

UNIVERSITY OF NIGERIA NSUKKA

**FACULTY OF THE SOCIAL SCIENCE
DEPARTMENT OF POLITICAL SCIENCE**

TOPIC:

BUSINESS PLAN (DRIVING SCHOOL

AN ASSIGNMENT

**WRITTEN IN PARTIAL FUFILLMENT OF THE REQUIREMENT
OF THE COURSE: CEDR**

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Executive Summary

KACHIMOTORS Driving School (KDS) offers a wide range of driver services. It is ultimately the goal of the company to be a one-stop facility for all driver needs, including registration, licensing, etc., but at this time KACHIMOTORS mainly offers private and commercial driver education in the Enugu, Enugu state. KDS is positioned as a low-cost facility with excellent service.

1.1 Objectives

The objectives over the next three years for KACHIMOTORS driving school (KDS) are the following:

- Achieve sales revenues of approximately N2.1 million by year three.

- Expand by starting up two more facilities (one in IMO state, OR and the other in ABIA state)

- Become the low cost provider of comprehensive driving education services in the Eastern part of Nigeria

1.2 Mission

The mission of KACHIMOTORS Driving School is to provide high quality, convenient and comprehensive driver education courses at the lowest cost. The most important aspect of driver education is SAFETY. It is the goal of KACHIMOTORS driving school to have graduates of our programs with the safest driving records of any other competitor in the Pacific Northwest and to exploit that reputation to create greater market share.

1.3 Keys to Success

KACHIMOTORS Driving School stands at a great moment in its history. Having achieved an enviable record of providing the lowest cost drivers education services with comparable quality for the greater Enugu area, the company is ready to expand into the Eastern part of Nigeria region. The firm plans to open two more facilities, one in IMO state and the other at ABIA state.

Six years ago, when the company was founded, the owners realized that Enugu state is a great untapped opportunity in this industry. No company in Enugu state providing what the customers truly demanded, high quality driver education at the lowest possible cost. Large companies were charging too much for their services and the local companies were not providing enough programs and services or they were poor quality. The opportunity rested in creating synergy with other organizations that were either buyers or suppliers by doing so a company could reduce costs, shut out competition, and gain market share. This has been KDS's driving strategy and winning business model since the company began. Its steady growth in a mature market has proven the company's management policy over time. Now the company is ready to expand and the keys to success over the next three years for such an endeavour are as follows:

Lower costs so that the company's gross margin increases to 66%.

Appoint a cost control officer for each of the new facilities who is responsible to the president and general manager.

Institute a comprehensive cost reduction program throughout the company.

Strengthen and pursue partnerships and strategic alliances with suppliers so as to further reduce costs.

Aggressively pursue contracts with organizations who need our services such as police departments, high schools and trucking agencies

Company Summary

KACHIMOTORS driving school Enugu state started by four individuals who saw an untapped potential in the driver education industry. This potential in creating a new low cost position while still being able to compete with the larger companies on quality. This strategy would be created through strategic alliances and partnerships of local suppliers and buyers. The company has seen steady growth in a mature market which is a sign of the firm's viable business strategy. The company has eight investors, the majority of whom are employees of the firm. KACHIMOTORS driving school is incorporated in the Enugu state transport but is domiciled in Enugu state. The company has achieved revenues of approximately N185, 000 and a gross margin of 37%. In addition, the company has achieved a customer satisfaction rate of 92%.

2.1 Company History

The company founded when ONYEDIKA OMEH, a long-time manager of driving schools and NNAMDI ODOH, a cost control manager, sought to go into business themselves. At the time, there no low-cost leader in the industry that provides comprehensive high-quality education with the most modern teaching techniques (including classroom computer simulations and testing equipment). The national chains were ignoring the fact that the customers could not recognize the difference in value that the various competitors provided, and therefore sought only the cheapest provider. On the other hand the vast number of smaller companies were not keeping up with the newest teaching techniques such as computer simulators. Finally, the Enugu state department of Transportation had recently begun to outsource many of its services such as vehicle registration to private firms. This presented a great opportunity to a company willing to take a few risks. Soon after starting Mr Kachi and Mr Nnamdi brought in edisiri Wike, a traffic safety analyst, and mr. obiora, an expert in the writing of training manuals and procedures.

During the past six years, KDS has shown steady growth, and built a number of crucial partnerships. The industry usually has very high capital costs due to gas, training equipment, and vehicle acquisition/repair. The key to low-cost leadership in this field is through special relationships with suppliers and buyers. In the past, the company has been able to acquire discounts with such firms as fortanna Gasoline stations, F & F auto repair, Pullman Printers, etc. The company has achieved revenues of approximately N746, 000 and a gross margin of 67%. In addition, the company has achieved a customer satisfaction rate of 92%

Past Performance

	1999	2000	2001
Sales	N410,000	N567,000	N746,000
Gross Margin	N246,000	N340,200	N499,820
Gross Margin %	60.00%	60.00%	67.00%
Operating Expenses	N24,000	N24,000	N65,000
Balance Sheet			
	1999	2000	2001
Current Assets			
Cash	N7,512	N5,714	N12,938
Other Current Assets	N5,000	N5,000	N2,000
Total Current Assets	N12,512	N10,714	N14,938
Long-term Assets			
Long-term Assets	N74,000	N70,000	N74,000
Accumulated Depreciation	N8,000	N10,000	N12,000
Total Long-term Assets	N66,000	N60,000	N62,000
Total Assets	N78,512	N70,714	N76,938
Current Liabilities			
Accounts Payable	N4,002	N3,974	N3,716
Current Borrowing	N5,000	N0	N0
Other Current Liabilities (interest free)	N0	N0	N0
Total Current Liabilities	N9,002	N3,974	N3,716
Long-term Liabilities	N35,000	N29,000	N23,000
Total Liabilities	N44,002	N32,974	N26,716
Paid-in Capital	N30,000	N30,000	N30,000
Retained Earnings	N4,510	N7,740	N20,222
Earnings	N0	N0	N0
Total Capital	N34,510	N37,740	N50,222
Total Capital and Liabilities	N78,512	N70,714	N76,938
Other Inputs			
Payment Days	30	30	30

2.2 Company Locations and Facilities

The company has its original facility in Enugu at 10 Achi Street Independence layout. This consists of office space, fifteen persons and 4 classrooms and numerous simulators, storage space, garage, and an outdoor driving course. The facilities are very modern and comfortable, making it a relaxing atmosphere for students.

2.3 Company Ownership

The company has eight investors, the majority of whom are employees of the firm. Together they own 100% or 50 privately owned shares of the company. KACHIMOTORS driving school is incorporated in Enugu state and obliged to perform under that state's rules. By the rules of the company's charter, no investor can trade, sell or dispose of any shares without first informing the board of directors.

Services

KACHIMOTORS driving school offers a wide range of services as outlined in the detailed sections below. It is ultimately the goal of the company to offer a one-stop facility for all driver needs, including registration, licensing, etc. In this Enugu state the company could offer greater perceived value for the customer that he or she could use for their entire driving career.

The industry is highly competitive with suppliers having a great deal of power in setting and negotiating the prices of their products and services to driving schools. In addition, because the customers see the service as undifferentiated and a "commodity" with little value separation between competitors, buyer power is also very high. Finally, the barriers to entry are moderately low, and the large number of competitors in this field, including substitutes (such as in-house training at institutions like high schools), mean that the pricing for such services are very competitive.

KACHIMOTORS driving school hires trained and certified instructors who provide all the teaching services. In addition, the company has a fleet of ten cars (both manual and automatic transmission) and five computer simulators that are used to train clients. Each of these pieces of equipment are maintained regularly and are replaced every few years to keep up with technology and to provide a high quality look to the company.

The company is preparing plans to launch a new commercial driver's training program that will provide greater margins than the ordinary operators or driver improvement programs. In addition, the company is negotiating with the Enugu state DOT to have an outreach office placed within our facilities to provide the one-stop driver "superstore" that management envisions.

3.1 Service Description

KACHIMOTORS Drivers School provides a wide range of state-certified courses and services. These include:

- Adult evening and noon classes for the busy working individual.
- Street safe courses.
- Court approved defensive driving courses for those people looking to reduce traffic fines.

- Brush up courses.

Each course requires that the student purchase their own reading and studying material and can last up to five weeks for the beginner student. Other courses range from two to four weeks. Instructors are required to have certain hours of the week made available for student questions and issues.

3.2 Competitive Comparison

The driver education industry is highly competitive. Each company within this field has high capital costs, low margins, and a high intensity of competition.

Suppliers have a great deal of power in setting and negotiating the prices of their products and services to driving schools. This is due to the fact that the suppliers who absorb the greatest amounts of cash from driving schools are large petroleum and auto manufacturer companies. These companies are more consolidated than the driving school industry, have deeper pockets, an almost limitless number of substitute customers, and finally they are the single most important supplier to KDS's industry. Therefore, these companies can set whatever price they wish to. It has been KDS's strategy to ease this issue by forming special partnerships with potential suppliers through symbiotic relationships and to seek new and unorthodox Enugu state to acquire such supplies. For instance, the company now has an excellent relationship with Fontana gasoline stations that provide us with a discount on all fuel purchased. In turn, we provide the company with an expanded avenue of marketing.

In addition, because the customers see the service as undifferentiated and a "commodity" with little value separation between competitors, buyer power is also very high. Market research conducted between January and August 1996 has shown that although the quality and services of driver education companies can vary quite a bit, the customer does not perceive this as a serious issue when seeking driver education services. In fact there is still a significant portion of the population that learn from informal sources such as relatives. Additionally, the costs of our services are not cheap, and buyers are willing to search for the most favourable combination of price and acceptable service.

The barriers to entry and exit are moderately low in this industry. Switching costs are virtually non-existent and the costs to entry and exit the market are low. However, the advantages of producing at high volume and reaping the benefits of economies of scale are quite attractive.

The large number of competitors in this field, including substitutes such as in house training at institutions like high schools, mean that the pricing for such services are very competitive. The only advantage in this industry is a low-cost leadership principal applied aggressively to all aspects of the business.

3.3 Fulfilment

KACHIMOTORS driving school hires trained and certified instructors who provide all the teaching services. In addition, the company has a fleet of ten cars (both manual and automatic transmission) and five computer simulators that are used to train clients. It is planned that each facility will have the same number and type of equipment. Each of these pieces of equipment are maintained regularly and are replaced every few years to keep up with technology and to provide a high-quality look to the company.

3.4 Technology

The technological revolution in computers has enhanced our abilities to teach. KDS has remained on the cutting edge by instituting the use of computer simulators and remote Web-accessed study material. The company will continue to seek new Enugu state to provide a better and more convenient teaching environment through technology. The virtual class room is a thing of the near future, and we are positioning ourselves to be among the first who will provide such services.

3.5 Future Services

The company is in the process of launching a new division for the Enugu office that will encompass training classes for commercial driver's licenses and motorcycle licenses. These services will include comprehensive indoor training classes, job placement assistance for truck and bus drivers, and rented vehicles to practice with, and use for license testing. This program will be launched in 3rd quarter 2018. Depending on its success, management plans to incorporate this program into all the field offices by 3rd quarter 2019.

In addition, KACHIMOTORS driving school is exploring the possibility of integrating an Enugu state DMV outreach office within our facilities. Placed directly within our offices, this would offer a complete one-stop package for the customers who would be able to get licenses, registration, records and all other services a normal DMV could provide.

Market Analysis Summary

Just about every individual in this country needs driving education at one point or another in their lives. Therefore the potential market for KDS consists of every person age 15 and above in our geographical area of Enugu, ENUGU STATE. We segment this market into a series of groups based on their individual needs and different demographics. These segments are:

Beginner drivers.

Adult drivers.

Drivers under court order.

High schools.

Commercial drivers.

Each of these groups are mentioned in more detail in the market segmentation section. Although KDS does not offer services for commercial drivers just yet, since this will be part of our business in the future, it is included here.

Each group has different needs based on lifestyle and past driving experience. Many of our adult drivers are people with tight work schedules who can only devote time for driver education at lunch hours and in the evenings. They often need brush up courses or defensive driver courses. For these individuals KDS has compressed courses designed to get the driver back onto the street quickly but safely.

For our beginner drivers, the majority of whom are teenagers, we offer courses both in the summertime, after school and AT their school. These course are usually longer, and devote more time to the mechanics of driving than the adult classes.

Finally, our future commercial drivers segment will require courses that are more technical in nature, most detailed and last the longest. Furthermore, many of the students will be able to take the classes during normal working hours. For these students, a more detailed syllabus with the best instructors is necessary.

4.1 Market Segmentation

Each group has different needs based on lifestyle and past driving experience. Many of our adult drivers are people with tight work schedules who can only devote time for driver education at lunch hours and in the evenings. We have designed classes that meet such needs. In addition, unlike our young students, many of the adults are pre-existing drivers who either need brush up courses, defensive driver courses or are required to take a course due to traffic violations. For these individuals KDS has compressed courses designed to get the driver back onto the street quickly but safely. These courses concentrate more on the rules of the road than on driving skills.

For our beginner drivers, the majority of whom are teenagers, we offer courses both in the summertime, after school and AT their school. These course are usually longer, and devote more time to the mechanics of driving than the adult classes. The high school segment falls under this larger category. It is separated out from the others since they are "corporate" customers who often bid for and negotiate contracts. Please note that in the Market Segmentation table, the numbers for the category "High School" denotes the estimated number of students, not schools.

Finally, our future commercial drivers segment will require courses that are more technical in nature, most detailed and last the longest. Furthermore, many of the students will be able to take the classes during normal working hours. For these students, a more detailed syllabus with the best instructors is necessary.

Market Analysis

Potential Customers	Growth	2017	2018	2019	2020	2021	CAGR
Beginner drivers (non teenagers)	1%	80,000	80,640	81,285	81,935	82,590	0.80%
Adult drivers	1%	68,000	68,510	69,024	69,542	70,064	0.75%

Drivers under court order	2%	300,000	305,400	310,897	316,493	322,190	1.80%
High schools	3%	625,000	642,500	660,490	678,984	697,996	2.80%
Commercial drivers	3%	40,000	41,280	42,601	43,964	45,371	3.20%
Total	2.28%	1,113,000	1,138,330	1,164,297	1,190,918	1,218,211	2.28%

4.2 Service Business Analysis

This section is covered in the Competitive Comparison section of the Plan.

4.2.1 Competition and Buying Patterns

This industry is highly seasonal. Most of our students attend classes during the fall or spring, with winter being the slowest months. The summer sees a good number of students seeking our services, but not as many as in spring or fall.

Most customers of driver education services discover their provider through some form of referral, such as another education institution, the state DOT, or something else. For this reason, KDS and other providers seek to make as many contacts in the community as possible.

4.2.2 Main Competitors

As stated elsewhere, KDS's major national competitors are Sears Driver Education Schools and Defensive Driving, Inc. These companies together hold about 45% market share, while the rest is taken up by the "mom and pop" outfits.

4.2.3 Business Participants

As stated earlier, the driver education industry is fragmented into two different types of businesses. The largest group consist of the "mom and pop" type of company that is very local, with low capitalization, and ranges in quality of education from poor to excellent.

The other group consists of a very few regional or national companies such as Sears driver Education School and Defensive Driving. These competitors are well funded, have excellent facilities and services and high quality. The two companies listed above are KDS's major competitors in the Enugu area. These companies often try to buy out smaller competitors and therefore consolidate the market.

Strategy and Implementation Summary

The following subsections outline the marketing, pricing and promotion strategies, and competitive edges for KACHIMOTORS Driving School.

5.1 Marketing Strategy

At the moment, the company is focusing on its core market segment, the beginner students. This means creating closer ties with school districts and pursuing those contracts. In addition, the company is focusing on Web, magazine, newspaper and TV advertisements, all with a teen focus. Starting next year, KDS hopes to have some form of advertisements or booths within shopping malls frequented by our target market.

With the company's expansion, we have focused on creating a detailed report on the lifestyles of our target market to further hone our marketing efforts. With this report we will be able to go for Enugu state with the best possible client organizations and partnerships to promote sales and to fill our classes to capacity.

5.1.1 Pricing Strategy

KDS prices its services based on the accumulated total cost to provide such services and then adds on a flat profit margin to arrive at a final net profit/sales ratio of 7%. In Enugu state, the government regulates how much a company can charge for classes where the student must attend to remove, or reduce, some form of traffic violation. This margin is 4%. Therefore we usually see much lower sales figures for this category.

5.1.2 Promotion Strategy

Currently about half of KDS's sales promotions are through information-related media such as the Web, Yellow Pages, teen magazines, social medias(whatsapp, facebook, twitter, snapchat etc) TV, etc. The other half is done through creating a network of referrals and other relations to provide information to prospective students. It is with this latter method that the company uses its own printed literature. Often our strategic partners are passing out our literature or providing discounts on our services. Reciprocity is key here and KDS also provides literature/discounts on its partners to every incoming student. The company collects testimonials from as many students as possible to use in its campaign. Every three to six months, depending on the type of media used, or relationship sought, the company reviews the effectiveness of the promotion tool and determines its viability.

5.2 Competitive Edge

KDS possesses two competitive edges in relation to its rivals. The first one is its excellent ability to create strategic alliances that reduce costs and allow it to become the low-cost provider and create its vision of the one-stop driver support center. In addition the company has a very aggressive marketing executive in the person of Ugwu James, whose goal is to proactively discover how best to provide our services, when to provide them, and where to provide them. Mr. James work has spawned new service ideas such as Driver's Housecalls, a program that is now being evaluated where a driver educator could provide hands on teaching at a person's home. Other ideas such as this are also in the works to improve service as much as possible.

Strategic Alliances

Sales Forecast

	2017	2018	2019
Sales			
Adult drivers	N223,000	N253,164	N281,012
Beginner drivers	N285,000	N312,075	N346,403
Drivers under court order	N171,388	N187,670	N208,314
High schools	N324,650	N355,492	N394,596
Commercial drivers	N0	N0	N12,000
Total Sales	N1,004,038	N1,108,401	N1,242,325
Direct Cost of Sales	2017	2018	2019
Adult drivers	N89,200	N88,607	N95,544
Beginner drivers	N114,000	N109,226	N117,777
Drivers under court order	N68,555	N65,684	N70,827
High schools	N129,860	N124,422	N134,163
Commercial drivers	N0	N0	N4,080
Subtotal Direct Cost of Sales	N401,615	N387,940	N422,390

Management Summary

KDS has a great management staff that provides comprehensive direction for the company's day-to-day operations and for its future planning. This included Mr. Onyedikachi Omeh, the president and general manager, the marketing executive, Ugwu James, Ekpe Kenechukwu, the company's controller, and the two individuals responsible for education planning and coordination, Edisir Wikes and Bartho Ndudim. Each of these individuals, with the exception of Mr. James, has been with the company from the beginning and are principal shareholders. The company functions with a hierarchical structure with each manager heading up a department or section and answerable to Mr Onyedikachi Omeh, Mr. Thomas is responsible for managing each of the individual educators.

7.1 Personnel Plan

The company's expansion to include two additional offices will put a great deal of strain on the company's existing management. Each of the company's four principal officers, with the exception of the marketing coordinator and the controller, are expected to become the facilities manager for each of the existing or proposed sites, along with their current duties. At this time management does not feel comfortable with hiring new managers for these positions. Once the profitability of each site becomes apparent, the general manager will determine the need to add on additional personnel.

Personnel Plan

	2017	2018	2019
President and General Manager	N48,000	N48,000	N48,000
Controller	N48,000	N48,000	N48,000
Education Planner	N36,000	N48,000	N48,000
Education Coordinator	N36,000	N48,000	N48,000
Facilities Mangers	N0	N35,000	N35,000
Office Manager	N24,000	N36,000	N36,000
Marketing Executive (Contract work)	N15,000	N15,000	N15,000
Educators	N128,500	N180,000	N250,000
Total People	15	20	26
Total Payroll	N335,500	N458,000	N528,000

Financial Plan

The following subsections outline the financial plan for KACHIMOTORS Driving School.

8.1 Break-even Analysis

The company's Break-even Analysis is based on the company's running costs, including payroll, and its present fixed costs, not including the expenses associated with the firm's planned expansion.

Break-even Analysis

Monthly Revenue Break-even	N74,087
Assumptions:	
Average Percent Variable Cost	40%
Estimated Monthly Fixed Cost	N44,452

8.2 Projected Profit and Loss

Pro Forma Profit and Loss

	2017	2018	2019
Sales	N1,004,038	N1,108,401	N1,242,325

Direct Cost of Sales	N401,615	N387,940	N422,390
Other Production Expenses	N0	N0	N0
Total Cost of Sales	N401,615	N387,940	N422,390
Gross Margin	N602,423	N720,460	N819,934
Gross Margin %	60.00%	65.00%	66.00%
Expenses			
Payroll	N335,500	N458,000	N528,000
Sales and Marketing and Other Expenses	N52,000	N58,000	N66,000
Depreciation	N3,200	N5,000	N5,000
Leased Equipment	N22,000	N16,000	N10,000
Utilities	N4,600	N8,000	N8,000
Insurance	N13,800	N14,400	N14,400
Rent	N52,000	N72,000	N72,000
Payroll Taxes	N50,325	N68,700	N79,200
Other	N0	N0	N0
Total Operating Expenses	N533,425	N700,100	N782,600
Profit Before Interest and Taxes	N68,998	N20,360	N37,334
EBITDA	N72,198	N25,360	N42,334
Interest Expense	N1,975	N1,400	N800
Taxes Incurred	N20,107	N5,688	N10,960
Net Profit	N46,916	N13,272	N25,574
Net Profit/Sales	4.67%	1.20%	2.06%

8.3 Projected Cash Flow

	2017	2018	2019
Cash Received			
Cash from Operations			
Cash Sales	N1,004,038	N1,108,401	N1,242,325
Subtotal Cash from Operations	N1,004,038	N1,108,401	N1,242,325
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	N0	N0	N0
New Current Borrowing	N0	N0	N0
New Other Liabilities (interest-free)	N0	N0	N0
New Long-term Liabilities	N0	N0	N0
Sales of Other Current Assets	N0	N0	N0
Sales of Long-term Assets	N0	N0	N0
New Investment Received	N0	N0	N0
Subtotal Cash Received	N1,004,038	N1,108,401	N1,242,325
Expenditures	2017	2018	2019
Expenditures from Operations			
Cash Spending	N335,500	N458,000	N528,000

Bill Payments	N554,858	N647,453	N679,508
Subtotal Spent on Operations	N890,358	N1,105,453	N1,207,508
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	N0	N0	N0
Principal Repayment of Current Borrowing	N0	N0	N0
Other Liabilities Principal Repayment	N0	N0	N0
Long-term Liabilities Principal Repayment	N6,000	N6,000	N6,000
Purchase Other Current Assets	N0	N0	N0
Purchase Long-term Assets	N0	N0	N0
Dividends	N0	N40,000	N40,000
Subtotal Cash Spent	N896,358	N1,151,453	N1,253,508
Net Cash Flow	N107,680	(N43,052)	(N11,183)
Cash Balance	N120,618	N77,566	N66,383

8.4 Projected Balance Sheet

Pro Forma Balance Sheet

	2017	2018	2019
Assets			
Current Assets			
Cash	N120,618	N77,566	N66,383
Other Current Assets	N2,000	N2,000	N2,000
Total Current Assets	N122,618	N79,566	N68,383
Long-term Assets			
Long-term Assets	N74,000	N74,000	N74,000
Accumulated Depreciation	N15,200	N20,200	N25,200
Total Long-term Assets	N58,800	N53,800	N48,800
Total Assets	N181,418	N133,366	N117,183
Liabilities and Capital	2017	2018	2019
Current Liabilities			
Accounts Payable	N67,280	N51,956	N56,199
Current Borrowing	N0	N0	N0
Other Current Liabilities	N0	N0	N0
Subtotal Current Liabilities	N67,280	N51,956	N56,199
Long-term Liabilities	N17,000	N11,000	N5,000
Total Liabilities	N84,280	N62,956	N61,199
Paid-in Capital	N30,000	N30,000	N30,000
Retained Earnings	N20,222	N27,138	N410
Earnings	N46,916	N13,272	N25,574

Total Capital	N97,138	N70,410	N55,984
Total Liabilities and Capital	N181,418	N133,366	N117,183
Net Worth	N97,138	N70,410	N55,984

8.5 Business Ratios

The industry business ratios given in the table are those for vocational schools based on the Standard Industrial Classification (SIC) code 8299. Most of the ratios are similar to our own. The only major difference between our company and others is our reliance on long-term assets. This is due to having the majority of our investment in a fleet of cars. Overall the ratios reflect a healthy and growing company with few danger signs.

Ratio Analysis

	2017	2018	2019	Industry Profile
Sales Growth	34.59%	10.39%	12.08%	9.50%
Percent of Total Assets				
Other Current Assets	1.10%	1.50%	1.71%	44.20%
Total Current Assets	67.59%	59.66%	58.36%	70.80%
Long-term Assets	32.41%	40.34%	41.64%	29.20%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	37.09%	38.96%	47.96%	52.10%
Long-term Liabilities	9.37%	8.25%	4.27%	12.40%
Total Liabilities	46.46%	47.21%	52.22%	64.50%
Net Worth	53.54%	52.79%	47.78%	35.50%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	60.00%	65.00%	66.00%	n.a
Selling, General & Administrative Expenses	55.33%	63.80%	63.94%	74.00%
Advertising Expenses	1.54%	2.26%	2.82%	4.60%
Profit Before Interest and Taxes	6.87%	1.84%	3.01%	2.40%

Main Ratios

Current	1.82	1.53	1.22	1.30
Quick	1.82	1.53	1.22	1.08
Total Debt	46.46%	47.21%	52.22%	64.50%

to Total Assets				
Pre-tax Return on Net Worth	69.00%	26.93%	65.26%	4.60%
Pre-tax Return on Assets	36.94%	14.22%	31.18%	13.00%
Additional Ratios	2017	2018	2019	
Net Profit Margin	4.67%	1.20%	2.06%	n.a
Return on Equity	48.30%	18.85%	45.68%	n.a
Activity Ratios				
Accounts Payable Turnover	9.19	12.17	12.17	n.a
Payment Days	27	34	29	n.a
Total Asset Turnover	5.53	8.31	10.60	n.a
Debt Ratios				
Debt to Net Worth	0.87	0.89	1.09	n.a
Current Liab. to Liab.	0.80	0.83	0.92	n.a
Liquidity Ratios				
Net Working Capital	N55,338	N27,610	N12,184	n.a
Interest Coverage	34.94	14.54	46.67	n.a
Additional Ratios				
Assets to Sales	0.18	0.12	0.09	n.a
Current Debt/Total Assets	37%	39%	48%	n.a

Acid Test	1.82	1.53	1.22	n.a
Sales/Net Worth	10.34	15.74	22.19	n.a
Dividend Payout	0.00	3.01	1.56	n.a

Sales Forecast

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales												
Adult drivers	0 N14,000	N14,000	N14,000	N14,000	N14,000	N20,000	N20,000	N20,000	N24,000	N25,000	N21,000	N23,000
Beginner drivers	0 N18,000	N18,000	N18,000	N18,000	N18,000	N24,000	N24,000	N24,000	N28,000	N26,000	N33,000	N36,000
Drivers under court order	0 N11,500	N11,500	N11,500	N11,500	N11,500	N14,000	N14,000	N14,000	N17,000	N18,000	N18,800	N18,000
High schools	0 N20,850	N20,850	N20,850	N20,850	N20,850	N25,000	N25,000	N25,000	N41,700	N41,700	N31,000	N31,000
Commercial drivers	0 N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Total Sales	N64,350	N64,350	N64,350	N64,350	N64,350	N83,000	N83,000	N83,000	N110,700	N110,700	N103,888	N108,000
Direct Cost	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Pro Forma Profit and Loss

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	N64,350	N64,350	N64,350	N64,350	N64,350	N83,000	N83,000	N83,000	N110,700	N110,700	N103,888	N108,000
Direct Cost of Sales	N25,740	N25,740	N25,740	N25,740	N25,740	N33,200	N33,200	N33,200	N44,280	N44,280	N41,555	N43,200
Other Production Expenses	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Total Cost of Sales	N25,740	N25,740	N25,740	N25,740	N25,740	N33,200	N33,200	N33,200	N44,280	N44,280	N41,555	N43,200
Gross Margin	N38,610	N38,610	N38,610	N38,610	N38,610	N49,800	N49,800	N49,800	N66,420	N66,420	N62,333	N64,800
Gross Margin %	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Expenses												
Payroll	N24,750	N24,750	N24,750	N24,750	N24,750	N30,250	N30,250	N30,250	N30,250	N30,250	N30,250	N30,250
Sales and Marketing and Other Expenses	N2,900	N2,900	N2,900	N2,900	N2,900	N4,500	N4,500	N4,500	N6,000	N6,000	N6,000	N6,000
Depreciation	N200	N200	N200	N200	N200	N200	N200	N200	N400	N400	N400	N400
Leased Equipment	N0	N0	N0	N0	N0	N2,000	N2,000	N2,000	N4,000	N4,000	N4,000	N4,000

Long-term Liabilities												
Sales of Other Current Assets	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Sales of Long-term Assets	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
New Investment Received	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Subtotal Cash Received	N64,350	N64,350	N64,350	N64,350	N64,350	N83,000	N83,000	N83,000	N110,700	N110,700	N103,888	N108,000
Expenditures	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditures from Operations												
Cash Spending	N24,750	N24,750	N24,750	N24,750	N24,750	N30,250	N30,250	N30,250	N30,250	N30,250	N30,250	N30,250
Bill	N4,9	N36,5	N36,	N37,	N37,	N38,	N50,	N50,	N51,	N71,1	N71,0	N67

Current
Assets

Cash	N12,938	N47,103	N49,645	N52,144	N53,292	N54,443	N68,319	N69,801	N71,286	N99,794	N108,569	N110,666	N120,618
Other Current Assets	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000	N2,000
Total Current Assets	N14,938	N49,103	N51,645	N54,144	N55,292	N56,443	N70,319	N71,801	N73,286	N101,794	N110,569	N112,666	N122,618

Long-term
Assets

Long-term Assets	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000	N74,000
Accumulated Depreciation	N12,000	N12,200	N12,400	N12,600	N12,800	N13,000	N13,200	N13,400	N13,600	N14,000	N14,400	N14,800	N15,200
Total Long-term Assets	N62,000	N61,800	N61,600	N61,400	N61,200	N61,000	N60,800	N60,600	N60,400	N60,000	N59,600	N59,200	N58,800
Total Assets	N76,938	N110,903	N113,245	N115,544	N116,492	N117,443	N131,119	N132,401	N133,686	N161,794	N170,169	N171,866	N181,418

Liabilities
and Capital

Current
Liabilities

Accounts Payable	N3,716	N35,339	N35,337	N36,687	N36,684	N36,681	N49,076	N49,073	N49,070	N68,803	N68,800	N64,978	N67,280
Current Borrowing	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Other Current Liabilities	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0	N0
Subtotal Current Liabilities	N3,716	N35,339	N35,337	N36,687	N36,684	N36,681	N49,076	N49,073	N49,070	N68,803	N68,800	N64,978	N67,280
Long-term Liabilities	N23,000	N22,500	N22,000	N21,500	N21,000	N20,500	N20,000	N19,500	N19,000	N18,500	N18,000	N17,500	N17,000
Total Liabilities	N26,716	N57,839	N57,337	N58,187	N57,684	N57,181	N69,076	N68,573	N68,070	N87,303	N86,800	N82,478	N84,280

													80
Paid-in Capital	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000	N30,000
Retained Earnings	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222	N20,222
Earnings	N0	N2,842	N5,687	N7,135	N8,586	N10,039	N11,821	N13,606	N15,394	N24,269	N33,147	N39,166	N46,916
Total Capital	N50,222	N53,064	N55,909	N57,357	N58,808	N60,261	N62,043	N63,828	N65,616	N74,491	N83,369	N89,388	N97,138
Total Liabilities and Capital	N76,938	N110,903	N113,245	N115,544	N116,492	N117,443	N131,119	N132,401	N133,686	N161,794	N170,169	N171,866	N181,418
Net Worth	N50,222	N53,064	N55,909	N57,357	N58,808	N60,261	N62,043	N63,828	N65,616	N74,491	N83,369	N89,388	N97,138