

Five(5) Year Business Plan

Business planning is essential for every successful business entity. Freedom Financial Services can assist the small business owner to develop a five (5) year business plan that can be modified year-to-year to reflect changes in the operation of the business and revisions of goals and objectives. To request a single page excel document that serves as a working tool for business owners to manage their business through monitoring of planned expenses as a percent of gross sales. *Contact us via the Contact Us page of the website.*

The chart below is an example of a five (5) year business plan for a business entity which operates as a distributor and delivery service business for the commercial building trade. The yellow block column marked as "Present Year" shows the operation's income and expenses for the latest tax return filing financials. The data in the yellow blocks for the 2nd through the 5th years represents how the business owner plans to operate in order to grow his business for success. His success is measured year-to-year by showing his ROI after taxes as a percent of gross sales.

Concrete Brick Supply Co.

	Present Year	%of Sales	2nd Year	% of Sales	3rd Year	% of Sales	4th Year	% of Sales	5th Year	% of Sales
Anticipated Growth in %			15%		15%		15%		15%	
Gross Sales	\$ 3,000,000		\$ 3,450,000		\$ 3,967,500		\$ 4,562,625		\$ 5,247,019	
Fuel Cost	\$ 720,000	24.00%	\$ 793,500	23.00%	\$ 872,850	22.00%	\$ 1,003,778	22.00%	\$ 1,101,874	21.00%
Delivery Service Fees	\$ 144,000	4.80%	\$ 155,250	4.50%	\$ 166,635	4.20%	\$ 182,505	4.00%	\$ 204,634	3.90%
Section 162 Retirement Plan	\$ -	0.00%	\$ 103,500	3.00%	\$ 119,025	3.00%	\$ 136,879	3.00%	\$ 157,411	3.00%
Labor Cost	\$ 1,110,000	37.00%	\$ 1,207,500	35.00%	\$ 1,348,950	34.00%	\$ 1,460,040	32.00%	\$ 1,626,576	31.00%
Gross Profit	\$ 1,026,000	34.2%	\$ 1,190,250	34.5%	\$ 1,460,040	36.8%	\$ 1,779,424	39.0%	\$ 2,156,525	41.1%
Operating Expenses										
Marketing	\$ 52,000.00	1.73%	\$ 51,750	1.50%	\$ 51,578	1.30%	\$ 50,189	1.10%	\$ 49,847	0.95%
Legal	\$ 21,000.00	0.70%	\$ 20,700	0.60%	\$ 23,805	0.60%	\$ 27,376	0.60%	\$ 31,482	0.60%
Communications	\$ 22,000.00	0.73%	\$ 20,700	0.60%	\$ 19,838	0.50%	\$ 20,532	0.45%	\$ 20,988	0.40%
Advertising	\$ 8,000.00	0.27%	\$ 6,900	0.20%	\$ 5,951	0.15%	\$ 5,703	0.13%	\$ 5,772	0.11%
Postal Fee's	\$ 4,000.00	0.13%	\$ 3,450	0.10%	\$ 3,968	0.10%	\$ 4,563	0.10%	\$ 5,247	0.10%
Factoring	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Auto Expense	\$ 7,500.00	0.25%	\$ 7,590	0.22%	\$ 7,737	0.20%	\$ 7,985	0.18%	\$ 8,133	0.16%
Accounting	\$ 4,000.00	0.13%	\$ 3,450	0.10%	\$ 3,968	0.10%	\$ 4,563	0.10%	\$ 5,247	0.10%
Office Supplies	\$ 5,300.00	0.18%	\$ 5,175	0.15%	\$ 5,951	0.15%	\$ 6,844	0.15%	\$ 7,871	0.15%
Vendor Services	\$ 7,000.00	0.23%	\$ 6,900	0.20%	\$ 7,935	0.20%	\$ 9,125	0.20%	\$ 10,494	0.20%
Storage	\$ 9,000.00	0.30%	\$ 8,625	0.25%	\$ 8,729	0.22%	\$ 8,897	0.20%	\$ 8,920	0.17%
Travel Expense	\$ 54,000.00	1.80%	\$ 51,750	1.50%	\$ 59,513	1.50%	\$ 68,439	1.50%	\$ 78,705	1.50%
Business Loans	\$600,000.00	20.00%	\$ 483,000	14.00%	\$ 396,750	10.00%	\$ 273,758	6.00%	\$ 157,411	3.00%
Business Loss	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Bus Insurance	\$ 43,000.00	1.43%	\$ 43,125	1.25%	\$ 43,643	1.10%	\$ 45,626	1.00%	\$ 45,649	0.87%
Equipment Exp.	\$ 74,000.00	2.47%	\$ 75,900	2.20%	\$ 79,350	2.00%	\$ 79,846	1.75%	\$ 81,329	1.55%
Admin. Services	\$168,000.00	5.60%	\$ 172,500	5.00%	\$ 178,538	4.50%	\$ 182,505	4.00%	\$ 183,646	3.50%
Total Operating Expense	\$ 1,078,800	36.0%	\$ 961,515	27.9%	\$ 897,250	22.6%	\$ 795,950	17.4%	\$ 700,739	13.4%
Net Profit(Before Taxes)	\$ (52,800)	-1.76%	\$ 228,735	6.6%	\$ 562,790	14.2%	\$ 983,474	21.6%	\$1,455,785	27.7%
Tax Rate		30%		30%		30%		30%		30%
Estimated Federal/State Taxes	\$ -	0.00%	\$ 68,621	1.99%	\$ 168,837	4.26%	\$ 295,042	6.47%	\$ 436,736	8.32%
Net Profit(Estimated after Taxes)	\$ (52,800)	-1.76%	\$ 160,115	4.64%	\$ 393,953	9.93%	\$ 688,432	15.09%	\$1,019,050	19.42%
ROI in % (After Taxes)		-1.76%		4.64%		9.93%		15.09%		19.42%
Note: Input data ONLY in areas identified in yellow										

