

Sample Business Plan –

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J & J's Apartment Refinishing Services Business Plan

BUSINESS DESCRIPTION:

J & J's Apartment Refinishing Services is a commercial cleaning and painting service. It is a partnership owned by Joe Langley and Jackie Jones. It was formed to provide cleaning and painting services to the Mt. Ivy Housing Development on a contractual basis. It expects to expand to offer services to other nearby housing developments and apartment complexes.

Langley is experienced in both the construction trades and in commercial cleaning. He has supervisory experience in both trades. He brings experience in quality control, supervising and training employees, and bidding and estimating jobs.

Jones has experiences in the commercial painting and building trades fields. She has completed an apprenticeship in building trades while a student at Richmond Valley Vo-Tech in Richmond, Virginia. Her specialty is installation, taping, priming and painting of sheet rock.

Jones and Langley are both competent at repairing small engines and tools. They expect to purchase used equipment and maintain it themselves. They have made contacts with suppliers who handle "green cleaning products" and will be able to purchase at wholesale prices from them.

Both partners contribute to their community through volunteer work, which has involved coordination of activities and volunteers. The partners are committed to making this business work and believe in the new opportunities presented to the housing development through the resident management company.

The partners expect their company to expand within the next two years and create 3-5 new jobs. They would like to hire from the project and provide training to young people

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in the building trades.

Langley and Jones are working with the following advisors:

Leon Carlson - Attorney

Jennifer Madison - Accountant with Community Accountants

George Mahoney - former employer of Langley at Baltimore Cleans

Jill Rodriguez - associate who has computer design expertise.

MARKETING PLAN:

J & J's Apartment Refinishing Services offers complete clean-out and refinishing of apartments when residents move out. It provides cleaning services that include floor coverings, walls, appliances, bathrooms, cupboards, and interior windows. J & J's uses non-polluting and biodegradable cleaning products in providing its services. The partners believe this reduces the wear on the apartments and lessens the chances of allergic reactions from the new residents.

J & J's provides complete painting services as well. They will replace sheetrock, tape, prime, sand and paint both walls and woodwork. This service is provided for vacant apartments being readied for new residents.

J & J's first target customer is the resident management association of Mt. Ivy Development where they live. The resident management association is taking over the responsibility of preparation of apartments from the housing authority. The housing authority has 250 employees, five of whom have been responsible for Mt. Ivy. The resident management association has five employees to handle 500 apartments.

Future target customers include other housing developments within 10 blocks of Mt. Ivy and other apartment complexes in the same area. No expansion is expected within the first 6-8 months.

Competition: The direct competitor for the Mt. Ivy Housing Development contract is Commercial Cleaning Associates who currently hold the contract with the housing authority. They offer only cleaning services. There have been some complaints about the quality of the services. Commercial Cleaning Associates charges \$250 per apartment for their services.

Other indirect competitors include Larry's Sanitary Service, Service Master and Apartment Clean Up. Larry's Sanitary Service and Service Master charge \$500- \$550 for cleaning services. They specialize in construction clean-up and disaster cleaning. They are not currently competing for housing development business.

Apartment Clean Up offers only cleaning services. The services are of poor quality; the price is \$150 per apartment.

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J & J's Apartment Refinishing Services believes the most important criteria for the management association regarding this contract are: quality of clean-up, responsiveness when services are needed, the range of services offered and the price of the services. J & J's compares favorably with the direct and indirect competitors. J & J's offers high quality cleaning work, is on site, offers painting as well as cleaning, and offers middle-of-the-road prices at \$300 per apartment. J & J's Apartment Refinishing Services positions itself high on quality of service and medium on prices.

Advertising Promotion and Direct Selling: J & J's expects to let its customers know about its services through brochures, business cards, price lists, proposal forms, invoices and eventually direct mail letters. They plan to capitalize on the interest in buying "green" by focusing their advertising on the use of safe cleaning materials and using a green and white color scheme. They will follow this through by wearing bright green T-shirts when at work.

Jones does the direct selling presentations. She makes appointments with the management companies and presents a description of the company's services through brochures, before and after pictures, and customer testimonials.

FINANCIAL PLAN

Cash Flow: J & J's Apartment Refinishing Services is seeking a \$3000.00 loan for start up expenses and cleaning supplies. Jones and Langley have each contributed \$1000.00 and purchased the initial equipment for the business.

Cash Flow Assumptions: Jones and Langley made the following assumptions when constructing the accompanying cash flow projection:

1. Income

Income will be from sales to Mt. Ivy Housing Development on a two-year contract to provide cleaning and painting services. J & J will charge \$300 to clean apartments. Mt. Ivy has 500 apartments. The monthly turnover rate averages 2%. Based on this and accounting for seasonal variations, J & J's projects the following unit volume:

Month 1	5	Month 2	7	Month 3	10
Month 4	10	Month 5	12	Month 6	12
Month 7	13	Month 8	14	Month 9	13
Month 10	15	Month 11	14	Month 12	16

J & J's also expects to begin to pick up painting contracts throughout the year. It is expected these will not start until month 5 and will build gradually. Payment is received the following month.

2. Operating Costs

- A. Telephone includes \$150.00 installation charge and \$75.00 per month for

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standard business service.

- B. Office Supplies is for bookkeeping and invoicing supplies and postage.
- C. Cleaning Supplies is for consumable products used in performing the cleaning services. Approximately \$15 per apartment.
- D. Maintenance is for upkeep of vacuums, polishers, carpet cleaners and other equipment, as well as travel to jobs.
- E. Insurance is for liability, including workers compensation after employees are hired.
- F. Car/Travel is for mileage to pick up supplies and equipment and to travel to and from the job sites.
- G. Advertising is for business cards, brochures and other printed materials. No media advertising is anticipated.
- H. Licenses includes business privilege license to operate.
- I. Uniforms will consist of a bright green t-shirt with white logo. Four @ \$25 will be purchased to begin, and every six months thereafter.

3. Other Cash Expenses

- A. Equipment purchases includes an industrial vacuum cleaner and a wet-dry vacuum to start. Other equipment including a carpet cleaner and a floor buffer will be purchased as cash flow allows during the year.
- B. Owner's draw is based on what is available to be withdrawn.
- C. Tax Reserve is 10% of operating cash set aside for taxes.
- D. Loan Payments include payoff of \$3000 loan at 10% interest in one year.