

SOUND REPAIRS



Skyline DECA
Skyline High School
1122 228th Avenue SE
Sammamish, WA 98075

Nathan Evans
Zachary Gray
Arnav Murudkar

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Independent Business Plan



Table of Contents

1	I. Executive Summary
4	II. Problem
5	III. Customer Segments
6	IV. Unique Value Proposition
7	V. Solution
8	VI. Channels
9	VII. Revenue Streams
	A. Revenue Model
	B. Lifetime Values
	C. Revenue
	D. Gross Margin
11	VIII. Cost Structure
	A. Customer Acquisition Costs
	B. Distribution Costs
	C. Human Resource Costs
	D. Additional Costs
15	IX. Detailed Financials
	A. Projected Income and Expenses
	B. Proposed Plan to Meet Capital Needs
18	X. Key Metrics
19	XI. Competitive Advantage
19	XII. Conclusion
20	XIII. Bibliography
20	XIV. Appendix



Description of the Business: Sound Repairs is a residential service partnership based in the Greater Seattle area committed to becoming a cornerstone service company that local homeowners will entrust for an unparalleled range of popular repair services. Sound Repairs will provide clients a convenient, digitalized handyman hiring process that is nonexistent in today's service market. Customer satisfaction is paramount to Sound Repairs and our 27 vetted, full-time handymen will ensure that clients receive high quality service. Sound Repairs will penetrate the residential market by proving an unmatched combination of a straightforward hiring process and range of in-demand, reliable services.

Business Opportunity: A pre-pandemic shortage of handymen has been accelerated by a boom in the residential market and an increase in demand for home repairs and renovations. This shortage has forced homeowners to hire less qualified handymen, resulting in low-quality and unreliable service. Additionally, the handyman industry features an archaic and inconvenient hiring process. Homeowners must search through several websites to find a qualified handyman for their specific job, then initiate a time-consuming communication thread involving several emails, texts, and calls. Further, as most handymen are limited to select service areas, homeowners have to repeatedly find and hire new handymen when different types of projects arise. These current labor shortage gives Sound Repairs an opportunity to capitalize on industry wide shortcomings by providing convenient, dependable, and versatile residential service.

Mission Statement:

“ Sound Repairs offers homeowners in the Greater Seattle area convenient access to residential handyman services. Through our range of distinct service offerings and commitment to reliability, Sound Repairs aims to provide local homeowners an **entrusted service company** for all basic residential repairs and renovations.”

Problems

Solutions

The handyman hiring process is archaic and forces homeowners to scour through several listing websites such as Thumbtack and Craigslist. Once a handyman is found, clients have to initialize a time-consuming communication thread involving several emails, texts, and phone calls.



By partnering with Slalom Consulting, Sound Repairs will create a cloud-based hiring process accessed through our website. A digital form will allow clients to quickly request a service. Through automation, clients will be notified about all updates regarding their request.

77% of residential service companies are private, a majority of which are individually operated. This structure lacks internal accountability and has led to tens of thousands of Americans reporting negative experiences with handymen, largely due to poor quality or incomplete service.



We will hire 27 handymen as full-time employees and enact a thorough hiring process to ensure all handymen are qualified and have a record of dependability. Handymen will be held accountable for service quality and client satisfaction by our managerial class.

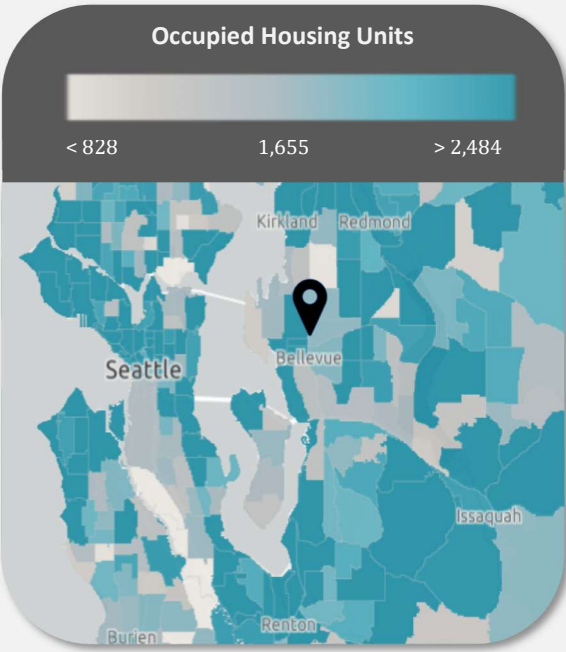
Established and versatile handymen are often booked out and hard to schedule. Other, available handymen tend to be specialized and can only fulfill select services. These factors force homeowners to continually reenter the tedious hiring process for new projects or repairs.



Our 27 handymen will service seven of the statistically most requested residential services: plumbing, electrical, basic installations, basic carpentry, painting, gutters, and roofing repairs. Hence, clients will be able to hire Sound Repairs handymen for nearly all residential services.

Target Market: Based in Bellevue WA, Sound Repairs will service the Greater Seattle area, which includes two densely populated metropolitan areas and a collection of wealthy suburbs locally known as the *Eastside*. The adjacent map shows our headquarters against the occupied housing units in the area. Despite a nationwide housing boom, the residential service labor force has only increased by 1%, creating severe shortages in the area. Accordingly, Sound Repairs will target property owners in the Greater Seattle area in need of basic residential servicing.

Channels: To acquire project supplies at a discounted rate, we will partner with local hardware store McLendon Hardware. To ensure orders can be processed and fulfilled efficiently, we will use McLendon’s electronic invoice system, an SPS Commerce EDI. Once electronically ordered, supplies will be picked up from McLendon by our company vans on a weekly basis. To reach clients, handymen will use our fleet of 27 Ford Transit vans. Primarily, clients will be located within 10 miles or 20 minutes of our base location, due to our proximity to two major interstate freeways. Handymen will be meticulously scheduled to minimize commutes between projects.



Hourly Service Cost

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Project Hours

=

Project Price

Service Type	Hourly Rate
Plumbing	\$ 100
Electrical	\$ 75
Installations	\$ 65
Carpentry	\$ 45
Painting	\$ 65
Gutters	\$ 75
Roofing	\$ 55

Revenue Streams: We will collect revenue through 7 distinct streams defined by our service offerings: plumbing, electrical, basic installations, basic carpentry, painting, gutters, and roofing repairs. Project price will vary for each individual project and will be calculated using the **project revenue model**, which defines individual project price as the product of hourly rate and service hours. We will service more basic projects, that usually can be completed by one or two handymen in a few hours. Accordingly, hourly rates will be set just below industry standard for the specific service in order to remain competitive. The adjacent formula and table detail the project revenue model, including the project price formula and hourly rate by service type.

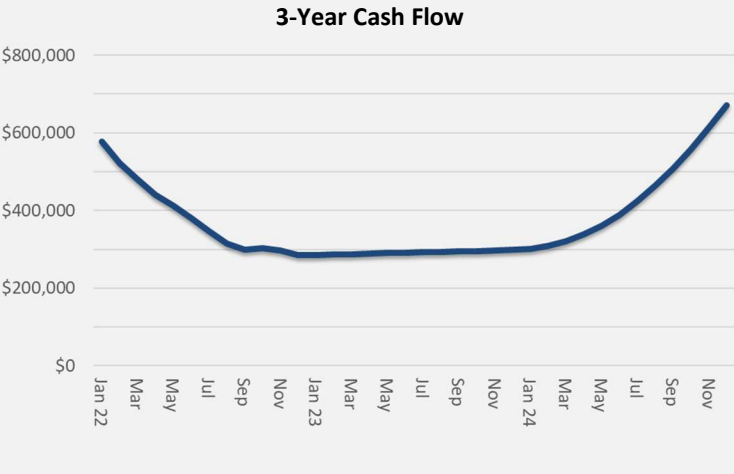
Customer Acquisition and Operational Costs: Sound Repairs will use several advertising channels for customer acquisition. Word-of-mouth advertising is relatively cheap and will consist of referral discounts, reviews, and general client dialogue with friends and family. Additionally, we will use Search Engine Optimization by using advanced website development with our partner Slalom Consulting to create brand awareness and promote our service through the Sound Repairs website. To further promote our website, we will use Google Search Ads, which will place our website on top of all search results when certain keywords are entered. Moreover, through the Google Display Network, we will run linked, digital ads that appear predominantly on traditional handyman hiring websites to reach our target market. Our distribution costs will comprise of gas and vehicle maintenance costs. Further, the fixed asset purchase of EDI software will help maximize efficiency in the distribution process. Other fixed asset costs will include the purchases of 27 Ford Transit vans, storage configurations for the vans, office/warehouse equipment, and handyman equipment. Our human resource costs consist of annual compensation, including salaries, benefits, and taxes for three owners, six managers, and 27 handymen. Additional costs will include leasing our Bellevue property, costs related to maintaining the property, licensing, interest, and other operational costs. The following table details our projected costs for 2022.

2022 Consolidated Cost Structure Forecast				
Advertising/Website	Distribution	Human Resource	Fixed Asset Purchases	Additional
\$ 108,765	\$ 27,410	\$ 2,465,832	\$ 313,575	\$ 419,213

Detailed Financials: The following consolidated financial statements detail our projected profitability and liquidity for the next three years and are supported by the subsequent graphs.

Sound Repairs Forecasted Statement of Cash Flows For the years ended December 31, 2022, 2023, 2024			
	2022	2023	2024
Beginning Cash Balance	\$ -	\$ 284,538	\$ 298,427
Cash Inflows:			
Owner	300,000		
Bank	700,000		
Operations	2,696,760	3,306,810	3,856,680
Total Cash Inflows	3,696,760	3,306,810	3,856,680
Cash Outflows			
Fixed Assets	313,575		
Inventory	94,940	116,180	133,450
Payroll and Related	2,465,832	2,539,807	2,616,001
Advertising	96,500	99,395	102,377
Other	441,375	537,539	633,204
Total Cash Outflows	3,412,222	3,292,920	3,485,032
Net Cash Flow	284,538	13,890	371,648
Ending Balance	\$ 284,538	\$ 298,427	\$ 670,075

Sound Repairs Forecasted Statement of Income For the years ended December 31, 2022, 2023, 2024			
	2022	2023	2024
Operating Revenue	\$ 2,696,760	\$ 3,306,810	\$ 3,856,680
Cost of Goods Sold	94,940	116,180	133,450
Gross Profit	2,601,820	3,190,630	3,723,230
	96%	96%	97%
Operating Expenses	3,021,220	3,106,790	3,205,303
	112%	94%	83%
Income/Loss Before Tax	(419,400)	83,840	517,927
Interest Expense	45,918	38,884	31,343
Tax Expense	(83,880)	16,768	103,585
Net Income (Loss)	\$ (335,520)	\$ 67,072	\$ 414,341
	-12%	2%	11%



Key Metrics: The above forecasts will be monitored against key performance indicators on a continuous basis to capitalize on opportunities and respond to changes in market conditions.

Sound Repairs Key Metrics				
Metric	Purpose	Calculation	Benchmark	Improvement Methods
Revenue by employee	Measures the efficiency of employees to generate Sales	Revenue / # of employees	\$110,000 per employee	Increase revenues Improve handyman efficiency Reduce unneeded employees
Working Capital ratio	Determine ability to quickly pay of current liabilities	Current assets / current liabilities	2 : 1	See Net Profit strategies Improve cash flow cycle See Days A/R and Days A/P
Customer Satisfaction Score	Gauge client satisfaction with service quality	Sated Clients / Total Clients	>90%	Improve service quality Decrease project price

Thank you for your consideration our innovative start-up venture, Sound Repairs, we look forward to meeting and further discussing this opportunity. We are requesting a loan of \$700,000 at 7% interest paid back over six years.