

Feasibility Study Versus Business Plan

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RK FISCHER & ASSOCIATES OVERVIEW

RK Fischer & Associates is a business consulting and coaching firm that helps business owners increase value in their business by improving their operational and bottom line financial performance which enables them to achieve profitable growth. All of the services we provide are focused on meeting those goals for every stage of a business.

We offer and deliver our services in multiple formats in order to meet the needs of our clients and how they choose to learn through a combination of facilitation, coaching, consulting, coaching with consulting, and training. Our services assist you so you are able to focus working more "on your business". Though we are located within Southwestern Ontario, we are able to provide many of our services to businesses remotely across Canada.

As business advisors, our main focus is on owner-operated businesses who are under 150 employees. Our two partners have significant managerial and executive experience in complex businesses, such as manufacturing, hi-technology (Fintech, SaaS), business services, as well as financial services. We have worked with clients in a variety of industries from retail, construction, transportation, manufacturing, professional services, healthcare, recreation, and food & beverage to name a few. We work directly with the business owner to understand their specific business goals and challenges, so we can implement the right solutions ensuring you have continued long-term success.

We have associations and affiliations with other professionals such as lawyers, financial accountants, business brokers, business valuers, lenders, and other service providers who help us in providing you with one-stop-shopping for your business requirements.

Our goal is to bring clarity and focus to your business.

Visit us at www.rkfischer.com, to find out more about all of our offerings and how we may help you with your business, or contact us as info@rkfischer.com.

Our Partners

RUDY FISCHER

Rudy Fischer is a management accountant with a CPA, CMA designation who works closely with our clients to help them improve the financial health of their business. Management accountants focus on your financials going forward and create value for your business by combining strategic planning, performance management (financial & non-financial), and expertise in providing owners with the intelligence they need to grow their business. He will work closely with your financial accountant in understanding the financial history of your business, which is their focus.

Rudy has over 25 years' experience in the hi-technology sector in finance, manufacturing, engineering, product management and marketing disciplines. He has held executive management positions with Everlink Payment Services, Rogers Communications, Sprint Canada, Nortel Networks, Newbridge Networks and Mitel, where he was responsible for various business units.

Rudy has expertise in planning, managing, and marketing products through all stages of the product life-cycle including setting strategic direction along with the building and directing of the teams who will accomplish the necessary goals. Rudy has launched and been responsible for taking many new products to market including small business voice systems, wireless solutions, data centres, enhanced voice services, fixed mobile convergence, card payment solutions, and financial transaction acquiring solutions.

Rudy was a Board Member, Member of Audit Committee, and past Chair of the Audit Committee for the Education Credit Union in Kitchener, Ontario from 2013 to 2017. He currently is a Board Member of Southwest Regional Credit Union. He holds a designation of an Accredited Canadian Credit Union Director (ACCUD).

He volunteered prior to moving from the GTA for the BACD in Durham Region where he acted as a mentor for their clients and provided training as needed. He is a mentor for Futurepreneur.

KAREN FISCHER

Karen started RK Fischer & Associates in January of 2010 after 25 years of success in marketing, sales, channel development and general management with the hi-tech, business services and manufacturing sectors. She held management or executive management roles for companies such as Cognos, Entrust, Mitel, Siemens, and Pitney Bowes. In the last 6 years of her career before starting RK Fischer & Associates with her business partner, she held start-up Executive roles that included help with plans for financing and acquisition. Based on this experience, Karen felt that the small & medium business market was underserved by the consulting industry. She found most firms focus on larger businesses and if they do acquire a smaller client they try to implement large business methodologies in the small business, which is not a fit for most businesses under \$25M in revenues.

Karen is passionate about having the chance to help business owners whether that is through growth, increased profitability, or obtaining financing. She is happy to share her expertise and experience that she gained from her prior career with business owners to help them and their businesses flourish. Since the time she started RK Fischer & Associates, she has built strong partnerships in the GTA with other professionals that offer complementary services.

Karen is a past Member of the Board of Directors for the Business Advisory Centre of Durham Region where she held the position of Secretary/Treasurer. This is the small business centre that serves the region of Durham.

She served on the Membership, Marketing and Event Committees for the Ajax-Pickering Board of Trade and was responsible for the development of their Professional Development Series. She filled in for a semester at Durham College for a professor on leave and developed and delivered a Digital Marketing course to the Entrepreneurship Program. She also volunteered as a mentor for BACD and provides training as required.

Upon moving to Southwestern Ontario, Karen has become a Board Member for the Sarnia Lambton Chamber of Commerce and she volunteers for the Chamber on the Business After 5 Committee.

FEASIBILITY STUDY

A feasibility study looks at the following areas:

Market issues – we will work with you to map how products and services are ordered, sold/implemented and maintained. We will need to understand your target market your sales projections, pricing models, competition and your go to market strategy. We need to see exactly what inputs are needed for each step, and what the outputs produced are. We need to get a deeper understanding of the market you are addressing, the size and document this as well. The feasibility will be based on research of one geographic region/area for the business. If you require multiple regions for multiple locations, please note this is included in the price.

Organizational/technical issues – we will need to know what needs to get done within the business and who is going to do it. Also – if there are any new post-acquisition support, scalability or privacy requirements what are they and who is responsible

Financial issues – After we map out the above, this is where we put together a high-level income statement, balance sheet, and cash flow statement for your business to see if you will make money with the current model and how much over a time period.

We develop this utilizing a financial model from all the inputs provided above. This will include information from your market size, sales forecast, pricing model/margins, start-up costs, monthly/annual expenses. The financials will be included in the document, but there will be a multiple sheet Excel Workbook that is provided that can be given to a lender/investor to show exactly how the financials were produced.

This is one of our key differentiators, as this model will be able to be used by yourself in your business down the road to determine “what if” scenarios and projections. The financials generated from the information provided will generate the financial statements included in the documents. Your breakeven point will also be calculated which you will need to know in order to monitor your monthly cash flow for the business ongoing.

The financials will be mapped out over a 3-year period and looked at on a month to month basis as money comes in and out of the business. This will allow the business owner to assess what revenues he has to make to break even or remain cash flow positive based on expenses. The model is for the client as well as lender/investor use.

The feasibility study also includes recommendations based on best practices of how the business will be able to best achieve the goals outlined.

Implementation Plan

STEPS:

1. There will be detailed questionnaire provided which will be given to client ahead of time. Also, if there are initial information (such as a business plan or business strategy document), providing this in advance will help define the basis of what outstanding questions need to be asked of the client. If this is an existing business we will require 2-3 years of financial statements prepared by a professional accountant.
2. There will be a 2-4 hour working session with the client where we will validate all of the assumptions and go through and get clarification of outstanding issues.
3. There will be a spreadsheet provided to the client to fill in required financial information as the financial model is being built.
4. A final report will be provided to the client as well as a financial model for a 5-year period. We will then write up the results for delivery to you that will address:
 - a. Identifying and defining the overall business and problem that it addresses for the customer.
 - b. Identifying and defining the true potential market for the services
 - c. Identifies and defines the major blocks of the business and delivery model
 - d. Identifies and defines the key people and skill sets that are required to execute
 - e. Identifying and defining the key financial requirements to enter and maintain a presence in the market.
 - f. Identifying any potential problems and their potential solutions.

Deliverables:

- Questionnaire
- Feasibility Report and Financial Model

Client Responsibilities:

- Ability to provide answers to questions outlined in the detailed questionnaire which will be provided upon signing of the contract and delivery of the down payment.
- Participation in Workshop which will follow submission of the detailed questionnaire.
- Available to answer questions via phone or email as they come up
- Availability for the online review and quick turnaround on modifications/changes to ensure delivery ontime.

Pricing Model

Feasibility Study \$3500-\$5000 (not to exceed) + HST

All of our engagements are based on a not to exceed price based on the description outlined in the proposal.. The expectation is that the client be able to provide all of the information required concerning their business. If the information is not able to be obtained, we can perform the research necessary to obtain the information, but this is not included in the low end price of the study.

Additional Hourly Rate: \$145.00-\$160.00 an Hour + HST for Coaching and Consulting up and above Feasibility Requirements as stated in the description.

PAYMENTS:

We will require 25% down payment upon signing of contract. The rest is due upon completion of plan. If payment terms are required, we can provide this at a rate of 1.5% interest per month on outstanding balances for up to 3 months past the completion date. Post-dated cheques must be supplied. If payment terms are needed, the payment schedule can be provided at the end of the engagement.

Terms of Engagement:

- The questionnaire will be developed and provided to the client once the contract is signed (within 72 business hours).
- Once the questionnaire has been completed and returned will all the collected information – a 2 hour meeting will be set up with the client to finalize any outstanding information as well confirm an understanding of the client business.
- Once all of the information has been obtained we will require (up to) 3 weeks maximum to complete and provide the final draft. We must have all of the required information prior to developing the study and the financial model. Depending on scheduling, this can be completed sooner, but this is not known until the engagement begins as is dependent on the scheduling of the 2 partners who will be performing the majority of the work. Much is dependent on delivery of the information by the client. If obtained quickly, this date can be adjusted.
- The client will then review and provide feedback online of the final draft. We are utilizing an online tool so that any changes/comments can be made quickly and easily.
- A final PDF will be provided along with the Excel Workbook, which includes the financial model which should be given to your lender/investor.
- If your lender would like to speak to us or ask any questions, this is provided free of charge with the service. If need be, we can accompany you to meet with your banker if required.

Business Plan

The goal of a **business plan** is to document each area of your business including your business goals , your expected financials, and how you plan to achieve your goals. Every business should have a business plan that documents their business strategy and how they plan to grow and develop their business.

Our value add with the development of a **business plan** is that we develop a **financial model** based off the data from your business plan which adds credibility to the financial proforma statements when seen by a lender or investor. It also allows the client to be able to predict what if scenarios if revenues or costs in the business change.

Your **business plan** has to document and verify how you plan to meet your **financial plan**. The **financial plan** will consist of proforma statements for 5 years developed by a CPA for a start-up and for an existing business will also include 2-3 prior years of financials as well to provide a pattern of past performance to the lender.

Business Plan Includes:

- Executive Summary
- Market Analysis and Penetration
- Company Background
- Product and Services
- Go to Market Strategy / Sales Plan
- Marketing Plan
- Operations Plan
- Organizational and Management Structure
- Financial Plan and Financial Model

Implementation Plan

STEPS:

1. A questionnaire will be provided for the client to complete. If this is an existing business we will require 2-3 years of financial statements prepared by a professional accountant. The questionnaire will be provided upon signing of the contract and delivery of the down payment.

2. There will then be a 3-4 hour session with the client to confirm the information provided and to work through any information that does not exist.
3. There will be a spreadsheet provided to the client to fill in required financial information as the financial model is being built.
4. From the information developed and gleaned through the above approach, a business plan and financial model will be developed.

Deliverables:

- Questionnaire
- Business Plan
- Financial Model within Excel Spreadsheet

Client Responsibilities:

- Completion of questionnaire with as much information about the business as can be provided as well as the spreadsheet.
- Availability for initial meeting
- Availability by phone / email if there are any questions or need to have discussion about any additional information requirements. A quick turnaround is required if expected to meet any required deadlines.

Pricing Model

Business Plan \$5000-\$7500 (not to exceed) + HST

All of our engagements are based on a not to exceed price based on the description outlined in the proposal.. The expectation is that the client be able to provide all of the information required concerning their business. If the information is not able to be obtained, we can perform the research necessary to obtain the information, but this is not included in the low end price.

Additional Hourly Rate: \$145.00- \$160.00 an Hour + HST for Coaching and Consulting up and above Business Plan Engagement as stated in the description

PAYMENTS:

We will require 25% down payment upon signing of contract. The rest is due upon completion of plan. If payment terms are required, we can provide this at a rate of 1.5% interest per month on outstanding balances for up to 4 months past the completion date. Post-dated cheques must be supplied. If payment terms are needed, the payment schedule can be provided .

Terms of Engagement:

- The questionnaire will be developed and provided to the client once the contract is signed and down payment is made. (within 72 business hours).
- Once the questionnaire has been completed and returned will all the collected information – a 2 hour meeting will be set up with the client to finalize any outstanding information as well confirm an understanding of the client business.
- Once all of the information has been obtained we will require (up to) 4weeks maximum to complete and provide the final draft. We must have all of the required information prior to developing the plan and the financial model. Depending on scheduling, this can be completed sooner, but this is not known until the engagement begins as is dependent on the scheduling of the 2 partners who will be performing the majority of the work. Much is dependent on delivery of the information by the client. If obtained quickly, this date can be adjusted.
- The client will then review and provide feedback online of the final draft. We are utilizing an online tool so that any changes/comments can be made quickly and easily.
- A final PDF will be provided along with the Excel Workbook, which includes the financial model which should be given to your lender/investor along with the business plan.
- If your lender would like to speak to us or ask any questions, this is provided free of charge with the service. If need be, we can accompany you to meet with your banker or investor required.