

# [A business plan](https://assignbuster.com/a-business-plan/)

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FINANSOL BUSINESS PLAN By Business The of the School The and where it is located The FINANSOL BUSINESS PLAN   
Introduction   
Finansol will be created in Bolivia as a result of the support of ACCION. This business will be formed through the transformation of the business from a non-profit firm into a profit-based business. This move will ensure that Finansol earns sufficient funds from the public domain. Its conversion into a fully-fledged banking institution will automatically solve the capital problem. This guarantees that funds are available for lending to other institutions. Finansol will strive to achieve the bank industry’s capital-to-loan ratio of 1: 10. The bank is also meant to compete favorably with the other banks in the business.   
Industry Overview   
The Banking industry faces challenges concerning the financial systems in place. This is because the systems do not favor the small-scale entrepreneurs’ needs. This is manifest in the hard conditions set for the small-scale loan seekers.   
Objectives   
Finansol is aimed at providing the best financial services in the banking industry to build on its reputation.   
The firm also will focus on micro lending in order to boost the micro entrepreneurs. This will improve the economic activities in the overall economy.   
The bank will also focus on generation of loans, and the renewing of loan agreements with its clients. This is aimed at obtaining new capital for lending purposes.   
The other objective is to attain a favourable leverage ratio in order to avert any risks in the financial world.   
Customers   
The bank will have many clients ranging from large-scale business people to micro-entrepreneurs. This will help in the   
Competitors   
Finansol has many competitors like Group Corposol, Solurbano and Mercosol. The Finansol banking institution will indulge in a constructive competition.   
Revenues and Resources   
Finansol requires capital of US$25M to start operations (Austin, 2008, 34). The changes of regulations that govern the financial institutions will also enable the bank to obtain these funds through lease financing. The company has also access to funds through certificate of deposits and the issuing of bonds. Additionally, Finansol can seek funding through the exchange of loan portfolios for favourable percentage of stock.   
Financial Plan   
Year   
1   
2   
3   
4   
5   
Notes   
Sales   
429379   
472316. 9   
519548. 59   
571503. 45   
628653. 79   
10% market growth   
COGS   
77288. 22   
85017. 04   
93518. 75   
102870. 62   
113157. 68   
18% of sales   
Gross profit   
352090. 78   
387299. 86   
426029. 84   
468632. 83   
515496. 11   
sales-COGS   
Operating Expenses   
Rent   
40500   
42525   
44651. 25   
46883. 81   
49228   
5% increase   
Labor   
60000   
63000   
66150   
69457. 5   
72930. 38   
5% increase   
Utilities   
350000   
30000   
30000   
30000   
30000   
See above   
Advertising   
21468. 95   
23615. 85   
25977. 43   
28575. 17   
31432. 69   
5% of sales   
Administrative   
25000   
26250   
27562. 5   
28940. 63   
30387. 66   
5% increase   
Misc.   
5000   
5250   
5512, 5   
5788. 13   
6077. 53   
5% increase   
Total Fix   
501968. 95   
190640. 85   
199853. 68   
209645. 24   
220056. 26   
PBT   
-149878. 17   
196659. 01   
226176. 16   
258987. 59   
295439. 85   
Taxes   
58997. 7   
67852. 85   
77696, 28   
88631. 96   
30% taxes   
PAT   
-149878. 17   
137661. 31   
158323. 31   
181291. 31   
206807. 9   
Competitive Advantage   
The bank will have favourable and competitive inventory turnover and liquidity ratio. The bank will also endeavour to have a close relationship between capital base and the loan funds.   
Conclusion   
The start of the banking business will proof realistic because of the favorable business environment in the banking industry. The banks will offer favorable sources of lending facilities to the clients in a bid to boost business activities. The financial forecast of Finansol is realistic because the figure provided indicates the true position of the organization in the next five years.   
  
Reference   
Austin, J. E. (2008). Corposol. Boston, MA, Harvard Business School.