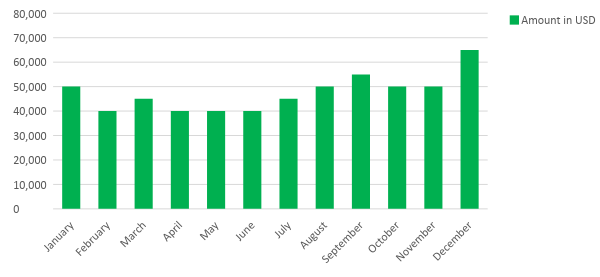
**FINANCIAL PLAN**

**Assumptions**

The following financial forecasts are based on research-backed data on the recent trends in the global economy and the trucking industry. The company will focus its efforts on client acquisition and retention as well as spreading brand awareness. The start-up funds will be spent on supplies and equipment, maintenance, insurance, licenses, rent, and employee salary.

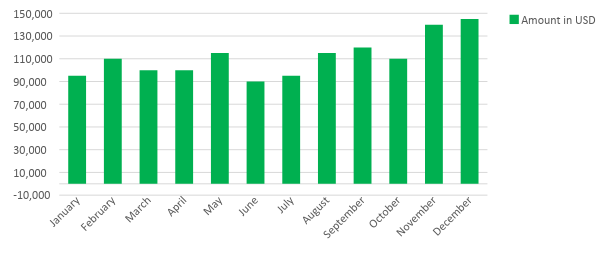
**Monthly Expense**

The chart below illustrates [JMK’s] projected monthly expense for [2018].



**Monthly Revenue**

The chart below shows JMK’s projected monthly revenue for [2018].



**Business Financing**

The business will be funded by the business owner and by a bank loan, with a combined amount of $[400,000]. The majority of the expenses will be spent on supplies, maintenance, rent, insurance, licenses, marketing materials, and payroll.

**Statements**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Sales | $900,000.00 | $1,000,000.00 | $1,100,000.00 |
| Direct Cost of Sale | $500,000.00 | $550,000.00 | $600,000.00 |
| Other Cost of Sale | $30,000.00 | $35,000.00 | $40,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $370,000.00 | $415,000.00 | $460,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $530,000.00 | $585,000.00 | $640,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **58.89%** | **58.50%** | **58.18%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $50,000.00 | $50,000.00 | $50,000.00 |
| Insurance | $25,000.00 | $25,000.00 | $25,000.00 |
| Utilities | $40,000.00 | $45,000.00 | $45,000.00 |
| Salary (Including Tax) | $160,000.00 | $180,000.00 | $180,000.00 |
| Maintenance & Supplies | $90,000.00 | $100,000.00 | $110,000.00 |
| **Total Operating Expenses** | **$365,000.00** | **$400,000.00** | **$410,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $5,000.00 | $15,000.00 | $50,000.00 |
| Depreciation | $8,000.00 | $8,000.00 | $8,000.00 |
| Interest Expense | $20,000.00 | $20,000.00 | $20,000.00 |
| Taxes Paid | $6,000.00 | $6,000.00 | $7,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$139,000.00** | **$159,000.00** | **$203,000.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Cash | $450,000.00 | $490,000.00 | $500,000.00 |
| Accounts Receivable | $30,000.00 | $35,000.00 | $40,000.00 |
| Inventory | $15,000.00 | $15,000.00 | $18,000.00 |
| Other Current Assets | $100,000.00 | $120,000.00 | $125,000.00 |
| Total Current Assets | **$595,000.00** | **$660,000.00** | **$683,000.00** |
|  |  |  |  |
| Long-Term Assets | $120,000.00 | $140,000.00 | $145,000.00 |
| Accumulated Depreciation | $30,000.00 | $40,000.00 | $40,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $90,000.00 | $100,000.00 | $105,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$685,000.00** | **$760,000.00** | **$788,000.00** |
|  |  |  |  |
| Accounts Payable | $90,000.00 | $93,000.00 | $120,000.00 |
| Notes Payable | $15,000.00 | $19,000.00 | $30,000.00 |
| Other | $7,000.00 | $12,000.00 | $15,000.00 |
| Total Liabilities | **$112,000.00** | **$124,000.00** | **$165,000.00** |
|  |  |  |  |
| Paid-in Capital | $20,000.00 | $20,000.00 | $20,000.00 |
| Retained Earnings | $139,000.00 | $159,000.00 | $203,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$573,000.00** | **$636,000.00** | **$623,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **19.55%** | **19.50%** | **26.48%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Operating Cash Beginning | $150,000.00 | $200,000.00 | $220,000.00 |
|  |  |  |  |
| **Sources of Cash** | $50,000.00 | $60,000.00 | $60,000.00 |
| Receivables | $12,000.00 | $15,000.00 | $17,000.00 |
| Sales | $200,000.00 | $250,000.00 | $300,000.00 |
| Others | $12,000.00 | $20,000.00 | $24,000.00 |
| **Total Cash** | $424,000.00 | $545,000.00 | $621,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $50,000.00 | $50,000.00 | $50,000.00 |
| Insurance | $25,000.00 | $25,000.00 | $25,000.00 |
| Utilities | $40,000.00 | $45,000.00 | $45,000.00 |
| Salary (Including Tax) | $160,000.00 | $180,000.00 | $180,000.00 |
| Maintenance & Supplies | $90,000.00 | $100,000.00 | $110,000.00 |
| **Total Expenditures** | $365,000.00 | $400,000.00 | $410,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$59,000.00** | **$145,000.00** | **$211,000.00** |