



VA Investments

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Science, Discovery, and the Universe
Aerospace Engineering



College Park
scholars

Motivation:

This assignment is a part of BMGT 289A. This course focuses on social enterprises (for profit businesses that work to solve a social issue), as well as methods for social change. I decided to take this course and complete this project because I am interested in starting my own business in the future, and strive to make the world a better place. Information gained from this course could aid me in achieving both of these goals with one action.

Activities:

My team and I decided that recently released veterans need our help. Together, we came up with a business plan for our social enterprise, VA Investments. VA Investments will target recently released veterans within Washington DC.

We will manage their long-term investments for them to ensure they see a large return on investment, rather than not investing at all. We will also offer one-on-one meetings with a financial advisor to ensure our veterans have all of the financial knowledge they need to achieve financial success. Finally, we will create educational financial literacy videos to teach the basics of personal finance. We hope to expand to different areas as VA Investments grows.

Future work:

As a result of this opportunity, my group has the option to seek funding for and implement this business plan in the near future. I could also use the knowledge gained as a result of this project to start my own social enterprise. This project will also lead to me researching other ways to assist the veteran community that I could carry out no matter what direction my life takes.

VA Investments Pro Forma Forecast													
	Assumptions	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
UNIT DATA													
Total Universe of Customers	60,000,000												
United States	48,000,000												
DC	6,000,000												
Administrative Market	2,700												
# of Distributors/Representatives													
# of Customers	We would need to acquire 100% of available	100	151	201	252	302	352	402	452	502	552	602	652
Unit Selling Price	Subscription based												
# Units Sold													
UNIT PRICE	7.5 after 4 months												
REVENUES													
Advertising (Banner, etc.) Revenues	NA												
North American Product Revenues	\$10,000 invested per year	\$893.00	\$1,675.00	\$2,492.00	\$3,318.00	\$4,144.00	\$4,970.00	\$5,797.00	\$6,623.00	\$7,449.00	\$8,275.00	\$9,101.00	\$9,927.00
International Revenues	NA												
Other Revenues	NA												
TOTAL REVENUES		\$893.00	\$1,675.00	\$2,492.00	\$3,318.00	\$4,144.00	\$4,970.00	\$5,797.00	\$6,623.00	\$7,449.00	\$8,275.00	\$9,101.00	\$9,927.00
COSTS													
Cost of Sales/COSTS	NA												
Product Costs	NA												
Distribution and Shipping	NA												
Other	NA												
TOTAL COSTS	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS PROFIT		\$893.00	\$1,675.00	\$2,492.00	\$3,318.00	\$4,144.00	\$4,970.00	\$5,797.00	\$6,623.00	\$7,449.00	\$8,275.00	\$9,101.00	\$9,927.00
Gross Margin (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EXPENSES													
Salaries and Wages													
Management	Low salary until profitable, 10 years	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Other	We would do sales later	0	0	0	0	0	0	0	0	0	0	0	0
Customer Support/Service	We would do customer	0	0	0	0	0	0	0	0	0	0	0	0
Other Staff (Finance, Admin)	NA	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
Advertising Fees (Investment consultant)	NA	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
Pre-Opening Expenses/Launch Expenses													
Printing Promotions	NA	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Travel	NA	0	0	0	0	0	0	0	0	0	0	0	0
Telephone	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Insurance	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
Office Rent and Implementation													
Web Design	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Domain Name and Registration Fees	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Web Hosting Services	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Hardware and Software	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Other Expenses	NA	0	0	0	0	0	0	0	0	0	0	0	0
Office Expenses	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Equipment Leases	NA	0	0	0	0	0	0	0	0	0	0	0	0
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
Communications	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Office Supplies	NA	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Professional Fees (Legal, Accounting)	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Insurance	NA	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		\$19,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00	\$17,890.00
OPERATING INCOME (LOSS)		-\$18,997.00	-\$16,215.00	-\$15,398.00	-\$14,582.00	-\$13,766.00	-\$12,950.00	-\$12,134.00	-\$11,318.00	-\$10,502.00	-\$9,686.00	-\$8,870.00	-\$8,054.00
Income Taxes @ 30%		-\$5,699.10	-\$4,864.50	-\$4,619.40	-\$4,374.60	-\$4,129.80	-\$3,885.00	-\$3,640.20	-\$3,395.40	-\$3,150.60	-\$2,905.80	-\$2,661.00	-\$2,416.20
NET INCOME (LOSS)		-\$24,696.10	-\$21,179.50	-\$20,017.40	-\$18,956.60	-\$17,895.80	-\$16,835.00	-\$15,774.20	-\$14,713.40	-\$13,652.60	-\$12,591.80	-\$11,531.00	-\$10,470.20
Net Margin (%)		-277.77%	-126.25%	-119.65%	-113.52%	-107.40%	-101.28%	-95.16%	-89.04%	-82.92%	-76.80%	-70.68%	-64.56%
CAPITAL EXPENDITURES													
Equipment	2 computers, 1 printer	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	NA	0	0	0	0	0	0	0	0	0	0	0	0
Furniture & Fixtures	A desk, chair, and desk	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CASH FLOW		-\$26,146.10	-\$15,764.00	-\$14,847.00	-\$13,821.00	-\$12,895.00	-\$11,969.00	-\$11,043.00	-\$10,117.00	-\$9,191.00	-\$8,265.00	-\$7,339.00	-\$6,413.00
CUMULATIVE CASH		-\$26,146.10	-\$41,910.10	-\$56,757.10	-\$71,604.10	-\$86,451.10	-\$101,298.10	-\$116,145.10	-\$130,992.10	-\$145,839.10	-\$160,686.10	-\$175,533.10	-\$190,380.10

Above is our financial plan for our first year. It shows all of our revenues, expenses, taxes, and investments monthly for the first 12 months. According to this plan we will be profitable in our third year!

Acknowledgments:

A big thank you to Professor Thompson for offering feedback and assistance throughout the semester, and I would also like to thank Dr. Peel and Mrs. Thomson from SDU. Professor Thompson contact: lvjthom1@umd.edu

Above is our competitive analysis. We show other companies with a similar goal and compare them to VA Investments

Issue Confronting Site:

58% of veterans carry credit card debt month to month and 55% believe they are ill prepared for a financial emergency.¹ Veterans are often paid monthly or via a lump sum after their service, but are usually not given any aid on how to use it. Veterans are disadvantaged when it comes to finance and investment. This leads to economic hardships our veterans do not deserve.

1. <https://www.marketwatch.com/story/why-veterans-have-more-money-problems-2014-05-21>

Above is our social business model canvas. This shows an overview of our entire business plan.

Impact:

If this business plan is properly executed, it could bring great financial success to our veterans. We have calculated a social return on investment of 28:1 over the first three years of our enterprise.

This opportunity has also taught me how to properly create a business plan, research market conditions, and has made me more charitable.