

BUSINESS PLAN PREPARATION

Context

Our client is a Spanish company manufacturing building materials, that plans to open a production site in Midi-Pyrenees in order to develop its market share in South-West France.

The financing of the operation is provided by equity and bank loans; local authorities are also subsidising the operation as the production site will be built in a development area.

Our Approach

Further various meetings with the Spanish managers, we have advised them on the necessity and security of preparing a detailed forecast (profit and loss account, balance sheet and cash flows) for the first three years of operations.

This business plan will be a pre-requisite in discussions with banks and local authorities in order to demonstrate the reliability of the project.

On the basis of a first draft prepared by the company, we have:

- challenged managers on the assumptions taken in terms of trading performance, capital expenditure and financing;
- modelled these assumptions, taking into account French tax and social requirements;
- built sensitivities analyses to assess the degree of comfort provided by the assumptions taken by management,
- Delivered a detailed report providing assumptions and forecast trading performance and cash flow generation for the first three years.

Our Added Value

Our role was to advise our client in a difficult exercise: validate our client's investment plan as well as delivering a product meeting detailed requirements from banks and local authorities.

Our expertise gave additional credit to the financing of the project and also provided insurance to the company managers in the feasibility of their project.

Setting up a subsidiary, developing a new activity, creating its company, are key events in the life of a business that need to be correctly and fully apprehended from an accounting and financial perspective.

Experts at **SOPYREC** are here to assist, advise and challenge you so that your project becomes a success.

SOPYREC

32, rue des Cosmonautes – ZI du
Palays
BP 34171 - 31031 Toulouse
Cedex 4
France
Tel. : +33 (0)5 62 16 13 63
Fax : +33 (0)5 62 16 13 62
conseil@sopyrec.com