

Sample Company LLC

Company Logo

BUSINESS PLAN

2022



Summary

1.	Executive summary	3
2.	Location	4
3.	Investment Summary	5
4.	Business and Service descriptions	7
4.1 I	Business description	7
4.2	Services	7
4.3 (Customer Experience	8
5.	Industry Market Analysis	10
5.1 I	Business Market Analysis	10
5.2 I	Main Competitors	13
6.	Marketing Program	15
6.1 (Competitive Advantages	16
6.2	Social media	17
6.3	SWOT Analysis	18
7.	Organization and Management	19
8.	Financial	22
8.1 I	Key Assumptions	22
8.2	Sales Forecast	23
8.3 I	Profit and Loss – P&L	24
9.	Conclusion	26

1. Executive summary

Sample Company LLC (hereafter also referred to as the "Company") owns and operates Sample Business (hereafter also referred to as the "Business"), a City A-based professional cleaning service company. The Company offers professional cleaning services for residencies, vacation homes and offices, including regular Cleaning Services, deep Cleaning Services, move out/move in cleaning, among others.

Sample Company focuses on busy American homeowners who need a reliable, professional and affordable solution to a messy and dirty house. The Business currently operates with thirty residential houses, seven vacation homes and one office.

The Company focuses on a wide radius to provide the service in the area of City A and its surroundings. Most of the residential and vacation homes are located in area A and area B.

Mr. John Gonzalez and his wife, Ms. Anna Gonzalez, hold 100% of the Company's shares, having established Sample Company LLC on Month X, Year X. The Business was acquired on Month Y, Year Y by the Company for a total amount of \$ XXX.XXX and enjoys widespread recognition in City A, as well as a solid base of regular residential clients and vacation homes. This purchase included the Business itself and the initial inventory of assets to begin with the operations.

The Company will focus on expanding its customer base geographically in order to increase its sales revenue and will offer new services such as small repair services in vacation homes and deep cleaning on carpets.

Anchored in Mr. Gonzalez's solid background in customer service, the Business plans to build a strong local recognition and refreshed branding; and will set up a coordinated cleaning network by area, making Sample Company a more professionalized business.

On a second basis of this professionalization process, Mr. Gonzalez, in his position as General Manager, will be looking forward to expand actual jobs by including potential opportunities with neighboring Condominiums/Commercial areas.

The employment strategy involves adding 1 specialized worker per year to the payroll, in line with the service expansion program schemed by the management. By the end of Year 5, the Business target is to have a staff of 7 employees, plus the General Manager. Consequently, payroll expenses are expected to rise from the forecasted \$ XXX.XXX for Year 1, to \$ XXX.XXX for Year 5.

2. Location

The Company's office is located in City A, State A, as shown in Figure 1.

From there, the Company can cover its operations within the city, with a radius of over XX miles, and with a high possibility of expansion in the near future, allowing it to service the entire location. The main goal for the Business is to increase the coverage area by using its own plotted transport to perform the services; adding more regular customers and spread the word-of-mouth.

Most of the residential and vacation homes are located in Area A and Area B.

To cover this wide area, the company operates in a flexible schedule. Vacation homes are serviced by demand (7-days a week, depending on the necessity that can be checked in the collaborative network shared with vacation home owners). As for Residential Houses, usually from Monday to Friday (3 houses per day from 9 a.m. to 4 p.m.).

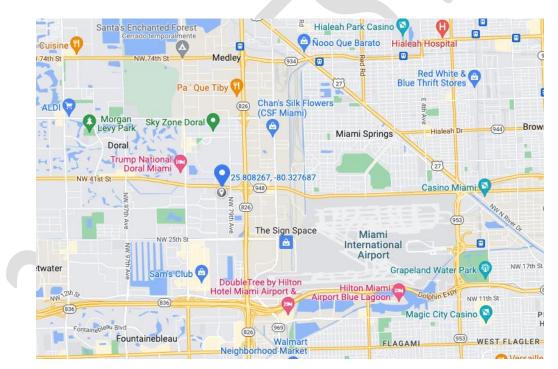


Figure 1 – Sample Company's location and operating radius

3. Investment Summary

Sample Company LLC was incorporated on Month X, Year X in the State X. Mr. John Gonzalez and his wife, Ms. Anna Gonzalez are the owners of the Company, holding 50% of the shares each.

The current investment structure is shown in Figure 2.

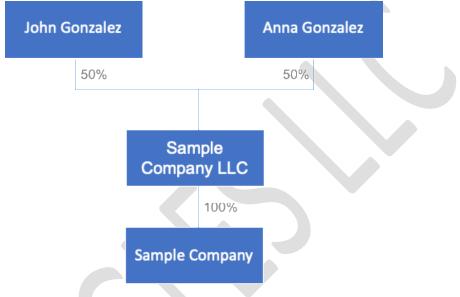


Figure 2 – Investment Structure

Sample Company LLC made an investment of \$XXX.XXX to purchase Sample Company, an City A-based professional cleaning service company that provides professional cleaning services for residencies, vacation homes and offices, including regular Cleaning Services, deep Cleaning Services, move out/move in cleaning, among others. The Business was acquired on Month Y, Year Y, together with the initial inventory of assets to begin with the operations.

Together with it, the Company invested in a car (Make and Model), for a total amount of \$XX.XXX providing the Business the possibility to visit clients and perform the cleaning service, transfer work materials, buy supplies, and mobility to ensure the correct operation of Sample Company. The idea is to plot the car in the near future for better visibility of the Company, street recognition and accessibility to telephone numbers.

Other relevant investments that the company has incurred is new equipment, for a total amount of \$ XXX, which includes:

- Two vacuum cleaners: \$XX

- Cleaning supplies (mop, buckets, sponges, cleaning products): \$XXX

As for future investments, the Company's idea is to have one plotted car per working team so as to simplify the job for the workers and standardize the process. Each team will cover different geographical areas so this will provide major visibility to the Business across Area X.

It's worth mentioning that the Company financed these investments without recurring to any loan from financial institutions.

4. Business and Service descriptions

4.1 Business description

Sample Company is a City A-based professional cleaning service company that offers professional cleaning services for residencies, vacation homes and offices, including regular Cleaning Services, deep Cleaning Services, move out/move in cleaning, among others. Sample Company focuses on busy American homeowners who need a reliable, professional and affordable solution to a messy and dirty house.

Working most commonly on a weekly or alternative-weekly schedule, Sample Company gives busy individuals and those who like help with heavy duty clean, comfortable homes to return to and enjoy—homes that are cleaned, fixed and organized according to the customer's individual wishes.

The Business' growth strategy will be based on expanding its customer base to increase its sales revenue as it has plenty of growth potential towards shops, commercial buildings and condominiums. The main focus will be to organize strategically and geographically in order to attend to expand the radius of operation, gaining the possibility to captivate more renewed clients.

4.2 Services

The Business offers the following efficient cleaning services:

- Regular Resident Cleaning Services
- Deep Cleaning Services
- Move out/move in cleaning
- Apartment cleaning
- Vacation Homes cleaning
- Commercial cleaning
- Office cleaning
- Kitchen Cleaning
- Carpet Cleaning
- Bathroom Deep Cleaning
- Janitorial Services

PICTURE OF SERVICES BROCHURE

Figure 3 – Sample Company Service's offered

As regards cleaning packages, the Business offers:

Standard Package (Weekly, Bi-weekly or Monthly)

- Full kitchen Cleaning
- Full bathroom servicing
- Vacuuming
- Dusting
- Changing linens

Extra Optional Services (Add-ons to the standard package if something specific is needed)

- Oven
- Inside refrigerator
- Dishes
- Laundry

One-time Services, Deep clean (Includes anything from standard and optional services)

- Baseboards
- Laundry
- Moving furniture
- Air vents and fixture
- Window inside
- Drapery

4.3 Customer Experience

Sample Company enjoys customers satisfaction, giving them a solution all the time, expecting more challenges every day in a spirit of answering those necessities. The Company's management focuses to keep up with good customers reviews.

In line with this spirit, in residential services, the Business will implement a voluntary NPS survey to be executed by the customer after the service is finished. With it, the company targets to improve the relationship between the two parts, looking for constant improvements and undetected needs.

With reference to vacation homes, Sample Company is currently working under a contract with Vacation Homes Company X, who ensures high standards of quality control inspections on each

home. Housekeeping and Maintenance teams are closely monitored to ensure adherence to their commitment to excellence within a platform (<u>https://www.vacationhomescompanyx.com/</u>), where photographs have to be uploaded after each cleaning service is provided in order to make sure it was properly conducted.

5. Industry Market Analysis

5.1 Business Market Analysis

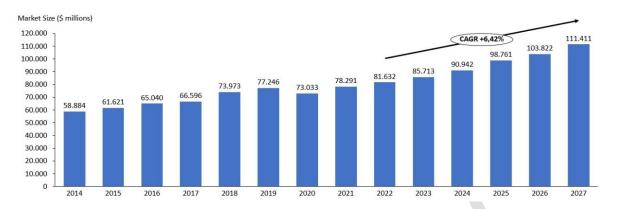
Cleaning is the process of removing undesired items from an object or environment, such as dirt, infectious agents, and other contaminants. Cleaning services are used by both commercial and residential customers.

In recent years, the cleaning industry has foreseen incredible growth. Nevertheless, like other industries, the recession and COVID-19 Pandemic has had a powerful impact on cleaning jobs. However, commercial cleaning has always been about maintaining a healthy environment as keeping things shiny and clean, but nowadays health and safety are more important. The year 2020 gave the commercial cleaning industry an epic makeover. With the hit of the Covid Pandemic, commercial cleaners became first players keeping things sanitized and disinfected to help the rest of the world stay safe.

The receipt of cleaning services has improved as a result of the economic upturn, increasing income, and the increase in dual-income households. Rapid urbanization, expansion in the commercial sector and real estate investment has had a major impact on the cleaning services business. The market for cleaning services is likely to continue to develop as public awareness of the benefits of a green and healthy environment grows.

This momentum is expected to continue in the years to come, according to the Bureau of Labor Statistics 2021 reports, cleaning services will see a 10% growth in jobs through 2026.

The U.S. professional cleaning services market size is estimated to reach \$ 111.411 millions by 2027, exhibiting at a CAGR of 6,42% from 2022 to 2027. The use of advanced and innovative technology equipment, the implementation of eco-friendly cleaning agents, and the adoption of certificated processes are the major strategies to be adopted by vendors to be competitive in the market. The increasing awareness about hygiene at the workplace, the concerns about workplace sustainability and employee wellness, are key point to keeping up with this tendency of growth in the market.





The commercial segment accounted for the largest share in the market, with almost 50% of the revenue share in 2021. The commercial sector, which primarily includes office buildings, healthcare/medical facilities, educational institutions, hotels and restaurants, and retail outlets is anticipated to offer immense growth opportunities for the service providers during and post-pandemic period. This is why, Sample Company will carry on an expansion of the Business adapting to the cleaning needs of commercial sites.

Residential cleaning makes up a smaller portion of the overall cleaning services industry. These workers are responsible for keeping private homes orderly and clean. The increasing level of disposable income and the growing inclination of the young population towards outsourcing regular cleanup tasks will make the residential demand grow in the upcoming years.

The industrial segment is also projected to register strong and steady growth in the forecasted period. This is a more specific type of cleaning services so a refurbishing of the system has to be made in order to attend this market. That is why, this type of cleaning is not contemplated for the first 5 years of the Business; which does not imply that it is not an attractive model for later.

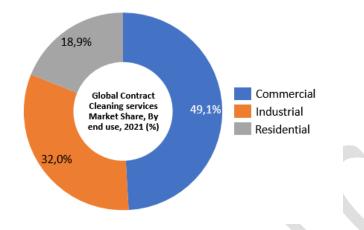


Figure 5 – Global contract cleaning services market share, by end use, 2021.

In terms of revenue, the "standard cleaning" segment dominated the market with a share of 61,3% in 2021. These services include trash removal, dust and detail, restroom cleaning, and carpet cleaning. Demand for this segment is majorly driven by healthcare, office spaces, and educational institutes.

Other important segments of the industry that are reported to be the most lucrative are "Commercial Floor Cleaning" and "Window cleaning"; mainly used in schools, hospitals, and buildings.

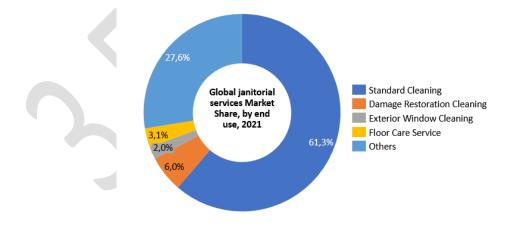


Figure 6 – Global janitorial service market share, by end use, 2021.

The average American spends almost 6 hours a week cleaning their home; worried that it is not enough. There are not many people who enjoy cleaning. However, it is necessary to have a healthy and bacteria's free home.

According to a 2021 survey in the U.S, 52% of people dread cleaning the bathroom the most out of all household cleaning activities.

From all the reasons to hire professional cleaning services for residential homes, the most common in the U.S are "health", probably driven by the COVID-19 pandemic; and "busy schedule", many people focused on their works or activities that want to rely on someone else the care of their house.



Figure 7 – Motivations to hire professional cleaning service in the U.S., 2021.

5.2 Main Competitors

The Business has some competitors in the surrounding area, as shown in Figure 8.

Most of the competitors have many years of experience as well as Sample Company. The main difference that the Business can exploit is that the competitors specialize in one area: for example, only commercial cleaning or only post construction cleaning; while the Business offers a wide variety of services. This can be useful for customers as they can find whatever necessity on the same place.

Sample Company will leverage its competitive advantage on its solid professional track record of quality and expertise, expanding it's already recognized brand and building a more professionalized Business.

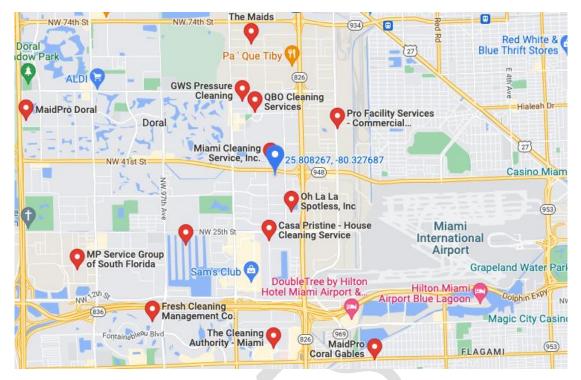


Figure 9 – Main Competitors

6. Marketing Program

Sample Company will begin to develop its marketing strategy focusing directly on expanding its customer base to increase its sales revenue. Though immersed in a commodity-like market, the Business will leverage on its differentiation to build a reputation of High-Quality Service provider and stand out from the competition.

The Business' brand name and Logo will remain from the previous owners to keep being trusted as a reputable seal; and they will be the symbols of the Marketing campaign. These represent years of expertise and are recognized by loyal clients. The car will be plotted with the logo and contact information and will work as brand recall and presence in the area. The Logo is fresh, and gives a sense of cleanliness and homelike.

SAMPLE COMPANY'S LOGO

Figure 10 – Sample Company's Logo

The Business is working on T-shirts for the employees to use. The idea is to feel part of the company, have a sense of community and also have the logo and Business' information at hand.

PICTURE OF T-SHIRT

Figure 11 – Sample Company's T-shirt

Step one into the Marketing Campaign will be to advertising flyers to be distributed in the community and e-mail marketing campaigns. Besides, local newspaper and magazine advertising will be a key step to follow in line with this. Newspaper content is more likely be trusted by the reader as they have picked it out by themselves. Because of this, readers spend much more time reading through the advertisements and are more likely to trust their credibility.

PICRURE OF BROCHURE

Figure 12 – Sample Company's Cleaning Brochure

As the Business understands that most people will not try out a service if they have to spend a lot of money or time on it, coupons and discounts will be offered for each customer's first service. Not having to spend as much money as a regular customer can make a new customer feel special and more inclined to try the service.

In the cleaning industry, word-of-mouth recommendation from friends, family and partners is, and will remain, among the most influential forms of advertising. This will be used wisely in order to attract new and more regular clients. To keep lasting relationships with regular customers, the

Business will implement consistent WhatsApp messages and telephone calls to identify their needs and concerns.

6.1 Competitive Advantages

Sample Company's proposal is based on a strategy to develop new costumers, leveraging on the professionalization of the business, in a targeted differentiation strategy. The General Manager's solid background in services and leading coordination strategies, as well as the Business' solid track record of quality and expertise, will help to create a strong local recognition and branding strength.

The following are the main leverage points to consider for the success of the endeavor:

- **Captive clientele**: Sample Company will enjoy an attractive customer base like Vacation Homes Company X. A major differentiation in its service seeking loyalty in regular customers, which already know the standards of high quality offered by the Business. good experience is a must for the Company.
- **Reputation**: A spotless reputation between residential home owners and a trusted portfolio is the difference in securing new customers. The Business' quality and expertise, will attract new customers seeking for a perfect service and strong customer care.
- **Flexibility**: The Company offers various customizable packages tailored to the client's needs. This includes: service areas and periodicity to provide its services.
- Area Covered: The Business cover's the City A area and the outskirts, with a radius of over XX miles; with a high possibility of expansion in the near future, allowing it to service the entire location. Most of the residential and vacation homes are located in Area A and Area B. Sample Company operates in a flexible schedule: vacation homes are serviced by demand and residential houses, usually from Monday to Friday from 9 a.m. to 4 p.m.
- **High-quality equipment:** The Company will use high-quality equipment and cleaning chemicals to provide outstanding cleaning services to its clients.
- **Trained employees:** In a first stage, the Business will be assisted by 3 employees, including the previous owner and 2 employees that used to work for him. This means that they are highly trained, they are used to the work tools and the houses of regular clients. They have all the experience to take advantage and train future new employees.

6.2 Social media

A business with ambitions as Sample Company, understands that online and social media presence is crucial to develop and engage potential customers. For this reason, the Business has online presence on a webpage (<u>http://www.samplecompanyweb.com/</u>), and social media accounts on Facebook and Instagram. This allows to build awareness and credibility while also provide a direct communication channel with its customers.

FACEBOOK PAGE

Figure 13 – Sample Company's Facebook account

Sample Company's Facebook page will be used as a cost-effective way to promote its service offering and incentivize customers' affiliation with the brand, by posting their regular offers and promotions. Most importantly, it's expected for Facebook to act as an efficient communication channel between the Business and its clients.

In a similar manner, Instagram will be mainly used as showcase for services that the Business provides, to abide to the social network's more "eye candy" vibe.

By managing a Facebook and Instagram account, the Business will create affordably-priced ads to cater any of its specific groups of customers. They will focus on main services, customer testimonials; creating more clear-cut, creative, and simple messages.

Last but not least, the Company will manage profiles on review-based platforms such as Yelp. This will help the Business track brand awareness and let potential customers view other customers experiences, so they have a better insight into the cleaning services and reviews from real customers.

6.3 SWOT Analysis



Figure 14 – SWOT Analysis

7. Organization and Management

 General Manager: Mr. John Gonzalez will serve as the General Manager at Sample Company LLC and oversee the day-to-day operations and strategy. He will be responsible for managing the future employees, the financial information and generating guidelines for the marketing strategies to be implemented by the Business. His professional leadership and leading coordination strategies' experience provides him with the necessary skills to succeed in guiding the growth of the Company in the U.S.

Ms. Gonzalez will be developing and defining the service expansion strategies, as well as analyzing performance data and financial statements. He will also build relationships with other businesses in the area and act as a key point of contact of the Company.

Moreover, the General Manager's responsibility is to ensure employee's training and development professionally with all the customers. He will evaluate and improve operations in place, ensuring compliance with legal guidelines and in-house policies to maintain the Company legality and inside ethics.

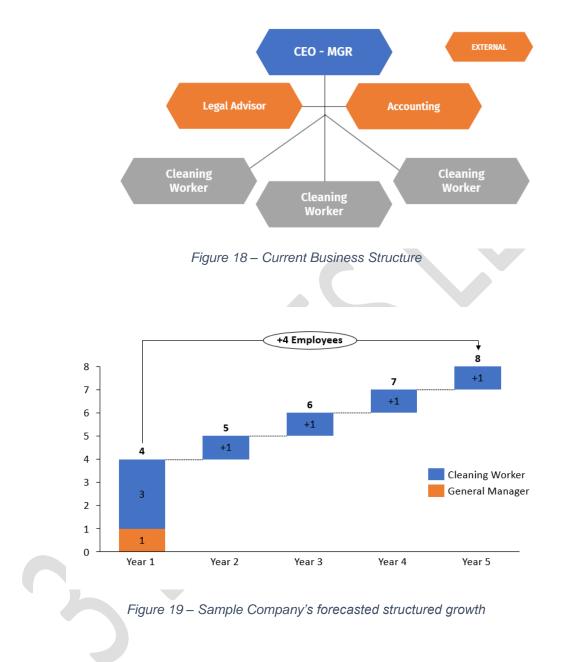
Cleaning Workers: The cleaning workers will be the operative staff, in charge of carrying
out the work. They will ensure all rooms and floors are cared for and inspected according
to the Company's standards and according to the kind of customer dealt with. The cleaning
workers will adhere strictly to rules regarding health and safety and will be aware of all
company-related practices. Compliance and Customer Experience Training and Courses
will be required regularly.

As a motivation technique for the employees, an additional fee is paid by the Company if they bring a new customer. This way, the Business gains a new client for its portfolio and the employee stays motivated to earn extra money.

- Accounting (external): The Company is supported by an accounting team that handles the bookkeeping and accounting fillings.
- Legal Advisor (external): The Company is supported by an attorney for all legal matters.

Figure 15 shows Sample Company organizational chart for Year 1, were all the work is divided into the three cleaning workers, along with the General Manager. Among its expansion plans, the Business forecasts to add 4 (four) new employees during its first 5 (five) years of operation. As shown on Figure 16, in Years 2, 3, 4 and 5 an additional cleaning employee will be hired each

year. Under this scenario, by the end of Year 5, the Business' organizational chart will be the one illustrated in Figure 17.







8. Financial

8.1 Key Assumptions

Sales and expense projections are based on the market analysis and the latest P&L reports from the company. Unit prices and costs are assumed to follow the latest IMF estimates on inflation for the US over the next 5 (five) years¹.

As seen in Table 1, for Year 1, with 3 employees, the company will be operating at 80% of its capacity. For Year 2, with 4 cleaning employees the working capacity will increase to 90%, and for Years 3 through 5, the working capacity will reach 100%, incorporating a cleaning employee in Year 4 and 5.

The average salary for each cleaning employee is assumed to be \$XX.XX per hour. This leads to an average annual payroll expense of \$XX.XXX for an employee working at 80% of its capacity (28 hours per week).

	2022	2023	2024	2025	2026
# Cleaning Employees	3	4	5	6	7
Average hours worked per employee per week	28	28	30	30	30
Annual Salary	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Total Salaries	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX

Table 1: Working capacity, increase in worked hours and salaries per year

In Year 4, the Business plans to incorporate an additional vehicle to keep up with the increased per worker productivity.

Regarding income taxes, a 21% is being considered by recommendation of the professional accountant assessing the business. Given previous analysis of the year 2021 the Cost of Goods Sold (COGS) for the Business is a X% of its sales. These COGS consider the products needed to perform the cleaning services provided.

Furthermore, Table 2 shows expected inflation rates for every coming year:

	2022	2023	2024	2025	2026
INFLATION	7,70%	2,90%	2,30%	2,00%	2,00%

Table 2: Inflation rate for the next 5 years

¹ https://knoema.es/kyaewad/us-inflation-forecast-2022-2023-and-long-term-to-2030-data-and-charts

8.2 Sales Forecast

As shown in Table 1, on the previous point, the increase in sales is driven by investing in marketing strategy and a community manager.

Sales are expected to grow due to the increase in the service capacity availability, and this is translated in an increased in the working hours. Therefore, the following tables, explain the increase in the working hours:

	2022	2023	2024	2025	2026
# Cleaning Employees	3	4	5	6	7
Average hours worked per employee per week	28	28	30	30	30
Increaes in worked hours (%)	0%	33%	34%	20%	17%
TOTAL WORKING HOURS	84	112	150	180	210

Table 3: Working capacity, increase in worked hours / increase in sales

Starting on Year 1, with 84 hours per week and at the end of Year 5, the business will reach 210 total working hours. This will result in the following total income per year:

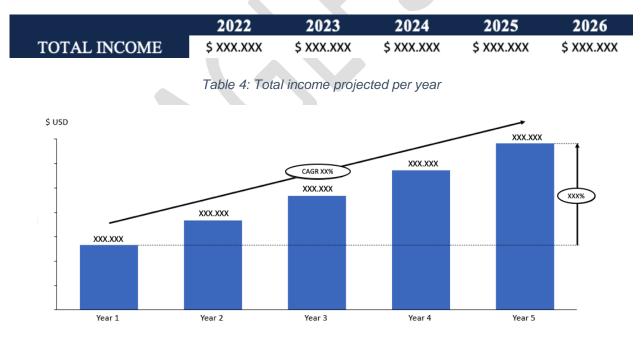
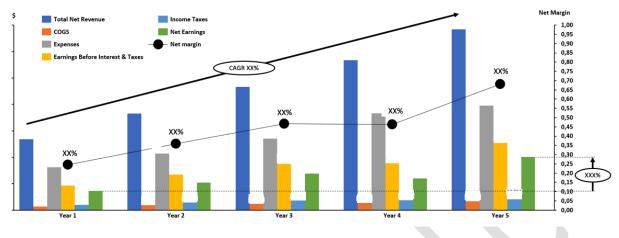


Figure 15 – Projected Total Net Revenue for the next 5 Years

8.3 Profit and Loss – P&L

G 1	2022	2023	2024	2025	2020
Sales	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Total Income	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Cost of Goods Sold	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Total COGS	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Gross Profit	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Expenses					
Salaries, Benefits & Wages	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Professional Fees	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Rent	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Fuel	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Automobile Maintenence	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Transport Investment	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Bank Service Charges	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Insurance	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Telecommunications	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Advertising and Promotion	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Office Supplies	XX.XXX	XX.XXX	XX.XXX	XX.XXX	XX.XXX
Total Expenses	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Earnings Before Interest & Taxes	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Interest Expense					
Earnings Before Taxes	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Income Taxes	XX.XXX	XX.XXX	XX.XXX	XX.XXX	xx.xxx
meome raxes		XXX.XXX	XXX.XXX	XXX.XXX	XXX.XXX
Net Earnings	XXX.XXX	ала.ала	лллллл	ллл.ллл	





The projection of the Business shows an income increase average rate of XX% per year, as shown on Figure 13. In Year 5, net accumulated earnings are projected to reach \$ XXX.XXX. The results show a sustainable business, already profitable, with important possibilities to scale up its operations.



9. Conclusion

Sample Company LLC concludes its analysis with positive numbers for the 5-year plan. In order to increase the number of service hours provided to potential customers, employees will need to be hired.

This market is a particular one, cleaning services are always needed, and the marketing analysis shows stability to continue to grow. The Company's growth will be exponentialized given the market growth which is expected to continue to rise in the years to come. As mentioned before, according to the Bureau of Labor Statistics 2021 reports, cleaning services will see a 10% growth in jobs through 2026.

The initial net margin for the business in Year 1 is X%. The General Manager will improve it with proper management and professionalism and by establishing B2B relationships. This will lead to a net margin of X% at the end of the 5-year period.

By Year 5 after the full investment has been executed and the new services are offered to the market, the final balance will be of approximately of USD XXX.XXX, showing a great increase since Year 1. Together with it, the company would have expanded its payroll, from 3 cleaning worker and General Manager to 7 employees and the General Manager. The marketing campaign will be key in getting more jobs which is the key in getting more employees hired, and so getting a bigger expansion of the Business. The growth rates on sales are reasonable and tested by the market analysis. The CAGR for the business' revenues would be of XX%.

With a management keen on seeking new opportunities, the Company does not close the door to new plans and diversification opportunities that may present to it, and could modify the original Business Plan into something different and greater than expected.

All investments foreseen for this business plan are feasible and logic, and the financials validate them. Sample Company LLC is a well-known business operation, that is already running, with concrete opportunities to increase its sales and develop new projects.