Cask Consultancy Company Analysis

Posted on September 17, 2019

Executive Summary

Cask services is a consultancy company with the aim of providing marketing advisories to individuals in various countries such as The United States, The UK, and Mexico. The idea was motivated by the demanding lives in offices. We are projecting that our business will have the capability of serving approximately 19 organizations every month. In addition, we also expect that the organization will have a dramatic increase in revenues by offering small enterprises consultancy services.

The marketing strategy that we shall be using mostly includes physical meetings, Social media, and partnerships with experienced marketing professionals. We are looking forward to starting the process with social media advertising. During the period we shall be offering varied discounts and offers for those who review our products on social media and the company's offices. In addition, those who follow the organization's social media handles, such as Facebook and Twitter.

We shall also focus on marketing various products to companies that are located closer to our new offices using brochures, as well as sponsoring local events in the area. We have a lot of faith in these ideas, that they will propel the organization to higher levels. Moreover, we believe that it would be better to build a service dominance for the prospects.

Company Description

We are planning that the company will be operational during the normal business hours. That is 8:00 AM to 5:00 PM. With such a timeframe, we shall have ample time to provide our services, especially for small companies. To ensure that we have effective operations, we shall develop one generational shift for the few employees. This implies that the employees will be working from 10 am to 10 pm. Other than just focusing on offering services to the clients, employees will also be creating promotional materials and processing various requests. The second shift will primarily focus on consultancy services. To ensure the operations are smooth, our new business will require approximately 3 to 4 employees.

The employee will be divided into two timeframes in order to ensure that everything runs smoothly. Managing chat room, the making of brochures, attending to inquiries and social media marketing. We believe that the business has the ability to seal the gap in the niche. This will ensure that all businesses a catered for, irrespective of their sizes or financial capabilities. In addition, we plan to focus on small businesses before focusing on big organizations.

Upon establishment, we shall involve big consultancy organizations in order to have a full understanding of the niche. As a new enterprise, we believe that there is a huge opportunity in this industry as customers are limited in options due to their low budget. In addition, we shall come up with new strategies rather than maintaining the old forms that are usually used by other organizations. Although this would be a great opportunity for us, the proposed strategies may ensure that we meet some of the key challenges.

SWOT Analysis

SWOT analysis is a fundamental component that can be used in analyzing an industry as well as identifying the strengths, weaknesses, opportunities, and threats that might face our business. This strategy will allow Express marketing consultants to identify all the factors that might influence the progress of business both within and outside. It is necessary for any organization to create a SWOT analysis to take into consideration the perception of consumers in the appropriate way,

Strength

For Express Consultant to thrive, it makes sure that it has the best understanding of its strong points. Such information can be obtained through the examinations of the most important areas and the available resources in the business.

A Selective Personnel Plan: Express Consultant works to ensure that the workforce meets the set standards of quality based on professionalism and service delivery. Additionally, it confirms that the employee also observes the best practices about the quality of services.

Affordable prices: Express consultancy is a known provider of the best quality services and at all times seeks the most appropriate ways of improving the value of the clients.

Weaknesses

Inflexibility to change: If the market trend tends to shift back to traditional services, Express Consultants won’t be able to change its trend without making huge changes in its workforce, which in turn might result in higher financial losses. Express consultants would prefer to introduce new products with the assistance of comprehensive market research to be ready for any changes.

Opportunities

Positive environmental commitments: Express consultants integrated different environmental obligations into their daily operations. This is accomplished through the use of naturally responsive strategies and still maintaining a good working atmosphere.

Threats

Threats can be described as external factors that often have adverse effects on a company in its strategies. In the case of our company, the biggest threat comes from big organizations with better services that Cask Consultancy Services might have to build a strong reputation in order to attract clients. A good industrial analysis helps an organization to focus on some of the weak areas to improve them, employ the available resources and evade threats. It is necessary, particularly when developing business plans, to concentrate on accomplishing a competitive edge over other companies through a better understanding of both inner issues and external factors of that company. (Osterwalder & Pigneur, 2010)

Market and Competition Analysis

The several Key that Cask Consultancy emphasizes in order to succeed. The Western region of the US is a bit ahead. They are drastically transforming from the old economic frameworks to new frameworks that would ensure significant development. Since new economic development comes with new and better agendas, the profile of the prospects will also change. We are directing our focus on establishing a formidable association with small business enterprises as well as individual customers.

1. Marketing strategies. The services we would be providing will be attractive. Such is aimed at attracting a substantial number of loyal customers. Being a small business with a set of services such as marketing intelligence and market consultancy, changing our reputation into a popular brand that creates value will require a lot of dedication and focus.2. Generating new business leads: Since our business will be participating in online business affiliation with other global marketing organizations, one of the key elements to employ would include the use of high tech technology such as Altor software to facilitate its integration with other business and individual clients.

Organizations providing strategic services will be our core rivals. We envision that our rivals will be competing for the same market. Nevertheless, we feel we will have an advantage in relation to other start-up businesses since we will be serving new plans. Moreover, we believe that we shall also have a competitive advantage over traditional marketing organizations since we shall have a small sitting capacity that won’t require the traditional 20% service charge. The main intention behind most of our services is to focus on clients seeking quick results within a short period. In this way, our business will be able to compete with other reputable marketing corporations. Additionally, we are hoping for a high quality of services.

We believe that the competitive advantage we have over small enterprises and traditional marketing consultant organizations will be founded on the value of offering new strategies for clients who prefer quick results at low and medium prices. Due to limited selection, our business envisions that we would have the capability of controlling our inventories. Moreover, we also feel that through social media marketing, which all our market target uses, we will have the ability to limit the number of funds that might require being invested for purposes of advertisement. However, as a result of limited selection, we may be in a disadvantaged situation when facing stiff competition from reputable organizations with detailed services.

Financial Requirement

To come up with the most appropriate budget, we had to focus on projections of the key financial activities that would propel our business to great heights. Therefore, our first projection was the start-up cost. However, we may not meet the huge turnover due to small production capacity. Our business is still small. It is vital to focus on different factors when summing up our projection after conducting an analysis of the key financial ideas. It would be easier for us to estimate sales. After completing that, we shall estimate any changes due to changes in turnover. A major factor in evaluating and forecasting particular account balances is through sales percentage methodology. By assessing the start-up account and analyzing the speculated changes, it would be easy to evaluate the percentage relationship.

Start-up cost

Start-up	
Requirements	
Legal papers	$1000
brochures	$200
Consultations	$0
Insurance	$450
rent	$1,200

Marketing	$300
Small expenditures	$1200
Signs	$700
Benefits	$4100
Wages	$500
Total Expenses	$10,050
Start-up Assets	
Cash	$10,000
Catalogue	$250
Current Assets	$1,000
Long-term Assets	$8700
Total	$19,950
Total	$29,600

Start-up Financing

Start-up Financing	
Start-up Expenditures	$11,250

Assets	$19,950
Total Funds	$30,200
Assets	
Non-cash equipment from Start-up	$10,050
Cash from Start-up	$0
Additional Cash	$8,700
Cash Balance	$8,700
Total Assets	$19,950
Capital and liabilities	
Liabilities	
Loans	$0
Long-term Liabilities	$0
Outstanding Bills	$0
interest-free	$0
Total Liabilities	$0

Capital	
Planned Investment	
Investor s	$15,000
	$15,000
Other	$0
Additional Investment	$0
Total Projected Investment	$30,000
Start-up losses	($10,050)
Total Cost	$19,950
Total	$19,950
Total Financing	$30,000

Financial Pro Formas

Sales projection

Sales Forecast													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Advertising intelligence	0%	$1,200	$1,300	$3,300	$3,600	$4,200	$5,500	$4,700	$5,000	$5,300	$5,600	$5,800	$6,100
Sales strategy	0%	$1,600	$1,700	$1,800	$2,000	$2,000	$2,100	$2,200	$2,300	$2,400	$2,500	$2,600	$2,700
Credit card charges	0%	$2,900	$3100	$1,300	$1,200	$1,400	$1,300	$1,400	$1,400	$1,300	$1,300	$1,400	$1,100
Total Sales		$5,700	$6,100	$6,400	$6,800	$7,600	$8,900	$8,300	$8,700	$9,000	$9,400	$9,800	$10,200

Personnel

Personnel Plan													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Owner	0%	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,700	$5,700	$5,700
Executive Board Administration advisory board Attorney Auditor Insurance agent Banker Mentors and key advisors	0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 1200 1300 $3200 $2200 $1500 $1600	4500 5000 3700 5000 3700 1300 $3200 $2200 $1500 $1600
Total Persons		0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll		$34200	$34200	$34200	$34200	$34200	$34200	$34200	$34200	$34900	$34900	$$34200	$34200

Important Assumptions

Every Organization makes a number of assumptions when establishing a new venture. The client needs good products, and the entrepreneur looks forward to profiting from sales of the product. (Porter, 1980) As an entrepreneur, one would want to ensure he has conducted comprehensive research that would enable support for more than just a few assumptions, utilizing the appropriate data. The financial plan for the new venture has been calculated using a number of assumptions. Such include:

- 1. The economy is stable without recessions.
- 2. There are no major changes in the medical and insurance industry.
- 3. Product/ service needs: The assumption shows the need for products and services to be available in the market. Therefore, it can be concluded that suing a detailed analysis of competition, it would show that other organizations are dealing with the same products and selling them profitably. It is important for the services will are providing to be tested in the market in order to ascertain their viability.
- 4. Profitability: We believe that the business will be profitable. The idea has been borne out of detailed research on the market, budgeting, and Sales forecasting. Notably, the profitability of any organization does not just come from the turnovers alone. It also involves operational costs and the cost of products. Once these have been evaluated, it is important to review the prospects in order to assess the period we can pay off the cost of starting the business. We have selected the pricing strategy since it will enable our business to generate high turnover at affordable prices, thus maximizing our profit margin.
- 5. Another assumption is that 60% of turnover is often paid within the first month while the remaining 40% of monthly sales remain on the account.
- 6. 35% of the sales are paid by the end of the month, while 65% of outstanding accounts are still not paid up by the end of the month.

Monthly Cash Budget:

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	Total
Starting balance ($)	$935	891	928	895	889	939	952	927	920	909	977	927	
Operational cash	125	218	141	156	211	161	155	187	167	246	132	184	2083
Available cash($) less	1060	1109	1,069	1051	1.100	1,100	1,107	1,114	1,087	1,155	1,109	1,111	3,018
Capital expenditure ($)	113	123	113	106	102	94	114	126	133	126	119	123	1,392
interest	20	26	24	25	21	22	27	29	20	27	23	29	293
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

Total disbursement	133	149	137	131	123	116	141	155	153	153	142	152	1,685
Cash deficit Add:	927	960	937	920	998	984	966	959	934	1002	967	959	1,333
Loans	10	$5	$0	$0	$0	$0	$0	$0	$0	$0	$0		$15
Ending cash balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		1348

Current Year Balance sheet and Income statement

Income Statement

Sales for the present year $ 3,000

Operating cost 2,800

Earnings before interest $ 200

Less Interest Expenditure 85

(EBT) $ 115

Tax 46

Income after tax $ 69

Payments 20

Add retained revenue of $ 49

Balance Sheet

Current year

Cash $ 50

Accounts receivables 350

Catalogues 600

Assets 1,000

Aggregate assets $ 2,000

Equity Payables + Accretions $ 200

Interim loans 100

Total current liabilities $ 300

Long-term pledges 750

Total $ 1,050

Shared stock 150

Reserved revenues 800

Total common equity $ 950

Total liabilities $ 2,000

Selected Ratios

Projected income statement

The projected income statement indicates our hair product business has a positive cash flow. After a short period, the company will show a rise in cash balance.

Income statement (,000)					
	Current Year ($)	Changes($)		Next Year ($)	
Sales Operation cost	$ 3,000 $ 2,800	1+g% 90% sales		$ 3,300 $2970	
Earning Fewer interest expenditures	$ 200 $ 85	10% loans		$330 $39	
Earning before tax Tax (40%)	$ 115 $ 46			$291 $117	
Net income	$69			$175	

Additional earnings	$ 49			131	
Balance sheet					
Assets Cash Account receivable Inventories	$0 359 600	(1+g %) 9.6% 17%		$55 316 550	
Fixed assets	1000	(1+g %)		$1,100	
Total	2,000			$2,021	
Liabilities					
Accruals Short term loans	$200 100	(1+g %) Interest bearing debt		$220 45	
Total Long-term bonds	300 750	IBD* forecasted IBD		$265 341	
Total liabilities Common stock Earning	$1050 150 800	Common stock*new issues Add retained earnings from the income statement		606 484 931	
Total common equity Total liabilities	$950 $ 2000			2021	
*interest-earning debt				$386	

References

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation*. John Wiley & Sons. https://www.strategyzer.com/books/business-model-generation

Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press. https://books.google.com/books?id=Hn1kNE0OcGsC