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LEVEL: 200Level

DEPARTMENT: COMPUTER ENGINEERING

COURSE: ENTERPREUEURSHIP

TITLE: BUSSINESS PLAN

### EXECUTIVE SUMMARY

Todd, West, and Associates specializes in modifications to inventory management systems of all types. The company's connectivity and network engineering expertise assures a complete wireless solution to warehouse management issues. Todd, West, and Associates has over fifteen years of experience within the ADC (Automated Data Collection) marketplace.

Prior to starting this new company, the staff of Todd, West, and Associates worked within the industry's major companies performing special wireless modification for customers. Their unique perspective has already led to two of the industry leaders, Symbol and CDS, outsourcing special modification orders to Todd, West, and Associates.

#### Objectives

The objectives of Todd, West, and Associates are as follows:

- Establish the company as a leader in warehouse wireless connectivity.
- Increase client base by 20% each year.
- Develop packaged solutions for warehouse management systems.

#### Mission

The mission of Todd, West, and Associates is to work directly with customers to improve their warehouse management systems. The development, modification, and/or improvement of warehouse data infrastructure will assure that the business will function efficiently and successfully.

## 2.0 Company Summary

Todd, West, and Associates is a new start-up engineering contracting firm. Co-owners, Mary Todd and John West have over fifteen years of experience in connectivity and network engineering. The country's economic growth over the last several years has resulted in increased opportunity for the installation of high-end warehouse management systems. Todd, West, and Associates is positioned to capitalize on the growing need of companies to better manage their inventory.

From 1996 to 2001, Mary Todd was senior engineer for the Special Modification Services unit of CDS, one of the country's leading producers of Automatic Data Collection (ADC) products. Her primary responsibility was to travel to the customer's warehouse site and perform custom wireless network modifications using CDS products.

John West has been a senior engineer for Symbol's system installation services unit for the past five years. John's responsibilities included custom wireless installation of Symbol networking equipment and ADC products at the customer's warehouse site.

Todd, West, and Associates has signed outsourcing agreements with both CDS and Symbol to provide custom network installation services to their customers. Currently, these agreements represent \$100,000 in scheduled assignments.

### 2.1 Company Ownership

Mary Todd and John West are co-owners of Todd, West, and Associates.

### 2.2 Start-up Summary

Mary Todd and John West will each equally invest in Todd, West, and Associates. In addition, they will secure a long-term loan. The following table and chart show projected initial start-up costs for Todd, West, and Associates.

**Table: Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$9,000
Start-up Assets to Fund	\$61,000
Total Funding Required	\$70,000
Assets	
Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$61,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$61,000

Total Assets	\$61,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$50,000
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$50,000
Capital	
Planned Investment	
Mary Todd	\$10,000
John West	\$10,000
Additional Investment Requirement	\$0
Total Planned Investment	\$20,000
Loss at Start-up (Start-up Expenses)	(\$9,000)
Total Capital	\$11,000
Total Capital and Liabilities	\$61,000
<b>Total Funding</b>	<b>\$70,000</b>

### 3.0 Services

Todd, West, and Associates' services include the following:

- Automated data collection installation
- Database engineering/conversions (MS Access/SQL/Oracle)
- Data imports/exports
- Database links to accounting system (MAS-90/Solomon/Peachtree)
- Wireless networking
- Portable data terminal programming
- LAN/WAN infrastructure
- System consulting

The prices for services are as follows:

- **On-site System Requirements Study:** \$1,000 a day plus travel and expenses.
- **On-site Database/Network Engineering/Training:** \$1,000 a day plus travel and expenses.
- **Phone Training/Assistance:** \$120 an hour.
- **Database Modifications:** Quoted based on job specifics.
- **General Data Imports/Exports:** \$120 an hour.

## Market Segmentation

Automated Data Collection (ADC) products and services is a \$3 billion industry. The products are used in numerous companies with significant inventory and warehouse space. Approximately, 30% of the market is in wireless products and services but the demand is growing. It is estimated that wireless ADC products will dominate the market by 2005. Two of the industry leaders, Symbol and CDS, exceeded \$600 million in sales for FY 2000. Wireless products represented 28% of their total sales.

Typically, with the installation of wireless products, there are associated costs for networking and connectivity issues. Most companies in the industry offer these additional services to their customers or outsource the service to engineering firms with expertise in their product line.

Todd, West, and Associates has extensive experience with both Symbol and CDS products. The company's focus is to first meet the demands of the Symbol and CDS referred customers. Todd, West, and Associates will establish relationships with these companies and will work to receive referral business from them over time. The company estimates that 80% of revenues will come from outsourced clientele and 20% from new business. Over the next three years, Todd, West, and Associates estimates that new business will constitute 40% of revenue.

## 0 Strategy and Implementation Summary

Todd, West, and Associates will focus on companies utilizing Symbol and CDS wireless ADC products to manage their inventories. The targeted customer will have ten or more warehouse staff members using ADC wireless systems.

Initially, the company will receive 80% of its clients through Symbol and CDS outsource referrals. The remaining 20% will come from direct marketing.

Over the past five years, both Mary and John have built an extensive

network of contacts with companies utilizing wireless ADC products. Todd, West, and Associates will market its services directly to these companies.

After its first three months of operation, the company expects to begin to receive installation contracts from new customers.

### 5.1 Competitive Edge

Todd, West, and Associates will sustain its competitive advantages to steadily gain market share. The first advantage is based on extensive knowledge of Symbol and CDS wireless ADC products. The second advantage is an established network of contacts among numerous companies that utilize wireless ADC products.

Todd, West, and Associates' competitive edge is the five years Mary and John have spent installing Symbol and CDS wireless ADC systems. Both have excellent reputations with customers for quality work and effective communication skills. These established relationships create a trust bond that is significant when it comes to generating new referrals.

### 5.2 Sales Strategy

Todd, West, and Associates estimates that about 80% of revenues will come from outsourced clientele and 20% from new business. Over the next three years, Todd, West, and Associates estimates that new business will grow to eventually constitute 40% of revenue.