Liquid Express UG (haftungsbeschränkt)

Delivery-service for drinks at the weekend

Source: http://www.kachouri.de/getraenke/wp-content/uploads/Montage-Title-High-Res.jpg

Concept

- Company delivers drinks for (private) parties during nightimes
- Working times:
  - Friday + Saturday: 20:00 p.m. to 4:00 a.m.
  - Sunday: 14:00 p.m. to 22:00 p.m.
- Consumers order their goods at our homepage
- Driver checks the order with his tablet-PC and delivers ordered goods
  → Possibility to run the business with only one person

http://siedlerladen-kulmbach.npage.de/lieferservice.html

Legal form of the company

Mini-GmbH / 1 € - GmbH

- Similar to normal GmbH with some differences (especially share capital)
- Capital for the foundation is at least 1 €
- Company has to deposit 25 % of its annual profit for the share capital until it reaches 25.000 €

Advantages:

- Easy foundation process
- Persons with less seed capital can start their company and increase the share capital later

Disadvantages:

- Share capital has to be cash →no chance to deposit assets in kind
- It is more difficult to get high and low priced credits from the bank (high interest rates)
- You often have to pay in advance

Company organisation

http://recruitmentdad.com/selling-better-how-to-develop-more-new-business/

- Three partners with equal rights
- Each of them is:
  - Founder of the company (partner in Mini-GmbH)
  - Employer
  - Employee (salary: 450 € - basis)

- Three fields of work:
  - Delivering
  - Purchasing (refill and organize the storage)
  - Book keeping

→ Each partner has to work in every department (controlling function, deversified work)

Market analysis

Ciosk GmbH:
- Biggest competitor
- Delivery after order in the online-shop
- Main products are drinks
- Relatively high prices

Brink 24 GmbH:
- High range of products
- Low Prices
- No spontaneous orders
  → choose a date of delivery

Getränke Arndt (example for normal delivery service):
- Delivery from Monday to Friday
- Low prices but minimum order quantity
- No direct competitor → Delivery only during the week in the frame of normal opening hours

Marketprices

Ciosk GmbH:
Früh Kölsch: 1,60 €
Früh Kölsch beer crate: 26,90 €
Absolut Vodka 0,7 l: 21,90€

Brink 24 GmbH:
Früh Kölsch: 0,85 €
Früh Kölsch beer crate: 16,99 €
Absolut Vodka 0,7 l: 15,99€

Getränke Arndt:
Früh Kölsch: / (min. beer crate)
Früh Kölsch beer crate: 14,95 €
Absolut Vodka 0,7 l: 13,99€

Normal kiosk:
Früh Kölsch: 1,50 €
Früh Kölsch beer crate: /
Absolut Vodka 0,7 l: 20,00 €

http://www.bilderbuch-koeln.de/bilder/

Products and prices (selection)

Product	Volume [l]	Cost per unit	Absolute costs	Sold units per week	Price	Price incl. deposit	Turnover	Yields
Non alcoholic								
Coca Cola	1,0	0,85 €	34,00 €	40	2,35 €	2,50 €	94,00 €	**60,00 €**
Sprite	1,0	0,85 €	12,75 €	15	2,35 €	2,50 €	35,25 €	**22,50 €**
Orangen-Saft	1,0	1,39 €	34,75 €	25	2,70 €	2,70 €	67,50 €	**32,75 €**
Red Bull	0,25	1,19 €	29,75 €	25	2,25 €	2,50 €	56,25 €	**26,50 €**
Wine and sparkling wine								
Asti Cinzano	0,75	5,99 €	35,94 €	6	9,50 €	9,50 €	57,00 €	**21,06 €**
MM Extra Trocken	0,75	4,85 €	19,40 €	4	8,00 €	8,00 €	32,00 €	**12,60 €**
	0,2	1,49 €	7,45 €	5	3,50 €	3,50 €	17,50 €	**10,05 €**
Blanchet Rotwein, trocken	0,75	2,99	11,96 €	4	7,50 €	7,50 €	30,00 €	**18,04 €**
Blanchet Weißwein, trocken	0,75	2,99 €	14,95 €	5	7,50 €	7,50 €	37,50 €	**22,55 €**
Snacks								
Pringles Original		1,99 €	7,96 €	4	3,00 €	3,00 €	12,00 €	**4,04 €**
Funny Frisch Snack-Box		1,59 €	7,95 €	5	4,00 €	4,00 €	20,00 €	**12,05 €**
Lorentz Salzstangen		1,49 €	5,96 €	4	2,50 €	2,50 €	10,00 €	**4,04 €**
Ütje Erdnüsse		1,65 €	9,90 €	6	2,50 €	2,50 €	15,00 €	**5,10 €**
Nic Nac's		1,69 €	6,76 €	4	2,50 €	2,50 €	10,00 €	**3,24 €**

Product	Volume [l]	Cost per unit	Absolute costs	Sold units per week	Price	Price incl. deposit	Turnover	Yields
Beer								
Becks	0,5	0,65 €	16,25 €	25	1,42 €	1,50 €	35,50 €	**19,25 €**
	20 x 0,5	12,99 €	64,95 €	5	23,40 €	26,50 €	117,00 €	**52,05 €**
Wicküler	0,5	0,44 €	11,00 €	25	1,12 €	1,20 €	28,00 €	**17,00 €**
	20 x 0,5	8,79 €	43,95 €	5	18,90 €	22,00 €	94,50 €	**50,55 €**
Früh-Kölsch	0,5	0,60 €	18,00 €	30	1,42 €	1,50 €	42,60 €	**24,60 €**
	20 x 0,5	11,49 €	57,45 €	5	23,50 €	26,60 €	117,50 €	**60,05 €**
Krombacher	0,5	0,62 €	15,50 €	25	1,42 €	1,50 €	35,50 €	**20,00 €**
	20 x 0,5	11,99 €	95,92 €	8	23,50 €	26,60 €	188,00 €	**92,08 €**
Paulaner Weizen	0,5	0,85 €	25,50 €	30	1,62 €	1,70 €	48,60 €	**23,10 €**
	20 x 0,5	16,99 €	33,98 €	2	25,90 €	29,00 €	51,80 €	**17,82 €**
Jever	0,5	0,62 €	9,30 €	15	1,52 €	1,60 €	22,80 €	**13,50 €**
	20 x 0,5	11,99 €	23,98 €	2	23,40 €	26,50 €	46,80 €	**22,82 €**
Spirits								
Jägermeister	0,7	9,99 €	79,92 €	8	16,90 €	16,90 €	135,20 €	**55,28 €**
	0,35	5,99 €	23,96 €	4	8,90 €	8,90 €	35,60 €	**11,64 €**
Vodka Gorbatschow	0,7	7,49 €	37,45 €	5	14,90 €	14,90 €	74,50 €	**37,05 €**
	0,5	5,99 €	11,98 €	2	10,90 €	10,90 €	21,80 €	**9,82 €**
Absolut Vodka	0,7	11,99 €	23,98 €	2	20,90 €	20,90 €	41,80 €	**17,82 €**
Johnny Walker	0,7	9,99 €	39,96 €	4	17,90 €	17,90 €	71,60 €	**31,64 €**
Jack Daniels	0,7	15,99 €	47,97 €	3	22,90 €	22,90 €	68,70 €	**20,73 €**
Jameson	0,7	16,99 €	33,98 €	2	23,90 €	23,90 €	47,80 €	**13,82 €**
Havana Club	0,7	10,99 €	43,96 €	4	16,90 €	16,90 €	67,60 €	**23,64 €**
Captain Morgan	0,7	11,99 €	47,96 €	4	20,90 €	20,90 €	83,60 €	**35,64 €**
Malibu	0,7	10,99 €	10,99 €	1	17,90 €	17,90 €	17,90 €	**6,91 €**
Gordons Gin	0,7	10,99 €	21,98 €	2	18,90 €	18,90 €	37,80 €	**15,82 €**

Placement of *Liquid Express* in the market

Low fixed costs:

- No rent for a shop
- Only delivery at weekend (high demand)
  → lower prices in comparison to Ciosk GmbH
- Our prices are comparable to normal kiosks
  → advantage of free delivery and cheaper prices for beer crates

- No competition between normal delivery service and *Liquid Express*
- High demand between 22:00 p.m. and 2:00 a.m.

Marketing

http://www.piranha-werbung.de/mediapool/57/579126/resources/9508375.jpg

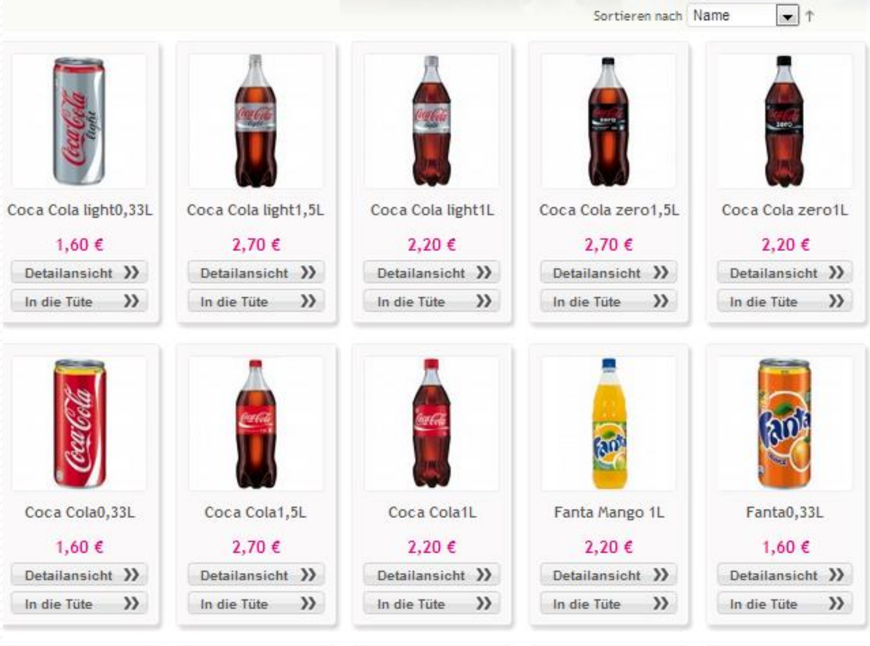
Business cards (with internet-adress, opening hours):

- People put the cards in their pockets
- If drings are needed they carry the needed information with them

Advertisement at the company car:

Hompage:

- Online shop: Orders are directly transmitted to a tablet in the car
- Weekly special offers
- Shows availability of the products



http://www.ciosk.de/

Investment

Description	*Investment costs [€]*	*Period of depreciation [a]*	*Depreciation costs [€/a]*
Transporter	15.000,00	5	3.000,00
Furniture for storing	500,00	15	33,33
Tablet-PC	200,00	3	66,67
Navigation system	150,00	3	50,00
Advertisement (car)	500,00	5	100,00
Homepage (online shop)	2.500,00	3	833,33
Hand truck	300,00	9	33,33
Transport-equipment for the transporter	1.000,00	5	200,00
Mobile phone	100,00	5	20,00
Total	**20250**		**4336,67**

http://www.autotest.de/images/skoda-praktik-4a324bd4563fa7.85560114.preview.jpg/

http://msnbcmedia.msn.com/i/MSNBC/Components/Photo/_new/120627-google-nexus-7-maps-410pm.jpg

Financing

- For initial investment and safety capital (fixed costs for one year) we need a credit of 30.000 €
- Payback of the credit in five years
- Credit from the KFW-bank with an interest rate of 2,63 % (ERP-Gründerkredit)

5 years duration	*Interest costs*	*Proportition*	*Repayment*	*Annuity*
1	789,00 €	30.000,00 €	6.000,00 €	6.789,00 €
2	631,20 €	24.000,00 €	6.000,00 €	6.631,20 €
3	473,40 €	18.000,00 €	6.000,00 €	6.473,40 €
4	315,60 €	12.000,00 €	6.000,00 €	6.315,60 €
5	157,80 €	6.000,00 €	6.000,00 €	6.157,80 €
6	0,00 €	0,00 €	0,00 €	0,00 €

Capital	*€*
Investment costs	20.250,00
Fixed costs for first year (unexpected)	5.707,08
Circulating Capital	1.790,20
Total	**27.747,28**

→Total credit: 30.000 €

Costs

Variable costs

Description	*Costs per Unit*	*Usage [km/month]*	*Costs per month*	*Costs per year*
	€/km	*km/month*	*€/month*	*€/year*
Fuel	0,105	5.000,00	525,00	6.300,00
Attrition/reperatur	0,042	5.000,00	210,00	2.520,00
Total	**0,147**		**735,00**	**8.820,00**

Labor costs

Description	Costs per month and employee
Salary	450,00 €
Health insurance	58,50 €
Annuity assurance	85,05 €
Tax on wages	9,00 €
Cost allocation 1	3,15 €
Cost allocation 2	0,63 €
Insolvency cost allocation	0,68 €
Total (month)	**607,01 €**
Total (year; for 3 employees)	**21.855,60 €**

Fixed costs

Description	*Costs [€/month]*	*Costs [€/a]*
Storage rent	150,00	1.800,00
Advertisement	100,00	1.200,00
Homepage	70,00	840,00
Internet	9,99	119,88
Mobile phone	20,00	240,00
Taxes and insurance - car	99,00	1.188,00
Accident insurance	21,60	259,20
Electricity	5,00	60,00
Total	**475,59**	**5.707,08**

Calculation

- Dividend in the 5th year is negative because reinvestment costs for a new car and storage funiture

Balance sheet	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Utilized capacity [%]	60	80	100	100	100	100	100	100	100	100
Turnover/Revenue	**81.564,00 €**	**108.752,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**	**135.940,00 €**
Depreciation costs	4.336,67 €	4.336,67 €	4.336,67 €	3.503,34 €	3.503,34 €	3.503,34 €	3.503,34 €	3.503,34 €	3.503,34 €	3.503,34 €
Labor costs	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €	21.855,60 €
Variable costs	5.292,00 €	7.056,00 €	8.820,00 €	8.820,00 €	8.820,00 €	8.820,00 €	8.820,00 €	8.820,00 €	8.820,00 €	8.820,00 €
Fixed costs	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €	475,59 €
Raw materials costs	43.206,00 €	57.608,00 €	72.010,00 €	72.010,00 €	72.010,00 €	72.010,00 €	72.010,00 €	72.010,00 €	72.010,00 €	72.010,00 €
Financing costs	789,00 €	631,20 €	473,40 €	315,60 €	157,80 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
VAT	15.497,16 €	20.662,88 €	25.828,60 €	25.828,60 €	25.828,60 €	25.828,60 €	25.828,60 €	25.828,60 €	25.828,60 €	25.828,60 €
Cashback of VAT	-8.209,14 €	-10.945,52 €	-13.681,90 €	-13.681,90 €	-13.681,90 €	-13.681,90 €	-13.681,90 €	-13.681,90 €	-13.681,90 €	-13.681,90 €
loss carried forward		2.670,66 €				8.914,08 €				
Profit before tax	-1.678,88 €	4.400,92 €	15.822,04 €	16.813,17 €	16.970,97 €	8.214,69 €	17.128,77 €	17.128,77 €	17.128,77 €	17.128,77 €
Taxes (40%)	-671,55 €	1.760,37 €	6.328,82 €	6.725,27 €	6.788,39 €	3.285,88 €	6.851,51 €	6.851,51 €	6.851,51 €	6.851,51 €
Profit after tax	-1.007,33 €	2.640,55 €	9.493,23 €	10.087,90 €	10.182,58 €	4.928,82 €	10.277,26 €	10.277,26 €	10.277,26 €	10.277,26 €
Cash-flow (net profit + depreciation)	3.329,34 €	6.977,22 €	13.829,89 €	13.591,24 €	13.685,92 €	8.432,15 €	13.780,60 €	13.780,60 €	13.780,60 €	13.780,60 €
Repayment Credit	6.000,00 €	6.000,00 €	6.000,00 €	6.000,00 €	6.000,00 €	0	0	0	0	0
Dividend (before share capital payment)	-2.670,66 €	977,22 €	7.479,89 €	7.591,24 €	-8.914,08 €	8.082,15 €	13.780,60 €	13.780,60 €	13.130,60 €	13.780,60 €
Share capital payment	0,00 €	244,31 €	1.869,97 €	1.897,81 €	0,00 €	2.020,54 €	3.445,15 €	3.445,15 €	3.282,65 €	3.445,15 €
Reinvestment costs	0,00 €	0,00 €	350,00 €	0,00 €	16.600,00 €	350,00 €	0,00 €	0,00 €	650,00 €	0,00 €
Dividend	-2.670,66 €	732,92 €	5.609,92 €	5.693,43 €	-8.914,08 €	6.061,61 €	10.335,45 €	10.335,45 €	9.847,95 €	10.335,45 €

SWOT-analysis

Strengths:

- flexibel work-time
- huge regional target-group (e.g. students)
- high number of inhabitants in cologne → high demand

Weaknesses:

- no experiences

Opportunities:

- more orders → more advertisement
- High flexibility in enlarging the company

Threats:

- concurrence with late-shops, gas-stations and other delivery-services
- high fluctuation in orders during the evening

Summary

- The company can place itself in a market niche → low competition
- Advertisement is essential for success of the firm

Our calculation is based on:

- 1,5 deliveries per hour in the first year (60% load factor)
- 2,5 deliveries after the second year (100% load factor)

  → More orders will increase the profitability

- In all objectivity:

  → With this conservative caluculated cash-flow the company‘s profitability is not very high and it makes the investment of capital unattractive