



Assistance with University Projects? Research Reports? Writing Skills?

We've got you covered!

www.assignmentstudio.net

WhatsApp: +61-424-295050

Toll Free: 1-800-794-425

Email: contact@assignmentstudio.net

Follow us on Social Media

Facebook:

<https://www.facebook.com/AssignmentStudio>

Twitter:

<https://twitter.com/AssignmentStudi>

LinkedIn:

<https://au.linkedin.com/company/assignment-studio>

Pinterest:

<http://pinterest.com/assignmentstudi>

1.1. Financial Objectives

The following aims are based on sales and an estimated 2,000 suburban housing projects per month.

- 0.3% potential change to Complete Project Management (CPM) Services; 4 projects on monthly basis with an average building value of \$210K.
- 0.25% potential change to Personal Project Management (PPM) Services; 5 projects on monthly basis with an average building value of \$200K.
- 0.5% potential change to Basic Project Management (BPM) Services; 10 projects on monthly basis, with an average building value of \$160K.
- 5% potential change to one of the advice servers; 100 on monthly basis at an average price of \$250.
- Sales growth of 8% per year.

1.2. Finance Required

A primary investment of \$200,000 to capitalise this venture is required.

Investors will be charged an interest rate of 8% p.a.. This is anticipated to be within six months of commencement of operations. With a initiation date in march, 2013, positive cash flow is predictable to be reached by October, 2013 and break-even is expected to occur in July 2013 with all investors payments been made.

Partners or investors will be allocated equity relative to the level of involvement to the establishment of the business.

1.3. Financial Assumptions

The assumptions made by the partner project managers are as follows:

- Project Managers will be working as part time staff on a moderate salary.
- Project Managers will be mobile and use their own vehicle at first.
- Project Managers will be provided with a phone and personal computer
- Initial call centre staff will be limited to two personnel.
- 4% salary raise per annum.

1.4. Start-up Cost 2012

START-UP COSTS	Cost (\$)	EQUIPMENT/CAPITAL COSTS	Cost (\$)
Registrations		Start-up capital	\$200,000
Business title	\$200	Plant & equipment	
Domain title	\$150	Rent Vehicles	\$100
Trade marks/designs/patents	\$46,850	Computer equipment	\$6,500
Accountant fees	\$300	Computer software	\$3,000
Solicitor fees	\$500	Phones	\$3,000
Internet connection	\$200	Office equipment	
Training	\$10,000	Furniture	\$3,000
Wages	\$500,000		
Insurance			
Professional indemnity + Public Liability	\$1,000		
Workers compensation	\$700		
Business assets	\$100		
Business revenue	\$700		
Printing	\$5,000		
Stationary & office supplies	\$1,000		
Marketing & advertising	\$10,000		
Total start-up costs	\$576,700	Total equipment/capital costs	\$215,600

1.5. Balance Sheet Forecast

BALANCE SHEET FORECAST	2012/13	2013/14	2014/15
Current assets			
Cash	\$16,000	\$385,600	\$575,100
Petty cash		\$0	\$0
Inventory	\$0	\$0	\$0
Pre-paid expenses			
Fixed assets			
Furniture & fitout	\$3,000		\$3,000
Rented Vehicles	\$100	\$0	\$100
Computer equipment	\$9,000	\$3,000	\$1,000
More...			
Total assets	\$28,100	\$388,600	\$579,200
Current/short-term liabilities			
Credit cards payable	\$0	\$0	\$0
Accounts payable	\$0	\$0	\$0
Interest payable	\$14,333	\$167	\$23,004
Accrued wages	\$41,667	\$42,917	\$44,204
Income tax	\$230,428	\$246,558	\$263,817
More...			
Long-term liabilities			
Loans	\$25,000		
More...			
Total liabilities	\$311,428	\$289,642	\$331,025
NET ASSETS	-\$283,328	\$98,958	\$248,175

1.6. Profit and Loss Forecast

PROFIT & LOSS FORECAST	2012/13	2013/14	2014/15
Sales	\$765,600	\$826,848	\$892,996
less cost of goods sold	\$20,837	\$22,504	\$24,304
Gross profit/net sales	\$744,763	\$804,344	\$868,692
Expenses			
Accountant fees	\$500	\$515	\$530
Advertising & marketing	\$10,000	\$5,000	\$5,000
Bank fees & charges			
Bank interest	\$14,333	\$167	
Utilities (electricity, gas, water)	\$1,000	\$1,030	\$1,061
Telephone	\$6,000	\$6,180	\$6,365
Lease/loan payments	\$175,000	\$25,000	
Rent & rates			
Repairs & maintenance			
Stationery & printing	\$6,000	\$2,000	\$2,060
Insurance	\$2,470	\$2,544	\$2,620
Superannuation	\$45,000	\$47,638	\$50,393
Income tax	\$223,428	\$239,069	\$81,063
Wages (including PAYG)	\$500,000	\$515,000	\$530,450
Total expenses	\$983,731	\$844,143	\$679,543
NET PROFIT	-\$238,968	-\$39,799	\$189,148

1.7. Expected Cash Flow

EXPECTED CASHFLOW 2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
OPENING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	-\$52,735	-\$78,824	-\$48,202	-\$18,181	\$2,941	\$26,130
Cash incoming												
Sales						\$0	\$28,356	\$85,067	\$85,067	\$85,067	\$85,067	\$28,356
Asset sales												
Debtor receipts												
Other income												\$109
Total incoming	\$0	\$0	\$0	\$0	\$0	\$0	\$28,356	\$85,067	\$85,067	\$85,067	\$85,067	\$28,464
Cash outgoing												
Purchases (Stock etc)												
Accountant fees						\$150						
Solicitor fees						\$500						
Advertising & marketing						\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		
Bank fees & charges												
Interest paid						\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,267	\$1,200
Telephone						\$350	\$350	\$350	\$350	\$350	\$350	\$350
Lease/loan payments										\$10,000	\$10,000	
Motor vehicle expenses												
Repairs & maintenance												
Stationery & printing						\$1,500	\$1,000	\$1,000	\$1,000	\$500	\$500	\$500
Membership & affiliation fees												
Licensing						\$885						
Insurance						\$600			\$600			\$600
Superannuation						\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
Income tax							\$4,345	\$4,345	\$4,345	\$4,345	\$4,345	\$4,345
Wages (including PAYG)						\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667
More...												
Total outgoing	\$0	\$0	\$0	\$0	\$0	\$52,735	\$54,445	\$54,445	\$55,045	\$63,945	\$61,878	\$52,412
Monthly cash balance	\$0	\$0	\$0	\$0	\$0	-\$52,735	-\$26,089	\$30,622	\$30,022	\$21,122	\$23,189	-\$23,947
CLOSING BALANCE	\$0	\$0	\$0	\$0	\$0	-\$52,735	-\$78,824	-\$48,202	-\$18,181	\$2,941	\$26,130	\$2,183

EXPECTED CASHFLOW 2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
OPENING BALANCE	\$2,645	-\$2,877	\$416	\$3,923	\$7,644	\$11,581	\$10,735	\$24,263	\$63,331	\$101,967	\$141,359	\$180,915
Cash incoming												
Sales	\$42,533	\$85,067	\$85,067	\$85,067	\$85,067	\$85,067	\$91,021	\$91,021	\$91,021	\$91,021	\$91,021	\$45,511
Asset sales												
Debtor receipts												
Other income	\$11	-\$12	\$2	\$16	\$32	\$48	\$45	\$101	\$264	\$425	\$589	\$754
Total incoming	\$42,544	\$85,055	\$85,068	\$85,083	\$85,099	\$85,115	\$91,066	\$91,122	\$91,285	\$91,446	\$91,610	\$46,264
Cash outgoing												
Purchases (Stock etc)												
Accountant fees	\$150						\$150					
Solicitor fees	\$500											
Advertising & marketing												
Bank fees & charges												
Interest paid	\$1,200	\$1,200	\$1,000	\$800	\$600	\$400	\$167					
Telephone	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Lease/loan payments		\$30,000	\$30,000	\$30,000	\$30,000	\$35,000	\$25,167					
Motor vehicle expenses												
Repairs & maintenance												
Stationery & printing	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Membership & affiliation fees												
Licensing												
Insurance									\$595			\$595
Superannuation	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,863	\$3,863	\$3,863	\$3,863	\$3,863	\$3,863
Income tax		\$4,345	\$4,345	\$4,345	\$4,345	\$4,345	\$4,475	\$4,475	\$4,475	\$4,475	\$4,475	\$2,238
Wages (including PAYG)	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$42,917	\$42,917	\$42,917	\$42,917	\$42,917	\$42,917
More...												
Total outgoing	\$48,067	\$81,762	\$81,562	\$81,362	\$81,162	\$85,962	\$77,538	\$52,054	\$52,649	\$52,054	\$52,054	\$50,412
Monthly cash balance	-\$5,522	\$3,293	\$3,507	\$3,722	\$3,937	-\$847	\$13,528	\$39,068	\$38,636	\$39,392	\$39,556	-\$4,147
CLOSING BALANCE	-\$2,877	\$416	\$3,923	\$7,644	\$11,581	\$10,735	\$24,263	\$63,331	\$101,967	\$141,359	\$180,915	\$176,767

EXPECTED CASHFLOW 2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
OPENING BALANCE	\$179,775	\$175,567	\$216,628	\$257,860	\$299,264	\$340,840	\$382,589	\$429,059	\$475,871	\$522,284	\$569,485	\$616,883
Cash incoming												
Sales	\$45,511	\$91,022	\$91,022	\$91,022	\$91,022	\$91,022	\$97,394	\$97,394	\$97,394	\$97,394	\$97,394	\$48,697
Asset sales												
Debtor receipts												
Other income	\$749	\$732	\$903	\$1,074	\$1,247	\$1,420	\$1,594	\$1,788	\$1,983	\$2,176	\$2,373	\$2,570
Total incoming	\$46,260	\$91,754	\$91,925	\$92,096	\$92,269	\$92,442	\$98,988	\$99,181	\$99,376	\$99,570	\$99,766	\$51,267
Cash outgoing												
Purchases (Stock etc)												
Accountant fees	\$150						\$150					
Solicitor fees	\$500											
Advertising & marketing												
Bank fees & charges												
Interest paid												
Telephone	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Lease/loan payments												
Motor vehicle expenses												
Repairs & maintenance												
Stationery & printing	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Membership & affiliation fees												
Licensing												
Insurance									\$595			\$595
Superannuation	\$3,863	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,863	\$3,863	\$3,863	\$3,863	\$3,863	\$3,863
Income tax	\$2,238	\$4,476	\$4,476	\$4,476	\$4,476	\$4,476	\$4,789	\$4,789	\$4,789	\$4,789	\$4,789	\$2,395
Wages (including PAYG)	\$42,917	\$41,667	\$41,667	\$41,667	\$41,667	\$41,667	\$42,917	\$42,917	\$42,917	\$42,917	\$42,917	\$42,917
More...												
Total outgoing	\$50,468	\$50,693	\$50,693	\$50,693	\$50,693	\$50,693	\$52,518	\$52,368	\$52,963	\$52,368	\$52,368	\$50,569
Monthly cash balance	-\$4,208	\$41,061	\$41,232	\$41,404	\$41,576	\$41,749	\$46,469	\$46,813	\$46,413	\$47,201	\$47,398	\$698
CLOSING BALANCE	\$175,567	\$216,628	\$257,860	\$299,264	\$340,840	\$382,589	\$429,059	\$475,871	\$522,284	\$569,485	\$616,883	\$617,582

2. Risk Reduction Strategy

2.1. Introduction

The main objective of risk reduction strategy is to allow IBA to recognize and document possible risks. It also consists of easing measures to be designed.

This is a living document which needs to be updated as and when required.

Risk reduction strategy is the sequence of actions that allow primary and frequent risk review, and assist to make sure that the business plan is on right direction to meet its objectives to provide supervision on risk minimization strategy:

- recognize risk
- categorization of the risk impacts on the business
- categorization of the probabilities of the risk taking place
- Risk minimization actions

It is important to set up limitations for the risk reduction procedure, while taking into account our risk management plan. For instance, it is normally more useful to categorize various risks, rather as compared to recognize risks for the business in general. We have identified 4 four categories of the risks: legal risks, economic risks, sales & marketing risks and human resource risks.

2.2. Audience

The risk management plan includes the following groups:

Group	Reason
Owners	Governance liability
Management Team	Functioning liability
Staff	revenues
Builders	Legal liability

2.3. Risk reduction Strategy

To ensure identification of the risks in a steady way within the company, a risk evaluation will be conducted. This will prioritize the risks to track the risks which are considered to be more important to deal with. Risk reduction strategies will be designed and observed by the project administrator. Further risks are recorded when identified.

At suitable intervals during the project cycle, risk evaluation may be conducted to re-assess the risks. For example, it would be suitable to reconsider the risks in case of company growth or initiating a large project.

2.4. Risk analyses

Risk:

Analyse the potential risks. It is recommended that it is decreased to a controllable amount, a maximum of twenty risks.

Risk probability:

Determine the range. In this case 1= minimum possibility, 5=maximum possibility

Effects of the risk:

Determine the range. In the case 1=minimum impact, 5=maximum impact

Risk consequence:

Determine the range. In the case 1= minimum risk, 5= maximum risk

Risk score:

Determine the range. In the case 1=minimum risk, 5=maximum risk

Table 1 Risk Analysis

2.5. Risk Evaluation

A simple list of activities to evaluate managerial aims and impacts is not sufficient without a detailed image of probability and warning of different probabilities. It is important to classify and group them in a proper manner for effective comparison and contrast analyses. After doing so, the probability is calculated as an extent of incidence; at the same time as, Impact in terms of expenses of viability or expenses to modify, recover or boost its resources. The final risk score is measured through the sum of these two figures.

Risk Type	Description of risk	probability	Effect	Score
Legislation fulfilment:	Alterations in regulations on commercial or fiscal matter	4	5	9
Legislation fulfilment:	Legal liability before business and Building Regulations	5	4	9
Economic management:	Lethargic increase of truly individual earnings	3	4	7
Economic management:	Large-scale economic disaster causing hesitation and conservatism	3	4	7
Legislation fulfilment:	Compliance with building codes and regulations	3	4	7
Economic management:	Complex entrance sponsorship	3	4	7

Risk Type	Description of risk	probability	Effect	Score
Legislation fulfilment:	Being connected with malfunction	3	4	7
Economic management:	Collection of receivables and doubtful accounts	3	4	7
Economic management:	Property owner-builders reducing cost	4	3	7

Table 2 Risk Evaluation

2.6. Risk treatment plan

Risk management should not be the duty of the senior manager only because legislation fulfilment and financial management categories are to be taken very seriously. That suggests that the persons in these business units must be highly experienced in those specific matters. Alleviation for the potential catastrophic consequences is as follows:

Risk: Modifications in laws on business or financial matters
Action plan: Nomination of an external expert legal advisor; specialist in Victoria's Building Regulations. Undertake training plan for team in this area

Risk: Legal liability before business and construction rules
Action plan: Management of all the documents related to insurance, licenses, signed agreements, etc.. Including a disaster Risk Reduction plan

These reasons of risk are vital for the business achievement as and the foundation behind our survival, meaning of a corporate image, it is not feasible to ignore them. Hence, that is why it is essential to face them by at first subcontracting the legal features, while a training plan in those matters is applied in order to reduce their result or incidence.

