

Energy Consultant

Jacobs Consulting

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The major component of Jacobs Consulting will be the ability to centralize the contact points for business customers to contact a firm that specializes in energy consultation.

EXECUTIVE SUMMARY

Jacobs Consulting was formed by James Jacobs as a result of increased requests from clients who needed consultants that focused on energy-related services and advice.

During the past five years, businesses have started thinking more about the energy sector on a daily basis. In 2008, oil hit \$140 per barrel and this left a lot of businesses' budgets and profits in the sink. The price of energy immediately hit the bottom line of the balance sheet in ways never seen before. Jacobs Consulting saw a way to fill this market need by setting up a consulting firm that provides advisory services to businesses in all sectors and in all regions of North America and the world. The business of Jacobs Consulting will be established to allow consultants in any region or country to join as a co-consultant or affiliate. It will also allow existing consulting firms to brand our services into their business and act as an extension to us and the services that we offer.

MARKETING & SALES

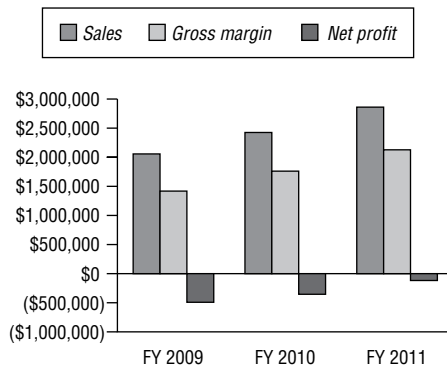
Jacobs Consulting's Sales Forecasts for 2009–2011

- 2009 = \$2,301,969 with net cash flow of \$720,048
- 2010 = \$2,764,524 with net cash flow of \$320,006
- 2011 = \$2,975,439 with net cash flow of \$61,041

Total borrowing of \$900,000 and an investment by the owner of \$100,000.

ENERGY CONSULTANT

Highlights



OBJECTIVES

Jacobs Consulting will be set up to sell *green technology services* to business customers. Our objective is to make money by selling our *green advisory services* to business customers. Using our advice will allow business owners to save money in their businesses by using green power and technologies.

We will position our business to be the industry leader within five years of operation.

Mission

Jacobs Consulting's mission will be to provide the best-in-class consulting services to our customers. We will hire the best-in-class consultants to work closely with our business customers.

Our goal, as well our mission, is to be profitable in our first year of operation.

Keys to Success

The keys to success for Jacobs Consulting are as follows:

- Hiring the right consultants who have the background that meets the needs of our business customers.
- Contracting with government agencies who have the responsibility to manage the green technology and promoting it.
- Insuring business decision-makers have the correct information that will allow for them to make correct decisions when it comes to green business and profit.

OPERATIONS

Jacobs Consulting will be 100 percent owned by James Jacobs, while each consultant that works for Jacobs Consulting will be an independent consultant and be paid based on the work they do for the company. None of the consultants or firms who contract with Jacobs Consulting will be an employee. Jacobs Consulting will be set as a corporation with limited liability to protect them. Each consultant hired will be an independent consultant and not an employee of the company; this reduces the payroll for our company, yet allows for us to have in-depth market reach.

Start-up Summary

The major component of Jacobs Consulting will be the ability to centralize the contact points for business customers to contact a firm that specializes in energy consultation.

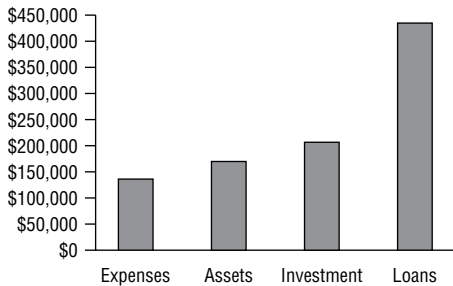
The start-up expenses are mostly related to the set-up of the firm, research and development, and marketing expenses for advertising the message to business customers.

Also, the hiring of consultants will be done from various regions of North America that specialize in all areas of energy consultation.

Start-up Costs

Start-up requirements	
Start-up expenses	
Legal	\$ 5,000
Accounting	\$ 2,000
Insurance	\$ 2,500
Office equipment	\$ 10,000
Travel	\$ 20,000
Advertising	\$ 30,000
Consultant fees	\$ 20,000
Research staff	\$ 25,000
Printing office stationary	\$ 10,000
Website setup & design	\$ 5,000
Total start-up expenses	\$129,500
Start-up assets	
Cash required	\$150,000
Other current assets	\$ 10,000
Fixed assets	\$ 5,000
Total assets	\$165,000
Total requirements	\$294,500

Start-up Summary



SERVICES

The complexity of today’s energy markets requires an energy industry base of knowledge that stretches from the wellhead and generating station to your plant. This base of knowledge is critical in effectively developing and executing energy strategies that will save your company money and time.

We provide customized energy solutions to industrial/manufacturing companies in North America. We are a comprehensive energy management consulting company. We create an energy environment for our customers, generating justifiable energy savings and a seamless flow of energy information to all levels of the organization.

ENERGY CONSULTANT

We manage our customer's energy requirements with the perspective of an end-user and the knowledge of a marketer and utility. We will effectively manage your energy, so you can manage your business.

Our customized energy solutions approach allows the customer to sculpt a service level that best fits its specific internal energy objectives.

Examples of services are:

- Request for proposal management
- Invoice reconciliation
- Energy Solutions advice
- Basic Energy reporting
- Customized reporting
- Risk management
- Tax management
- Budgeting and forecasting
- Any and all other energy-related activities
- Wholesale and retail electricity price forecasts
- Wholesale natural gas price forecasts
- Energy risk management analysis and advice
- Electricity and natural gas buying and selling advice and services
- Electricity market training courses
- Natural gas market training courses
- Electricity and gas market modelling and information
- Electricity and gas contracts, generation projects and energy market player valuations
- Related consultancy and advisory services
- Agency services for entry of offers and bids in the wholesale electricity spot market
- Electricity and gas market models

MARKET ANALYSIS

Market Segmentation

Jacobs Consulting will sell to a number of sectors, all of which are in the commercial segments. Jacobs Consulting does not plan on selling to the homeowner sectors.

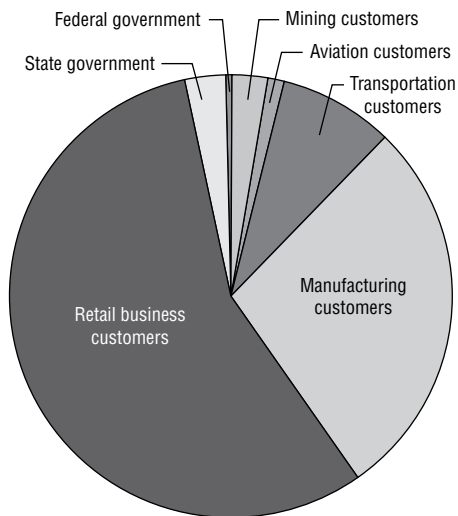
Customer segments are as follows:

- Mining Customers: With the huge input costs for mining, our advisory services can be very helpful to reduce, as well focus, costs for ongoing mining projects and new projects that are being planned now.
- Manufacturing Customers: Similar to that of the Mining sector.
- Aviation Customers: Aviation energy costs can put a company out of business. Without planning for these costs properly, investors and owners of aviation companies can end up in the red. We allow these companies to plan and profit.

- **Transportation Customers:** This area is a direct link to the economy; every dollar that is added to the cost of a product due to shipping will result in a cost increase for that item in order to cover the shipping/energy costs. In some cases our services reduced the cost of a product by 5 percent because of shipping.
- **Retail Business Customers:** Similar to that of the Transportation sector.
- **State Government:** This area is where we can help develop policy that, in the end, will help all sectors if managed correctly.
- **Federal Government:** This area is where we can help develop policy that, in the end, will help all sectors if managed correctly.

Market Analysis

Market analysis	Growth	2008	2009	2010	2011	2012	CAGR
Potential customers							
Mining customers	5%	50	53	56	59	62	5.53%
Aviation customers	5%	20	21	22	23	24	4.66%
Transportation customers	5%	150	158	166	174	183	5.10%
Manufacturing customers	5%	500	525	551	579	608	5.01%
Retail business customers	5%	1,000	1,050	1,103	1,158	1,216	5.01%
State government	5%	50	53	56	59	62	5.53%
Federal government	0%	10	10	10	10	10	0.00%
Total	5.02%	1,780	1,870	1,964	2,062	2,165	5.02%



Service Business Analysis

Geographic area: United States

NAICS code: 54

Meaning: Professional, scientific, & technical services

Number of establishments: 2,904,089

Receipts (\$1,000): \$124,236,645

This number of professional, scientific, and technical service consultants includes the entire USA, and includes everyone from one-man shops to large Fortune 500 companies.

BUSINESS STRATEGY

Jacobs Consulting's strategy will be to hire all the key management, then roll out an hiring of consultants across all sectors. Once the consultants are trained in our business policies and fundamentals, we will let the consultants do what they know best—finding and securing clients.

Competition

Jacobs Consulting's major competitive advantage will be our vast regional market penetration by our consultants. We will be operating in every market in North America. This will allow us to target large Fortune 500 companies with multiple locations. This is very critical to our success and our ability to win contracts. Being able to drawn on various markets and then compare the results will help both our clients and our consultants. We can look at one market and see what is working. Then we can go to other markets and see if this business tactic works in that market. The ability to compare markets for us and our clients will give us a unique competitive advantage over our competitors both regionally and nationally.

With this reach, we will deliver excellent services for a fraction of what other firms will be charging. It is not that we are giving our services away. The reverse will be true—we will be paid top dollar for products that we have been able to keep our costs down on.

Marketing & Sales

Jacobs Consulting's marketing strategy is very simple and, for this reason, it will be easy to monitor and achieve. Our marketing strategy is to place our name in front of key decision makers when they are in the market to buy our type of services. We will be able to monitor the success of these by the reach of our consultants in the field; the reach will be our success factor.

Sales Strategy

Our sales strategy will be to offer as much information on our website. This will allow our customers the ability to find key information, which will lead them to call us to request more information or our assistance.

In each of the segments, we will have consultants who specialize in those areas. We will also have our consultants spread all around USA and Canada, and this will allow for easy access. Our focus will be an advisor to all our clients' needs; this allows Jacobs Consulting to be in the forefront of all our clients' requests.

We will also attend tradeshows for all sectors and have a booth so attendants can ask us questions.

Specific Marketing Plans by Customer Sector

- Mining Customers: We will attend trade shows and place advertisements in industry trade publications.
- Aviation Customers: We will attend trade shows and place advertisements in industry trade publications.
- Transportation Customers: We will attend trade shows and place advertisements in industry trade publications.
- Retail Business Customers: We will attend trade shows and place advertisements in industry trade publications.
- State Government: We will send letters to local officials in all related departments.
- Federal Government: We will send letters to local officials in all related departments.
- Manufacturing Customers: We will attend trade shows and place advertisements in industry trade publications.

Sales Forecast

We will be able to achieve these sales results based on the fact that we will be hiring consultants to work for us across North America. Each one of these consultants will go out and grow their regions' revenue. We understand that not all the consultants we hire will attain the same levels of sales revenue for us; therefore we have budgeted doubling up on our consultants in some regions, in order to achieve our sales results. Then the consultant that draws the most revenue from these key regions will allow us to meet our sales projections.

Sales forecast	FY 2009	FY 2010	FY 2011
Sales			
Mining customer	\$ 424,435	\$ 445,000	\$ 475,000
Aviation customer	\$ 461,350	\$ 546,000	\$ 566,000
Transportation customer	\$ 119,069	\$ 130,000	\$ 150,000
Manufacturing customer	\$ 518,465	\$ 575,000	\$ 600,000
Retail customer	\$ 180,437	\$ 210,000	\$ 240,000
State government customer	\$ 25,432	\$ 140,000	\$ 255,000
Federal government customer	\$ 249,612	\$ 300,000	\$ 500,000
	\$ 0	\$ 0	\$ 0
Total sales	\$1,978,801	\$2,346,000	\$2,786,000
Direct cost of sales			
Consultants fee	\$ 519,721	\$ 550,000	\$ 600,000
Our expenses	\$ 55,873	\$ 65,000	\$ 75,000
	\$ 0	\$ 0	\$ 0
Subtotal direct cost of sales	\$ 575,594	\$ 615,000	\$ 675,000

MANAGEMENT SUMMARY

Because Jacobs Consulting will be built with independent consultants, we will have a streamlined employee payroll.

- CEO: James Jacobs
- CFO: TBD
- Marketing Director: TBD
- Sales Director: TBD
- IT Director: TBD
- Eastern USA Consultant Manager: TBD
- Western USA Consultant Manager: TBD
- Canada Consultant Manager: TBD
- Mexico Consultant Manager: TBD
- Europe Consultant Manager: TBD
- Asia Consultant Manager: TBD
- Middle East Consultant Manager: TBD

Personnel Plan

While we will have a large number of consultants working for us, most likely over one hundred in the first year, we will only have twelve key management personnel and an additional ten in support staff. For the purpose of this business plan, we have only counted the salaried employees.

ENERGY CONSULTANT

Personnel plan	FY 2009	FY 2010	FY 2011
CEO	\$ 60,000	\$ 60,000	\$ 60,000
CFO	\$ 48,000	\$ 50,000	\$ 52,000
Marketing director	\$ 48,000	\$ 55,000	\$ 55,000
Sales director	\$ 48,000	\$ 53,000	\$ 53,000
IT director	\$ 40,800	\$ 44,000	\$ 44,000
Eastern USA consultant manager	\$ 48,000	\$ 53,000	\$ 53,000
Western USA consultant manager	\$ 48,000	\$ 53,000	\$ 53,000
Canada consultant manager	\$ 48,000	\$ 54,000	\$ 54,000
Mexico consultant manager	\$ 48,000	\$ 52,000	\$ 52,000
Europe consultant manager	\$ 48,000	\$ 53,000	\$ 53,000
Asia consultant manager	\$ 48,000	\$ 54,000	\$ 54,000
Middle east consultant manager	\$ 48,000	\$ 54,000	\$ 54,000
Total people	25	35	35
Total payroll	\$580,800	\$635,000	\$637,000

FINANCIAL ANALYSIS

Start-up Funding

Start-up funding

Start-up expenses to fund	\$129,500
Start-up assets to fund	\$165,000
Total funding required	\$294,500

Assets

Non-cash assets from start-up	\$ 15,000
Cash requirements from start-up	\$150,000
Additional cash raised	\$335,500
Cash balance on starting date	\$485,500
Total assets	\$500,500

Liabilities and capital

Liabilities

Current borrowing	\$300,000
Fixed liabilities	\$100,000
Accounts payable (outstanding bills)	\$ 20,000
Other current liabilities	\$ 10,000
Total liabilities	\$430,000

Capital

Planned investment owner	\$100,000
Investor	\$100,000
Additional investment requirement	\$ 0
Total planned investment	\$200,000

Loss at start-up (start-up expenses) \$129,500

Total capital \$ 70,500

Total capital and liabilities \$500,500

Total funding \$630,000

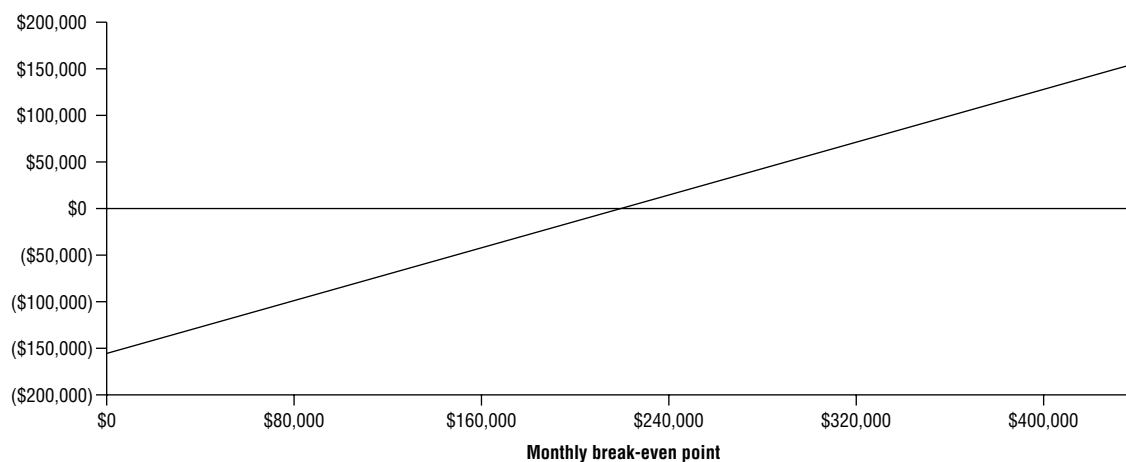
Break-even Analysis

Break-even analysis

Monthly revenue break-even \$ 220,819

Assumptions:

Average percent variable cost 29%
 Estimated monthly fixed cost \$156,587.47

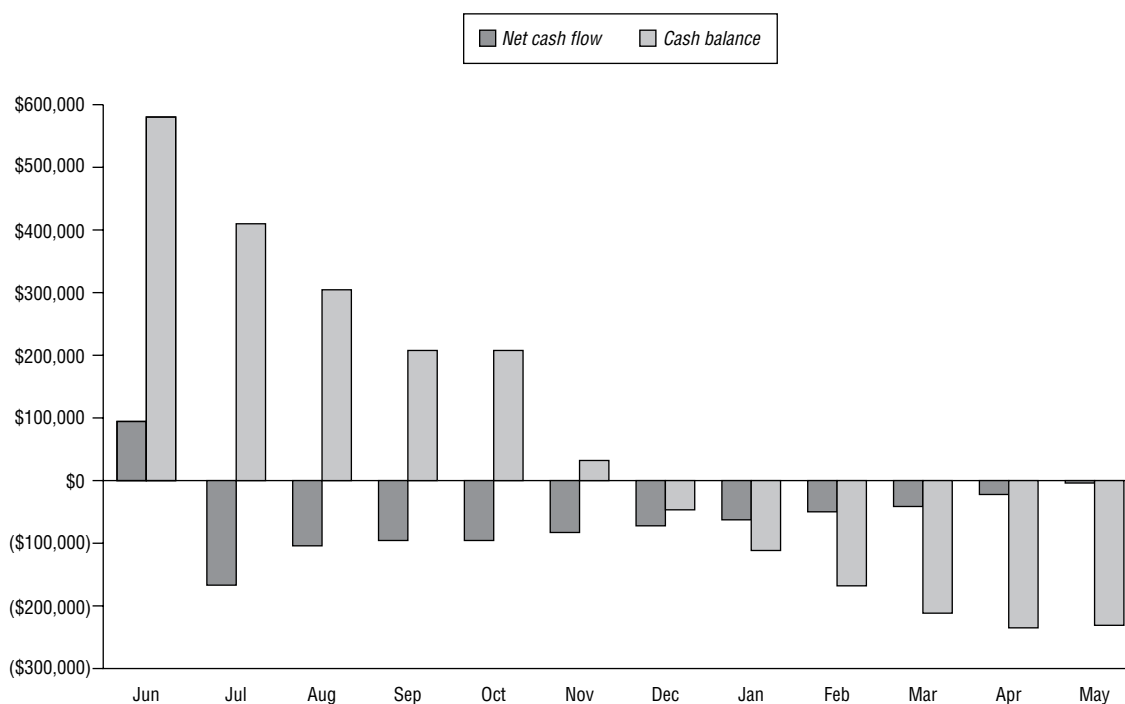


Break-even point = where line intersects with 0

Projected Profit and Loss

Pro forma profit and loss	FY 2009	FY 2010	FY 2011
Sales	\$ 1,978,801	\$ 2,346,000	\$ 2,786,000
Direct cost of sales	\$ 575,594	\$ 615,000	\$ 675,000
Other costs of sales	\$ 36,000	\$ 40,000	\$ 45,000
Total cost of sales	\$ 611,594	\$ 655,000	\$ 720,000
Gross margin	\$ 1,367,207	\$ 1,691,000	\$ 2,066,000
Gross margin %	69.09%	72.08%	74.16%
Expenses			
Payroll	\$ 580,800	\$ 635,000	\$ 637,000
Marketing/promotion	\$ 20,000	\$ 30,000	\$ 40,000
Depreciation	\$ 0	\$ 0	\$ 0
Office lease	\$ 24,000	\$ 30,000	\$ 35,000
Utilities	\$ 12,000	\$ 14,000	\$ 16,000
Insurance	\$ 1,594	\$ 2,500	\$ 2,700
Payroll—support staff	\$ 40,656	\$ 44,450	\$ 44,590
Payroll—consultants	\$ 1,200,000	\$ 1,300,000	\$ 1,400,000
Total operating expenses	\$ 1,879,050	\$ 2,055,950	\$ 2,175,290
Profit before interest and taxes	\$ 511,843	\$ 364,950	\$ 109,290
Interest expense	\$ 54,350	\$ 63,050	\$ 83,550
Taxes incurred	\$ 0	\$ 0	\$ 0
Net profit	\$ 566,193	\$ 428,000	\$ 192,840
Net profit/sales	-28.61%	-18.24%	-6.92%

Projected Cash Flow



Pro forma cash flow	FY 2009	FY 2010	FY 2011
Cash received			
Cash from operations			
Cash sales	\$ 494,700	\$ 586,500	\$ 696,500
Cash from receivables	\$ 937,221	\$1,658,017	\$1,967,897
Subtotal cash from operations	\$1,431,921	\$2,244,517	\$2,664,397
Additional cash received			
GST/HST received (output tax)	\$ 0	\$ 0	\$ 0
GST/HST repayments	\$ 0	\$ 0	\$ 0
New current borrowing	\$ 150,000	\$ 200,000	\$ 250,000
New other liabilities (interest-free)	\$ 0	\$ 0	\$ 0
New fixed liabilities	\$ 0	\$ 0	\$ 0
Sales of other current assets	\$ 0	\$ 0	\$ 0
Sales of fixed assets	\$ 0	\$ 0	\$ 0
New investment received	\$ 0	\$ 0	\$ 0
Subtotal cash received	\$1,581,921	\$2,444,517	\$2,914,397
Expenditures			
Expenditures from operations			
Cash spending	\$ 580,800	\$ 635,000	\$ 637,000
Bill payments	\$1,709,169	\$2,114,524	\$2,313,439
Subtotal spent on operations	\$2,289,969	\$2,749,524	\$2,950,439
Additional cash spent			
GST/HST paid out (input tax)	\$ 0	\$ 0	\$ 0
GST/HST payments	\$ 0	\$ 0	\$ 0
Principal repayment of current borrowing	\$ 12,000	\$ 15,000	\$ 25,000
Other liabilities principal repayment	\$ 0	\$ 0	\$ 0
Fixed liabilities principal repayment	\$ 0	\$ 0	\$ 0
Purchase other current assets	\$ 0	\$ 0	\$ 0
Purchase fixed assets	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0
Subtotal cash spent	\$2,301,969	\$2,764,524	\$2,975,439
Net cash flow	\$ 720,048	\$ 320,006	\$ 61,041
Cash balance	\$ 234,548	\$ 554,555	\$ 615,596

Projected Balance Sheet

Pro forma balance sheet	FY 2009	FY 2010	FY 2011
Assets			
Current assets			
Cash	\$234,548	\$ 554,555	\$ 615,596
Accounts receivable	\$546,880	\$ 648,363	\$ 769,965
Other current assets	\$ 10,000	\$ 10,000	\$ 10,000
Total current assets	\$322,331	\$ 103,808	\$ 164,369
Fixed assets			
Fixed assets	\$ 5,000	\$ 5,000	\$ 5,000
Accumulated depreciation	\$ 0	\$ 0	\$ 0
Total fixed assets	\$ 5,000	\$ 5,000	\$ 5,000
Total assets	\$327,331	\$ 108,808	\$ 169,369
Liabilities and capital			
Current liabilities			
Accounts payable	\$275,024	\$ 299,500	\$ 327,902
Current borrowing	\$438,000	\$ 623,000	\$ 848,000
Other current liabilities	\$ 10,000	\$ 10,000	\$ 10,000
Subtotal current liabilities	\$723,024	\$ 932,500	\$ 1,185,902
Fixed liabilities	\$100,000	\$ 100,000	\$ 100,000
Total liabilities	\$823,024	\$1,032,500	\$1,285,902
Capital			
Paid-in capital	\$200,000	\$ 200,000	\$ 200,000
Retained earnings	\$129,500	\$ 695,693	\$ 1,123,693
Earnings	\$566,193	\$ 428,000	\$ 192,840
Total capital	\$495,693	\$ 923,693	\$1,116,533
Total liabilities and capital	\$327,331	\$ 108,808	\$ 169,369
Net worth	\$495,693	\$ 923,693	\$ 1,116,533

Business Ratios

Ratio analysis	FY 2009	FY 2010	FY 2011	Industry Profile
Sales growth	0.00%	18.56%	18.76%	6.75%
Percent of total assets				
Other current assets	3.06%	9.19%	5.90%	47.90%
Total current assets	98.47%	95.40%	97.05%	73.42%
Fixed assets	1.53%	4.60%	2.95%	26.58%
Total assets	100.00%	100.00%	100.00%	100.00%
Current liabilities	220.88%	857.02%	700.19%	32.60%
Fixed liabilities	30.55%	91.91%	59.04%	15.44%
Total liabilities	251.43%	948.92%	759.23%	48.04%
Net worth	-151.43%	-848.92%	-659.23%	51.96%
Percent of sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross margin	69.09%	72.08%	74.16%	100.00%
Selling, general & administrative expenses	97.71%	90.32%	81.08%	82.46%
Advertising expenses	0.00%	0.00%	0.00%	1.09%
Profit before interest and taxes	-25.87%	-15.56%	-3.92%	0.73%
Main ratios				
Current	0.45	0.11	0.14	1.72
Quick	0.45	0.11	0.14	1.39
Total debt to total assets	251.43%	948.92%	759.23%	65.13%
Pre-tax return on net worth	114.22%	46.34%	17.27%	1.20%
Pre-tax return on assets	-172.97%	-393.35%	-113.86%	3.44%
Additional ratios				
Net profit margin	-28.61%	-18.24%	-6.92%	n.a
Return on equity	0.00%	0.00%	0.00%	n.a
Activity ratios				
Accounts payable turnover	7.14	7.14	7.14	n.a
Total asset turnover	6.05	21.56	16.45	n.a
Debt ratios				
Debt to net worth	0.00	0.00	0.00	n.a
Current liab. to liab.	0.88	0.90	0.92	n.a
Liquidity ratios				
Net working capital	\$400,693	\$828,693	\$1,021,533	n.a
Interest coverage	-9.42	-5.79	-1.31	n.a
Additional ratios				
Assets to sales	0.17	0.05	0.06	n.a
Current debt/total assets	221%	857%	700%	n.a
Acid test	-0.31	-0.58	-0.51	n.a
Sales/net worth	0.00	0.00	0.00	n.a
Dividend payout	0.00	0.00	0.00	n.a