

HOWELLS ROOFING CONTRACTORS

BUSINESS PLAN

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Executive Summary

Howells Roofing Contractors is a U.K based and licensed roofing contractor company. Our head office will be located in standard and centrally located office facility in the heart of Swansea-Wales.

Although our Head Office will be located in Swansea – Wales, where we intend starting our operations, we will also set up offices in other cities of Wales, including Cardiff, Bridgend and Carmarthen.

Howells Roofing Contractors is going to be a self-administered and a self-managed roofing contractor company. We will engage in roofing contractor services such as cutting and fitting ceramic or concrete tiles and slates, fitting metal and modified bitumen roofing systems, repairing and replacing downpipes and gutters, fixing and fitting sheet metal, replacing broken tiles, installing Velux windows, applying roof sealer compounds and cleaning existing roof materials, fitting fascia's, securing flashings and capping's and repairing leaks.

We, as a company will work towards becoming one of the largest roofing companies in Swansea, with a view to achieve an active presence in other major cities within Wales.

We appreciate that the company will require a large sum of capital to start off initially and therefore we have planned a steady form of cash from private investors/immediate family members who are very eager and keen to work with us. We are very positive that we have a strong financial standing and we are very enthusiastic about taking on any opportunities that we discover within the industry.

As a firm, we intend on making our customers our number one priority and therefore customer service and customer satisfaction is very important to us, so we will ensure our key personnel demonstrate commitment to make this their priority within the business. As a firm, we also plan to become one of the top leading Roofing companies within Wales and eventually have offices in a several different Cities of Wales.

We will ensure that we hold ourselves accountable to the uppermost standards by actively seeking and fulfilling customer needs fully and precisely. We will encourage and promote a working environment that provides a human, sustainable approach to making a living, and focusing on our morals and values as a firm, for the owners, employees and for our customers.

Howells Roofing Contractors will be owned by Sean Phillips and his immediate family members. Sean Phillips has a Degree in business management and has worked with some well-known construction companies within Wales for many years prior to starting his own business.

Other investors with the same investment philosophy (whose name cannot be revealed), along with other immediate family members are going to be part of the business, particularly as it relates to pooling cash together for large contracts from big corporations.

Business Overview

Those involved in the roofing industry are involved in installing roofs, sheet metal and roof drainage systems, such as downpipes and gutters. They also carry out activities such as treating roofs (e.g. spraying, painting or coating), installing skylights, installing Velux windows, installing metal ceilings, flashing, ductwork and capping. The jobs carried out could be new work, additions, alterations, maintenance and repairs.

The roofing industry fundamentally depends on demand from the building construction industry in residential and non-residential markets, both of which have been undergoing a rise in demand over the last half a decade.

Together with profit margin development, those involved in the Roofing industry have increased their scope of operations so that they can meet this rise in demand due to the housing recovery, which has in turn increased the number of jobs.

In accordance with IBISWORLD several roofing industries are demonstrating solid growth in revenue in the coming years, supported by the improved investment in housing and commercial buildings. As house prices are increasing rapidly, in turn disposable income should increase, which is expected to enhance consumer spending on home improvements, such as roofing and roof maintenance.

The Roofing industry is a large industry and is active in most countries of the world. A recent report published by IBISWORLD showed that within the UK, there are over 9,000 roofing businesses, with around 63,000 employees and the industry annual revenue is around £5.5 billion. The industry is projected to grow at 7.6 percent annual growth within the next five years. The report published also shows that the Roofing industry is in the mature phase of its life cycle and it specified that the demand for roofing is closely associated to cyclical variations in the building construction investment and the substantial rise in property prices.

In the Roofing industry, it is important to be creative as in order to reflect the multi-skilled nature of the business, many of the roofing contractors are looking to increase the diversity of specialist skills within their businesses, therefore they need to be able to use their ideas to meet the rapid changing needs of the society when it comes to properties and commercial businesses, making sure they keep up to date with the necessary trends within the business.

Our Products and services

Whilst in the roofing industry, we appreciate that it will be difficult to be the most efficient contractor for commercial builders as well as the top-quality contractor for high-end work, the processes and project execution we offer will be unique compared to other roofing firms.

Howells Roofing Contractors will offer a variety of different services within the scope of the Roofing industry in the U.K. Our intention of starting our Roofing Company is to constructively and positively compete with some of the bigger, leading players in the Roofing industry throughout Wales.

As a company, we understand that positioning is one of the most important marketing ideas and that tight positioning can lead to improved marketing efforts, revenue growth and profits.

As there is fierce competition within the industry, with more than enough capacity, we have decided to focus on both cost and differentiation. Whilst we are trying to differentiate within the market, it is difficult as most roofing firms can supply the same products. However, we aim to hire people who are perfectionists and value their work as much as we do and therefore offer the best quality work possible.

By competing on price will be difficult as when focusing on a low price, profit margins are limited. However, we also need to take into account the skilled labour workforce and therefore we are constantly looking for ways to reduce costs, such as squeezing suppliers to get cheaper prices.

Whilst our prices may not be the cheapest in comparison to some competitors, we feel we stand out by offering such a skilled workforce, all who have years of experience and have built up a reputation with the work they have carried out.

With increasing awareness about the environment, we are seeking to use sustainable and environmentally beneficial roofing materials such as concrete tiles. These help in conserving energy by reducing air conditioning usage by allowing air to flow through the loosing arranged tiles, and thus, maintaining an optimum internal temperature.

As a company, we aim to make a healthy profit from the industry and ensure we are following and obeying all the laws and regulations within the U.K so that we can achieve our business aims and goals and thrive with our ambition and determination. Our business offerings are scheduled below;

- Cutting and fitting ceramic or concrete tiles, shingles and slates
- Fitting built-up, metal and modified bitumen roofing systems
- Fitting, repairing and replacing gutters and downpipes
- Fitting sheet metal
- Replacing broken tiles and shingles
- Fitting velux windows
- Applying roof sealer compounds and cleaning existing roof materials
- Fitting aluminum and fiber cement siding
- Fitting soffit under easement fascia's
- Securing flashings and capping's and repairing leaks

Our Vision Statement

Our vision is to become the number one roofing company in Swansea – Wales with a view to expand and have an active existence in other major cities within Wales such as Carmarthen, Bridgend and Cardiff.

Our Mission Statement

Our mission as a roofing company is to create an extremely successful, profitable all round roofing business, concentrating on the quality of our goods and services provided by very skilled and highly professional employees and to become a model roofing company throughout Wales where we intend on obtaining for customers.

Our Business Structure

Our company's structure is a structure that we have decided to create that will enable simple progress and growth for all our employees as we believe investing time and money into our employees will help achieve our over aims and objectives, which is why we have created various platforms that will enable us to attract some of the best hands in the industry.

We have decided to build our roofing company on the right business foundation as we are mindful that any business success lies in the groundwork of the company. We will make sure that we only hire people that are hardworking, honest and have the same value and beliefs as us which will help us build a prosperous business that will benefit the owners, the workforce and the customers.

We have decided to adopt a profit-sharing approach which will be made available to all senior management staff and it will be based on their performance for a period of four years or more. However, this will be dependent on how quick we reach our set targets. Employee satisfaction will be important to us, which will in turn help us focus on customer satisfaction.

Howells Roofing Contractors is fully aware of how businesses operate in the industry and therefore we have prepared sufficient and competitive packages for various marketing agents. We will have our own marketing department, who will be responsible for managing this aspect of our business structure.

Management / Key Personnel

We have listed below who will be involved in the company and how the management/key personnel team will be built within Howells Roofing Contractors;

- Principle owner(s)
- Project manager
- Company secretary / Lawyer
- HR manager
- Admin team
- Roofing engineers
- Business Developer/Sales and Marketing
- Accountant
- Customer Service Executive / Front Desk Officer

Roles and Responsibilities

Principle Owner(s):

Within Howells Roofing Contractors there will be one primary owner, Sean Phillips (there will also be two silent owners as well as private investors, who will own a percentage of the company and inject funds into the business, but will not be involved in the day to day running of the business). Sean will be involved in the recruitment process and have the overall decision on who is selected and employed. He will be the 'go to' person if anyone needs any training or coaching. He will also be alongside HR if there needs to be any disciplinary procedures undertaken. Sean will be responsible for communicating the business values, strategies and objectives amongst the employees within the firm. He will be accountable for the planning, monitoring and appraising job results and developing incentives.

The quotations and prices for work, including any offers and discounts will need to be verified by Sean before any agreement is in place. He is responsible for providing direction for the business and will create and implement the company's vision and mission. Sean will be responsible for checking documents and signing any documents off on behalf of the company. It is his responsibility to evaluate the success of the business and report to members of staff on how the company is performing.

Project manager

The project manager will be responsible for the planning, management and coordination of all projects on behalf of the company. It will be the project manager's responsibility to supervise all the roofing and renovation projects and ensure that all compliance are being adhered to during project executions. The project manager will give advice on each of the projects and carry out risk assessments before any project is due to commence. They will be familiar with the use of IT systems and software and use this to keep track of the various stages each project is at. They are also responsible for overseeing the accounting, costing and billing of every project and ensuring they inform the principle owner if a particular cost is under or over budget. The project manager must represent the company's interest at stakeholders' meetings and ensure that the project desired result is achieved, using the most efficient resources, ensuring that various

interested involved are satisfied and if they have gone over or under budget then provide explanations as to why this was.

Company Secretary / Lawyer

The company secretary / lawyer will be responsible for drawing up any contracts and other legal documents for the company. They will consult and handle any corporate legal processes and develop company policy and deal with any legal issues the company may face. The company secretary / lawyer will conduct and carry out research, keeping up to date with all laws and regulations and adapting company policy as and when they need to. They will anticipate and guard the company against any legal risk and represent the company in any legal proceedings. They will play a part in business negotiations and take minutes of meetings. They will be responsible for analyzing any legal documents on behalf of the company and prepare annual reports for the business.

HR Manager

The HR manager at Howells Roofing will be responsible for overseeing the smooth running of HR and administrative tasks for the company. It is their responsibility to design job descriptions with key performance indicators to drive performance management for customers. They will be responsible for holding regular meetings with key stakeholders to review the effectiveness of HR policies and procedures.

Admin team

The admin team will be responsible for maintaining office supplies – they will need to take a regular stock take of office supplies, placing and expediting orders and evaluate new products as and when the company needs them. They are responsible for operation of equipment and ensuring equipment is repaired if it's required. The admin team will define job positions for recruitment and interviewing processes. They will carry out staff inductions for new team members and show them around the office. They are also responsible for training, evaluation and assessment of employees. They will be responsible for arranging travel, meetings and appointments and update job specifications and knowledge by maintaining professional networks and reading professional publications.

Roofing engineers

The roofing engineers will be responsible for handling core services such as fitting ceramic or concrete tiles, slate or shingles. They will be responsible for fitting built-up, metal modified bitumen roofing systems, fitting repairing and replacing gutters and downpipes, fitting sheet metal, replacing broken tiles and shingles, fitting Velux windows, cleaning existing roof materials, fitting fascia's and securing flashings and repairing leaks. As employees, they will adhere to company standards and ensure that roofing construction meets or exceeds those standards applied within the geographic area. Overall, they will provide direction on assigned projects and review and make recommendations on the planning and design of each project.

Marketing and Sales Executive / Business Developer

As a sales executive, they have the role of identifying, prioritizing and reaching out to new partners and take advantage of any business opportunities that arise. They are accountable for identifying any development opportunities that may arise and ensure these opportunities are followed up on development leads and contacts. They will be involved in the structuring and financing of the projects and it is their role to assure the completion of the development. As a business developer they are involved in developing, executing and evaluating new plans for expansion and increasing turnover. They need to document all customer contact and information, represent the company in strategic meetings and are vital in helping to increase revenue and growth for the company.

Accountant

The accountant will be responsible for preparing financial statements; including profit and loss statements, cash flow statements and balance sheets. They will also be responsible in the creation of budgets for the organization, using their professional assumptions on how they feel the business will grow annually, these budgets will be prepared on an annual basis. However, the accounts will be prepared on a monthly management account basis. They will provide managers with financial analysis, development budgets and conduct market research in order to forecast business trends and business conditions i.e. competition. They will be accountable for financial forecasting and risk analysis. They will be responsible for performing cash management, general ledger accounting, and financial reporting. They will have the role of administering payroll and ensuring the company is complying with tax legislation. They will be responsible for all financial transactions within the company and will serve as an internal auditor for the business.

Front Desk / Customer Service Officer

This role will be the face of the company – it is the first person customers see when they walk through the office door – they will be involved in the meeting and greeting of visitors and customers on behalf of the firm. They will have the role of ensuring every person who enters the building signs in and out for health and safety purposes. They will be responsible for receiving parcels and documents for the company, handing enquiries via e-mail and taking phone calls for the company. It is their responsibility to distribute mail and ensure that they provide excellent customer service within the firm. They must ensure they demonstrate interaction with customers to the highest standard in order to build customer relationships and encourage repeat custom or gain new customers.

Operations

Premises

Our head office will be situated in Swansea – Wales and is a fairly large premises where we hold can hold up to 20 office members. Each will have their own office space and there is will also be a car park for the roofing employees to come back and forth with the vans. There will also be a storage room where various tools and equipment can be kept – for this we will pay a rental fee of £3K per month. Within the next five years, we are hoping to expand and open other premises, within Wales but other cities such as Carmarthen, Bridgend and Cardiff. Whilst this is something we aim to do within the next five years, we will concentrate primarily on the office in Swansea during the first year or two to ensure we build on our name and reputation.

Suppliers

We aim to use the main roofing suppliers within Swansea, such as Asphalic, Hancock & Brown and Casey's Roofing. We have carried out research and from previous personal experience from our employees, we will be able to obtain credit with these suppliers, as all three of them operate on a 60 day credit term, which will allow us to have strong working capital and sufficient funds to cover the day to day running costs of the business. We will try to use these three suppliers as much as possible with a view of achieving as much discount as possible and achieving economies of scale for the products purchased. This will allow us to keep costs to a fairly reasonable, affordable price and eventually increase profit margin. The reason why we have chosen to use three different suppliers is if one particular supplier increases its prices or even goes out of business, we have the option of using someone else. Another reason we have decided to use more than one supplier is due to quality of supplies – certain suppliers will have different products to others and for example, there Hancock & Brown may not be able to supply a specialized tile that a particular customer desires, yet Asphalic can – therefore having a variety limits the risk of not being able to get the required materials.

SWOT Analysis

Even though the roofing industry is a very fulfilling business, there is still challenges we need to manage in the industry. Starting up a roofing business in the U.K has various encounters.

In order to compete constructively within the industry, we have been able to hire the services of reliable and trusted HR consultants to assist us in conducting a critical SWOT analysis.

By preparing a SWOT analysis, we propose on making the most of our strengths, exploring all opportunities that arise, accurately manage our weaknesses and confront our threats.

Below is a summary of the SWOT analysis that was conducted on behalf of Howells Roofing Contractors;

❖ Strengths

One of the strengths that we will be bringing to the table in the Roofing industry will be our team of highly skilled, professional, experienced staff, all of which have built up their reputation over the last decade.

Another strength of ours is our robust relations with home owners, construction companies and properties investors within Wales and also our access to funding.

❖ Weaknesses

As a new company starting up, we may face some challenges competing with larger property developers and as competition is so fierce, as part of our weakness, we face the risk of roofing companies who have been established for many years. Another weakness that we face is the weather and that is something that is something we cannot predict or control. However, during the bad weather we will try to ensure we carry our repair work or price new work if we are unable to carry out new roofing jobs.

❖ Opportunities

As the number of home owners is increasing drastically within Wales with the government initiatives aimed at promoting housebuilding have helped to support demand, this encourages opportunities for us as it inspires more work for us long term. Also, as more and more people are becoming more established in their careers, it means they have more disposable income to renovate their homes as at when due and people who are forced to repair or maintain their roofs due to a leakage will now be in a position to afford it.

❖ Threats

Some of the threats we are going to face are unfavorable government policies and global economic downturn; global economic downturn usually affects spending power which will in turn affect the work being carried out on the roofs. For example, if a customer needed a new roof but it was too expensive, but they could afford to repair it for the time being, they may chose this option which in turn decreased overall profitability for us. A further threat is factors that may have a negative impact is the current

uncertainty surrounding Brexit and the outcome of negotiations over the next couple of years. It is vital that we ensure we remain optimistic about these threats and continue to monitor them as and when they arise with a view to overcome them.

Market Analysis

➤ Market Trends

The Roofing industry largely depends on demand from building construction activity and activity in residential and non-residential markets, both of which have been experiencing an increase in demand over the last decade. The key demand drivers include increased levels of new build and re-roofing activity in key end-use markets notably; commercial offices, schools, public and private nursing homes, social housing re-roofing and private housing extensions. Maintenance repair work to private housing roofs is also an important areas of activity while demand for green roofs has also begun to show steady growth.

➤ Target Market

Our target market is various contractors and individuals (home owners) of various different class and people from all walks of life. We are entering into a business where we will work with some highly paid people in Wales and at the same time with the more lower paid individuals; all of which are only interested in renovating their roofs, fixing their roofs and repairing/replacing old roofs at a high standard and at an affordable price.

We aim to provide our products and services to construction companies, home owners, property investors, insurance companies, nursery homes, corporate organisations' and other households.

➤ Competition / Competitive Advantage

As established, the roofing industry is a very fertile and highly competitive industry. Customers will only want you to carry out work for them if you can successfully fulfil their needs and desired outcome to their new/repaired roof.

As a business, we have managed to hire very highly skilled, experienced and established employees who are qualified professionals in what they do and therefore this allows us to have a competitive advantage over other roofing firms as we understand that in order to overcome the fierce competition, being able to deliver consistent quality roofing repairs and maintenance and meeting the expectations of the customers is vital.

Aside from our forceful experience and expertise of our team members, we have a robust online presence that will enable us to attract customers from various cities within Wales.

As we value our employees, we will ensure there are welfare packages available, which will enable them to be more than willing to build the business with us and help deliver and achieve our goals. We will ensure that we monitor employee satisfaction and encourage them to air their opinions so that they feel more involved in the overall business aims and objectives.

Sales and Marketing Strategy

In order to ensure we are fully aware of the competition within the industry and one step ahead of competitors, we are going to recruit a business developer who will deal with our sales and marketing.

Our sales and marketing team will be recruited based on their experience within the industry and once employed we will ensure they are able to attend various training courses throughout their time with us as and when they need to in order to keep up to date with any changes within the industry in order to meet their targets and help achieve the overall aim of the business.

As one of our goals is to become one of the leading roofing companies within Wales, we have decided to implement strategies that will enable us to take full advantage of the available market and prosper and grow to become a major force within the industry.

We aim to announce and present our business by sending out introductory letters, alongside brochures to various stakeholders, who are property investors, property owners, those involved in the construction industry and potential other customers.

We will ensure we are punctual in bidding for any contracts that may arise and cross our path.

We aim to advertise our business in real estate agents, property magazines, websites and social media, we will also list our business in the yellow pages as the older generation still use this, rather than the use of social media.

We aim to attend as many business fares as we possibly can and create various packages for different categories of customers in order to achieve their budget and offer our products and services at a reasonable, affordable price.

We aim to create a remarkable website, which will be user friendly and include various images of our work for potential new customers to see what we are capable of.

We have already joined local chambers of commerce and industries with the aim of networking and marketing our services.

Sources of income

As a firm, we have successfully built up a relationship with various construction businesses and property developers within Wales, which over the next twelve months will help us build a portfolio of our work so as to help us build a profitable and leading business.

As we will recruit people who are already working within the roofing industry, most employees already have an established portfolio of their work, therefore when all employees combine this together, we will have both existing customers, who have repeat custom as well as new customers from word of mouth.

Sales Forecast

So long as there is continuous employment in the construction industry and the rise in home owners continues to increase (with the continued support from the government and the increase in disposal income), there will always be a required need for roofing firms to fix, repair and maintain roofs, therefore the demand for the services of roofing work will remain consistent and steady.

As a firm we are very optimistic and we believe that we will exceed our expectations and meet our set target of producing sufficient income and profit from the first six months and expand the business beyond Swansea to other cities within Wales.

We have been able to critically observe and study other roofing companies, analyzing our probabilities in the industry. From this we have predicted the following sales forecast (the sales projections are based on information gathered within the same field of work, making various assumptions).

Below are the sales projections for Howells Roofing Contractors based on the location of our business and the services that we will be proposing: -

- ✓ First Fiscal Year – £500K
- ✓ Second Fiscal Year - £1.0M
- ✓ Third Fiscal Year – £1.5M

The above prediction is based on what research that has been attainable within the roofing industry and with the assumption that there won't be any major economic downturn or any of the main competitors offering additional services to what we can provide within the locations where we have a strong business existence. However, as the predictions are based on assumptions and estimates, the predictions listed above are subject to change and could go either way i.e. lower or higher as there may be factors that arise which will be out of our control.

Cash flow

As our suppliers operate on a 60 day credit term, we will issue a 30 day credit term for our customers, therefore enabling us to have sufficient working capital to pay our day to day running costs of the business. We will ensure we make clear our payment terms to customers and even offer up-front payment for them to pay in installments before the job is completed. If customers want specialized materials, then we will request that payment for these materials can be paid up front so that we can purchase the materials and only invoice for the labour work carried out. Depending on what work is done, some jobs will be completed within a day, and others may take a week or several weeks. However, we have a number of employees that will be working on at least five jobs at a time, therefore constant income will be generated for the company.

Profitability

We expect to make a profit within the first year of business. This is mainly because we will aim to keep our overheads low, whilst operating in a high growth area – all materials for jobs will be paid for by the customers and the labour work will be additional, so as enough to cover salaries, overheads and make a small profit. We appreciate that there is no exact timescale for when we should expect our business to return a profit and this will depend on many factors, including the nature of the business and the sector we operate in. However, given the weather conditions in Wales and the increasing number of construction businesses / home owners, there is always a need for roofing firms and therefore we believe we can achieve profit on each job. Even though our loan will be outstanding, we aim to try to make as many over payments on the capital as we possibly can on this loan facility in order to reduce the interest.

Our Pricing Strategy

We appreciate that there are different levels of disposable income within Swansea, which can vary drastically, therefore one of our strategies is to ensure that we satisfy our customer's expectations by working within their budget. By doing this, we will ensure that we charge a reasonable price for the work we carry out as we are not directly in control of the pricing strategy charged by the suppliers we get materials from. We will however, ensure we continue to use the same suppliers wherever possible in order to achieve the best possible discount for continued custom and possibly economies of scale. We will aim to keep our overheads at a minimum so that we can possibly keep our prices below the average market rate for all of our customers and by collecting payments in advance, which in turn should help customers with cash flow if they are able to pay in installments prior to us doing the work. We will also be offering discount rates to some customers from time to time, in particular for those who have used our services more than one occasion.

Payment Options

Howells Roofing Contractors will adopt an all-inclusive payment policy and will offer various payment options (whilst abiding by the financial rules and regulations of the U.K). The various payment options that Howells Roofing will make available are listed below;

- Bank transfer
- Cash
- Debit/Credit cards / POS machines

In view of the above, we have chosen banking platforms that will enable our customers to make payment for our products and services rendered without any stress on their part. The all-inclusive price will be clear on the invoice and our bank account details will be made available both on our website and included on the customer's invoice.

Publicity and Advertising Strategy

To help us map out publicity and advertising strategies, we have been able to sit and with customers and they have been able to voice their opinions, that will help us achieve our goals and hold a strong position within the target market. They have been able to tell us exactly what they want from us, which we have taken on board and adopted into our strategy.

We have made provisions for effective publicity and advertisement of our company and below are the platforms we intend to leverage on to promote and advertise our business;

- ❖ Sponsor relevant radio shows so as to be able to communicate what we do
- ❖ Maximize our website to promote our business
- ❖ Hand leaflets and brochures to local shops/supermarkets
- ❖ Leverage on the internet and social media platforms, such as Instagram, Facebook, Twitter and LinkedIn to promote our business and show images of previous work we have completed
- ❖ Ensure that our employees wear our branded t-shirts and our vehicles are sign posted with our company logo

Financial Projections and Costing

When starting any business, the cost will be dependent on the approach and scale undertaken. If the goal is to thrive, then a reasonable amount of capital would be required to start off to ensure that employees are taken care of and that the work facility is conducive enough for workers to be productive - this means, depending on the goals of the company, the start-up can vary drastically.

The various tools and equipment needed and used will be very similar in most places, and the difference in prices of equipment and tools starting out would be minimal (as relationships with suppliers not yet formed). Howells Roofing predict the following costs to set up the company in Swansea-Wales; -

- Costs for office remodeling - £15K
- Rent for a suitable office within Swansea – 12 months, £3K per month, £36K in total
- Insurance (general liability, workers' compensation and property casualty) - £5K
- Computer software - £5K
- Permits and license - £2K
- Office equipment (printers, fax machine, furniture, telephones, filing cabinets, electronics) - £60K
- Start-up expenses including stationary and phone and utility costs - £3K
- Operational costs for the first three months (salaries of employees, payment of bills) - £100K
- Launching the website - £0.5K
- Additional expenditure (advertising etc.) - £5K

Going by the report from the market research and feasibility studies carried out, we will need over £260K to successfully set-up a small scale. The salaries of all staff members for the first month is included in the expenditure.

Generating Funds / Start-up capital for Howells Roofing Contractors

Howells Roofing Contractors is a business that will be owned and managed by Sean Phillips, his immediate family members and other investors who have the same interest in the roofing industry. They are the sole financial of the business which is why they decided to restrict the sourcing of the start-up capital for the business to just three main sources.

The three main sources we intend generating our start-up capital from will be capital from personal savings, capital from private investors and other extended family members and capital from the bank (loan facility).

We have been able to generate £100K; which is made up of £80K personal savings and a soft loan of £20K from family members and we are currently in the final stages of obtaining a loan facility of £160K from the bank. All documentation has been signed and submitted, the loan has been approved and we have been informed that our account will be credited within the next five working days. This loan will be over a twenty-five year period with the APR percentage at 3.9%, meaning that we will have a loan repayment of £829.77 per month.

Sustainability and expansion strategy

The future of any business lies in the number of loyal customers that they have, the capacity and competence of the employees, their investment strategy and the overall business structure. If any one of these factors are missing from a business, then it won't be long before the business fails and is forced to shut down.

As a business, once the firm is officially running, we intend on surviving off our own cash flow without the need for injecting finance from external sources. We appreciate the importance of winning customers over and maintaining customer satisfaction and fulfilling their needs to the highest standard, which may have an adverse effect on profit margin for a while.

As a firm, we will make sure that the right foundation, structures and processes are put in place, taking into account our staff and their welfare. Our culture is to drive our business to greater heights and offer the best possible training that we need throughout.

We will adopt a policy whereby profit-sharing arrangements will be available to all our management staff, but will be based on their performance for a period of four years or more, in the hope to encourage and satisfy our employees so that they feel valued and more involved in the business.