

GADGET ELECTRONICS MAN

Business Plan

Electronics

April 11, 2023

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<https://gadgetmanelectronics.wixsite.com/gadgetmanelectronics>

Executive Summary

At GadgetManElectronics, we thrive to provide our customers with the best screen protectors and power banks. Our company consists of Kingston, our web designer, project manager, and social media manager, and me, Yan Cheng as an accountant, customer service manager, and as representative moderator. We are business partners of this company and split profits evenly. My job as an accountant requires me to keep track of our companies profits and losses. As the customer service manager, I reply to customers' questions and guide customers to purchase our products. Being representative moderator, I am required to approve or reject any company plans and manage our store displays and sales.

Financial Plan

Our company projects a 50% profit increase when we release our new product. The new products we will be releasing are RGB Light kits and RGB computer input devices. We foresee the products will thrive and earn big for us in the future. A majority of our customers who have previously purchased our products express their interest in light kits and accessories that can illuminate their bedroom or PC setup. Although we have had sales, our company still does not have an ideal profit. We can resolve this issue by selling our remaining inventory we could not sell and selling our new product.

P&L Statement:

GadgetManElectronics		
https://gadgetmanelectroni.wixsite.com/gadgetmanelectronics		
Profit & Loss Statement		
for the period of Jan 31 2023 to April 11 2023		
Income		
Sales	\$30.00	
Services	\$0.00	
Other Income	\$0.00	
Total Income		\$30.00
Expenses		
Accounting	\$0.00	
Advertising	\$0.00	
Assets - Small	\$0.00	
Bank Charges	\$0.00	
Depreciation	\$0.00	
Electricity	\$0.00	
Hire of Equipment	\$20.00	
Insurance	\$0.00	
Interest	\$0.00	
Motor Vehicle	\$0.00	
Office Supplies	\$0.00	
Postage & Printing	\$0.00	
Rent	\$0.00	
Repairs & Maintenance	\$0.00	
Stationery	\$0.00	
Subscriptions	\$0.00	
Telephone	\$0.00	
Training / Seminars	\$0.00	
Wages & Oncosts	\$0.00	
Total Expenses		\$20.00
Profit / (Loss)		\$10.00

Cash Flow:**Cash Flow Statement****GadgetManElectronics Business Cash Flow Statement****January 31, 2023 - April 11, 2023**

Beginning Cash Balance	\$ 20.00	
Cash In		
	Amount	
<u>Sales</u>	<u>\$ 30.00</u>	
	Total Cash In	\$ 30.00
	Total Cash In + Beginning Cash Balance	\$ 50.00
Cash Out		
Cash Out		
	Amount	
<u>Cost</u>	<u>\$ 20.00</u>	
	Total Cash Out	\$ 10.00
Ending Cash Balance	\$ 10.00	

Balance Sheet:

GadgetManElectronics BALANCE SHEET

ASSETS	Jan 31, 2023	April 11, 2023	LIABILITIES AND OWNER'S EQUITY	Jan 31, 2023	April 11, 2023
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	\$20		Accounts Payable	\$0	
Accounts Receivable			Short-Term Loans	\$0	
Inventory			Income Taxes Payable	\$0	
Prepaid Expenses			Accrued Salaries and Wages	\$0	
Short-Term Investments			Unearned Revenue		
Total Current Assets	\$20	\$0	Current Portion of Long-Term Debt		
FIXED (LONG-TERM) ASSETS			Total Current Liabilities	\$0	\$0
Long-Term Investments	\$0		LONG-TERM LIABILITIES		
Property, Plant, and Equipment	\$0		Long-Term Debt	\$0	
(Less Accumulated Depreciation)	\$0		Deferred Income Tax	\$0	
Intangible Assets			Other	\$0	
Total Fixed Assets	\$0	\$0	Total Long-Term Liabilities	\$0	\$0
OTHER ASSETS			OWNER'S EQUITY		
Deferred Income Tax	\$0		Owner's Investment	\$20	
Other	\$10		Retained Earnings	\$0	
Other	\$0		Other		
Total Other Assets	\$10	\$0	Total Owner's Equity	\$20	\$0
Total Assets	\$30	\$0	Total Liabilities and Owner's Equity	\$20	\$0
COMMON FINANCIAL RATIOS	January 31, 2023	April 11, 2023			
Debt Ratio (Total Liabilities / Total Assets)	0.00				
Current Ratio (Current Assets / Current Liabilities)					
Working Capital (Current Assets / Current Liabilities)	\$20	\$0			
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	1.50				
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	0.00				

Operation Milestones and Risks

The delivery of all our products are handled with care and caution. We ensure that we give customers the product in the best shape and condition. We purchase our product through Amazon.ca as we have access to Amazon Prime and can guarantee a delivery no more than 2 working days. The goal we have set ourselves is to thrive in the electronics business and earn more than our starting budget. Success can come with connections and finding the people with purchasing power. Advertisements and promotion can also play a part in our sales, but we are confident in selling our product using our own concepts of marketing. We believe our business is on the right track as our company's products attract many students and interest has slowly risen in our favor. Sales have started high in our opinion, so this also factors into our confidence of being on the right track.

Assumptions and Risks

Starting the company, we have already taken multiple risks.

I. More Supply than Demand

We have over estimated the demand of our product as we assumed that the product would be of high interest and find secondary buyers. Having to struggle to sell off our current inventory, we face an issue of not keeping inventory in our storage. Due to the variety of phone brands and models people use, we are required to list the product as "Pre-Order" on our company website. Our plan for our mistake will be to continue to look for buyers or set the products on clearance sale.

II. Wasted Time on Product

Our two sales have both been from selling screen protectors. We assume and still assume our choice of adding a power bank to our product lineup is relevant, but the fact that our customers lack purchasing power, we cannot continue the sales and are forced to think of an alternative product to sell.

Target Market and Competition

GadgetManElectronics company products focus on targeting young customers which fits our current situation of being a school run project company. Our company does not have a main competitor in the school, but we struggle keeping our customers from buying from big online electronic companies eg. Amazon, Best Buy, Walmart. We try to deter this by explaining to customers that our profit will be going to a good cause for the school.

Marketing and Sales (Product)

Our company profit margin is \$10 as our profit has been \$30 and cost is \$20. The listing price of our products is not set high relative to the product cost as the cost is already very high. We put up posters in various parts of the school and host some mini games to promote our company. The product we receive to sell is already in good condition when received which gives us less work to package.

Problem and Solution:

Problems	Solutions
<ul style="list-style-type: none"> • Screen protector and power bank prices are set too high on our company website. • Most customers and people who did our survey currently do not have a broken screen on their phone. • Most customers and people who did our survey do not have a broken screen protector. • No sales on power banks and low interest from customers regarding power banks. • Mixed responses on feedback from customers and mixed feelings from people who did our survey. • Struggling company income and cash flow. • Making our Brand known to the entire school or majority of the school. • Competition against big and well known brands. 	<ul style="list-style-type: none"> • Reduce prices/add discounts and promotional offers to our company website to attract the customers attention. • Sell screen protectors to them and guarantee that screen protectors can protect the phone screen from cracks and scratches. • Sell replacement screen protectors to them and guarantee that screen protectors can protect the phone screen from cracks and scratches. • Keep promoting the power banks or move on and introduce new ideas to our product lineup. • Respond to our customers/people who did our survey and open up to more products • We can continue to promote our products to gain more sales to support our company. • Continue to advertise our company by putting attractive posters around the school. • Give better and more attractive deals to customers.

Conclusion

In conclusion, our company still has a lot of aspects to work on. We still have enough time to make our company what we foresee, a successful, popular, great business. In terms of finance, we will work to earn big in the coming future. We feel that our company has already taken enough risks and will not continue to take more. Now is the time to start playing safe and let the profits slowly roll in.

Goals

1. Add new products to the company product lineup.
 2. Start earning as much as we possibly can.
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