

# How to Start a Trucking Business

By the [BizMove.com](http://BizMove.com) Team

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## 1. Determining the Feasibility of Your New Business

### A. Preliminary Analysis

This guide is a checklist for the owner/manager of a business enterprise or for one contemplating going into business for the first time. The questions concentrate on areas you must consider seriously to determine if your idea represents a real business opportunity and if you can really know what you are getting into. You can use it to evaluate a completely new venture proposal or an apparent opportunity in your existing business.

Perhaps the most crucial problem you will face after expressing an interest in starting a new business or capitalizing on an apparent opportunity in your existing business will be determining the feasibility of your idea. Getting into the right business at the right time is simple advice, but advice that is extremely difficult to implement. The high failure rate of new businesses and products indicates that very few ideas result in successful business ventures, even when introduced by well established firm. Too many entrepreneurs strike out on a business venture so convinced of its merits that they fail to thoroughly evaluate its potential.

This checklist should be useful to you in evaluating a business idea. It is designed to help you screen out ideas that are likely to fail before you invest extensive time, money, and effort in them.

### **Preliminary Analysis**

A feasibility study involves gathering, analyzing and evaluating information with the purpose of answering the question: "Should I go into this business?" Answering this question involves first a preliminary assessment of both personal and project considerations.

### **General Personal Considerations**

The first seven questions ask you to do a little introspection. Are your personality characteristics such that you can both adapt to and enjoy business ownership/management?

1. Do you like to make your own decisions?
2. Do you enjoy competition?
3. Do you have will power and self-discipline?
4. Do you plan ahead?
5. Do you get things done on time?
6. Can you take advise from others?
7. Are you adaptable to changing conditions?

The next series of questions stress the physical, emotional, and financial strains of a new business.

8. Do you understand that owning your own business may entail working 12 to 16 hours a day, probably six days a week, and maybe on holidays?
9. Do you have the physical stamina to handle a business?
10. Do you have the emotional strength to withstand the strain?
11. Are you prepared to lower your standard of living for several months or years?
12. Are you prepared to loose your savings?

### **Specific Personal Considerations**

1. Do you know which skills and areas of expertise are critical to the success of your project?
2. Do you have these skills?
3. Does your idea effectively utilize your own skills and abilities?
4. Can you find personnel that have the expertise you lack?
5. Do you know why you are considering this project?
6. Will your project effectively meet your career aspirations

The next three questions emphasize the point that very few people can claim expertise in all phases of a feasibility study. You should realize your personal limitations and seek appropriate assistance where necessary (i.e. marketing, legal, financial).

7. Do you have the ability to perform the feasibility study?
8. Do you have the time to perform the feasibility study?
9. Do you have the money to pay for the feasibility study done?

#### General Project Description

1. Briefly describe the business you want to enter.

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2. List the products and/or services you want to sell

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3. Describe who will use your products/services

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4. Why would someone buy your product/service?

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5. What kind of location do you need in terms of type of neighborhood, traffic count, nearby firms, etc.?

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6. List your product/services suppliers.

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7. List your major competitors - those who sell or provide like products/services.

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8. List the labor and staff you require to provide your products/services. \_\_\_\_\_

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### **B. Requirements For Success**

To determine whether your idea meets the basic requirements for a successful new project, you must be able to answer at least one of the following questions with a "yes."

1. Does the product/service/business serve a presently unserved need?
2. Does the product/service/business serve an existing market in which demand exceeds supply?
3. Can the product/service/business successfully compete with an existing competition because of an "advantageous situation," such as better price, location, etc.?

#### Major Flaws

A "Yes" response to questions such as the following would indicate that the idea has little chance for success.

1. Are there any causes (i.e., restrictions, monopolies, shortages) that make any of the required factors of production unavailable (i.e., unreasonable cost, scarce skills, energy, material, equipment, processes, technology, or personnel)?
2. Are capital requirements for entry or continuing operations excessive?
3. Is adequate financing hard to obtain?
4. Are there potential detrimental environmental effects?
5. Are there factors that prevent effective marketing?

### **C. Desired Income**

The following questions should remind you that you must seek both a return on your investment in your own business as well as a reasonable salary for the time you spend in operating that business.

1. How much income do you desire?

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2. Are you prepared to earn less income in the first 1-3 years?

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3. What minimum income do you require?

\_\_\_\_\_

4. What financial investment will be required for your business?

\_\_\_\_\_

5. How much could you earn by investing this money?

\_\_\_\_\_

6. How much could you earn by working for someone else?

\_\_\_\_\_

7. Add the amounts in 5 and 6. If this income is greater than what you can realistically expect from your business, are you prepared to forego this additional income just to be your own boss with the only prospects of more substantial profit/income in future years?

\_\_\_\_\_

8. What is the average return on investment for a business of your type? \_\_\_\_\_

#### **D. Preliminary Income Statement**

Besides return on investment, you need to know the income and expenses for your business. You show profit or loss and derive operating ratios on the income statement. Dollars are the (actual, estimated, or industry average) amounts for income and expense categories. Operating ratios are expressed as percentages of net sales and show relationships of expenses and net sales.

For instance 50,000 in net sales equals 100% of sales income (revenue). Net profit after taxes equals 3.14% of net sales. The hypothetical "X" industry average after tax net profit might be 5% in a given year for firms with 50,000 in net sales. First you estimate or forecast income (revenue) and expense dollars and ratios for your business. Then compare your estimated or actual performance with your industry average. Analyze differences to see why you are doing better or worse than the competition or why your venture does or doesn't look like it will float.

These basic financial statistics are generally available for most businesses from trade and industry associations, government agencies, universities and private companies and banks

Forecast your own income statement. Do not be influenced by industry figures. Your estimates must be as accurate as possible or else you will have a false impression.

1. What is the normal markup in this line of business. i.e., the dollar difference between the cost of goods sold and sales, expressed as a percentage of sales?

\_\_\_\_\_

2. What is the average cost of goods sold percentage of sales?

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3. What is the average inventory turnover, i.e., the number of times the average inventory is sold each year?

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4. What is the average gross profit as a percentage of sales?

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5. What are the average expenses as a percentage of sales?

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6. What is the average net profit as a percent of sales?

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7. Take the preceding figures and work backwards using a standard income statement format and determine the level of sales necessary to support your desired income level.

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8. From an objective, practical standpoint, is this level of sales, expenses and profit attainable?

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**ANY BUSINESS, INC.**  
 Condensed Hypothetical Income Statement  
 For year ending December 31

Item	Amount	Percent
Gross sales	773,888	
Less returns, allowances, and cash discounts	14,872	
Net sales	759,016	100.00
Cost of goods sold	589,392	77.65
Gross profit on sales	169,624	22.35
Selling expenses	41,916	5.52
Administrative expenses	28,010	3.69
General expenses	50,030	6.59
Financial expenses	5,248	0.69
Total expenses	125,204	16.50
Operating profit	44,220	5.85
Extraordinary expenses	1,200	0.16
Net profit before taxes	43,220	5.69
taxes	19,542	2.57
Net profit after taxes	23,678	3.12

**E. Market Analysis**

The primary objective of a market analysis is to arrive at a realistic projection of sales. after answering the following questions you will be in a better positions to answer question eight immediately above.

**Population**

1. Define the geographical areas from which you can realistically expect to draw customers.

\_\_\_\_\_

2. What is the population of these areas?

\_\_\_\_\_

3. What do you know about the population growth trend in these areas? \_\_\_\_\_

4. What is the average family size?

\_\_\_\_\_

5. What is the age distribution?

\_\_\_\_\_

6. What is the per capita income?

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7. What are the consumers' attitudes toward business like yours?

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8. What do you know about consumer shopping and spending patterns relative to your type of business?

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9. Is the price of your product/service especially important to your target market?

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10. Can you appeal to the entire market?

---

11. If you appeal to only a market segment, is it large enough to be profitable?

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## **F. Competition**

1. Who are your major competitors?

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2. What are the major strengths of each?

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3. What are the major weaknesses of each?

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4. Are you familiar with the following factors concerning your competitors:

Price structure?

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Product lines (quality, breadth, width)?

---

Location?

---



Promotional activities?

---

Sources of supply?

---

Image from a consumer's viewpoint?

---

5. Do you know of any new competitors?

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6. Do you know of any competitor's plans for expansion?

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7. Have any firms of your type gone out of business lately?

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8. If so, why?

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9. Do you know the sales and market share of each competitor?

---

10. Do you know whether the sales and market share of each competitor are increasing, decreasing, or stable?

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11. Do you know the profit levels of each competitor?

---

12. Are your competitors' profits increasing, decreasing, or stable?

---

13. Can you compete with your competition?

---

## **G. Sales**

1. Determine the total sales volume in your market area.

\_\_\_\_\_

2. How accurate do you think your forecast of total sales is?

\_\_\_\_\_

3. Did you base your forecast on concrete data?

\_\_\_\_\_

4. Is the estimated sales figure "normal" for your market area?

\_\_\_\_\_

5. Is the sales per square foot for your competitors above the normal average?

\_\_\_\_\_

6. Are there conditions, or trends, that could change your forecast of total sales?

\_\_\_\_\_

7. Do you expect to carry items in inventory from season to season, or do you plan to mark down products occasionally to eliminate inventories? If you do not carry over inventory, have you adequately considered the effect of mark-down in your pricing? (Your gross profits margin may be too low.)

\_\_\_\_\_

8. How do you plan to advertise and promote your product/service/business?

\_\_\_\_\_

9. Forecast the share of the total market that you can realistically expect - as a dollar amount and as a percentage of your market.

\_\_\_\_\_

10. Are you sure that you can create enough competitive advantages to achieve the market share in your forecast of the previous question?

\_\_\_\_\_

11. Is your forecast of dollar sales greater than the sales amount needed to guarantee your desired or minimum income?

\_\_\_\_\_

12. Have you been optimistic or pessimistic in your forecast of sales? \_\_\_\_\_

13. Do you need to hire an expert to refine the sales forecast?

\_\_\_\_\_

14. Are you willing to hire an expert to refine the sales forecast?

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## **H. Supply**

1. Can you make a list of every item of inventory and operating supplies needed?
2. Do you know the quantity, quality, technical specifications, and price ranges desired?
3. Do you know the name and location of each potential source of supply?
4. Do you know the price ranges available for each product from each supplier?
5. Do you know about the delivery schedules for each supplier?
6. Do you know the sales terms of each supplier?
7. Do you know the credit terms of each supplier?
8. Do you know the financial condition of each supplier?
9. Is there a risk of shortage for any critical materials or merchandise?
10. Are you aware of which supplies have an advantage relative to transportation costs?
11. Will the price available allow you to achieve an adequate markup?

## **I. Expenses**

1. Do you know what your expenses will be for: rent, wages, insurance, utilities, advertising, interest, etc?
2. Do you need to know which expenses are Direct, Indirect, or Fixed?
3. Do you know how much your overhead will be?
4. Do you know how much your selling expenses will be?

### Miscellaneous

1. Are you aware of the major risks associated with your product? Service Business?
2. Can you minimize any of these major risks?
3. Are there major risks beyond your control?
4. Can these risks bankrupt you? (fatal flaws)

## **J. Venture Feasibility**

1. Are there any major questions remaining about your proposed venture?
2. Do the above questions arise because of a lack of data?
3. Do the above questions arise because of a lack of management skills?
4. Do the above questions arise because of a "fatal flaw" in your idea?
5. Can you obtain the additional data needed?

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## **2. Starting Your Business Step by Step**

### **A. Things to Consider Before You Start**

This guide will walk you step by step through all the essential phases of starting a successful service business. To profit in a service based business, you need to consider the following questions: What business am I in? What services do I provide? Where is my market? Who will buy? Who is my competition? What is my sales strategy? What merchandising methods will I use? How much money is needed to operate my firm? How will I get the work done? What management controls are needed? How can they be carried out? When should I revise my plan? And many more.

No one can answer such questions for you. As the owner-manager you have to answer them and draw up your business plan. The pages of this guide are a combination of text and workspaces so you can write in the information you gather in developing your business plan - a logical progression from a commonsense starting point to a commonsense ending point.

It takes time and energy and patience to draw up a satisfactory business plan. Use this Guide to get your ideas and the supporting facts down on paper. And, above all, make changes in your plan on these pages as that plan unfolds and you see the need for changes.

Bear in mind that anything you leave out of the picture will create an additional cost, or drain on your money, when it crops up later on. If you leave out or ignore enough items, your business is headed for disaster.

Keep in mind too, that your final goal is to put your plan into action. More will be said about this near the end of this Guide.

### **What's in this for Me?**

You may be thinking: Why should I spend my time drawing up a business plan? What's in it for me? If you've never drawn up a plan, you are right in wanting to hear about the possible benefits before you do your work.

A business plan offers at least four benefits. You may find others as you make and use such a plan. The four are:

(1) The first, and most important, benefit is that a plan gives you a path to follow. A plan makes the future what you want it to be. A plan with goals and action steps allows you to guide your business through turbulent economic seas and into harbors of your choice. The alternative is drifting into "any old port in a storm."

(2) A plan makes it easy to let your banker in on the action. By reading, or hearing, the details of your plan he will have real insight into your situation if he is to lend you money.

(3) A plan can be a communications tool when you need to orient sales personnel, suppliers, and others about your operations and goals.

(4) A plan can help you develop as a manager. It can give you practice in thinking about competitive conditions, promotional opportunities, and situation that seem to be advantageous to your business. Such practice over a period of time can help increase an owner-manager's ability to make judgments.

### **Why am I in Business?**

Many enterprising people are drawn into starting their own business by the possibilities of making money and being their own boss. But the long hours, hard work, and responsibilities of being the boss quickly dispel and preconceived glamour.

Profit is the reward for satisfying consumer needs. But it must be worked for. Sometimes a new business might need two years before it shows a profit. So where, then, are reasons for having your own business?

Every business owner-manager will have his or her own individual reasons for being in business. For some, satisfaction come from serving their community. They take pride in serving their neighbors and giving them quality work which they stand behind. For others, their business offers them a chance to contribute to their employees' financial security.

There are as many rewards and reasons for being in business as there are business owners. Why are you in business?

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### **What business am I in?**

In making your business plan, the first question to consider is: What business am I really in. At the first reading this question may seem silly. "If there is one thing I know," you say to yourself, "it is what business I'm in." But hold on. Some owner-managers go broke and others waste their saving because they are confused about the business they are in.

The changeover of barbershops from cutting hair to styling hair is one example of thinking about what business you're really in.

Consider this example, also. Joe Riley had a small radio and TV store. He thought of his business as a retail store though he also serviced and repaired anything he sold. As his

suburb grew, appliance stores emerged and cut heavily into his sales. However, there was an increased call for quality repair work.

When Mr. Riley considered his situation, he decided that he was in the repair business. As a result of thinking about what business he was really in, he profitably built up his repair business and has a contract to take care of the servicing and repair business for one of the appliance stores.

Decide what business you are in and write your answer in the following spaces. To help you decide, think of the answers to questions such as: What inventory of parts and materials must you keep on hand? What services do you offer? What services do people ask for that you do not offer? What is it you are trying to do better, more of, or differently from your competitors?

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## **How to Plan Your Marketing**

When you have decided what business you're in, you have made your first marketing decision. Now you are ready for other important considerations.

Successful marketing starts with the owner-manager. You have to know your service and the needs of your customers.

The narrative and work blocks that follow are designed to help you work out a marketing plan for your firm. The blocks are divided into three sections:

Section One - Determining the Sales Potential

Section Two - Attracting Customers

Section Three - Selling to Customers

### **Section One - Determining the Sales Potential**

In the service business, your sales potential will depend on the area you serve. That is, how many customers in this area will need your services? Will your customers be industrial, commercial, consumer, or all of these?

When picking a site to locate your business, consider the nature of your service. If you pick up and deliver, you will want a site where the travel time will be low and you may later install a radio dispatch system. Or, if the customer must come to your place of business, the site must be conveniently located and easy to find.

You must pick the site that offers the best possibilities of being profitable. The following questions will help you think through this problem.

In selecting an area to serve, consider the following:

Population and its growth potential

Income, age, occupation of population

Number of competitive services in and around your proposed location

Local ordinances and zoning regulations

Type of trading area (commercial, industrial, residential, seasonal)

For additional help in choosing an area, you might try the local chamber of commerce and the manufacturer and distributor of any equipment and supplies you will be using.

You will want to consider the next list of questions in picking the specific site for your business:

Will the customer come to your place of business?

How much space do you need?

Will you want to expand later on?

Do you need any special features required in lighting, heating, ventilation?

Is parking available?

Is public transportation available?

Is the location conducive to drop-in customers?

Will you pick up and deliver?

Will travel time be excessive?

Will you prorate travel time to service call?

Would a location close to an expressway or main artery cut down on travel time?

If you choose a remote location, will savings in rent off-set the inconvenience?

If you choose a remote location, will you have to pay as much as you save in rent for advertising to make your service known?

If you choose a remote location, will the customer be able to readily locate your business?

Will the supply of labor be adequate and the necessary skills available?

What are the zoning regulations of the area?

Will there be adequate fire and police protection?

Will crime insurance be needed and be available at a reasonable rate?

I plan to locate in \_\_\_\_\_ because:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is the area in which you plan to locate supported by a strong economic base? For example, are nearby industries working full time? Only part time? Did any industries go out of business in the past several months? Are new industries scheduled to open in the next several months?

Write your opinion of the area's economic base and your reason for that opinion here.:

\_\_\_\_\_

\_\_\_\_\_

Will you build? \_\_\_\_\_ What are the terms of the loan or mortgage?

\_\_\_\_\_

\_\_\_\_\_

Will you rent? \_\_\_\_\_ What are the terms of the lease?

\_\_\_\_\_

\_\_\_\_\_

Is the building attractive? \_\_\_\_\_ In good repair? \_\_\_\_\_

Will it need remodeling? \_\_\_\_\_ Cost of remodeling? \_\_\_\_\_

What services does the landlord provide?

\_\_\_\_\_

\_\_\_\_\_

What is the competition in the area you have picked?

The number of firms that handle my service \_\_\_\_\_

Does the area appear to be saturated? \_\_\_\_\_

How many of these firms look prosperous? \_\_\_\_\_

Do they have any apparent advantages over you? \_\_\_\_\_

How many look as though they're barely getting by? \_\_\_\_\_

How many similar services went out of business in the area last year? \_\_\_\_\_

Can you find out why they failed? \_\_\_\_\_

How many new services opened up in the last year? \_\_\_\_\_

How much do your competitors charge for your service? \_\_\_\_\_



Which firm or firms in the area will be your biggest competition? \_\_\_\_\_

List the reasons for your opinion here:

\_\_\_\_\_

\_\_\_\_\_

## **Section Two - Attracting Customers**

When you have a location in mind, you should work through another aspect of marketing. How will you attract customers to your business? How will you pull customers away from your competition?

It is working with this aspect of marketing that many service firms find competitive advantages. The ideas which they develop are as good and often better, than those which large companies develop with hired brains. The workblocks that follow are designed to help you think about image, pricing, customer service policies, and advertising.

### **Image**

Whether you like it or not, your service business is going to have an image. The way people think of your firm will be influenced by the way you conduct your business. If people come to your place of business for your service, the cleanliness of the floors, the manner in which they are treated, and the quality of your work will help form your image. If you take your service to the customer, the conduct of your employees will influence your image. Pleasant, prompt, courteous service before and after the sale will help make satisfied customers your best form of advertising.

Thus, you can control your image, Whatever image you seek to develop. It should be concrete enough to promote in your advertising. For example, "service with a smile" is an often used image.

Write out what image you want customers to have of your business.

\_\_\_\_\_

\_\_\_\_\_

### **Pricing**

In setting prices for your service, there are four main elements you must consider:

- (1) Materials and supplies
- (2) Labor and operating expenses
- (3) Planned profit
- (4) Competition

Further along in this Guide you will have the opportunity to figure out the specifics of materials, supplies, labor, and operating expenses. From there you may want the assistance

of your accountant in developing a price structure that will not only be fair to the customer, but also fair to yourself. This means that not only must you cover all expenses but also allow enough margin to pay yourself a salary.

One other thing to consider. Will you offer credit? \_\_\_\_\_ Most businesses use a credit card system. These credit costs have to come from somewhere. Plan for them. If you use a credit card system, what will it cost you? \_\_\_\_\_

Can you add to your prices to absorb this cost?

Some trade association have a schedule for service charges. It would be a good idea to check with the trade association for your line of business. Their figures will make a good yardstick to make sure your prices are competitive.

And, of course, your prices must be competitive. You've already found out your competitors' prices. Keep these in mind when you are working with your accountant. If you will not be able to make an adequate return, now is the time to find out.

### **Customer Service Policies**

Customers expect certain services or conveniences, for example, parking. These services may be free to the customer, but not to you. If you do provide parking, you either pay for your own lot or pick up your part of the cost of a lot which you share with other businesses. Since these conveniences will be an expense, plan for them.

List the services that your competitors provide to customers:

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Now list the services that you will provide your customers:

### **Service / Estimated Cost**

_____	_____
_____	_____
_____	_____
_____	_____

### **Planning Your Advertising Activities**

In this section on attracting customers, advertising was saved until last because you have to have something to say before advertising can be effective. When you have an image, price range, and customers services, you are ready to tell prospective customers why they should use your services.

When the money you can spend on advertising is limited it is vital that your advertising be on target. Before you can think about how much money you can afford for advertising, take time to determine what jobs you want advertising to do for your business. The work blanks that follow should be helpful to your thinking.

The strong points about my service business are:

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My service business is different from my competition in the following ways:

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My advertising should tell customers and prospective customers the following facts about my business and services:

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When you have these facts in mind, you now need to determine who you are going to tell it to. Your advertising needs to be aimed at a target audience - those people who are most likely to use your services. In the space below, describe your customers in terms of age, sex, occupation, and whatever else is necessary depending on the nature of your business. This is your customer profile of "male and female automobile owners, 18 years old and above." Thus, for this repair business, anyone over 18 who owns a car is likely to need its service.

The customer profile for my business is

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Now you are ready to think about the form your advertising should take and its cost. You are looking for the most effective means to tell your story to those most likely to use your service. Ask the local media (newspapers, radio and television, and the printers of direct mail pieces) for information about the services and the results they offer for your money.

How you spend advertising money is your decision, but don't fall into the trap that snares many advertisers. As one consultant describes this pitfall: It is amazing the way many managers consider themselves experts on advertising copy and media selection without any experience in these areas.

The following blanks should be useful in determining what advertising is needed to sell your strong points to prospective customers.

Form of Advertising	Size of Audience	Frequency of Use	Cost of A Single Ad	Estimated Cost
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
			<b>Total</b>	_____

When you have a figure on what your advertising for the next 12 months will cost, check it against one of the operating ratios (expenses as a percentage of sales) which trade associations and other organizations gather. If your estimated cost for advertising is substantially higher than this average for your line of service, take a second look. No single expense item should be allowed to get way out of line if you want to make a profit. Your task in determining comes down to: How much can I afford to spend and still do the job that needs to be done?

### Section Three - Selling to Customers

To complete your work on marketing, you need to think about what you want to happen after you get a customer. Your goal is to provide your service, satisfy customers, and put money into the cash register.

One-time customers can't do the job. You need repeat customers to build a profitable annual sales volume. When someone returns for your service, it is probably because he was satisfied by his previous experience. Satisfied customers are the best form of advertising.

If you previously decided to work only for cash, take a hard look at your decision. Americans like to buy on credit. Often a credit card, or other system of credit and collections, is needed to attract and hold customers.

Based on this description and the dollar amount of business you indicated that you intend to do this year, fill in the following workblocks.

#### Fixtures and Equipment

No matter whether or not customers will come to your place of business, there will be certain equipment and furniture you will need in your place of business which will allow you to perform your service.

#### Parts and Material

You will probably need some kind of parts or material to provide your service.

I plan to buy parts and material from:

\_\_\_\_\_

Before you make any supply arrangements, examine the supplier's obsolescence policy. This can be a vital factor in service parts purchasing. You also look at the supplier's warranty policy.

Now that you have determined the parts and materials you'll need, you should think about the type of stock control system you'll use. A stock control system should enable you to determine what needs to be ordered on the basis of: (1) what is on hand, (2) what is on order, (3) what has been used. (Some trade associations and suppliers provide systems to members and customers.)

When you have decided on a system for stock control, estimate its cost. My system for stock control will cost me \_\_\_\_\_ for the first year.

### **Overhead**

List the overhead items which will be needed. Examples are: rent, utilities, office help, insurance, interest, telephone, postage, accountant, payroll taxes, and licenses or other local taxes. If you plan to hire others to help you manage, their salaries should be listed as overhead.

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### **Getting the Work Done**

An important step in setting up your business is to find and hire capable employees. Then you must train them to work together to get the job done. Obviously, organization is needed if your business is to produce what you expect it to produce, namely profits.

Organization is essential because you as the owner-manager cannot do all the work. As your organization grows, you have to delegate work, responsibility and authority. A helpful tool in getting this done is the organization chart. It shows at a glance who is responsible for the major activities of a business.

As an additional aid in determining both what needs to be done and who will do it, list each activity that is involved in your business. Next to the activity indicate who will do it. You may do this by name or some other designation such as "worker #1", Remember that a name may appear more than once.

### **Activity / Name**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

### **How Much Money Will You Need**

At this point, take some time to think about what your business plan means in terms of dollars. This section is designed to help you put your plan into dollars.

The first question concerns the source of dollars. After your initial capital investment, the major source of money is the sale of your services. What dollar volume of business do you expect to do in the next 12 months? \_\_\_\_\_

## Expenses

In connection with your annual dollar volume of business, you need to think about expenses. If, for example you plan to do 100,000 in business, what will it cost you to do this amount of servicing? And even more important, what will be left over as profit at the end of the year? Never lose sight of the fact that profit is your pay. Even if you pay yourself a salary for living expenses, your business must make a profit if it is to continue year after year and pay back the money you invested in it.

The following workblock is designed to help you make a quick estimate of your expenses. To use this formula, you need to get only one figure - the cost of sales figure for your line of business. If you don't have this operating ratio, check with your trade association.

	Expressed in percentage	Expressed in dollars	your percentage	your dollars
1. Sales	100	100,000	100	\$ _____
2. Cost of sales	-61.7	-61,700	_____	-\$ _____
3. Gross margin	38.3	38,300	_____	\$ _____

## Start-Up Costs

If you are starting a new business, list the following estimated start-up costs:

Fixtures and equipment	_____
Starting inventory	_____
Office supplies	_____
Decorating and remodeling	_____
Installation of equipment	_____
Deposits for utilities	_____
Legal and professional fees	_____
Licenses and permits	_____
Advertising for the opening	_____
Operating cash	_____
Owner's withdraw during prep-start-up time	_____
<b>Total</b>	_____

Whether you have the funds (savings) or borrow them, your new business will have to pay back these start-up costs. Keep this fact in mind as you work on the "Expenses" section, and on other financial aspects of your plan.

## **Break Down Your Expenses**

Your quick estimate of expenses provides a starting point. The next step is to break down your expenses so they can be handled over the 12 months. Use an "Expenses Worksheet" form to make up an expense budget.

## **Matching Money and Expenses**

A budget helps you to see the dollar amount of your expenses each month. Then from month to month the question is: Will sales bring in enough money to pay the firm's bills on time? The answer is "maybe not" or "I hope so" unless the owner-manager prepares for the "peaks and valleys" that are in many service operations.

A cash forecast is a management tool which can eliminate much of the anxiety that can plague you if your business goes through lean months. Use a worksheet, "Estimated Cash Forecast", or ask your accountant to use it to estimate the amounts of cash you expect to flow through your business during the next 12 months.

## **Is Additional Money needed?**

Suppose at this point you have determined that your business plan needs more money than can be generated by sales. What do you do?

What you do depends on the situation. For example, the need may be for bank credit to tide your business over during the lean months. This loan can be repaid during the fat sales months when expenses are far less than sales. Adequate working capital is necessary for success and survival.

Whether an owner-manager seeks to borrow money for only a month or so or on a long-term basis, the lender needs to know whether the store's financial position is strong or weak. Your lender will ask to see a current balance sheet.

Even if you don't need to borrow, use it, to draw the "picture" of your firm's financial condition. Moreover, if you don't need to borrow money, you may want to show your plan to the bank that handles your store's checking account. It is never too early to build good relations with your banker, to show that you are a manager who knows where you want to go rather than a store owner who hopes to make a success.

## **Control and Feedback**

To make your plan work you will need feedback. For example, the year-end profit and loss statement shows whether your business made a profit or loss for the past 12 months.

But you can't wait 12 months for the score. To keep your plan on target you need readings at frequent intervals. A profit and loss statement at the end of each month or at the end of each quarter is one type of frequent feedback. However, the income statement or profit and loss statement (P and L) may be more of a loss than a profit statement if you rely only on it. You must set up management controls which will help you to insure that the right things are being done from day to day and from week to week. In a new business, the record-keeping system should be set up before your business opens. After you're in business is too late. For one thing, you may be too busy to give a record-keeping system the proper attention.

The control system which you set up should give you information about: stock, sales, and disbursement. The simpler the system, the better. Its purpose is to give you current information. You are after facts with emphasis on trouble spots. Outside advisers, such as an accountant, can be helpful.

### **Stock Control**

The purpose of controlling parts and materials inventory is to provide maximum service to your customers and to see that parts and materials are not lost through pilferage, shrinkage, errors, or waste. Your aim should be to achieve a high turnover on your inventory. The fewer dollars you tie up in inventory, the better.

In a business, inventory control helps the owner-manager to offer customers efficient service. The control system should enable you to determine what needs to be ordered on the basis of: (1) what is on hand, (2) what is on order, and (3) what has been used.

In setting up inventory controls, keep in mind that the cost of the inventory is not your only cost. You will also have costs such as the cost of purchasing, the cost of keeping control records, and the cost of receiving and storing your inventory.

### **Sales**

In a small business, sales slips and cash register tapes give the owner-manager feedback at the end of each day. To keep on top of sales, you will need answers to questions such as: How many sales were made? What was the dollar amount? What credit terms were given to customers?

### **Disbursements**

Your manager controls should also give you information about the dollars your company pays out. In checking on your bills, you do not want to know what major items, such as paying bills on time to get the supplier's discount, are being handled according to your policies. Your review system will also give you the opportunity to make judgments on the use of funds. In this manner, you can be on top of emergencies as well as routine situations. Your system should also keep you aware that tax moneys such as payroll income tax deductions, are set aside and paid out at the proper time.

### **Break-Even Analysis**

Break-even analysis is a management control device because the break-even point shows how much you must sell under given conditions in order to just cover your costs with No profit and No loss.

Profit depends on sales volume, selling price, and costs. Break-even analysis helps you to estimate what a change in one or more of these factors will do to your profits. To figure a break-even point, fixed costs, such as rent, must be separated from variable costs, such as the cost of sales and the other items listed under "controllable expenses" on the expense worksheet, of this Guide.

The formula is:



Break-even point (in sales dollars) =

$$\frac{\text{Total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Corresponding sales volume}}}$$

An example of the formula is: Bill Jackson plans to open a laundry. He estimates his fixed expenses at about \$9,000, the first year. He estimates his variable expenses at about \$700 for every \$1,000 of sales.

$$\text{BE point} = \frac{\$9,000}{1 - \frac{700}{1,000}} = \frac{\$9,000}{1 - .70} = \frac{\$9,000}{.30} = \$30,000$$

### Is Your Plan Workable?

Stop when you have worked out your break-even point. Whether the break-even point looks realistic or way off base, it is time to make sure that your plan is workable.

Take time to re-examine your plan before you back it with money. If the plan is not workable better to learn it now than to realize 6 months down the road that you are pouring money into a losing venture.

In reviewing your plan, look at the cost figures you drew up when you broke down your expenses for one year. If any of your cost items are too high or too low, change them. You can write your changes in the white spaces above or below your original entries on that worksheet. When you finish making your adjustments, you will have a Revised projected statement of sales and expenses for 12 months.

With your revised figures work out a revised break-even point. Whether the new break-even point looks good or bad, take one or more precaution. Show your plan to someone who has not been involved in working out the details.

Your banker, or other advisor outside of your business may see weaknesses that failed to appear as you pored over the details of your plan. They may put a finger on strong points which your plan should emphasize.

### Put Your Plan into Action

When your plan is as near on target as possible, you are ready to put it into action. Keep in mind that action is the difference between a plan and a dream. If a plan is not acted upon, it is of no more value than a pleasant dream that evaporates over the breakfast coffee.

A successful owner-manager does not stop after he has gathered information and drawn up a plan, as you have done in working through this Guide. He begins to use his plan.

At this point, look back over your plan. Look for things that must be done to put your plan into action.

What needs to be done will depend on your situation. For example, if your business plan calls for an increase in sales, one action to be done will be providing funds for this expansion.

Have you more money to put into this business?

Do you borrow from friends and relatives? From your bank? From your suppliers by arranging liberal commercial credit terms.

If you are starting a new business, one action step may be to get a loan for fixtures, employee salaries, and other expenses. Another action step will be to find and hire capable employees.

In the spaces that follow, list things that must be done to put your plan into action. Give each item a date so that it can be done at the appropriate time. To put my plan into action, I must do the following:

**Action / Completion Date**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Keeping Your Plan Up To Date**

Once you put your plan into action, look out for changes. They can cripple the best made business plan if the owner-manager lets them.

Stay on top of changing conditions and adjust your business plan accordingly.

Sometimes the change is made within your company. For example, several of your employees quit their jobs. Sometimes the change is with customers: for example, their desires and tastes shift. Sometimes the change is technological as when raw materials are put on the market introducing the need for new processes and procedures.

In order to adjust your plan to account for such changes, an owner-manager must:

- (1) Be alert to the changes that come in your company, line of business, market, and customers.
- (2) Check your plan against these changes.
- (3) Determine what revisions, if any, are needed in your plan.

The method you use to keep your plan current so that your business can weather the forces of the market place is up to you. Read the trade papers and magazines for your line of business. Another suggestion concerns your time. Set some time - two hours, three hours, whatever is necessary-to review your plan periodically. Once each month, or every other month, go over your plan to see whether it needs adjusting. If revisions are needed, make them and put them into action.

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### 3. Complete Trucking Business Plan Template

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## 1.0 Executive Summary

### **Introduction**

**COMPANY NAME** is a well established trucking and freight company. The company is engaged in the services of delivering cargo for many of the manufacturers in Buckhannon, West Virginia, providing wood products, aluminum, fabricated building, and fencing products to locations across the country.

The company is dedicated to providing the highest quality services, meeting the required delivery dates and executing the pickup and delivery of the cargo in accordance with the client's needs. The focus of this business plan is to identify its future target clients, explain its marketing strategy and to improve its internal procedures so it can substantially increase profitability.

### **The Company**

**COMPANY NAME** is located in Buckhannon, West Virginia. The company is a family owned and operated business, founded by **INSERT NAME**, in October of 1983; they started with one delivery truck. **COMPANY NAME** has expanded their services and fleet of trucks and now has long term delivery contracts with many of the major manufacturers in the area.

**COMPANY NAME** has become a well known icon in Buckhannon and is known for the premium services and competitive prices they provide to their clients.

### **The Products**

**COMPANY NAME** provides delivery services many of their larger competitors are unable to provide. They work with a schedule that is at a 90% to 95% capacity, most deliveries are scheduled two weeks in advance. The company has drivers on call for rush deliveries, full load cargo (L) and Less than full load cargo (LTL) and will deliver anywhere the client needs them to go.

### **The Market**

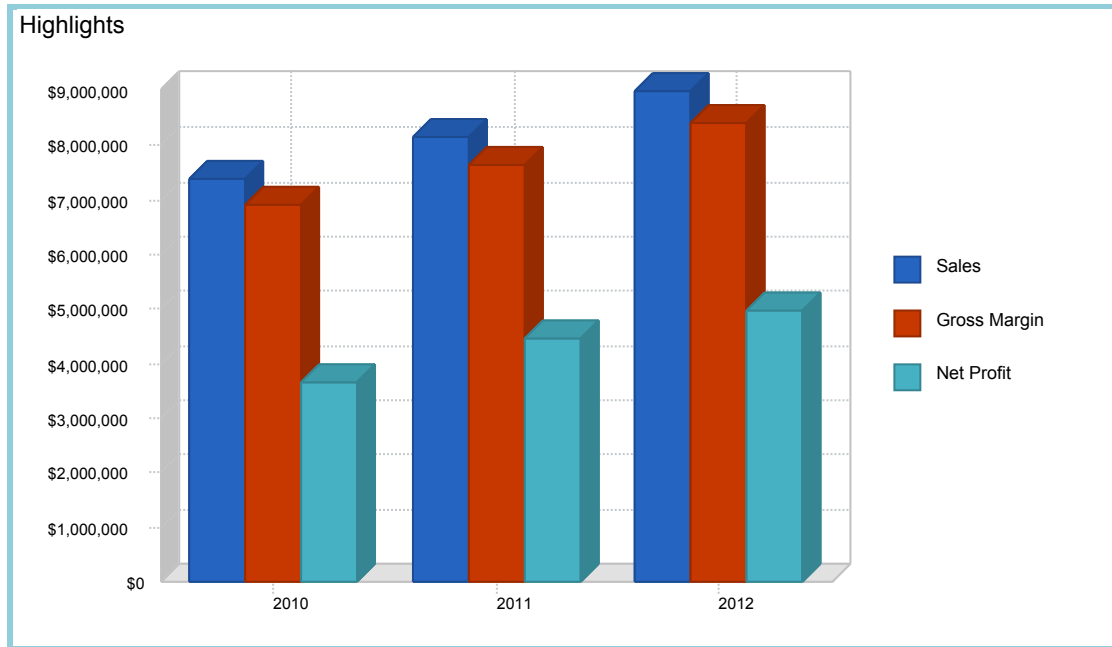
There are approximately 126 manufacturing plants in the town of Buckhannon, many of whom are current clients of **COMPANY NAME**. By expanding their services and fleet of trucks, they will be able to offer delivery services for the other manufacturers.

### **Financial Considerations**

The marketing research and tailored marketing strategy projections described in this business plan, will increase **COMPANY NAME** profits over the next three years, this is only an estimate, and depends on how well the economy recovers over the next two to three years. Furthermore, with the ability to generate so much cash flow, it is

assumed that the company will seek to use this asset to expand its markets and delivery capacity in the near future.

### **Chart: Highlights**



### **1.1 Objectives**

- The objectives of **COMPANY NAME** are to:
  - Provide the best services possible to our existing and new clients
  - Purchase 10 new fuel efficient trucks with Auxiliary Power Units
  - Stay ahead of our competition by providing competitive prices
  - Obtain new accounts before the end of 2010.

## **1.2 Mission**

The mission of **COMPANY NAME** is to remain a leading freight and trucking operation, servicing the major manufacturing companies in Buckhannon, West Virginia area.

- **COMPANY NAME** offers quality, cost effective freight services.
- The goal of **COMPANY NAME** is to hire 5 additional employees as they expand their business services.
- **COMPANY NAME** will continue to provide reliable, secure, on time services; with an ongoing comprehensive quality control program providing 100% customer satisfaction.
- Maintain beneficial long-term relationships with our clients. This will increase profits through referrals and repeat business.

## **1.3 Keys to Success**

The Keys to Success for **COMPANY NAME** are:

- Family Owned and Operated by **INSERT NAME** since 1983. Jim and Sharon have more than 37 years experience in the trucking industry.
- Experience, knowledge and quality service has appointed **COMPANY NAME** an icon in Buckhannon, West Virginia.

**COMPANY NAME** delivers to 48 states.

- Knowledgeable staff with an excellent reputation in customer service.
- Drivers have excellent driving skills and knowledge, knowing the fastest and safest routes to deliver on time.
- Contracts with major manufacturers in Buckhannon and other manufacturers across the Country.
- Competitive prices, quality services.



## **2.0 Company Summary**

**INSERT NAME** started in the trucking industry 37 years ago, managing 73 coal trucks. **COMPANY NAME** was formed in 1983; starting from the ground up with only one delivery truck, delivering for Weyerhaeuser. The company now has 10 trucks and has several long-term contracts with the major manufacturers in Buckhannon, West Virginia.

**COMPANY NAME** provides delivery services for their clients in Buckhannon to 48 states. They also have clients on the East Coast, West Coast and in the Mid-West.

**COMPANY NAME**

Owner: **INSERT NAME**

**INSERT ADDRESS**

Phone:

Email:

## **2.1 Company Ownership**

**INSERT NAME** is the founder of **COMPANY NAME** and owns 100% of the stock of **COMPANY NAME**.

**INSERT NAME** is in charge of all business administration, accounting, personnel, marketing, and business services for **COMPANY NAME**.

**INSERT NAME** manages all of the trucking operations for **COMPANY NAME** and also manages the maintenance garage, and current laws for the trucking industry.

**INSERT NAME(S)** are paid a salary through the corporation as employees of **COMPANY NAME**

## **2.2 Company History**

**COMPANY NAME** was founded by **INSERT NAME** and has been in operation since 1983; in the same location, providing delivery service to 48 States for the manufacturing plants in Buckhannon, West Virginia.

Weyerhaeuser has been a long-term, steady client, using **COMPANY NAME** services daily. The revenue from Weyerhaeuser brings in an estimated \$4,000,000 a year. We expect an increase in our total 2010 revenue.

As industry demands continue, **COMPANY NAME** will continue to deliver their clients products, when and where they need delivery.

**COMPANY NAME** experienced a decline in business in 2009; this was due to the rising costs of fuel and a slow period, due to the uncertainty of the current economy.

The start of 2010 was slow; this was mainly due to poor weather conditions. Winter weather conditions in Buckhannon can make it much more difficult for the 18 wheelers to get to the main highway. During the winter months, the trucks have to take longer routes to get around the mountains; this is safer for the driver and the cargo they are carrying. The completion of the new four lane highway will provide safer conditions and easier departure for trucks getting out to the main routes.

Most of the cargo **COMPANY NAME** delivers is from the wood, vinyl fencing and aluminum manufacturing plants in Buckhannon. The cargo is loaded and delivered usually within 5 days. Cargo is often picked up from the company's clients in other states after a delivery run and delivered **COMPANY NAME**, and reduces their overhead costs of driving back with an empty trailer.

**Table: Past Performance**

<b>Past Performance</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Sales</b>	<b>\$10,845,160</b>	<b>\$11,198,114</b>	<b>\$11,330,057</b>
<b>Gross Margin</b>	<b>\$9,586,091</b>	<b>\$10,535,916</b>	<b>\$10,136,458</b>
<b>Gross Margin %</b>	<b>88.39%</b>	<b>94.09%</b>	<b>89.47%</b>
<b>Operating Expenses</b>	<b>\$6,160,621</b>	<b>\$6,636,273</b>	<b>\$5,573,254</b>
<b>Balance Sheet</b>			
	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Current Assets</b>			
<b>Cash</b>	<b>\$603,521</b>	<b>\$999,438</b>	<b>\$714,046</b>
<b>Other Current Assets</b>	<b>\$1,722,996</b>	<b>\$1,898,365</b>	<b>\$4,773,537</b>
<b>Total Current Assets</b>	<b>\$2,326,517</b>	<b>\$2,897,803</b>	<b>\$5,487,583</b>
<b>Long-term Assets</b>			
<b>Long-term Assets</b>	<b>\$5,167,910</b>	<b>\$4,258,180</b>	<b>\$4,136,556</b>
<b>Accumulated Depreciation</b>	<b>\$472,597</b>	<b>\$443,079</b>	<b>\$412,063</b>
<b>Total Long-term Assets</b>	<b>\$4,695,313</b>	<b>\$3,815,101</b>	<b>\$3,724,493</b>
<b>Total Assets</b>	<b>\$7,021,830</b>	<b>\$6,712,904</b>	<b>\$9,212,076</b>
<b>Current Liabilities</b>			
<b>Accounts Payable</b>	<b>\$75,117</b>	<b>\$130,950</b>	<b>\$55,764</b>

<b>Current Borrowing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Current Liabilities (interest free)</b>	<b>\$560,682</b>	<b>\$680,811</b>	<b>\$543,773</b>
<b>Total Current Liabilities</b>	<b>\$635,799</b>	<b>\$811,761</b>	<b>\$599,537</b>
<b>Long-term Liabilities</b>	<b>\$457,106</b>	<b>\$511,182</b>	<b>\$288,000</b>
<b>Total Liabilities</b>	<b>\$1,092,905</b>	<b>\$1,322,943</b>	<b>\$887,537</b>
<b>Paid-in Capital</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Retained Earnings</b>	<b>\$2,503,455</b>	<b>\$1,490,318</b>	<b>\$3,761,335</b>
<b>Earnings</b>	<b>\$3,425,470</b>	<b>\$3,899,643</b>	<b>\$4,563,204</b>
<b>Total Capital</b>	<b>\$5,928,925</b>	<b>\$5,389,961</b>	<b>\$8,324,539</b>
<b>Total Capital and Liabilities</b>	<b>\$7,021,830</b>	<b>\$6,712,904</b>	<b>\$9,212,076</b>
<b>Other Inputs</b>			
<b>Payment Days</b>	<b>30</b>	<b>30</b>	<b>30</b>



#### **4.0 Market Analysis Summary**

The United States economy depends on trucks to deliver nearly 70 percent of all freight transported annually in the U.S., accounting for \$671 billion worth of manufactured and retail goods transported by truck in the U.S. alone.

The American Trucking Association, (The ATA) reports there is an estimated 15.5 million trucks operating in the U.S., one out of nine are independent owner operators and there are over 500,000 companies in the U.S. of those, 82% own and operate less than 6 or fewer trucks.

**COMPANY NAME** currently owns and operates 15 trucks and employs 30 drivers, and they contract 20 owner operators; scheduling them weekly to make deliveries.

The drivers, by law, are allowed to drive for only 32 hours before a break, keeping a staff of 30 drivers, assures that they have enough drivers to make their scheduled deliveries for their clients. This also avoids the possibility of having a shortage of drivers and assures the delivery schedules run smoothly.

Current long-term contracts with the nearby manufacturing plants, keeps Buccaneer Enterprises, Inc running at a 90% to 95% capacity of scheduled business. By purchasing new trucks and hiring more drivers, Buccaneer Enterprises, Inc will be able to increase their delivery services and revenue.

**COMPANY NAME** delivers approximately 15 to 20 loads, traveling 50 to 700 miles per day. On the larger delivery hauls, they go as far as 3,500 miles; the driver(s) often pickup other cargo hauls for delivery on their way back to Buckhannon.

This creates revenue and decreases the overhead costs of bringing back an empty trailer. The client's of Buccaneer Enterprises, Inc has given them their trust and business for many years and will continue to hire the services of **COMPANY NAME** for their freight and delivery needs.

There are approximately 126 manufacturing plants in the town of Buckhannon, 60% to 70% of **COMPANY NAME** business comes from the local manufacturers. The remaining percentage of their business comes from clients across the Country.

#### **4.1 Market Segmentation**

Manufacturing Corporations: The most important market segment for **COMPANY NAME** is the larger manufacturers of wood, steel, aluminum products, fabricated building and fence materials, and tire and rubber products, such as; Weyerhaeuser, Ae, Inc (Aluminum Production), WVSR, Inc. (Logging & Wood Industry), Jackson Lumber

Co. These are only a few of the many manufactures calling on us or the cost effective, quality services and experience that **COMPANY NAME** provides.

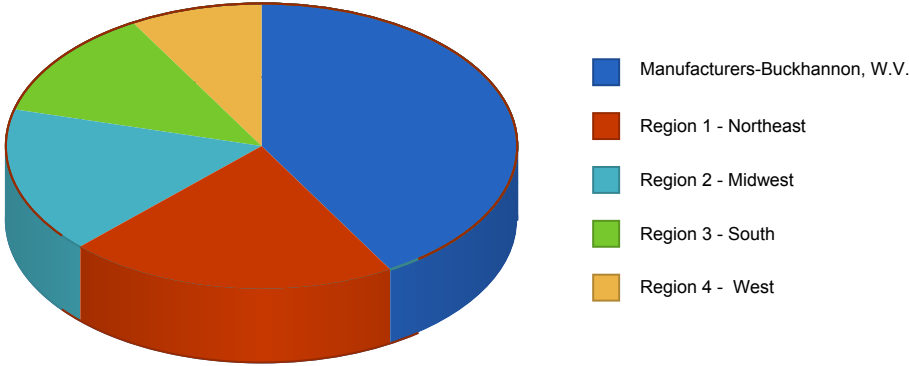
The medium sized growth companies; particularly furniture makers, textile companies and other related high-growth fields, will call on **COMPANY NAME**. They offer services that some of the larger freight companies do not offer.

**Table: Market Analysis**

<b>Market Analysis</b>		<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
<b>Potential Customers</b>	<b>Growth</b>						<b>CAGR</b>
<b>Manufacturers-Buckhannon, W.V.</b>	<b>25%</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>20</b>	<b>25</b>	<b>25.74%</b>
<b>Region 1 - Northeast</b>	<b>25%</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>13</b>	<b>26.98%</b>
<b>Region 2 - Midwest</b>	<b>25%</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>25.74%</b>
<b>Region 3 - South</b>	<b>25%</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>27.79%</b>
<b>Region 4 - West</b>	<b>25%</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>31.61%</b>
<b>Total</b>	<b>26.78%</b>	<b>24</b>	<b>31</b>	<b>39</b>	<b>49</b>	<b>62</b>	<b>26.78%</b>

**Chart: Market Analysis (Pie)**

Market Analysis (Pie)





## **4.2 Target Market Segment Strategy**

Currently, **COMPANY NAME** provides freight services to many of the major manufacturers located in Buckhannon; Lumber companies, fencing companies, aluminum companies and other manufacturers' of wood and steel beams.

**COMPANY NAME** recognizes the importance of their current and future client's needs, for reliable, cost efficient services. Together with their experience and knowledge in the trucking industry, their drivers; with their vast experience and knowledge, they have built a solid foundation and long term, exclusive contracts with their current clients. Their deliveries are booked one to two weeks in advance and they keep a window of opportunity open for short notice, rush deliveries.

They have some competition; however, there has been no lack of business for **COMPANY NAME**. Business picked up in March and has been running at a 90% to 95% capacity of scheduled deliveries.

**COMPANY NAME** has a well structured marketing strategy already in place. As they expand by adding more trucks and drivers, they can offer services to more clients throughout Buckhannon and other parts of the country, offering the premium services they have been so well known for providing.

### **4.3 Service Business Analysis**

Market Description of the Trucking Industry:

The trucking industry (also referred to as the transportation or logistics industry) involves the transport and distribution of commercial and industrial goods using commercial motor vehicles (CMV).

The trucking industry provides an essential service to the American economy by transporting large quantities of raw materials, works in process, and finished goods over land; typically from manufacturing plants to retail distribution centers. Trucks in America are responsible for the majority of freight movement over land, and are vital tools in the manufacturing, transportation, and warehousing industries.

**COMPANY NAME** is primarily engaged in furnishing "over-the-road" trucking services, they have adapted to the recent changes in market conditions and the slowing economy by electing to service both the truckload;(TL) and less-than-truckload;(LTL) sector, to capitalize on growth opportunities and increase company revenue.

The trucking industry exists in a competitive market that faces uncertainty, especially during a poor economy, rising cost of fuel, maintenance, insurance, and taxes.

Advances in modern technology have enabled significant improvements within the trucking industry. Trucks are commonly equipped with satellite communication features, automatic transmissions are gaining in popularity, truck stops featuring internet access and hospitality services are now commonplace.

All of the trucks **COMPANY NAME** owns are equipped with the modern technology necessary for proper communication, route guidance and road conditions.

Our trucks are also in compliance with the U.S. Environmental Protection Agency (EPA) requirements. Their new trucks will have separate APU's; (Auxiliary Power Unit) installed on each truck, this will help them to comply with EPA requirements and do our part in decreasing the smog-causing nitrogen oxide emissions that pollute our environment.



### **4.3.1 Competition and Buying Patterns**

Although there are major players in the commercial carrier market segments, the market remains highly fragmented. According to on-line data research, there are twelve commercial trucking and freight companies in Buckhannon, West Virginia. They provide a range of different types of trucking services, delivery only, smaller freights under 100 pounds to hauling larger truck loads locally and across the country.

Market research shows that companies who manufacture products of a larger proportion, value on-time deliveries, special handling capabilities and less-than-truck load; (LTL) orders. These companies are also price sensitive. Customer referrals and carrier's reputation are believed to be a strong influence in the decision of buying services.

Oftentimes word of mouth marketing provides more business than advertising, although advertising in certain areas (such as trade journals) creates awareness of the company's existence, skill level, premium service and, reputation.

The industry is geographically oriented, most of **COMPANY NAME** clients are in Buckhannon, West Virginia, however, by taking on accounts with clients in other states, **COMPANY NAME** has the opportunity to expand their services, increase revenue and, reduce operating costs; scheduling a pickup and delivery in or near the drivers last delivery destination reduces the company overhead of a truck returning to Buckhannon with an empty trailer.

### **5.0 Web Plan Summary**

**COMPANY NAME** currently does not have a website. A website will be a consideration for the future, offering current information on the trucking industry, available services of **COMPANY NAME**, scheduling a delivery and for the client to check the delivery status of a recent shipment.

### **5.1 Website Marketing Strategy**

The future website will be promoted on company trucks, advertising materials, invoices and other business materials. Links to other websites that pertain to the trucking industry, such as the American Trucking Association website, [www.truckinginfo.net](http://www.truckinginfo.net) and other portals on the world wide will be beneficial.

## **5.2 Development Requirements**

The development of a website for **COMPANY NAME** would be developed by a professional company, perhaps with experience and knowledge in the logistics of the trucking industry. Pre-packaged solutions with various companies and Web hosting resources will also be considered.

## 6.0 Strategy and Implementation Summary

**Emphasize service** – **COMPANY NAME** will differentiate them by providing premium services to their clients. They will establish new business by offering competitive prices and flexibility for our clients needs.

**Build a relationship-oriented business** – Building long-term relationships with customers is a strong attribute of **COMPANY NAME**, their clients give them their trust and confidence that they will provide them the delivery services they require.

**Focus on target markets** - **COMPANY NAME** needs to focus their offerings to the manufacturing plants in Buckhannon and other regions of the U.S. They do not want to compete with other trucking services that deliver only locally and definitely want to be able to sell their services to other manufacturers across the country, not just those in their local area of Buckhannon, West Virginia.

### 6.1 SWOT Analysis

**COMPANY NAME** has a valuable inventory of strengths that has contributed to the success of the company since 1983. These strengths include: experienced, knowledgeable staff with a clear vision of the trucking industry, market needs and, excellent client services.

They are flexible concerning the clients delivery needs and will go wherever they need them to go; whether they have a full-load; (FL) or less-than-full-load; (LTL) or need a rush delivery, they get the job done efficiently and on time and, their prices beat those of their competitors.

**COMPANY NAME** is an icon in the town of Buckhannon; they have built an excellent reputation with their clients, in the community and, in the trucking industry.

Strengths are a valuable asset for a successful business, it is also important to know the weaknesses and address them. These weaknesses are the dependence on economic conditions. The effect that the economy has on the general public also affects **COMPANY NAME** clients; the manufacturer, if their business decreases the trucking industry also suffers.

The greatest weakness at present for **COMPANY NAME** is their trucks; they have over 1,000,000 miles on them. They need new trucks with better fuel efficiency to keep up with the demands of the industry and the ETA requirements. The new trucks will allow

them to expand their services, creating more business revenue to pay debts and create more business during the poor economy.

The biggest threat to **COMPANY NAME** and the overall industry, just like their weakness, is the uncertainty of current economic conditions and the dependency they have on the economy to create business. When the economy is weak and vulnerable, it affects the manufacturers; **COMPANY NAME** depends on the manufacturers for business just as the manufacturers depend on their clients, retailers, construction companies and the general consumers who purchase their products.

### **6.1.1 Strengths**

The staff at **COMPANY NAME** is experienced, and knowledgeable in the logistics of the trucking industry, they are courteous, and provide excellent services to all of **COMPANY NAME** clients.

Strong relationships with clients, offering flexible arrangements for rush deliveries

Competitive prices provide repeat and referral business.

Long-term contracts with major manufacturing companies in Buckhannon.

Premium quality service and on-time delivery.

### **6.1.2 Weaknesses**

Business has been unpredictable during the uncertainty of economic conditions.

**COMPANY NAME** needs new trucks. New trucks will provide better fuel efficiency; better emissions control and lower our cost of over head to maintain. These new trucks will allow us to expand our services, creating more revenue to pay our debts.

### **6.1.3 Opportunities**

Increasing sales opportunities beyond the "100-mile" targeted area.

Current clients with manufacturing plants in other cities and states.

Strategic alliances offering resources for referrals and marketing to extend **COMPANY NAME** reach to potential new clients.

#### **6.1.4 Threats**

The downturn in the economy has impacted the sales of **COMPANY NAME** in the first quarter of 2010.

The rising cost of fuel, maintenance and repairs.

The winter weather in West Virginia during the months of December, January and February can be a safety hazard, getting around the mountains to the main highway can difficult and dangerous for 18 wheeler trucks.



## **6.2 Competitive Edge**

**COMPANY NAME** will succeed in establishing a competitive edge, contacting more companies in their targeted market, increase their level of customer contacts, and provide services that their competitors seem to lack.

Additionally, **COMPANY NAME** possesses all the necessary skills and drivers available, to provide the services needed by their clients.

The expansion of **COMPANY NAME** services will strengthen their business, promote word of mouth marketing and networking, and create more business.

## **6.3 Marketing Strategy**

**COMPANY NAME** has positioned itself as an icon in Buckhannon. Their clients are provided with high-quality services at a very competitive price.

Their main source of advertising has been by referral and repeat business, this has been a successful method for **COMPANY NAME** in obtaining new business.

## **6.4 Sales Strategy**

**COMPANY NAME** sales forecast is based on their existing client base.

They have had a well planned sales strategy that works well for their business for many years. Keeping customers happy and providing efficient services is an implicit part of building strong relationships with their current and future clients; this also encourages repeat and referral business for **COMPANY NAME**.

The purchase of new fuel efficient trucks equipped with APU units, will allow **COMPANY NAME** to expand their services to their current and new clients, giving them an edge over their competition, by offering better fees.

### **6.4.1 Sales Forecast**

The Sales Forecast is divided into two categories; the main category of revenue of sales is from freight and delivery services. 60% of this revenue comes from Weyerhaeuser; the remaining 30% is from other local clients, and 10% from clients in other states.

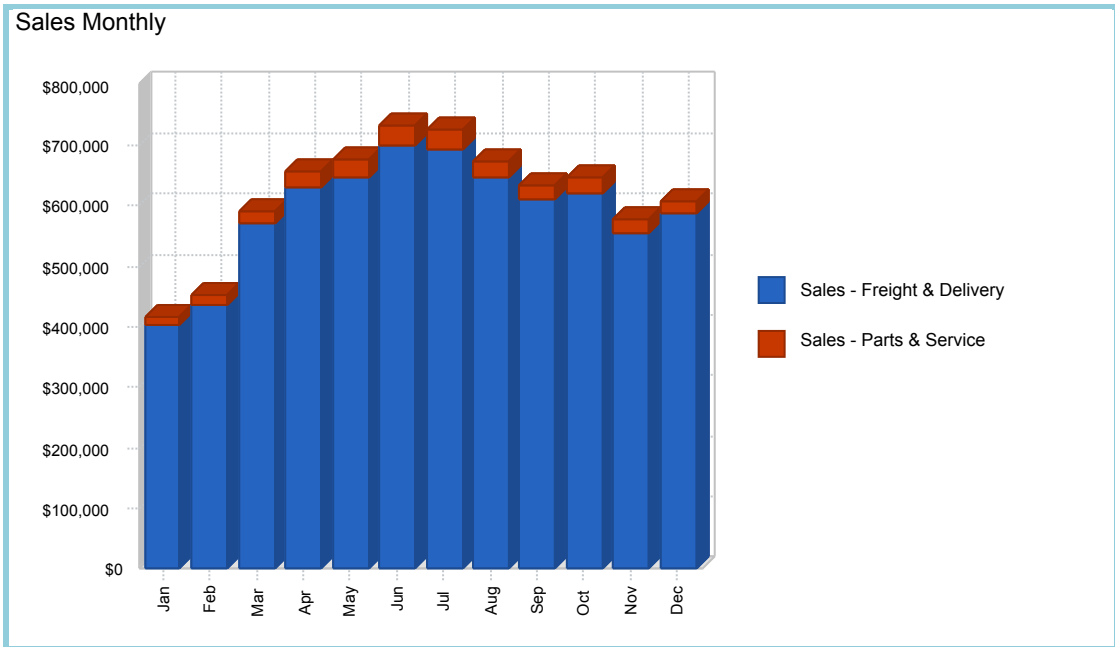
The sales revenue from the Parts and Services Dept. assists the **COMPANY NAME** in offsetting some of their operating expenses.

The projection for total sales for 2010, 2011 and 2012 are based on a 10% increase in sales per year. This projection of total sales for all three years may be different and depends on current economic conditions and how well the economy starts to recover in the following years.

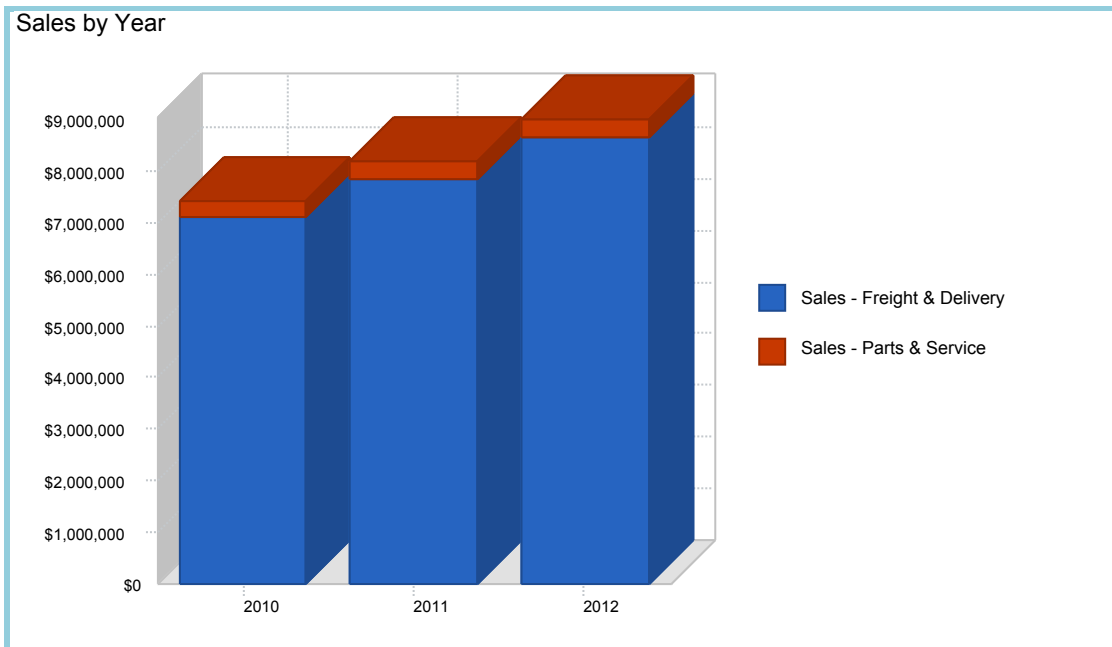
**Table: Sales Forecast**

<b>Sales Forecast</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Sales</b>			
<b>Sales - Freight &amp; Delivery</b>	<b>\$7,112,387</b>	<b>\$7,850,000</b>	<b>\$8,635,000</b>
<b>Sales - Parts &amp; Service</b>	<b>\$289,900</b>	<b>\$324,900</b>	<b>\$359,900</b>
<b>Total Sales</b>	<b>\$7,402,287</b>	<b>\$8,174,900</b>	<b>\$8,994,900</b>
<b>Direct Cost of Sales</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Total Operating Expenses</b>	<b>\$469,368</b>	<b>\$516,304</b>	<b>\$567,934</b>
<b>Subtotal Direct Cost of Sales</b>	<b>\$469,368</b>	<b>\$516,304</b>	<b>\$567,934</b>

**Chart: Sales Monthly**



**Chart: Sales by Year**



**6.5 Milestones**

The milestone table is set up as flow-chart. The Milestone table is specific in detail, allowing for the smooth flow of functions that are necessary to implement **COMPANY NAME** plan in to action, complete their projects in a timely manner, and begin adding additional income to the company revenue.

Each function in the milestone table coordinates with the proper execution and time needed to complete each task.

**Table: Milestones**

<b>Milestones</b>				
<b>Milestone</b>	<b>Start Date</b>	<b>End Date</b>	<b>Budget</b>	<b>Department</b>
<b>10 New Fuel Efficient Trucks</b>	<b>10/4/2010</b>	<b>10/29/2010</b>	<b>\$1,035,000</b>	<b>Operations</b>
<b>10 Auxiliary Power Units</b>	<b>10/4/2010</b>	<b>10/29/2010</b>	<b>\$80,000</b>	<b>Operations</b>
<b>Repair &amp; Restore Parking Lot</b>	<b>10/1/2010</b>	<b>10/8/2010</b>	<b>\$45,000</b>	<b>Operations</b>
<b>Advertising</b>	<b>9/15/2010</b>	<b>9/22/2010</b>	<b>\$5,000</b>	<b>Bus. Admin.</b>
<b>Maintenance Garage</b>	<b>9/22/2010</b>	<b>9/30/2010</b>	<b>\$35,000</b>	<b>Operations</b>
<b>Totals</b>			<b>\$1,200,000</b>	

**7.0 Management Summary**

**COMPANY NAME** is a family owned and operated business. The following team of owners, managers and employees all play a vital part and contribute to the success of its organization. Once expansion is in place and revenue has increased, **COMPANY NAME** we will hire four to five more drivers and personnel staff.

**INSERT NAME** - Founder & Owner - Business Administration & Office Management

**INSERT NAME** - Manager of Operations, Maintenance Garage and employees and Drivers

Our Staff:

- 32 Truck Drivers on payroll
- 3 Dispatchers - in charge of truck loads and scheduling
- 1 Payroll Clerk - Payroll & Related Accounting
- 1 Payroll Assistant - Payroll & Related Accounting
- 2 Safety & Legal Dept. Assistants
- 1 Parts Person - Maintenance & Garage Orders & Receiving
- 5 Mechanics - Maintenance, Repairs, Tires
- 2 Wash Boys - Cleaning Maintenance of trucks, Maintenance garage

## **7.1 Personnel Plan**

The personnel table shows the number of total staff and employees, including the principles of **COMPANY NAME**.

The payroll was estimated based on 2009 income for 2010. Drivers are paid at 22% to 25% of the truck gross and fluctuates from month to month based on amount of cargo scheduled, time of year and other factors related to our delivery schedules.

Payroll for the owner and office staff was based on a fixed salary, with a .04% yearly increase for 2011 and 2012. Salary for the other employee's is estimated, based on a 40 hour work week and an hourly rate of \$8.00 to \$16.00 per hour, with a .04% yearly increase for 2011 and 2012.

**Table: Personnel**

<b>Personnel Plan</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>INSERT NAME</b>	<b>\$69,996</b>	<b>\$72,795</b>	<b>\$75,706</b>
<b>INSERT NAME</b>	<b>\$69,996</b>	<b>\$72,795</b>	<b>\$75,706</b>
<b>Drivers</b>	<b>\$600,276</b>	<b>\$625,000</b>	<b>\$650,000</b>
<b>Office Personnel</b>	<b>\$54,000</b>	<b>\$56,160</b>	<b>\$59,400</b>
<b>Mechanics</b>	<b>\$110,400</b>	<b>\$114,816</b>	<b>\$119,408</b>
<b>Dispatchers</b>	<b>\$62,400</b>	<b>\$64,868</b>	<b>\$67,462</b>
<b>Wash Boys</b>	<b>\$33,600</b>	<b>\$34,994</b>	<b>\$36,391</b>
<b>Parts Technician</b>	<b>\$31,200</b>	<b>\$32,448</b>	<b>\$33,745</b>
<b>Total People</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b>Total Payroll</b>	<b>\$1,031,868</b>	<b>\$1,073,876</b>	<b>\$1,117,818</b>

## 8.0 Financial Plan

The financial plan is to obtain grant funding of \$1,200,000 to purchase 10 new 18 wheelers and sell or trade-in the older trucks. Re-surface the parking lot, remodel the garage.

In order to run **COMPANY NAME** efficiently with the least amount of over head, they need these trucks to support better fuel efficiency and comply with the ETA requirements for better emission control by installing the Auxiliary Power Units to each truck as well.

These new funds will help **COMPANY NAME** increase their revenue by expanding their business services.

### 8.1 Important Assumptions

The average percent variable cost is estimated to be 6%. The estimated monthly fixed cost is \$142,724.

### 8.2 Break-even Analysis

The monthly revenue break-even is forecast to be \$152,387.

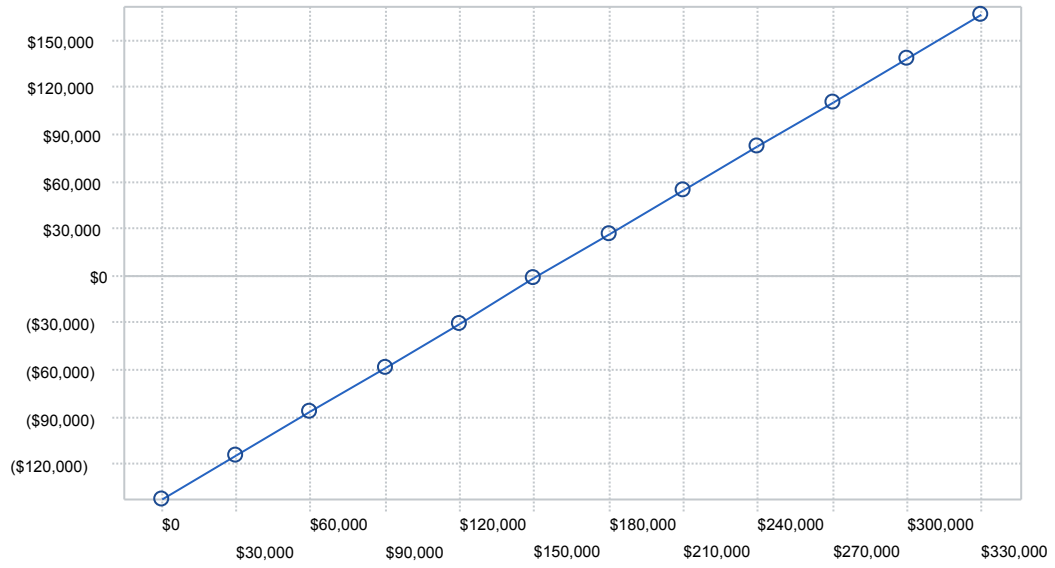
**Table: Break-even Analysis**

<b>Break-even Analysis</b>	
<b>Monthly Revenue Break-even</b>	<b>\$152,387</b>
<b>Assumptions:</b>	
<b>Average Percent Variable Cost</b>	<b>6%</b>
<b>Estimated Monthly Fixed Cost</b>	<b>\$142,724</b>

**Chart: Break-even Analysis**



## Break-even Analysis



### **8.3 Projected Profit and Loss**

Outlined in the projected profit and loss table are operating expenses and cost of sales necessary to efficiently run **COMPANY NAME**.

The sales for 2010, 2011 and 2012 are \$7,402,287, 8,174,900 and \$8,994,900, respectively. The net profit for the same period is \$3,640,805, \$4,449,543 and \$4,951,405, respectively. The percentages of the net profit sales for this period were 49.18%, 54.43% and 55.05% respectively.

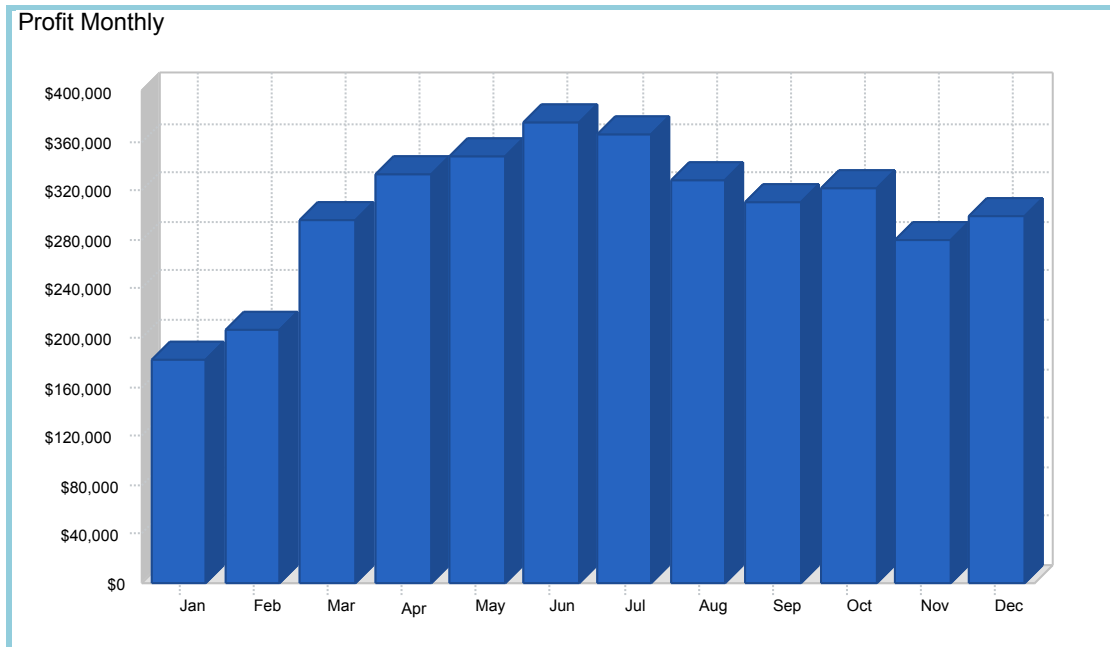
These expenses are projections based only on estimation. The projections for 2011 and 2012 were based on a 4% increase. Depreciation was based on a 7 year life of assets.

**Table: Profit and Loss**

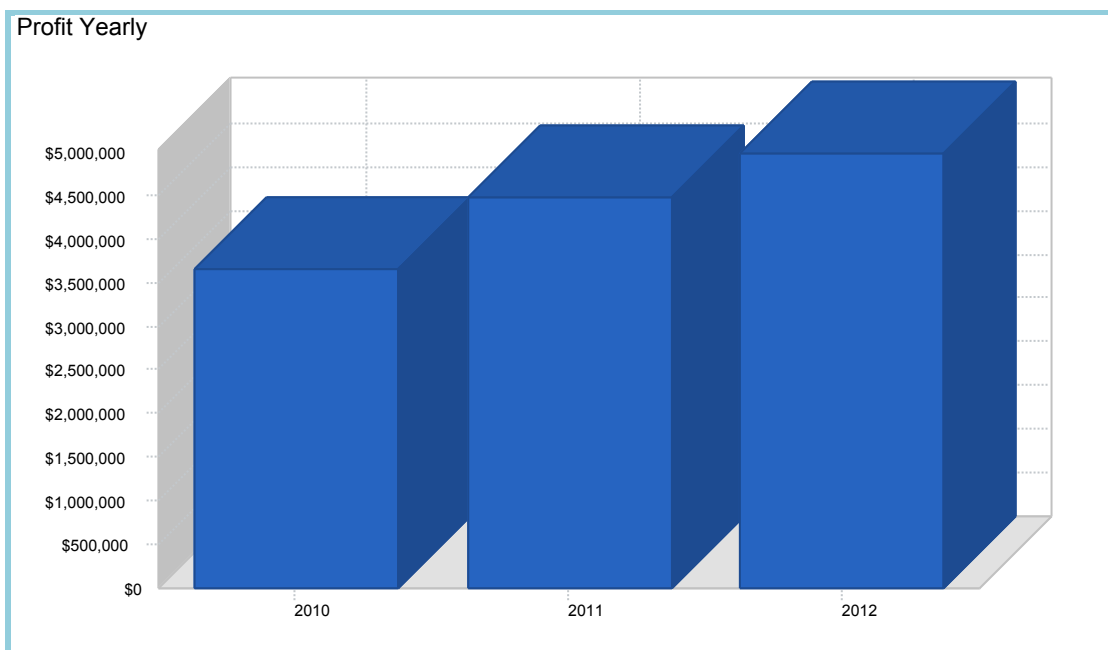
<b>Pro Forma Profit and Loss</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Sales</b>	<b>\$7,402,287</b>	<b>\$8,174,900</b>	<b>\$8,994,900</b>
<b>Direct Cost of Sales</b>	<b>\$469,368</b>	<b>\$516,304</b>	<b>\$567,934</b>
	<b>\$0</b>		
<b>Total Cost of Sales</b>	<b>\$469,368</b>	<b>\$516,304</b>	<b>\$567,934</b>
<b>Gross Margin</b>	<b>\$6,932,919</b>	<b>\$7,658,596</b>	<b>\$8,426,966</b>
<b>Gross Margin %</b>	<b>93.66%</b>	<b>93.68%</b>	<b>93.69%</b>
<b>Expenses</b>			
<b>Payroll</b>	<b>\$1,031,868</b>	<b>\$1,073,876</b>	<b>\$1,117,818</b>
<b>Marketing/Promotion</b>	<b>\$1,020</b>	<b>\$1,100</b>	<b>\$1,200</b>
<b>Depreciation</b>	<b>\$34,800</b>	<b>\$41,800</b>	<b>\$48,800</b>
<b>Utilities</b>	<b>\$13,820</b>	<b>\$14,372</b>	<b>\$14,946</b>
<b>Insurance</b>	<b>\$324,000</b>	<b>\$343,440</b>	<b>\$364,046</b>

<b>Payroll Taxes</b>	<b>\$154,780</b>	<b>\$161,081</b>	<b>\$167,673</b>
<b>Inventory</b>	<b>\$180,000</b>	<b>\$185,400</b>	<b>\$196,524</b>
<b>Office Equipment &amp; Supplies</b>	<b>\$7,200</b>	<b>\$7,488</b>	<b>\$7,780</b>
<b>Total Operating Expenses</b>	<b>\$1,747,488</b>	<b>\$1,828,557</b>	<b>\$1,918,179</b>
<b>Profit Before Interest and Taxes</b>	<b>\$5,185,430</b>	<b>\$5,830,039</b>	<b>\$6,508,179</b>
<b>EBITDA</b>	<b>\$5,220,230</b>	<b>\$5,871,839</b>	<b>\$6,556,979</b>
<b>Interest Expense</b>	<b>\$10,080</b>	<b>\$10,080</b>	<b>\$10,080</b>
<b>Taxes Incurred</b>	<b>\$1,552,605</b>	<b>\$1,745,988</b>	<b>\$1,949,430</b>
<b>Net Profit</b>	<b>\$3,622,745</b>	<b>\$4,073,971</b>	<b>\$4,548,670</b>
<b>Net Profit/Sales</b>	<b>48.94%</b>	<b>49.84%</b>	<b>50.57%</b>

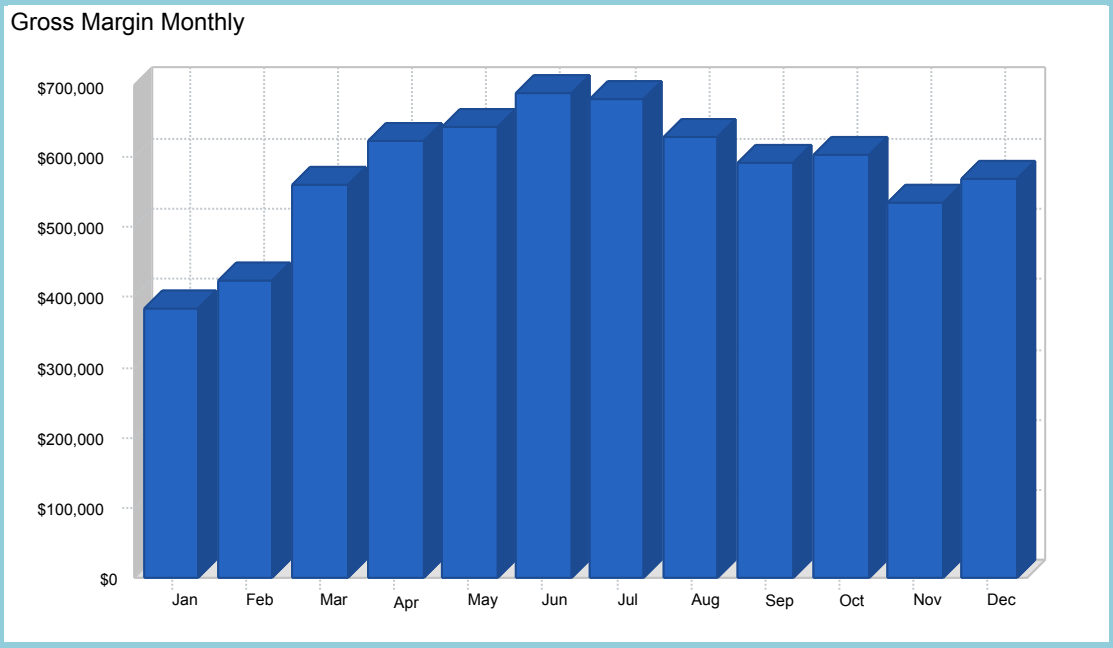
**Chart: Profit Monthly**



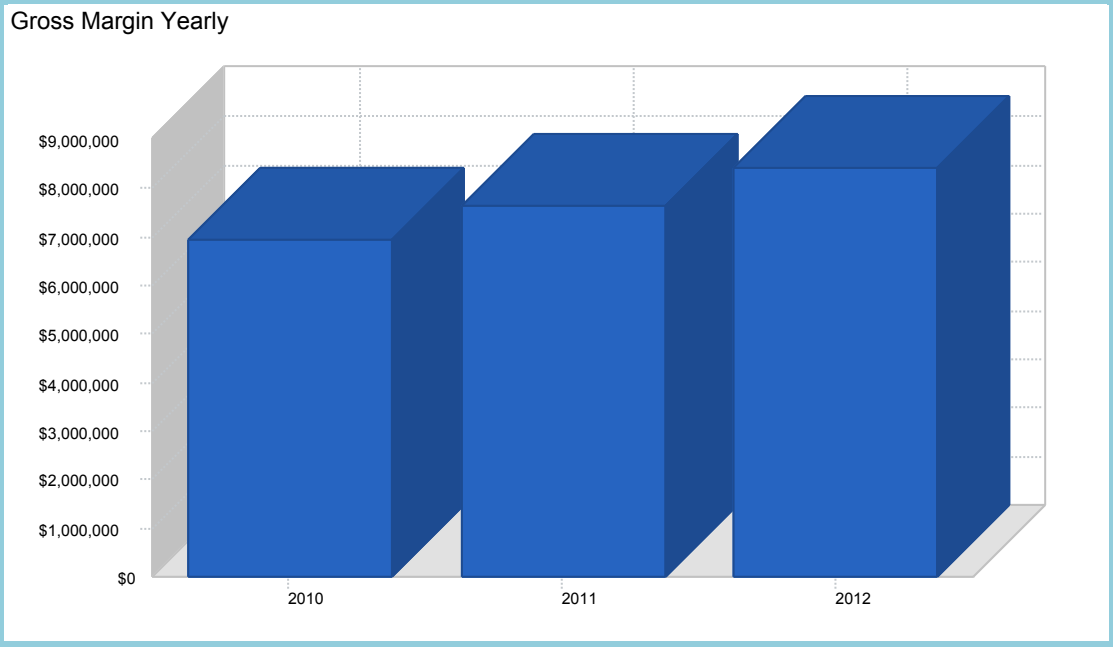
**Chart: Profit Yearly**



**Chart: Gross Margin Monthly**



**Chart: Gross Margin Yearly**



#### **8.4 Projected Cash Flow**

The cash flow projection shows that the provisions for ongoing expenses are adequate to meet the needs of the company as the business generates sufficient cash flow to support operations.

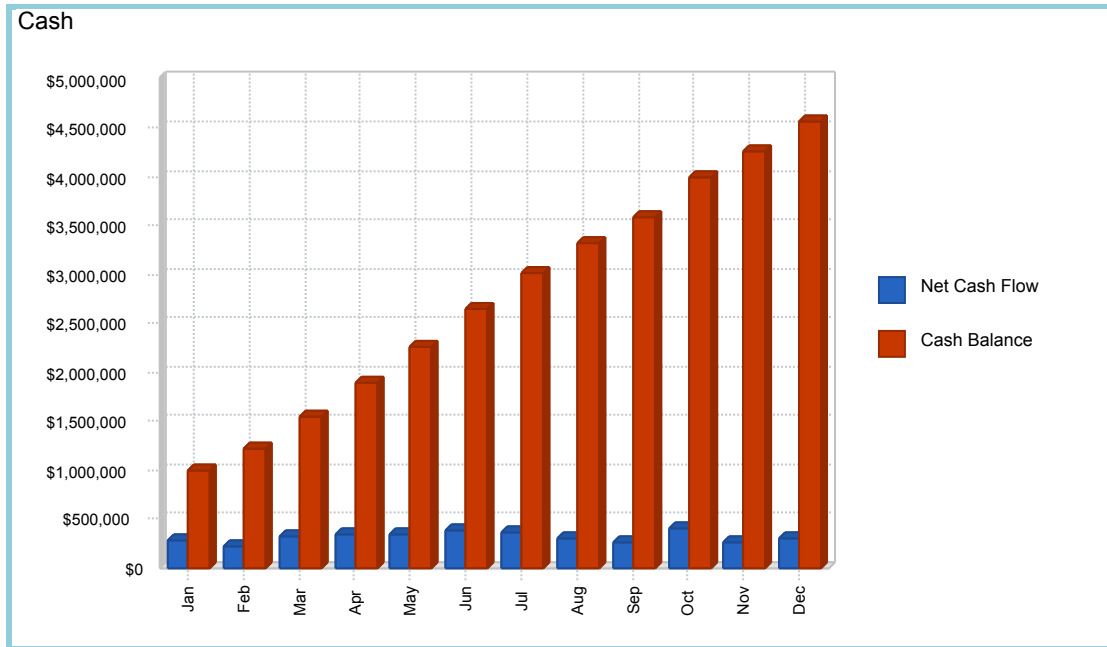
**COMPANY NAME** has applied for a grant of \$1,200,000. In 2010, **COMPANY NAME** has forecast that it will receive \$1,200,000 in the month of October. During this period, the company will use \$1,035,000 to purchase 10 new fuel efficient trucks, \$80,000 for 10 auxiliary power units and \$35,000 for the maintenance garage. These purchases are reflected in the purchase of long-term assets.

**Table: Cash Flow**

<b>Pro Forma Cash Flow</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Cash Received</b>			
<b>Cash from Operations</b>			
<b>Cash Sales</b>	<b>\$7,402,287</b>	<b>\$8,174,900</b>	<b>\$8,994,900</b>
<b>Subtotal Cash from Operations</b>	<b>\$7,402,287</b>	<b>\$8,174,900</b>	<b>\$8,994,900</b>
<b>Additional Cash Received</b>			
<b>Sales Tax, VAT, HST/GST Received</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>New Current Borrowing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>New Other Liabilities (interest-free)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>New Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sales of Other Current Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sales of Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>New Investment Received</b>	<b>\$1,200,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal Cash Received</b>	<b>\$8,602,287</b>	<b>\$8,174,900</b>	<b>\$8,994,900</b>
<b>Expenditures</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenditures from Operations</b>			
<b>Cash Spending</b>	<b>\$1,031,868</b>	<b>\$1,073,876</b>	<b>\$1,117,818</b>
<b>Bill Payments</b>	<b>\$2,551,895</b>	<b>\$2,956,632</b>	<b>\$3,255,419</b>
<b>Subtotal Spent on Operations</b>	<b>\$3,583,764</b>	<b>\$4,030,508</b>	<b>\$4,373,237</b>
<b>Additional Cash Spent</b>			
<b>Sales Tax, VAT, HST/GST Paid Out</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Principal Repayment of Current Borrowing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Liabilities Principal Repayment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long-term Liabilities Principal Repayment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Purchase Other Current Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Purchase Long-term Assets</b>	<b>\$1,150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Dividends</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal Cash Spent</b>	<b>\$4,733,764</b>	<b>\$4,030,508</b>	<b>\$4,373,237</b>
<b>Net Cash Flow</b>	<b>\$3,836,527</b>	<b>\$4,214,142</b>	<b>\$4,700,920</b>
<b>Cash Balance</b>	<b>\$4,582,569</b>	<b>\$8,726,962</b>	<b>\$13,348,625</b>

### Chart: Cash



### 8.5 Projected Balance Sheet

**COMPANY NAME** net worth is \$7,653,676, \$12,128,420 and \$17,105,025 for 2010, 2011, and 2012, respectively.

The balance sheet is quite solid and they do not project any real trouble meeting their debt obligations--as long as they can achieve their specific objectives.



**Table: Balance Sheet**

<b>Pro Forma Balance Sheet</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$4,582,569	\$8,26,962	\$13,348,625
Other Current Assets	\$4,773,537	\$4,773,537	\$4,773,537
<b>Total Current Assets</b>	<b>\$9,356,106</b>	<b>\$13,500,499</b>	<b>\$18,122,162</b>
<b>Long-term Assets</b>			
Long-term Assets	\$5,286,556	\$5,286,556	\$5,286,556
Accumulated Depreciation	\$446,863	\$488,663	\$563,463
<b>Total Long-term Assets</b>	<b>\$4,839,693</b>	<b>\$4,797,843</b>	<b>\$4,749,093</b>
<b>Total Assets</b>	<b>\$14,195,799</b>	<b>\$18,298,392</b>	<b>\$22,871,255</b>
<b>Liabilities and Capital</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Current Liabilities</b>			
Accounts Payable	\$219,545	\$238,866	\$263,041
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$543,773	\$543,773	\$543,773
<b>Subtotal Current Liabilities</b>	<b>\$760,515</b>	<b>\$789,136</b>	<b>\$813,330</b>
<b>Long-term Liabilities</b>	<b>\$288,000</b>	<b>\$288,000</b>	<b>\$288,000</b>

<b>Total Liabilities</b>	<b>\$1,048,515</b>	<b>\$1,077,136</b>	<b>\$1,101,330</b>
<b>Paid-in Capital</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>
<b>Retained Earnings</b>	<b>\$8,322,539</b>	<b>\$11,947,284</b>	<b>\$16,021,255</b>
<b>Earnings</b>	<b>\$3,622,745</b>	<b>\$4,073,971</b>	<b>\$4,548,670</b>
<b>Total Capital</b>	<b>\$13,147,284</b>	<b>\$17,221,255</b>	<b>\$21,769,925</b>
<b>Total Liabilities and Capital</b>	<b>\$14,195,799</b>	<b>\$18,298,392</b>	<b>\$22,871,255</b>
<b>Net Worth</b>	<b>\$13,147,284</b>	<b>\$17,221,255</b>	<b>\$21,769,925</b>

### **8.6 Business Ratios**

The following table shows the projected business ratios. **COMPANY NAME** expects to maintain healthy ratios for profitability, risk, and return. The industry profile ratios are based on the Standard Industrial Classification or the trucking industry.

**Table: Ratios**

<b>Ratio Analysis</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Industry Profile</b>
<b>Sales Growth</b>	<b>-34.67%</b>	<b>10.44%</b>	<b>10.03%</b>	<b>1.90%</b>
<b>Percent of Total Assets</b>				
<b>Other Current Assets</b>	<b>33.63%</b>	<b>26.09%</b>	<b>20.87%</b>	<b>37.68%</b>
<b>Total Current Assets</b>	<b>65.91%</b>	<b>73.38%</b>	<b>79.24%</b>	<b>54.28%</b>
<b>Long-term Assets</b>	<b>34.09%</b>	<b>26.22%</b>	<b>20.76%</b>	<b>45.72%</b>
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Current Liabilities</b>	<b>5.36%</b>	<b>4.31%</b>	<b>3.56%</b>	<b>28.46%</b>
<b>Long-term Liabilities</b>	<b>2.03%</b>	<b>1.57%</b>	<b>1.26%</b>	<b>71.54%</b>
<b>Total Liabilities</b>	<b>7.39%</b>	<b>5.89%</b>	<b>4.82%</b>	<b>100.00%</b>
<b>Net Worth</b>	<b>92.61%</b>	<b>94.11%</b>	<b>95.18%</b>	<b>0.00%</b>
<b>Percent of Sales</b>				
<b>Sales</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Gross Margin</b>	<b>93.66%</b>	<b>93.68%</b>	<b>93.69%</b>	<b>62.79%</b>
<b>Selling, General &amp; Administrative Expenses</b>	<b>44.72%</b>	<b>71.32%</b>	<b>75.35%</b>	<b>17.10%</b>
<b>Advertising Expenses</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.21%</b>
<b>Profit Before Interest and Taxes</b>	<b>70.52%</b>	<b>71.32%</b>	<b>72.35%</b>	<b>5.93%</b>
<b>Main Ratios</b>				

<b>Current</b>	<b>12.30</b>	<b>17.11</b>	<b>22.28</b>	<b>1.35</b>
<b>Quick</b>	<b>12.30</b>	<b>17.11</b>	<b>22.28</b>	<b>1.28</b>
<b>Total Debt to Total Assets</b>	<b>7.39%</b>	<b>5.89%</b>	<b>4.82%</b>	<b>100.00%</b>
<b>Pre-tax Return on Net Worth</b>	<b>39.36%</b>	<b>33.80%</b>	<b>29.85%</b>	<b>-6021979.59%</b>
<b>Pre-tax Return on Assets</b>	<b>36.46%</b>	<b>31.81%</b>	<b>28.41%</b>	<b>31.52%</b>
<b>Additional Ratios</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	
<b>Net Profit Margin</b>	<b>48.94%</b>	<b>49.84%</b>	<b>50.57%</b>	<b>n.a</b>
<b>Return on Equity</b>	<b>27.56%</b>	<b>23.66%</b>	<b>20.89%</b>	<b>n.a</b>
<b>Activity Ratios</b>				
<b>Accounts Payable Turnover</b>	<b>12.52</b>	<b>12.17</b>	<b>12.17</b>	<b>n.a</b>
<b>Payment Days</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>n.a</b>
<b>Total Asset Turnover</b>	<b>0.52</b>	<b>0.45</b>	<b>0.39</b>	<b>n.a</b>
<b>Debt Ratios</b>				
<b>Debt to Net Worth</b>	<b>0.08</b>	<b>0.06</b>	<b>0.05</b>	<b>n.a</b>
<b>Current Liab. to Liab.</b>	<b>0.73</b>	<b>0.73</b>	<b>0.74</b>	<b>n.a</b>
<b>Liquidity Ratios</b>				
<b>Net Working Capital</b>	<b>\$8,595,591</b>	<b>\$12,711,362</b>	<b>\$17,308,832</b>	<b>n.a</b>
<b>Interest Coverage</b>	<b>514.43</b>	<b>578.38</b>	<b>645.65</b>	<b>n.a</b>
<b>Additional Ratios</b>				

<b>Assets to Sales</b>	<b>1.92</b>	<b>2.24</b>	<b>2.64</b>	<b>n.a</b>
<b>Current Debt/Total Assets</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>n.a</b>
<b>Acid Test</b>	<b>12.20</b>	<b>17.11</b>	<b>22.28</b>	<b>n.a</b>
<b>Sales/Net Worth</b>	<b>0.56</b>	<b>0.47</b>	<b>0.41</b>	<b>n.a</b>
<b>Dividend Payout</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>n.a</b>

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