



GOLDEN RAM

Enterprises Inc.

**Holt High School North Campus
5780 West Holt Road
Holt, MI 48842**

Business Plan 2017-2018



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Executive Summary

Golden Ram Enterprises Inc. is a continuous entity in Virtual Enterprise International. Our firm is in its fourth year of being an insurance agency. We chose to be an insurance agency to fulfil a need we saw within VEI. With Lansing, MI being one of the insurance hubs of the country it was a perfect fit for us with Holt being a town very close to the city.

In the first three years of operating we failed to break even. However, our losses have decreased each year. This year our goal is to break even.

We are increasing our marketing effort to reach more potential customers and to stay in contact with our current customers. One of our department's goals is to work on repeat and referral business from our current customers. Additionally they are also trying to increase our presence in 401k plans.

Our finance department is in negotiations with our insurance company to renegotiate our commission rate from 15% to 17%. This will increase our gross profit. We have also put in tighter controls to reduce our expenditures. This will help us reach our break even goal.

The IT/Design department is working on a mobile friendly website that can replace our Wix site. A coded site can be useful because it eliminates limits on the amount of customization we can make, resulting in a more appealing site that is easier to navigate.

These tasks in turn working together at Golden Ram should be able to meet our goal and break even this year.

Gravin Arax,
Golden Ram President



**Golden Ram
Enterprises, Inc.**

Business Description

Golden Ram Enterprises Inc. is an insurance agency that is located in Holt, Michigan. This is a Fourth Year Insurance Agency that provides businesses and individuals with insurances from other companies. We are headed by our President, Gavin Mraz. We also have four departments, each with its own tasks. Head of Design is Sam McNea. Head of Human Resources is Travis O'Connor. Head of Accounting is Jonny Hoerner. Head of Sales and Marketing is Nam Phan.

Golden Ram Enterprises Inc. is open Monday-Friday from 10:50 a.m. to 11:50 a.m., aside from Wednesdays, office hours run from 12:38 p.m. to 1:13 p.m. and occasionally 12:53 p.m. to 1:23 p.m.

Being a fourth year company, we have the experience to know that we must make sure to have a big emphasis on fast and reliable customer service. We want to communicate with our clients clearly and efficiently. We strive to have the top customer service out of every other insurance agency in the VEI program.

Golden Ram Enterprises Inc. offers individuals and businesses a feeling of assurance and safety. We offer businesses property and workers compensation insurance. We offer individuals home and auto insurance. With fair prices and quality service, we can assure our clients will feel satisfied with Golden Ram Enterprises, Inc.

A focus of ours as an agency is to expand our influence with our customers and interact with as many different companies as possible to better our reputation. Once we get our clientele set up we will continue to provide a positive experience with our firm, meeting their needs and operating with professionalism and friendliness to maintain that reputation.

Mission Statement

The mission of **Golden Ram Enterprises, Inc.** is to offer industry leading insurance policies at competitive prices while maintaining top level customer service and profitability for the company.

Our goal at Golden Ram Enterprises, Inc. is to offer individuals and businesses a feeling of assurance and safety, providing the best in insurance coverage and investment plans.



Management Functions

Planning

To insure the success of Golden Ram Enterprises Inc., as a team, we have set short and long term goals. We will achieve the goals with efficient time and resource management. In addition, all of our employees will be educated in their positions to ensure maximum efficiency and success.

Short Term Goals:

- **Funding**
Get all of our information and data organized in order to apply and obtain loans to fund our company this year.
- **Fundraise for trade show expenses (Mention real world)**
We will be fundraising periodically to pay for our unexpected company expenses.
- **Find sponsors**
Employees will find local sponsors in our community.
- **Make our brand well known**
Market and advertise our company well to generate high interest and support in our market.

Long Term Goals:

- **Increase employee knowledge of the insurance business**
By working with local insurance agencies and periodic directed research, in our community our employees will expand their knowledge of insurance.
- **Attend tradeshow**
By attending tradeshow, Golden Ram Enterprises Inc. will learn better marketing methods from other companies and become known in the VEI business world, while also selling insurance to other attendees.
- **Provide exceptional customer service**
By putting the customer's needs first and providing training to the employees in our sales and marketing department, all interactions with customers will be exceptional.
- **Achieving long-term clients**
Every client is treated professionally and with respect. We consider our customers as our partners. We will make it a priority that every client is 100% satisfied. We believe satisfied customers will stay with us for a long time. Long term customers are an investment.
- **Informing clients**
By informing clients we will minimize their risks which will lower premiums in our future success.



Organizing

To achieve success within our company, we've organized into 4 departments which include Accounting, Design/IT, Human Resources and Sales & Marketing. Each department is led by a head who then reports back to the resident. The president is an individual who is returning to the firm from last year whose purpose is to use their experience to guide the various departments. Every department has its designated location to allow ability for teamwork and practical access to all resources. The floor plan is open in our office space, therefore, no department is secluded and open communication is promoted.

The Human Resources Department is in charge of creating job descriptions and making sure they understand what their job entails. They take the daily attendance so that it can be used to calculate pay. The department creates the policies for the company and the company forms. They are in charge of making the employee handbook and manual, informing the company of upcoming deadlines, and monitoring the employees' progress in their departments through performance evaluations and keep all records in accordance with the law. They also work closely on the company's commercial to ensure that the video is an accurate representation of the image our students want to portray. Along with all of the typical HR department duties our company has also put HR in charge of processing the 401k plans we offer.

The Sales and Marketing Department promotes our products to encourage sales. The sales and marketing department has to predict what customers want in their product as well as ensuring our insurance is promoted proficiently. Marketing will work closely with the IT/Design and the Accounting departments. The sales and marketing department will need to design effective promotions for our insurance.

The Accounting Department creates payrolls of all employees and establishes budgets to review what we have done and what we need to do in order to become successful. Accounting also records all financial transactions to ensure we are on track to stay within the budget and know where all of the money we spend is going. They will establish and update inventory records to know what is our property and cost of each item in the inventory. Lastly we will complete all tax forms monthly, quarterly, and yearly.

The IT and Design Department provides the visual image that attracts customer's eye; this includes brochures, magazines, flyers, and website. All advertisements are provided from them. The business cards, letterheads and templates for fax memos are created by the graphic design employees in this department. Their goal is to provide our customers with not just good insurance but something they can remember that makes them want to know more about us.



Organization Chart



Gavin Mraz
President



Nam Phan
Head of Marketing



Sam McNea
Head of IT/Design



Travis O'Connor
Head of Human Resources



Jonny Hoerner
Head of Accounting



Blake Brooks
Sales Agent



Cody Seibly
Design Assistant



Jacob Karr
Human Resources
Assistant



Bryan Oyer
Accountant



Micah Peterson
Sales Agent



Treston Sparks
Human Resources
Vice Assistant



Izzy Tobias
Accountant



Tabatha Estas
Sales Agent



Directing

Department meetings will be held every other Friday to discuss each agenda. A meeting is done to insure that every department is aware of the weekly tasks and goals. At the beginning of each month goals will be made for each department. There will be a company meeting at the beginning and end of each month to go over goals and to determine if goals were achieved for that month. The department heads and the president will discuss the business progress and what is still left to get done. At this time any questions or concerns can be asked and discussed.

Communication will be the key to our company's success and efficiency. All employees will be able to openly communicate with their directors, as well as the president.

Whenever a problem or obstacle occurs, our open communication will allow us to solve it quickly and efficiently.

Controlling

There will be logs every other week, which will be signed by the department directors and turned in to the President. If the director does not agree with the stated tasks written down on an employee's log sheet, he or she will not sign off on it. There will be an employee of the month award given to an employee who shows excellent work ethic. This award will act as a motivation for all of the employees, to ensure everything gets done efficiently.

SWOT Analysis

Internal

Strengths:

We base our insurance on the customer's needs; therefore we can satisfy each and every person. Our customer service is reliable with people working everyday on their needs to ensure that we have returning customers every time.

Weaknesses:

Although we have improved greatly since the previous years, there is still room for more improvement in our website, organization, and communication.

External

Opportunities:

We have the unique opportunity of being able to communicate one on one with many industry leaders in our community that can provide advice through their experience selling insurance.

Threats:

Although our competitors are a minimal threat to us the market can change at any point.



Current Economic Condition

The market is unpredictable. Currently, the market is in growth, the DOW Jones model has been on the rise. We can avoid losing money during an economic collapse by investing in things that will always grow. An example of that would be manufacturing, because it is always going to be needed, people will always buy it.

This graph shows the change in stocks of some of the major insurance companies. It shows that even insurance companies are hit by recession and struggle to get up but now they are climbing and have been for the past 3 years. It shows that insurance is an industry that is always needed and is able to bounce back.

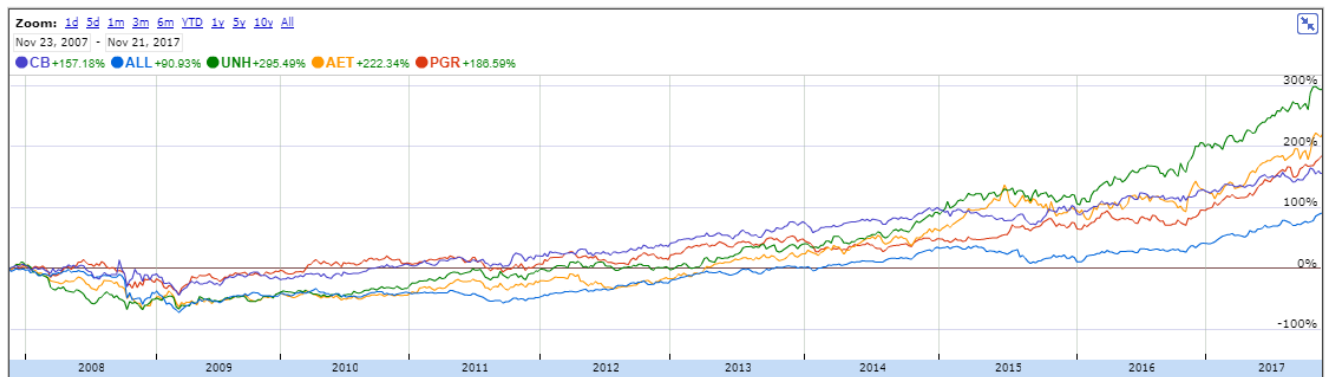


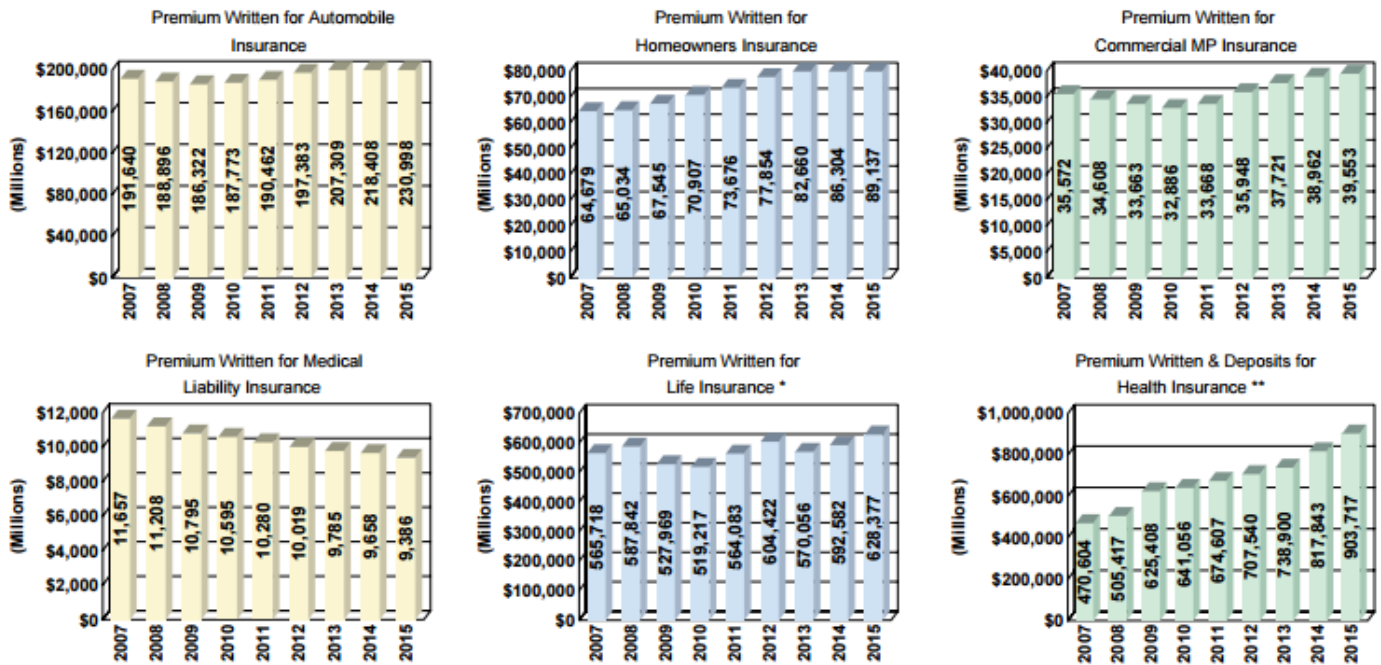
Image from google finance <https://finance.google.com/finance?hl=en&tab=ee&authuser=0>



Industry Analysis

Real World Analysis

The insurance industry totals in 2015 was \$588 billion worth of insurance. Automobile was the highest with \$230 billion accounting for nearly 40% of the total sold. This is explained by a large amount of Americans having a car. Following this next highest is home/renters and then worker's compensation.



Virtual World Analysis

Golden Rams Insurance only has two competitors. One of which has a basic policy that may not fit everyone's needs for every type of insurance. They claim that they have a low cost and maximum coverage. They do not provide the ease access for contacting and they do not offer custom plans like Golden Rams Insurance will.



Competitive analysis

Olympic Insurance is a direct competitor. They offer general liability insurance which Golden Rams Enterprises Inc. does not. As a whole they are very organized and professional looking, however one product they have does not display practicality in a virtual world. They offer rural and urban options for home insurance which makes buying home insurance more complicated than it needs to be.

BucSmart is a direct competitor. They provide yearly payment, which is more convenient for customers. Golden Ram Enterprises Inc. provides a variety of insurances while BucSmart seems to specialize in homeowners, renters and automotive. Both companies provide about the same coverage for those three insurances but their homeowners' insurance price is cheaper than ours for a year of coverage. Golden Ram Enterprises Inc. feels that our website is more user friendly and easier to navigate than BucSmart's. Golden Ram Enterprises Inc. also feels that we provide customers easier access to information and contact with our employees than our competitor.

Target Market

Both potential male and female customers

Age range: 13-19 (Average High School range)

Education: Basic High School education

Occupation: High School Student, possible part time jobs

Income: Relative to other companies' pay

Essentially our target market is high school kids interested in learning about business. We know our target market because we are our target market. The kids taking this class are kids like us, interested in business and wanting to learn more about the inner workings. Therefore, we can narrow down a market based on what we think is best because unlike a normal business we aren't trying to sell to a whole planet of people, but kids just like us, high school students taking a class to learn more about the world.



Marketing Mix

Price

Our prices are based on both the real world average to be realistic yet we also calculate it based off of the competition within the portal to still stay a step ahead of them. We chose our prices based on one main reason. With higher prices at initial payment, it becomes significantly easier to break even within the year.

Placement

Our Insurance is distributed electronically on our website which is accessible through the VEI firm directory on the portal. As of now, almost 100% of our sales are Web-based. We intend to reach out to as many new businesses as possible in class and during all trade shows we attend.

Position

We offer simple and easy insurance, making it as convenient as possible to buy from us. Golden Ram understands the market consists of high school students in a virtual business simulator. People will be much more willing to buy from us because we personally believe that a simple, effective, functioning website allows for quicker, easier purchases, which allow students to return to their daily tasks much sooner. Keeping our website simple to navigate will make students much more likely to engage in a sale.

Promotion

We promote ourselves by establishing ourselves on social media and creating partnerships with other businesses that produce products relevant to our own business. These partnerships will be mutually beneficial for both parties and will generate more business for us. Our social media accounts include Twitter and Instagram and we use both to promote ourselves and get in contact with other firms.

Product

Home Insurance - (Every Six Months)

Homeowners Insurance- \$600.00

Renter's Insurance- \$180.00

Auto Insurance - (Every Six Months)

Full Auto Coverage: \$1,200.00

Personal Liability Property Damage: \$600.00



**Golden Ram
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Business Insurance - (Every Six Months)

Property and Liability: \$1,200.00

Workers Compensation: \$2,000.00

Health Insurance - (Every Twelve Months)

Bronze Plan

Annual deductible: Individual \$1,000.00, Family \$2,000.00

Price for Individual: \$1,200.00

Price for Group: \$10,000.00 for 10-14, \$14,250.00 for 15-19, \$18,000.00 for 20+

Silver Plan

Annual deductible: Individual \$1,500.00, Family \$3,000.00

Price for Individual: \$1,600.00

Price for Group: \$15,000.00 for 10-14, \$21,000.00 for 15-19, \$24,000.00 for 20+

Gold Plan

Annual deductible: Individual \$2,000.00, Family \$4,000.00

Price for Individual: \$2,200.00

Price for Group: \$21,000.00 for 10-14, \$30,000.00 for 15-19, \$38,000.00 for 20+

Exotic Animal Insurance - (Every Six Months)

Exotic Animal: \$500.00

Life Insurance - (Every Six Months)

Ten Year Term Life Insurance (Smoker)

\$100,000.00 Coverage

Price for Female: \$120.00

Price for Male: \$180.00

Ten Year Term Life Insurance (Non-Smoker)

\$100,000.00 Coverage

Price for Female: \$72.00

Price for Male: \$132.00

Insurance Bundles - (Every Six Months)

Home owners and Auto: \$1,710.00

Renters and Auto: \$1,311.00

Renters and PLPD: \$741.00

Home owners and PLPD: \$1,140.00

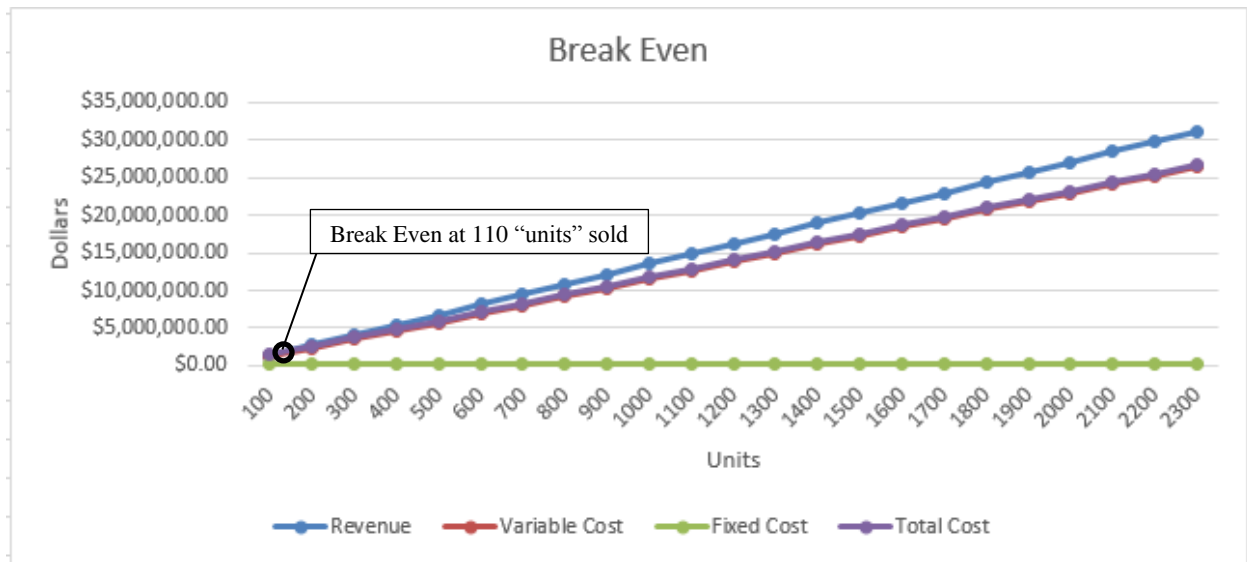


Business Risk Summary

A period of decreasing economic growth may force businesses to cut back on expenses, such as insurance, which would decrease the total revenue. To compensate for this, the sales and marketing department focuses on advertisements that emphasize the importance of insurance. The Marketing department's goal would be to convince businesses that insurance is a necessity.

Break-Even Analysis

Our fixed costs are \$270,000, based on our costs for the fiscal year ending in 5/31/18. This is a total of rent, utilities, salaries and insurance. In order to cover this, we would need to sell approximately \$1.6 million worth of insurance based on our 17% commission. Our variable costs are exactly 83% of our insurance cost. As we are an insurance agency we only make a 17% commission on insurance sold. 17% of \$1,600,000 is \$270,000. Since our prices vary and we sell more than one thing we do not have an exact unit price.





Income Statement

Golden Rams Enterprises, Inc.		
Income Statement		
For 3 months ending in 10/31/17		
Sales revenues		
Business Insurance	\$80,687.00	92.9%
Personal Insurance	\$7,126.64	8.1%
Investing	\$0	0%
Total sales revenues	\$87,813.64	100%
Cost of goods sold or services provided	\$74,641.59	85%
Gross profit	\$13,172.05	15%
Operating expenses		
Salaries	\$81,750.00	75.5
Rent	\$3,000.00	2.7%
Depreciation	\$0.00	0%
Payroll tax	\$6,253.88	5.8%
Advertising	\$0.00	0%
Promotion	\$0.00	0%
Insurance	\$15,470.00	14.3%
Pension or 401(k)	\$787.50	0.7%
Interest	\$0.00	0%
Supplies	\$0.00	0%
Utilities	\$1,050.00	1%
Other	\$0.00	0%
Total operating expenses	\$108,311.38	100%
Income from operations	-\$9,5139.33	
Other revenues/gains and expenses/losses		
Net income before taxes	-\$9,5139.33	
Corporate income tax		
Net income after taxes	-\$9,5139.33	



Balance Sheet

As of October 31, 2017			
	<i>Assets</i>		
Current Assets			
Cash		\$ 545,023.15	
Accounts Receivable		\$ -	
Supplies and Equipment		\$ 12,000.00	
Total Assets			\$ 557,023.15
	<i>Liabilities</i>		
Current Liabilities			
Accounts Payable		\$ -	
Federal Income Tax Payable		\$ -	
State Income Tax Payable		\$ -	
Employee Income Tax Payable		\$ -	
Social Security Tax Payable		\$ -	
Medicare Tax Payable		\$ -	
Sales Tax Payable		\$ -	
Cash Owed To Insurance Company		\$ 56,889.65	
Total Liabilities			\$ 56,889.65
	<i>Shareholder's Equity</i>		
Capital Stock		\$ 100,000.00	
Retained Earnings		\$ (1,096,179.00)	
Total Shareholder's Equity			\$ (996,179.00)
Total Liabilities and Shareholder's Equity			\$ (939,289.35)



Cash Budget

	Description	Projected Budget	Actual Budget as of 10/31/17	Previous Year Actual	
1	Cash balance at beginning of period:	\$526,402.41	\$504,278.18		
	Receipts of cash:				
	Sales	\$2,000,000.00	\$87,813.64	\$897,310.00	
	Receipts of accounts receivable				
	Loan proceeds				
	Other				
2	Total receipts	\$2,000,000.00	\$87,813.64	\$897,310.00	
3	Beginning balance + cash receipts	\$2,526,402.41	\$592,091.82		
	Payments:				
	Cost of merchandise	\$1,660,000.00	\$ 74,641.59.00	\$762,714.00	
	Salaries	\$218,000.00	\$81,750.00	\$227,500.00	
	Accounts payable				
	Rent	\$8,000	\$3000.00		
	Advertising/ promotion	\$500			
	Payroll tax	\$16,516.35	\$6,253.88	\$17,063.00	
	Insurance	\$15470.00	\$15470.00	\$23,175.00	
	Accounting and legal fees				
	Utilities	\$2800.00	\$1,050.00	\$3221.00	
	Interest				
	Pension, 401(k)	\$2048.00	\$796.5		
	Freight out				
	Sales tax				
	inventory cost				
	Corporate tax				
4	Total payments	\$1,921,542.35	\$166,695.47	\$1,933,673	
	Fixed Costs	\$261542.35	\$92053.88	\$1170959	
5	Cash balance at end of period: (line 3 - line 4)	\$604860.06	\$425,396.35		
6	Net increase or decrease in cash (line 2 - line 4)	\$+78457.65	\$-78,881.83		



Financial Statement

Date	Description	Account	Transaction	Amount	Balance
Nov. 1, 2017	Brian Oyer (US061211), Holt, MI Payroll	630473986	3154389	-\$1,640.29	\$543,382.86
Oct. 31, 2017	Imagineers, Attica, MI 194065	630000948	3149603	\$1,200.00	\$545,023.15
Oct. 30, 2017	The Pulse, Eagleville, TN VEI Checkout transaction #195291 10/30/2017 10:31 AM CT	610027891	3148811	\$14,250.00	\$543,823.15
Oct. 30, 2017	Nam Phan (US061211), Holt, MI VEI Checkout transaction #195266 10/30/2017 10:04 AM CT	630470898	3148761	\$132.00	\$529,573.15
Oct. 27, 2017	Kayla Forry (US041932), Leesport, PA VEI Checkout transaction #195065 10/27/2017 12:51 PM CT	630495149	3147705	\$1,200.00	\$529,441.15
Oct. 27, 2017	Juliana Kalous (US041932), Leesport, PA VEI Checkout transaction #195061 10/27/2017 12:41 PM CT	630390355	3147697	\$600.00	\$528,241.15
Oct. 27, 2017	Dylan Bilodeau (US041932), Leesport, PA VEI Checkout transaction #195059 10/27/2017 12:35 PM CT	630385416	3147693	\$600.00	\$527,641.15

Golden Ram Enterprises Inc.'s account balance as of 11/1/17

Financial Write Up

Our data shows that we are well on our way to reaching our goal of selling \$2,000,000 worth of insurance. We are already selling more insurance than what we sold last year at this time. If the trend continues we should be able to reach our goal. Our expenses total up to \$285,000. Because we are an insurance agency, we get a 15% commission on our sales but that will change to 17% on December 1st. To break even we need to sell \$1,650,000 worth of insurance. Our cash budget shows that we finished off year one with a loss of \$400,000. Last year we only lost \$150,000. We have been making more and more money year after year to the point where we believe we will create a profit this year.



**Golden Ram
Enterprises, Inc.**

Contact Information

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Holt, MI 48842**

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