

Business Plans

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Enviro-Energy Corporation

Business Plan

SAMPLE

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April 2008

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Company Background

Executive Summary:

Industry sector: Chemical Manufacturing

Enviro-Energy Corporation (E-E Corp) was incorporated in March 2007. The team has been researching in area of natural energy collectively for over 5 years and has been planning for the corporation's creation for 2 years.

Current goals are to successfully create a model of an Ethanol Production Plant (within fiscal 2008) to responsibly generate fuel from historically wasted materials. Beginning in fiscal 2009, E-E Corp plans to create a full scale 200 M litre/year production facility.

A. Business Environment:

Executive Summary:

The present Canadian ethanol market is:

- estimated at 340 M liters / year (2007),
- with supply at 238 M liters / year, leaving a short-fall of over 100 M liters / year.

The main competitors of this fuel are located in Central Canada and the USA, creating a competitive product for the average consumer for prices of over +1.00/litre.

Orchestration – Analysis performed:

A.1. Company Strategy

Summary of Analysis Performed:

E-E Corp looked at internal and external business driving forces, objectives of the corporation, as well as promises which they can make to customers and stakeholders.

Conclusion:

Main point: E-E Corp strives to reduce wasted materials, decrease fuel costs and encourage methods which are environmentally responsible.

Appendix Documents:

A.1. – Corporate Strategy -- 181248 bytes

A.2. General Business Details

Summary of Analysis Performed:

Discussed the optimal form for E-E Corp – rating each business type on the potential pros and cons of such a business.

Conclusion:

Because the business will be heavily depending on SR&ED tax credit back for the research they will be doing, to optimize their credits, they will become a Corporation. Creating a corporation made the most sense for operational reasons and patent issues as well.

Appendix Documents:

A.2. – General Business Details -- 184568 bytes

A.3. Industry Overview

Summary of Analysis Performed:

E-E Corp looked at the Bio-Fuel Industry's performance in the past and examined analysis of forecasted market changes by Stats Canada.

Conclusion:

Main point: By the year 2011, Stats Canada expects that there will be a demand for 10 billion litres of E-85 fuel in Ontario alone.

Appendix Documents:

A.3. – Industry Overview -- 181248 bytes

A.4. Mission Statement

Summary of Analysis Performed:

Management analyzed the factors that differentiate E-E Corp from other competitors. They reduced this list to a unique, out-of-the-box breakdown of the main functions of our business.

Conclusion:

Mission Statement – Enviro-Energy Corporation: Efficient Energy with an Edge.

Appendix Documents:

A.4. – Mission Statement -- 181248 bytes

A.5. PEST Analysis

Summary of Analysis Performed:

Using the PEST template, E-E Corp unpacked the current Political, Economic, Sociocultural and Technological situations that a business entering the marketplace will face.

Factors:

Political – The government is encouraging the development of cleaner fuels by providing tax incentives for those in the industry. The popular blend of natural fuel is Ethanol.

Economic – Due to the dramatic increase in Crude Oil Prices, gas prices have been on the incline. Prices for the summer of 2008 are expected to be at \$1.40/litre.

Sociocultural – As the idea of Going Green sweeps across North America, consumers are more conscious of the harmful nature of some fuels. The availability of green energy alternatives is growing in demand.

Technological – Currently, there is no process that can create a proper and efficient fuel for under \$.80/litre, as E-E Corp proposes.

Conclusion:

There is welcomed space for a company of this nature to enter the marketplace at this time.

Appendix Documents:

A.5. – PEST -- 121245 bytes

B. Marketing Plan:

Executive Summary:

E-E Corp's marketing strategy is a living and evolving plan. The plan is tracked against in order to achieve marketing objectives for 2008. E-E Corp's products and processes for Ethanol is going to be branded, and marketed to a specific audience with specific interests in this type of alternate fuel.

To properly craft the marketing plan, E-E Corp has employed multiple analysis templates to review the competitive landscape of the market, the required Key Success factors of any company in the industry and the marketing tactics that tie to E-E Corp's campaign strategy.

Analysis performed:

B.1. Key Success Factors

Summary of Analysis Performed:

To be successful in the ethanol production market, a business must create affordable, productive and efficient fuel for their customers.

Conclusion:

To be viable in the market space, a candidate must:

Must have access to corn

Lower prices for fuel than CBOT

Opportunity to get money back from the government

Create technological advances to produce cheaper fuel.

* Just as in the petro market, consumers are basing their purchase decision only on price. Gas is gas to them. However, in E-E Corp's case there is a very large difference between their product and those of the competitors (commonly available petro which is based on price alone).

Appendix Documents:

B.1. – Key Success Factors -- 181248 bytes

B.2. SWOT Analysis

Summary of Analysis Performed:

The managing partners of assessed the strengths, weaknesses, opportunities and threats likely for the business. The final list has been boiled down to the top 4-5 items relating to each of the 4 parts of analysis.

Conclusion:

Strengths- Corn Availability

Weaknesses- New Industry – The public Unfamiliar

Opportunities- Gov't Support

Threats- Volatile Market

Appendix Documents:

B.2. –SWOT -- 181248 bytes

B.3. Ansoff

Summary of Analysis Performed:

Looked at the current state of Bio-fuels relating to "products" and "markets."

Conclusion:

Found that the best market to be in: new products + new markets. Enviro-Energy is entering into an ideal space. It will be the first to market specifically for the low-cost Ethanol solutions.

Appendix Documents:

B.3. – Ansoff -- 181248 bytes

B.4. Boston Matrix

Summary of Analysis Performed:

Analyzed E-E Corp's market share vs. potential market growth.

Conclusion:

Using statistics from the industry, they concluded that the market is growing significantly. The business holds a large percentage of the current market, and as they grow in time with the industry. E-E Corp should be able to keep a large share over competitors in the market.

Appendix Documents:

B.2. – Boston Matrix -- 235644 bytes

B.5. Brand Essence

Summary of Analysis Performed:

Managers looked at the position, personality, tone and manner of E-E Corp to generate a complimentary brand image for the products and processes.

Positioning – Leading Edge technology to create cheaper Ethanol than the competitors

Personality – Clean, tidy and environmentally conscious

Tone – Natural and efficient.

Manner – Professional & sanitary

Conclusion:

E-E Corp's Brand is environmentally edgy with a clean, tidy and efficient character.

Appendix Documents:

B.5. – Brand Essence -- 181248 bytes

B.6. Competitive Analysis

Summary of Analysis Performed:

Looked at the top competitors in the direct market space and rated them on their ability to meet the key success factors of the industry.

Conclusion:

Although meeting a few of the factors of success, the competitors fall short of E-E Corp, both on their inability to create product and process under \$.80 percent, as well as reduce the amount of waste to generate more from our natural resources.

Appendix Documents:

B.6. – Competitive Analysis -- 761238 bytes

B.7. Products and Services Overview

Summary of Analysis Performed:

A description of products soon to be available at E-E Corp.

Conclusion:

Please see the appendix for description.

Appendix Documents:

B.7. – Products and Services Overview -- 181248 bytes

C. Operations:

Executive Summary:

E-E Corp's key partner is Fresh Earth – A supplier of corn feed. Fresh Earth is involved as a supplier, a stakeholder with monetary investments and an assistant who does local advertising for the business.

The internal structure of E-E Corp. consists of one managing director, and three advisors.

In order to properly interact with clients as they purchase to when they need more stock, a very clear and organized plan has been laid out for all staff to follow. It ensures no client is missed, and no opportunity wasted.

Orchestration – Analysis performed:

C.1. Internal Operating Structure

Summary of Analysis Performed:

Drafted the initial landscape of E-E Corp.

Conclusion:

See internal operating tree in the appendix.

Appendix Documents:

C.1. – Internal Operating Structure -- 181248 bytes

C.2. Customer Cycle

Summary of Analysis Performed:

E-E Corp outlined the way that they will typically entice a client, create a contract, measure client loyalty and then re-sell to the same client.

Conclusion:

See customer cycle in the appendix.

Appendix Documents:

C.2. – Customer Cycle -- 287241 bytes

D. Financial:

Executive Summary:

Plan:

Templates Included in Appendices:

D.1. Budget (3-5 year projection)

Orchestrate – Analysis performed using the following templates:

D.1. Budget

Summary of Analysis Performed:

Looked at projected costs of operation.

Conclusion:

Please see budget in the appendix.

Appendix Documents:

D.1. – Budget -- 181248 bytes

E. Human Resources:

Executive Summary:

The objective of E-E Corp's Human Resource planning is to maximize the return on investment from the organization's human capital and minimize financial risk. They have crafted job descriptions for spaces required by the firm immediately. In addition, they plan on creating descriptions for the existing management team this year.

The team has also drafted an employee contract which they will use on any new employee from this point forward.

Orchestrate – Analysis performed using the following templates:

E.1. Job Description

Summary of Analysis Performed:

Researched the industry in Canada, and have created a job description with an appropriate rate of pay. They looked into various statistics WebPages which told management about the average salary of those team members they wish to hire and maintain.

Conclusion:

See Appendix for full Job Description

Appendix Documents:

E.1. – Job Description -- 181248 bytes

F. Legal:

Executive Summary:

Legal documentation necessary to run the business has been well-examined. Both patent proposals and internal/external contracts have been compiled by the lawyer to E-E Corp, Mr. Doug Francais, LLP.

As well, the company's policy of customer care has been detailed and entered into this section.

Orchestration – Analysis performed:

F.1. Employee Contract

Summary of Analysis Performed:

Need to analyze the terms of employment, rate of remuneration, privacy statement, vacation allowance and health benefits available.

Conclusion:

Now the business has a structured contract for all to engage in. Please see contract in appendix.

Appendix Documents:

F.1. – Employee Contract -- 124738 bytes

F.2. Company Policy

Summary of Analysis Performed:

What are the company values and policies?

Conclusion:

It is company policy to make contact with the client at least quarterly to discover what the business is doing well, and what areas they might be able to improve in. As well, all staff will answer any calls from clients within 12 hours, this means staff checking their emails frequently.

Appendix Documents:

F.2. – Company Policy -- 124738 bytes

Appendix

A.1 Corporate Strategy

The Corporate Strategy sets the benchmark for all of E-E Corp's future business decisions.

1) Vision
The guiding direction for desired state of the organization.
1. Leading edge technology to reduce wasted materials.
2. Reduce the cost of fuel.
3. Environmentally friendly Corporation.

2) Objectives	3) Promise
Measurable goals like sales target.	Spells out the core benefit of the organization to customers, stakeholders.
1. Create a small scale production facility in one year.	1. Reduce fuel costs and wasted materials.
2. Market share by 2009: 12% in Canada	2. Help create a greener Canada by supporting the natural energy movement.

A.2. Business Details

Options:

Sole Proprietorship – business entity which legally has no separate existence from its owner. Hence, the limitations of liability enjoyed by a corporation and limited liability partnerships do not apply to sole proprietors. All debts of the business are debts of the owner. It is a "sole" proprietor in the sense that the owner has no partners. A sole proprietorship essentially means a person does business in his or her own name and there is only one owner. A sole proprietorship is not a corporation; it does not pay corporate taxes, but rather the person who organized the business pays personal income taxes on the profits made, making accounting much simpler. A sole proprietorship need not worry about double taxation like a corporate entity would have to.

Corporation - legal entity (technically, a juristic person) which has a legal personality distinct from those of its members. The defining legal rights and obligations of a corporation consist of the capacities to sue and to be sued, to have assets, to employ agents, to engage in contracts, and to make by-laws governing its internal affairs. Other legal rights and obligations may be assigned to the corporation by governments or courts. These are often controversial.

Partnership - is a type of business entity in which partners (owners) share with each other the profits or losses of the business undertaking in which all have invested. Partnerships are often favored over corporations for taxation purposes, as the partnership structure does not generally incur a tax on profits before it is distributed to the partners (i.e. there is no dividend tax levied). However, depending on the partnership structure and the jurisdiction in which it operates, owners of a partnership may be exposed to greater personal liability than they would as shareholders of a corporation.

Results:

E-E Business's legal form is a Corporation.

The business was created in this form because E-E Corp had a single, focused team working towards the same goals under the same leadership. This made the most sense.

A.3. Industry Overview

The industry overview is a factual document which details the predicted future of the industry.

Ethanol Industry Facts (Canada)
1. By the year 2011, we expect that there will be a demand for 10 billion litres of E-85 fuel in Ontario alone.
2. This is expected because the “Big 3” Auto makers are beginning mass production of E-85 vehicles for the 2007 model year under a US Federal mandate and subsidy program.
3. The present Canadian ethanol markets: <ul style="list-style-type: none"> - is estimated at 340 M liters / year (2006) with - supply at 238 M liters / year, leaving a short-fall of over 100 M liters / year.

www.stascan.ca

Because of the social shift to conserve natural resources, the natural fuel industry is gaining momentum going into 2008. Management expects to be the sole provider to the West of the GTA and a vital competitor in the USA market space by 2010.

A.4. Mission Statement

The Business's Mission Statement is the guiding direction for the desired state of the brand.

Important characteristics to be included in E-E Corp's mission statement
1. Innovation
2. Natural
3. Bio fuel
4. Savings
5. Environment
6. Technology

Mission Statement:

Environmentally Efficient Energy, with an Edge.

A.5. Political, Economic, Social & Technological Factors

Forces to the marketplace, to the potential customers, suppliers and staff which affect the business.

Political Factors	Economic Factors
1. Tax incentives - fuel ethanol production	1. \$0.08 / litre cap by the gov't
2. Clean Air Act – 1990's	2. Gas Prices
3. MTBE – ban Jan 2004	
4. RTS – future trend	
5. CAD \$100M subsidy	
6. E-10 Blends	

Sociocultural Factors	Technological Factors
1. “Green” conscious society	1. Nothing to make Ethanol for under \$0.80/litre
2. Increased awareness – Global Warming	2. Limited funding in Canada for environ-technology star-ups.

B.1. Key Success Factors

These are the factors necessary for a business of this type to flourish in a market. To ignore a factor guarantees failure.

Key Success Factors	Indicators for Success
1. Quality of product	1. Performing product for under \$0.80/litre
2. Ability to reduce natural wastes	2. Popular amongst environmentally conscious market
3. Price	3. Under \$0.8/litre

B.2. Strengths, Weaknesses, Opportunities & Threats (SWOT)

This strategic analysis is used to specify the external factors affecting the business.

Strengths	Weaknesses
1. ability to source & store corn locally	1. ethanol profitability based on gov't subsidies
2. lower than CBOE future prices	2. New Industry – Customers are unfamiliar with Natural Fuels such as Ethanol

Opportunities	Threats
1. opportunity to increase profits with CDN gov't subsidies	1. market is volatile over the past 2 years
2. technical advance – reduce cost per litre from \$0.80/litre to \$0.50/litre	2. New capacities building worldwide

B.3. Ansoff Product - Market Mix

This is an outline of the business' current and potential products and customers.

Products	Existing Products	New Products
Markets		
Existing Markets	Market Penetration - Oil - Natural Gas	Development - Natural Waste - Materials to Bio Fuel
New Markets	Market Development - USA trade	Diversification - Ethanol – cheaper and better for the environment

B.4. Boston Matrix

An analysis of the market share vs. the market growth of the business.

	High Market Share	Low Market Share
High Market Growth	<p>STAR</p> <p>* E-E Corp began in a low market share position, however, with proper networking and marketing, it moved towards becoming a STAR, with a much larger share of the market.</p>	<p>Problem Child</p> <p>←</p>
Low Market Growth	Cash Cow	Dog

B.5. Brand Essence

The brand essence drives the brand's identity.

1) Brand Positioning	2) Personality
Distinct Positioning	The brand's "human" attributes
1. Enviro conscious.	1. tidy.
2. Natural resources are king.	2. clean.
3. Protect environment.	3. intelligent, scientific.
4. Reliable and efficient.	4. natural focus.
5. Slightly higher price for bigger rewards.	5. protect nature
6. World benefits, and so do consumers.	6. clear, simple and dependable.

3) Tone	4) Manner
Voice of the brand	Type of messages communicated both internally and externally
1. natural	1. professional/cutting edge with a Green side.

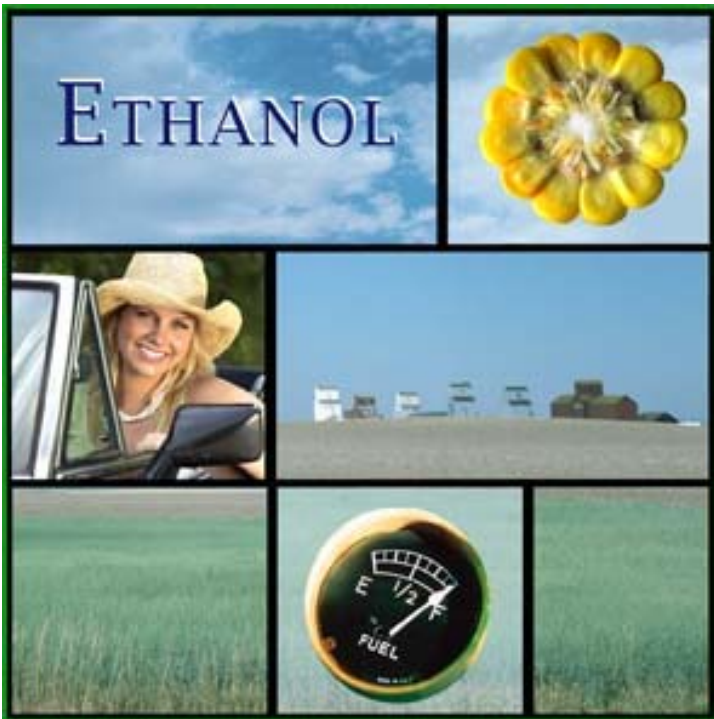
B.6. Competitive Analysis

Management assessed the overall competitiveness of the business and competitors in the market. Each competitor has been rated for overall strength. 1=yes 0=no *Key Success Factors*

Factors	Enviro-Energy Corp.	Competitor 1	Competitor 2
<i>Make for under \$0.80.litre</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Reduce Waste</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Quality feed avail for production</i>	<i>1</i>	<i>1</i>	<i>1</i>
Heating technology	1	1	1
Business Background to properly market product	1	0	1
Current market share over 12% of Canadian target audience	0	1	0
No fossil fuel used to heat facility	1	0	0
other than Ethonal	1	1	0
Marketing Effort	1	1	0
Strength	8/9	5/9	3/9

B.7. Products and Services

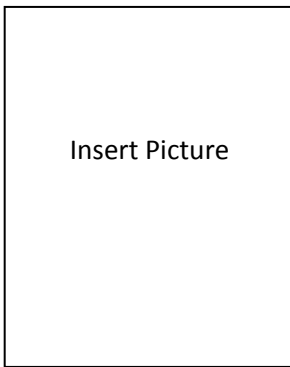
Ethanol



Pricing: \$0.8/litre for first year, then reduce costs as new products become market leaders.

C.1. Employee Profile

Bob Wilson



Academic Background

1965 U of T – Masters of Biological Science

1960 U of T – Chemical Engineering

Professional Background

2003- Present Enviro-Energy Corporation – Manager of Operations

1990-2003 University of British Columbia – Head of Biological Science Faculty

1979- 1990 Personally Owned Company – Director (Bio Diesel Company)

I have had over 40 years of Industry experience in the Chemical, Biology and Agri Sector. I am extremely proud of the creation of such an innovative Ethanol Production Facility. I hope to dive into major production in early 2008!

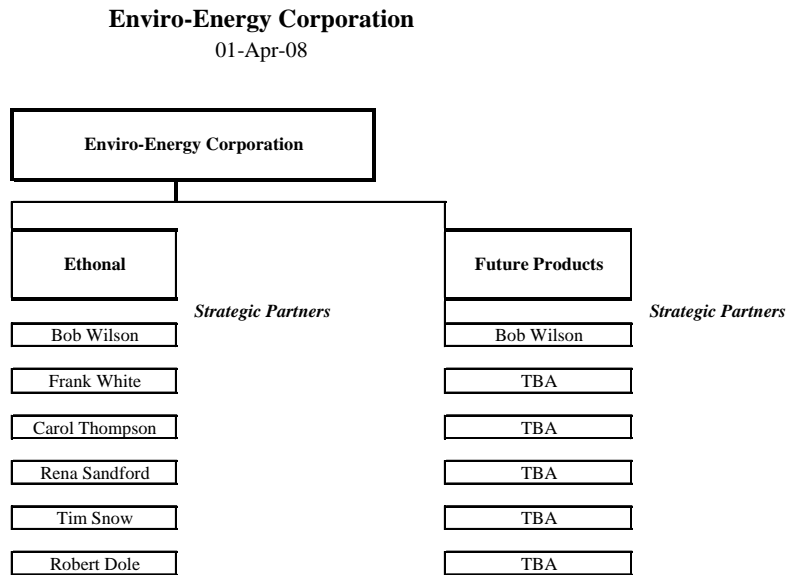
C.2. Customer Cycle

Identifying the business' steps/stages to retrieving, serving and retaining each customer

E-E Corp's Customer Cycle
1) Market Product through Networking (ie: Industry Events)
2) Intro with client (ie: webinar, meeting, seminar)
3) Client closed - signs contract
4) Meeting with Manager about requirements of client (new orders)
5) Ongoing orders
6) Survey annually to test E-E Corp's performance
7) Market new products to existing clients/new clients/potential clients

C.3. Internal Operating Structure

The structure of the business.



D. 1. Budget

D.1. Financial

E-E Corp

PROJECTED STATEMENT OF EARNINGS (Canadian Operations)

FOR THE YEARS ENDED DECEMBER 31

	ACTUALS		NOTES:	PROJECTIONS	
	2006	2007		2008	2009
Product Revenue		-		420,000	1,000,000
		-		-	-
		-		420,000	1,000,000
Expenses					
Accounting & Legal				15,000	15,000
Advertising and Promotions				10,000	35,000
Alarm Services				-	-
Amortization (capital re-investment)				-	-
Bank Charges & Interest				-	-
Contractors				-	-
Contractors (SR&ED Partners / referrals - 10% 1st year fee)				-	-
Hotels				-	-
Insurance				10,000	10,000
Internet				-	-
Leased Office Equipment				-	-
Licences				-	-
Management Fee				200,000	275,000
Marketing				10,000	10,000
MBC Expenses				-	-
Meals & Entertainment				-	-
Membership Fees				-	-
Network & Online Support				-	-
Office Supplies				5,000	5,000
PST Compensation				-	-
Purchase Discounts				-	-
Rent				-	-
Repair & Maintenance				-	-
Salary & benefits (admin)				300,000	300,000
Shredding				-	-
Subscriptions				-	-
Telephone				4,000	5,000
Travel				-	-
Utilities				4,500	4,500
Workshop Expenses				-	-
Performance bonuses				-	-
Income Taxes				-	-
		-		558,500	659,500
Net Income (Loss)		-		(138,500)	340,500

E.1. Job Description

Below are the criteria required of this position.

Job Title
Marketing Manager

Organizations Name & Business Outline
<p>Enviro-Energy Corporation</p> <p>Enviro-Energy Corporation (E-E Corp) was incorporated March 2007. The team has been researching in this vital area for over 5 years each, and collectively planning for the corporation's creation for 2 years.</p>

Job Objective
To create a solid marketing plan which encompasses a terrific brand strategy, regular competitive analysis and a marketing strategy agreed upon by all, to track progress against.

Duties and responsibilities
<ul style="list-style-type: none"> - Manage new customers - Gather feedback and asses client loyalty - Create marketing tools - Ongoing Strategy review

Qualifications and Requirements

Qualifications and Requirements
College/ University degree in Marketing/Business Admin
3-5 years Experience Required; Experience in the Industry Encouraged

Other
St. Catherine's, Ontario
Salary – to be announced
Bob – (905) 456-6789

F.1. Employee Contract

This employment agreement is made this ____ of _____, 200_.

BETWEEN:

- (1) BUSINESS NAME, a corporation having its principal place of business at, _____, _____, _____;
(the "Employer") AND
- (2) NAME, an individual living in _____, _____; (the "Employee").

It is agreed as follows:

1. Term of contract: The Employer agrees to employ the Employee and the Employee agrees to work for the Employer for a ninety (90) day period commencing on _____ as a Full time employee.
2. Duties: Subject to reasonable direction by the Employer, the Employee shall perform the marketing and administration duties. It is understood and agreed that these duties and responsibilities are not exhaustive and may be changed with the Employer's changing circumstances.
3. Hours of work: Subject to statutory holidays and ordinary vacation, the Employee shall work 5 days per week approximately 8 hours per day.
4. Rate of remuneration: Subject to statutory deductions, upon submission of weekly timesheets, the Employer shall pay the Employee a gross cash salary, inclusive of any statutory vacation pay to which the Employee may be entitled, equivalent to \$_____ per year (or \$_____/ week), in weekly payments.
5. Expenses: The Employer shall also reimburse the Employee for all authorized business expenses incurred by the Employee in the course of employment upon submission of expense report to administrator.
6. Confidentiality: The Employee promises to keep the Employer's and each of its clients' business secrets confidential during and after the term of employment. Including;
 - a) Knowingly provide, or knowingly allow to be provided, to any person other than MEUK personnel, any client information.

- b) Knowingly allow any person to have access to any client information; or
- c) Knowingly use any client information, obtained in any manner, otherwise than in the course of the employee's duties.

Other legal provisions:

- 7. If any provision or part of any provision in this agreement is void for any reason, it shall be severed without affecting the validity of the balance of the agreement.
- 8. Except for increases in salary or extension of employment benefits, the terms of this agreement remain in force until amended in writing signed by both parties.
- 9. There are no representations, warranties, conditions, terms or collateral contracts affecting the employment contemplated in this agreement except as set out in this agreement.
- 10. The Employee acknowledges ample opportunity and advice to take independent legal advice in connection with the execution of this employment agreement.
- 11. This agreement is governed by the laws of the State/Province of _____.

Executed at _____, _____, this _____ of _____, 200__.

NAME (the "Employee")

NAME (the "Employer")
BUSINESS NAME