

2019
Outstanding Apprentice
Start-up Business Challenge

MID MICHIGAN



ELECTRICAL

Business Plan Elements

- Development and Market Strategy
- Operation Model
- Banking and Finance
- Insurance and Bonding
- Legal
- Safety
- Long-Term Strategies



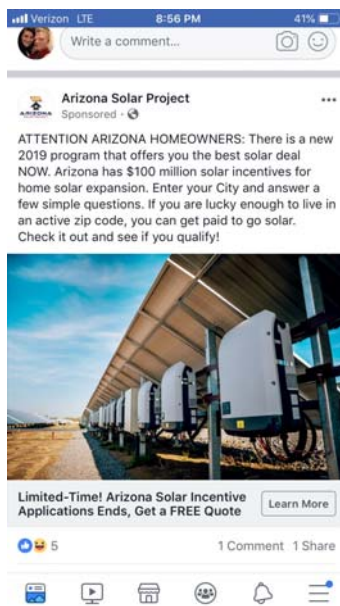
Company Overview

- Established as a residential service LLC, which will branch out into additional markets.
- Reduce overhead costs
- Pursue high-margin emerging technologies
- Develop stable high-volume low-margin divisions
- Set attainable goals and standards

Operations Model

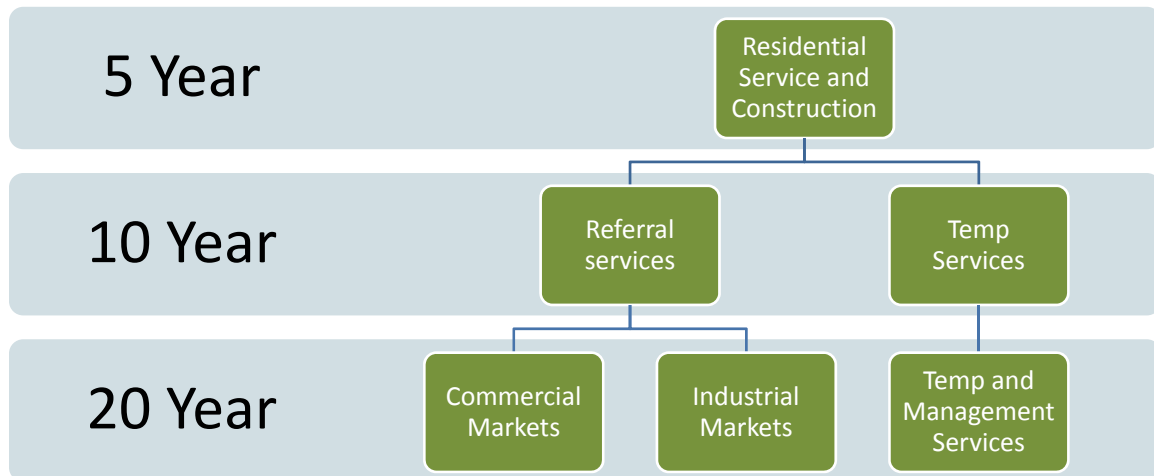
- Establish an Limited Liability Company
- Promote Commission Based Compensation
- Diversify Markets
- Establish Temp Services
- Form a Corporation to Attract Future Investors

Location Based Marketing



Facebook
Instagram
Snapchat
YouTube

Long-Term Business Model



Banking and Finance

- Initial investment from two people at \$30,000 each
- Initial line of credit for \$100,000 and expand as needed
- Establish electronic banking to handle payroll and transactions
- Pursue community small-business loans and grant programs

Insurance and Bonding

Insurance policies that need to be covered

- Liability insurance
- Workers Compensation
- Vehicle Insurance

Legal

- We're operating as a LLC because we would be liable only for the amount of our investment into the LLC. Any judgments against our LLC the plaintiff would be limited to the assets of our LLC and not our personal assets
- After accumulating \$250,000 in assets, the LLC will be converted into a corporation in order to attract investment from outside sources.

Safety

What can we do to limit accidents and minimize the costs associated with them?

- Establish a zero tolerance safety policy for all employees.
- Require employees to have OSHA 30, First Aid and CPR.
- Implement Minimum OSHA 29 CFR 1926 as Safety Requirements .

The Cost of Jobsite Accidents

EXAMPLE

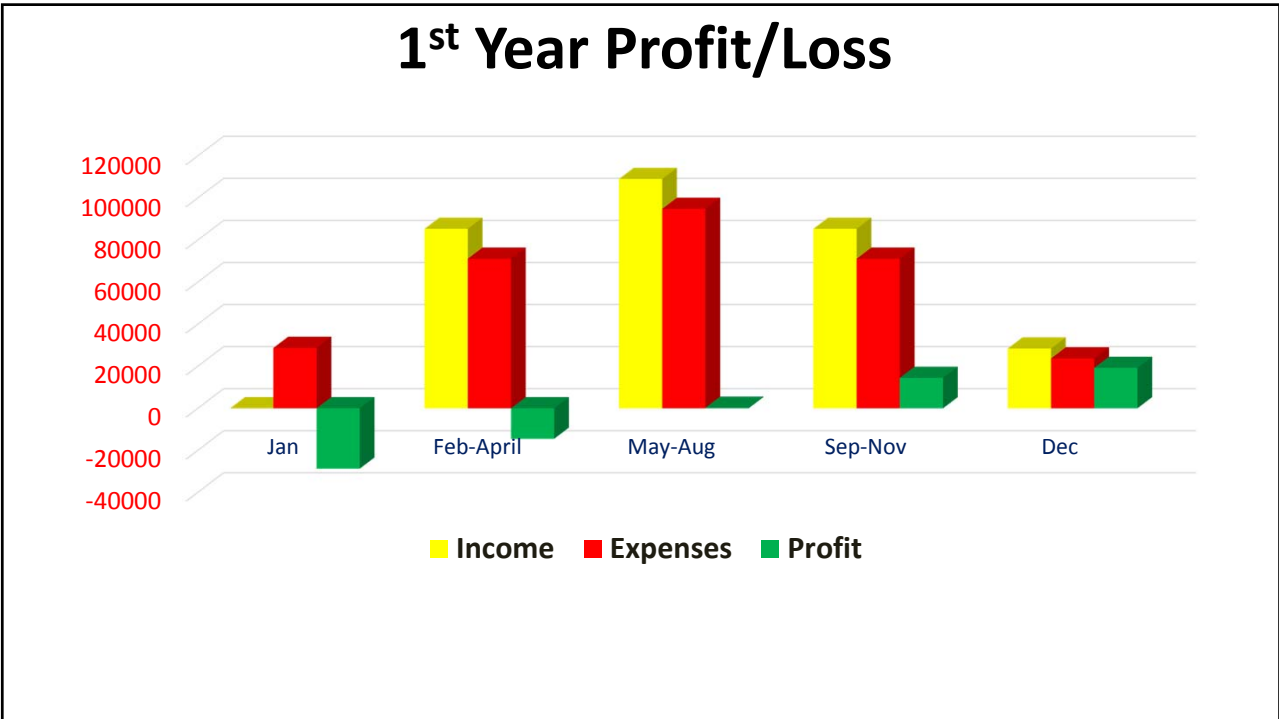
Direct cost of a work related injury = \$48,000 (National Average 2015)

Indirect cost is 4x the direct cost = \$192,000

Total Cost = \$240,000

Direct costs include- Workers compensation payments, medical expenses, and costs for legal services.

Indirect costs include- Training replacement employees, accident investigation and implementation of corrective measures, lost productivity, repairs of damaged equipment and property, also costs with lower employee morale and absenteeism.

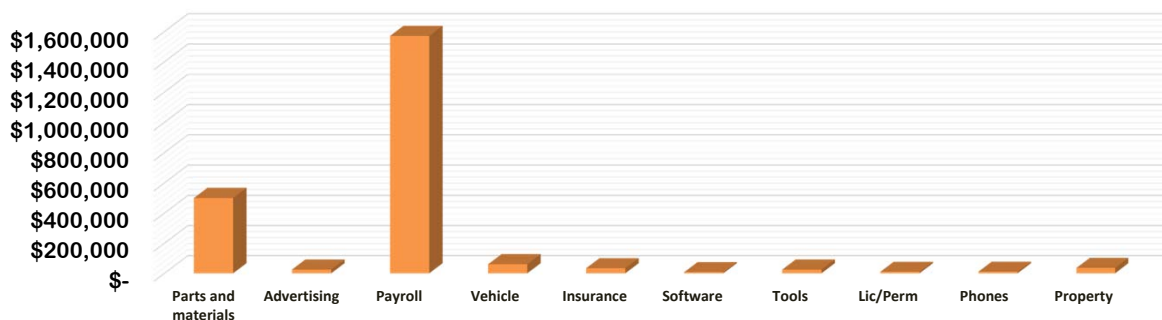


Five-Year Strategy

- Purchase or Lease Property Within Development Zone
- Pursue Development Grants and Loans
- Advertise Commission Based Model
- Employ around 10 Electricians and 2 Office Staff

5th Year Cost Analysis

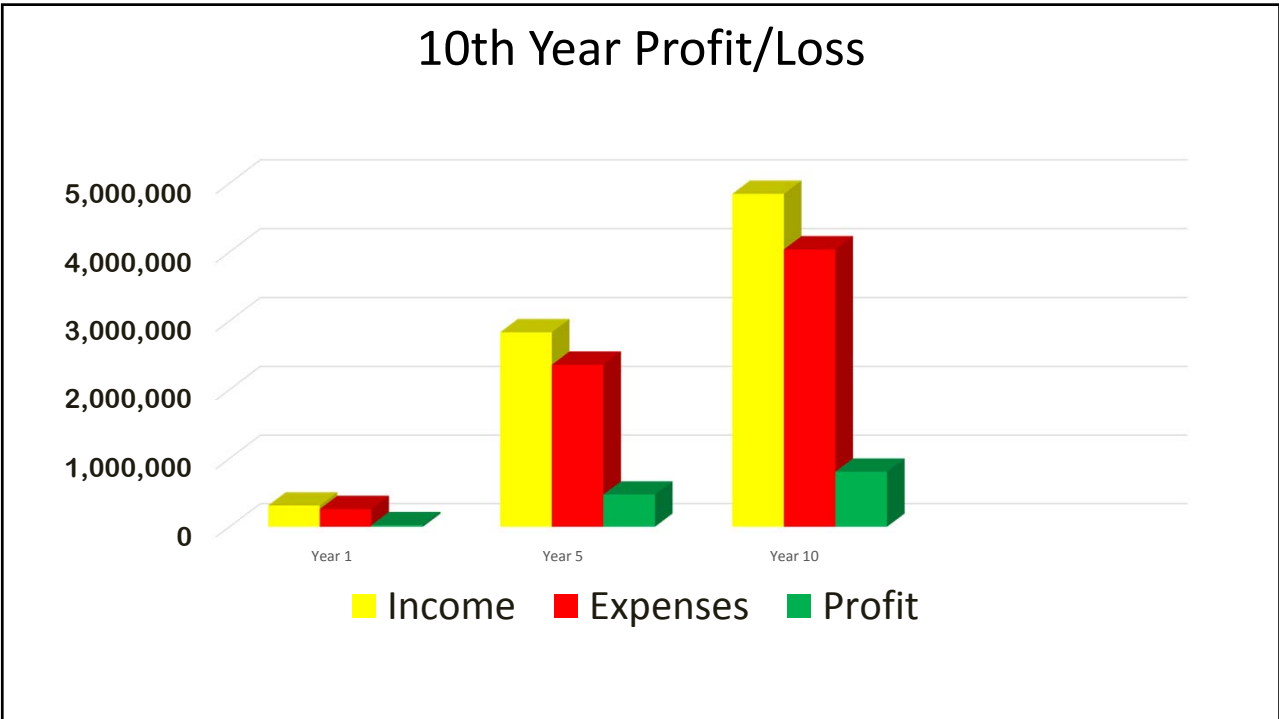
Annual Expenses - \$2,279,740





Ten-Year Strategy

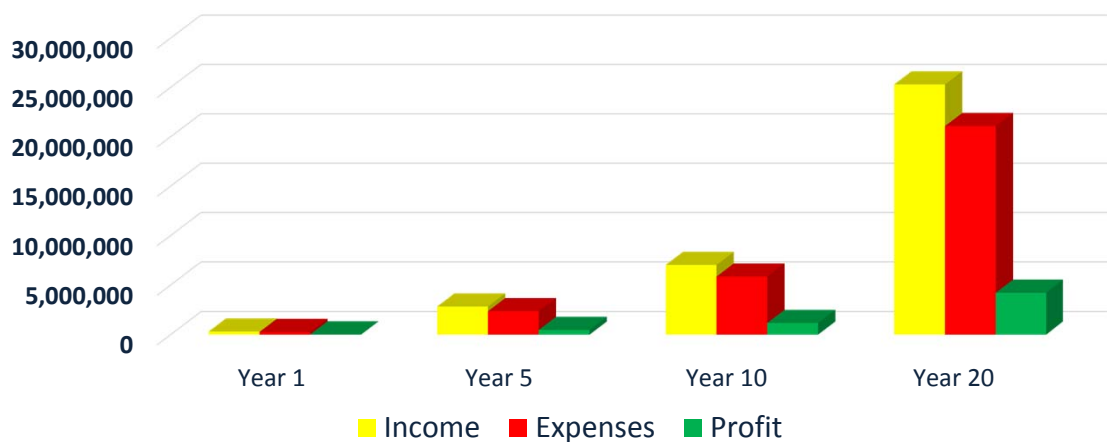
- Develop Customer Portfolio
- Establish Electrical Temp and Management Services
- Employ 20 field electricians, with 4 office workers



Twenty-Year Strategy

- Focus on High-Volume Low-Margin Sustainable Projects
- Establish Corporation to Encourage Outside Investment
- Expand to Additional Markets In and Out of State
- Diversify into commercial and industrial construction

20th Year Profit/Loss



Flint/Saginaw Electrical JATC

**IBEW-NECA Electrical Training Center
5209 Exchange Dr
Flint, Mi 48507
www.fsejatc.com**