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**Executive Summary:**

Wakefield Memorial School is a private school situated in San Jose, California. It is a standard private school that offers primary (kindergarten through sixth grade) and secondary (seventh through twelfth grade) education, funded through tuition fees and levies from students and other private sources. The school offers high-quality education in a conducive learning environment.

To reach the minimum number of enrollees in the first few years of operations, the school shall make use of social media marketing. It will also put advertising literature such as fliers and brochures in public areas such as the local library, bookstores, and the country club. Private schooling remains to be an important feature of the US education system, as it generates possibilities for parents to opt out of state-provided education, which is why financial projections remain positive for Wakefield Memorial School.

**Company Overview:**

**Mission Statement:** Wakefield Memorial School wants to provide a professional and conducive learning environment for students at different levels of learning.

**Philosophy:** Wakefield Memorial School shall ensure that staff and students alike reflect its values of integrity, service, and excellence in everything that they do.

**Vision:** Wakefield Memorial School has the vision to build a highly competitive private school that will be the first choice for both parents and students in San Diego, California.

**Outlook:** Therevenue for private schools is expected to increase as the American economy continues to recover. An industry worth over $52 billion, it has an estimated growth rate of 1.2% in the coming years. Despite being a saturated industry, profit from educational institutions remain feasible as a growing population puts more importance on knowledge and education.

**Type of Industry:** Education

**Business Structure:** Partnership

**Ownership:** Partnership, Lillian Patman and Blair Rhodes

**Start-Up Summary**: It will cost an average of $2 million to start a small, but a standard private school in the United States. This amount will partly be financed by the owners, with a loan of $1 million to cover the rest of the finances.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $1,000,000 |
| Start-Up Assets | $1,000,000 |
| **Total Funding Required** | **$2,000,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $750,000 |
| Cash Requirements from Start-up | $200,000 |
| Additional Cash Raised | $35,000 |
| Cash Balance on Starting Date | $15,000 |
| **Total Assets** | **$1,000,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owner | $2,000,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$2,000,000** |
| Loss at Start-Up (Start-Up Expenses) | -$1,000,000 |
| **Total Capital** | **$1,000,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$1,000,000** |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Construction and Renovations | $750,000 |
| Advertising | $5,000 |
| Legal Fees | $3,000 |
| Staff Training | $200,000 |
| Insurance | $20,000 |
| Other | $22,000 |
| **Total Start-Up Expenses** | **$1,000,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $200,000 |
| Start-Up Inventory | $175,000 |
| Other Current Assets | $55,000 |
| Long-Term Assets | $570,000 |
| **Total Assets** | **$1,000,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$2,000,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Lillian Patman | Chairman,  Board of Directors | Business Judgment, Problem Solving and Innovation |
| Elizabeth Robertson | School Administrator | Communication, Organization Skills, Leadership |
| Ken Sutton | Maintenance and Security | Technical Skills, Detail-Oriented |

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

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Develop strategies to address the educational needs of the students | Created lesson plans to maximize learning |
| Coach the administration and staff to develop better communication | Developed customized classes to better address student needs |
| **Long-Term Goals** | **Milestones** |
| Improve current educational practices by implementing a culture of excellence |  |
| Develop robust programs to maximize student potential |  |

**Products and Services**

**Product/Service Description:** Wakefield Memorial School offer different educational services within the scope of the education board in the United States. Its service offerings include the following:

* Establish foundations in basic literacy and numeracy, science, mathematics, geography, history, and social sciences
* Provide access to extracurricular activities
* Retail of educational books and materials

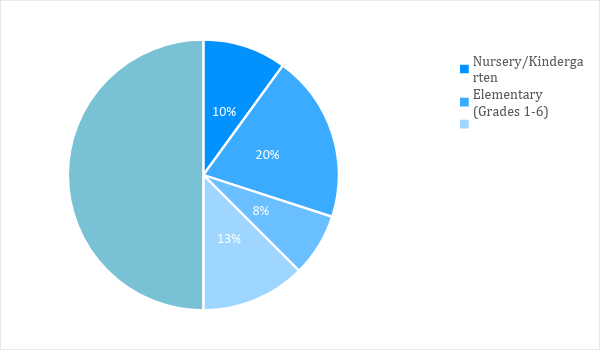
**Value Proposition:** Wakefield Memorial School may be new to the industry, but its management and staff are highly qualified and experienced in the field. It also offers competitive academic education, extracurricular activities, and sports to maximize student experience.

**Pricing Strategy:** Similar to other schools in the United States, Wakefield Memorial School shall charge students per term. Wakefield Memorial School keeps competitive pricing strategies to be within the average costs of education in the area.

**Execution**

**Marketing Plan:** Wakefield Memorial School shall make use of different marketing and sales strategies to attract enrollees. These strategies include information dissemination via print media such as fliers and brochures. The school will also engage in online marketing and social media networking by putting up a website and maintaining Facebook, Twitter, Instagram, and LinkedIn accounts. It will also join relevant professional organizations.

**Market Research:** According to a 2017 report, private schools in the US is a small market with only 40% of them having more than 500 students. Wakefield Memorial School wants to take advantage of this and target students in the mid- to upper-class sectors. The following chart shows the average percentage of enrollees in private schools in the area:



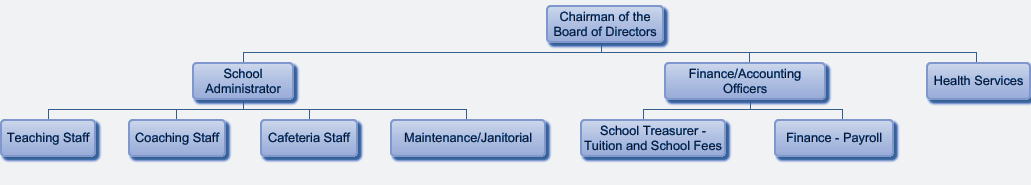
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Wakefield Memorial School | Has a strong workforce with excellent qualifications | Needs positive recognition to gain more students | The competitive industry allows for future expansion | Changes in government sanctions for private schools |
| San Jose Preparatory | Location is attractive to middle- and upper-class families | High tuition costs limit the number of enrollees every year | Adjustments in tuition fees encourage more enrollees | An economic downturn can affect the number of enrollees |
| Snicket Preparatory | Collaborative working environment | Focus on academics, but fewer extra-curricular activities | The location allows for bilingual studies | The emergence of competitor schools can threaten revenues |

**Marketing Strategy:** Private schools attract students and their parents through educational performance and the passing rates of students in national exams. Private schools continue to thrive due to the fact that public schools cannot always accommodate the educational needs of the children.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Community involvement and networking | Reach out to school districts | ASAP | At least 50 enrollees in the new school year |
| Traditional media advertising | Print fliers and brochures for distribution | March 30  SY 2019 | Inquiries from and meetings with parents and students |
| Online and social media reach | Create a website  Create social media pages | ASAP | 10,000 website views/week  Reach 25,000 likes by the end of the quarter |

**Organizational Structure:**

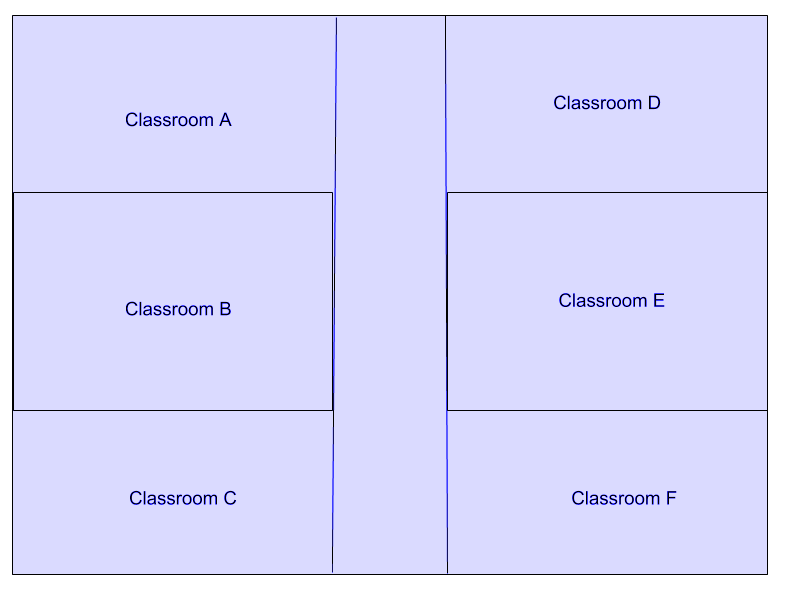
The following shows the organizational structure of Wakefield Memorial School.



**Operational Plan:**

**Location and Facilities**

The following shows the school layout per floor. Wakefield Memorial School wants to encourage better student performance by ensuring that the classrooms are large enough to make learning comfortable for the students despite their increasing number over time.



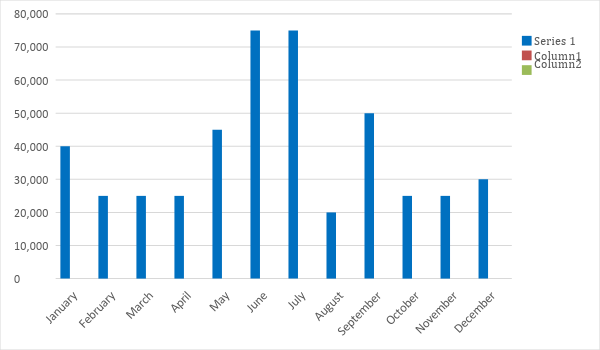
**Financial Plan**

**Assumptions**

Private school education remains relevant due to its ability to help students reach their educational goals. Looking into the current economy, the private school industry remains optimistic regarding its own income-generating goals. The following projections are based on what seems obtainable in the industry, with the assumption that there won’t be any sudden economic downturns or natural disasters in the period stated.

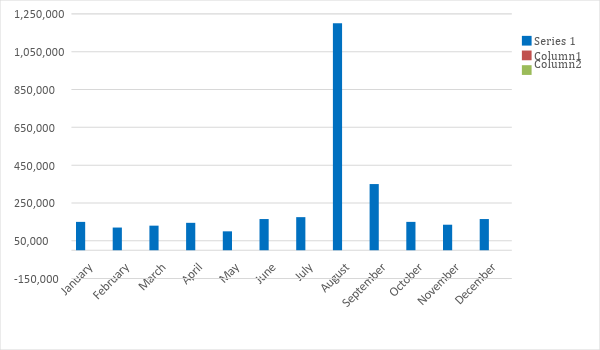
**Monthly Expense**

The following chart shows the projected monthly expenses for the upcoming year. The expenses are high in June and July due to the summer break. There is no income, but expenses shall be made for maintenance and renovation, construction, and purchase of school supplies for the next school year, as necessary.



**Monthly Revenue:**

The following chart shows the projected monthly revenue for the following year. August will see the highest increase in revenue due to the tuition fees for the school year.



**Business Financing**

The business is funded partly through the amount raised by the partners, as well as loans worth $1 million. This amount shall be used for supplies, office and school furniture, construction and design, and payroll.

**Statements**

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| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $3,000,000.00 | $3,500,000.00 | $4,000,000.00 |
| Direct Cost of Sale | $2,500,000.00 | $2,700,000.00 | $3,300,000.00 |
| Other Cost of Sale | $100,000.00 | $120,000.00 | $135,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | **$400,000.00** | **$680,000.00** | **$565,000.00** |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | **$2,600,000.00** | **$2,820,000.00** | **$3,435,000.00** |
| **Gross Margin % (Gross Profit/Sales)** | **86.67%** | **80.57%** | **85.88%** |
| **Operating Expenses** |  |  |  |
| Construction and Renovations | $800,000.00 | $150,000.00 | $100,000.00 |
| Insurance | $20,000.00 | $20,000.00 | $20,000.00 |
| Utilities | $45,000.00 | $47,000.00 | $50,000.00 |
| Salary (Including Tax) | $750,000.00 | $800,000.00 | $900,000.00 |
| Maintenance & Supplies | $250,000.00 | $250,000.00 | $250,000.00 |
| **Total Operating Expenses** | **$1,865,000.00** | **$1,267,000.00** | **$1,320,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $669,000.00 | $965,800.00 | $1,329,300 |
| Depreciation (Asset Cost - Residual Value/Useful Life of the Asset) | $10,000.00 | $10,000.00 | $10,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $15,000.00 | $18,000.00 | $20,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$720,000.00** | **$1,535,000.00** | **$2,095,000.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $250,000.00 | $1,250,000.00 | $1,450,000.00 |
| Accounts Receivable | $100,000.00 | $150,000.00 | $110,000.00 |
| Inventory | $7,000.00 | $8,000.00 | $10,000.00 |
| Other Current Assets | $20,000.00 | $25,000.00 | $35,000.00 |
| Total Current Assets | **$377,000.00** | **$1,433,000.00** | **$1,605,000.00** |
|  |  |  |  |
| Long-Term Assets | $45,000.00 | $43,000.00 | $47,000.00 |
| Accumulated Depreciation | $3,000.00 | $2,500.00 | $2,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $42,000.00 | $40,500.00 | $45,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$419,000.00** | **$1,473,500.00** | **$1,650,000.00** |
|  |  |  |  |
| Accounts Payable | $150,000.00 | $170,000.00 | $155,000.00 |
| Notes Payable | $7,000.00 | $7,500.00 | $5,000.00 |
| Other | $3,500.00 | $7,000.00 | $5,000.00 |
| Total Liabilities | **$160,500.00** | **$184,500.00** | **$165,000.00** |
|  |  |  |  |
| Paid-in Capital | $10,000.00 | $5,000.00 | $5,000.00 |
| Retained Earnings | $90,000.00 | $120,000.00 | $130,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$258,500.00** | **$1,289,000.00** | **$1,485,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **62.09%** | **14.31%** | **11.11%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $250,000.00 | $1,640,000.00 | $4,558,000.00 |
|  |  |  |  |
| **Sources of Cash** | $150,000.00 | $180,000.00 | $150,000.00 |
| Receivables | $100,000.00 | $100,000.00 | $120,000.00 |
| Sales | $3,000,000.00 | $3,500,000.00 | $4,000,000.00 |
| Others | $5,000.00 | $7,000.00 | $8,000.00 |
| **Total Cash** | $3,505,000.00 | $5,427,000.00 | $8,836,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Construction and Renovations | $800,000.00 | $150,000.00 | $100,000.00 |
| Insurance | $20,000.00 | $20,000.00 | $20,000.00 |
| Utilities | $45,000.00 | $47,000.00 | $50,000.00 |
| Salary (Including Tax) | $750,000.00 | $800,000.00 | $900,000.00 |
| Maintenance & Supplies | $250,000.00 | $250,000.00 | $250,000.00 |
| **Total Expenditures** | $1,865,000.00 | $1,267,000.00 | $1,320,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$1,640,000.00** | $4,160,000.00 | $7,516,000.00 |