

Executive Summary

Computer Zoom

6/17/2010

The name of my business that I wish to pursue will be called Computer Zoom. Computer Zoom will start at a location where there are no other existing computer repair/service shops in the area. Since I will start as a home based business, I currently live in the Queens area of New York, and from my research there are no private computer repair/service shops in my area. The closest competitor to my house, which is Best Buy or Staples, is approximately 10 miles away from where I live. Computer Zoom's mission is to provide an exemplary service to give the customer a more enjoyable and user friendly experience using the product that helps them connect worldwide on a daily basis.

Computer Zoom will serve any consumer who has a laptop, desktop or mobile device. The market potential of service that the business can generate is endless based on the number of computer users just in the New York area alone, including students, businesses, etc. Computer Zoom will offer all repairs and service to any type of installed hardware or software computer device, which includes but not limited to upgrades, cleaning, etc. Due to the economic slump of 2008 the IT industry, as well as the sales market for computers were down, but during the early months of 2009 there was a shift in the types of PC's that were being bought. In a report that I found published in July of 2009, it stated that PC shipments totaled 65.5 Million, with portable PC shipments such as laptops outperformed desktops 34.1 Million to 31.4 Million for the year ending 2008. The shift towards portable PC's are very obvious with an estimated 40 Million units shipped in 2009 compared to only

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approximately 26 million desktops. As the numbers suggest, the size of the market is massive, as of 2009 there are approximately 341 Million Internet users in this country alone. The growth in percentage from the year 2000-2009 was over a 140% jump.

There are 3 major competitors in the market that Computer Zoom would have to contend with. The first company, Staples, Inc. North American segment consists of U.S and Canadian business units that operate office supply stores. The second competitor through my research that I came up with was Best Buy, Inc. One of Best Buy's subsidiaries, Geek Squad, is a computer service/ repair store that is located inside of the Best Buy retail stores. The third competitor is Office Depot. One of Office Depot's subsidiaries Tech is a computer repair/service shop for consumers like Best Buy's Geek Squad. Computer Zoom will have a competitive advantage over their competitors by providing lightning fast service to keep the consumer "always connected". Always connected will be a service for consumers to drop off their internet unit and if we cannot fix the unit within 2 hours, we will give the consumer a loaner desktop, laptop, or mobile device (whichever the consumer brings in for servicing) until his or her unit is fixed. Another aspect is that I will have a COMPTIA A+ Certification which is the standard for computer technicians. It shows technical understanding of computer technology, networking and security, as well as the communication and professionalism needed to work with consumers and companies.

After further evaluation of my costs and expenses (and a little help from the professor☺), I have decided that I will start my business as a home based business and also do house calls. This will lower my expenses and start up costs tremendously. Being that I am a sole proprietor, I will not have to worry about labor force since I will be the only person running the business until I can get large enough to hire people if I cannot handle the work and service traffic into my business. A promotion that Computer Zoom will offer is the company's discount

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club for consumers. Have your units repaired or serviced twice (any combination) and get your third service or repair for free.

The form of business ownership will be Sole Proprietorship. It will be a less burden and expense to have my own business and making the decisions myself for my business. Also, the profit being made from the business will go directly to me since I have to employees to pay. Once I can expand the business, then I can look into a LLC or partnership to grow the business. Computer Zoom will offer General Liability since the services we are providing for consumers is not a in any way life threatening to the consumer. But it can also provide Business Income Insurance in the case that the business has a temporary shutdown. Another insurance that is possible to include is the errors and omissions insurance in case of a mistake or failure n the service provided to the consumer. The finance strategy of debt would be appropriate for Computer Zoom. I would obtain a small business loan from a bank in order to help my get my business started with the required inventory and operating expenses. The total cash needed in order to start my business which includes start up costs and capital is \$93,500.00

Appendix: A

Startup Capital Requirements - One-time Startup Expenses

Startup Expenses	Amount	Description
Advertising	\$20000	Online advertising with Google, Yahoo, and Bing PPC (Pay Per Click Conversion)
Starting inventory	\$10000	Computer hardware and software parts
Cash	\$500	Amount needed for the cash register
Decorating	\$2500	Making a décor fit for the business
Deposits	\$2500	Cable, Internet, Electric
Fixtures and equipment	\$2500	Lighting, cables, tools, etc.
Insurance	General Liability	Not a life or death service we are providing
Licenses and permits	\$100	DBA: Sole Proprietorship

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Professional fees	Included with above DBA filling from legalzoom.com	Include CPA, attorney, etc.
Supplies	\$100	Notebooks, pens, etc.
Unanticipated expenses	\$5000	Include an amount for the unexpected
Total Startup Costs	\$43,200	Amount of costs before opening

Working Capital Requirements - Repeating Monthly Expenses

Expenses	Amount	Description
Advertising	\$2500	Monthly PPC online campaigns
Inventory	\$30000	\$10000*3=\$30000
Loan payments	\$2500	Principal and interest payments
Payroll other than owner	\$4500	\$1500*3=\$4500
Supplies	\$300	\$100*3=\$300
Utilities	\$1500	\$1500*3=\$1500
Your salary	\$9000	\$3000*3=\$9000
Working Capital (Repeating Costs x Months to hold in reserve)	\$50,300	
Total Startup Costs	\$43,200	Amount from preceding page
Total Cash Needed (Working Capital + Startup Costs)	\$93,500	

WORKS CITED

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Thomas Liquori.me