

Home Tekkies, Inc

A State Computer Service Company

Sample On-line Plans

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Executive Summary

Home Tekkies. (Home Tekkies) is a computer service company established in March 2001 as a corporation based in Metropolitan. It's founder, Edgar Pekin, has extensive Internet and small business experience through his prior work experience. Home Tekkies, Inc. provides a variety of computer services for personal users, small-mid size businesses, and larger corporations with customized, affordable and practical solutions for all computer needs. Home Tekkies offers computer users solutions to fit their individual styles and needs, from maintenance, repairs, and upgrades, to new computer systems, training and technical support.

Following is a summary of the main points of this plan.

- The objective of Home Tekkies, Inc. is to become a profitable and leading PC service provider in Metropolitan.
- The mission of Home Tekkies, Inc. is to provide personal, professional and affordable computer and networking service.
- The keys to Home Tekkies' success are integrity, quality, responsiveness, and repeat customers.
- The services provided by Home Tekkies include consulting, sales, repairs, maintenance, upgrades, networking, training, and solutions with a focus toward repair and maintenance.

The purpose of this business plan is to raise \$40,000 in bank financing to finance working capital for the first eight months. Start-up costs are estimated at \$13,900 and include legal, advertising, office equipment, and other supplies. Net working capital for the first eight months is estimated at \$24,000 and includes salaries, operating expenses, and computer inventory parts.

The financing will be repaid through operations with first year gross revenues estimated at \$80,000. The second year will experience an increase of 112% due to the advertising and penetration of the marketing strategy with gross revenues of \$171,000. Home Tekkies is confident these revenue projections are attainable.

Company Analysis

Objectives

Home Tekkies's most important business objective is to become a leading service provider in the Metropolitan area, offering affordable and personalized computer service.

Mission

Home Tekkies provides computer users with affordable, practical and non-intimidating 24-hour on-site computer service as well as tutorials and free consultation. Home Tekkies provides solutions for customers with on-site service alternatives at the price of in-store service. The company's goal is to provide the best computer service in Metropolitan, by personalizing and providing professional and prompt service. Home Tekkies will be a full computer service company with a focus on affordability and on-site service.

Keys to Success

- Marketing & Networking
- Affordability & Responsiveness (being on-call 24/7)
- Integrity
- Quality (getting the job done right)
- Education (keeping up to date on technology and certifications)

Tenets

1. Maintain a competitive advantage through early mover advantage, quality service, and name recognition.
2. Target a specific niche and execute the strategy toward that market flawlessly.
3. Leverage management's experience through many years of operations, finance and technology experience.
4. Use available capital to ensure company success for long-term growth.

Home Tekkies will create a competitive advantage by being the first full-service computer service and network provider in Metropolitan. Being the early mover will penetrate the market and obtain market share over potential competitors.

Home Tekkies is targeting homeowners and small businesses who need networking services and on-site computer service. This is a tremendous market including over 25 percent of all new homebuyers in the United States. If Home Tekkies can make the assumption that this same percentage can be used for existing homebuyers then it includes over 25 percent of all households in the United States. For the 12-months ended May 2001, existing family home sales averaged five million per month, or 60 million for the year. The National Association of Realtors provided this information.

Sample On-line Plans

Company Location and Facilities

Currently Home Tekkies, Inc. is a home/office venture although a storefront or office setting will eventually be necessary as this company grows and becomes a regional force.

The ideal location is a well traveled strip mall with street frontage. The street visibility is part of the overall advertising model and excellent for walk-ups or passers-by. Although Home Tekkies doesn't perform 'shop' services the storefront will let walk-ups visit with the staff.

The initial facility will include a conference/training room, offices, waiting area with receptionist, kitchen, restrooms, and small shop/store room. The facility will be used to introduce potential customers the world of Home Tekkies. The conference room will accommodate up to 15 individuals.

Sample On-line Plans

Almost half of the buyers expressed the need to accommodate extensive amounts of electronic equipment in their new homes - multiple phone lines, extra power outlets for peripherals such as scanners, printers, and copy machines.

Competitive Comparison

Homes Tekkies sees its competition as other small service companies and some larger corporations, mainly Comp USA, Radio Shack, and Best Buy. Larger companies have the financial resources for advertising and inventory and they have more manpower. They have more varieties available instantly and can afford to charge less for certain equipment than smaller companies. At the same time they have to charge more for labor, there is little personal accountability, and they can't be available on call. Their on-site services are too expensive for the smaller businesses to afford and the service is not as good with less concern for the individual and more concern for sales. As of May 2001, there is no other national competitor offering in-home computer service.

Employees of larger companies lack personal interest and accountability. Customers must go to them for help whereas Home Tekkies visits the customer making computer service convenient and cost effective. Although Home Tekkies's services include sales, the company's focus is on the consulting and service aspect of the business. This company's personalized one on one attention is favorable to the cold and impersonal service at larger stores where the employees are always changing. Larger companies are unable to give the kind of service that a smaller local company can. Home Tekkies, Inc. will have less overhead and can afford to charge less for services.

As for competition from smaller companies, there is some; however, most of these companies have more overhead and have to charge more because their focus is not only service but sales as well. National franchise competitors include Geeks On-Call, Computer Troubleshooter, Computer Doctor, and Friendly Mobile Computer Service. As of May 2001, there is no other national competitor offering in-home computer service that has expanded beyond a regional focus.

While Home Tekkies sells parts and peripherals, its focus is on the service and consulting; therefore, Home Tekkies has less overhead and can afford to charge less for its services. The need for affordable on-site service continues to grow as more individuals and small businesses are buying PCs and becoming dependent on them for everyday use. There is already a tremendous demand for PC repair, most people still do not yet own PC's and sales continue to climb. Honest, prompt, reliable and friendly service helps establish customer loyalty and give Home Tekkies, Inc. a competitive edge over some of the small companies in the area. Home Tekkies makes sure it's customers feel appreciated by sending personalized cards, promotional gifts, and coupons for discounted or free service calls etc.

Financial Analysis

Inventory

Appendix A-1, Office Inventory

Appendix A-2, Equipment Inventory

Start-up Cost Estimates

Appendix B-1

Budgets

Appendix C

Income Statement

Appendix D-00, Year Ending May 31, 2000

Appendix D-01, Year Ending May 31, 2001

Appendix D-02, Year Ending May 31, 2002

Balance Sheet

Appendix E, Starting Balance Sheet

Appendix E-00, May 31, 2000

Appendix E-01, May 31, 2001

Appendix E-02, May 31, 2002

Break-even analysis

Appendix F

Financial Ratios

Appendix G

Conservative & Aggressive Financials

Conservative Income Statement

Appendix J-00, Year Ending May 31, 2000

Appendix J-01, Year Ending May 31, 2001

Appendix J-02, Year Ending May 31, 2002

Conservative Balance Sheet

Appendix K-00, Year Ending May 31, 2000

Appendix K-01, Year Ending May 31, 2001

Appendix K-02, Year Ending May 31, 2002

Aggressive Income Statement

Appendix L-00, Year Ending May 31, 2000

Appendix L-01, Year Ending May 31, 2001

Appendix L-02, Year Ending May 31, 2002

Appendix C

Home Tekkies, Inc.
Monthly Budget 2002

Description	June	July	August	September	October	November	December	January	February	March	April	May	Annual	
Miscellaneous	500	500	500	500	500	500	500	500	500	500	500	500	\$ 6,000	
Employees	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	\$ 14,400	
Advertising	500	500	500	500	500	500	500	500	500	500	500	500	\$ 6,000	
Wages & Salary	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	\$ 14,400	
Rent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 12,000	
Utilities	300	300	300	300	300	300	300	300	300	300	300	300	\$ 3,600	
Insurance	150	150	150	150	150	150	150	150	150	150	150	150	\$ 1,800	
Vehicle Expense	310	310	310	310	310	310	310	310	310	310	310	310	\$ 3,720	
Total	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ 5,160	\$ -	\$ 61,920
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Appendix D-03

Home Tekkies, Inc.
ProForma Income Statement
March 31, 2003

		June	July	August	September	October	November	December	January	February	March	April	May	Total
Sales Revenue														
Revenue		\$ 13,635	\$ 13,749	\$ 13,863	\$ 13,979	\$ 14,095	\$ 14,213	\$ 14,331	\$ 14,451	\$ 14,571	\$ 14,692	\$ 14,815	\$ 14,938	\$ 171,332
Total Revenue		\$ 13,635	\$ 13,749	\$ 13,863	\$ 13,979	\$ 14,095	\$ 14,213	\$ 14,331	\$ 14,451	\$ 14,571	\$ 14,692	\$ 14,815	\$ 14,938	\$ 171,332
Expenses														
Cost of Sales	49%	\$ 6,678	\$ 6,734	\$ 6,790	\$ 6,846	\$ 6,903	\$ 6,961	\$ 7,019	\$ 7,077	\$ 7,136	\$ 7,196	\$ 7,256	\$ 7,316	\$ 83,912
Cost of Sales		\$ 6,678	\$ 6,734	\$ 6,790	\$ 6,846	\$ 6,903	\$ 6,961	\$ 7,019	\$ 7,077	\$ 7,136	\$ 7,196	\$ 7,256	\$ 7,316	\$ 83,912
Gross Profit		\$ 6,957	\$ 7,015	\$ 7,074	\$ 7,132	\$ 7,192	\$ 7,252	\$ 7,312	\$ 7,373	\$ 7,435	\$ 7,497	\$ 7,559	\$ 7,622	\$ 87,420
Operating expenses		\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 5,403	\$ 64,830
All other expenses	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBIT		\$ 1,555	\$ 1,613	\$ 1,671	\$ 1,730	\$ 1,789	\$ 1,849	\$ 1,910	\$ 1,971	\$ 2,032	\$ 2,094	\$ 2,157	\$ 2,220	\$ 22,590
Interest	10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	34%	\$ 529	\$ 548	\$ 568	\$ 588	\$ 608	\$ 629	\$ 649	\$ 670	\$ 691	\$ 712	\$ 733	\$ 755	\$ 7,680
After tax profit		\$ 1,026	\$ 1,064	\$ 1,103	\$ 1,142	\$ 1,181	\$ 1,221	\$ 1,260	\$ 1,301	\$ 1,341	\$ 1,382	\$ 1,423	\$ 1,465	\$ 14,909

Home Tekkies, Inc.
ProForma Balance Sheet
May 31, 2002

Cash & Equivalents	38.8%	28,143		Notes Payable	0.0%	-
Accounts Receivable	15.6%	11,286		Accounts Payable	12.1%	8,750
Inventory/Office	1.3%	927		Income Taxes Payable	3.3%	2,371
Equipment	9.9%	7,200		Current Maturity of Long-term debt	0.6%	402
				All other Current Liabilities	0.0%	-
Total Current Assets	65.5%	47,556		Total Current Liabilities	15.9%	11,523
Net Fixed Assets	34.5%	25,000		Long-term Debt	30.8%	22,314
		-		Deferred Taxes	0.0%	-
All other Non-Current & Intangibles	0.0%	-		All other Non-Current	0.0%	-
Total Long-term Assets	34.5%	25,000		Total Long-term Liabilities	30.8%	22,314
				Net worth	53.4%	38,719
Total Assets	100.0%	\$ 72,556		Total Liabilities & Net Worth	100.0%	\$ 72,556