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Certified Public Accountants
Business Consultants
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Non-disclosure Agreement

COPY NUMBER _____

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Recipients Signature

Date

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1. Executive Summary

At Jacobs CPA, we can handle all of your accounting needs from traditional auditing, accounting services, and tax preparation to guidance in tax planning, management consulting, new business startup, accounting software selection, risk management, business valuation, and retirement planning.

Our Firm is led by a multi-industry experienced Certified Public Accountant, Lori Jacobs. Lori is licensed in both South Carolina and Georgia. She has over 11 years experience as a Certified Public Accountant, starting her career as an auditor with Ernst & Young. With additional industry and governmental experience as a controller for 8 years, Lori can provide a wealth of knowledge applicable to any individual or business.

Jacobs CPA's primary focus is helping clients focus on business growth, cost control, risk management, and profitability. Our services provide the backbone to obtain solid information that reflects the actual condition of the business. We assist and consult with business executives to anticipate risks, partner in starting new business ventures built on solid business planning, resolve tax and accounting issues, and ensure the clients' business accounting process records the right information for analysis and reporting.

We are experts and certified in QuickBooks accounting software. We provide complete training and accounting setup services and can convert a business to our systems without a major overhaul. Our company services are divided in four major categories: Auditing, Accounting Services, Tax Accounting, and Business Consulting. Each major service is outlined and detailed within our business plan. We have the experience, leadership, and focus to ensure our clients can realize value from our services.

2. Company Summary

Jacobs CPA, LLC is set up as a Limited Liability Company. The ownership is held by Lori Jacobs, who holds 100% of all ownership. The Company headquarters are located in Simpsonville, South Carolina at 120 Heritage Point. The firm has access to a flexible staffing arrangement built around the fulfillment of client service needs. In addition, the firm contracts sales,

business planning, and other services from outside firms to ensure fulfillment of required services of clients with minimal fixed costs. The flex staffing allows for maximum profitability and lowers fixed overhead expenses.

2.1 Mission

Jacobs CPA is committed to providing auditing, accounting, tax and consulting services that distinguish us from our competition. We are committed to excellence that will be consistently reflected in timely personal attention to our clients' needs and the utilization of state-of-the-art accounting practices and business methodology.

While providing our services, we shall make it a priority to demonstrate a genuine commitment to the well-being of our clients and not merely the interests of the firm. In everything we do, we shall be committed to showing respect for our clients and uncompromising integrity in client relations throughout every aspect of our practice.

2.2 Keys to Success and Objectives

Our firm has developed keys to success and has outlined first year objectives that will produce a solid profitable foundation for continued success and increased profitability.

The initial capital requirements for aggressive business expansion are outlined as startup costs. They require an investment \$35,000. Programs can be implemented as capital is raised and benefits are achieved.

	Startup Costs
Implement on the ground sales initiatives	\$20,000
Implement Risk Assessment Program	\$3,500
Implement referral program	\$1,000
Implement name recognition program	\$5,000
Create business partnerships that expand billable hours	\$2,500
Expand Government & Business Auditing Bids	\$3,000

Objective 1

Develop a solid inflow of business by expanding direct sales contact with existing and potential clients. This will require hiring a part time sales professional dedicated to developing and implementing the sales tactics to achieve new business sales. Provide clients with our competitive advantages that can drive true value for their business. Initiate new business through open business accounting seminars, attend state and federal tax programs for business and consumers, develop direct mail campaigns, and continue advertising on radio.

Objective 2

Develop a free Risk Assessment for clients. The risk assessment is designed to highlight risk areas for clients that may lead to additional billable auditing, accounting, tax, or consulting services. In addition, this allows our staff to increase our understanding of the clients business.

Objective 3

Develop and implement a business referral program. Our clients delight with our services will make the foundation for referral business. Our aggressive approach is to set a program in motion that rewards existing clients with credits for initiating a client referral.

Objective 4

Implement a name recognition program. This is developed through a range of programs from, enhanced web site advertising, direct mail campaigns, radio advertising, brochure development, and onsite sales business promotion of our firm's service offering. Our direct sales approach with greatly increase our exposure into all market segments.

Objective 5

Continue to expand our business relationships. This will include developing relationships inside and outside of our areas of expertise. We have broadened our offering to include such services as Business Planning. We have recruited relationships with other firms to provide client services that currently are not cost effective for our firm to maintain the dedicated staff. However, by managing the complete process, we can ensure the client is retained for our core services.

Objective 6

Aggressively seek government-auditing projects. Government audits are highly profitable and require a specialized expertise that our firm possesses. We will actively seek additional audits through referrals, bidding, and direct mail campaigns. Our firm's unique skills allow us to drive more profitability through techniques other firms have not mastered.

3. Products and Services

3.1 Auditing

Four types of primary audits are performed by our firm for Business and Government clients. They are:

Standard Audits: result in our CPA firm's expression of an opinion on whether the company's financial statements are presented fairly. These are generally required by outside parties, such as investors, creditors, lenders or regulatory agencies seeking significant assurance about the financial position, results of operations and cash flows of the clients business.

Reviews: result in a report where our firm provides "negative assurance" regarding the fairness of financial statements. The report states that the accountants are not aware of any modifications that would be necessary to make the financial statements fairly presented. Reviewed financial statements are often used by businesses to report their financial position, results of operations and cash flows to third parties where audits are not required.

Compilations: result in our firms report stating the client has compiled the financial statements, but we do not provide any assurance on the fairness of the financial statements presented. Compilations are favored by businesses that do not require audits or reviews because the users are comfortable with the financial information provided without any assurance from our CPA firm.

Inventory: result in our firms report confirming or report a companies true cost of inventory and actual inventory during a specific point in time. This evaluation is key for clients seeking better costs control, suspect theft, or seeking asset evaluation.

3.2 Accounting

In today's ever-changing economy, always having up-to-date financial data about your business is critical.

At Jacobs CPA, we can help clients focus on company financial standing by providing the level of financial accounting or bookkeeping services client organizations needs. By understanding client financial statements, we provide the knowledge to make informed management decisions that will help clients grow business and achieve financial goals.

Our goal is to make sure clients know where your business stands financially, enabling them to take advantage of opportunities when they arise. We recognize that each situation is different, so we structure our services to meet particular needs.

We are QuickBooks certified and can provide all levels of training. Monthly, weekly or daily downloads can keep our firm on top of all financial transactions. If needed, we can even provide direct transaction input. Monthly accounting services can include:

- Financial statement preparation including monthly, quarterly or annual statements
- Implementation of accounting systems
- QuickBooks training and troubleshooting
- Selection of computerized accounting software and training
- Forensic accounting
- Bookkeeping, including A/R, A/P, payroll and bank reconciliations
- Preparation of personal financial statements
- Preparation of annual W-2s and 1099s

With Jacobs CPA, clients can be assured that they have timely and accurate financial statements when they need them.

3.3 Tax Accounting

Tax Preparation

We prepare business and individual tax returns. These may include returns for client's personal income, corporations, LLC's, estates and trusts. We prepare multiple business returns each year and several hundred individual returns for business owners, real estate investors, clients listing in multiple states and other tax clients.

All individual returns are e-filed to ensure that your returns are received and properly filed. Our state of the art tax software is capable of flagging potential audit problems. Those issues are immediately addressed to ensure our clients' risks of an audit are greatly reduced.

Tax Planning

We partner with our clients to address their tax planning needs in a timely and effective manner. By doing so, we are able to fully understand their situation and ensure that their tax liabilities are as low as the law permits. Our tax planning services extend far beyond determining how much tax is owed.

- Quarterly estimates and year-end tax projections
- Tax planning for property transactions including tax deferred exchanges
- Estate, gift, and retirement planning
- Develop multi-year tax minimization strategies including utilization of suspended losses, net operating losses, tax credits, stock transactions and incentive stock options

Tax Compliance

When it comes to tax returns, clients need accurate, fully compliant returns prepared in a timely manner. We ensure the accuracy of your returns by using a thorough review system. Additionally, our experienced tax professionals receive extensive ongoing training so they stay up-to-date on all tax saving opportunities available. This knowledge and background allows us to accurately interpret tax law and to devise strategies on how to apply the law to your personal and business financial situations. The result is a maximization of tax benefits available to you.

Our tax compliance services include:

- Preparation of federal, state and local income tax returns for individuals, estates, S-Corporations, C-Corporations, trusts, limited liability companies, partnerships and non-profits.
- Preparation of gift tax returns

- Preparation of payroll tax returns
- Preparation of sales and use tax returns
- Determination of estimated tax deposit requirements
- Preparation of retirement and employee benefit plans reports
- Preparation of business property tax returns

Whether your tax compliance needs are simple or complex, we have the expertise to handle your needs and to help ensure that your tax costs are as low as the law permits.

Tax Representation & Advice

We are here to help our clients resolve tax problems and put an end to the misery that the IRS or State Tax authorities can put a client through. We pride ourselves on being very efficient, affordable, and of course, extremely discrete. Tax problems will not just go away by themselves; they just keep getting worse with penalties and interest being added each day. We highly encourage our clients aggressively resolve any outstanding tax issue and we can provide the necessary expertise to settle tax claims or help with unfiled tax returns.

3.4 Business Consulting

Risk Management & Internal Control

Poor internal practices and a failure to develop risk management strategies can devastate a business, especially in uncertain economic times.

Business owners cannot control everything, yet there are some simple and, where appropriate, more complex steps that can strengthen a company's internal control. Our internal control consulting is designed to assist you with:

- Evaluating the strengths and weaknesses of clients business
- Evaluating current market conditions specific to the client and developing a risk management tool to evaluate known and unknown

market trends that may affect the business within the next two years

- Reducing the risk of errors or theft, and increasing the chances of detecting them in a timely manner if they do occur

New Business Startup

A methodical plan of action is needed to fulfill client's dreams or goal of being their own boss and running a successful business. Success lies in the approach clients choose to take. We help them avoid the common pitfalls that many new small business owners make when starting their new venture. Our customized services include:

Prepare an initial business plan to clarify clients marketing, management, and financial plans.

- Determine client's start-up capital needs. Identify sources of start-up capital and backup sources if needed
- Evaluate and quantify clients borrowing power
- Select a business structure that best fits the clients needs by evaluating tax advantages, legal exposure, ease of operation and portability
- Prepare a Cash Flow Budget so clients know exactly how much money they need to keep the business alive each month for the first few years
- Establish billing and collection procedures to maximize cash flow
- Establish procedures to monitor and control costs
- Prepare and file all required state and local licenses and permits
- Prepare and file client's application for your Federal Employer Identification Number
- Provide payroll and payroll tax filings and educate clients on payroll and employee requirements
- Identify business insurance needs
- Develop a risk management plan
- Set-up clients with Merchant Services to increase cash flow and increase customers' acceptance

Business Plan Development

A well thought-out strategic plan works as a blueprint for building business. At Jacobs CPA, we have worked with all types of companies over the years and can draw on this experience to help clients build a strategic plan designed to help achieve personal and business objectives. Our strategic planning services are based on a systematic process, which includes:

- Understanding clients personal and financial goals
- Identifying clients vision and long-term business goals
- Analyzing clients company's strengths, weaknesses, competitive position and market opportunities
- Identifying and evaluating necessary strategies
- Quantifying costs, resources and timelines associated with those strategies
- Establishing short-term goals
- Identifying key performance indicators and critical success factors
- Measuring and evaluating clients performance against the strategic plan on a regular basis

Our consultants work with clients to develop a strategic plan that contains realistic objectives and timetables. With Jacobs CPA's strategic planning services, clients will be well on their way to realizing your long-term business potential.

4. The Industry Market

The market demands for Certified Public Accountants are strong. With the vast changes in economic and government regulation conditions, Certified Public Accountants are seen by business and individuals as a resource for truth, precision, and expert advice.

Accountants and auditors are expected to experience much faster than average employment growth from 2008-18. Job opportunities should be favorable; accountants and auditors who have a professional certification, especially CPAs, should have the best prospects.

The CPA industry, which consists of approximately 40,000 CPA firms and 460,000 CPAs, is experiencing significant volatility and many members are focused on expanding their business consulting services to address the needs of their existing clients.

In addition, companies are under more government and taxation regulation than ever before. From Sarbanes-Oxley, Security & Exchange Commission, Internal Revenue Services, and State Tax Agencies, companies as well as individuals look to Certified Public Accounts to provide a passage through the legislation to ensure company compliance.

Within our area of Simpsonville, South Carolina, and surrounding cities of Greenville, South Carolina, there are 234 area business offering auditing, accounting, and tax related services.

In Simpsonville, South Carolina, we are competing with seven Certified Public Accountants. Our marketing segments are individuals, small and medium size businesses with a valuation not exceeding \$50 million dollars with less than 100 employees.

5. Sales & Marketing Strategies

We started our firm with two basic questions. “Why would clients choose our firm over our competitors?” “What can we bring to the market that drives more value to our clients over our competition?” The answer lies within the realm of client’s we target and the relationships we have developed that broaden our capabilities to meet client needs.

Within our targeted marketing sector lie individuals, small businesses, and small government agencies. Our focus in our areas of expertise allows our firm to be more efficient in our work, provide faster turnaround times, and lets our firm focus on delivering exceptional value to our clients.

Our Firms experience as Certified Public Accountants in both the high profile CPA firms and specific industry work experience has allowed us to experience both sides of the fence. This enables us to understand both spectrums that lead to the unique position of ensuring compliance and profitability.

5.1 Competition

Our area competition is comprised of professional Certified Public Accountants, tax agencies such as H&R Block, and local bookkeeping services.

We are in direct competition with seven area Certified Public Accountants. Within the city of Greenville, S.C are two large CPA firms conducting a solid business. Both Dixon Hughes and Elliott Davis have secured a stable market of large sized business.

Within the marketplace are several, “low cost”, non-certified alternatives such as local bookkeeping services, tax services, and auditing services. Although, the initial cost may seem lower to clients, the value added service such as tax lowering strategies, tax representation, and conformity to regulation, are questionable with the “low cost” firms.

5.2 Marketing Strategy

Our marketing strategy is built around the execution of our firm objective as outlined in our Firm's Summary, Keys to Success and Objectives. Our materials must answer what our firm offers, how we can provide value added services, and why our firm beat the competition and lower cost alternatives.

The marketing team is contracted outside the firm with the initiative of developing marketing materials and programs to implement successfully the following objectives:

Priority Project 1

Develop materials for a name recognition program.

This will include the development of brochures, website enhancements, and materials for sales. The initial materials will include:

1. A brochure that represents all of the Firms overall offerings
 - a. Development of the Firms letterhead, business cards, and flash cards
2. A flash card or brochure that details the advantages of being our client over our competition
3. A brochure that is specific for Auditing, Accounting, Tax Accounting, and Business Consulting
4. Develop direct mailing cards for targeted markets

Priority Project 2

Develop materials for a client referral program.

5.4 Sales Strategy

Our sales strategy is aggressive and sets the stage for firm growth. To this point, we have relied solely on blind advertising and word of mouth to obtain business. A direct on the ground sales force will give our firm the exposure we need to close new business.

Sales will focus on contacting existing and new client prospects. In addition, sales will attend federal and state business seminars for company material distribution, calling on companies that obtain new business licenses, and cold calling area small businesses. Our involvement in area events will continue our name recognition campaign.

Within our existing client base, sales will visit each business client for a free risk review. The risk review will target opportunities to expand our services to the client.

Our blitz of mailing, direct contact, event exposure, and risk reviews will expand our name recognition and provide education of our service offerings that we expect will lead to new business services.

6. Sales Forecast

The following is a five-year forecast of sales based on the following areas: Auditing, Monthly Accounting, Business Taxes, Personal Taxes, Consulting Services.

Profit margins by products set are revealed within the Key Financial Data.

7. Key Financial Data

- 7.1 Key Sales Assumptions
- 7.2 Key Cost Assumptions
- 7.3 Profit Statement 2009 & 2010
- 7.4 Cash Flow Statement 2009 & 2010
- 7.5 Balance Sheet 2009 & 2010
- 7.6 5 Year Profit Projections
- 7.7 5 Year Cash Flow Projections
- 7.8 5 Year Balance Sheet Projections
- 7.9 Break Even Analysis