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**EXECUTIVE SUMMARY**

[MANN AND CO. MICROFINANCE **LLC]** is a microfinance bank based in [PITTSFIELD, MASSACHUSETTS]. The company offers premium quality financial services to small and mid-sized businesses. Although considered as an alternative for conventional banks, the company aims to support economic development through its services.

[MANN AND CO. MICROFINANCE LLC] will use email and social media marketing as well as search engine optimization [SEO] to reach a wider scope of its target market. The company anticipates increments in the number of clients with the current growing interest in microfinance services.

**COMPANY OVERVIEW**

**Mission Statement:** [MANN AND CO. MICROFINANCE LLC] contributes to the city’s economic development by providing financial solutions and support to micro and medium-scale enterprise growth.

**Philosophy:** [MANN AND CO. MICROFINANCE LLC] prioritizes the needs of its clients and serves them with honesty, integrity, and professionalism.

**Vision:** [MANN AND CO. MICROFINANCE LLC] wants to become the leading microfinance institution that provides business opportunities to entrepreneurs.

**Outlook:** The microfinance industry may still be young in the [US] but is steadily growing with the ongoing interest in alternative financial solutions. The company expects small to mid-sized businesses to consider microcredit financial services compared to other enterprises.

**Type of Industry:** Banking and Finance Industry

**Business Structure:** Limited Liability Company

**Ownership:** Limited Liability Company, [Clara Mann], [Joanne Mack], and [Michael Aiken]

**Start-Up Summary**: The board members of [MANN AND CO. MICROFINANCE LLC] contributed equally to generate a total start-up cost of [150K USD]. The funds are used to pay for rent, insurance, legal fees, and advertising costs.

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| **Start-Up Funding** |
| Start-Up Expenses | $64,550 |
| Start-Up Assets | $85,450 |
| **Total Funding Required** | **$150,000** |
| **Assets** |
| Non-Cash Assets from Start-Up | $56,450 |
| Cash Requirements from Start-up | $9,000 |
| Additional Cash Raised | $19,000 |
| Cash Balance on Starting Date | $1,000 |
| **Total Assets** | **$85,450** |
| **Capital** |
| Planned Investment |  |
| Owners | $150,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$150,000** |
| Loss at Start-Up (Start-Up Expenses) | -$64,550 |
| **Total Capital** | **$85,450** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$85,450** |
|  |
| **Start-Up** |
| **Requirements** |
| Start-Up Expenses |  |
| Rent - 6 Months | $2,550 |
| Advertising | $2,000 |
| Legal Fees | $3,000 |
| Staff Training | $5,500 |
| Insurance | $1,500 |
| Other | $50,000 |
| **Total Start-Up Expenses** | **$64,550** |
| **Start-Up Assets** |
| Cash Required | $10,000 |
| Start-Up Inventory | $11,450 |
| Other Current Assets | $19,000 |
| Long-Term Assets | $45,000 |
| **Total Assets** | **$85,450** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$150,000** |

**Management Team:**

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| **Management Team** | **Role/Function** | **Skills** |
| Michael Aiken | General Manager | Leadership, Team Management, Communication, Problem-Solving  |
| Joanne Mack | Finance Manager | Attention to Detail, Analytical, Data Interpretation |

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

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| **Short-Term Goals** | **Milestones** |
| Hire competent employees for the company | Hired 2 new employees last November 1, 2018 to handle microcredit transactions |
| Tighten online market presence | Opened social media accounts to be closer to the target market |
| **Long-Term Goals** | **Milestones** |
| Open a branch in a different developing city | Scouted a strategic location in Boston |
| Retain valuable clients | Offered customer-centric financial solutions |

**PRODUCTS AND SERVICES**

**Product/Service Description:** [MANN AND CO. MICROFINANCE LLC] offers savings and microcredit financial services to its clients who lack requirements to acquire approval for conventional business loans.

**Value Proposition:** [MANN AND CO. MICROFINANCE LLC] is a customer-centric company. The company supports an individual’s dream to start a business through the financial services it offers.

**Pricing Strategy:** [MANN AND CO. MICROFINANCE LLC] uses the penetration pricing method. The company offers microcredit at lower but still competitive interest rates. Finance charges are also lower than most existing microfinance companies in [Pittsfield, Massachusetts].

**EXECUTION**

**Marketing Plan:** [MANN AND CO. MICROFINANCE LLC] targets existing small to medium-scale enterprises having the potential for business growth. The company takes advantage of the Internet and plans to use online marketing strategies.

**Market Research:** The [US] has been rather late in adapting microfinance. Microfinance has been used by various states to boost the economic vitality of small to medium-scale enterprises. In this regard, the [US] microfinance movement also caters to the aforementioned businesses as they are also vital to the state’s economic development. Microfinance companies mostly target small to mid-sized businesses in steadily growing cities like [Pittsfield, Massachusetts].

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| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Mann and Co. Microfinance LLC | Offers customer-focused microcredit financial services | Limited market coverage | The growing interest of small businesses on microcredit financial solutions | Influence of established microfinance banks in Pittsfield |
| MA Microfinance Company | Recognized as one of the trusted microfinance banks in Massachusetts | High interest rates and finance charges  |  | Increase in the number of microfinance banks that offer lower interest rates and finance charges |
| Pittsfield Microfinance Inc.  | Ranks as the top microfinance bank in terms of customer service | Weak market presence | The advantages of adopting advanced technology in the form of mobile banking  | Tight competition due to the increasing number of microfinance banks |

**Marketing Strategy:** [MANN AND CO. MICROFINANCE LLC] will utilize email and social media marketing to promote its services. The company will also optimize its website through the help of an external [SEO] service provider. The following table sums up the activities needed to be accomplished and the success criteria for each.

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| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Email Marketing | Complete a final list of potential clients before sending the emails | January 10, 2019 | The company receives feedback from potential clients. |
| Social Media Marketing | Post about the company’s microcredit services on social media | ASAP | The company gains website visits and inquiries about its services. |
| SEO | Hire an SEO company to handle website optimization | January 25, 2019 | The company’s website tops the search list on various search engines.  |

**Organizational Structure:**

[MANN AND CO. MICROFINANCE LLC’S] corporate structure is headed by the board members with business owner Clara Mann. The board members decide the implementation of strategies and policies to boost the company’s growth and development. Among the board members, [Michael Aiken] and [Joanne Mack] assume managerial positions in the company.

**OPERATIONAL PLAN**

**Location and Facilities:**

[MANN AND CO. MICROFINANCE LLC] operates in an office space located in [54 North St, Pittsfield, MA 01201, USA]. The office has a typical ambiance of a financial institution.

**Tools and Equipment Checklist:**

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| **Software** | **Quantity** |
| Finance software | 3 |
| Customer database system | 2 |
| **Hardware** | **Quantity** |
| Computers | 5 |
| Printers | 3 |

**IT Infrastructure:**

The following table reflects the IT infrastructure of Mann and Co. Microfinance LLC.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Social Media | Y | The company owns a Facebook and Twitter account. |
| Website | N | The company has no website yet. |
| Latency Proof | Y | The company has no recorded delays in network response and processing time.  |

**FINANCIAL PLAN**

**Assumptions:**

[MANN AND CO. MICROFINANCE LLC] considers the market trends and the past financial performance of similar companies in the preparation of its estimated financial statements. The financial assumptions are as follows:

* Tax compensation equals to 11.5% of the total compensation amount.
* The company expects an increase in sales from 15% to 20% in the next five years.

**Monthly Expense:**

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**Monthly Revenue:**

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**Business Financing:**

[MANN AND CO. MICROFINANCE LLC] used equity financing to finance the business. The board members contributed a total of [150K USD] to purchase stocks for the company and fund its initial operating expenses.

**Statements:**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $250,000.00 | $300,000.00 | $360,000.00 |
| Direct Cost of Sale | $75,000.00 | $90,000.00 | $108,000.00 |
| Other Cost of Sale | $5,000.00 | $5,000.00 | $5,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $170,000.00 | $205,000.00 | $247,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $80,000.00 | $95,000.00 | $113,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **32.00%** | **31.67%** | **31.39%** |
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| **Operating Expenses** |
| Rent | $5,100.00 | $5,100.00 | $5,100.00 |
| Insurance | $5,000.00 | $5,000.00 | $5,000.00 |
| Utilities | $7,000.00 | $7,000.00 | $7,000.00 |
| Salary (Including Tax) | $40,000.00 | $40,000.00 | $40,000.00 |
| Maintenance & Supplies | $3,000.00 | $3,000.00 | $3,000.00 |
| **Total Operating Expenses** | **$60,100.00** | **$60,100.00** | **$60,100.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $109,900.00 | $144,900.00 | $186,900.00 |
| Depreciation | $150.00 | $150.00 | $150.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $4,600.00 | $4,600.00 | $4,600.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$15,300.00** | **$30,300.00** | **$48,300.00** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $20,900.00 | $45,875.00 | $87,721.25 |
| Accounts Receivable | $20,000.00 | $24,000.00 | $28,800.00 |
| Inventory | $25,000.00 | $25,375.00 | $25,755.63 |
| Other Current Assets | $35,000.00 | $42,000.00 | $42,000.00 |
| **Total Current Assets** | **$100,900.00** | **$137,250.00** | **$184,276.88** |
|  |
| Long-Term Assets | $70,000.00 | $70,000.00 | $70,000.00 |
| Accumulated Depreciation | $150.00 | $300.00 | $450.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $69,850.00 | $69,700.00 | $69,550.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$170,750.00** | **$206,950.00** | **$253,826.88** |
|  |
| Accounts Payable | $10,000.00 | $9,500.00 | $8,500.00 |
| Notes Payable | $1,500.00 | $1,575.00 | $1,653.75 |
| Other | $1,000.00 | $1,000.00 | $1,000.00 |
| **Total Liabilities** | **$12,500.00** | **$12,075.00** | **$11,153.75** |
|  |
| Paid-in Capital | $150,000.00 | $150,000.00 | $150,000.00 |
| Retained Earnings | $15,300.00 | $45,600.00 | $93,900.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$158,250.00** | **$194,875.00** | **$242,673.13** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **7.90%** | **6.20%** | **4.60%** |

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| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $10,000.00 | $20,900.00 | $45,875.00 |
|  |
| **Sources of Cash** | $3,500.00 | $4,200.00 | $5,040.00 |
| Receivables | $20,000.00 | $24,000.00 | $28,800.00 |
| Sales | $45,000.00 | $54,000.00 | $64,800.00 |
| Others | $2,500.00 | $2,875.00 | $3,306.25 |
| **Total Cash** | $81,000.00 | $105,975.00 | $147,821.25 |
|  |
| **Expenditures** |
| Rent | $5,100.00 | $5,100.00 | $5,100.00 |
| Insurance | $5,000.00 | $5,000.00 | $5,000.00 |
| Utilities | $7,000.00 | $7,000.00 | $7,000.00 |
| Salary (Including Tax) | $40,000.00 | $40,000.00 | $40,000.00 |
| Maintenance & Supplies | $3,000.00 | $3,000.00 | $3,000.00 |
| **Total Expenditures** | $60,100.00 | $60,100.00 | $60,100.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$20,900.00** | **$45,875.00** | **$87,721.25** |