

2014 Business Plan

DesignOne Concreting
September 2014



To provide our clients with the highest level of quality construction at a fair and competitive level of pricing.

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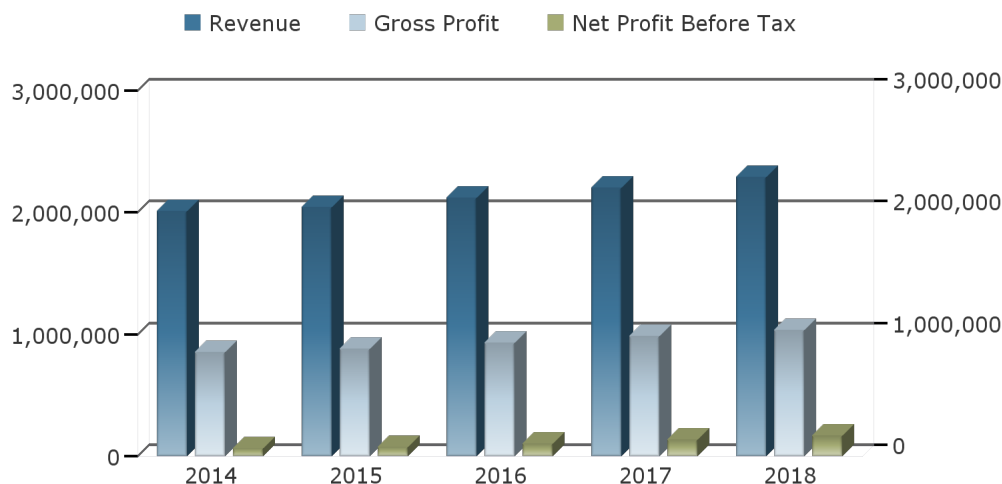
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1.0 Executive Summary

1.1 Revenue and Profit Highlights

At the formation of this business plan, DesignOne Concreting has projected a positive Net Profit Before Tax \$ 63,609.22 (3.16%) for the first projected year, a positive Net Profit Before Tax \$ 74,848.47 (3.66%) for projected year 2, a positive Net Profit Before Tax \$ 104,347.18 (4.92%) for projected year 3, a positive Net Profit Before Tax \$ 138,640.15 (6.29%) for projected year 4 and a positive Net Profit Before Tax \$ 168,737.82 (7.36%) for the 5th and final projected year.



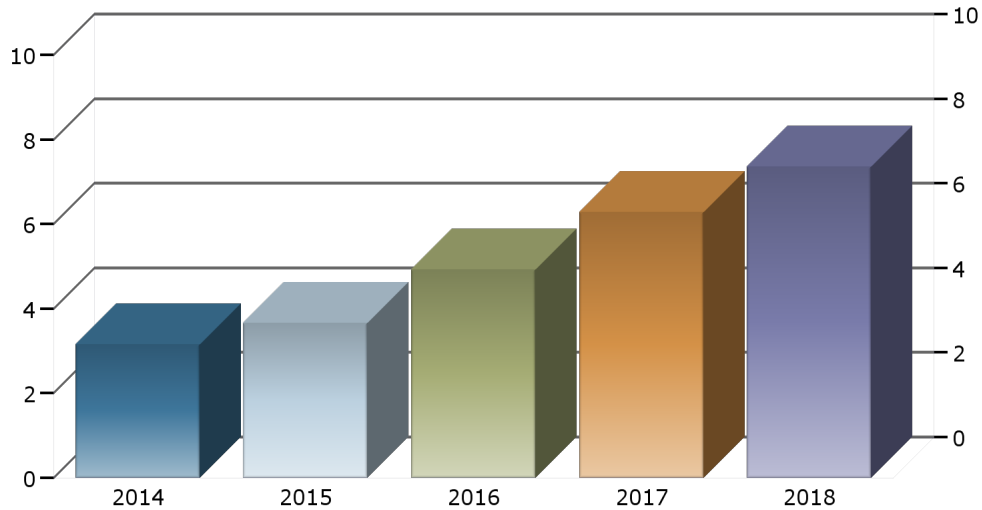
1.2 Financial Projections

The below five year financial projections for DesignOne Concreting were calculated using a combination of an estimated number of units sold for each products and services for year 1. An estimated annual increase or decrease in unit sales for the following years, and the potential for a price increase or price decrease in the sale price of each unit sold, for each individual products and services line. The same calculations were used to estimate the annual costs of each item for DesignOne Concreting.

	FY1	FY2	FY3	FY4	FY5
	\$	\$	\$	\$	\$
Revenue	2,013,252	2,043,852	2,119,985	2,204,325	2,292,547
Cost of Goods	1,160,132	1,160,132	1,186,948	1,216,446	1,253,644
Gross Profit	853,120	883,720	933,036	987,878	1,038,903
Overheads	483,168	496,595	510,320	524,612	539,116
Key People Salary	300,000	306,200	312,575	319,130	325,870
Depreciation	5,000	5,000	5,000	5,000	5,000
EBIT	64,952	75,925	105,142	139,136	168,917
Interest Expense	1,343	1,077	795	496	179
Net Profit Before Tax	63,609	74,848	104,347	138,640	168,738
Taxes	0	22,455	31,304	41,592	50,621
Extra Ordinary Expense					
Net Income	63,609	52,394	73,043	97,048	118,116

1.3 Net Profit Percentages

The following Graph displays the five-year Net Profit % projections for DesignOne Concreting under the previous heading 1.2 Financial Projections.



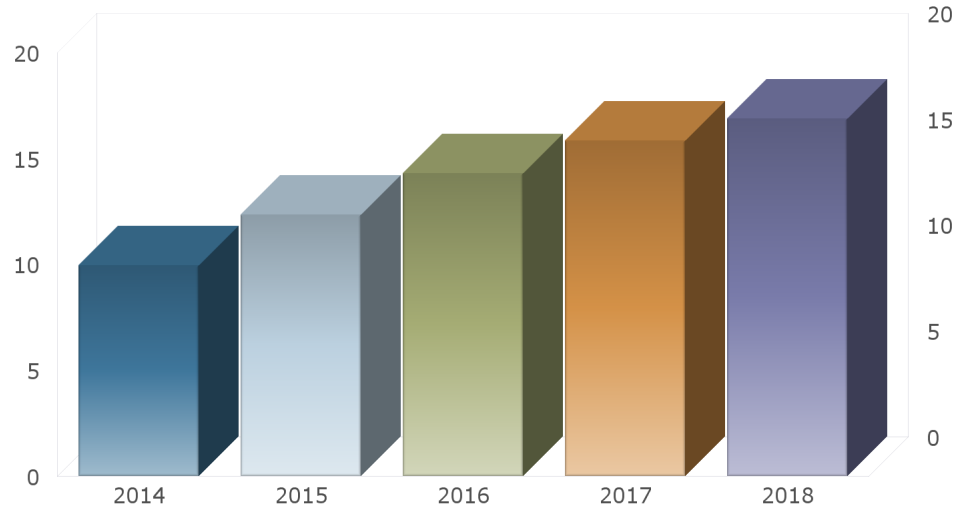
1.4 Marginal Cash Analysis

The Marginal Cash Analysis table displays a 100 unit assessment of the ending cash position based on usage of funds into and out of: Revenue, Cost Of Goods / Cost Of Sales, Accounts Receivable, Stock, Accounts Receivable and Overheads

Statement Date	30 June, 2014	30 June, 2015	30 June, 2016	30 June, 2017	30 June, 2018
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection	Projection	Projection	Projection	Projection
	Budget	Budget	Budget	Budget	Budget
Revenue	100	100	100	100	100
Cost of Goods	57.62	56.76	55.99	55.18	54.68
Gross Profit	42.38	43.24	44.01	44.82	45.32
Accounts Receivable	9.18	7.4	6.44	5.98	5.75
Inventory	.68	.88	.96	.99	1
Accounts Payable	1.44	1.67	1.76	1.81	1.83
Working Capital	8.42	6.61	5.64	5.16	4.92
Marginal Cash Flow	33.96	36.63	38.37	39.66	40.39
Overheads	24	24.3	24.07	23.8	23.52
Net Variable Cash Flow	9.96	12.33	14.3	15.86	16.88

1.5 Marginal Cash Flow Graph

The following graph displays the five-year Net Variable Cash Flow for DesignOne Concreting under the previous heading 1.4 Marginal Cash Analysis.



1.6 Financial Ratios

The financial ratios have been included in the Executive Summary to give clarity toward the operational viability of DesignOne Concreting. All standard business financial ratios have been included, however some may not be appropriate and will be marked with an – to indicate no value.

	Year 1	Year 2	Year 2	Year 4	Year 5
Profitability Measures					
Gross Profit Margin	17.1%	18.3%	18.3%	20.6%	21.7%
Cost of Goods%	0%	0%	0%	0%	0%
Overheads%	24%	24.3%	24.3%	23.8%	23.5%
Net Profit Before Tax%	3.2%	3.7%	3.7%	6.3%	7.4%
Growth Measures					
Revenue Growth%	1.1%	1.5%	1.5%	4%	4%
Gross Profit Growth%	12%	3.6%	3.6%	5.9%	5.2%
Net Profit Growth%	100%	17.7%	17.7%	32.9%	21.7%
Efficiency Measures					
Days Receivable	21	21	21	21	21
Inventory Days	7	7	7	7	7
Days Payable	7	7	7	7	7
Current Ratio	4.8	5.55	5.55	8.46	11.88
DebtRatio	.159	.161	.161	.146	.135

1.7 Overview Of Our Products and Services

The following table outlines the products and services that DesignOne Concreting offers our customers. We believe that these products and services give us the best method to generate revenue and sustainable profits.

Products and Services	Price
House Slab	\$ 17,000
Shed and tank concrete slabs	\$ 5,100
Carports	\$ 6,000
Driveways	\$ 2,328
Concrete Foundations	\$ 12,000
Retaining Walls	\$ 25,000
Multi Level Construction	\$ 500,000
Skate Parks	\$ 95,000
Foot Paths	\$ 15,000
Mining Works	\$ 12,000

1.8 What We Do

The business was originally established in order to create a high quality construction company as Simon Scott and James Scott were frustrated working within an industry where there were so many low quality companies doing work that was of very poor quality.

We undertake concrete pouring or other concrete work on construction projects which include foundation and paving concreting, general concreting and other concreting and construction for local householders, mid tiered developers and small mining companies.

1.9 Ownership

The current percentage of ownership held and those people who hold an ownership percentage within DesignOne Concreting is as follows:

Name	Ownership
Simon Scott	35%
James Scott	5%
Harry Scott	55%
Samantha John-Jones	5%

1.10 Our Mission

Our below mission statement guides the actions of DesignOne Concreting, spells out our overall goal, provide us with a clear path, and guides our decision-making - Our Mission is:

To provide our clients with the highest level of quality construction at a fair and competitive level of pricing.

1.11 Our Unique Selling Proposition

Differentiation is one of the most important strategic and tactical activities in which DesignOne Concreting constantly engages – Our Unique Selling Proposition therefore is:

We are working on a process to create a USP of "On time, on budget of its free". However we are still need to Change a number of internal process to be able to meet this USP. Currently our USP is "The People You Can Trust".

1.12 Important Goals

In order for DesignOne Concreting to achieve its stated revenue goals as defined in '1.1 Revenue And Profit

Highlights' and '1.2 Financial Projections', the following key goals have been outlined.

- \$108,000 in Profits
- Open a 3rd Office In Sydney
- First Building Purchase
- Open Second Office
- First Contract From BHP
- Purchase Of Competitor

1.13 What Makes Us Successful

As well as the achievement of our goals listed under '1.6 Our Goals', the following items are considered to be factors adding toward the ongoing success of DesignOne Concreting.

Gross Margin Of 42% Of Revenue

We need to maintain a greater than a 42% Gross Profit Margin for the business to be able to pay its overheads and make a profit.

Operational Expenses Less Than 39% Of Revenue

Our operational expenses need to be kept to a ratio of 39% of revenue or lower, for us to meet or exceed our profit goals of 2.0% of revenue.

Debtor Days, Creditor Days, Stock Days

to support cash flow expectations of the business - Debtor days needs to fall below 45 days, Creditor days increase to greater than 6 days and stock days to be less than 1.5 days. This area also needs to take into consideration Gross Margin and Expense Margin.

Revenue Via Price and Volume

During the next twelve months we need to improve our price by 2%. This will be achieved from reducing our discounting of 10% to be less than 8%. Volume of the last 12 months must be slightly exceeded so that our revenue exceeds \$2,031,000.

1.14 Capital Purchase

The following is an outline of any Capital Purchase Items needed by DesignOne Concreting over the next 5 years.

Name Of Item	Value
Concrete Loader	25,000
General Concreting Equipment	5,000
	30,000

2.0 Business at a Glance

2.1 History

2.1.1 Date Business Established

1/07/2013

2.1.2 Operating History

Any important historical achievements for DesignOne Concreting, those considered worthy of mention and / or which have been considered as milestones have been provided below:

First Building Purchase

We purchased our first building in October of 2001 for our office and storage of key equipment.

Open Second Office

Open a second office in Gladston to take advantage of the mining industry and changes in the growth of natural gas exports to China, expansion of the port facilities and construction work needed for associated housing.

First Contract From BHP

Received an ongoing contract with BHP re the construction of concrete housing facilities for migrant workers.

Purchase Of Competitor

We purchased one of our competitors (Float Concreting) who had developed a unique method of concreting. This gave us the ability to tender on jobs where the density of concrete must be normalised across the entire pour.

2.2 Structure

2.2.1 Key People Involved

Any important historical achievements for DesignOne Concreting, those considered worthy of mention and / or which have been considered as milestones have been provided below:

Simon Scott

Director and CEO

- Run the overall operation of the business
- Gain larger customers
- Maintain relationships with existing blue chip customers
- Run the overall operation of the business
- Gain larger customers
- Maintain relationships with existing blue chip customers
- Run the overall operation of the business
- Gain larger customers
- Maintain relationships with existing blue chip customers

James Scott

Head Of Tender & Construction

- Tender for larger jobs within the Mining and Government sector
- Pricing of all jobs

- Winning of quotes and tenders
- Tender for larger jobs within the Mining and Government sector
- Pricing of all jobs
- Winning of quotes and tenders
- Tender for larger jobs within the Mining and Government sector
- Pricing of all jobs
- Winning of quotes and tenders

Harry Scott

CFO

- Chief Financial Officer
- Month End Process
- Year End Process
- Liaise with the bank re cash needs
- Chief Financial Officer
- Month End Process
- Year End Process
- Liaise with the bank re cash needs
- Chief Financial Officer
- Month End Process
- Year End Process
- Liaise with the bank re cash needs

Samantha John-Jones

Accounts

- Creditors, Debtors and general accounts
- Processing end of month for the CFO
- Collection of Debtors
- Creditors, Debtors and general accounts
- Processing end of month for the CFO
- Collection of Debtors
- Creditors, Debtors and general accounts
- Processing end of month for the CFO
- Collection of Debtors

2.3 Success Factors

The following is a list of key factors that DesignOne Concreting believes are important to the ongoing success of DesignOne Concreting.

Gross Margin Of 42% Of Revenue

We need to maintain a greater than a 42% Gross Profit Margin for the business to be able to pay its overheads and make a profit.

Operational Expenses Less Than 39% Of Revenue

Our operational expenses need to be kept to a ratio of 39% of revenue or lower, for us to meet or exceed our profit goals of 2.0% of revenue.

Debtor Days, Creditor Days, Stock Days

to support cash flow expectations of the business - Debtor days needs to fall below 45 days, Creditor days increase to greater than 6 days and stock days to be less than 1.5 days. This area also needs to take into consideration

Gross Margin and Expense Margin.

Revenue Via Price and Volume

During the next twelve months we need to improve our price by 2%. This will be achieved from reducing our discounting of 10% to be less than 8%. Volume of the last 12 months must be slightly exceeded so that our revenue exceeds \$2,031,000.

2.4 Intellectual Property

Intellectual property is a list of any confidential information/trade secrets, trade name(s), and trademark (s), also domain names, industrial designs and copyright and related rights, and any utility models and patents for inventions that DesignOne Concreting owns.

2.4.1 Registered Business

The business names that are registered and owned by DesignOne Concreting and / or by associated entities.

DesignOne Concreting PtyLtd

Main operating business for the Chermside facilities.

DesignOne Concreting (Gladstone)

Main operating business for the Gladstone facilities

DesignOneIP

Holder of all of the intellectual property rights of DesignOne concreting.

2.4.2 Domain Names

The domain names (URL's) that are registered and owned by DesignOne Concreting and / or by associated entities.

www.designoneconcretingaustralia.com

Builds credibility and is the main site for customers to visit.

www.designonechermside.com.au

Main site for the Chermside facility.

www.designonegladstone.com.au

Main site for the Gladstone facility.

www.yourconcreting.com.au

Lead generation for concrete driveways.

2.4.3 Trademarks And Patents

The business names that are registered and owned by DesignOne Concreting and / or by associated entities.

DesignOne

Main trademark of our trading logo.

YourConcreting

Logo for the domestic market place.

SpeedyConcreting

Logo for the lower end of the market place.

Air Extraction

Concrete air extraction, vibrating concrete to make it denser.

2.4.4 Memberships / Licenses Held

Any important memberships or licenses held by DesignOne Concreting and / or associated entities, which are important to the ongoing success of DesignOne Concreting.

Australian Concrete Repair Association

The Association's members are at the forefront of concrete repair technology worldwide and include companies and individuals with an interest in repairing and protecting concrete, including:

Specialist consultants and engineers, Specialist repair contractors, Specialist materials suppliers, and Asset owners.

American Concrete Institute

The American Concrete Institute (ACI) is a leading authority and resource worldwide for the development and distribution of consensus-based standards, technical resources, educational programs, and proven expertise for individuals and organizations involved in concrete design, construction, and materials, who share a commitment to pursuing the best use of concrete.

Maser Builders Association Australia

Master Builders is the major Australian building and construction industry association. Its primary role is to promote the viewpoints and interests of the building and construction industry and to provide services to members in a broad range of areas including training, legal services, industrial relations, building codes and standards, industry economics and international relations.

Clean Energy Council

Members are involved in the development or deployment of clean energy technologies such as bioenergy, cogeneration, energy efficiency, geothermal, hydro, solar, solar hot water, marine energy and wind. - See more at: <http://www.cleanenergycouncil.org.au/about.html#sthash.FFRctY25.dpuf>

Green Building Council Of Australia

To drive the transition of the Australian property industry towards:

Sustainability by promoting green building programs, technologies, design practices and operations.
Integration of green building initiatives into mainstream design, construction and operation of buildings.

Roads Australia

The Roads Australia Fellowship Program is a prestigious new mentorship program for members that pairs national industry leaders with high performing candidates with 10-15 years of work experience.

2.5 Premises, Plant And Equipment

2.5.1 Premises

Detailing the current and planned premises locations for DesignOne Concreting and the main focus of the location.

Chermside Facilities

The main office and construction tender facilities for both this office and the Gladstone office. Key activities include quoting on tenders, organisation of jobs within South East Queensland, purchase of equipment and purchase of materials for jobs for both facilities and the overall accounting functions. Construction of customer projects throughout South East Queensland.

Gladstone Facilities

Small tender of jobs within the local Gladstone area (larger tenders are completed by the Chermside office). Completion of construction work for clients within the Gladstone area.

2.5.2 Current Plant And Equipment

Detailing the current plant and equipment owned by DesignOne Concreting and the associated value.

Name Of Item	Value
Concrete pump mounted onto a 3 tone truck	29,000
Industrial concrete mixer	18,000
Three 4 x 4 commercial vehicles	75,000
2 large photocopier machines	5,000
Various concrete finishing equipment	2,294

2.6 Insurances

Insurances of the business are listed below:

- General Business Insurance
- Liability Insurance
- Vehicle Insurance

3.0 SWOT

The SWOT Analysis has been a useful technique for DesignOne Concreting to more clearly understanding our Strengths and Weaknesses, and for more clearly identifying both the Opportunities open to us and the potential. Threats we may face now and into the future.

The SWOT analysis has supported DesignOne Concreting has helped us carve a sustainable niche within our market.

3.1 Strengths

The Strengths of DesignOne Concreting are the assets and resources that provide us with a competitive advantage or benefit.

Strong Relationships

Our business has a strong relationship in the local community and normally wins jobs with only one quote.

Job Costing System

We have a good job costing system, and even though its a manual system, we normally know our break even point before we start the job.

Key People Long Time In The Industry

Our key people have been working in this industry for at least 15 years as an average. This allows us to maintain a healthy level of productivity.

3.2 Weaknesses

The current Weaknesses of DesignOne Concreting are the assets and resources that provide us with a competitive advantage or benefit. DesignOne Concreting which we consider are the deficiencies that compromise our ability to achieve our goals.

Pricing Strategy

We have been pricing at a loss to win the jobs.

Older Machinery

Some of our machinery is old and as such needs to be replaced before our maintenance costs increase, or worse, our productivity falls due to machinery breaking down on jobs.

Loss Of Key Person

Harry Scott is leaving the company and this will leave our business with less skills.

3.3 Risk Management Weaknesses

The following are those risk mitigation strategies DesignOne Concreting will employ to reduce the affect of any weaknesses.

Pricing Strategy

Reduce the level of discounting from 10% to 8% or less. Focus more on sales skills rather than discounting skills. Keep records of list price to discounted price.

Older Machinery

Set a purchase schedule for new equipment and cost out future purchases. This must be in line with the right

equipment for future job needs.

Loss Of Key Person

Up Skill other team members to spread the skill set across more people. This will support immediate needs, as well as make the company more robust in the future.

3.4 Opportunities

Opportunities for DesignOne Concreting are those favourable outcomes that currently are not yet being developed or taken advantage.

Mining Industry Heating Up (Certain Segments)

While the mining industry is reducing in a lot of areas, there is some key areas heating up and there is a healthy level of opportunity if we are able to move our operation closer.

Large Estate Approval

There is a large estate starting within 5 kilometres from our office and given our good name within this community we have a chance to win a lot of work.

3.5 Threats

The Threats to DesignOne Concreting are those events or outcomes that could potentially threaten the existence of DesignOne Concreting or may reduce its income or the value of our assets.

Bank Concerned With Cash Flow

The bank has contacted us regarding our cash flow and we need to discuss with them why they should not take away our overdraft.

Government Budget Cuts

Our government clients have had a budget cut and this will affect some of our government work over the coming 12 months.

New Competitor

There is a new competitor in the market and they are having an affect on our prices in the government market place.

3.6 Risk Management Threats

The following are those risk mitigation strategies DesignOne Concreting will employ to reduce the affect of any weaknesses.

Bank Concerned With Cash Flow

Remove discounting or lessen to a lower level. Monitor COGS %, Overhead %, Debtor Days, Creditor Days. Production of this business plan and associated financial information with KPI needed to grow cash flow.

Government Budget Cuts

Allocate sales to focus on gaining a higher percentage of the domestic market place. This needs to be undertaken as a matter of priority so we don't get into a tendering discounting war.

New Competitor

Undertake sales training, marketing changes to a higher quality market place, win more mining work.

4.0 Analysis (Industry, Customers, Competitors)

4.1 Industry Analysis

4.1.1 Market Overview

Concreting Services

Industry Description

Companies in this industry undertake concrete pouring or other concrete work on construction projects such as foundation and paving concreting, general concreting and other concreting and construction.

Industry Trends

Concreting contractors play an integral role in the construction of most types of buildings and structures, plying their skills in pouring, laying, placing and shaping concrete to form foundations, roads, structures and panels. The Concreting Services industry ranks among the larger of the construction services industries. Revenue is estimated to reach \$8.2 billion in 2013-14, down 0.6% from 2012-13. Industry revenue is projected to increase by an annualised 1.0% over the five years through 2013-14, reflecting widely divergent trends in the downstream building and infrastructure markets. Fierce competition for concreting work in the metropolitan building markets has squeezed industry profit margins and caused many small-scale enterprises to exit the industry.

Industry Products

- Concrete footpath construction
- Concrete foundation construction
- Concrete kerb and guttering construction
- Concrete pumping
- Concrete work on construction projects
- Repair of kerbs, gutters or other concrete structural products

Industry (Annual Revenue)

8 BN

Growth Rate Historical

1.0

Growth Rate Projected

1

Outlets

12,250

People Employed

27,000

4.1.2 Our Share of The Market

Our share of the market is the percentage of the annual industry revenue based on our forward financial projections over the next 5 years.

We have calculated our percentage of the market to be:

Projected Year	Percentage
Revenue Year 1	.0003%
Revenue Year 2	.0003%
Revenue Year 3	.0003%
Revenue Year 4	.0003%
Revenue Year 5	.0003%

4.2 Customer Analysis

This section of our business plan is a description of our target clients and customers groups segmented, with a brief description of the segment described.

4.2.1 Target Customers

Below is a profile of the needs that our target clients and customers have:

Business Type

Government departments involved in the construction of footpaths, retaining walls and guttering.

Gender

Male dominated industry with the average age of the purchaser over 35 years old.

Home Ownership

Have just purchased a new home that is not part of a package arrangement. As well, existing home owners who are renovating certain segments of their home e.g. Carport, Driveway and retaining walls.

4.2.2 Customer Needs

Below is a profile of the needs that our target clients and customers have:

Price

Most customers, especially Government, want a good quality product for the lowest possible price. They will often shop around to assess multiple quotes.

Speed

After a customer has made a decision they normally want the product yesterday and often have unrealistic expectations.

Payment Options

Larger clients will pay you over 90 and 120 days. The smaller domestic customers help to reduce the affect of larger clients by paying (partly upfront and at the end of a job).

Other

On time quotes, where you show up at the appointed time for the quote and get back to them in a timely fashion.

Quality

A high quality job, to an industry standard and with an expected high quality finish are some of the requirements needed.

4.3 Competitive Analysis

For the purpose of this analysis, a competitor has been classified as any business or action that serves our clients and customer's needs.

The following is an overview of our competitors within the industry.

4.3.1 Direct Competitors

BEC Concreting

Their Strengths:

They have been in the industry for a short time and are aggressive in their pricing and they sometimes under quote jobs. They are a major threat as they are taking away work.

Their Weaknesses:

They don't know how to price effectively to make a profit and as such they will hopefully be out of the industry soon.

Adstyle Concretors Pty Ltd

Their Strengths:

The do good quality work and have a good reputation within our market.

Their Weaknesses:

They don't always have the construction crew to take on new work.

4.3.2 Indirect Competitors

Adoni Construction

Their Strengths:

The are larger than us and can take on more expensive projects as they have a solid capital base.

Their Weaknesses:

The smaller jobs tend to be out of their reach as the level of cash they need to fund ongoing operations.

4.3.3 Overall Competitive Advantages

DesignOne Concreting is positioned to outperform competitors for the following reasons:

Length Of Time In The Industry

We have been in the industry for more than 15 years and have some extremely skilled people. This gives us an advantage over some of the newer start up companies.

PR Firm

We utilise a fairly small PR company to place media releases into magazines and key papers such as the financial review. This has changed the perception of some key prospective clients and now they are considering us as a likely supplier.

Multiple Offices

We have multiple offices / outlets targeted at a different type of customer. This helps reduce any negative affect of a possible downturn in one industry e.g. the domestic market as we have mining etc.

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5.0 Marketing Plan

Our marketing plan details our products and services, pricing and promotional activities as a broad brushed overview.

5.1 Marketing Focus

The main aim of marketing is to build a substantial brand throughout our geographic location so the business can fulfil its sales goals over the next five years. The business will be known as the premier supplier for our industry and as a result we will attract a higher quantity and quality of client.

5.2 Products, Service & Pricing

The following is a list of products and / or services groups that DesignOne Concreting sells to its customers. The list has been segmented into: (a) name of the product and / or service; and (b) the average price achieved for the product and / or service; and (c) a description of the product and / or service.

House Slab

\$ 17,000

Concrete slabs for new houses. Where we construct the concrete foundations for a new home and the rest of the home is constructed by a developer.

Shed and tank concrete slabs

\$ 5,100

Carports

\$ 6,000

Driveways

\$ 2,328

Concrete Foundations

\$ 12,000

Retaining Walls

\$ 25,000

Multi Level Construction

\$ 500,000

Skate Parks

\$ 95,000

Foot Paths

\$ 15,000

Mining Works

\$ 12,000

5.3 Promotions Plan (New Clients)

DesignOne Concreting will use the following lead generation tactics to attract new clients and customers into the business:

- Advertise In Industry Newsletter

5.4 Promotions Plan (Repeat Business)

DesignOne Concreting will use the following repeat business generation tactics to attract existing clients and customers back to the business:

The information within this sub-section of the business plan will be updated at a later date.

5.5 Distribution Plan

Clients and customers buy from DesignOne Concreting via the following methods:

Direct Sales

The business uses a form of direct sales from leads derived out of marketing via yellow Pages online, Tender lists and Website activities.

Multiple Outlets

The business has a strategy to open multiple outlets throughout Australia. We have two current offices e.g. Chermside and Gladstone and a plan to open a third office in the western suburbs of Sydney.

5.6 Customer Management

5.6.1 How Customers Are Managed

We have a Job Management CRM system which keeps track

5.6.2 How We Track Purchase History

5.6.3 Overall Pricing Strategy

We use a strategy of 'price discrimination' where we set a different price for the same within different segments of our markets.

5.7 Social Media

Social Media owned by DesignOne Concreting and the purpose for the social media site(s) have been listed here:

Website

www.designoneconcretingasutrialia.com

Builds credibility and is the main site for customers to visit.

Website

www.designonechermshire.com.au

Main site for the Chermshire facility.

Website

www.designonegladstone.com.au

Main site for the Gladstone facility.

Website

www.yourconcreting.com.au

Lead generation for concrete driveways.

Facebook



www.faceook.com/designoneconcreting
Builds connection with our local communities.

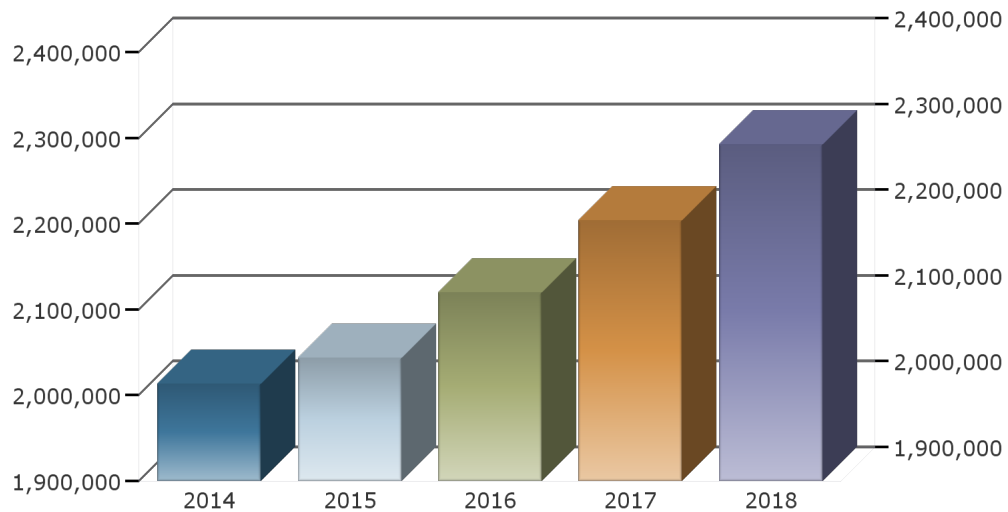
6.0 Sales Plan

6.1 Sales Highlights

Below is an overview of sales / revenue highlights for DesignOne Concreting . A fuller picture of our Financial Projections can be found within 7.0 Financial Projections.

6.1.1 Revenue

The following graph shows the projected revenue from sales for DesignOne Concreting over a projected five-year period.



6.1.2 Sales by Products and Services

The below graph depicts the projected products and services sold for the first projected year of sales.



6.2 Products and Services By Gross Sales Per Projected Year

The following is a list of products and services groups that DesignOne Concreting sells to its customers. The list has been segmented into: (a) name of the products and services; and (b) the total sales for each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$
House Slab	612,000	642,600	706,860	777,546	855,300.6
Shed and tank concrete slabs	56,100	56,100	56,100	56,100	56,100
Carports	120,000	120,000	120,000	120,000	120,000
Driveways	79,152	79,152	91,024.8	104,678.52	115,146.372
Concrete Foundations	144,000	144,000	144,000	144,000	144,000
Retaining Walls	150,000	150,000	150,000	150,000	150,000
Multi Level Construction	500,000	500,000	500,000	500,000	500,000
Skate Parks	190,000	190,000	190,000	190,000	190,000
Foot Paths	90,000	90,000	90,000	90,000	90,000
Mining Works	72,000	72,000	72,000	72,000	72,000

6.3 Employees Involved In Sales

Those people who hold a position within DesignOne Concreting where a percentage of their time is spent in the area of sales are listed below.

Person	% In Sales
Simon Scott	30%
James Scott	85%
Harry Scott	2%
Samantha John-Jones	3%

6.4 Current Methods Of Distribution

Distribution of our products and services are undertaken via the following methods:

Direct Sales

The business uses a form of direct sales from leads derived out of marketing via yellow Pages online, Tender lists and Website activities.

Multiple Outlets

The business has a strategy to open multiple outlets throughout Australia. We have two current offices e.g. Chermside and Gladstone and a plan to open a third office in the western suburbs of Sydney.

6.5 Customer Needs Assessment

DesignOne Concreting has identified the following customer needs:

Price

Most customers, especially Government, want a good quality product for the lowest possible price. They will often shop around to assess multiple quotes.

Speed

After a customer has made a decision they normally want the product yesterday and often have unrealistic expectations.

Payment Options

Larger clients will pay you over 90 and 120 days. The smaller domestic customers help to reduce the affect of larger clients by paying (partly upfront and at the end of a job).

Other

On time quotes, where you show up at the appointed time for the quote and get back to them in a timely fashion.

Quality

A high quality job, to an industry standard and with an expected high quality finish are some of the requirements needed.

6.6 Customer Segmentation

DesignOne Concreting has identified the following customer segments:

Business Type

Government departments involved in the construction of footpaths, retaining walls and guttering.

Gender

Male dominated industry with the average age of the purchaser over 35 years old.

Home Ownership

Have just purchased a new home that is not part of a package arrangement. As well, existing home owners who are renovating certain segments of their home e.g. Carport, Driveway and retaining walls.

6.7 Sales - Conversion Improvement

DesignOne Concreting will use the following sales conversion improvement tactics to convert initial enquiry into a sale:

The information within this sub-section of the business plan will be updated at a later date.

6.8 Sales - Average Value Sold Improvement

DesignOne Concreting will use the following methods to improve the average value sold to the customer at time of sale:

- Ask People To Buy Some More Product
- Change / Improve Team So They Can And Are Willing To Sell

7.0 Operations Plan

Our operational plan covers the key day-to-day processes that DesignOne Concreting performs which are integral to the ongoing operational success of our business. As well, the key milestones have been included which DesignOne Concreting believe are important.

7.1 Operation Focus

Operations will focus on the development of more robust systems to increase the capabilities and productivity of our team. We will systems the routine and humanise the exceptions so our customers experience a consistent level of service.

7.2 Key Operational Process

The following is a list of those key operation areas that DesignOne Concreting performs which are integral to the ongoing operational success of our business. As well, the key milestones have been included which DesignOne Concreting believes are important.

7.3 Milestones

The Milestones listed on this page are key to the success of the business, and although not an exhaustive list, the page gives a clear indication of the direction DesignOne Concreting needs to take.

\$108,000 in Profits

To turn a \$57,800 loss factor into a \$61,000 profit over the coming 12 months. This will be a total turnaround of around 118,800 for the 12 months. This will be achieved form a slight increase in revenue from a change in out discounting policy (10% down to 8% or less).

Start Date: 1/07/2014

Completion Date: 01 year

Open a 3rd Office In Sydney

Open a third office in the western suburbs of Sydney to take advantage of the predicted 5% - 10% growth in new housing developments.

Start Date: 1/07/2015

Completion Date: 02 years

7.4 Management Team

Key members of the management team, their duties, their unique qualities and education have been listed below.

Simon Scott(Director and CEO)

Their Duties:

Run the overall operation of the business

Unique Qualities:

Strong work ethic

Education:

International Business (BBus)

James Scott(Head Of Tender & Construction)

Their Duties:

Tender for larger jobs within the Mining and Government sector

Unique Qualities:

Fast moving and loyal to employees

Education:

Engineering Technology (BSc)

Harry Scott(CFO)

Their Duties:

Chief Financial Officer

Unique Qualities:

25 Years as a company accountant

Education:

Master of Professional Accounting

Samantha John-Jones(Accounts)

Their Duties:

Creditors, Debtors and general accounts

Unique Qualities:

Builds a good relationship with customers and suppliers

Education:

Bookkeeping Certificate

7.5 Board Members

Key members of the management team, their duties, their unique qualities and education have been listed below.

Simon Scott

Unique Qualities:

Strong work ethic

Education:

International Business (BBus)

Harry Scott

Unique Qualities:

25 Years as a company accountant

Education:

Master of Professional Accounting

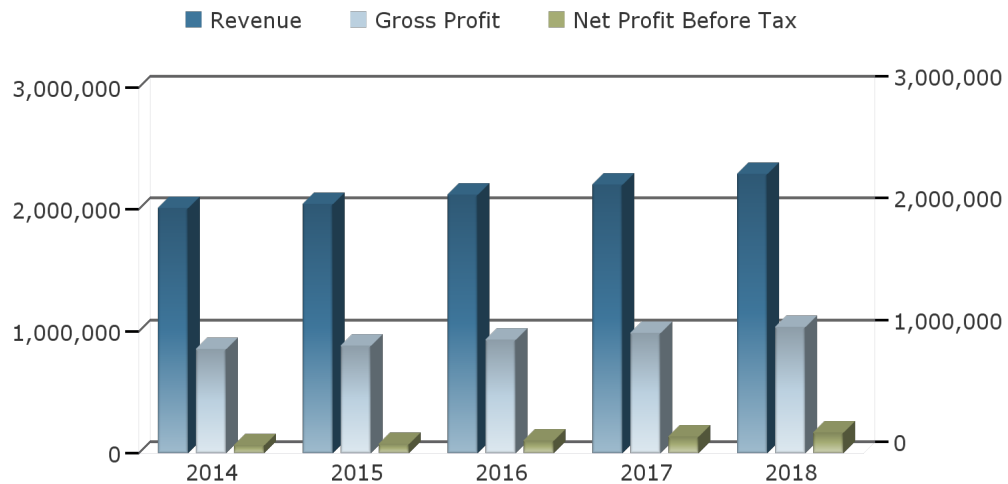
7.6 Management Focus

The focus of the management team over the next 12 months and beyond, is to build a stable, high quality team with capabilities in the areas of marketing, sales and client fulfilment. The key will be to find good quality prospective clients, convert those into paying client and then to build long-term business advisory relationships.

8.0 Financial Plan

8.1 Revenue And Profit Highlights

At the formation of this business plan, DesignOne Concreting has projected a positive Net Profit Before Tax \$ 63,609.22 (3.16%) for the first projected year, a positive Net Profit Before Tax \$ 74,848.47 (3.66%) for projected year 2, a positive Net Profit Before Tax \$ 104,347.18 (4.92%) for projected year 3, a positive Net Profit Before Tax \$ 138,640.15 (6.29%) for projected year 4 and a positive Net Profit Before Tax \$ 168,737.82 (7.36%) for the 5th and final projected year.



8.2 Projected Overheads

The below graph depicts the overhead expenses of the business and does not include any Cost Of Goods Sold.



8.3 Financial Ratios

The financial ratios have been included in the Executive Summary to give clarity toward the operational viability of DesignOne Concreting. All standard business financial ratios have been included, however some may not be appropriate and will be marked with an – to indicate no value.

	Year 1	Year 2	Year 2	Year 4	Year 5
Profitability Measures					
Gross Profit Margin	17.1%	18.3%	18.3%	20.6%	21.7%
Cost of Goods%	0%	0%	0%	0%	0%
Overheads%	24%	24.3%	24.3%	23.8%	23.5%
Net Profit Before Tax%	3.2%	3.7%	3.7%	6.3%	7.4%
Growth Measures					
Revenue Growth%	1.1%	1.5%	1.5%	4%	4%
Gross Profit Growth%	12%	3.6%	3.6%	5.9%	5.2%
Net Profit Growth%	100%	17.7%	17.7%	32.9%	21.7%
Efficiency Measures					
Days Receivable	21	21	21	21	21
Inventory Days	7	7	7	7	7
Days Payable	7	7	7	7	7
Current Ratio	4.8	5.55	5.55	8.46	11.88
DebtRatio	.159	.161	.161	.146	.135

8.4 Financial Outcomes

To improve cash flow in areas of price increase, or more exactly - reduction of the need to discount, a reduction in Cost of Goods as a percentage of revenue, overheads reduction as a percentage of revenue.

As well, a change in our policies toward debtors so we get a greater portion of cash in advance plus improving supplier relations so we get the ability to increase money outstanding.

8.5 Funding Requirements

The following is a list of funding requirements that DesignOne Concreting believes are important to the ongoing success of DesignOne Concreting.

Requirement	Amount
General Operational Funds	120,000

8.6 Exit Strategy

We will sell our company in the public markets via an initial public offering. Our management team and owners will remain in place for a period of 3 years. We will sell some stock after the 3 years and our company will continue to operate much as it has in the past.

8.7 Profit and Loss

Statement Date	30 June, 2014	30 June, 2015	30 June, 2016	30 June, 2017	30 June, 2018
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection	Projection	Projection	Projection	Projection
	Budget	Budget	Budget	Budget	Budget
Revenue	2,013,252	2,043,852	2,119,985	2,204,325	2,292,547
Cost of Goods	1,160,132	1,160,132	1,186,948	1,216,446	1,253,644
Gross Profit	853,120	883,720	933,036	987,878	1,038,903
Overheads	483,168	496,595	510,320	524,612	539,116
Key People Salary	300,000	306,200	312,575	319,130	325,870
Depreciation	5,000	5,000	5,000	5,000	5,000
EBIT	64,952	75,925	105,142	139,136	168,917
Interest Expense	1,343	1,077	795	496	179
Net Profit Before Tax	63,609	74,848	104,347	138,640	168,738
Taxes	0	22,455	31,304	41,592	50,621
Extra Ordinary Expense					
Net Income	63,609	52,394	73,043	97,048	118,116
Dividends	3,180	2,620	3,652	4,852	5,906
Adjustments					
Retained Earnings	60,429	49,774	69,391	92,196	112,211

8.8 Balance Sheet

Statement Date	30 June, 2014	30 June, 2015	30 June, 2016	30 June, 2017	30 June, 2018
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection Budget	Projection Budget	Projection Budget	Projection Budget	Projection Budget
Cash At Bank	-36,487	48,014	132,918	230,679	343,166
Accounts Receivable	184,884	151,238	136,605	131,715	131,807
Inventory	13,672	17,961	20,362	21,846	22,944
Current Assets	162,070	217,212	289,885	384,239	497,917
Fixed Assets	149,294	144,294	139,294	134,294	129,294
Total Assets	311,364	311,364	311,364	311,364	311,364
Short Term Debt	4,701	4,983	5,282	5,599	0
Accounts Payable	29,059	34,128	37,393	39,834	41,900
Current Liabilities	33,760	39,111	42,675	45,433	41,900
Long Term Debt	15,864	10,881	5,599	0	0
Non Current Liabilities	15,864	10,881	5,599	0	0
Total Liabilities	49,624	49,992	48,274	45,433	41,900
Share Capital	2	2	2	2	
Other Equity	73,927	73,927	73,927	73,927	73,927
Accumulated R/E	60,429	110,203	179,594	271,790	384,000
Retained Earnings from P&L	60,429	49,774	69,391	92,196	112,211
Previous Balance	-76,463	60,429	110,203	179,594	271,790
Equity	60,431	110,205	179,596	271,792	384,002
Liabilities & Equity	110,055	160,197	227,870	317,224	425,902

8.9 Annual Cash Flow

Statement Date	30 June, 2014	30 June, 2015	30 June, 2016	30 June, 2017	30 June, 2018
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection	Projection	Projection	Projection	Projection
	Budget	Budget	Budget	Budget	Budget
Revenue	2,013,252	2,043,852	2,119,985	2,204,325	2,292,547
Change In Accounts Receivable	69,054	33,646	14,633	4,890	-93
Cash Received From Sales	2,082,306	2,077,498	2,134,618	2,209,215	2,292,454
Cost of Goods	-1,160,132	-1,160,132	-1,186,948	-1,216,446	-1,253,644
Add Depreciation	0	0	0	0	0
Change In Inventory	-8,577	-4,289	-2,401	-1,484	-1,098
Change In Accounts Payable	9,551	5,069	3,265	2,441	2,066
Cash Paid to Suppliers	-1,159,158	-1,159,352	-1,186,085	-1,215,489	-1,252,676
Gross Cash Profit	923,148	918,147	948,533	993,726	1,039,778
Operating Expenses	-788,168	-807,795	-827,895	-848,742	-869,986
Add Back Depreciation	5,000	5,000	5,000	5,000	5,000
Add Back Amortisation	0	0	0	0	0
Other Expenses					
Cash Operating Costs	-783,168	-802,795	-822,895	-843,742	-864,986
Cash After Operations	139,980	115,352	125,638	149,984	174,792
Income Tax Paid	0	-22,455	-31,304	-41,592	-50,621
Net Cash After Operations	139,980	92,898	94,334	108,392	124,170
Interest Paid	-1,343	-1,077	-795	-496	-179
Dividends	-3,180	-2,620	-3,652	-4,852	-5,906
Financing Costs	-4,523	-3,696	-4,447	-5,348	-6,085
Net Cash Income	135,456	89,201	89,887	103,043	118,086
Investment in Non Current Assets	-25,000	0	0	0	0
NCI After Assets	110,456	89,201	89,887	103,043	118,086
Change In Equity	0	0	0	0	0
NCI After Equity	110,456	89,201	89,887	103,043	118,086
Change In Long Term Debt	-74,110	-4,983	-5,282	-5,599	0
Change In Short Term Debt	-94,148	282	299	317	-5,599
Change In Cash At Bank	-57,802	84,500	84,904	97,761	112,487
Opening Cash At Bank	21,315	-36,487	48,014	132,918	230,679
Closing Cash At Bank	-36,487	48,014	132,918	230,679	343,166

8.10 Marginal Cash Analysis

Statement Date	30 June, 2014	30 June, 2015	30 June, 2016	30 June, 2017	30 June, 2017
Period Length	12 Months	12 Months	12 Months	12 Months	12 Months
Currency	\$	\$	\$	\$	\$
	Projection	Projection	Projection	Projection	Projection
	Budget	Budget	Budget	Budget	Budget
Revenue	100	100	100	100	100
Cost of Goods	57.62	56.76	55.99	55.18	55.18
Gross Profit	42.38	43.24	44.01	44.82	44.82
Accounts Receivable	9.18	7.4	6.44	5.98	5.98
Inventory	0.68	0.88	0.96	0.99	0.99
Accounts Payable	1.44	1.67	1.76	1.81	1.81
Working Capital	8.42	6.61	5.64	5.16	5.16
Marginal Cash Flow	33.96	36.63	38.37	39.66	39.66
Overheads	24	24.3	24.07	23.8	23.8
Net Variable Cash Flow	9.96	12.33	14.3	15.86	15.86

9.0 Strategy For Improvement & Action Plan

9.1 Overview

The following Strategy Action Plan incorporates the strategies the management team believe will be effective in supporting the growth of DesignOne Concreting as defined throughout this plan.

Average Value Of Sale

Ask People To Buy Some More Product

To increase the average value of sale it's important to ask your existing customers to buy more (at the time they are buying). Their confidence in your business is already there and a simple question like: "would you like me to add XYZ to your order" or a statement that works for your business. The key is to assess future customer interactions and implement scripts that match those situations.

Harry Scott 30/07/2014 | 31/07/2014

Change / Improve Team So They Can And Are Willing To Sell

Sales is about a measured conversion rate between enquiry and the purchase of your products. Each person must have a known conversion rate and it must be improving. Less than 30% is not good enough and greater than 85% is difficult to achieve. Don't keep people in the role of sales because you are simply filling a spot. Goto: <http://www.axiomsoftware.com> and research DISCUS. Get sales training.

|

Cash Flow Specific

Review pricing, margins, product lines, sales people an implement a how to increase prices (or margins) by > 10%.

Pricing and / non discounting has a massive positive affect on cash flow. Discounting is a killer of most business (it does this over a long period). To increase the cash flow you need to investigate how you can put up your price and / or stop having to discount. Brainstorm this and ask 'how can we - rather than why we can't'.

James Scott 8/07/2014 | 27/08/2014

A Focus On Improvement Of Net Variable Cash Flow

Refer To Page 'Cash flow - Big Picture Overview' within this report. Your Net Variable Cash Flow is negative. Before you grow your business in customer numbers, annual revenue etc., you need to move your Net Variable Cash Flow to positive or as close as possible. Review Cash Flow Strategies as a high priority.

Samantha John-Jones 4/08/2014 | 8/08/2014

Lead Generation



Advertise In Industry Newsletter

The industry newsletter must be read by your target market NOT just by your competitors or your suppliers! You will need: (1) compelling headline, (2) powerful sub heads, (3) text that pulls the reader forward, (4) offer, and (5) a call to action that gets your phone ringing. Track lead numbers / average cost per lead.

James Scott 11/08/2014 | 12/08/2014

10.0 Actions to Take

10.1 Overview

This section of the Business Plan details additional actions beyond the strategies within section 9.0, which management have documented during the overall planning process. Therefore, Actions To Take may include micro strategies, support notes and comments on specific micro areas of the business and as a direct result of the planning process.

No further actions are required.

11.0 Appendix Information (Historical Financial Reports)

11.1 Overview

The appendix section of this business plan may contain other support information such as financial information, graphical information, and other relevant business information not included in the body of the business plan.