

Business Plan

For

(SAMPLE ONLY)

WESTERN LANDSCAPING

***CONSULTANCY
CONSTRUCTION
MAINTENANCE***

**Prepared by
Rory McLeod
Sole Trader**

**27 West Creek Avenue
Harbour Cliff
Auckland**

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2008**

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OVERVIEW / EXECUTIVE SUMMARY

Western Landscaping is a business which will be established in 2009. The business is built on a firm foundation provided by many years in the landscaping/horticultural industry.

As the Curriculum Vitae in this plan highlights, I also hold formal qualifications in the area of proposed business services, and have attended a business start-up course to familiarise myself with the basic information needed at this stage.

The major reason behind my desire to establish the business is that in 2008 I spent some months as a full-time solo father, and during this period decided that for the future sustainability of my lifestyle, I needed flexibility and the opportunity to control my own destiny. I have invested in the business idea some of my private savings, plus a suspended loan from my father, which I intend to repay during year two of my business. This loan will be drawn down as needed (see cashflow projection)

I am totally confident that Western Landscaping will be established on a firm basis, with an excellent future. The Business Plan has been completed with the assistance of a Business Coach from the local Enterprise Development Agency, and is designed to support my idea and allow me a realistic overview of the viability of the proposal.

MISSION STATEMENT

Western Landscaping offers;

- **Landscaping Consultation and Design**
- **Implementation of agreed Design & Planting Plan**
- **Advice & information on sustainable options**
- **Maintenance**

The area of operation will initially be West Auckland, mainly in the new subdivision areas of Westgate and West Harbour. Eventually, through hiring contractors, I envisage expansion into the greater Auckland region.

As a former employee of a local landscape supplier, I have many industry contacts forming the basis of my business. My former employer, Westscape Supplies, is happy to refer me, and display my advertising information.

VISION STATEMENT

Western Landscaping offers a holistic interpretation of landscaping as a beautification service, designed to provide an improved visual awareness in the community, alongside solid commercial opportunities. Sustainability is a major component of the business vision

VALUES

Western Landscaping is committed to high-quality, affordable services displaying sustainable values and using locally grown native plants wherever appropriate.

BUSINESS STRUCTURE

Western Landscaping is currently a Sole Trader operation, owned by me Rory Mcleod. In future I will consider the option of establishing a limited liability company.

MANAGEMENT TEAM

At present, I am the sole person in the business. As soon as the operation is firmly established, I will look at employing a part-time bookkeeper. I will also look to using contract workers as the level of work increases.

This area will be reviewed at the end of the first year in business, and decisions on further employees/contractors made on the basis of actual financial results

LOCATION

The business will be located at my home address 27 West Creek Avenue, Harbour Cliff, Auckland.

The property is a three bedroom private house with one room set aside as an office. There is also an area of the garage for tool and equipment storage. Local council regulations allow for the operation of a business from home. All consultations with clients will be at their premises.

SERVICE DELIVERY

- Free initial consultation with potential client to establish needs
- Signed 'Agreement to Proceed' (this document will be put together by myself and checked by a lawyer family friend)
- Draw-up of plan
- Consultation with client and sign off on plan and go over payment arrangements
- Agreement on timing of the project, and stages of completion
- Commencing and finishing stages/whole project on time
- Final payment of agreed sum
- Completion and agreement on maintenance programme

I also offer a 'Consultancy-Only' service, particularly for the home handyman who wishes to complete the project personally. Where this service is the client's preferred option, an hourly rate of \$80 + GST applies.

My payment terms are:

- All materials paid for before job commences (quotes supplied)
- Progress payments arranged as each stage is completed
- Balance on completion of project

On completion of the project, I will offer the client a maintenance contract tailored to their needs (see above)

GUARANTEES

All work guaranteed to the highest industry standard.

- Written advice on use/care/maintenance of the area at completion of the project.
- Reasonable repair and reconstruction on all problem areas within a period of three months of completion, with a final decision on disputes being mine.
- For consultancy-only I guarantee to supply the client with a working drawing to his specification.

SUPPLIERS

I have established the following suppliers to the business:

Westscape Supplies, Westgate:

topsoil, rock, slate, scoria and other materials

Hirepool Henderson:

tools and heavy equipment

Westlyn Plants Ltd:

plants shrubs & trees etc

Oratia Native Nurseries:

Plants native to Waitakere and grown in a sustainable

manner

The above suppliers will cover the majority of the needs of the business, with other suppliers sought as the business develops and more unusual projects are contracted

WORKING HOURS

I intend Western Landscaping to be a full-time business:

Monday – Friday 8 am – 6 pm (summer hours)
 8.30 am – 5 pm (winter hours)

Saturdays and evenings will be consultation, measuring and quoting jobs.

CONTINGENCY/ BUSINESS GOALS/ RISK MANAGEMENT

Business Goals:

My goals for the first year of business are:

- Setting up bookkeeping and other monitoring systems to manage the business
- Establish first clients through direct marketing
- Complete a number of projects – using them to market my service
- Develop a database of future clients for commercial projects

Contingency:

- If my business prospers, I will look at hiring contractors to enable me to take on larger projects.
- If my business is slow to develop or I am not meeting my budget, I will take on part-time driving or contract work in the evenings or after daylight hours.

Risk Management:

In the event of my being unable to operate the business for a short period due to injury or ill health, my mother is available to take bookings. I also have arrangements in place for the after-school care of my son, for who I am the sole parent

MARKETING PLAN

CUSTOMERS AND TARGET MARKET:

Initial customers and my target for the first year of business will be those who have moved into new houses in the Westgate and West Harbour area. Many of these are high-value properties owned by those with a budget and desire to complete their new home with landscaping. There is also a market here for my consultancy business, as many new house owners wish to create their own landscaping, but feel they need expert assistance.

A further market is identified as commercial and light industrial areas of Henderson, New Lynn and Kumeu. Although some of these are slightly outside my identified area of operation, I will be definitely targeting them with surveys. This will enable me to create a database of future clients, strengthening the long-term sustainability of my business.

I approached my target market in the following manner:

- **Calling on home owners in the area, introducing myself and my service, and asking if they would like a free consultation.**
- **In the case of developers, ensuring that I speak to the person able to make decisions, offering package deals.**
- **For commercial premises, approaching business owners directly with my initial survey**

MARKET RESEARCH

I have developed three Market Survey forms (examples attached to this plan)
These target the two identified areas. Initial research findings:

Initial research findings:

- **In the three major housing developments in my area, recent building shows that 350 houses have been completed within the last year with residents in place.**
- **I carried out a door-to-door survey of seventy five houses in all these target areas**

The results showed that most of these seventy-five home owners value their outdoor space, and that a good proportion of these 'didn't know how start' creating an area they could use.

Employing my questions as a tool to develop a relationship with these potential clients, I identified who is capable/eager to action their ideas, and drew attention to consultation services

- **For those wanting a design & build option, potential clients indicated that the average amount they were willing to spend on a patio was \$5,000 - \$7,000.**

I estimate that from the 75 calls I made in this area, I would average:

- **Two projects monthly at approximately \$6,000 during spring and early summer.**
- **Turnover around \$36,000 for each of the months of September, October & November.**

From this early survey, I got:

- **A firm commitment from a total of thirty pre-qualified people who booked a free consultation.**
- **Completing these consultations, I was offered immediate work on six properties, ranging from a complete makeover to building a small patio area.**

The pricing on these projects ranged from:

- **\$1,200 for a small patio, to**
- **\$8,500 for a development of an area close to the house.**

I estimate that I could complete one of the larger projects every three months, and may have to either contract in some assistance, or partner with another business to manage the work load

I have explained to these potential clients that I am currently establishing my business, and taken their details. I have completed three of the smaller jobs as a 'trial run' for the business, and have already received referrals.

In planning my work load for the year in order to reflect patterns of earning in my cashflow, I have taken into consideration that as an outdoors-focused business, my maximum earnings will come during the warmer months.

I also feel I have enough interest to develop my consultation services during the down time of the year, assisting people in preparing for projects they plan to complete later. This expands my earning power in the quiet part of the year.

Surveying the developers using the second Market Survey form, I received;

- **Feedback on the right timing to approach a company building a development**
- **Registration on the database of two companies for future reference.**

I plan to use 'down time' in the off season in establishing relationships with these developers by taking on maintenance work.

A drive-by of commercial premises in the target area showed that many businesses are aware of the general 'look' of their premises, and when my business is fully operating, I will complete a further Market Survey in this area. This, again, is a project area I plan to develop during the winter months.

This in-depth research proved that there is a market for Western Landscaping, and that continuous marketing will be needed to make sure a flow of jobs coming forward is maintained.

During all my surveys, I focussed on:

- **How much the client is willing to spend**
- **How often maintenance would be needed**
- **The possibility of further work in the future**

This ensures I have a clear grasp on the turnover I need to make establishing and developing my business as viable long-term proposal.

COMPETITION

I identify local competition in landscaping as:

Joe Harper Landscaping: small, one-man operation which appears to be targeting established properties. Mainly operates in the Glen Eden/Henderson area. His strengths are that he is well-known and trusted by older clients

Landscaping Lance: modern, well-known operator in the Westgate area specialises in makeovers and updates either pre sale or after a home has been purchased. Offers 'trendy' ideas, and also supplies garden furniture and art works. Strengths are his appeal to younger, upmarket households.

Green Acres: local contractors offering some minor landscaping, but principally focussed on maintenance, lawnmowing etc. Good basic service, strengths include well-known brand, fixed rates, accounting etc handled through the franchise.

Trendy Garden Centre: mainly sell plants and landscaping materials, but also offer in-house designer service, which I identify as competition for my consulting work. However, I intend to approach them with an offer to contract consulting services.

I plan to compete with these businesses by developing a strong community link with my target areas. Through consultations and progress reports to the client, plus a trustworthy and solid reputation I know that I will make my mark. I realise the challenge of being the 'new person on the block' but will overcome this in time,

MARKET STRATEGY

Leaflet drops in the local area, and information available in garden centres, plus door-to-door calling will provide an initial low-cost marketing exercise.

I plan to produce my own flyers on my computer with the assistance of my teenage son, but will invest in commercially-produced business cards to emphasise professionalism.

The local newspaper will carry a weekly advertisement for the business, plus I will take part in their regular promotions on specific topics relevant to me.

I will be wearing clothing promoting my business while working on projects, and will ask satisfied clients for referrals and the opportunity to use their comments in future advertising. I will also place a sandwich board inside the property I am currently working on (with the owner's permission)

I will regularly review my marketing campaign, using ongoing surveys which include asking potential clients where they heard of my business.

CURRICULUM VITAE

NAME: Rory McLeod
ADDRESS: 27 West Creek Ave
Harbour Cliff
Auckland

PHONE: 842 6669
MOBILE: 021 776 884
EMAIL: rory@xtra.co.nz

WORK EXPERIENCE:

- 2006 – 08: Solo father to my son (DPB)
- 2002 – 06: Assistant: Westscape Supplies
- 1995 – 02: Building Site Labourer Auckland
- 1990 – 95: Driver – Farmers Trading Co
Hastings NZ
- 1985 -90: Driver/Storeman - Grace Bros,
Sydney Australia
- 1980 – 85: Storeman – Farmers Trading Co
Auckland

QUALIFICATIONS:

- Diploma in Horticulture
- Diploma in Landscape Design
- UNITEC 2007

TRAINING: Be Your Own Boss Business Training

BUSINESS ADVISORS:

- Fred Bannerman – tutor BYOB
- April Jones – friend with small business
experience

REFEREES:

- Emily Richards – long time family friend
846 9722
- Jonathon Evans – Pastor, Westgate Church
846 2327

INTERESTS: playing rugby, swimming, walking my dog

FINANCIAL INFORMATION

SOURCES OF START-UP FINANCE:

The funding to start Western Landscaping has been provided through my personal savings – enabling me to purchase basic tools. My father has committed a suspended loan to me, enabling my expenses to be covered for the first few months of operation. Following this period, I will assess the financial viability and further ability to apply for a commercial loan. The business plan may need to be adjusted at this stage.

COSTING:

The costing for each project depends on the scale/ complexity of the job, and includes:

Materials (cost of sales)

As per the terms of trade this portion is paid by client at commencement of job in accordance with written quotes

Overheads

Including:

consultation, labour, bookkeeping, quotes, researching materials etc.

Sample of project:

Brief: To construct small garden rock wall:

Labour & Consultancy

Consult with client, measure & estimate job:	2 hours
Complete draw-up, quote, supply quote:	3 hours
Build wall:	5 hours
Sign off job, collect payment	1 hour
Charge 20.00 per hour	
Total hours 11	\$220.00

Materials

Rocks	\$120.00
Cement	\$ 35.00
Misc:	<u>\$ 15.00</u>
Total Materials	\$170.00

Labour & Materials	\$375.00
Mark-up 40%.	<u>\$150.00</u>

Sub Total	\$525.00
GST	\$ 65.62
Total Quote	\$590.62

Consultation:

\$80 per hour + GST (drawings extra, cost dependent on complexity/time involved)

Name of Product/Service	Selling Price	Costs	Gross Profit
Construct	\$590.63	\$170.00	\$420.63
Consultation	\$80	\$0.00	\$80

INSURANCE

I have researched Public Liability Insurance, plus others applicable to my business. Insurance payments will be made in quarterly payments (April, July, October and January during the first year in order to manage the cashflow by avoiding large, upfront payments.

ACC

My business industry description is 'Other Construction Services' and the code is 425106. I am aware that ACC payments are not applicable in the first year of operation, however I have made provision for this on the cash flow.

EQUIPMENT, MATERIALS & PLANT

EXISTING EQUIPMENT

Toyota Hi-Ace 1994	\$4,000.00
Various tools	Nominal Value (basic hand tools only)

EQUIPMENT ETC. NEEDED FOR START-UP (SOURCE: PERSONAL \$)

Trailer	\$2500.00
Spade, Fork, Shovel	\$ 250.00
Wheelbarrow	\$ 100.00
Safety Clothing/Equipment	\$ 200.00
Water Blaster	\$ 625.00
Business Cards (150)	\$ 110.00
TOTAL	\$3785.00

These products have been chosen as essential to start my business a professional standard:

- Trailer – enabling me to collect materials/dispose of waste
- High-quality professional hand tools – needed to withstand heavy use
- Wheelbarrow – heavy duty builders quality
- Safety Clothing etc. – needed to comply with ACC regulations
- Water Blaster – aid in professional tidy – up and preparation work
- Business Cards – initial run to allow for start-up marketing

FURTHER EQUIPMENT ETC. NEEDED WITHIN SIX MONTHS

Nil

JUSTIFICATION OF FIGURES:

DRAWINGS

To support one adult and one young teenage boy
To start, the sum of \$1700 per month

PERSONAL BUDGET: (MONTHLY)

Rent	\$ 840.00
Food (appr)	\$ 600.00
Clothing/Shoes etc	\$ 60.00
Utilities (electric etc.)	\$ 108.25
Vehicle: Petrol, WOF etc	\$ 40.00
Misc	\$ 50.00

TOTAL **\$1698.00**

TOTAL SALES TRADING INCOME: \$80,000

Predictions are based on the following pattern of earning average sales apply

LOW MONTHS	AVERAGE MONTHS	HIGH MONTHS
\$2190	\$7200	\$12000
July	April	September
August	January	October
June	December	November
May		February
		March

Note: included are two projects monthly that average \$6,000 per project during spring and early summer, September, October & November. (As indicated in my marketing)

DETAIL:

May, June, July, August, are low months for this industry due to weather conditions.

Spring weather in September and October, plus maintenance work in April produce average months, with December and January providing some 'makeovers'

November is definitely 'high season' for major garden changes, with interest through February and March due to the later summer in recent years.

Addendum: September October & November are the peak performers with the likelihood of projects as previously indicated

JUSTIFICATION OF EXPENSES

ACCOUNTING:

Accountant is needed once my paperwork and cashbook have been prepared. The price for this is only if I have everything organised \$562.50 this will keep the end of year business accounts in order for IRD purposes. Half is paid up front in June to set up the account then the balance is paid at the end of the first year

ADVERTISING

Flyers, yellow pages, business cards, t shirts (printed), newspaper, etc.

Type	Start up	Monthly	Other
Flyers			\$56.25 (April then 2 monthly)
Business Cards	\$50		
T Shirts x4	\$60		
Local paper		\$30	
Yellow Pages			\$198 (October)
Total	\$110	\$30	\$30 \$86.25 \$198

INSURANCE

Public liability, vehicle, paid monthly

Type	%	Total
Public Liability	100	\$54
Vehicle	80	\$21
Total		\$75

MOTOR VEHICLE

Business use only

Repairs & Maintenance is based on tyres, tune and service annually

(note: vehicle will need replacing in approximately one year)

Details	%	Total	Payment due
Fuel	80	\$138	Monthly
W.O.F.	80	\$28	Due June & December
Reg:	80	\$160	Due June
R&M	80	\$14.40	Monthly (to saving a/c)

OFFICE EXPENSES

Includes start up stationery, invoice books, receipt books, cash book and small office needs etc. items estimated

Start up	\$50
Monthly	\$10

POWER

The business area is calculated for IRD purposes measurements are taken and a copy is filed including one room for office work (6%) and portion of garage (10%) Although there is a variation for reappportionment to the garage I have calculated the total to be 16%

Address	Monthly	Total
27 West Creek Avenue Harbour Cliff	\$95	\$16
Total		\$16

RENT & RATES

As I am currently renting, permission from my landlord has to be sought to use it as a home based business. I do not need council permits to operate my business from home

Address	Monthly	Total
27 West Creek Avenue Harbour Cliff	\$1000	\$160
Total		\$160

REPAIRS & MAINTENANCE

Estimated repairs or maintenance to any business equipment is completed weekly e.g. clean, oil and sharpen which is calculated for monthly bookkeeping

Equipment	Weekly	Monthly
Hand tools	\$2.50	\$10
Petrol, diesel and electric tools	\$10	\$40
Totals	\$12.50	\$50

TELEPHONE

I have a home line and a prepay cell phone. I do not intend to have a business line and the prepay cell phone is mainly for customers to contact me (both phone numbers will be included in my advertising media)

	%	Payment	Total
Landline (home)	50%	\$42.75	\$21
Prepay (estimate)	50%	\$15	\$7.50
Total		\$57.75	\$28.50

BANK CHARGES

	Monthly
Bank charges	\$3.50
Transaction Fees	\$5
Total Monthly	\$8.50

S.W.O.T

For: Rory McLeod: Western Landscaping

STRENGTHS

- Commitment
- Ability to visualise and assist people in seeing the possibilities of a site
- Experience in theory and practise (assisted friends in creating gardens)
- Understanding of sustainability practices, and ability to implement these
- Sales ability
- Ability to work part-time while business is building (driving experience)

WEAKNESSES

- Start-up business
- Competition
- Need to earn quickly to support myself
- Hard physical work

OPPORTUNITIES

- To personally move forward in my life
- To create landscapes for people in new housing
- To create, advise on home-food growing gardens
- To provide ongoing, knowledgeable service to clients
- To employ others on contract
- To diversify into other areas (commercial etc.)

THREATS

- Other landscapers
- Downturn in the economy
- Slowdown in building industry
- Cashflow

LONG-TERM VISION

The longer-term goals for the business include:

- Contracting labourers to prepare sites, enabling me to come along and complete the job. This will allow me to extend outside my local area, but also

means that I will need to develop excellent management techniques to make sure the quality of work is maintained.

- Educating families and community organisations on sustainable landscaping, food-gardens and the use of plantings in areas of unstable soils
- I will also be looking to make some alliances with local artists and sculptors, using their portfolios when quoting jobs in order to broaden my scope.
- I will also explore solar garden lighting and possibly furniture built from recycled materials, perhaps carry catalogues and contact details for lighting installers. This makes my business a 'one stop shop' for busy clients who have disposable cash but no time

MARKET SURVEY FORM (sample)

Western Landscaping: Private Client

'I am setting up a landscaping business starting this year. I have some questions which won't take more than five minutes – would you like to help?'

QUALIFYING QUESTIONS:

- | | |
|---|-----|
| 1) Do you own your own home? | Y/N |
| 2) Are you interested in to redesigning your garden? | Y/N |
| 3) Are you willing to identify your household earnings bracket? | |
| a) \$50 - \$60,000 | |
| b) \$60 - \$75,000 | |
| c) over \$80,000 | |
| <i>(tick the appropriate number)</i> | |

SURVEY QUESTIONS:

- | | |
|--|-----|
| 1) Do you use your garden area at present? | Y/N |
| 2) Are you interested in developing a | |
| a) <i>Entertaining Space (Patio etc)</i> | Y/N |
| b) <i>Children's Play Area</i> | Y/N |
| c) <i>Vegetable/Herb Garden</i> | Y/N |
| 3) Would you want to: | |
| a) <i>Develop the area yourself</i> | Y/N |
| b) <i>Have a professional plan drawn up to implement yourself</i> | Y/N |
| c) <i>Engage a professional landscaper to complete & implement the plan</i> | Y/N |
| 5) Do you believe that developing an outdoor area will add value to your property? | Y/N |
| 4) Do you have a budget for developing your property? | Y/N |
| 6) Are you interested in a free consultation? | Y/N |

WOULD YOU LIKE TO BE ON MY MAILING LIST?

NAME.....
 Address.....
 Phone.....
 Email.....

MARKET SURVEY FORM (sample)

Western Landscaping: Commercial

'I am setting up a landscaping business starting this year. I have some questions which won't take more than five minutes – would you like to help?'

QUALIFYING QUESTIONS:

- 1) Are you the person able to make decisions on contracts? Y/N
- 2) Do you currently have a contract with a landscaper? Y/N
- 3) Are you interested in landscaping services? Y/N

SURVEY QUESTIONS:

- 1) Do have a landscaper currently working on the buildings you manage? Y/N
- 2) Do you have a landscaping budget? Y/N
- 3) What type of landscaping is involved:
 - a) *Minimal tidy up & maintenance* Y/N
 - b) *New design & implementation* Y/N
 - c) *Regular updates & new planting* Y/N
- 4) Are you interested in a landscaping package quote? Y/N

WOULD YOU LIKE TO BE ON MY MAILING LIST?

NAME.....
Address.....
Phone.....
Email.....

MARKET SURVEY FORM (sample)

Western Landscaping: Developers

'I am setting up a landscaping business starting this year. I have some questions which won't take more than five minutes – would you like to help?'

QUALIFYING QUESTIONS:

- 1) Are you the person able to make decisions on sub contracts? Y/N
- 2) Do you currently have a contract with a landscaper? Y/N
- 3) Are you interested in landscaping services? Y/N

SURVEY QUESTIONS:

- 1) Do you plan to landscape the site following completion of building work? Y/N
- 2) Do you have a landscaping budget? Y/N
- 3) What type of landscaping are you considering:
 - a) *Minimal tidy up around houses* Y/N
 - b) *Optional personalised landscape plan for purchase by owner* Y/N
 - c) *Full site landscaping by your company* Y/N
 - d) *Optional landscape/implement for purchase by owner* Y/N
- 4) Are you interested in a landscaping package quote? Y/N

WOULD YOU LIKE TO BE ON MY MAILING LIST?

NAME.....
Address.....
Phone.....