



Sample Business Expansion Plan



The following sample business expansion plan has been developed and created by Cambium Indigenous Professional Services. This sample business expansion plan has been created to help you understand and visualize how a professional business expansion plan looks like. In addition, this sample business expansion plan will allow you to see the necessary components of a professionally designed plan so that you can use as a reference for your own business planning process.

The following sample business expansion plan uses a fictitious business that's been in business for the past 5 years and looking to expand into other markets. It includes historical financial statements (3 years historical) as well as financial projections (3 year forecasts).

Please remember that this sample business plan uses a fictional company and scenario. Any business, person or location resemblance is coincidental.

This sample landscaping business plan can be used as a reference but please, do not resell as your own or for other commercial purposes. This sample business plan is property of Cambium Indigenous Professional Services.

If you or your community needs assistance developing a professional business plan, strategic plan or community development plan, please contact Cambium Indigenous Professional Services at:

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Mid North Metal Post Expansion Business Plan

Summary

Established in 2006, Mid North Metal Post has become an innovative leader in helical pile installations for residential and commercial foundations. Mid North Metal Post specializes in permanent and temporary foundations through the use of helical piles, which are drilled into the ground to provide a solid and reliable foundation for homes and commercial buildings.

Steel piles are described as “oversized” screws that consist of a central shaft and a circular helical steel blade welded at the bottom. The piles are basically drilled into the ground using specially made machines which are then used to support different types of structures.

By using piles, there is no need for ground excavation, allowing commercial and residential entities to build additions such as decks, sunrooms, gazebos, and deep foundations in an efficient and effective manner.

Mid North Metal projects are engineered, government approved, and guaranteed against frost heave and settlement.

Owned and operated by Mr. Bill Lauzon, Mid North Metal Post has been successfully operating in the GTA and Southern Ontario region for over 4 years. Target markets have been identified and audited financial statements reveal the following trends:

- Light residential jobs account for 10% of revenue with prices ranging from \$175 - \$250 per 7 foot pile with profit margins between 50% - 125%;
- Medium residential jobs account for 60% of revenue with prices ranging from \$250 - \$400 per 7 foot pile with profit margins between 50% - 200%;
- Commercial, industrial, and heavy residential jobs account for 30% of revenue with prices ranging from \$400 - \$650 per 7 foot pile with profit margins between 50% and 400%.

Audited financial statements also reveal gross revenues of \$298,788 in 2008 and \$327,488 in 2009, with a year to date (September 30, 2010), of \$346,649 with a projected revenue for 2010 at \$515,000.

There is a healthy revenue growth rate of 40% from years 2008 and 2010 with increased sales growth rates of 34% per year.

Although the medium residential market accounts for 60% of overall revenue, Mid North Metal Post has identified commercial, industrial, and heavy residential markets as a priority market.

This market has a much higher retail price point, per pile, while at the same time, keeping cost of goods and expenses per pile, relatively low in comparison. An increase of 10% in this market will represent an increase in sales by as much as \$155,000 in it's first year of expansion.

However, current machinery limits market penetration for Mr. Lauzon. By renting and sub contracting machinery and labour for this type of market, he loses a substantial amount of time and money (See appendix B).

By purchasing the necessary equipment and machinery, Mid North Metal Post will be in a much better position to compete for high profit jobs in this market while keeping costs and expenses relatively low. By reducing the price of each job in the expansion market (Cost savings with subsidized ABC funding), Mid North Metal Post will be better situated to effectively compete in this market.

Mid North Metal Post's strategy is two tiered. First, the company will plan on achieving first year direct sales of \$669,500 in the current and expansion markets. Based on current jobs and estimates, projected market penetration for the commercial, industrial, and heavy residential is expected to raise by 10% in the first year of expansion.

Secondly, Mid North Metal Post plans to aggressively promote its product and services in the commercial, industrial, and heavy residential markets.

The expansion expense for Mid North Metal Post include: capital \$148,250, marketing \$45,900, and business support \$17,200.

Capital funds will be used to purchase:

- ET-1 Commercial grade machine \$115,000 (Quote attached - Appendix D);
- ET-1 Commercial machine trailer \$12,000 - Strictly for ET-1;
- Commercial equipment trailer \$15,000 - For current machines;
- Load Tester \$6,250 - Automatically testing load rates;

Marketing funds will be used for:

- Blue Bird marketing consultants \$20,000 (Quote attached - Appendix D);
- Trade shows \$5,000;
- Booth \$10,000
- Print material advertising \$5,000;
- Website \$3,500;
- 2 Ipads \$1,500;
- Salesforce software \$ 900;

Business support funds will be utilized for:

- Lawyer \$7,000;
- Accounting/Book Keeping. Includes all book keeping duties and a professional year end audit. \$10,200;

In order to properly fund the expansion of Mid North Metal Post, the financing package consists of personal equity, federal assistance and traditional borrowing. Mr. Lauzon will contribute a total of \$14,825 in equity or 10% of the project's total capital costs.

Financing in the amount of \$74,125 or 50% of the projects capital costs is in the process of being approved at the Toronto Dominion Bank (Appendix E).

The remaining balance of \$59,300 or 40% will be contributed by Aboriginal Business Canada.

Funding for marketing and business support activities will look as follows:

Marketing

ABC:	60%	\$27,540
Client:	40%	\$18,360
Total:	100%	\$45,900

Business Support

ABC:	75%	\$12,900
Client:	25%	\$4,300
Total:	100%	\$17,200

Market Information

Mid North Metal Posts current markets includes GTA including, Niagara falls and Hamilton, Vaughan-Markham, Guelph, Waterloo, Cambridge, Peel, Toronto.

Mid North Metal Post currently serves 3 markets as posted below.

Market Type	Market %	Price Per Pile
P1 - Light residential including patios, decks, varandas, etc. Allowable workload is up to 6,800 lbs	10%	\$175 - \$250
P2 - Medium residential including cap ports, sunrooms, and single floor house additions. Allowable workload is up to 9,600 lbs.	60%	\$250 - \$400
P3 - Commercial, industrial and large residential including new house foundations, two floor house additions, underpinnings, chalets, and garages. Allowable workout is up to 50,000 lbs.	30%	\$400 - \$600

Market type is determined by the type of job and engineered load ratings. Market percentages are those jobs that have been completed within that market. Price per post will vary depending on the amount of labour and work that needs to be completed in order for the post to satisfy load engineered load ratings.

Mid North Metal Post is currently most active in the P2 market which serves medium residential dwellings with allowable work loads of up to 9,600 lbs. At a price point of \$250 - \$400 per 7 foot pile, profit margins are between 50% - 200%. The P3 market, which serves commercial, industrial, and large residential jobs account for 30% of Mid North Metal Posts jobs have a profit margin between 50% and 400%. Cost of goods sold and operating expenses remain relatively unchanged from the P2 and P3 markets, which accounts for the higher profit margin in the P3 market.

Mid North Metal Posts objective is to increase it's market share in the P3 market by 10% in its first year of expansion. However, current capital equipment inventory make this objective next to impossible to achieve. Mid North Metal Post currently owns a machine that effectively services the P1 and P2 markets but doesn't have the capacity to service the more profitable P3 market. Currently, Mid North Metal Post rents machines (when they are available), to service the P3 market which costs the company time and capital while reducing overall profits.

Based on future job and project estimates (Appendix C) in the P3 market, a 10% increase in jobs for Mid North Metal Post is considered attainable and reasonable. This represents a \$155,000 increase in sales. New estimates for Mid North Metal is as follows:

Market Type	Market %	Price Per Pile
P1 - Light residential including patios, decks, varandas, etc. Allowable workload is up to 6,800 lbs	8%	\$175 - \$250
P2 - Medium residential including cap ports, sunrooms, and additions. Allowable workload is up to 9,600 lbs.	52%	\$250 - \$400
P3 - Commercial, industrial and large residential including new house foundations, two floor house additions, underpinnings, chalets, and garages. Allowable workout is up to 23,800 lbs.	40%	\$400 - \$600

Projected sales growth rates (2011, 2012, 2013) are expected to be constant between the 30% and 35% range. This reflects past sales trends and a shift from the P2 and P3 markets.

Mid North Metal Post will also use an aggressive marketing strategy to help with P3 market penetration. Mid North Metal Post will employ the services of One Blue Bird marketing consultants to help build brand recognition and lead generation through the use of offline and online techniques.

One Blue Bird will:

- Develop a comprehensive marketing strategy for Mid North Metal Post which will include online and offline techniques
- Implement an online and offline strategy
- Develop copy write materials to be used on marketing materials and web site.
- Manage leads and prospects
- Implement monthly marketing campaigns
- Provide monthly progress reports
- Develop 2 professional power point presentations for target markets including engineers/ architects and renovators/builders.

The marketing plan will further Mid North Metal Post's push into the high profit P3 markets, including commercial, industrial, and large residential dwellings.

Mid North Metal Post will also build a professional trade show booth. The booth will display pertinent and targeted marketing material at popular trade shows such as the International Home Show. This home show is the largest in Canada and attracts thousands of targeted visitors, which according to last year's statistics, 71% of visitors are planning to purchase from a vendor.

A professional website will also be included and be used as a part of the overall marketing strategy. Mid North Metal Post will also attend popular trade shows to establish further contacts and networks. The following marketing costs have been identified:

• Blue Bird	\$20,000
• Booth	\$5,000
• Trade shows	\$10,000
• 2 Ipads	\$1,500
• Salesforce software	\$ 900
• Website	<u>\$3,500</u>
Total	\$45,900

Mid North Metal Post has identified the following marketing plan funding break down

Aboriginal Business Canada:	60%	\$27,540
Client:	40%	\$18,360
Total:	100%	\$45,900

Operations

Mid North Metal Post is owned and operated by:

Bill Lauzon
3161 Scotsraig Cr,
Oakville, ON
Canada
L6M 5G8

905-467-3172Phone:
905-827-3252FAX:
info@technometalpost.caE-mail:

General Operating Hours

Mid North Metal Post intends to operate Monday thru Saturday from 8 am to 5 pm. Mid North Metal Post is opened year round.

Human Resources

Mr. Bill Lauzon is the sole owner of Mid North Metal Post. Mr. Lauzon is responsible for ongoing operations including quotes, installs, and supervision. There are currently two employees, one part time and 1 full time employees, and one sales representative working for Mid North Metal Post. They are:

Ryan Poliniski is a full time employee who handles most of the installs for Mid North Metal Post and has been with the company for 2 and a half years.

Paul Eversmore operates on a part time employee and helps with installs and operations. Been with the company since inception.

Both, Mr. Poliniski and Mr. Eversmore are qualified installers.

Gino Taravino is a sales representative who operates on commission only. Has recently been hired.

Installation Procedures

Mr. Lauzon currently handles all top level responsibilities including quotes, supervision, operations, and customer relations.

Mr. Polinsiki and Mr. Eversmore handle the day to day installations and operations which include:

- Install and pick up Mid North Metal Post, Mid North Protection and Thermo Post products which include helical piles, brackets and corrosion systems and thermo post system.
- Clean and prepare sites to eliminate possible hazards.
- Measure, mark and record distances to lay out areas where work will be performed.
- Read and interpret plans, instructions and specifications to determine work.
- Use shovels; operate jack hammers and drills to break up concrete, pavement, and soils.
- Drive pick-up with trailer and robot to and from job sites.
- Complete installation and other work as required.

Maintenance and Other work

- Lubricate, clean and repair machinery, equipment, and tools.
- Conduct routine maintenance of robot, trailer, truck, all tools and equipment used.

- Perform a circle check and record it on daily inspection sheet in vehicle as per MTO requirements.
- At all times have a clean truck and trailer with a complete inventory.

Once all capital equipment has been purchased and the marketing plan is implemented, Mr. Lauzon plans to hire an additional employee who will be hired to operate one of the two installation machines.

Due to the demands imposed at expansion, Mid North Metal Post will require that the business have sufficient capital equipment to meet all operational responsibilities of the business for the first year of expansion.

The following equipment have been identified as necessary in order to handle additional jobs in the P3 market:

• ET-1 Commercial machine	\$115,000
• ET-1 Commercial machine trailer	\$12,000
• Commercial equipment trailer	\$15,000
• Load Tester	<u>\$6,250</u>
Total	\$148,250

All installation machines all operate on the same principle. An engine unit operates a complex hydraulic circuit with multiple functions including:

- Generating the power of the rotating head that drives down the Mid North Metal Post by screwing;
- Operating the telescopic mast and the winch;
- Powering the 4-wheel drive for moving the machine.

The current installation machine doesn't have the capabilities to handle larger jobs requiring a load rate of 24,000 pounds and higher. However, the ET-1 machine has the necessary capabilities to handle larger jobs in an efficient and cost effective manner.

The ET-1 trailer is necessary to house the main machine while an additional equipment trailer will be used to house the current machine and other equipment such as welding supplies and heavy equipment.

A load tester will also be needed in order to confirm optimal torque. Currently, Mid North Metal Post is performing this task with a sledgehammer which is very inefficient. By using a load tester, this task is automatically completed in a fraction of the time while completely eliminating worker injury.

It is expected, that by employing the use of the above noted capital equipment, onsite pile testing will be reduced by as much as 60%.

Mid North Metal Post has identified the following funding break down in order to acquire the necessary equipment for expansion:

Aboriginal Business Canada:	40%: \$59,300
Toronto Dominion Bank:	50%: \$74,125
Client Equity:	<u>10%: \$14,825</u>
Total:	100% \$148,250

As Mid North Metal Post expands in operations, additional business support will be needed in order to meet additional demands.

Mid North Metal Post will hire:

- A Book keeper to keep accurate and up to date financial records each and every month. Total cost for the book keeper is \$600 per month
- An accountant to perform a year end audit. Total cost for the accountant is \$3,500
- Business lawyer to help with all business related issues. Total cost is \$7,000.

Mid North Metal Post has identified the following business support costs in order to meet the demands of the business expansion:

Lawyer	\$7,000
Accounting/Book Keeping	<u>\$10,200</u>
Total	\$17,200

Funding Breakdown:

Aboriginal Business Canada:	75% \$12,900
Client:	<u>25% \$4,300</u>
Total:	100% \$17,200

Income Statement	2017	2018	2019	2020	2021	2022	2023
Revenue							
Sales	\$327,498	\$517,842	\$654,725	\$600,000	\$735,000	\$885,000	\$985,000
Net sales	\$327,498	\$517,842	\$654,725	\$600,000	\$735,000	\$885,000	\$985,000
Cost of sales							
Engineering: Conformity report	\$0	\$0	\$0	\$2,320	\$50,000	\$50,000	\$50,000
Equipment rentals	\$0	\$0	\$0	\$250	\$450	\$450	\$450
Mfg steel cost	\$0	\$0	\$0	\$3,000	\$5,300	\$5,300	\$5,300
Purchases	\$206,860	\$277,922	\$193,872	\$180,000	\$260,000	\$322,000	\$360,000
Total cost of sales	\$206,860	\$277,922	\$193,872	\$185,570	\$315,750	\$377,750	\$415,750
Gross Profit	\$120,638	\$239,920	\$460,853	\$414,430	\$419,250	\$507,250	\$569,250
Expenses							
Advertising and promotion	\$17,786	\$19,171	\$49,069	\$35,000	\$41,400	\$51,400	\$56,400
Auto and travel	\$33,118	\$26,614	\$33,517	\$33,987	\$37,000	\$45,000	\$50,000
Bad debts	\$0	\$0	\$2,390	\$0	\$0	\$0	\$0
Bank charges and interest	\$6,869	\$10,301	\$11,572	\$5,730	\$7,000	\$7,000	\$8,500
CPP expense	\$0	\$0	\$0	\$1,332	\$1,865	\$1,865	\$1,865
Depreciation and amortization	\$17,996	\$31,932	\$32,700	\$47,942	\$63,922	\$63,922	\$63,922
Dues and fees	\$0	\$0	\$3,537	\$0	\$0	\$0	\$0
El expense	\$0	\$0	\$0	\$791	\$1,107	\$1,107	\$1,107
Equipment rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$2,154	\$4,285	\$3,500	\$3,500	\$3,500	\$3,500
Loss (gain) sale of asset	-\$11,005	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$0	\$0	\$0	\$5,886	\$7,000	\$8,240	\$10,000
Meals and entertainment	\$0	\$0	\$0	\$4,944	\$6,500	\$7,500	\$9,000
Membership	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office and miscellaneous	\$10,331	\$9,438	\$23,587	\$5,961	\$9,000	\$10,000	\$13,000
Postage and courier	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional fees	\$7,199	\$4,265	\$28,547	\$10,000	\$12,000	\$14,000	\$14,000
Repair and maintenance	\$0	\$0	\$2,854	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$3,600	\$0	\$0	\$0	\$0
Salary and benefits	\$0	\$489	\$50,445	\$55,000	\$55,000	\$55,000	\$55,000
Sub contracting	\$0	\$0	\$49,977	\$50,000	\$30,000	\$30,000	\$30,000
Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Systems and IT	\$0	\$0	\$0	\$3,657	\$3,000	\$3,500	\$3,500
Tax penalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools and small equipment	\$0	\$0	\$0	\$3,500	\$4,000	\$4,900	\$6,000
Trade show booth	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trade show participation	\$0	\$0	\$0	\$0	\$3,600	\$3,600	\$3,600
Travel and entertainment	\$0	\$0	\$783	\$1,500	\$2,500	\$2,500	\$4,000
Telephone / Internet	\$6,269	\$3,561	\$8,055	\$10,000	\$13,000	\$18,000	\$22,000
WSIB	\$0	\$0	\$0	\$2,124	\$2,500	\$2,500	\$2,500
Total Expenses	\$88,563	\$107,925	\$304,918	\$280,854	\$303,894	\$333,534	\$357,894
Operating profit before tax	\$32,075	\$131,995	\$155,935	\$133,576	\$115,356	\$173,716	\$211,356
Less taxes	\$0	-\$12,556	-\$24,800	-\$20,000	-\$31,000	-\$35,000	-\$45,000
Net Income	\$32,075	\$119,439	\$131,135	\$113,576	\$84,356	\$138,716	\$166,356
Retained earnings beginning of year	-\$95,624	-\$63,549	\$5,890	\$73,025	\$126,601	\$150,957	\$219,673
Dividends	\$0	-\$50,000	-\$64,000	-\$75,000	-\$75,000	-\$85,000	-\$85,000
Retained earnings end of year	-\$63,549	\$5,890	\$73,025	\$111,601	\$135,957	\$204,673	\$301,029

Monthly Cash Flow Cash In	January	February	March	April	May	June	July	August	September	October	November	December	Total
Beginning Cash	\$1,388	\$0	\$0	\$12,000									\$13,388
Residential / Commercial Jobs	\$28,825	\$28,825	\$28,825	\$45,000	\$64,088	\$60,000	\$50,000	\$55,000	\$50,000	\$55,000	\$69,438	\$65,000	\$600,000
Conformity Report	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Sales discounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing	\$0	\$0	\$0	\$53,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53,250
Equity	\$0	\$0	\$0	\$188,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,625
ABC	\$0	\$0	\$0	\$74,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,625
Total Cash In	\$31,463	\$30,075	\$30,075	\$374,750	\$65,338	\$61,250	\$51,250	\$56,250	\$51,250	\$56,250	\$70,688	\$66,250	\$944,888
Cost Of Sales													
Engineering	\$773	\$773	\$773	\$5,556	\$5,552	\$5,556	\$5,556	\$5,556	\$5,556	\$5,556	\$5,556	\$5,556	\$52,316
Equipment Rentals	\$10	\$10	\$20	\$20	\$20	\$20	\$20	\$15	\$29	\$30	\$28	\$28	\$250
Mfg steel cost	\$262	\$262	\$262	\$260	\$260	\$250	\$250	\$200	\$200	\$200	\$300	\$295	\$3,000
Sub-contracting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Conformity Expense Report	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchases	\$3,327	\$3,327	\$3,327	\$50,000	\$25,000	\$30,000	\$20,000	\$20,000	\$22,019	\$25,000	\$28,000	\$25,000	\$255,000
Licencing	\$0	\$0	\$0	\$190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$190,000
Freight	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$4,372	\$4,372	\$4,382	\$245,836	\$30,832	\$35,826	\$25,826	\$25,771	\$27,804	\$30,786	\$33,883	\$30,878	\$500,566
Total Cash	\$27,091	\$25,703	\$25,693	\$128,914	\$34,506	\$25,424	\$25,424	\$30,479	\$23,446	\$25,464	\$36,805	\$35,372	\$444,322
Cash Out													
Accounting and legal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising and promotion	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,917	\$2,915	\$2,917	\$2,917	\$2,917	\$2,917	\$35,000
Auto and travel	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$3,776	\$45,316
Bad debts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bank charges and interest	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$7,639
Bank interest penalty	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Casual labour	\$67	\$67	\$67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200
CPP expense	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$111	\$1,332
Dues and fees	\$0	\$0	-\$438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$438
El expense	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$1,054
Equipment rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$83	\$83	\$83	\$350	\$388	\$350	\$388	\$350	\$388	\$350	\$298	\$388	\$3,500
Licences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss (gain) sale of asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$654	\$7,848
Meals and entertainment	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$6,592
Membership	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office and miscellaneous	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$662	\$7,948
Owners wages (As dividends)	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$75,000
Postage and courier	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional fees	\$1,321	\$1,321	\$1,321	\$1,500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1,037	\$10,000
Repair and maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salary and benefits	\$3,526	\$3,526	\$3,526	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$4,823	\$4,800	\$4,800	\$55,000
Sub contracting	\$4,474	\$4,474	\$4,474	\$4,100	\$4,100	\$4,100	\$4,100	\$4,000	\$4,179	\$4,000	\$4,000	\$4,000	\$50,000
Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Systems and IT	\$407	\$407	\$407	\$406	\$406	\$406	\$406	\$406	\$406	\$406	\$406	\$406	\$4,877
Tax penalties	\$82	\$82	\$82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$247
Tools and small equipment	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$2,716
Trade show booth	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trade show participation	\$0	\$0	\$0	\$2,995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,995
Training and development	\$206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$206
Travel and entertainment	\$16	\$0	\$0	\$78	\$78	\$78	\$78	\$78	\$78	\$78	\$78	\$78	\$715
Telephone / Internet	\$564	\$564	\$564	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,692
Vehicle expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WSIB	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$236	\$2,832
Loan Payment	\$3,837	\$3,837	\$3,837	\$4,806	\$4,806	\$4,806	\$4,806	\$4,806	\$4,806	\$4,806	\$3,837	\$3,837	\$52,826
Less: Shareholders Distributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,323	\$12,323
Total Cash Out	\$30,689	\$30,467	\$30,029	\$36,341	\$32,384	\$32,346	\$32,384	\$32,244	\$32,463	\$32,069	\$31,026	\$43,975	\$396,419
Net Cash Flow	-\$3,598	-\$4,764	-\$4,336	\$92,573	\$2,122	-\$6,922	-\$6,960	-\$1,765	-\$9,017	-\$6,605	\$5,779	-\$8,604	\$47,903
Cumulative Cash Flow	-\$3,598	-\$8,362	-\$12,698	\$79,876	\$81,997	\$75,075	\$68,115	\$66,350	\$57,333	\$50,728	\$56,507	\$47,903	

Yearly Cash Flow	2020	2021	2022	2023
Cash In				
Residential / Commercial Jobs	\$600,000	\$735,000	\$885,000	\$985,000
Conformity Report	\$15,000	\$15,000	\$15,000	\$15,000
Financing	\$53,250	\$0	\$0	\$0
Equity	\$188,625	\$0	\$0	\$0
ABC	\$74,625	\$0	\$0	\$0
Total Cash In	\$931,500	\$750,000	\$900,000	\$1,000,000
Cost Of Sales				
Engineering	\$52,316	\$50,000	\$50,000	\$50,000
Equipment Rentals	\$250	\$450	\$450	\$450
Mfg steel cost	\$3,000	\$5,300	\$5,300	\$5,300
Purchases	\$255,000	\$260,000	\$322,000	\$360,000
Licencing	\$190,000	\$0	\$0	\$0
Freight	\$0	\$0	\$0	\$0
Total Cost	\$500,566	\$315,750	\$377,750	\$415,750
Total Cash	\$430,934	\$434,250	\$522,250	\$584,250
Cash Out				
Advertising and promotion	\$35,000	\$41,400	\$51,400	\$56,400
Auto and travel	\$45,316	\$37,000	\$45,000	\$50,000
Bank charges and interest	\$7,639	\$7,000	\$7,000	\$8,500
Casual labour	\$200	\$0	\$0	\$0
CPP expense	\$1,332	\$1,865	\$1,865	\$1,865
Dues and fees	-\$438	\$0	\$0	\$0
El expense	\$1,054	\$1,107	\$1,107	\$1,107
Insurance	\$3,500	\$3,500	\$3,500	\$3,500
Materials	\$7,848	\$7,000	\$8,240	\$10,000
Meals and entertainment	\$6,592	\$6,500	\$7,500	\$9,000
Office and miscellaneous	\$7,948	\$9,000	\$10,000	\$13,000
Owners wages (As dividends)	\$75,000	\$75,000	\$85,000	\$85,000
Professional fees	\$10,000	\$12,000	\$14,000	\$14,000
Salary and benefits	\$55,000	\$55,000	\$55,000	\$55,000
Sub contracting	\$50,000	\$30,000	\$30,000	\$30,000
Systems and IT	\$4,877	\$3,000	\$3,500	\$3,500
Tax penalties	\$247	\$0	\$0	\$0
Tools and small equipment	\$2,716	\$4,000	\$4,900	\$6,000
Trade show participation	\$2,995	\$3,600	\$3,600	\$3,600
Training and development	\$206	\$0	\$0	\$0
Travel and entertainment	\$715	\$2,500	\$2,500	\$4,000
Telephone / Internet	\$10,692	\$13,000	\$18,000	\$22,000
WSIB	\$2,832	\$2,500	\$2,500	\$2,500
Loan Payment	\$52,826	\$52,826	\$52,826	\$52,826
Less: Shareholders Distributions	\$12,323	\$0	\$0	\$0
Total Cash Out	\$396,420	\$367,798	\$407,438	\$431,798
Net Cash Flow	\$34,514	\$66,452	\$114,812	\$152,452
Beginning Cash	\$13,388	\$47,902	\$114,354	\$229,166
Ending Cash	\$47,902	\$114,354	\$229,166	\$381,618

Yearly Balance Sheet	2017	2018	2019	2020	2021	2022	2023
Current Assets							
Cash	\$3,746	\$478	\$102	\$47,902	\$114,354	\$229,166	\$381,618
Accounts receivables	\$29,908	\$136,605	\$181,015	\$151,391	\$155,000	\$186,000	\$197,494
Total current assets	\$33,654	\$137,083	\$181,117	\$199,293	\$269,354	\$415,166	\$579,112
Fixed Assets							
Plant, property and equipment	\$101,350	\$116,035	\$263,860	\$0	\$0	\$0	\$0
Computer hardware	\$0	\$0	\$0	\$5,383	\$5,383	\$5,383	\$5,383
Vehicle	\$0	\$0	\$0	\$98,365	\$98,365	\$98,365	\$98,365
Equipment	\$0	\$0	\$0	\$158,943	\$158,943	\$158,943	\$158,943
Furniture & equipment	\$0	\$0	\$0	\$1,169	\$1,169	\$1,169	\$1,169
Less: Accumulated amortization	-\$25,441	-\$50,974	-\$83,674	-\$103,192	-\$167,114	-\$231,036	-\$251,000
Total fixed assets	\$75,909	\$65,061	\$180,186	\$160,668	\$96,746	\$32,824	\$12,860
Other Fixed Assets							
Franchise Fee - Protection	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000
Franchise Fee	\$0	\$0	\$0	\$378,989	\$378,989	\$378,989	\$378,989
Less: Accumulated Amortization	\$0	\$0	\$0	-\$50,919	-\$79,343	-\$107,767	-\$136,191
Non current assets	\$28,353	\$71,954	\$71,954	\$0	\$0	\$0	\$0
Incorporation cost	\$0	\$0	\$0	\$460	\$460	\$460	\$460
Total other assets	\$28,353	\$71,954	\$71,954	\$333,530	\$305,106	\$276,682	\$248,258
Total Assets	\$137,916	\$274,098	\$433,257	\$693,491	\$671,206	\$724,672	\$840,230
Current liabilities							
Accounts payable	\$19,755	\$89,076	\$178,291	\$277,374	\$268,581	\$249,639	\$265,000
Taxes	\$0	\$12,556	\$41,271	\$36,000	\$43,819	\$50,000	\$55,000
Short term liabilities (credit cards)	\$35,748	\$0	\$0	\$9,615	\$9,000	\$0	\$0
Total current liabilities	\$98,782	\$145,438	\$219,857	\$322,989	\$321,400	\$299,639	\$320,000
Other Current Liabilities							
Government and taxes	\$0	\$0	\$0	\$40,950	\$50,000	\$40,950	\$40,950
Payroll liabilities	\$0	\$0	\$0	\$15,410	\$16,000	\$16,000	\$16,000
Total other current liabilities	\$0	\$0	\$0	\$56,360	\$66,000	\$56,950	\$56,950
Long term liabilities							
Bank loans payable	\$102,583	\$122,670	\$140,275	\$145,893	\$108,393	\$79,594	\$50,795
Total long term liabilities	\$102,583	\$122,670	\$140,275	\$145,893	\$108,393	\$79,594	\$50,795
Total liabilities	\$201,365	\$268,108	\$360,132	\$525,242	\$495,793	\$436,183	\$427,745
Equity							
Shareholders distributions	\$43,279	\$43,806	\$295	-\$12,028	\$0	\$0	\$0
Common shares	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Dividends paid	\$0	\$0	\$0	-\$75,000	-\$75,000	-\$85,000	-\$85,000
Retained earnings	-\$63,549	\$5,890	\$73,025	\$126,601	\$150,957	\$219,673	\$316,029
Net income	\$0	\$0	\$0	\$128,576	\$99,356	\$153,716	\$181,356
Total equity	-\$63,449	\$5,990	\$73,125	\$168,249	\$175,413	\$288,489	\$412,485
Total liabilities and equity	\$137,916	\$274,098	\$433,257	\$693,491	\$671,206	\$724,672	\$840,230



This sample business expansion plan will help you visualize what a professional business plan looks like including all the necessary components. A very important consideration is to understand that all the information in the financial section is mirrored in each of the main components of the sample business expansion plan. The financial assumptions in the main body of the sample plan form the basis for the financial projections in addition to the historical statements.

Cambium Indigenous Professional Services (CIPS) is Canada's leading Indigenous advisory consultants. CIPS is led by experienced, Indigenous consultants serving projects that include traditional and western science approaches to the betterment of Indigenous Canadians.

CIPS provides both Indigenous and non-Indigenous clients with professional and technical consulting services in the following areas:

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- Climate Change Adaptation Services
- Housing and Infrastructure
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If you or your community needs assistance developing a professional business plan, strategic plan or community development plan, please contact Cambium Indigenous Professional Services at:

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