

**BUSINESS PLAN
FOR
NCS**

(NICK'S COPY SERVICE)

XXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX

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1. EXECUTIVE SUMMARY

A. Name and Address of Business and Owner, Type of Business

Nick's Copy Service is a "business within a business" and will be located within Bridges XXXXXXXXXXXXXXXXXXXXXXXXXXXX. Nick XXXXXXXX will be the primary owner and operator of NCS.

B. Form and Ownership

NCS will be operated as a LLC with the support of Peggy XXXXXX, Charles XXXXXXXXXXX, Dave Hammis, Griffin-Hammis et Associates.

C. Key Officers, Management

NCS will be opened with support of the following entities:

1. Griffin-Hammis and Associates, LLC a full service consultancy service specializing in developing communities of economic cooperation by providing high quality training and technical consultation, project development and management services Inventive service delivery
2. The support of Peggy XXXXXXXX, the owner of Bridges XXXXXXXXXXX, who is also Nick's mother.
3. Nick's father and legal guardian, Charles XXXXXXX, is also supportive of this endeavor and committed to providing whatever support is needed.
4. Staff as needed for residential support and community participation through the DD Medicaid Waiver Program

D. Products/Services Offered

Specific and individual copying services, shredding with pick up and removal of debris, and, coping, folding and inserting in envelopes in preparation of mailings.

E. Markets/Customers Served

The concept of a "Business within a Business" is such that the skills of an individual with a disability are matched with the needs of a business. This is the concept upon which this plan was initiated. Primary market will be Bridges XXXXXXXXXXX, Inc. Secondary markets will be small businesses, home based businesses and/or individuals working from offices out of their homes.

F. Distribution of Products/Services

Majority of services will be provided within the confines of the business (Bridges) within which NCS operates.

It is anticipated that customers will drop off and pick up their copying and folding needs as they would with any other copy service.

Shredding Jobs may be accomplished in the following way:

- Shredding will be dropped off by customer and therefore shredded at the NCS facility.
- Each job order will be evaluated on an individual basis.

2. PURPOSE OF BUSINESS PLAN

A. Mission Statement

It is the mission of NCS to provide the following:

1. To provide a way for Nick to become economically self-sufficient through self-employment.
2. A practical and economical way for Bridges of Southern Indiana to meet its copying, folding and shredding needs.
3. A easily accessible and economical way for others in the community working from home offices to have their copying, folding and shredding needs met.

B. Business Goals

The Start Up period for this business has been identified as a time period of 12 months not to exceed 24 months. This is the period of time it will take the business to make a profit three consecutive months over and above the cost of operations.

First Year: NCS will become economically viable, to break even within the first 6 months and to show profit by the end of the first year.

Second Year Goal: To establish a client base of satisfied customers, who will generate repeat business on a continual basis and to satisfy Bridges needs effectively and efficiently. Continue to show a profit margin that supports growth for the business

Third Year Goal: NCS will be a viable business that fills the niche for personal service to small and home offices with in the community. To increase profit margin that supports growth for the business.

C. Total Cost of Start UP

Total Cost of Start Up

| NEED | COST |
|---|-----------------------------------|
| REMODELED OFFICE SPACE | \$2,000.00 |
| RENOVATION OF CURRENT HEATING/AC | \$900.00 |
| DEDICATED CIRCUIT FOR ELECTRIC | \$1,000.00 |
| INSTALLATION OF PHONE AND INTERNET SERVICE | \$250.00 |
| LANIER 5635 DIGITAL COPY SYSTEM | \$8,630.00 |
| TOTAL CARE SERVICE PLAN/COPY SYSTEM | \$1,839.40 (\$152.45 X 12 MONTHS) |
| REXEL SHREDDER | \$1,335.00 |
| ANNUAL MAINTAINENCE AGREEMENT | \$189.00 |
| DESK TOP FOLDER / INSERTER | \$4,588.60 |
| ANNUAL MAINTAINENCE AGREEMENT | \$328.00 |
| DELL DIMENSION 2350 COMPUTER/MONITOR | \$599.00 |
| HP COLOR/BW PRINTER FOR COMPUTER | \$69.99 |
| SUPPLY OF 5 INK CARTRIDES FOR PRINTER | \$125.00 |
| 10 CARTON WHITE PAPER | \$279.90 |
| MISC. OFFICE SUPPLIES FOR STARTING | \$100.00 |
| LIABILITY INSURANCE FOR FIRST 2 YRS @\$400/YR | \$800.00 |
| | \$23,033.89 |

E. Cost Assumed by Consumer

| NEED | COST |
|---|------------|
| REMODELED OFFICE SPACE | \$2,000.00 |
| RENOVATION OF CURRENT HEATING/AC | \$900.00 |
| DEDICATED CIRCUIT FOR ELECTRIC | \$1,000.00 |
| INSTALLATION OF PHONE AND INTERNET SERVICE | \$250.00 |
| LIABILITY INSURANCE FOR FIRST 2 YRS, \$400/YR | \$800.00 |
| | \$4,950.00 |

F. Itemized list of services needed from Vocational Rehabilitation

Itemized list of services needed from VR

| NEED | COST | |
|---------------------------------------|-------------|------------------------|
| LANIER 5635 DIGITAL COPY SYSTEM | \$8,630.00 | |
| TOTAL CARE SERVICE PLAN/COPY SYSTEM | \$1,839.40 | (\$152.45 X 12 MONTHS) |
| REXEL SHREDDER | \$1,335.00 | |
| ANNUAL MAINTAINENCE AGREEMENT | \$189.00 | |
| DESK TOP FOLDER / INSERTER | \$4,588.60 | |
| ANNUAL MAINTAINENCE AGREEMENT | \$328.00 | |
| DELL DIMENSION 2350 COMPUTER/MONITOR | \$599.00 | |
| HP COLOR/BW PRINTER FOR COMPUTER | \$69.99 | |
| SUPPLY OF 5 INK CARTRIDES FOR PRINTER | \$125.00 | |
| 10 CARTON WHITE PAPER | \$279.90 | |
| MISC. OFFICE SUPPLIES FOR STARTING | \$100.00 | |
| | \$18,083.89 | |

3. STATEMENT OF GOALS AND OBJECTIVES

Anticipated Start Date, By Whom, Why

Nicholas XXXXXXXX desires to open NCS by June 1, 2003 due to the following:

1. A need to become economically self-sufficient through self employment
2. Nicholas has demonstrated personal talents, interests and has a history of being able to perform routine tasks such as copying, filing, and shredding.
3. To meet a need of Bridges of Southern Indiana, Inc and
4. To provide an economical and practical way for individuals working from home offices to get materials copied, folded, inserted and for confidential documents to be shredded.

4. OPERATING AND CONTROL SYSTEMS

A. PERSONNEL AND OPERATING SCHEDULE

Hours of operations: 9 am to 5 pm, Monday through Friday, with usual observations of Holidays.

Personnel will be limited to Nick and his personal assistant, paid for under the Medicaid Waiver program.

See information in attachment D on Personal Assistance in the Workplace, a Customer-Directed Guide by Ed Turner, Grant Revell, and Valerie Brooke, produced by the Virginia Commonwealth University, Rehabilitation Research and Training, Center on Workplace Supports, Feb 2001

B. OPERATING PROCEDURE

1. COPY SERVICE ORDERS

Nick will utilize the office supports of Bridges XXXXXXXXXXXX for orders from customers other than Bridges. When an order is received it will be placed on a work order, see attachment C. Nick will then produce order as requested. For an order from Bridges materials will be delivered to the Office Manager. Other orders will be completed and Nick will notify customer of completion or have completed by deadline on order form. See Attachment A for fee schedule.

2. SHREDDING ORDERS

Materials to be shredded will be dropped off at the Nick's office. See Attachment A for fee schedule for shredding.

3. MAILINGS

Mailing will be received with the support of the Bridges Office and a work order form, Attachment B and Attachment A for fee schedule. Orders will be completed and Nick will notify the customer of completion or have completed by deadline on order form.

C. QUALITY CONTROL AND MONITORING PLAN

Assessment of NCS in order to determine progress and ultimate success will be monitored by, but not limited to, the following:

1. Quarterly visits by Sharon XXXXXX Vocational Rehabilitation Counselor
2. Submission to the VR Counselor quarterly financial statements
3. Ongoing consultation and technical assistance will be sought as necessary from individuals already named through out this document
4. Nick's Personal Assistant
5. A mini customer satisfaction survey that will be included with every order. See attachment B.

D. LOCATION

NCS will be located within the premises of a preexisting business, which assures parking, barrier free accessibility. All aspects of the property are up to code and it is the responsibility of the owner of the property to maintain.

A separate area, approximately 10 ft by 10 ft is being remodeled to fit NCS' needs and will be rented to Nick for \$450/00 per month.

E. SUPPLIES

Materials will be ordered on-line from suppliers in increments to sufficient so to receive free shipping direct to the office. For emergency needs Nick will have his Personal Assistant provide transportation to the supply house

F. BILLING AND COLLECTIONS POLICY AND PROCEDURES

1. Bills will be presented upon completion of services and will be due in full at that time. NCS services will primarily be cash and carry in all cases possible.
2. Credit will be extended to individuals who establish a history of ability and willingness to pay for services and for those who have an on-going need for copy services and the need is more than once a month and in small increments.
3. Billing will be done monthly by Nick with the assistance of his personal assistant with the aid of computer software.
4. Accounts will be considered overdue after 60 days and further services will not be rendered to these clients. Nick along with his Accountant, Allie XXXXXXXX, will determine what specific actions will be taken on a case-by-case basis to determine the need to write off as loss or pursue collection through the local collection agencies.

G. RECORD KEEPING POLICIES AND PROCEDURES

Nick will maintain a simple but efficient system of expenses, income and other necessary records. A Peachtree accounting or QuickBooks system will be implemented. Nick will be instructed on how to input information on a daily or weekly basis. Peggy XXXXXXXXX will do instruction in concert with Allie Franklin, A+ Accounting. Nick has experience in data entry as evidenced by several years of volunteer experience doing data entry for XXXXXXXXXX Hospital Resource Center, the XXXXXXXXXX Water Department and the EVSC downtown offices/

THE MARKETING PLAN

A. Products/Services Differentiation

NCS will be different due to the concept of a Business within a Business. This concept automatically guarantees NCS a ready and needy customer who will be able to offer repeat business as well as act as a marketing agent for NCS.

B. Industry Profile/ Competitive Analysis

Although Evansville has many businesses that offer copy services, such as Kinko's, Office Depot, and Staples, none of these businesses will be direct competitors due to the following:

1. NCS being a business within a business comes with a built in customer base
2. NCS will be in a position to provide a truly personal touch in delivery of services to individuals with home based businesses and those working from home than is available in a traditional store based business.

Marketing potential is actually built in as evidenced by NCS being located within Bridges of Southern Indiana, Inc. Bridges is a provider of home and community based services therefore providing ready contact with many individuals who work out of their home or from their home. Examples of these customers include independent case managers and others who operate out of their homes.

Location of the business is on Walnut Street, which is easily accessible from the Lloyd expressway for customer's coming from the East or West of XXXXXXXX, and is a main artery coming from the downtown area.

C. Market Demographics/Size

XXXXXXXX is located in the southwestern tip of the state and is the 3rd largest city in the state. Population of XXXXXXXX County is estimated at 171,268 for 2001. There were 8496 Non-employee businesses and 5,284 private non farm businesses in Vanderburgh County in 1999. Also there are an undisclosed number of individuals working at home. This is according to XXXXXXXXXXXX County Census Data.

See attached article dated Sunday, March 9, 2003- *Home-based businesses abound*, Amy Martinez, reporter for Raleigh News & Observer. This was included as a supplement to the XXXXXXXXx Courier Newspaper same date.

D. Target Market/Customer Profile

NCS' main customer will be Bridges XXXXXXXXXXXX. Bridges, with locations in XXXXXXXX and XXXXXXXXXXXX, has a need for certain forms to be printed on a monthly basis providing steady and repeat business.

Secondary market will be a individual who work out of their home and for whom it would not be economically feasible to own a quality copy machine. It is anticipated many of these individuals do not have the manpower or the time to prepare their mailings or shred their own documents.

The following entities have expressed an interest in using or considering using NCS:

- ❑ XXXXXXXXXXXX, American Express Private office, have verbally indicated they would strongly consider sending their shredding needs to NCS as soon as equipment is available.
- ❑ XXXXXXXXXXXX has expressed interest in using the NCS for her private copy needs. See attached letter.
- ❑ The Jr. League of XXXXXXXXXXXX has expressed an interest in considering NCS for their copy needs. Please see attached letter.

E. Marketing Strategy/Market Share

As stated previously a ready market is already in place in the form of Bridges XXXXXXXXXXXX. By being physically located with a business that has daily interaction with the public it is expected word of mouth will play a large part in acquiring new customers.

A mailing will be done to independent case managers and others known to be in need of services. Brochures have been developed and will be distributed to solicit new business.

6. LEGAL ISSUES

A. Legal Restrictions Related to Services

There does not appear to be any restrictions to this type of business.

B. Tax Identification Number

The proper paperwork has been filed and we are awaiting a tax identification number from the State of Indiana.

C. Separate Bank Account

A bank account will be opened in the name of NICK'S COPY SERVICE as soon as the tax identification number is received from the State of Indiana.

D. Break Even Analysis

The required monthly gross sales to break even are \$595.00 per month. This includes the monthly rent and charge for phone and Internet. As you can see by looking at the projected first full month revenues, NCS should be above break-even from the onset, due to the fact NCS has a built in customer with an established need.

E. Other Employees

At present there is no plan for other employees. As with any good business, should the need arise in the future, the plan would be amended to address this issue.

7. COST PROJECTIONS

A. Itemizations of Initial Start Up Costs

Total Cost of Start Up

| NEED | COST |
|---|-----------------------------------|
| REMODELED OFFICE SPACE | \$2,000.00 |
| RENOVATION OF CURRENT HEATING/AC | \$900.00 |
| DEDICATED CIRCUIT FOR ELECTRIC | \$1,000.00 |
| INSTALLATION OF PHONE AND INTERNET SERVICE | \$250.00 |
| LANIER 5635 DIGITAL COPY SYSTEM | \$8,630.00 |
| TOTAL CARE SERVICE PLAN/COPY SYSTEM | \$1,839.40 (\$152.45 X 12 MONTHS) |
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| 10 CARTON WHITE PAPER | \$279.90 |
| MISC. OFFICE SUPPLIES FOR STARTING | \$100.00 |
| LIABILITY INSURANCE FOR FIRST 2 YRS @\$400/YR | \$800.00 |
| | \$23,033.89 |

B. Projected Revenues

Per Month

| | copies needed | cost to make | sale price | Profit |
|------------------|------------------|-----------------|--------------|-----------------|
| Copy Business | | | | |
| XXXXXXXXXX | 5000 | \$67.01 | \$350.00 | \$255.01 |
| XXXXXXXXXX | 2500 | \$33.51 | \$175.00 | \$127.51 |
| Walk In Business | 1000 | \$13.41 | \$70.00 | \$51.00 |
| | | | Total | \$433.52 |
| | | | | \$595.00 |

Shredding usage

| | hrs used | per hour | revenue |
|------------------|----------|--------------|-----------------|
| XXXXXXXXXX | 5 | \$25.00 | \$125.00 |
| XXXXXXXXXX | 3 | \$25.00 | \$75.00 |
| Walk In Business | 5 | \$25.00 | \$125.00 |
| | | Total | \$325.00 |

Mailings

| | Estimate of usage | Cost to make | Sale price | Revenue |
|---|----------------------|-----------------|--------------|----------------|
| NCS doing the initial copying & providing envelopes | | | | |
| XXXXXXXXXX | 100 | \$4.00 | \$11.00 | \$7.00 |
| XXXXXXXXXXXXXX | 100 | \$4.00 | \$11.00 | \$7.00 |
| Walk In Business | 300 | \$12.00 | \$33.00 | \$21.00 |
| | | | Total | \$35.00 |

For first full month

Total Revenues **\$793.52**

The above revenues are projected on current use by BSI and by an estimate of usage by entities expressing an interest to use NCS, see attached letters from XXXXXX and the XXXXXXXX Junior League, as well as from word of mouth expressions of interest.

Per year:

| | Expected % Increase | projected increase | Revenue Projected |
|------------------------------------|---------------------------|-----------------------|----------------------|
| Month 1 | 0.00% | | \$793.52 |
| Month 2 | 25.00% | \$198.38 | \$991.90 |
| Month 3 | 10.00% | \$99.19 | \$1,091.09 |
| Month 4 | 10.00% | \$109.11 | \$1,200.20 |
| Month 5 | 20.00% | \$240.04 | \$1,440.24 |
| Month 6 | 10.00% | \$144.02 | \$1,584.26 |
| Month 7 | 10.00% | \$158.43 | \$1,742.69 |
| Month 8 | 10.00% | \$174.27 | \$1,916.96 |
| Month 9 | 10.00% | \$191.70 | \$2,108.65 |
| Month 10 | 10.00% | \$210.87 | \$2,319.52 |
| Month 11 | 10.00% | \$231.95 | \$2,551.47 |
| Month 12 | 10.00% | \$255.15 | \$2,806.62 |
| Projected Revenues year one | | | \$20,547.12 |

Projections on increases in business is primarily based upon projections of needs of BSI as it continues to expand and increase it's copy, shredding and mailing needs. BSI is looking to expand by approximately 25% in July 2003 and again by approximately 20% in October as a third location will be opening in XXXXXXXXXXXX.

C. Projected Expenses

Expenses are projected based upon the fact NCS is located within an existing business. Charge is \$45 per square foot for lower level office space of 100 square feet. Internet and phone is being charged at a percentage of total square feet in office building or about 20% of total cost.

| Expenses Per Month | |
|--------------------------------|-----------------|
| Rent of Office Space 10' X 10" | \$450.00 |
| Telephone & internet service | \$66.00 |
| Total expenses | \$516.00 |

E. Projected Income Statements

| | |
|------------------------------------|---------------------------|
| Projected Revenue year one | \$20,547.12 |
| Projected Expenses year one | <u>-\$6,192.00</u> |
| Projected Income year one | \$14,355.12 |

8. ATTACHMENTS

ATTACHMENT A- FEE SCHEDULE

| Description of Paper Stocks Used for 1-Sided Copies | Cost per 1-sided copy |
|--|-----------------------------|
| 8.5 X 11 20 lb White stock | \$0.07 |
| 8.5 X 11 20 lb Pastels | \$0.08 |
| 8.5 X 11 20 lb Bright colors | \$0.08 |

| Description of Paper Stocks Used for 2-Sided Copies | Cost per 2-sided copy |
|--|-----------------------------|
| 8.5 X 11 20 lb White stock | 0.09 |
| 8.5 X 11 20 lb Pastels | 0.11 |
| 8.5 X 11 20 lb Bright colors | 0.12 |

Shredding usage Per hour \$25.00

Mailings

NCS doing the
initial copying & Price per piece
providing \$0.11
envelopes

ATTACHMENT B- MINI CUSTOMER SATISFACTION SURVEY

Your Comments are Important to us!

Please take a moment to complete the following and return.

- | | | |
|---|------------|-----------|
| 1. Were you greeted in a professional and friendly manner? | YES | NO |
| 2. Did NCS produce what you requested ? | YES | NO |
| 3. In the time frame needed? | YES | NO |
| 4. Would you use NCS again? | YES | NO |
| 5. Would you recommend NCS to others? | YES | NO |

If you answered no to number 4 or 5 please take a moment to explain:

ATTACHMENT C-WORK ORDER

| WORK ORDER | | |
|---------------------------------------|------------------|--------|
| DATE RECEIVED: | | |
| REQUEST: | number | charge |
| COPIES: | _____ | _____ |
| SHRED: | (1/2 hr minimum) | charge |
| | | _____ |
| MAILINGS: | number | charge |
| | _____ | _____ |
| | Total | ===== |
| THIS ORDER WILL BE READY FOR PICK UP: | | |