



Retrofit HVAC

Heating, Ventilation, and
Air Conditioning
Services

Mission

- Reach home owners seeking low cost HVAC repair and maintenance.
- Provide low cost, quality HVAC services to home owners within the Napa Valley.

Services

- electrical inspection
- component inspection
- airflow inspection
- refrigerant inspection
- temperature inspection
- repair
- maintenance
- system cleaning
- troubleshooting

Napa Valley Competitors

- All Temp Heating and Air Conditioning
- Napa Valley Elite Aire
- Bell Products
- Reliable Refrigeration
- Accurate Heating and Cooling
- Steve's Heating and Cooling
- RD Heating and Cooling
- Hypex Heating and Sheet Metal

Napa Valley Competitors

- Coker Heating and Air
- Sun Heating and AC
- Kenny Brookes Heating and Air
- Integrity Sheet Metal HVAC
- Valley West AC
- Accell Heating and Air
- Unlisted Competitors

Unique Business

- Home business
- No employees
- Low overhead
- Can offer lowest prices
- No cost advertising on craigslist.com
- Meeting needs of low end marketing niche. The \$0.99 store of HVAC with no compromise to service
- Can subcontract services to contractors.

Customer Profile

- Napa Valley home and small business owners needing to fix heating or air conditioning system while saving up to 50% of the cost of contractor's prices. Low overhead translates into savings.
- Homeowners seeking bargain HVAC repair/Maintenance.

Marketing Strategy

Marketing Tools

- Craigslist.com
- Website
- Business cards
- Word of Mouth
- Flyers
- Target Market: Napa Valley Homeowners

Marketing Strategy

Promotion / Distribution

Promotion

1. Craigslist.com
2. Business Card
3. Word of Mouth
4. Website
retro-fit.webs.com

Distribution

1. Person on craigslist.com looking for heating and cooling service.
2. Customers or people interested in the business.
3. Family, friends, satisfied customers.
4. People who search for HVAC in Napa, CA.

Operations

- HVAC service is performed on the existing system
- Quotes or Diagnosis and/or repairs are done onsite at home or business of customer.
- The part to fix the system can be shipped or picked up from a part dealer within the same day or another repair date will be scheduled. Sold to customer at 15% markup.
- If the job cannot be done by Retro Fit HVAC the customer will be referred to a contractor who can make repairs.
- Company Policy: Invoice written for customer at the end of the job and payment received upon leaving site.

Customer Service

- Retrofit HVAC involves the customer in the repairs, letting them talk with part dealers about costs
- Show customer work that needs to be done, and explain why and how in a way that is easy to understand so they know what they are paying for.
- This will lead to great customer relations, positive reviews, and word of mouth referrals.

Financials

Income VS Overhead

- Commercial Vehicle: none \$0
- Equipment: \$500 capital investment
- Maintenance of tools: \$100 annually
- Office Rent: \$200 monthly
- Advertisement – Free Online - 300
- Business cards for \$15
- Education - \$108/month loan repayment (AOS Service Degree)
- Customers purchase all material. Payment received upon leaving site.

Retro Fit HVAC Projections of Revenues and Expenses

<i>Sales</i>	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Total
Inspection	400	300	300	600	600	500	500	500	500	500	500	500	5,700
Labor	1,000	1,000	1,400	1,500	1,200	2,000	2,000	3,000	3,000	2,500	2,000	2,000	22,600
Materials	500	300	400	1,000	1,200	5,000	5,000	5,000	5,000	5,000	5,000	5,000	38,400
Delivery	300	300	300	300	300	300	300	300	300	300	300	300	3,600
GROSS SALES	2,200	1,900	2,400	3,400	3,300	7,800	7,800	8,800	8,800	8,300	7,800	7,800	70,300
<i>Cost of Sales</i>													
Materials	350	210	280	700	840	3,500	3,500	3,500	3,500	3,500	3,500	3,500	26,880
Delivery	40	40	40	40	40	40	40	40	40	40	40	40	480
TOTAL COST OF SALES	390	250	320	740	880	3,540	3,540	3,540	3,540	3,540	3,540	3,540	27,360
GROSS PROFIT	1,810	1,650	2,080	2,660	2,420	4,260	4,260	5,260	5,260	4,760	4,260	4,260	42,940
<i>General and Administrative</i>													
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Advertising	-	-	-	-	-	240	240	240	240	240	240	240	1,680
Auto	50	50	50	50	50	50	50	50	50	50	50	50	600
Insurance	70	70	70	70	70	70	70	70	70	70	70	70	840
Legal and Professional Fees	108	308	1,600	108	108	108	108	108	108	108	108	108	2,988
Misc. Other	20	20	20	20	20	20	20	20	20	20	20	20	240
Rent	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Repair and Maintenance	100	100	100	100	100	100	100	100	200	200	200	200	1,600
Small Equipment	20	20	20	20	20	20	20	20	20	20	20	20	240
Telephone	20	50	50	50	50	50	50	50	50	50	50	50	570
Office Supplies	5	10	10	10	10	10	10	10	10	10	10	10	115
<i>Total Gen. and Admin. (Fixed)</i>	593	828	2,120	628	628	868	868	868	968	968	968	968	11,273
NET PROFIT OR LOSS	1,217	822	(40)	2,032	1,792	3,392	3,392	4,392	4,292	3,792	3,292	3,292	31,667
Accumulated Cash Flow	1,217	2,039	1,999	4,031	5,823	9,215	12,607	16,999	21,291	25,083	28,375	31,667	31,667

Retro Fit HVAC - 3 Year Projections

Sales	Year 1	Year 2	Year 3
Inspection	5,700	8,550	12,825
Labor	22,600	33,900	50,850
Material	38,400	57,600	86,400
Delivery	3,600	5,400	8,100
GROSS SALES	70,300	105,450	158,175
Cost of Sales			
Material	26,880	40,320	60,480
Delivery	480	720	1,080
TOTAL COST OF SALES	27,360	41,040	61,560
GROSS PROFIT	42,940	64,410	96,615
<i>Total Gen. and Admin. (Fixed)</i>	11,273	16,910	25,364
<i>NET PROFIT OR LOSS</i>	31,667	47,501	71,251

Financial Information – Break Even Analysis

Break Even Analysis

Year 1 Fixed Costs	\$11,273
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Gross Margin	61.0%
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Year 1 Break Even Sales	\$18,480
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Year 1 Monthly Fixed Costs	\$939
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Monthly Break Even	\$1,540
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Average Break Even Daily Sales (24 days)	64
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Retro Fit HVAC

- My business has been generating profit and at an increasing rate.
- My customers are satisfied.
- I am happy with my job.