

**Mediscription, Inc.**  
**A Medical Transcription service.**

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## Executive Summary

Mediscription will provide medical transcription services for doctor's offices and hospitals outside the brick-and-mortar office. Mediscription will provide the same quality of service at a lower cost compared to competition. Information to be transcribed will be transported by courier, Internet, and phone. Doctor's offices and hospitals are experiencing higher benefit costs and higher non-core competency expenses, and are searching for other opportunities to acquire transcription services but at a lower cost.

Mediscription's legal form of ownership will be a S-Corporation. Our business will provide transcription to the medical field. With the medical industry being a very large industry, Mediscription has the capabilities to provide our service to any specific field such as Cardiology, Radiology, dentists, etc.

Our marketing strategy is to provide better transcription service than any other competitor within the metropolitan area. Our service is 100% guaranteed. Our educational background gives us the foundation for running a successful transcription business. When compared to eight other medical transcription services in our targeted area, Mediscription's form of billing customers will be a price penetration strategy. Our competitors charge \$.12 to \$.13 a line, while Mediscription will charge \$.11 a line to gain more market share. The cost of the transcription service is currently price per line, however the possibility exists to offer it on an annual flat fee with the contract stating the scope of responsibilities. Our business will be operated from the personal residence of the owners in the metropolitan area, which is only 20 minutes from the target market of over 500,000 people.. Promoting our business will be through advertising, Internet, flyers, and personal visits. Personal visits will be the most effective way, to promote our business. Doctors are very busy and do not have time to read a flyer, classified ad, etc. We would set a lunch appointment with the doctor to discuss and promote our services.

The United States economy is growing at a rate of 6% a year. With this indicator Mediscription projects a similar growth rate for the business. This growth rate was also comparable to what the Troy's Almanac of Financial Ratio's disclosed.

Start-up costs are low, as Mediscription already owns equipment needed to start the new business. The purpose of the business plan is to borrow money in the amount of \$23,000: \$4,365 for professional services and \$18,480 to finance working capital for six months. Mediscription is seeking enough capital to sustain the first six months of operations. The funds will be repaid through Mediscription earnings. The initial cash infusion to operate the business until developing a satisfactory customer base will come from existing savings.

Mediscription's budget for the first year ending December 31, 2001 has projected sales at a level of \$61,197 and expenses of \$36,960 with a net income of \$23,563. The proforma income statement at the end of December 21, 2002 has a projected net income of \$26,499.

## **Financial Analysis**

### **Material Assumptions**

In the development of the business, Mediscription has made the following assumptions.

1. The United States economy is growing at a rate of 6% with unemployment rates at its lowest in 29 years of 4.1%.
2. Mediscription believes that the company will at grow 6% a year. Also with the continuous development of the Internet, the growth rate could increase by 10 to 15% according to the Medical Transcription Association.

### **Financial Indicators**

In the metropolitan area, the unemployment rates are even lower than the United States percentage at 1.7%. According to the Association of American Medical Colleges, male doctors have decreased but female physicians have increase to net out an increase of 1.9% a year. With this information the industry is growing.

The following are income statements and balance sheets for the first three years and a cash flow statement for one year. Our estimates our based on a 6% growth trend.

### **Start-up Cost Estimates**

Appendix B-1

Start-up costs are estimated at \$4,365. The owners of Mediscription already own most of the equipment required to open the new business. Before starting the business, Mr. and Mrs. Edgar will have already started an existing business base. Mrs. Edgar currently works part-time, so she would not have to quit her job until she is comfortable with the amount of business at home. Mediscription will not incur any additional expenses until customers are acquired.

### **Budgets**

Appendix C

### **Proforma Income Statement**

Appendix D-00, Year Ending December 31, 2000

Appendix D-01, Year Ending December 31, 2001

Appendix D-02, Year Ending December 31, 2002

### **Proforma Balance Sheet**

Appendix E, Starting Balance Sheet

Appendix E-00, December 31, 2000

Appendix E-01, December 31, 2001

Appendix E-02, December 31, 2002

Proforma balance sheet numbers were determined using RMA Annual Statement Studies financial indicator percentages.

**Break-even analysis**

Appendix F

**Financial Ratios**

Appendix G

**Intellectual Property Documents**

Appendix H

**Form of Ownership Documents**

Appendix I

**Conservative & Aggressive Financials**

Conservative Proforma Income Statement

Appendix J-00, Year Ending December 31, 2000

Appendix J-01, Year Ending December 31, 2001

Appendix J-02, Year Ending December 31, 2002

Conservative Proforma Balance Sheet

Appendix K-00, Year Ending December 31, 2000

Appendix K-01, Year Ending December 31, 2001

Appendix K-02, Year Ending December 31, 2002

Aggressive Proforma Income Statement

Appendix L-00, Year Ending December 31, 2000

Appendix L-01, Year Ending December 31, 2001

Appendix L-02, Year Ending December 31, 2002

Aggressive Proforma Balance Sheet

Appendix M-00, Year Ending December 31, 2000

Appendix M-01, Year Ending December 31, 2001

Appendix M-02, Year Ending December 31, 2002

Appendix N, Financial Statement Comparison

Mediscription, Inc.  
ProForma Income Statement  
December 31, 2002

175%		January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Transcription</b>														
Lines		85,750	85,750	86,625	86,625	86,625	87,500	88,375	88,375	89,250	89,250	89,250	90,125	1,053,500
<b>Revenue</b>														
Revenue per Line	\$ 0.11	\$ 9,433	\$ 9,433	\$ 9,529	\$ 9,529	\$ 9,529	\$ 9,625	\$ 9,721	\$ 9,721	\$ 9,818	\$ 9,818	\$ 9,818	\$ 9,914	\$ 115,885
<b>Total Revenue</b>		\$ 9,433	\$ 9,433	\$ 9,529	\$ 9,529	\$ 9,529	\$ 9,625	\$ 9,721	\$ 9,721	\$ 9,818	\$ 9,818	\$ 9,818	\$ 9,914	\$ 115,885
Gross Profit		\$ 9,433	\$ 9,433	\$ 9,529	\$ 9,529	\$ 9,529	\$ 9,625	\$ 9,721	\$ 9,721	\$ 9,818	\$ 9,818	\$ 9,818	\$ 9,914	\$ 115,885
Operating expenses	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 3,249	\$ 38,993
All other expenses	1.10%	\$ 104	\$ 104	\$ 105	\$ 105	\$ 105	\$ 106	\$ 107	\$ 107	\$ 108	\$ 108	\$ 108	\$ 109	\$ 1,275
EBIT		\$ 6,079	\$ 6,079	\$ 6,175	\$ 6,175	\$ 6,175	\$ 6,270	\$ 6,365	\$ 6,365	\$ 6,460	\$ 6,460	\$ 6,460	\$ 6,555	\$ 75,617
Interest	10%													
		\$ 608	\$ 608	\$ 617	\$ 617	\$ 617	\$ 627	\$ 636	\$ 636	\$ 646	\$ 646	\$ 646	\$ 656	\$ 7,562
Taxes	25%	\$ 1,520	\$ 1,520	\$ 1,544	\$ 1,544	\$ 1,544	\$ 1,567	\$ 1,591	\$ 1,591	\$ 1,615	\$ 1,615	\$ 1,615	\$ 1,639	\$ 18,904
After tax profit		\$ 3,952	\$ 3,952	\$ 4,013	\$ 4,013	\$ 4,013	\$ 4,075	\$ 4,137	\$ 4,137	\$ 4,199	\$ 4,199	\$ 4,199	\$ 4,261	\$ 49,151

# **SMALLBUSINESSPOINT.COM**

## **The Business Plan Generator**

SmallBusinessPoint.com was created as a result of introspective realization of skills, experiences, and dreams. These three collective entities, combined with a heavy dose of entrepreneurship, are the motivation behind 'The Business Plan Generator'. Many people dream of owning their own business or doing what they want to do. However, few people follow their dreams to success. Whatever the reason, adequate direction should not be one. The purpose of 'The Business Plan Generator' is to give you the direction needed to identify your skills, exercises to generate ideas, resources to evaluate the venture, questions to ask in the business plan, and key indicators to measure implementation.

The SmallBusinessPoint.com concept was not born in a day, but over time. Today, the concept continues to evolve as we incorporate more of our skills and bring in new ideas daily. We at SmallBusinessPoint.com, currently combine the experiences, knowledge and education of: engineering, marketing, finance, banking, supply chain management, venture capital, MBA, business ownership, professor of entrepreneurship, logistics, writer, and publisher (just to name a few), and a healthy dose of enthusiasm. This enthusiasm is the product of setting our dreams in motion and helping others find the road to their dreams.

SmallBusinessPoint.com appreciates the opportunity to help you, and wishes you the best of success.

**We believe in your dreams!**