

# Your Business Plan is Ready

*Courtesy of Qabam (Pvt) Ltd*

## **Note:**

*This is a sample business plan and is provided for illustrative purposes only. It is a great way to get you inspired. Some parts have been omitted to protect sensitive and proprietary information which includes unique strategies and innovative ideas that belong to the owner. Should you require help coming up with a business plan unique to your business, get in touch with us at Qabam Africa.*

**Contact Us**

[www.qabamafrika.com](http://www.qabamafrika.com)

## CONFIDENTIAL

This business plan has been made available by Qabam Africa to be used as sample and guide. You are welcome to use this plan as your own, but you do not have permission to reproduce, resell and publish this plan as it exists here.

Requests for reprints, academic use, and other dissemination of this sample plan should be emailed to the following email address; [info@qabamafrika.org](mailto:info@qabamafrika.org)

Copyright © Qabam Africa, 2023

All rights reserved.

Legal Page

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by \_\_\_\_\_ in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of \_\_\_\_\_.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to \_\_\_\_\_.

Upon request, this document is to be immediately returned to \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (typed or printed)

\_\_\_\_\_  
Date

This is a business plan. It does not imply an offering of securities.

# Table of Contents

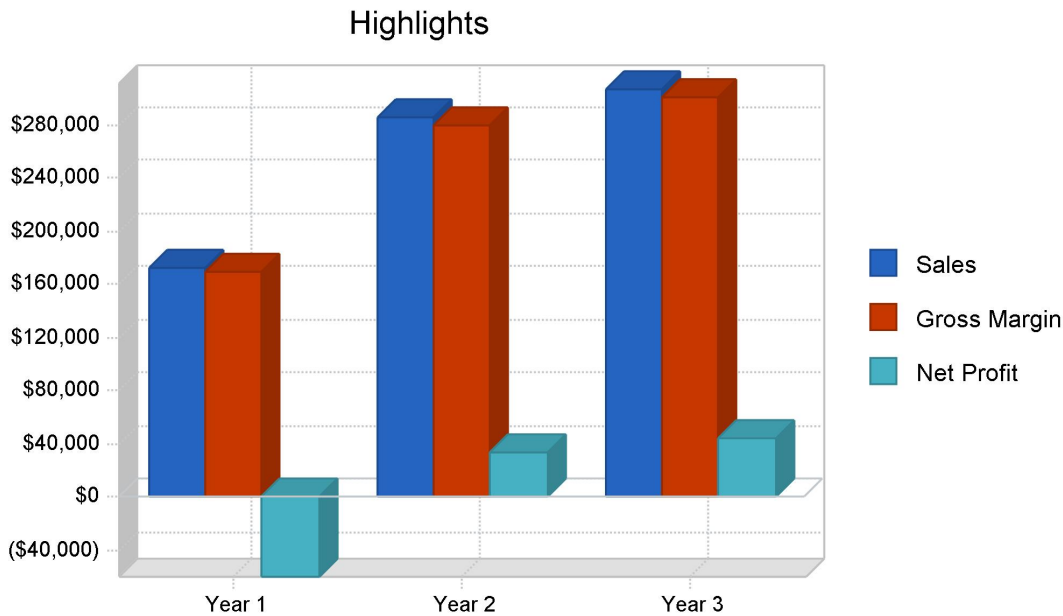
1.0 Executive Summary .....	1
Chart: Highlights .....	1
1.1 Objectives .....	1
1.2 Mission .....	2
2.0 Company Summary .....	2
2.1 Company Ownership .....	2
2.2 Start-up Summary .....	2
Table: Start-up Funding .....	3
.....	3
Chart: Start-up .....	4
3.0 Services .....	5
4.0 Market Analysis Summary .....	5
4.1 Market Segmentation .....	5
Table: Market Analysis .....	6
Chart: Market Analysis (Pie) .....	6
4.2 Target Market Segment Strategy .....	6
4.3 Service Business Analysis .....	7
6.0 Management Summary .....	8
6.1 Personnel Plan .....	9
Table: Personnel .....	9
7.0 Financial Plan .....	9
7.1 Important Assumptions .....	9
Table: General Assumptions .....	9
7.2 Break-even Analysis .....	10
Chart: Break-even Analysis .....	10
Table: Break-even Analysis .....	10
7.3 Projected Profit and Loss .....	11
Chart: Profit Yearly .....	11
Chart: Gross Margin Monthly .....	11
Chart: Gross Margin Yearly .....	12
Chart: Profit Monthly .....	12
Table: Profit and Loss .....	13
7.4 Projected Cash Flow .....	14
Chart: Cash .....	14
Table: Cash Flow .....	15
7.5 Projected Balance Sheet .....	16
Table: Balance Sheet .....	16
7.6 Business Ratios .....	17
Table: Ratios .....	17
Table: Sales Forecast .....	1
Table: Personnel .....	2
Table: General Assumptions .....	3
Table: Profit and Loss .....	4
Table: Cash Flow .....	5
Table: Balance Sheet .....	6

## 1.0 Executive Summary

Two Wheeled Oracle is a bicycle based courier service in Fourways, Johannesburg North, catering to law firms. The Oracle can transport documents as well as small parcels to clients, other law firms, as well as transport and file documents with the clerk of courts. Law firms will be the primary group of customers and the only one targeted, non law firm customers will be served as well, but will not be targeted.

The Oracle will offer reliability and industry insight to law firms, enabling it to provide superior service relative to the current service providers. This will allow the company to rapidly gain market share. Profitability will be reached by month nine, and revenue for year three will be very comfortable.

Chart: Highlights



### 1.1 Objectives

The objectives for the first three years of operation include:

- To create a service-based company whose primary goal is to exceed customer's expectations.
- The utilization of The Oracle by at least 30 different law firms.
- To increase the number of clients served by 20% per year through superior service.
- To develop a profitable start-up business within the first year of operation.

## **1.2 Mission**

Two Wheeled Oracle's mission is to provide law firms with an environmentally friendly, expedient delivery service. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall in to place. Our services will exceed the expectations of our customers.

## **2.0 Company Summary**

The Oracle is a bicycle courier service that serves the downtown law firms of Fourways, Johannesburg North. The company offers a document delivery service for law firms; documents can be delivered to other law firms, to clients, or filed with the court. The company can offer a scheduled pick up as well as a spontaneous run. Within nine months the business will be profitable.

### **2.1 Company Ownership**

The company will be a (Pvt) Ltd, owned entirely by AlwyLaate.

### **2.2 Start-up Summary**

Two Wheeled Oracle will incur the following start-up costs:

- Office furniture including: two desks, two chairs, and two file cabinets.
- Two computer systems including a printer, CD-RW, and a broadband Internet connection.
- Three phone lines.
- Fax machine and copier.
- Development of a website that allows delivery orders to be placed online and received every five minutes.
- Legal fees for the incorporation of the business.
- Brochures.
- Messenger bags with company logo.

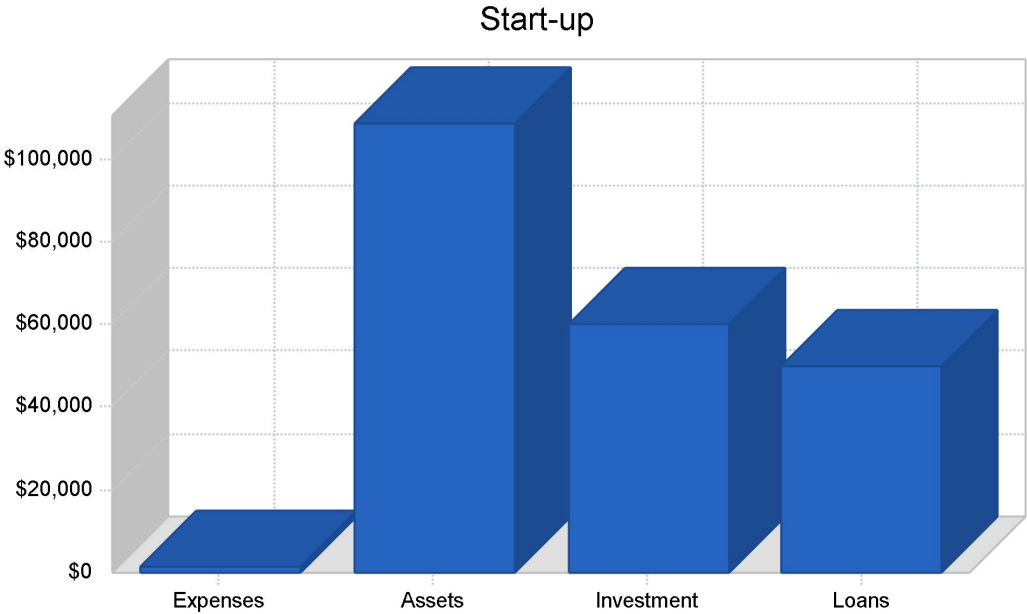
Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$1,300
Start-up Assets to Fund	\$108,700
Total Funding Required	\$110,000
Assets	
Non-cash Assets from Start-up	\$7,500
Cash Requirements from Start-up	\$101,200
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$101,200
Total Assets	\$108,700
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$50,000
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$50,000
Capital	
Planned Investment	
Alwy	\$60,000
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$60,000
Loss at Start-up (Start-up Expenses)	(\$1,300)
Total Capital	\$58,700
Total Capital and Liabilities	\$108,700
<b>Total Funding</b>	<b>\$110,000</b>

Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	\$1,000
Stationery etc.	\$150
Brochures	\$150
Consultants	\$0
Insurance	\$0
Rent	\$0
Research and development	\$0
Expensed equipment	\$0
Other	\$0
Total Start-up Expenses	\$1,300
Start-up Assets	
Cash Required	\$101,200
Other Current Assets	\$0
Long-term Assets	\$7,500
Total Assets	\$108,700
<b>Total Requirements</b>	<b>\$110,000</b>

Chart: Start-up





### 3.0 Services

Two Wheeled Oracle will provide a bicycle messenger service that targets law firms. The service can be used to serve notice on a lawsuit, transport documents to a client or opposing counsel, or file a document with the court clerk. In addition to responding to immediate calls for delivery, The Oracle will set up a subscription basis with law firms for daily pick-up to file documents with the court clerk.

Although The Oracle will target law firms, the company will accept jobs from other companies/individuals that require a messenger service in downtown Fourways, these jobs will be accepted but not solicited. The messenger service offers delivery times ranging from one to three hours.

In addition to document delivery, small packages can be delivered. It is rare that a law firm needs to deliver packages, so this will generally apply to the ancillary business. The maximum dimensions for package delivery are 12x8x8.

### 4.0 Market Analysis Summary

The Oracle will primarily be serving Fourways-based law firms. This is a particularly attractive segment because law firms have a constant need for delivery services. Most firms are sending things consistently during the day. The Oracle will be able to set up contracts with firms to provide multiple scheduled pick-ups each day.

The Oracle will also serve non law firm customers who are in need of a courier service. In addition to documents, the company can transport small parcels.

As a former practicing attorney, Alwy will be able to leverage his vast industry knowledge as well as his network of colleagues to gain market share.

#### 4.1 Market Segmentation

Two Wheeled Oracle will service two distinct groups. The first group is the main group of customers: law firms. This will be the group that is targeted primarily. Law firms are constantly in need of document delivery, whether it is to clients, other law firms, or to the court. This regularity of needed delivery is the reason that law firms are targeted. Once a law firm has become a satisfied customer, it is likely that they will begin to increase their delivery needs. This then becomes a steady, high frequency, long-term customer. Law firms have constant delivery activity, many firms require pick-ups throughout the day and require dependability, which is one of The Oracle's competitive advantages.

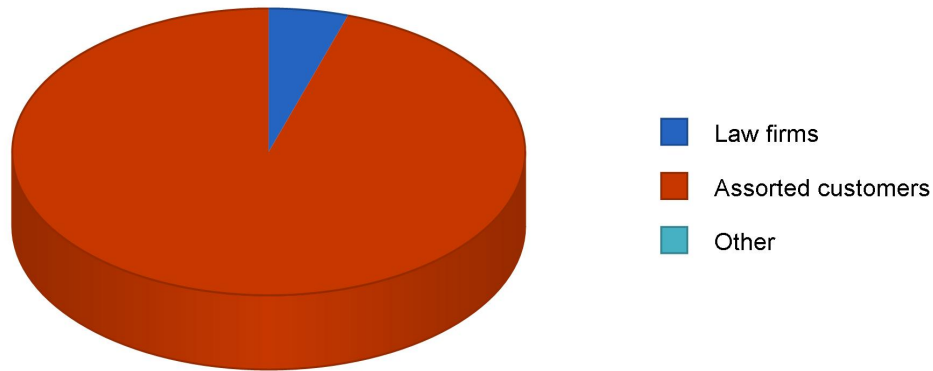
The second customer group is assorted deliveries needed in the city. This could come from a wide variety of businesses that require delivery within the city.

Table: Market Analysis

Market Analysis							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Law firms	9%	287	313	341	372	405	8.99%
Assorted customers	6%	5,487	5,816	6,165	6,535	6,927	6.00%
Other	0%	0	0	0	0	0	0.00%
<b>Total</b>	<b>6.15%</b>	<b>5,774</b>	<b>6,129</b>	<b>6,506</b>	<b>6,907</b>	<b>7,332</b>	<b>6.15%</b>

Chart: Market Analysis (Pie)

Market Analysis (Pie)



## 4.2 Target Market Segment Strategy

The Oracle will target its market through channels that all law firms typically see. The first is the Johannesburg Lawyer’s Forum. This is the forum that all practicing or bar accredited attorneys are members of. Advertisements will be placed in the forum to increase visibility of The Oracle. Additionally, there will be a yellow pages advertisement and brochures passed out.

This market will also be targeted through a networking scheme based on Alwy's contacts that he made as a practicing attorney. Although Alwy no longer practices, he is still a member of the bar and maintains membership on several bar committees. Through his activity on the bar, as well as contact made during his practice, Alwy will leverage his network to create initial clients. This will not be difficult because a trust bond has already been formed with many different attorneys, and these attorneys will recognize that Alwy is keenly aware of the needs of attorneys in regards to delivery services. Because Alwy is aware of the attorney's perspective, it will be easy for him to gain the trust of his former colleagues and sign them up as clients.

### **4.3 Service Business Analysis**

There are approximately 10 different delivery services in the Fourways area, a quarter of these are taxi services that also makes deliveries. The rest are courier or messenger services. Some use cars and a few use bicycles as the means of transportation. In general, the bicycle messengers are less expensive because they have lower overhead. In the heart of downtown, the bicycle messengers can be as fast or faster than the car-based courier services because of all the automobile traffic.

There are five different companies that target law firms by catering to their special needs. All of these are car-based services.

The buying habits of law firms are based on price, convenience, and reliability.

## 6.0 Management Summary

AlwyLaate, the founder and owner received his bachelor degree in philosophy from University of Free State. During the summers, Alwy worked for a bicycle messenger service in Bramfontein. Upon graduation, Alwy managed a bicycle shop, pursuing his interest in the bicycling industry. After two years of work in the bicycle industry Alwy was no longer challenged. In addition to a lack of challenge, Alwy was pressured by his parents, implicitly but forcefully, to achieve a graduate education. Alwy took the LSAT's and moved to Johannesburg for Law School.

During his first year of law school, Alwy was interested in law, however, was unsure about practicing law. He heard about the joint degree program that coupled with the law program, added an extra year (four total) to school, but also added an MBA. Intrigued by this, Alwy took the GMAT's and entered the joint degree program. Alwy graduated with a JD/MBA and had to figure out what to do next. Alwy was intrigued by public interest law, so he worked for a large firm in Fourways that allowed associates to bill 20% of their required hours out to pro bono causes. Alwy chose environmental organizations.

After three years of practicing law, enough was enough. There was no longer enjoyment in it and Alwy had to find a job that was enjoyable. He brainstormed a way to combine the business skills from his MBA, his networking contacts from his law practice, and his love of cycling. One day the business model of the Two Wheeled Oracle hit him and the rest, as they say, is history.

## 6.1 Personnel Plan

The Oracle will consist of Alwy completing HR functions, marketing functions, and general business management. The company will hire a full-time dispatcher and eight bicycle messengers. While bicycle messengers seem to be transient, the training of a new one is relatively quick and cheap, so if one leaves, he/she can be replaced quickly.

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
AlwyLaate	\$36,000	\$42,000	\$48,000
Dispatcher	\$20,400	\$20,400	\$20,400
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Messenger	\$17,280	\$17,280	\$17,280
Total People	0	0	0
<b>Total Payroll</b>	<b>\$177,360</b>	<b>\$183,360</b>	<b>\$189,360</b>

## 7.0 Financial Plan

The following sections will outline the important financial data.

### 7.1 Important Assumptions

The following table details important financial assumptions for The Oracle.

Table: General Assumptions

<i>General Assumptions</i>	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	25.42%	25.00%	25.42%
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 7.2 Break-even Analysis

The Break-even Analysis indicates what The Oracle will need to achieve in monthly revenue to reach their break-even point.

Chart: Break-even Analysis

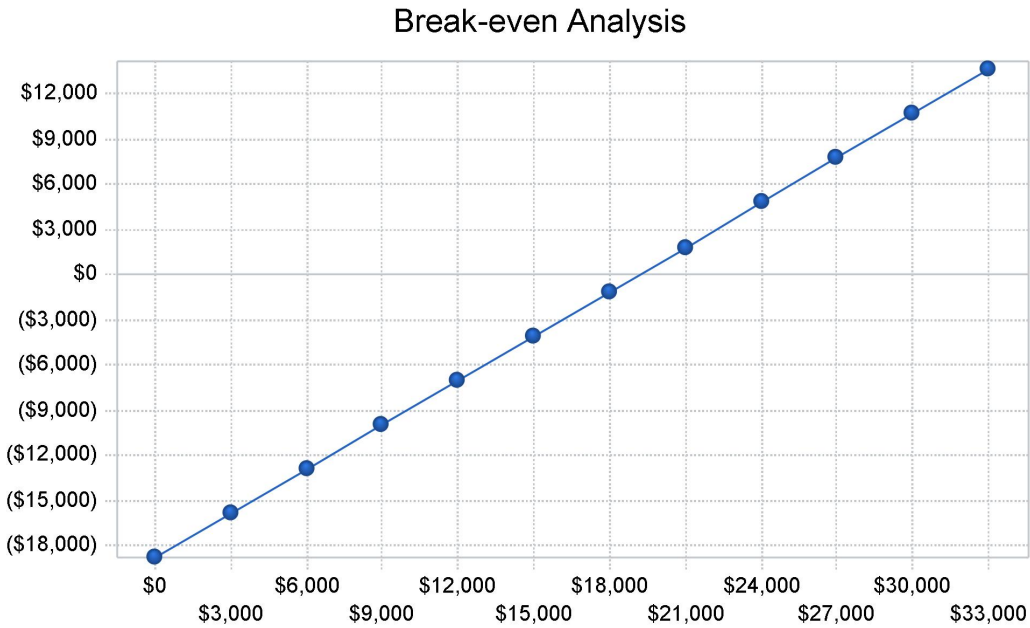


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$19,155
Assumptions:	
Average Percent Variable Cost	2%
<b>Estimated Monthly Fixed Cost</b>	<b>\$18,772</b>

### 7.3 Projected Profit and Loss

The following table will indicate projected profit and loss.

Chart: Profit Yearly

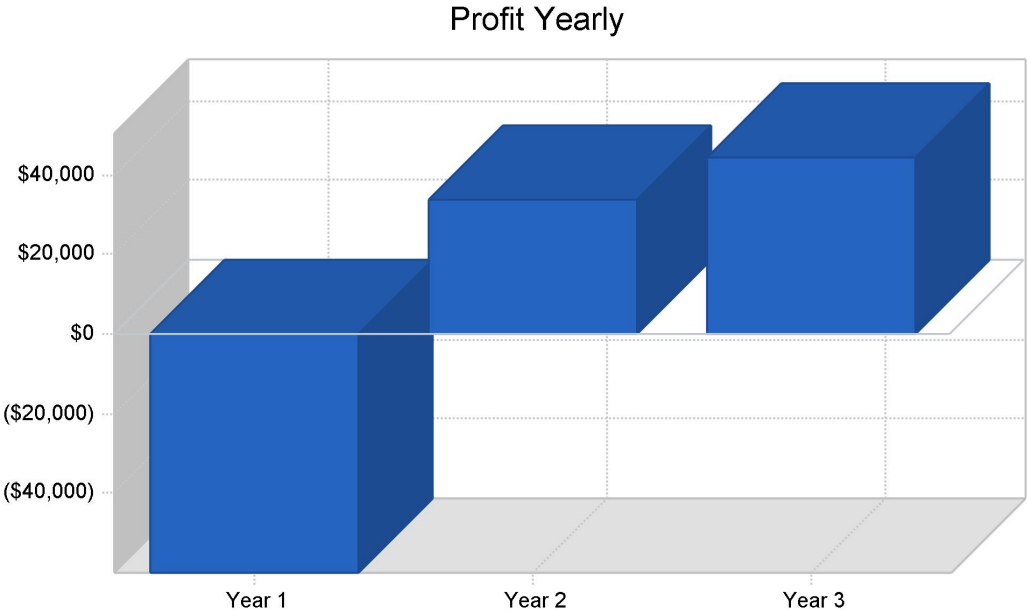


Chart: Gross Margin Monthly

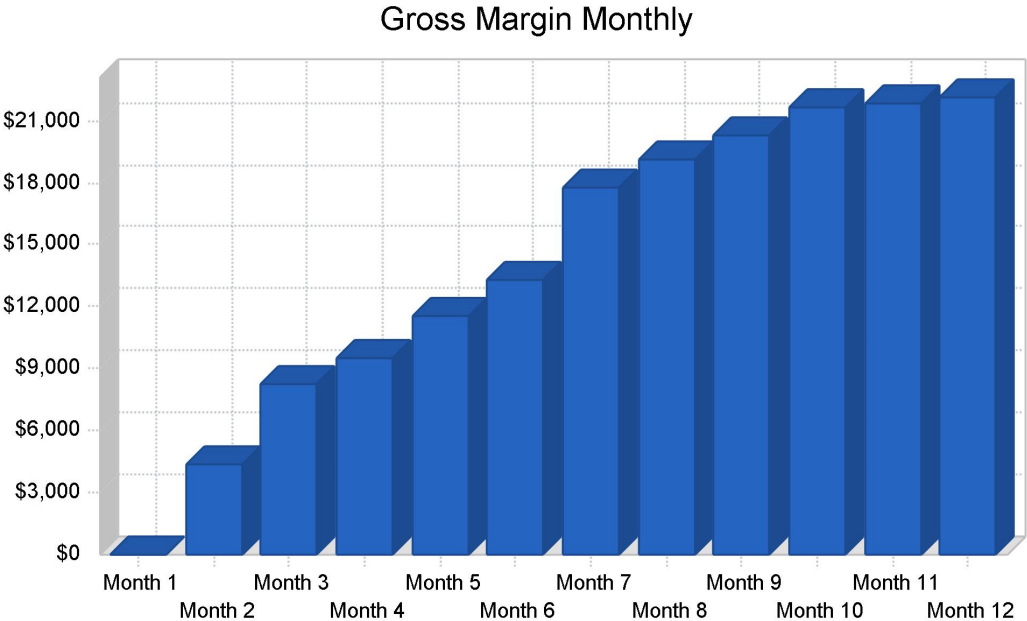


Chart: Gross Margin Yearly

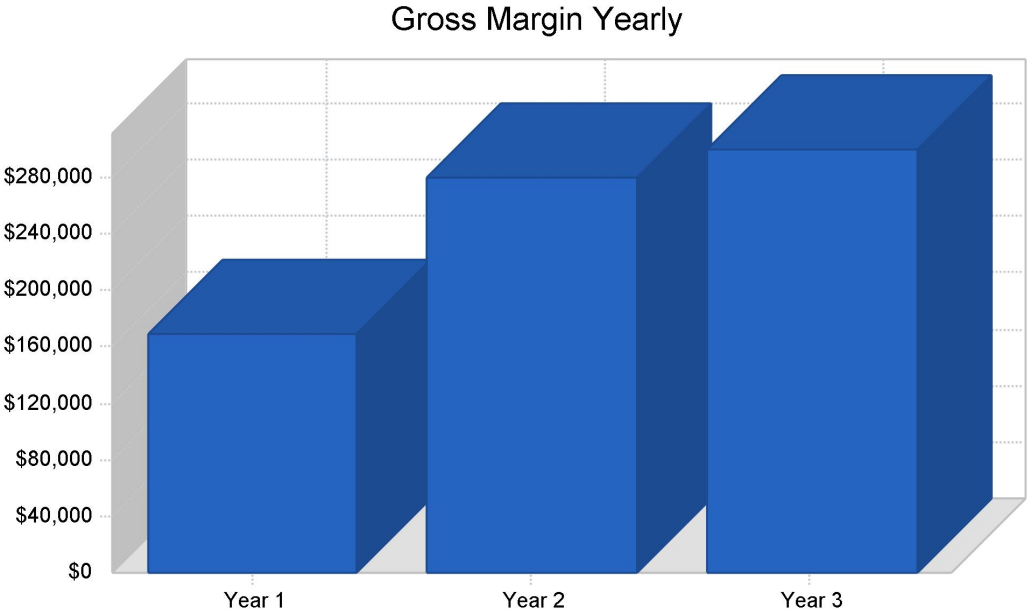


Chart: Profit Monthly

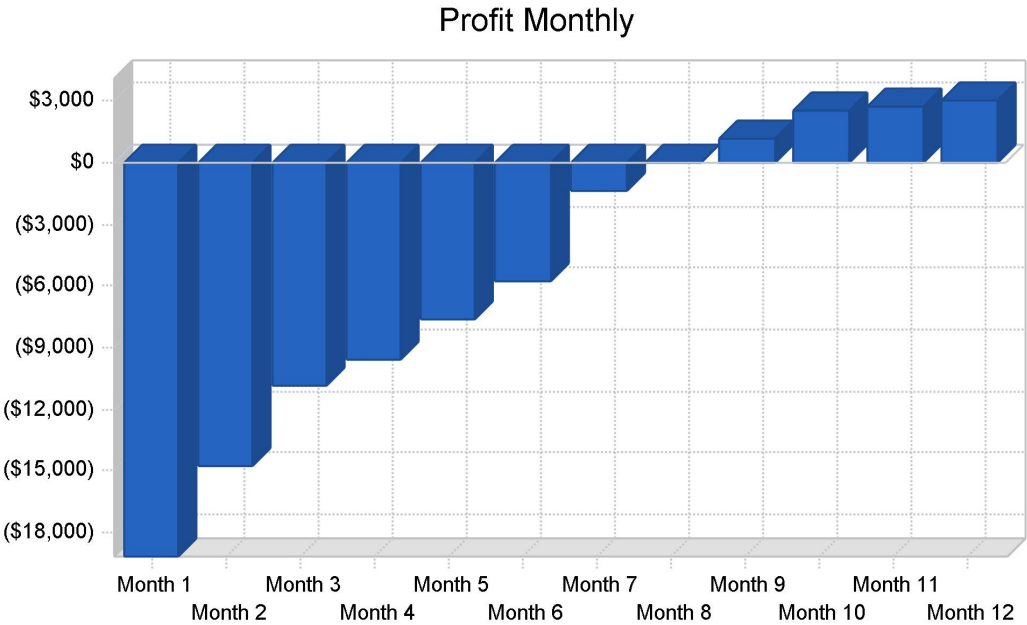




Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3
Sales	\$173,300	\$285,712	\$306,679
Direct Cost of Sales	\$3,466	\$5,714	\$6,134
Other	\$0	\$0	\$0
Total Cost of Sales	\$3,466	\$5,714	\$6,134
Gross Margin	\$169,834	\$279,998	\$300,545
Gross Margin %	98.00%	98.00%	98.00%
Expenses			
Payroll	\$177,360	\$183,360	\$189,360
Sales and Marketing and Other Expenses	\$3,000	\$3,000	\$3,000
Depreciation	\$1,500	\$1,500	\$1,500
Cellular service	\$4,200	\$4,200	\$4,200
Utilities	\$1,200	\$1,200	\$1,200
Insurance	\$1,800	\$1,800	\$1,800
Rent	\$9,600	\$9,000	\$9,000
Payroll Taxes	\$26,604	\$27,504	\$28,404
Other	\$0	\$0	\$0
Total Operating Expenses	\$225,264	\$231,564	\$238,464
Profit Before Interest and Taxes	(\$55,430)	\$48,434	\$62,081
EBITDA	(\$53,930)	\$49,934	\$63,581
Interest Expense	\$4,517	\$3,596	\$2,546
Taxes Incurred	\$0	\$11,210	\$15,132
Net Profit	(\$59,947)	\$33,629	\$44,404
<b>Net Profit/Sales</b>	<b>-34.59%</b>	<b>11.77%</b>	<b>14.48%</b>

7.4 Projected Cash Flow

The following chart and table will indicate projected cash flow.

Chart: Cash

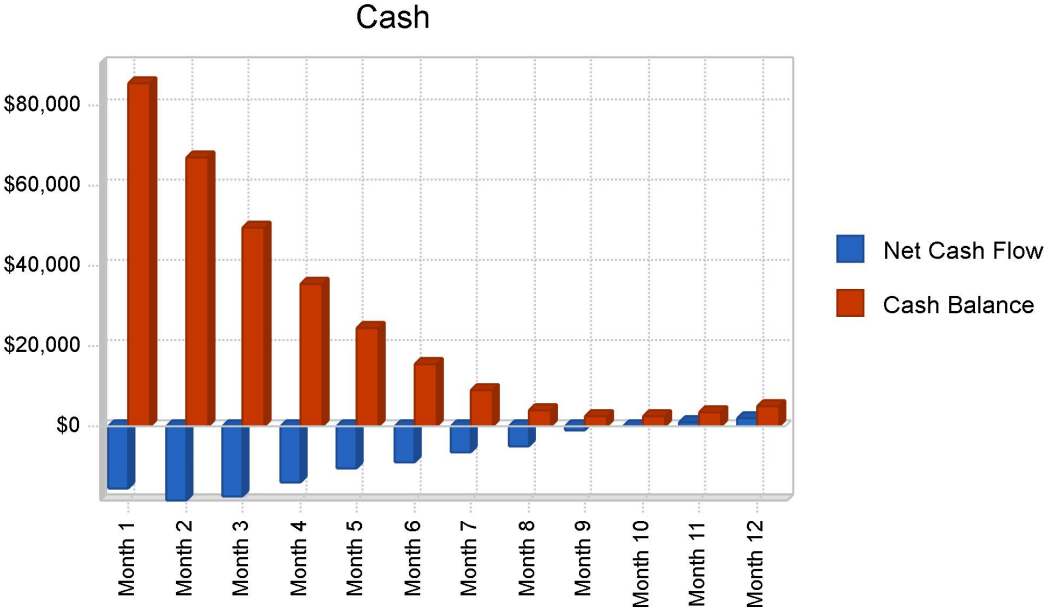


Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$43,325	\$71,428	\$76,670
Cash from Receivables	\$96,883	\$192,819	\$226,006
Subtotal Cash from Operations	\$140,208	\$264,247	\$302,675
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$140,208	\$264,247	\$302,675
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$177,360	\$183,360	\$189,360
Bill Payments	\$49,882	\$66,203	\$71,071
Subtotal Spent on Operations	\$227,242	\$249,563	\$260,431
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$9,055	\$9,976	\$11,026
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$236,297	\$259,539	\$271,457
Net Cash Flow	(\$96,089)	\$4,707	\$31,218
<b>Cash Balance</b>	\$5,111	\$9,818	\$41,036

## 7.5 Projected Balance Sheet

The following table will indicate the projected balance sheet.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>			
	Year 1	Year 2	Year 3
<b>Assets</b>			
Current Assets			
Cash	\$5,111	\$9,818	\$41,036
Accounts Receivable	\$33,092	\$54,557	\$58,561
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$38,203	\$64,375	\$99,597
Long-term Assets			
Long-term Assets	\$7,500	\$7,500	\$7,500
Accumulated Depreciation	\$1,500	\$3,000	\$4,500
Total Long-term Assets	\$6,000	\$4,500	\$3,000
Total Assets	\$44,203	\$68,875	\$102,597
<b>Liabilities and Capital</b>	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$4,505	\$5,525	\$5,870
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$4,505	\$5,525	\$5,870
Long-term Liabilities	\$40,945	\$30,969	\$19,942
Total Liabilities	\$45,450	\$36,494	\$25,812
Paid-in Capital	\$60,000	\$60,000	\$60,000
Retained Earnings	(\$1,300)	(\$61,247)	(\$27,618)
Earnings	(\$59,947)	\$33,629	\$44,404
Total Capital	(\$1,247)	\$32,382	\$76,785
Total Liabilities and Capital	\$44,203	\$68,875	\$102,597
<b>Net Worth</b>	<b>(\$1,247)</b>	<b>\$32,382</b>	<b>\$76,785</b>

## 7.6 Business Ratios

The following table contains important business ratios from the courier services industry, SIC 4513, as determined by the Standard Industry Classification (SIC) Index.

Table: Ratios

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	64.87%	7.34%	4.50%
<b>Percent of Total Assets</b>				
Accounts Receivable	74.86%	79.21%	57.08%	27.40%
Other Current Assets	0.00%	0.00%	0.00%	21.80%
Total Current Assets	86.43%	93.47%	97.08%	50.30%
Long-term Assets	13.57%	6.53%	2.92%	49.70%
Total Assets	100.00%	100.00%	100.00%	100.00%
<b>Current Liabilities</b>				
Current Liabilities	10.19%	8.02%	5.72%	29.80%
Long-term Liabilities	92.63%	44.96%	19.44%	27.90%
Total Liabilities	102.82%	52.99%	25.16%	57.70%
Net Worth	-2.82%	47.01%	74.84%	42.30%
<b>Percent of Sales</b>				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	98.00%	98.00%	98.00%	100.00%
Selling, General & Administrative Expenses	132.59%	86.23%	83.44%	79.50%
Advertising Expenses	0.69%	0.42%	0.39%	0.20%
Profit Before Interest and Taxes	-31.98%	16.95%	20.24%	1.30%
<b>Main Ratios</b>				
Current	8.48	11.65	16.97	1.64
Quick	8.48	11.65	16.97	1.43
Total Debt to Total Assets	102.82%	52.99%	25.16%	57.70%
Pre-tax Return on Net Worth	4807.12%	138.47%	77.54%	2.50%
Pre-tax Return on Assets	-135.62%	65.10%	58.03%	5.90%
<b>Additional Ratios</b>				
	Year 1	Year 2	Year 3	
Net Profit Margin	-34.59%	11.77%	14.48%	n.a.
Return on Equity	0.00%	103.85%	57.83%	n.a.
<b>Activity Ratios</b>				
Accounts Receivable Turnover	3.93	3.93	3.93	n.a.
Collection Days	56	75	90	n.a.
Accounts Payable Turnover	12.07	12.17	12.17	n.a.
Payment Days	27	27	29	n.a.
Total Asset Turnover	3.92	4.15	2.99	n.a.
<b>Debt Ratios</b>				
Debt to Net Worth	0.00	1.13	0.34	n.a.
Current Liab. to Liab.	0.10	0.15	0.23	n.a.
<b>Liquidity Ratios</b>				
Net Working Capital	\$33,698	\$58,850	\$93,728	n.a.
Interest Coverage	-12.27	13.47	24.39	n.a.
<b>Additional Ratios</b>				
Assets to Sales	0.26	0.24	0.33	n.a.
Current Debt/Total Assets	10%	8%	6%	n.a.
Acid Test	1.13	1.78	6.99	n.a.
Sales/Net Worth	0.00	8.82	3.99	n.a.
<b>Dividend Payout</b>	0.00	0.00	0.00	n.a.

## Appendix

Table: Sales Forecast

<i>Sales Forecast</i>													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
<b>Sales</b>													
Law firms	0%	\$0	\$3,525	\$7,214	\$8,600	\$10,254	\$11,458	\$15,455	\$17,458	\$18,524	\$19,874	\$19,952	\$20,145
Assorted customers	0%	\$0	\$954	\$1,245	\$1,154	\$1,547	\$2,154	\$2,658	\$2,014	\$2,147	\$2,200	\$2,314	\$2,454
<b>Total Sales</b>		\$0	\$4,479	\$8,459	\$9,754	\$11,801	\$13,612	\$18,113	\$19,472	\$20,671	\$22,074	\$22,266	\$22,599
<b>Direct Cost of Sales</b>													
Law firms		\$0	\$71	\$144	\$172	\$205	\$229	\$309	\$349	\$370	\$397	\$399	\$403
Assorted customers		\$0	\$19	\$25	\$23	\$31	\$43	\$53	\$40	\$43	\$44	\$46	\$49
<b>Subtotal Direct Cost of Sales</b>		\$0	\$90	\$169	\$195	\$236	\$272	\$362	\$389	\$413	\$441	\$445	\$452

## Appendix

Table: Personnel

<i>Personnel Plan</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
AlwyLaate	0%	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Dispatcher	0%	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Messenger	0%	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Total People		0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Payroll</b>		\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780

## Appendix

Table: General Assumptions

<i>General Assumptions</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
<b>Other</b>	0	0	0	0	0	0	0	0	0	0	0	0



## Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$0	\$4,479	\$8,459	\$9,754	\$11,801	\$13,612	\$18,113	\$19,472	\$20,671	\$22,074	\$22,266	\$22,599
Direct Cost of Sales	\$0	\$90	\$169	\$195	\$236	\$272	\$362	\$389	\$413	\$441	\$445	\$452
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$90	\$169	\$195	\$236	\$272	\$362	\$389	\$413	\$441	\$445	\$452
Gross Margin	\$0	\$4,389	\$8,290	\$9,559	\$11,565	\$13,340	\$17,751	\$19,083	\$20,258	\$21,633	\$21,821	\$22,147
Gross Margin %	0.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
<b>Expenses</b>												
Payroll	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780
Sales and Marketing and Other Expenses	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Depreciation	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Cellular service	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Utilities	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Insurance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Rent	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Payroll Taxes	15%	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217	\$2,217
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772	\$18,772
Profit Before Interest and Taxes	(\$18,772)	(\$14,383)	(\$10,482)	(\$9,213)	(\$7,207)	(\$5,432)	(\$1,021)	\$311	\$1,486	\$2,861	\$3,049	\$3,375
EBITDA	(\$18,647)	(\$14,258)	(\$10,357)	(\$9,088)	(\$7,082)	(\$5,307)	(\$896)	\$436	\$1,611	\$2,986	\$3,174	\$3,500
Interest Expense	\$411	\$405	\$399	\$392	\$386	\$380	\$374	\$367	\$361	\$354	\$348	\$341
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$19,183)	(\$14,787)	(\$10,881)	(\$9,605)	(\$7,593)	(\$5,812)	(\$1,395)	(\$57)	\$1,125	\$2,506	\$2,701	\$3,034
<b>Net Profit/Sales</b>	0.00%	-330.14%	-128.63%	-98.48%	-64.34%	-42.70%	-7.70%	-0.29%	5.44%	11.35%	12.13%	13.42%

## Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Cash Received</b>												
<b>Cash from Operations</b>												
Cash Sales	\$0	\$1,120	\$2,115	\$2,439	\$2,950	\$3,403	\$4,528	\$4,868	\$5,168	\$5,519	\$5,567	\$5,650
Cash from Receivables	\$0	\$0	\$112	\$3,459	\$6,377	\$7,367	\$8,896	\$10,322	\$13,619	\$14,634	\$15,538	\$16,560
Subtotal Cash from Operations	\$0	\$1,120	\$2,227	\$5,897	\$9,327	\$10,770	\$13,424	\$15,190	\$18,786	\$20,152	\$21,105	\$22,210
<b>Additional Cash Received</b>												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$1,120	\$2,227	\$5,897	\$9,327	\$10,770	\$13,424	\$15,190	\$18,786	\$20,152	\$21,105	\$22,210
<b>Expenditures</b>												
<b>Expenditures from Operations</b>												
Cash Spending	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780	\$14,780
Bill Payments	\$143	\$4,280	\$4,364	\$4,435	\$4,456	\$4,490	\$4,522	\$4,604	\$4,624	\$4,642	\$4,663	\$4,660
Subtotal Spent on Operations	\$14,923	\$19,060	\$19,144	\$19,215	\$19,236	\$19,270	\$19,302	\$19,384	\$19,404	\$19,422	\$19,443	\$19,440
<b>Additional Cash Spent</b>												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$720	\$726	\$732	\$739	\$745	\$751	\$757	\$764	\$770	\$777	\$783	\$790
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$15,643	\$19,787	\$19,876	\$19,954	\$19,980	\$20,021	\$20,059	\$20,147	\$20,174	\$20,199	\$20,226	\$20,230
<b>Net Cash Flow</b>	<b>(\$15,643)</b>	<b>(\$18,667)</b>	<b>(\$17,649)</b>	<b>(\$14,057)</b>	<b>(\$10,654)</b>	<b>(\$9,252)</b>	<b>(\$6,635)</b>	<b>(\$4,958)</b>	<b>(\$1,388)</b>	<b>(\$46)</b>	<b>\$879</b>	<b>\$1,980</b>

## Appendix

<b>Cash Balance</b>	\$85,557	\$66,890	\$49,241	\$35,184	\$24,530	\$15,279	\$8,644	\$3,686	\$2,298	\$2,252	\$3,131	\$5,111
---------------------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>	Starting Balances												
<b>Current Assets</b>													
Cash	\$101,200	\$85,557	\$66,890	\$49,241	\$35,184	\$24,530	\$15,279	\$8,644	\$3,686	\$2,298	\$2,252	\$3,131	\$5,111
Accounts Receivable	\$0	\$0	\$3,359	\$9,592	\$13,448	\$15,922	\$18,765	\$23,453	\$27,736	\$29,620	\$31,542	\$32,703	\$33,092
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$101,200</b>	<b>\$85,557</b>	<b>\$70,249</b>	<b>\$58,832</b>	<b>\$48,632</b>	<b>\$40,453</b>	<b>\$34,043</b>	<b>\$32,097</b>	<b>\$31,422</b>	<b>\$31,918</b>	<b>\$33,794</b>	<b>\$35,834</b>	<b>\$38,203</b>
<b>Long-term Assets</b>													
Long-term Assets	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Accumulated Depreciation	\$0	\$125	\$250	\$375	\$500	\$625	\$750	\$875	\$1,000	\$1,125	\$1,250	\$1,375	\$1,500
<b>Total Long-term Assets</b>	<b>\$7,500</b>	<b>\$7,375</b>	<b>\$7,250</b>	<b>\$7,125</b>	<b>\$7,000</b>	<b>\$6,875</b>	<b>\$6,750</b>	<b>\$6,625</b>	<b>\$6,500</b>	<b>\$6,375</b>	<b>\$6,250</b>	<b>\$6,125</b>	<b>\$6,000</b>
<b>Total Assets</b>	<b>\$108,700</b>	<b>\$92,932</b>	<b>\$77,499</b>	<b>\$65,957</b>	<b>\$55,632</b>	<b>\$47,328</b>	<b>\$40,793</b>	<b>\$38,722</b>	<b>\$37,922</b>	<b>\$38,293</b>	<b>\$40,044</b>	<b>\$41,959</b>	<b>\$44,203</b>
<b>Liabilities and Capital</b>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Current Liabilities</b>													
Accounts Payable	\$0	\$4,135	\$4,216	\$4,287	\$4,306	\$4,340	\$4,368	\$4,449	\$4,470	\$4,487	\$4,507	\$4,505	\$4,505
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$4,135</b>	<b>\$4,216</b>	<b>\$4,287</b>	<b>\$4,306</b>	<b>\$4,340</b>	<b>\$4,368</b>	<b>\$4,449</b>	<b>\$4,470</b>	<b>\$4,487</b>	<b>\$4,507</b>	<b>\$4,505</b>	<b>\$4,505</b>
<b>Long-term Liabilities</b>	\$50,000	\$49,280	\$48,553	\$47,821	\$47,082	\$46,337	\$45,586	\$44,829	\$44,065	\$43,295	\$42,518	\$41,735	\$40,945
<b>Total Liabilities</b>	<b>\$50,000</b>	<b>\$53,415</b>	<b>\$52,769</b>	<b>\$52,108</b>	<b>\$51,388</b>	<b>\$50,677</b>	<b>\$49,955</b>	<b>\$49,278</b>	<b>\$48,534</b>	<b>\$47,781</b>	<b>\$47,025</b>	<b>\$46,240</b>	<b>\$45,450</b>
<b>Paid-in Capital</b>	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
<b>Retained Earnings</b>	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)	(\$1,300)
<b>Earnings</b>	\$0	(\$19,183)	(\$33,970)	(\$44,851)	(\$54,456)	(\$62,049)	(\$67,861)	(\$69,256)	(\$69,313)	(\$68,188)	(\$65,682)	(\$62,981)	(\$59,947)
<b>Total Capital</b>	<b>\$58,700</b>	<b>\$39,517</b>	<b>\$24,730</b>	<b>\$13,849</b>	<b>\$4,244</b>	<b>(\$3,349)</b>	<b>(\$9,161)</b>	<b>(\$10,556)</b>	<b>(\$10,613)</b>	<b>(\$9,488)</b>	<b>(\$6,982)</b>	<b>(\$4,281)</b>	<b>(\$1,247)</b>
<b>Total Liabilities and Capital</b>	<b>\$108,700</b>	<b>\$92,932</b>	<b>\$77,499</b>	<b>\$65,957</b>	<b>\$55,632</b>	<b>\$47,328</b>	<b>\$40,793</b>	<b>\$38,722</b>	<b>\$37,922</b>	<b>\$38,293</b>	<b>\$40,044</b>	<b>\$41,959</b>	<b>\$44,203</b>
<b>Net Worth</b>	<b>\$58,700</b>	<b>\$39,517</b>	<b>\$24,730</b>	<b>\$13,849</b>	<b>\$4,244</b>	<b>(\$3,349)</b>	<b>(\$9,161)</b>	<b>(\$10,556)</b>	<b>(\$10,613)</b>	<b>(\$9,488)</b>	<b>(\$6,982)</b>	<b>(\$4,281)</b>	<b>(\$1,247)</b>

# Need help writing your Business Plan?

Every Business is unique and requires a different approach and strategy. Qabam Africa business consultants will assist you to come up with a clear cut error free business plan

- Work directly with a writer who will build a custom business plan specifically for your business
- Join 100s of business owners finding success in their business

Contact us

<https://qabamafrica.org/contact/>