

Glenville Garden Services



Business Plan

PRIVATE & CONFIDENTIAL

March 2008 to February 2009

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Executive Summary

Glenville Garden Services is a start-up business, scheduled to commence trading in March 2008, as a sole trader business.

The business's promoter is Jim Fitzpatrick, and I have extensive experience and expertise in the garden development and maintenance sector spanning 15 years. I will work full time in the business.

My business will provide the following services to individual and corporate clients.

- Garden planning and design service.
- Garden / 'Green area' - construction, landscaping & planting service.
- Lawn cutting.
- Border and bed maintenance.
- Trimming / pruning of plants, hedges, trees.
- Removal of clippings etc.
- Special features; water, decking, outdoor architectural features etc.

The business will serve a geographical area encompassing Co. Wexford and adjoining areas of Co.'s Waterford, Carlow, Kilkenny, and Wicklow (within 1 hour's drive time of base). The market will include individual and corporate clients. I have already received firm purchase commitments from a number of our future clients.

The business will have one additional employee in the first year of operation, and it is projected that an additional two employees ('a second crew') will be required in the second year.

In the first year of operation the business is projected to achieve sales of €120,000 excluding VAT, and a net profit of €38,875, before promoters drawings and tax. In the second year of operation (not covered by this plan) sales will be targeted to rise to €250,000 with the addition of a second crew.

The capital expenditure requirements of the business in year 1 is €16,250 excluding VAT, and the business will be funded for start-up by a mixture of promoter's loan, bank-funding facilities, primarily a €16,000 term loan and lease financing for transport.

Profit and a €5000 bank overdraft facility will fund on-going cashflow requirements.

I am totally committed to developing Glenville Garden Services into the no.1 garden development and maintenance company in Co. Wexford. A real market opportunity exists.

This business plan is designed to ensure that the first steps of the business are a reflection of that objective.

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1. The Promoter

The business promoter is Jim Fitzpatrick, and I have extensive and detailed experience in the horticultural garden sector spanning 15 years. I will own, manage, and work full-time in the business.

I am currently employed as operations manager in Expert Landscaping & Gardening, a leading horticultural services company in Wexford. In this job I am responsible for customer relations, the day-to-day management of contracts, and outdoor staff. I have held this position for the past 6 years and prior to that worked for Smyth's nursery in Bray Co. Wicklow.

I hold diplomas in horticulture specialising in soil development and plant propagation.

I recently completed Wexford County Enterprise Board's Start Your Own Business Programme, delivered by *Tony Ennis, of Ennis & Co. Business Consultants. Wexford.*

I am **totally committed** to developing Glenville Garden Services into the no.1 garden development and maintenance company in Co. Wexford.

I have wanted to run my own business for a number of years and believe I now have the necessary experience and expertise to make that objective a reality. I will make my new business a success.

2. Business Project Overview

Glenville Garden Services is a start-up business located on the outskirts of Wexford town. It will be a sole trader business, and the start-up commencement date is March 2008. Detailed targeted marketing of the company's services will commence 8 weeks prior to that.

The company will provide an expert garden design – development – landscaping service, and maintenance service to individual and corporate clients in a geographical area encompassing Co. Wexford, and adjoining areas of Co.'s Waterford, Carlow, Kilkenny, and Wicklow (within 1 hours drive time of base).

The company will have a peak trading period between March and October (8 months), and a shoulder period November – February. It should be pointed out that during the shoulder period project work continues and reduced client maintenance work takes place.

2.1. Objectives

In the first year of operation the company objectives are:

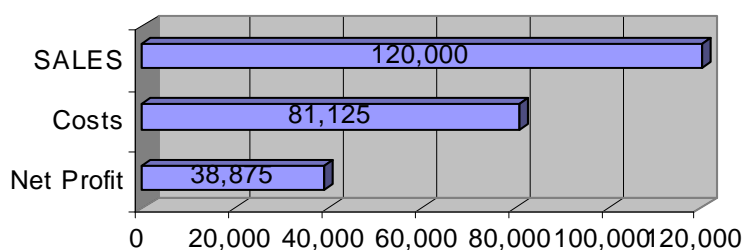
- Successfully launch the company in March 2008.

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- Start to establish Glenville Garden Services as the leading quality 'green area' design, development and maintenance service company in Co.Wexford. We aim to be the only supplier our customers will need to meet their landscaping and gardening requirements.
- Achieve sales in Year 1 of €120,000 excluding VAT, and a net profit (before promoters drawings and tax) of €38,875. In the second year of operation (not covered by this plan) sales are targeted to rise to €250,000 with the addition of a second crew.

Fig 1. Financial Highlights Year 1.



2.2. Services to be provided

Glenville Garden Services will provide any 'green area' requirement a client requests. It will also provide a menu of services, including:

1. Design planning and service.
2. Garden / 'Green area' - construction, landscaping & planting service.
3. Lawn care and maintenance.
4. Border and bed maintenance.
5. Planting / trimming / pruning of plants, hedges, trees.
6. Removal of clippings etc.
7. Special features; water, decking, outdoor architectural features etc.

2.3. Legal Structure & Ownership

The business is a sole trader business (owned by Jim Fitzpatrick).

2.4. Management & Employment

In addition to Jim Fitzpatrick, Glenville Garden Services will have one additional full time employee in the first year of operation, and it is projected that an additional two full time employees ('a second crew') will be required in the second year. The first employee has already been selected and will join the company in the first week of March '08.

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2.5. Premises

The business will operate from my home where sufficient facilities exist to accommodate a professional and well-managed operation, including dedicated office (already equipped and fitted out - computer system/phone/fax etc). A secure workshop for equipment and materials storage is also in place and ready for use.

2.6. Key Skills

My Key skill areas include; landscape / garden design, application knowledge, aptitude for hard physical work, good customer interaction.

2.7. Quality Standards

We will be members of the Irish Landscape Contractors Association (ILCA) who operate an industry code of best practice and who provide on-going technical training courses for members.

2.8. Advisors and Bankers

Wexford County Enterprise Board (I have received business advice from the Board)
J.J. Higgins & Associates, Wexford (Accountants).
Bank of Ireland, Wexford (Bankers).

3. The Market Overview

The market for gardening services in Ireland has been growing at an average of 15%-20% per year for the past 5 years [source: ILCA, Ireland-study 2006]. In Co. Wexford (our main geographical target market) the growth rate is similar. Increased awareness of the visual impact and usage of 'green areas' around private houses and public buildings and amenities, together with businesses like hotels, large B&B's, offices, factories etc is fuelling the growth.

Better design is a second factor in this growing market. Good contractors now assist and advise the client at the landscape / garden planning stage, ensuring that the finished work is exactly to the clients requirements and preferences.

Finally the market is growing because people want the results but have too little of their own time to devote to the task. At the same time additional income is available to pay professionals to undertake the work.

3.1. Target Market

The target geographical area for sales is Co. Wexford, and adjoining areas of Co.'s Waterford, Carlow, Kilkenny, and Wicklow (within 1 hour's drive time of base).

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The garden / 'green area' design – development – landscaping service of my business will specifically target the corporate sector, local authorities / State bodies and organisations, and new house builds in the geographical target market noted.

The maintenance service of the business will target up market single dwellings, primarily in the Wexford Town and its hinterland (5-mile radius), together with on-going care of Gardens and Landscape projects we have designed and completed.

3.2. Customers

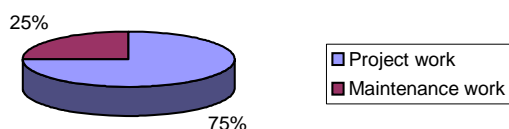
We have undertaken market research over the past 6 months (see market research report appendix 2) which has resulted in 8 companies giving firm commitments to use our garden / 'Green area' design – development – landscaping services when we commence trading.

We also have received confirmation from 2 local authorities, the EPA, and the HSE (SE), that we will be included on their tender listings for such work from January '08.

From experience we know we will sign up at least 40-50 customers in year 1, for maintenance work on individual house gardens when trading starts.

Based on our experience we estimate Project work to account for approx. 75% of sales, and Maintenance Work the remaining 25%.

Year 1- Work breakdown projection



3.3. Competitors

Within the company's sales area, competition fall into two categories,

- One-person garden maintenance operations, who usually provide basic landscaping, grass cutting and ancillary services. The number of such businesses is hard to assess but a good estimate is approx. 26 legitimate operators. There are also a number of service providers in this category who operate in the 'black economy' primarily in the residential area.
- Larger operations, which provide complete design, landscaping and garden services, with full time employees. The number of such companies is 12. All are busy and 6 have taken on additional staff within the past 2 years. The 5 largest of these Companies are:
 1. Expert Landscaping & Gardening, Wexford.
 2. Murphy Garden Design, Wexford.

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3. Dunnes of Enniscorthy, Enniscorthy, Co.Wexford.
4. Kilmuckridge Garden Centre, Kilmuckridge, Co. Wexford.
5. Plant and Seed, New Ross, Co.Wexford

3.4. Competitive Advantage

Our competitive advantages include:

- Design capability
- Production expertise.
- Long established contacts within the target market.
- Track record of project delivery to specification on time and within budget.

3.5. Distribution Channels

1. Direct to customers.
2. Through architects, civil engineers, house design co.'s, public bodies' tender process.

3.6. Marketing & Promotion strategy

1. Design and print a 4-page colour company brochure (design – development – landscaping service). (2 months prior to launch)
2. Mail Brochure and intro. Letter to potential client mailing list. (3weeks prior to launch)
3. Follow up phone campaign (2 weeks prior to launch)
4. Press article on company launch in People Newspaper group publications.
5. Maintenance service 'gardening event' calendar mail shot to selected houses (on-going from launch date onwards)
6. Advertisement in 2008 Golden pages, landscaping/garden section. (Oct '07)
7. Van signage, site work signage, workwear labelling, etc.
8. Selective use of referrals and endorsements.
9. Continuous use of marketing opportunities to build client awareness.

3.7. Sales Strategy

1. Design/planning service, meet potential clients to assess requirements, use of brochure, design proposal and quotation / tender format.
2. Maintenance service, mail shot of 'gardening event' calendar, and in-person contact - ask for the work.

3.8. Pricing Strategy

Design and landscaping service, premium pricing based on expertise and industry knowledge. Use of stage payments. Each contract will be priced to maximise profit. Maintenance service, menu pricing. Average maintenance fee (private dwellings) €45 per week in peak season.

4. Financial information

4.1 Capital expenditure requirements

In year 1, the capital expenditure requirement of the business is €16,250 ex VAT. (see capital expenditure listing in appendix 3). My Bank, Bank of Ireland, Wexford, have agreed in principle to make available a 5-year term loan in the amount of €16,000 for this expenditure, subject to sight of this plan and formal application/approval.

4.2 Other funding / cashflow requirements

- I will make available a loan of €10,000 to the business, this loan will not be repaid to me until the end of year 2.
- My Bank has agreed in principle to make available an overdraft facility of €5,000, subject to sight of this plan and formal application/approval.
- Lease finance will be required for a company van.

4.3 Assumptions

1. In the first year of operation the business will achieve sales of €120,000 (excluding VAT) and a net profit of €38,875 before promoters drawings and tax.
2. It is projected that payment to us in the amount of €4,000 (plus VAT) will be outstanding on credit from customers at year-end. Similarly a small amount of goods and or services will have been purchased by us on credit but not paid for at year-end.
3. For garden design – development – landscaping work we will operate a stage payment system with customers.
4. For maintenance work we will obtain payment on the day.
5. I will take personal drawings from the business in Year 1 of €30,000.

4.4 Financial projections

1. See Cash flow projection Year 1 in appendix 1
2. See Profit / Loss Projection Year 1 in Appendix 1

Appendix 1

Profit / Loss projection - Year 1

Cashflow projection - Year 1

Glenville Garden Services

Projected Profit / Loss March 2008 - February 2009

	€
Sales	120000
Cost of sales	<u>36000</u>
Gross Profit	<u>84000</u>
Gross Profit %	70%
<u>Less expenses</u>	
Staff salary	23036
Communications office - contribution to heating & light	1596
Print / post / stationary	1200
Marketing/Promotion	850
Professional subscriptions	5500
Bank charges	250
Loan interest	220
Motor and Travel	733
Business insurance	3369
Accountancy Fees	597
Sundries	1500
Van leasing	600
Depreciation	3640
Total expenses	<u>2034</u>
Net Profit	<u>38875</u>
Net Profit %	32%
less personal drawings	<u>30000</u>
	8875

Appendix 2

Market Research

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Market Research Report

Introduction.

During the last six months I have been researching the market for garden design, landscaping, and garden maintenance services in the **proposed geographical target sales area i.e. Co.Wexford, and adjoining areas of Co.'s Waterford, Carlow, Kilkenny, and Wicklow (within 1 hour's drive time of my proposed base in Wexford town)**. This report details my findings.

I have also researched the financial and marketing requirements for start-up of Glenville Garden Services. The findings and the start-up strategy developed as a result, are reflected throughout my business plan.

1. The market in Ireland.

A market study, '**Ireland - Market Trends and Forecasts**' was published in 2006 by the Irish Landscape Contractors Association (ILCA). Key findings from this report, which was produced by Ballsbridge Market Research for the ILCA, were:

- The market for gardening and landscaping services in Ireland has been growing at an average of 15%-20% per year for the past 5 years.
- This trend is forecast to accelerate over the next five years, leading to further increase in sales and employment in the industry.
- Reasons for this growth are cited as;
 - increased awareness of the visual impact and usage of 'green areas'.
 - enhanced professional design capability by the industry.
 - substantial increase in the number of new house builds and commercial construction activity in Ireland.
 - increased level of public projects being undertaken.

2. The Market in Co. Wexford (and area's of the adjoining counties noted above).

- **Rate of Growth over the past five years.**
The local market has been growing at a comparable rate to the national average, with similar reasons for that growth, as detailed in the ILAC study.

[Information gained from my employment as operations manager in Expert Landscaping & Gardening, a leading horticultural services company in Wexford, and face-to-face or telephone discussions with contacts in ten other similar businesses throughout the target market]. In Expert Landscaping & Gardening, we have experienced sales growth of 140% since 2003.

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- **Market segments.**

The market has two main activity areas:

- **Project Work**

Work in this area is divided into two segments; **commercial** - mainly the corporate sector, local authorities / state bodies and organisations, and new house build schemes (design / landscaping contracts) and **domestic**- mainly individual garden design projects in upmarket single new house builds and existing house garden re-design (design / landscaping contracts).

From my own knowledge and discussions with contacts in similar businesses throughout the target market, project work currently accounts for approximately 75% of overall sales in most existing contractors business's.

Commercial work is achieved by successful tender; and/or personal contact leading to being placed on a supplier listing e.g. with local authorities / state bodies and organisations, with architects, civil engineering practices, building contractors etc.

Domestic work is achieved by awareness marketing and/or personal contact leading to being on a supplier listing e.g. with architects, building contractors, etc.

- **Maintenance work**

Work in this area is again divided into two markets; **commercial** - mainly the corporate sector, local authorities / state bodies and organisations. Work is secured by signing up maintenance contracts with clients of project work undertaken (ref. above) or securing maintenance contracts for existing 'location' work. **domestic**- mainly individual upmarket single house garden maintenance. (e.g. lawn cutting; border and bed maintenance; trimming / pruning of plants, hedges, trees; etc).

From my own knowledge and discussions with contacts in similar businesses throughout the target market, commercial maintenance work is achieved by successful tender; and/or personal contact leading to being placed on a supplier listing e.g. with local authorities / state bodies and organisations.

Domestic maintenance work is achieved mainly by awareness marketing, referrals, and word of mouth.

- **Trends in the market.**

In the **commercial and domestic project work market**, the trend is now for contracts to be awarded to contractors who can provide a complete service, i.e. full professional design capability and project delivery to specification, on time and within budget.

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[information gained from in-person and phone discussions with EPA; HSE (south east); Wexford / Waterford / Kilkenny County Councils; 5 building contractors (housing schemes); 6 building contractors (upmarket single dwellings); 4 architect practices; 2 civil engineering practices; and 5 house design companies].

In the **commercial and domestic maintenance work market**, the trend is for outsourcing of the work to competent suppliers who can guarantee reliability; offer competitive pricing / having all the necessary equipment to provide a complete service; and offering advice and guidance when required.

[From my own knowledge]

- **Competition in the target market.**

Existing contractors / suppliers in the target marketplace fall into two categories:

- Larger operations, which provide complete design, landscaping and garden services, with full time employees. The number of such businesses is 12. All are busy and 6 have taken on additional staff within the past 2 years. The 5 largest of these Companies in Co. Wexford are :
 1. Expert Landscaping & Gardening, Wexford.
 2. Murphy Garden Design, Wellington bridge, Co.Wexford.
 3. Dunnes of Enniscorthy, Enniscorthy, Co.Wexford.
 4. Kilmuckridge garden centre, Kilmuckridge, Co. Wexford.
 5. Plant and seed, New Ross, Co.Wexford
- One-person garden maintenance operations, who usually provide basic landscaping, grass cutting and ancillary services. The number of such businesses is hard to assess but a good estimate based on entries in the Golden pages is approx. 26 legitimate operators. There are also an unidentifiable number of service providers in this category who operate in the 'black economy' primarily in the residential area.

- **Target Customers.**

I have held initial discussions with a number of potential customers in the commercial sector within the geographical market for both project and maintenance work. The results obtained are listed below:

1. 18 private companies were contacted.
 - 4 were happy with their existing contractors but would keep the details conveyed by me on file.
 - 5 would be willing to consider using Glenville and I should forward information to them once I had commenced trading.
 - **8 (many of whom know me through my work with my current employer) gave me firm verbal commitments to do business with Glenville from March '08. These 8 are:**
-

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*Peter Egan & Sons, Building & Civil Engineering Contractors, Wexford
(Mr. Peter Egan)*

Flynn Construction Ltd, Wexford (Mr. Gerald Boggan)

Direct Build Ltd, Enniscorthy, Co. Wexford (Mr. Karl Cooper)

The Cotter Partnership, Architects, Wexford (M/s Orla Cotter)

John Jordan Architects, New Ross, Co. Wexford (Mr. John Jordan)

Murray & Associates, Architects, Gorey, Co. Wexford (Mr. Peter Murray)

Exclusive Homes Ltd, Wellington bridge, Co. Wexford (M/s Hazel Murphy)

Meadow View Hotel, Gorey, Co. Wexford (Mr. Fran Ahern)

2. I have contacted to-date ten public bodies and organisations. Of those contacted most currently outsource design / landscaping services and 'green area' maintenance and operate an annual tender system.

Six are willing to discuss inclusion on their tender call listings once Glenville has commenced trading in March 2008.

The following four have undertaken to add Glenville to their respective tender call listings, effective from January 2008.

- Wexford Co. Council (Mr. John Grant)
- Kilkenny Co. Council (M/s Emily O'Reilly)
- The EPA (M/s. Julie Cardiff)
- The HSE - south east (Mr. John Dawn);

From my own experience and discussions with contacts in similar businesses, I estimate Glenville will sign up at least 40-50 customers in year 1 for maintenance work on individual house gardens when trading starts. The key to securing customers is good awareness marketing.

Appendix 3

Capital expenditure requirements - Year 1

Capital Equipment Purchase Listing (required at commencement)

Detail	Cost (ex. VAT)
1. One no. Husqvarna 150XP ride-on mower.	€3,058
2. Two no. Husqvarna JT 15 petrol mowers.	€1,224
3. One no. Husqvarna JV 33 petrol rotovator	€1,075
4. One no. Westland 4-wheel high side 'builders' trailer c/w rack	€3,400
5. Two no. Husqvarna 343R 35cc petrol trimmers.	€1,157
6. Two no. Husqvarna 421 petrol brushcutters	€1,000
7. One no. Beaver 80 max mulching machine	€1,430
8. Two no. Husqvarna 323HD-60 petrol hedge trimmers	€810
9. One no. laserline site level and tripod	€721
10. Five no. 'Gather' netting waste collection bags	€625
11. Wheelbarrows, shovels, groundpicks, sledgehammers, loping shears, pruning shears, stake guides, levels, assorted handtools.	€1,360
12. Safety helmets, faceguards, handguards, jackets, and harnesses.	€390
Total	€16,250

In Addition a new Ford Transit SWB Van (diesel) is required from start-up and will be acquired through contract leasing.
