

# All these will require business plan example

[Business](#), [Company](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Proposed Capital](#) \n \t
2. [Desired Financing](#) \n \t
3. [References](#) \n

\n[/toc]\n \n

This paper gives an insight into a financial plan of Lighthouse Memories. Lighthouse Memories is a company that is established with a sole aim of selling Memorabilia (Lighthouse). The costs associated with starting the company include both variable costs and fixed costs. The following start-up expenditures are therefore anticipated for Lighthouse Memories:

Three Pentium four computers with 40 GB RAM memory specifications, speed of 3. 3GHZ, TFT HP monitor and 80 TB capacity. The network connections shall be developed and tested at the Lighthouse Memories.

Three computers @ 10, 000 - 30, 000

1st-order Fresnel lens - 17, 000

Lighting rod - 52, 000

Licenses and permits - 4, 000

Construction of a tower structure - 20, 000

Office telephone installation - 15, 000

Stationeries like staplers, reams of papers, files etc - 2, 000

Lighthouse tower and all outbuildings - 60, 000

Parcel of land hired at \$4, 000 per month plus an initial cost of \$100, 000.

148, 000

Total expected expenditure - 348, 000

As indicated above, the costs associated with the establishment of Lighthouse Memories are the 1st-order Fresnel lens, tower structure lighthouse tower and all outbuildings, for example, the keeper's living quarters, fuel house, boathouse, and fog-signaling building. A lightning rod and grounding system connected to the metal cupola roof provides will provide a safe conduit for any lightning strikes. All these must be incurred as costs.

The company intends to adopt a competitive positioning pricing model. The lighthouse industry very competitive and therefore it is appropriate to employ a competitive positioning model no matter the cost or volume. The company will employ both penetration pricing strategies to drive competitors out. It will price the service at a price lower than that of competitors. This will ultimately increase the market share. It is a deliberate pricing strategy that the company intends to use to achieve higher business volume. However, a skimming pricing strategy will be used after a larger market share is occupied. This strategy will be used as it will enable the company quickly recoup products/service advertising costs. This strategy guarantees more money which is subsequently used for better service provision and in meeting the expenditure costs.

## **Proposed Capital**

The following is the estimated capital for the establishment and operation of the company.

Sources of Capital

Amount (\$)

Bank loan - 580, 000

Owners' contribution - 370, 000

Donations - 50, 000

Total - 1, 000, 000

## **Desired Financing**

Capital is the source of any business venture no matter how big or small the business is. The company will be capable of obtaining a loan of \$400, 000 from Barclays bank. Interest on the loan is 20% payable within one year. The company will be paying \$40, 000 every month starting from the month of February 2011.

## **References**

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