

BACKGROUND TO:

MARYS BOOKKEEPING

Mary Pratchett has been operating her bookkeeping business “Mary’s Bookkeeping” out of her home for some five years. By the end of her first year Mary had accumulated four small business clients. This climbed to ten small business clients as it stands now.

These current ten clients provide on average approximately three days of work per week. As Mary’s children are now all going to school, Mary would like some additional work and money.

The type of work that Mary provides include providing cash book reconciliation, payroll for employees, credit control, taxation reports and providing monthly financial management reports. All these services utilise the Gensol Accounts software program.

Mary’s business has grown mainly by word of mouth. Mary is renowned by her clients for ensuring the accounts are up to-date and accurate.

Now Mary would like to grow her business to at least accommodate four full days of work and income.

Action Planning Example

Marys Bookkeeping is a Service business and a simple example.

Financially, it consists of a single budget, having no multi divisional reporting.

MARYS BOOKKEEPING

For the Year Ended 30 June 2005

MARYS BOOKKEEPING

For the Year Ended 30 June 2005

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MARYS BOOKKEEPING

Plan Overview

Background of the Organisation

Mary Pratchett has been operating her bookkeeping business "MARYS BOOKKEEPING" out of her home for some five years. By the end of her first year Mary had accumulated 4 small business clients. This has now climbed to 10 small business clients.

These 10 clients provide on average approximately 3 days of work. As Mary's children are now all going to school Mary would like additional work and money.

The type of work that Mary provides include providing cash book reconciliation, payroll for employees, credit control, taxation reports and providing monthly financial management reports. All these services utilise the Gensol Accounts software program.

Mary's business has grown mainly by word of mouth. Mary is renowned by her clients for ensuring the accounts are up to-date and accurate.

Situation Analysis in Brief

Mary provides a broad range of bookkeeping services and her clients are very impressed with her services. But, the client base has only grown slowly.

As Mary would like to grow her business from 3 days of work a week to 5 days a week, with a corresponding increase in income, Mary will have to promote her business through methods previously not used. Word of mouth has provided a loyal client base, and with it some great professional testimonials, which now may be used to leverage greater business contact. With 2 days a week available for business promotions, Mary should be able to source additional clients in a relatively short time.

Mary operates in the city of West River. The city has a business population of 45,000 small businesses. In the immediate vicinity of Mary's home, there are approximately 12 other bookkeepers providing the same type of bookkeeping as Mary. However, Mary has found in discussions with local businesses that service is lacking.

Goals for the next year in Brief

Increase by the work load and income by 40%. This will provide Mary with approximately 4 1/4 days of work per week.

Currently Mary receives approximately \$735 per week for her 3 days of work. It is anticipated that this should grow by the end of the year to approximately \$1,029.

Our Strategies

For the next year, the operations of Mary will remain relatively as they are currently. It is anticipated in the next year, once expansion of the workload has been taken up and allowing for economies of scale, that Mary will invest in better online bookkeeping facilities for her clients.

On a marketing basis, Mary will be employing the three main strategies:

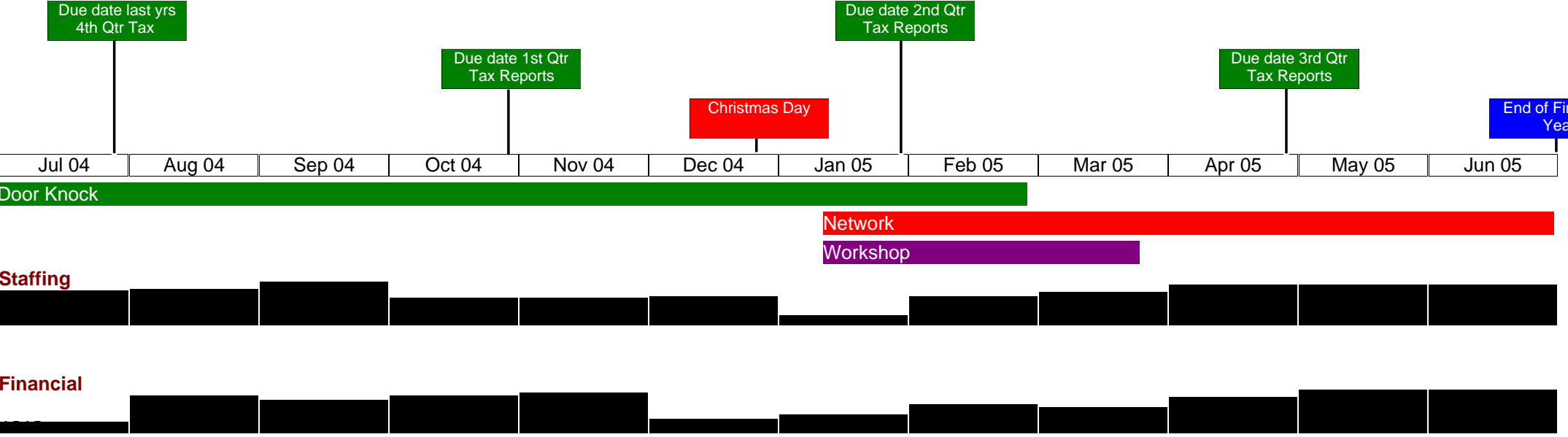
Firstly, using a number of testimonials and physically door knock targeted small businesses advising them of her operations.

Secondly, Mary will provide, on an experimental basis, a hands of workshop for bookkeeping for business people to manage their own books.

Thirdly, Mary will join the local chamber of commerce and commence networking her business.

MARYS BOOKKEEPING

Strategy Plan Chart
for the period from 01 Jul 2004 to 30 Jun 2005



MARYS BOOKKEEPING

Target Listing in date order for the Period Commencing: Jul 2004

Due Date	Target Description	Project Id	Manager
5/07/2004	Map out Business Territory	Door Knock	Mary Pratchett
5/07/2004	Design & Print Handouts	Door Knock	Mary Pratchett
17/08/2004	1st Month Door Knock	Door Knock	Mary Pratchett
28/10/2004	2nd Month Door Knock	Door Knock	Mary Pratchett
30/11/2004	3rd Month Door Knock	Door Knock	Mary Pratchett
17/12/2004	Last Month Door Knock	Door Knock	Mary Pratchett
20/12/2004	Review & Write Up Success	Door Knock	Mary Pratchett
10/01/2005	Buy Membership	Network	Mary Pratchett
4/02/2005	Have Course Ready	Workshop	Mary Pratchett
18/03/2005	Complete Teaching	Workshop	Mary Pratchett
25/03/2005	Review & Write Up Report	Workshop	Mary Pratchett

MARYS BOOKKEEPING

Operations Plan

Situation Analysis

Mary operates MARYS BOOKKEEPING using Gensol Accounts software. This software provides the efficient payroll management, credit control, cash book update as well as the usual general ledger and reporting facilities. Further, due to its technology, it's reporting is customisable - a feature that the clients love. It means they can get the reports that they need and understand.

Goals for the next year

To continue to provide the same type of professional services, but to a greater number of clients. Accordingly, time management will be important as the business grows.

Our Strategies

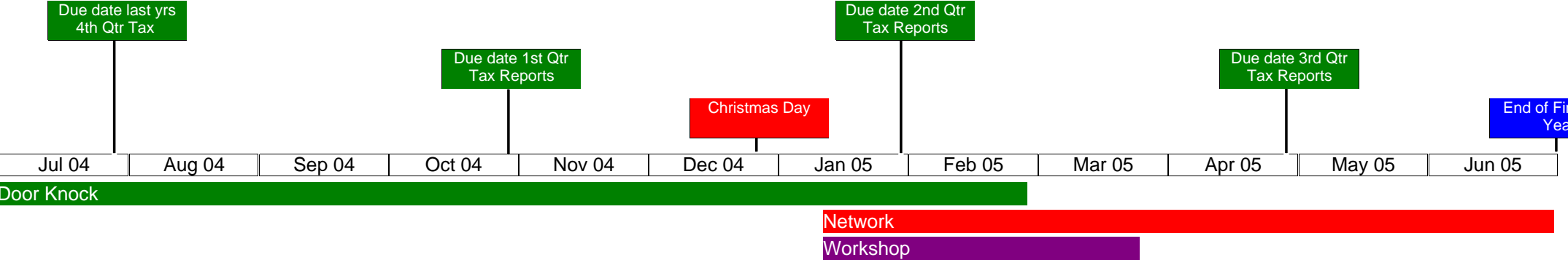
To monitor the business and client operations.

Importantly, it is recognised that as the business grows Mary may need to change the operations regarding the services that she provides, particularly in regards to the provision of better online computer services. However, this is something just to keep in mind so that if an opportunity arises it can be quickly reviewed in this context.

MARYS BOOKKEEPING

Project Chart

for the period from 01 Jul 2004 to 30 Jun 2005



MARYS BOOKKEEPING

Projects for the Period Commencing: Jul 2004

Date	Project Id	Short Description
10/01/2005	Network	Join the Chamber of Commerce
10/01/2005	Workshop	Conduct a workshop on Bookkeeping for Busy Businesses.
1/07/2004	Door Knock	Canvas the local business area and let the local small business community know what a fabulous opportunity in saving time and stress that I can offer through my bookkeeping service

MARYS BOOKKEEPING

Project Report for Door Knock

Period: 1/07/2004 - 27/02/2005

Manager: Mary Pratchett

Description and Rationale

Canvas the local business areas and let the small businesses know what a great bookkeeping service I provide. Show them the testimonials from my current clients.

Importantly, let them know how they can save an incredible amount of time and stress. This will allow them more time for family and home and more time to work on the business, rather than in it.

In my first year of running MARYS BOOKKEEPING I spent a number of weeks door knocking. From this I received one important client who later referred me to another. So I know this strategy can work.

Financial Costs

<u>Details</u>	<u>Account Charged</u>	<u>Amount \$</u>
Cost of testimonial handouts	Printing & Stationery	1,800
	Total	1,800

Project Income

<u>Details</u>	<u>Account Charged</u>	<u>Amount \$</u>
Expected income new clients	Professional Income	4,000
	Total	4,000

Personnel Details

<u>Personnel</u>	<u>Work Details</u>	<u>Hours</u>
Mary Pratchett	Door Knock 1 day per week	24
Mary Pratchett	Door Knock 1 day per week	72
	Total	96

Target Settings

<u>Target</u>	<u>Due Date</u>	<u>Est % Complete</u>
Map out Business Territory	5/07/2004	5%
Design & Print Handouts	5/07/2004	10%
1st Month Door Knock	17/08/2004	30%
2nd Month Door Knock	28/10/2004	50%
3rd Month Door Knock	30/11/2004	70%
Last Month Door Knock	17/12/2004	90%
Review & Write Up Success	20/12/2004	100%

MARYS BOOKKEEPING**Project Report for Network****Period:** 10/01/2005 - 30/06/2005**Manager:** Mary Pratchett**Description and Rationale**

Join the Chamber of Commerce for networking potential.

This experiement in getting the name out there and talked about may take well over a year to get to validate as to whether it is worthwhile or not on a purely 'get-more-clients' basis.

Financial Costs

<u>Details</u>	<u>Account Charged</u>	<u>Amount \$</u>
Membership	Subscriptions & Memberships	480
	Total	480

Personnel Details

<u>Personnel</u>	<u>Work Details</u>	<u>Hours</u>
Mary Pratchett	Attend C of C functions	20
	Total	20

Target Settings

<u>Target</u>	<u>Due Date</u>	<u>Est % Complete</u>
Buy Membership	10/01/2005	100%

MARYS BOOKKEEPING

Project Report for Workshop

Period: 10/01/2005 - 25/03/2005

Manager: Mary Pratchett

Description and Rationale

On a pilot project basis, conduct a seminar series/workshop on Bookkeeping for Busy Businesses.

The curriculum will cover the basics of bookkeeping, how to keep it easy, records which are mandatory for legal purposes, and how to use the popular Gensol Accounts software to make life easy.

At the conclusion of the course the attendees will be awarded a Certificate.

The rationale behind the series is to show off the talents and experience that I have in this profession and to have more than just my business clients talking about me.

Financial Costs

<u>Details</u>	<u>Account Charged</u>	<u>Amount \$</u>
Print course notes	Printing & Stationery	800
Rent workshop room	Rent	1,800
Print certificates	Printing & Stationery	250
Mail Drop Brochures	Printing & Stationery	800
	Total	3,650

Personnel Details

<u>Personnel</u>	<u>Work Details</u>	<u>Hours</u>
Mary Pratchett	Research Curriculum	60
Mary Pratchett	Provide Lessons & Follow Up	24
	Total	84

Target Settings

<u>Target</u>	<u>Due Date</u>	<u>Est % Complete</u>
Have Course Ready	4/02/2005	50%
Complete Teaching	18/03/2005	90%
Review & Write Up Report	25/03/2005	100%

Marketing Plan

Situation Analysis

Mary's business has grown largely by word of mouth referral. However, it is remembered that in the first year, Mary did do door knocking (over four weeks of it) and found one very good client through it, which led to another client six months later, these two clients plus with the two smaller clients Mary started with, gave Mary four clients by the end of the first year. Since then Mary has not explicitly promoted her business.

Goals for the next year

Mary requires a 40% increase in both income and workload on a weekly basis by the end of the year.

Our Strategies

- 1) Using a number of testimonials gathered from loyal clients Mary will canvas the local business area targeting small businesses advising them of her operations. As a hook for any prospective client, Mary will be providing a one month free bookkeeping complimentary trial for the businesses operator to gauge the cost and time savings that she can provide them.
- 2) Mary will provide, on a pilot project basis, a hands on workshop in bookkeeping for busy business to help them manage their own books. Mary will demonstrate the benefits of Gensol Accounts.
- 3) Mary to join the local chamber of commerce and commence networking. It is hoped that Mary will be able lift the profile of her business as currently MARYS BOOKKEEPING is largely unknown in the local business community.

MARYS BOOKKEEPING

Staffing Plan

Situation Analysis

Mary is self employed and there are no further requirements in personnel.

Mary has always kept up to-date with the latest techniques in bookkeeping and this will continue.

Goals for the next year

To ensure that Mary is up to-date and continues to be with the latest bookkeeping techniques. This is important as it is an area of interest to clients who do comment on Mary's professionalism.




With growth in the business, Mary will therefore have to be mindful of properly accounting and managing her time.













Our Strategies

To continue to monitor this area as she previously has done.

Availability Chart

Productivity Legend

Normal  Under 100%  Over 100% 

Name	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05						
Mary Pratchett																		

MARYS BOOKKEEPING

Estimated staffing productivity capacity in hours with projects for the period from 01 Jul 2004 to 30 Jun 2005

Date: 6/01/2005

Time: 10:16:40

Name	Productivity Estimate	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05
Mary Pratchett	50%	87	87	87	87	87	87	87	87	87	87	87	87
Total Productive Hours		87	87	87	87	87	87	87	87	87	87	87	87
Project													
Network		0	0	0	0	0	0	2	3	3	3	3	3
Workshop		0	0	0	0	0	0	50	19	13	0	0	0
Door Knock		12	11	0	25	24	22	0	0	0	0	0	0
Total Project Hours		12	11	0	25	24	22	52	22	16	3	3	3
Total Work Hours		99	98	87	112	111	109	139	109	103	90	90	90
Threshold Hours (90%)		156	156	156	156	156	156	156	156	156	156	156	156
Capacity Surplus (Deficit)		57	58	69	44	45	47	17	47	53	66	66	66

MARYS BOOKKEEPING

Responsibility Checklist for Mary Pratchett

Project	Reporting To	Hrs	Dates	Task Description
Door Knock	Mary Pratchett	24	15/07/2004 - 16/08/2004	Door Knock 1 day per week
Door Knock	Mary Pratchett	72	1/10/2004 - 27/12/2004	Door Knock 1 day per week
Network	Mary Pratchett	20	10/01/2005 - 30/06/2005	Attend C of C functions
Workshop	Mary Pratchett	60	10/01/2005 - 4/02/2005	Research Curriculum
Workshop	Mary Pratchett	24	14/02/2005 - 18/03/2005	Provide Lessons & Follow Up

Financial Plan

Situation Analysis

The business has been cash positive since almost day one.

The bank account is healthy and Mary has the ability to draw on additional funds should that become necessary.

Goals for the next year

To ensure that the business income grows on a weekly basis to that of approximately 40% greater by the end of the year than what it is currently.

To pay for the marketing strategies out of the profits of the business.

Our Strategies

Continue to monitor as it is currently done, the cash flows and cash reserves.

MARYS BOOKKEEPING

Forecast Profit and Loss Statement

for the period from 01 Jul 2004 to 30 Jun 2005

		Prior Period Actual	Forecast YTD
Business Income			
3200	Professional Income	34,500	44,097
3760	Sale of Computer Supplies	125	120
		<u>34,625</u>	<u>44,217</u>
Overheads			
4060	Bank Fees	120	120
4110	Computer Supplies	480	480
4190	Depreciation	340	336
4370	Insurance	650	650
4510	Motor Vehicle Expenses	4,560	4,560
4590	Postage	360	360
4600	Printing & Stationery	180	3,830
4680	Rent	0	1,799
4790	Subscriptions & Memberships	0	480
		<u>6,690</u>	<u>12,615</u>
Net Profit/(Loss)		27,935	31,602

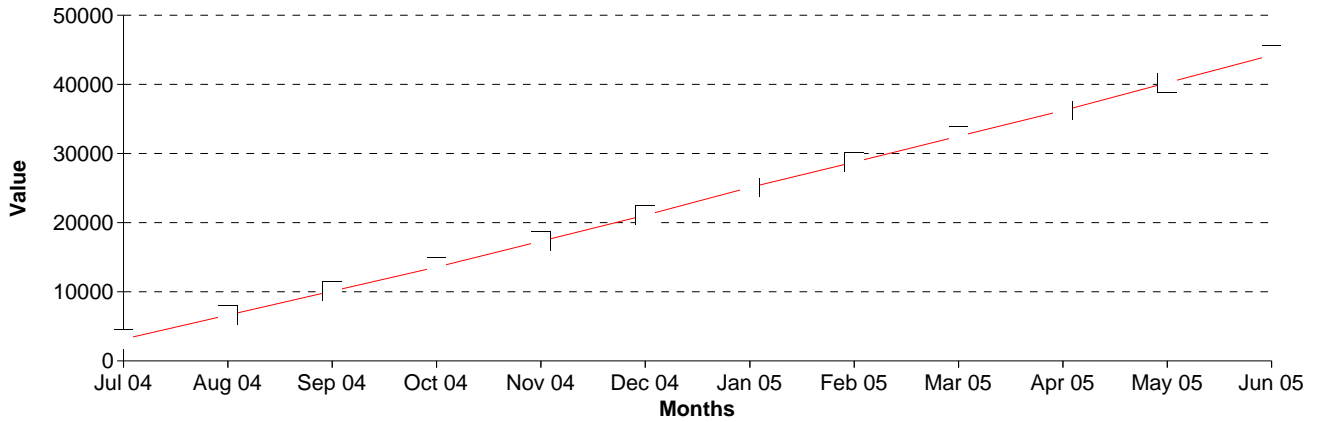
MARYS BOOKKEEPING

Date: 6/01/2005

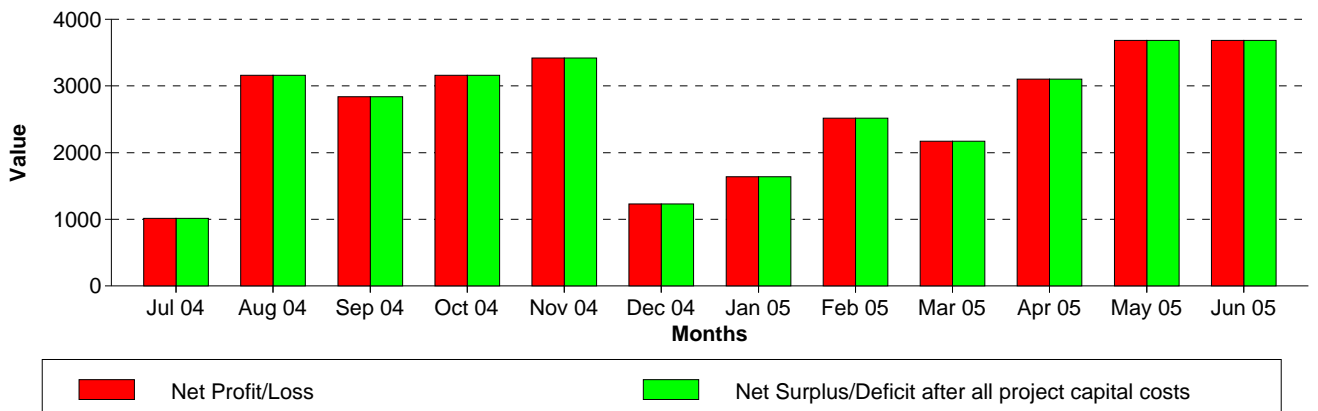
Graphical Analysis

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Forecast Cumulative Sales

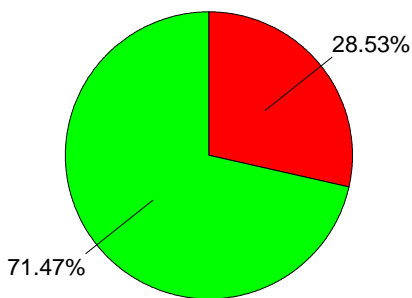


Forecast Profitability



Net Profit/Loss

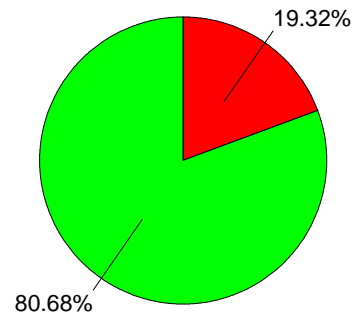
Net Surplus/Deficit after all project capital costs



Overheads

Profit

Forecast Costs as a % of Sales



Overheads

Profit

Actual Costs as a % of Sales for the Prior Period

MARYS BOOKKEEPING

Budget for the period from 01 Jul 2004 to 30 Jun 2005

	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Total YTD
Business Income													
3200 Professional Income	2,875	2,875	2,875	2,875	3,155	3,155	3,435	3,435	3,715	3,715	3,995	3,995	40,100
3760 Sale of Computer Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
	2,885	2,885	2,885	2,885	3,165	3,165	3,445	3,445	3,725	3,725	4,005	4,005	40,220
Overheads													
4060 Bank Fees	10	10	10	10	10	10	10	10	10	10	10	10	120
4110 Computer Supplies	40	40	40	40	40	40	40	40	40	40	40	40	480
4190 Depreciation	28	28	28	28	28	28	28	28	28	28	28	28	336
4370 Insurance	0	0	0	0	0	650	0	0	0	0	0	0	650
4510 Motor Vehicle Expenses	200	200	500	200	200	1,760	200	200	200	500	200	200	4,560
4590 Postage	30	30	30	30	30	30	30	30	30	30	30	30	360
4600 Printing & Stationery	15	15	15	15	15	15	15	15	15	15	15	15	180
4680 Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
4790 Subscriptions & Memberships	0	0	0	0	0	0	0	0	0	0	0	0	0
	323	323	623	323	323	2,533	323	323	323	623	323	323	6,686
Profit Before Projects	2,562	2,562	2,262	2,562	2,842	632	3,122	3,122	3,402	3,102	3,682	3,682	33,534
Project Income													
Door Knock	250	596	576	596	576	596	596	211	0	0	0	0	3,997
	250	596	576	596	576	596	596	211	0	0	0	0	3,997
Project Costs													
Door Knock	1,800	0	0	0	0	0	0	0	0	0	0	0	1,800
Network	0	0	0	0	0	0	480	0	0	0	0	0	480
Workshop	0	0	0	0	0	0	1,600	818	1,231	0	0	0	3,649
	1,800	0	0	0	0	0	2,080	818	1,231	0	0	0	5,929
Surplus/(-Deficit)	1,012	3,158	2,838	3,158	3,418	1,228	1,638	2,515	2,171	3,102	3,682	3,682	31,602

MARYS BOOKKEEPING

Profit Analysis for the period from 01 Jul 2004 to 30 Jun 2005

	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Total YTD
Business Income													
3200 Professional Income	3,125	3,471	3,451	3,471	3,731	3,751	4,031	3,646	3,715	3,715	3,995	3,995	44,097
3760 Sale of Computer Supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
	<u>3,135</u>	<u>3,481</u>	<u>3,461</u>	<u>3,481</u>	<u>3,741</u>	<u>3,761</u>	<u>4,041</u>	<u>3,656</u>	<u>3,725</u>	<u>3,725</u>	<u>4,005</u>	<u>4,005</u>	<u>44,217</u>
Overheads													
4060 Bank Fees	10	10	10	10	10	10	10	10	10	10	10	10	120
4110 Computer Supplies	40	40	40	40	40	40	40	40	40	40	40	40	480
4190 Depreciation	28	28	28	28	28	28	28	28	28	28	28	28	336
4370 Insurance	0	0	0	0	0	650	0	0	0	0	0	0	650
4510 Motor Vehicle Expenses	200	200	500	200	200	1,760	200	200	200	500	200	200	4,560
4590 Postage	30	30	30	30	30	30	30	30	30	30	30	30	360
4600 Printing & Stationery	1,815	15	15	15	15	15	1,615	15	265	15	15	15	3,830
4680 Rent	0	0	0	0	0	0	0	818	981	0	0	0	1,799
4790 Subscriptions & Memberships	0	0	0	0	0	0	480	0	0	0	0	0	480
	<u>2,123</u>	<u>323</u>	<u>623</u>	<u>323</u>	<u>323</u>	<u>2,533</u>	<u>2,403</u>	<u>1,141</u>	<u>1,554</u>	<u>623</u>	<u>323</u>	<u>323</u>	<u>12,615</u>
Net Profit/(Loss)	1,012	3,158	2,838	3,158	3,418	1,228	1,638	2,515	2,171	3,102	3,682	3,682	31,602