**GENERIC**

**BUSINESS PLAN**





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**EXECUTIVE SUMMARY**

[Crest Media] is a full-service marketing company that operates in [Oklahoma] City. It helps other businesses reach out to their customers using creative productions and advertising strategies. The company targets medium-sized businesses that want to improve their advertising campaigns and expand their reach in traditional and digital mediums. [Crest Media] uses innovative band positioning strategies that deliver the best results to its clients.

**COMPANY OVERVIEW**

**Mission Statement**

[Crest Media] mission is to help businesses develop a meaningful connection with its customers through powerful marketing strategies.

**Philosophy**

[Crest Media] creates a culture that fosters creativity, innovation, and collaboration.

**Vision**

[Crest Media] strives to be a leader in innovation and creativity in the marketing industry.

**Outlook**

With the demand for digital marketing on the rise, [Crest Media] will target companies that will benefit much from these modern strategies. Most of its creative ideas will focus on campaigns for social media, email, and online advertisements. These strategies will be promoted through direct marketing which will be carried out by the company’s sales team.

**Type of Industry:** Marketing/Advertising Industry

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Ronald J. Karp]

**Start-Up Summary**:

The start-up costs of $[120,000] is provided by the owner and will be used for rent, supplies, maintenance, insurance, permits, and payroll.

|  |
| --- |
| **Start-Up Funding** |
| Start-Up Expenses | $40,000 |
| Start-Up Assets | $80,000 |
| **Total Funding Required** | **$120,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $30,000 |
| Cash Requirements from Start-up | $15,000 |
| Additional Cash Raised | $20,000 |
| Cash Balance on Starting Date | $15,000 |
| **Total Assets** | **$80,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $120,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$120,000** |
| Loss at Start-Up (Start-Up Expenses) | -$40,000 |
| **Total Capital** | **$80,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$80,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $15,000 |
| Advertising | $2,000 |
| Legal Fees | $1,000 |
| Staff Training | $12,000 |
| Insurance | $4,000 |
| Other | $6,000 |
| **Total Start-Up Expenses** | **$40,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $15,000 |
| Start-Up Inventory | $30,000 |
| Other Current Assets | $20,000 |
| Long-Term Assets | $15,000 |
| **Total Assets** | **$80,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$120,000** |

**Management Team**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [David J. Donaldson] | Marketing Manager | Creativity, Commercial Awareness, Adaptability |
| [Cheryl R. Brooks] | Creative Director | Interpersonal, Inventiveness, Leadership |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Hire a marketing manager and a creative director | Done hiring last [January 10, 2019] |
| Gain [20] new clients within three months | The team is currently handling seven clients. |
| **Long-Term Goals** | **Milestones** |
| Increase brand awareness by [50]% | A stronger marketing campaign will be launched next month |
| Maintain a strong customer satisfaction rate | Regular meetings are scheduled to come up with new creative ideas. |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Crest Media] offers services in advertising, graphic design, social media marketing, SEO, public relations, copywriting, branding, and audio and video production.

**Value Proposition**

[Crest Media] provides its clients with the best marketing strategies and services that enable them to establish a meaningful connection with their customers.

**Pricing Strategy**

[Crest Media] utilizes a competitive pricing strategy. The company charges customers hourly with rates that vary depending on the difficulty of the project.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

Crest Media

Profit Margin = 1 - ($160,000/$168,000)

 = 1-0.952

 = 0.048 or 4.8%

**EXECUTION**

**Marketing Plan**

[Crest Media] plans to reach out to its potential customers through direct marketing. The team will generate leads through the company’s social media accounts. Social media managers will link the company’s social media accounts to the company website with the intention of inviting visitors to sign up on the subscription form upon reading the articles.

**Market Research**

The size of the marketing industry globally amounts to hundreds of billions of dollars. Analysts find it difficult to get a rough estimate because of the variations of the final cost of advertising in many organizations. The emergence of digital ad spending has even made it more difficult to measure the current magnitude of the industry.

The shift of ad spending to digital media continues to drive change in the industry. In [2017], global revenue for digital ads, including social media, surpassed TV ad revenue for the first time, according to MAGNA. Inside the industry, the competition is tight between agencies that provide traditional advertising and those that offer a more modern approach to advertising.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Crest Media] | A team of highly-creative marketers and designers | Still lacks experience in the industry | Behavior-based personalization is the latest trend in marketing  | Sudden changes in the economy and the market may impact company performance |
| [Trixie Marketing and Branding] | Has a strong research and development team | Is new to the business and has yet to gain market acceptance | The latest software and digital platforms can transform the face of marketing and advertising | Can be outperformed by well-established companies |
| [DWR Marketing Agency] | Has strong and competitive marketing strategies | Not all employees are highly-skilled and competent | Videos are much faster in communicating the message to customers |  |

**Marketing Strategy**

[Crest Media] marketing strategy focuses on direct marketing. The company will reach out to prospective customers through email or telephone. A sales team will handle all the calls and emails to invite clients to avail of its services. Before the sales process, another team gathers leads using the company’s social media accounts. This will be done by linking the accounts with the company’s blog contents that invite viewers to subscribe to the site by providing their information details upon reading the articles.

The team has started several activities to drive the marketing strategy forward. Here are some of the updates:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Direct marketing | A sales team has formed to handle client communication | March 1, 2019 | Client base increases by [10]% |
| Lead generation | Social media accounts have been linked with the company’s blog site | February 28, 2019 | Blog traffic increases by [20]% |

**Organizational Structure**

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**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** |
| Adobe Premiere Pro | 2 |
| Adobe Lightroom CC | 2 |
| **Hardware** | **Quantity** |
| SLR camera | 2 |
| Desktop computer | 9 |
| Projector | 1 |

**IT Infrastructure**

The following table reflects [Crest Media’s] IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Company Website | Y | The company has an active website. |
| Customer Relationship Management (CRM) | Y | The company uses CRM software to manage its interaction with current and potential customers. |

**FINANCIAL PLAN**

**Assumptions**

The company’s financial forecast is based on the current trends of the marketing industry. The company focuses on reaching customers through direct marketing. Majority of its expenses will be on supplies, maintenance, insurance, payroll, and rent.

 **Monthly Expense**

The chart illustrates the projected monthly expense for [2019].



**Monthly Revenue**

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



**Business Financing**

The funding for the business comes entirely from the owner worth $[120,000]. Majority of the expenses will be on insurance, permits, rent, salaries, supplies, and maintenance.

**Statements**

|  |
| --- |
| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $320,000.00 | $390,000.00 | $415,000.00 |
| Direct Cost of Sale | $160,000.00 | $200,000.00 | $250,000.00 |
| Other Cost of Sale | $8,000.00 | $9,000.00 | $10,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $152,000.00 | $181,000.00 | $155,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $168,000.00 | $209,000.00 | $260,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **52.50%** | **53.59%** | **62.65%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $50,000.00 | $50,000.00 | $50,000.00 |
| Insurance | $15,000.00 | $16,000.00 | $17,000.00 |
| Utilities | $10,000.00 | $12,000.00 | $14,000.00 |
| Salary (Including Tax) | $80,000.00 | $90,000.00 | $100,000.00 |
| Maintenance & Supplies | $5,000.00 | $6,000.00 | $7,000.00 |
| **Total Operating Expenses** | **$160,000.00** | **$174,000.00** | **$188,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$8,000.00 | $7,000.00 | -$33,000.00 |
| Depreciation | $15,000.00 | $16,000.00 | $17,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $6,000.00 | $20,000.00 | $30,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$2,000.00** | **$15,000.00** | **$42,000.00** |

|  |
| --- |
| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $250,000.00 | $350,000.00 | $400,000.00 |
| Accounts Receivable | $20,000.00 | $30,000.00 | $40,000.00 |
| Inventory | $15,000.00 | $20,000.00 | $35,000.00 |
| Other Current Assets | $10,000.00 | $15,000.00 | $20,000.00 |
| Total Current Assets | **$295,000.00** | **$415,000.00** | **$495,000.00** |
|  |  |  |  |
| Long-Term Assets | $10,000.00 | $15,000.00 | $20,000.00 |
| Accumulated Depreciation | $5,000.00 | $6,000.00 | $7,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $5,000.00 | $9,000.00 | $13,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$300,000.00** | **$424,000.00** | **$508,000.00** |
|  |  |  |  |
| Accounts Payable | $30,000.00 | $45,000.00 | $60,000.00 |
| Notes Payable | $12,000.00 | $13,000.00 | $14,000.00 |
| Other | $5,000.00 | $6,000.00 | $7,000.00 |
| Total Liabilities | **$47,000.00** | **$64,000.00** | **$81,000.00** |
|  |  |  |  |
| Paid-in Capital | $10,000.00 | $15,000.00 | $20,000.00 |
| Retained Earnings | $13,000.00 | $15,000.00 | $17,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$253,000.00** | **$360,000.00** | **$427,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **18.58%** | **17.78%** | **18.97%** |

|  |
| --- |
| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $120,000.00 | $200,000.00 | $220,000.00 |
|  |  |  |  |
| **Sources of Cash** | $50,000.00 | $60,000.00 | $65,000.00 |
| Receivables | $20,000.00 | $30,000.00 | $40,000.00 |
| Sales | $35,000.00 | $45,000.00 | $55,000.00 |
| Others | $10,000.00 | $30,000.00 | $45,000.00 |
| **Total Cash** | $235,000.00 | $365,000.00 | $425,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $50,000.00 | $50,000.00 | $50,000.00 |
| Insurance | $15,000.00 | $16,000.00 | $17,000.00 |
| Utilities | $10,000.00 | $12,000.00 | $14,000.00 |
| Salary (Including Tax) | $80,000.00 | $90,000.00 | $100,000.00 |
| Maintenance & Supplies | $5,000.00 | $6,000.00 | $7,000.00 |
| **Total Expenditures** | $160,000.00 | $174,000.00 | $188,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$75,000.00** | **$191,000.00** | **$237,000.00** |