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**Table of Contents**

[Executive Summary 1](#_Toc497120248)

[Chart: Highlights 1](#_Toc497120249)

[Objectives 2](#_Toc497120250)

[Mission 2](#_Toc497120251)

[Company Summary 2](#_Toc497120252)

[Company Ownership 2](#_Toc497120253)

[Start-up Summary 3](#_Toc497120254)

[Table: Start-up 4](#_Toc497120255)

[Table: Start-up Funding 5](#_Toc497120256)

[Chart: Start-up 6](#_Toc497120257)

[Services 6](#_Toc497120258)

[Market Analysis Summary 7](#_Toc497120259)

[Market Segmentation 7](#_Toc497120260)

[Chart: Market Analysis (Pie) 8](#_Toc497120261)

[Table: Market Analysis 9](#_Toc497120262)

[Target Market Segment Strategy 9](#_Toc497120263)

[Competition and Buying Patterns 10](#_Toc497120264)

[Strategy and Implementation Summary 10](#_Toc497120265)

[Competitive Edge 10](#_Toc497120266)

[Sales Strategy 11](#_Toc497120267)

[Sales Forecast 12](#_Toc497120268)

[Milestones 14](#_Toc497120269)

[Table: Milestones 15](#_Toc497120270)

[Chart: Milestones 15](#_Toc497120271)

[Management Summary 16](#_Toc497120272)

[Personnel Plan 16](#_Toc497120273)

[Table: Personnel 17](#_Toc497120274)

[Financial Plan 17](#_Toc497120275)

[Important Assumptions 17](#_Toc497120276)

[Table: General Assumptions 17](#_Toc497120277)

[Break-even Analysis 18](#_Toc497120278)

[Chart: Break-even Analysis 18](#_Toc497120279)

[Table: Break-even Analysis 18](#_Toc497120280)

[Projected Profit and Loss 19](#_Toc497120281)

[Chart: Gross Margin Monthly 19](#_Toc497120282)

[Chart: Gross Margin Yearly 20](#_Toc497120283)

[Table: Profit and Loss 21](#_Toc497120284)

[Chart: Profit Monthly 22](#_Toc497120285)

[Chart: Profit Yearly 23](#_Toc497120286)

[Projected Cash Flow 24](#_Toc497120287)

[Chart: Cash 24](#_Toc497120288)

[Table: Cash Flow 25](#_Toc497120289)

[Projected Balance Sheet 26](#_Toc497120290)

[Table: Balance Sheet 26](#_Toc497120291)

[Business Ratios 27](#_Toc497120292)

[Table: Ratios 27](#_Toc497120293)

[Appendix i](#_Toc497120294)

[Sales Forecast (With Monthly Detail) i](#_Toc497120295)

[Personnel (With Monthly Details) ii](#_Toc497120296)

[General Assumptions (With Monthly Detail) iii](#_Toc497120297)

[Profit and Loss Statement (With Monthly Detail) iv](#_Toc497120298)

[Cash Flow Statement (With Monthly Detail) v](#_Toc497120299)

[Balance Sheet (With Monthly Detail) vi](#_Toc497120300)

# Executive Summary

Mother's House Cleaning Service (MHCS) is a residential house cleaning service serving upper-class families in Cleanly, WA. Through generous human capital investments, MHCS will exceed our customer's expectations. We will be servicing the wealthy single-income households and affluent two-income households. These targeted families will be willing to pay a premium for our service because of the high level of professionalism and trustworthiness that we offer, not replicated by any of our competition.

Mother's House Cleaning Service's projected growth rate is very high each year with respectable profit margins as a percentage of sales. MHCS will be a home-based business with Sarah Tookleen as the sole proprietor. By the end of year one, MHCS will have six additional employees. This house cleaning business plan will help the owner navigate the startup, and subsequent management of the business.

### Chart: Highlights

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## Objectives

Mother's House Cleaning Service's objectives for the first three years of operation include:

* To create a service based company whose #1 goal is exceeding customer's expectations.
* To increase our number of clients served by 20% per year through superior service.
* To develop a sustainable home-based business, living off its own cash flow.
* The utilization of Mother's House Cleaning Service on a regular basis by at least 30% of the leads that contact us for more information.

## Mission

Mother's House Cleaning Service's mission is to provide the customer with all residential cleaning services in an environmentally sound, completely trustworthy, and professional manner. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

# Company Summary

Mother's House Cleaning Service (MHCS), soon to be located in Cleanly, WA, will offer residential home cleaning services. MHCS will offer a wide range of services to the residential client, from general room cleaning to child/pet disasters. We will be going after the upper end of the market, typically the affluent whose spouse does not have a full-time job but chooses to do other things with his/her time, or the two income family who chooses not to clean the home themselves.

The business will be based out of Sarah Tookleen's home. Sarah will be responsible for scheduling, estimates, training, inventory, ordering, payroll and customer care management. The business organizational type will be a sole proprietorship, with six employees within the first 12 months.

According to sales forecasts, net profits within four months will be a respectable percentage of sales and will grow steadily through year three.

## Company Ownership

Mother's House Cleaning Service will be a sole proprietorship, owned by Sarah Tookleen.

## Start-up Summary

Mother's House Cleaning Service's start-up costs include equipment needed for a home-based business (to be detailed below), initial legal fees, marketing fees, cleaning equipment and supplies, uniforms, and signs for employee vehicles.

The home office equipment includes a computer system (with the following minimum specifications: 500 mhz processor, 64 megabytes RAM, 6 gigabyte hard drive, printer, and CD-RW). Also required for the office is an additional land phone line, fax machine, pager, and cellular phone. A few pieces of furniture will also be needed.

The legal fees are used for the formation of the business as well as reviewing/generating employee and client contracts.

Marketing fees are for the production of business cards and brochures.

Cleaning equipment must also be purchased with one set of equipment per employee. The major per employee expense is a commercial vacuum cleaner (consumer models will not withstand continuous use) and assorted brooms, mops, and chemicals (biodegradable).

Uniforms will be used to give off a professional image.

Lastly, we will have a few magnetic company signs made to turn the employee car into the appearance of a company car.

### Table: Start-up

|  |  |
| --- | --- |
| *Start-up* |  |
|  |  |
| Requirements |  |
|  |  |
| Start-up Expenses |  |
| Legal | $300 |
| Stationery etc. | $50 |
| Brochures | $200 |
| Insurance | $500 |
| Uniforms | $100 |
| Cleaning Equipment | $800 |
| Office Furniture | $100 |
| Communication Equipment | $100 |
| Computer Equipment | $1,500 |
| Magnetic Car Signs | $75 |
| Cleaning Supplies | $200 |
| Other | $0 |
| Total Start-up Expenses | $3,925 |
|  |  |
| Start-up Assets |  |
| Cash Required | $9,075 |
| Start-up Inventory | $0 |
| Other Current Assets | $0 |
| Long-term Assets | $0 |
| Total Assets | $9,075 |
|  |  |
| **Total Requirements** | $13,000 |

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### Table: Start-up Funding

|  |  |
| --- | --- |
| *Start-up Funding* |  |
| Start-up Expenses to Fund | $3,925 |
| Start-up Assets to Fund | $9,075 |
| Total Funding Required | $13,000 |
|  |  |
| Assets |  |
| Non-cash Assets from Start-up | $0 |
| Cash Requirements from Start-up | $9,075 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $9,075 |
| Total Assets | $9,075 |
|  |  |
|  |  |
| Liabilities and Capital |  |
|  |  |
| Liabilities |  |
| Current Borrowing | $0 |
| Long-term Liabilities | $0 |
| Accounts Payable (Outstanding Bills) | $0 |
| Other Current Liabilities (interest-free) | $0 |
| Total Liabilities | $0 |
|  |  |
| Capital |  |
|  |  |
| Planned Investment |  |
| Investor 1 | $13,000 |
| Investor 2 | $0 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| Total Planned Investment | $13,000 |
|  |  |
| Loss at Start-up (Start-up Expenses) | ($3,925) |
| Total Capital | $9,075 |
|  |  |
|  |  |
| Total Capital and Liabilities | $9,075 |
|  |  |
| **Total Funding** | $13,000 |

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### Chart: Start-up

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# Services

Mother's House Cleaning Service will provide a residential house cleaning service for the upper end of the market. We will have two target customers:

* The affluent who has a spouse who does not work, but is not inclined to do housework. To many a maid/house cleaner is a symbol of wealth, and this idea symbolizes this group of customers.
* The two-income households whose opportunity costs are too great to spend time cleaning the house.

MHCS offers house cleaning to these targeted customers. House cleaning ranges from cleaning of standard rooms such as kitchen, bathrooms, bedrooms, as well as more unusual jobs like small disasters from children and pets.

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# Market Analysis Summary

Mother's House Cleaning Service will target the upper end of the house cleaning market. It would appear, at least if you opened the yellow pages, that there is not a need for another house cleaning service. Make no mistake however, there is a need for a quality, honest service. MHCS is offering a high quality, totally trustworthy service for high income households. Our service will ooze professionalism. We are perfectionists and this will be clear by our service.

Cleanly, WA currently has quite a range of different residential house cleaning services, from independent companies to franchise services. No one else is specifically targeting the wealthy. We will be targeting two wealthy populations:

* Wealthy one-income households.
* Affluent two-income households.

Both of these targeted groups appreciate a professional, reliable, trustworthy, cleaning service and are willing to pay a premium to get this top shelf level of service. We will be marketing our service to these people through word of mouth referrals as well as through membership lists from Cleanly's exclusive membership clubs.

Cleanly, WA, like most cities, has lots of cleaning services. Although there are lots of competitors, we are the only company to go after the upper socio/economic class exclusively. Demand for a upper-end cleaning service will allow us to have steady growth.

## Market Segmentation

Mother's House Cleaning Service will be focusing on two upper socio/economic groups. The first is the affluent where only one spouse works. Although the other spouse is at home and has time to clean, he/she chooses not to. This spouse would rather volunteer for a public interest organization, play tennis and golf, or just spend time how he/she chooses to. They have no desire to clean the house. To them that is not enjoyable and they have the money to pay someone to do that kind of work. This market has annual incomes over $200,000 and live in expensive houses. While Cleanly, WA only has 650 families that fall into this category, this group reliably uses cleaning services.

Our second segment of the market that we are targeting is the two income family. Over the last couple of decades, the number of two-income households have increased, to a point where in parts of the country they exceed one income families. Our target customer is two income families whose combined annual income is over $125,000. These families don't really have the time to clean, can afford a cleaning service, and choose to hire a service because the opportunity costs are too high to waste time cleaning their house. These households are typically age 32-55 and live in houses valued over $250,000. Cleanly has approximately 10,000 families that fall into this demographic. It is this segment which has tremendous potential for us. Nearly 80% of dual income households use an outside cleaning service for some of their house cleaning according to the U.S. Department of Commerce.

Additionally, there are some potential customers that MHCS has labeled as assorted "well-off" households. These are families that have the money for our services that do not fit neatly into the two previous categories.

### Chart: Market Analysis (Pie)

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### Table: Market Analysis

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Market Analysis* |  |  |  |  |  |  |  |
|  |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |  |
| Potential Customers | Growth |  |  |  |  |  | CAGR |
| Wealthy One-income Households | 11% | 7 | 8 | 9 | 10 | 11 | 11.96% |
| Affluent Two-income Households | 13% | 8 | 9 | 10 | 11 | 12 | 10.67% |
| Assorted "Well-off" Households | 6% | 8 | 8 | 8 | 8 | 8 | 0.00% |
| **Total** | 7.75% | 23 | 25 | 27 | 29 | 31 | 7.75% |

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## Target Market Segment Strategy

MHCS is focusing on these people because they appreciate a professional, reliable, trustworthy, and immaculate house cleaning service, and are more than willing to pay for this. While Cleanly, WA has several different cleaning services, we are the only one that targets the affluent exclusively. The wealthy are consistent customers. Whether they have a house cleaning service does not depend on the finances each month. These groups always have the money for our services, just as they always need/desire a clean house.

The affluent desire quality and are willing to pay a premium for a service that that they can trust 100%, that extrudes professionalism, and basically allows them to forget that they have to deal with whatever it takes to get a clean house. We do all of this in a seamless, customer centric manner.

We will market our company through a two-pronged approach. One prong is the distribution of a color brochure detailing our services. The distribution of this document will be targeted to hit our chosen segment. This will be done by setting up strategic relationships with organizations or clubs whose members fits our targeted customer profile. Examples of this would be higher-end athletic clubs, country clubs, wine connoisseur clubs, etc. We will gain access to these clubs membership through deals where the club owners will receive our services for themselves to test the quality so they then feel comfortable with helping us by being a "cheerleader" for our service.

The second prong of our approach will be through word of mouth referrals. We will offer an economic incentive (such as a free visit) to our customers if they bring in new business for us. We believe this will be effective because the financial incentive will motivate their behavior, and people naturally like to share good things with their friends.

## Competition and Buying Patterns

Although there are lots of competitors in the cleaning service space, there is good reason for this competition, demand is high. Plenty of maid/janitorial services have waiting lists, they are unable to meet demand. Additionally, many of the maid and janitorial services are "mom and pop" operations without enough employees. Cleaning service customers want quality, and not everyone in the cleaning service space offers quality. How often when you ask one of your friends for a referral do they tell you they have been using a bunch of different companies and they have yet to find one that they are truly happy with.

The residential house cleaning niche is a subset of the larger cleaning business. Within the cleaning business, there are both residential as well as commercial cleaners. The commercial cleaners are typically a janitorial service that offers a wide range of services from general office cleaning, to carpet cleaning, to window cleaning. Janitorial services are a one-stop service offering for commercial businesses. There are also residential cleaning services. The residential house cleaning market is serviced predominately by independent companies. There are however, a few large franchises. Residential services are divided into a couple of different categories, maid or house cleaners, carpet cleaners, window cleaners, and a variety of other services that are required on a less frequent basis. They are far more restricted in their range of offered services relative to the commercial janitorial services.

We charge a premium for our services, and people are willing to pay to get our unsurpassed level of professionalism, trustworthiness, and attention to detail. We provide the most pleasant experience possible.

# Strategy and Implementation Summary

Mother's House Cleaning Service will be courting the high income families in Cleanly, WA. We will be attractive to these customers because of our commitment to professional, trustworthy service. We will achieve this high level of service through extensive training and a continuous learning process. MHCS will be qualifying leads over the phone with estimates and more importantly, with in-house meetings. This sales strategy should yield a steady increase in jobs starting from month two.

## Competitive Edge

Our competitive advantage will be based on our large investment in human capital. MHCS begins with a rigorous training program for new employees. At the outset, employees with be trained on how to clean. Granted everyone has some idea on how to clean, but we will show them a methodical way producing a far cleaner home more efficiently. We will then be training employees to work effectively on teams. While there are some households that prefer individual cleaners instead of a team, a request that we are more then happy to oblige, we generally work in teams as they are more efficient. Working efficiently on a team takes training, and through this team training, we are able to make significant gains in efficiency.

The next topic of training involves professionalism. We provide our employees the tools necessary to impress our most affluent clients. Professionalism is a skill that is used throughout the service call, from the way the employee greets and interacts with the client, to the way they clean, to the way they act when they break that priceless vase (which in the inevitable case that we do break something, we have specific guidelines for the employee to follow to resolve the conflict).

We finally train our employees to know what the expectations of our clients are. We will provide them the tools needed to exceed these expectations.

This extensive training, both up front, as well as continuously (called our continuous learning system) builds a trust relationship between our company and the client. It is the bond of trust that will not only earn MHCS the loyalty of that customer but also the referral of several more of their friends. Satisfied customers like to tell their friends about service providers that they are happy with, people like to "spread the wealth" with their friends.

Lastly we will emphasize our use of environmentally sound chemicals. Other companies also use environmentally sound chemicals so this is not a huge differentiation, but it is something that we are proud of, and will be mentioned.

We will also be creating the appearance of professionalism through the use of uniforms and large magnetic sign affixed to the side of the vehicles we use.

## Sales Strategy

The sales process will begin through the qualification of leads generated from our marketing campaign. The marketing campaign will primarily generate leads through interest sparked from our brochures. Someone will call to receive more information about our service, while we will be able to give them an estimate over the phone, we would prefer to be able to get into their home and speak with them. On one hand we would be able to offer them a more accurate estimate. More importantly however, it provides us an opportunity to impress them with our company. We feel confident that since we are dealing with the affluent, who for many services are less price sensitive, are more likely to be impressed with our professionalism, "feel" an immediate trust bond forming, and sign up for the service.

For those clients whom we are only able to speak with over the phone, we will initially quote them a price. Because they are less price sensitive then the general population, we will then detail why our service is priced a bit higher than most. Mother's House Cleaning Service will explain all of the different training systems and methodologies that each employee goes through, and what expectations are reasonable for the customer to form about our superior service. This conversation will leave the prospective customer the impression that MHCS is indeed different from the run of the mill residential cleaning services and that the price differential is justified.

Lastly, we will be qualifying the leads by explaining up front that our service is more expensive. This is not a fact that we are trying to hide. We are setting up an expectation for the customer that they can indeed expect more with our service. This "angle" is based on the assumption that many people are not thrilled with their current cleaning service. Sure they clean adequately, but there is not a trust bond formed as if you had the same house cleaner for 20 years who helped raise your children. This is how we will differentiate ourselves and ultimately win over new customers.

## Sales Forecast

The first month will be used to set up the business. It is unlikely much/any business will be officially transacted. In addition to dealing with legal and accounting issues for the business, office equipment will be purchased and set up. Once the physical office is ready we will then develop the employee policy and procedure manual. Then we will develop our training program. This will take a bit of time therefore it is very important it is set up at the outset, ensuring that it is completed and done properly when there are far less time constraints.

The second month will begin to see some activity. We will begin to field inquiries over the phone and expect to turn some of those into contracts. The first week of jobs will be done as a team, with Sarah and one employee. As the number of contracts begin to pick up at the end of the second month an additional person will be hired to form the first employee team. By the end of month four we will have built up enough demand that a new team of two will be trained and begin working. Having two teams of two will be sufficient until month seven when two more people will be brought on. We expect to remain with a six person head count into mid-year two when we expect to bring on one more team.

The sales forecast is based on the assumption that increased demand will occur at a steady pace. This is based on the assumption that a large part for our new clients after month two will be from word of mouth referrals. The logic is that we will incrementally gain customers as we continue to serve current customers. We will need a couple of visits before we can turn a new client into a referral service. All this will happen steadily and incrementally. This forecast is on the conservative side, it is possible that because we are superior to competing services that things really take off, however, it would not be prudent to take that aggressive of a forecast. It is always better to err on the side of caution.

#### Table: Sales Forecast

|  |  |  |  |
| --- | --- | --- | --- |
| *Sales Forecast* |  |  |  |
|  | Year 1 | Year 2 | Year 3 |
| Sales |  |  |  |
| Wealthy One-income Households | $55,633 | $56,014 | $57,854 |
| Affluent Two-income Households | $123,337 | $125,477 | $128,744 |
| Total Sales | $178,970 | $181,491 | $186,598 |
|  |  |  |  |
| Direct Cost of Sales | Year 1 | Year 2 | Year 3 |
| Wealthy One-income Households | $1,601 | $1,658 | $1,785 |
| Affluent Two-income Households | $3,907 | $4,245 | $4,365 |
| **Subtotal Direct Cost of Sales** | $5,508 | $5,903 | $6,150 |

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#### Chart: Sales by Year

[](http://pln.rs/cleaningserviceliveplan)

#### Chart: Sales Monthly

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## Milestones

Mother's House Cleaning Service will have several milestones early on:

* Business plan completion. This will be done as a roadmap for the organization. While we do not need a business plan to raise capital, it will be an indispensable tool for the ongoing performance and improvement of the company.
* Set up the office. This will be done within the first month. This includes setting up the physical office where business will be transacted.
* Set up the supply room. This will be done in Sarah's garage. It will occur in the first month and will be the place where all of the bulk, environmentally sound, chemicals will be mixed into the proper concentrations.
* Training program. This will be the development of a training program for the employees. The employees will receive initial sessions of training up-front, but will undergo constant training, part of our constant learning process.
* Welcoming our sixth employee.

### Table: Milestones

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Milestones* |  |  |  |  |  |
|  |  |  |  |  |  |
| Milestone | Start Date | End Date | Budget | Manager | Department |
| Business Plan Completion | 1/1/2001 | 2/1/2001 | $0 | Tookleen | Management |
| Office Set-up | 1/1/2001 | 2/28/2001 | $0 | Tookleen | Management |
| Set-up Supply Room | 1/31/2001 | 3/15/2001 | $0 | Tookleen | Management |
| Training Program | 1/1/2001 | 2/1/2001 | $0 | Tookleen | Management |
| Welcome Sixth Employee | 5/1/2001 | 6/1/2001 | $0 | Everyone | Everyone |
| **Totals** |  |  | $0 |  |  |

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### Chart: Milestones

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# Management Summary

Mother's House Cleaning Service is owned and operated by Sarah Tookleen. It will be formed as a sole proprietorship. There is no compelling need to incorporate. The advantage of incorporation, limited liability, can be offset by good insurance.

Sarah Tookleen, founder and owner, has a degree in History from Alfred University. Sarah spent three of her four years in college working for a Sanitation Management cleaning service. Sanitation Management was both a residential and commercial cleaning service. Sarah worked on a cleaning crew with two other individuals. By the end of Sarah's third year she was promoted to crew manager and was responsible for coordinating the jobs for that crew, as well as all customer interactions. After college, Sarah moved from New York to Seattle where she was employed as a Manager of Immaculate Cleanception, a residential house cleaning service. Sarah managed the 23 person organization for two years. Her responsibilities included all facets of management including, hiring, training, customer service, inventory control, and purchasing. It was her experience at Immaculate Cleanception that provided Sarah with the skills and confidence to open up her own company. She decided to move Cleanly, an upscale suburb of Seattle with her husband and start her own company.

## Personnel Plan

The staff will consist of Sarah working full time for MHCS. Initially Sarah will be working in both the office as well as on jobs, by the end of month two she will be working only in the office and will have hired an additional employee. Month five will see an additional two people hired, and month six will see two more hired for a total of six employees.

We will be paying our employees a competitive hourly wage, quite a bit more than minimum wage. This is calculated to attract a much higher caliber employee that is not looking for temporary employment, but a stable job environment. This is compounded by the fact that in order to make our training cost effective for us, we need this person to be a part of the company for an extended period of time, not just a few months until a better job comes along. In addition to paying an above market wage, we will be offering extensive training. This personal development will be another attraction for the high caliber employee. The need for the higher class employee is necessitated because of the upper end clients that we serve. In order to exceed the customer's expectations of our services, we need to have the right employee that has been properly trained and feels a sense of empowerment on the job.

Sarah will be paid a monthly salary. The rest of the profits will remain within the business.

### Table: Personnel

|  |  |  |  |
| --- | --- | --- | --- |
| *Personnel Plan* |  |  |  |
|  | Year 1 | Year 2 | Year 3 |
| Owner | $24,000 | $25,200 | $26,460 |
| Employees | $86,889 | $93,000 | $102,000 |
| Total People | 0 | 0 | 0 |
|  |  |  |  |
| **Total Payroll** | $110,889 | $118,200 | $128,460 |

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# Financial Plan

The following subtopics will provide more financial information.

## Important Assumptions

See following table for MHCS' general assumptions.

### Table: General Assumptions

|  |  |  |  |
| --- | --- | --- | --- |
| *General Assumptions* |  |  |  |
|  | 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 | 17.08% | 25.00% | 17.08% |
| **Other** | 0 | 0 | 0 |

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## Break-even Analysis

The break-even analysis is based on an average billing unit. The calculations are based on a $1.00 unit of revenue and costs of sales as a percentage of $1.00.

### Chart: Break-even Analysis

[](http://pln.rs/cleaningserviceliveplan)

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### Table: Break-even Analysis

|  |  |
| --- | --- |
| *Break-even Analysis* |  |
|  |  |
| Monthly Revenue Break-even | $11,140 |
|  |  |
| Assumptions: |  |
| Average Percent Variable Cost | 3% |
| **Estimated Monthly Fixed Cost** | $10,797 |

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## Projected Profit and Loss

The following table will indicate projected profit and loss.

### Chart: Gross Margin Monthly

[](http://pln.rs/cleaningserviceliveplan)

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### Chart: Gross Margin Yearly

[](http://pln.rs/cleaningserviceliveplan)

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### Table: Profit and Loss

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Profit and Loss* |  |  |  |
|  | Year 1 | Year 2 | Year 3 |
| Sales | $178,970 | $181,491 | $186,598 |
| Direct Cost of Sales | $5,508 | $5,903 | $6,150 |
| Other | $0 | $0 | $0 |
| Total Cost of Sales | $5,508 | $5,903 | $6,150 |
|  |  |  |  |
| Gross Margin | $173,462 | $175,588 | $180,448 |
| Gross Margin % | 96.92% | 96.75% | 96.70% |
|  |  |  |  |
|  |  |  |  |
| Expenses |  |  |  |
| Payroll | $110,889 | $118,200 | $128,460 |
| Sales and Marketing and Other Expenses | $6,013 | $5,968 | $5,968 |
| Depreciation | $0 | $0 | $0 |
| Additional Payroll Burden | $9,058 | $10,841 | $10,942 |
| Leased Equipment | $0 | $0 | $0 |
| Utilities | $1,200 | $1,200 | $1,200 |
| Insurance | $2,400 | $2,400 | $2,400 |
| Rent | $0 | $0 | $0 |
| Payroll Taxes | $0 | $0 | $0 |
| Other | $0 | $0 | $0 |
|  |  |  |  |
| Total Operating Expenses | $129,560 | $138,609 | $148,970 |
|  |  |  |  |
| Profit Before Interest and Taxes | $43,902 | $36,979 | $31,478 |
| EBITDA | $43,902 | $36,979 | $31,478 |
| Interest Expense | $0 | $0 | $0 |
| Taxes Incurred | $12,108 | $9,245 | $5,378 |
|  |  |  |  |
| Net Profit | $31,794 | $27,734 | $26,101 |
| **Net Profit/Sales** | 17.76% | 15.28% | 13.99% |

*Need to create your own financial tables? Tools like* [*LivePlan*](http://pln.rs/cleaningserviceliveplan) *will do this for you automatically.*

### Chart: Profit Monthly

[](http://pln.rs/cleaningserviceliveplan)

*Do you need better-looking financial charts? Tools like* [*LivePlan*](http://pln.rs/cleaningserviceliveplan) *will do this for you automatically, with a professional modern design.*

### Chart: Profit Yearly

[](http://pln.rs/cleaningserviceliveplan)

*Do you need better-looking financial charts? Tools like* [*LivePlan*](http://pln.rs/cleaningserviceliveplan) *will do this for you automatically, with a professional modern design.*

## Projected Cash Flow

The following table will indicate projected cash flow.

### Chart: Cash

[](http://pln.rs/cleaningserviceliveplan)

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### Table: Cash Flow

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Cash Flow* |  |  |  |
|  | Year 1 | Year 2 | Year 3 |
| Cash Received |  |  |  |
|  |  |  |  |
| Cash from Operations |  |  |  |
| Cash Sales | $178,970 | $181,491 | $186,598 |
| Subtotal Cash from Operations | $178,970 | $181,491 | $186,598 |
|  |  |  |  |
| Additional Cash Received |  |  |  |
| Sales Tax, VAT, HST/GST Received | $0 | $0 | $0 |
| New Current Borrowing | $0 | $0 | $0 |
| New Other Liabilities (interest-free) | $5,000 | $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 | $183,970 | $181,491 | $186,598 |
|  |  |  |  |
| Expenditures | Year 1 | Year 2 | Year 3 |
|  |  |  |  |
| Expenditures from Operations |  |  |  |
| Cash Spending | $110,889 | $118,200 | $128,460 |
| Bill Payments | $32,586 | $37,444 | $32,305 |
| Subtotal Spent on Operations | $143,475 | $155,644 | $160,765 |
|  |  |  |  |
| 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 | $5,000 | $0 | $0 |
| Long-term Liabilities Principal Repayment | $0 | $0 | $0 |
| Purchase Other Current Assets | $0 | $0 | $0 |
| Purchase Long-term Assets | $0 | $0 | $0 |
| Dividends | $0 | $0 | $0 |
| Subtotal Cash Spent | $148,475 | $155,644 | $160,765 |
|  |  |  |  |
| Net Cash Flow | $35,495 | $25,847 | $25,833 |
| **Cash Balance** | $44,570 | $70,417 | $96,250 |

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## Projected Balance Sheet

The following table will indicate the projected balance sheet.

### Table: Balance Sheet

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Balance Sheet* |  |  |  |
|  | Year 1 | Year 2 | Year 3 |
| Assets |  |  |  |
|  |  |  |  |
| Current Assets |  |  |  |
| Cash | $44,570 | $70,417 | $96,250 |
| Inventory | $1,492 | $1,074 | $1,088 |
| Other Current Assets | $0 | $0 | $0 |
| Total Current Assets | $46,062 | $71,491 | $97,338 |
|  |  |  |  |
| Long-term Assets |  |  |  |
| Long-term Assets | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 |
| Total Assets | $46,062 | $71,491 | $97,338 |
|  |  |  |  |
| Liabilities and Capital | Year 1 | Year 2 | Year 3 |
|  |  |  |  |
| Current Liabilities |  |  |  |
| Accounts Payable | $5,193 | $2,888 | $2,634 |
| Current Borrowing | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 |
| Subtotal Current Liabilities | $5,193 | $2,888 | $2,634 |
|  |  |  |  |
| Long-term Liabilities | $0 | $0 | $0 |
| Total Liabilities | $5,193 | $2,888 | $2,634 |
|  |  |  |  |
| Paid-in Capital | $13,000 | $13,000 | $13,000 |
| Retained Earnings | ($3,925) | $27,869 | $55,603 |
| Earnings | $31,794 | $27,734 | $26,101 |
| Total Capital | $40,869 | $68,603 | $94,704 |
| Total Liabilities and Capital | $46,062 | $71,491 | $97,338 |
|  |  |  |  |
| **Net Worth** | $40,869 | $68,603 | $94,704 |

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## Business Ratios

The following table contains important business ratios from the building maintenance services industry, as determined by the Standard Industry Classification (SIC) Index code 7349.

### Table: Ratios

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Ratio Analysis* |  |  |  |  |
|  | Year 1 | Year 2 | Year 3 | Industry Profile |
| Sales Growth | n.a. | 1.41% | 2.81% | 7.30% |
|  |  |  |  |  |
| Percent of Total Assets |  |  |  |  |
| Inventory | 3.24% | 1.50% | 1.12% | 3.80% |
| Other Current Assets | 0.00% | 0.00% | 0.00% | 44.90% |
| Total Current Assets | 100.00% | 100.00% | 100.00% | 73.40% |
| Long-term Assets | 0.00% | 0.00% | 0.00% | 26.60% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% |
|  |  |  |  |  |
| Current Liabilities | 11.27% | 4.04% | 2.71% | 44.40% |
| Long-term Liabilities | 0.00% | 0.00% | 0.00% | 16.40% |
| Total Liabilities | 11.27% | 4.04% | 2.71% | 60.80% |
| Net Worth | 88.73% | 95.96% | 97.29% | 39.20% |
|  |  |  |  |  |
| Percent of Sales |  |  |  |  |
| Sales | 100.00% | 100.00% | 100.00% | 100.00% |
| Gross Margin | 96.92% | 96.75% | 96.70% | 0.00% |
| Selling, General & Administrative Expenses | 94.22% | 93.58% | 91.63% | 81.70% |
| Advertising Expenses | 0.93% | 1.06% | 1.03% | 1.30% |
| Profit Before Interest and Taxes | 24.53% | 20.38% | 16.87% | 2.00% |
|  |  |  |  |  |
| Main Ratios |  |  |  |  |
| Current | 8.87 | 24.75 | 36.95 | 1.67 |
| Quick | 8.58 | 24.38 | 36.54 | 1.33 |
| Total Debt to Total Assets | 11.27% | 4.04% | 2.71% | 60.80% |
| Pre-tax Return on Net Worth | 107.42% | 53.90% | 33.24% | 3.50% |
| Pre-tax Return on Assets | 95.31% | 51.73% | 32.34% | 9.00% |
|  |  |  |  |  |
| Additional Ratios | Year 1 | Year 2 | Year 3 |  |
| Net Profit Margin | 17.76% | 15.28% | 13.99% | n.a |
| Return on Equity | 77.79% | 40.43% | 27.56% | n.a |
|  |  |  |  |  |
| Activity Ratios |  |  |  |  |
| Inventory Turnover | 5.89 | 4.60 | 5.69 | n.a |
| Accounts Payable Turnover | 7.28 | 12.17 | 12.17 | n.a |
| Payment Days | 27 | 42 | 31 | n.a |
| Total Asset Turnover | 3.89 | 2.54 | 1.92 | n.a |
|  |  |  |  |  |
| Debt Ratios |  |  |  |  |
| Debt to Net Worth | 0.13 | 0.04 | 0.03 | n.a |
| Current Liab. to Liab. | 1.00 | 1.00 | 1.00 | n.a |
|  |  |  |  |  |
| Liquidity Ratios |  |  |  |  |
| Net Working Capital | $40,869 | $68,603 | $94,704 | n.a |
| Interest Coverage | 0.00 | 0.00 | 0.00 | n.a |
|  |  |  |  |  |
| Additional Ratios |  |  |  |  |
| Assets to Sales | 0.26 | 0.39 | 0.52 | n.a |
| Current Debt/Total Assets | 11% | 4% | 3% | n.a |
| Acid Test | 8.58 | 24.38 | 36.54 | n.a |
| Sales/Net Worth | 4.38 | 2.65 | 1.97 | n.a |
| **Dividend Payout** | 0.00 | 0.00 | 0.00 | n.a |

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# Appendix

## Sales Forecast (With Monthly Detail)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Sales Forecast* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 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 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wealthy One-income Households | 0% | $1,200 | $1,200 | $2,245 | $2,400 | $4,808 | $5,100 | $5,312 | $6,400 | $6,454 | $6,514 | $6,600 | $7,400 |
| Affluent Two-income Households | 0% | $3,850 | $3,850 | $4,445 | $4,600 | $8,897 | $9,258 | $10,100 | $14,580 | $15,000 | $15,011 | $16,741 | $17,005 |
| Total Sales |  | $5,050 | $5,050 | $6,690 | $7,000 | $13,705 | $14,358 | $15,412 | $20,980 | $21,454 | $21,525 | $23,341 | $24,405 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Direct Cost of Sales |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Wealthy One-income Households |  | $60 | $60 | $65 | $68 | $132 | $145 | $154 | $165 | $174 | $181 | $187 | $210 |
| Affluent Two-income Households |  | $151 | $151 | $160 | $165 | $354 | $365 | $371 | $387 | $412 | $445 | $457 | $489 |
| **Subtotal Direct Cost of Sales** |  | $211 | $211 | $225 | $233 | $486 | $510 | $525 | $552 | $586 | $626 | $644 | $699 |

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## Personnel (With Monthly Details)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Personnel Plan* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Owner | 0% | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 | $2,000 |
| Employees | 0% | $2,250 | $3,185 | $6,200 | $6,254 | $7,000 | $7,000 | $8,000 | $8,000 | $8,000 | $10,000 | $10,000 | $11,000 |
| Total People |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Payroll** |  | $4,250 | $5,185 | $8,200 | $8,254 | $9,000 | $9,000 | $10,000 | $10,000 | $10,000 | $12,000 | $12,000 | $13,000 |

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## General Assumptions (With Monthly Detail)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *General Assumptions* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 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% | 0.00% | 0.00% | 0.00% | 0.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% |
| **Other** |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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## Profit and Loss Statement (With Monthly Detail)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Pro Forma Profit and Loss* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 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 |  | $5,050 | $5,050 | $6,690 | $7,000 | $13,705 | $14,358 | $15,412 | $20,980 | $21,454 | $21,525 | $23,341 | $24,405 |
| Direct Cost of Sales |  | $211 | $211 | $225 | $233 | $486 | $510 | $525 | $552 | $586 | $626 | $644 | $699 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Cost of Sales |  | $211 | $211 | $225 | $233 | $486 | $510 | $525 | $552 | $586 | $626 | $644 | $699 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross Margin |  | $4,839 | $4,839 | $6,465 | $6,767 | $13,219 | $13,848 | $14,887 | $20,428 | $20,868 | $20,899 | $22,697 | $23,706 |
| Gross Margin % |  | 95.82% | 95.82% | 96.64% | 96.67% | 96.45% | 96.45% | 96.59% | 97.37% | 97.27% | 97.09% | 97.24% | 97.14% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Payroll |  | $4,250 | $5,185 | $8,200 | $8,254 | $9,000 | $9,000 | $10,000 | $10,000 | $10,000 | $12,000 | $12,000 | $13,000 |
| Sales and Marketing and Other Expenses |  | $0 | $503 | $503 | $503 | $523 | $523 | $523 | $523 | $528 | $528 | $528 | $828 |
| Depreciation |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Additional Payroll Burden |  | $169 | $239 | $465 | $469 | $752 | $758 | $759 | $1,041 | $1,050 | $1,099 | $1,125 | $1,133 |
| Leased Equipment |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Utilities |  | $100 | $100 | $100 | $100 | $100 | $100 | $100 | $100 | $100 | $100 | $100 | $100 |
| Insurance |  | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 |
| Rent |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Payroll Taxes | 15% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Operating Expenses |  | $4,719 | $6,227 | $9,468 | $9,526 | $10,575 | $10,581 | $11,582 | $11,864 | $11,878 | $13,927 | $13,953 | $15,261 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Profit Before Interest and Taxes |  | $120 | ($1,388) | ($3,003) | ($2,759) | $2,644 | $3,267 | $3,305 | $8,564 | $8,990 | $6,972 | $8,744 | $8,445 |
| EBITDA |  | $120 | ($1,388) | ($3,003) | ($2,759) | $2,644 | $3,267 | $3,305 | $8,564 | $8,990 | $6,972 | $8,744 | $8,445 |
| Interest Expense |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Taxes Incurred |  | $36 | $0 | $0 | $0 | $0 | $817 | $826 | $2,141 | $2,247 | $1,743 | $2,186 | $2,111 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net Profit |  | $84 | ($1,388) | ($3,003) | ($2,759) | $2,644 | $2,450 | $2,479 | $6,423 | $6,742 | $5,229 | $6,558 | $6,334 |
| **Net Profit/Sales** |  | 1.67% | -27.48% | -44.89% | -39.41% | 19.29% | 17.06% | 16.09% | 30.62% | 31.43% | 24.29% | 28.10% | 25.95% |

## Cash Flow Statement (With Monthly Detail)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Pro Forma Cash Flow* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Cash Received |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash from Operations |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash Sales |  | $5,050 | $5,050 | $6,690 | $7,000 | $13,705 | $14,358 | $15,412 | $20,980 | $21,454 | $21,525 | $23,341 | $24,405 |
| Subtotal Cash from Operations |  | $5,050 | $5,050 | $6,690 | $7,000 | $13,705 | $14,358 | $15,412 | $20,980 | $21,454 | $21,525 | $23,341 | $24,405 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Cash Received |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sales Tax, VAT, HST/GST Received | 0.00% | $0 | $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 | $0 |
| New Other Liabilities (interest-free) |  | $0 | $0 | $0 | $5,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| New Long-term Liabilities |  | $0 | $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 | $0 |
| Sales of Long-term Assets |  | $0 | $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 | $0 |
| Subtotal Cash Received |  | $5,050 | $5,050 | $6,690 | $12,000 | $13,705 | $14,358 | $15,412 | $20,980 | $21,454 | $21,525 | $23,341 | $24,405 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenditures |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenditures from Operations |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash Spending |  | $4,250 | $5,185 | $8,200 | $8,254 | $9,000 | $9,000 | $10,000 | $10,000 | $10,000 | $12,000 | $12,000 | $13,000 |
| Bill Payments |  | $50 | $1,489 | $1,049 | $1,301 | $2,249 | $1,636 | $3,365 | $2,495 | $5,009 | $5,077 | $3,719 | $5,147 |
| Subtotal Spent on Operations |  | $4,300 | $6,674 | $9,249 | $9,555 | $11,249 | $10,636 | $13,365 | $12,495 | $15,009 | $17,077 | $15,719 | $18,147 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Additional Cash Spent |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 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 | $5,000 |
| Long-term Liabilities Principal Repayment |  | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 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 |  | $4,300 | $6,674 | $9,249 | $9,555 | $11,249 | $10,636 | $13,365 | $12,495 | $15,009 | $17,077 | $15,719 | $23,147 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net Cash Flow |  | $750 | ($1,624) | ($2,559) | $2,445 | $2,456 | $3,722 | $2,047 | $8,485 | $6,445 | $4,448 | $7,622 | $1,258 |
| **Cash Balance** |  | $9,825 | $8,200 | $5,641 | $8,086 | $10,542 | $14,264 | $16,311 | $24,796 | $31,242 | $35,690 | $43,312 | $44,570 |

## Balance Sheet (With Monthly Detail)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Pro Forma Balance Sheet* |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Assets | Starting Balances |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Current Assets |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash | $9,075 | $9,825 | $8,200 | $5,641 | $8,086 | $10,542 | $14,264 | $16,311 | $24,796 | $31,242 | $35,690 | $43,312 | $44,570 |
| Inventory | $0 | $789 | $578 | $353 | $1,120 | $634 | $1,124 | $599 | $1,047 | $1,461 | $835 | $1,191 | $1,492 |
| Other Current Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Current Assets | $9,075 | $10,614 | $8,778 | $5,994 | $9,206 | $11,176 | $15,388 | $16,910 | $25,843 | $32,703 | $36,525 | $44,503 | $46,062 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Long-term Assets |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Assets | $9,075 | $10,614 | $8,778 | $5,994 | $9,206 | $11,176 | $15,388 | $16,910 | $25,843 | $32,703 | $36,525 | $44,503 | $46,062 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Liabilities and Capital |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Current Liabilities |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts Payable | $0 | $1,455 | $1,007 | $1,226 | $2,196 | $1,523 | $3,285 | $2,328 | $4,838 | $4,955 | $3,548 | $4,968 | $5,193 |
| Current Borrowing | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 | $0 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $0 |
| Subtotal Current Liabilities | $0 | $1,455 | $1,007 | $1,226 | $7,196 | $6,523 | $8,285 | $7,328 | $9,838 | $9,955 | $8,548 | $9,968 | $5,193 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Long-term Liabilities | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Liabilities | $0 | $1,455 | $1,007 | $1,226 | $7,196 | $6,523 | $8,285 | $7,328 | $9,838 | $9,955 | $8,548 | $9,968 | $5,193 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Paid-in Capital | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 | $13,000 |
| Retained Earnings | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) | ($3,925) |
| Earnings | $0 | $84 | ($1,304) | ($4,307) | ($7,066) | ($4,422) | ($1,972) | $507 | $6,930 | $13,673 | $18,902 | $25,460 | $31,794 |
| Total Capital | $9,075 | $9,159 | $7,771 | $4,768 | $2,009 | $4,653 | $7,103 | $9,582 | $16,005 | $22,748 | $27,977 | $34,535 | $40,869 |
| Total Liabilities and Capital | $9,075 | $10,614 | $8,778 | $5,994 | $9,206 | $11,176 | $15,388 | $16,910 | $25,843 | $32,703 | $36,525 | $44,503 | $46,062 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Worth** | $9,075 | $9,159 | $7,771 | $4,768 | $2,009 | $4,653 | $7,103 | $9,582 | $16,005 | $22,748 | $27,977 | $34,535 | $40,869 |

*Need to create your own financial tables? Tools like* [*LivePlan*](http://pln.rs/cleaningserviceliveplan) *will do this for you automatically.*

[Graphical user interface, text, application

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