

A modern office interior with large windows and people in blue chairs. The scene is bright and professional, with several individuals engaged in a meeting. The text is overlaid on the top half of the image.

DAVIS TAX CONSULTING & FINANCIAL SERVICES LLC

Business Plan



TABLE OF CONTENTS

1. Executive Summary	3
2. Company Essentials	4
3. Business Description.....	7
4. Market Analysis.....	9
5. Marketing and Sales Plan	12
6. Financial Plan	13

1. EXECUTIVE SUMMARY

What We Sell

Knowledgeable, professional, customer-service oriented, and experienced! Davis Tax Consulting & Financial Services LLC sells life-long lessons of financial literacy to small business owners, women, and ethnic minorities specifically in the rural areas within South Carolina. With over 20 years of experience, Alicia Davis, owner and operator, provides individual and business tax services, accounting services, business formation services, notary services, grant writing and management services, and educational services. We are not just another tax service! Davis Tax Consulting & Financial Services is a private, mission-driven company. As the company is in its developmental stage, it seeks to grow into the leading tax and accounting firm in the southeastern region of the United States. The company upholds a dual mission of providing exceptional and professional tax and accounting services with the highest levels of integrity and professionalism while meeting the current and future needs of its clients.

WHO WE SELL TO

Our existing clients are individuals and small business owners in rural areas in South Carolina. Davis Tax Consulting & Financial Services LLC exists to meet the financial literacy, tax, and accounting needs of the residents of Barnwell, SC and surrounding areas. Residents of these areas are currently underserved and live below the poverty line. According to the most recent information provided by the U.S. Census Bureau, 38.1 million people are currently living in poverty in the United States. The official poverty rate is currently 11.8 percent. The poverty rate for Barnwell, SC is 36.6 percent the largest demographic being females ages 35-44 and the highest ethnicity being African Americans. In addition, the population of Barnwell County is 22,621. There are 780 women-owned firms, and 672 minority-owned firms. According to the statistics above, women and ethnic minorities are two groups with the highest poverty rates.

FINANCIAL SUMMARY

Davis Tax Consulting & Financial Services LLC is still in its developmental phase. Though the owner has over 20 years of experience, the business has been in existence for the past two years. There are existing individual and business clients; however, the business is seeking to establish a more permanent presence as it opens the doors of the first physical location at 272 Main Street, Barnwell, SC 29812. In addition to owner investments, the company has received in-kind contributions to assist with renovations for the building, and donations have been received to assist with furnishings and fixtures. Davis Tax Consulting & Financial Services LLC is working tirelessly to receive funding to successfully complete this phase of development for the business.

2. COMPANY ESSENTIALS

COMPANY NAME

Davis Tax Consulting & Financial Services LLC

PRODUCT OR SERVICE

Selling Services

COMPANY OVERVIEW

Knowledgeable, professional, customer-service oriented, and experienced! Davis Tax Consulting & Financial Services LLC is a United States limited liability company registered in the state of South Carolina. This company provides tax and accounting services for individuals as well as small to mid-sized small business owners. Its founder, Alicia Davis, has worked in the tax and accounting fields for the past 20 years but officially started Davis Tax Consulting & Financial Services LLC in 2018. Davis Tax Consulting & Financial Services LLC recently acquired office space and will be located in Barnwell, SC. Dr. Davis' vision for Davis Tax Consulting & Financial Services LLC is for the company to make a profit while educating individuals and small business owners in the overall areas of financial literacy.

MISSION STATEMENT

Davis Tax Consulting & Financial Services, LLC is committed to providing exceptional and professional tax and accounting services while maintaining the highest levels of integrity and professionalism while meeting the current and future needs of our clients.

VISION STATEMENT

To be regionally recognized as the tax and accounting firm of choice for providing tax and professional accounting services to individuals and businesses alike while providing avenues in which individuals and small business owners may become fiscally responsible and flourishing citizens. This will be accomplished by creating a culture of community service, enthusiasm, and professionalism that will enable us to attract and retain the best and brightest professionals who will be recognized and respected for their contributions to a company that is founded on shared core values.

VALUES

Here at Davis Tax Consulting & Financial Services LLC we value:

PERSONAL ATTENTION

We believe that personal attention is the cornerstone of excellent customer service. Our associates will be fully engaged throughout every step of the process, and they will be

available to discuss questions or concerns pertaining to individual needs, financial literacy, accounting principles, or tax laws.

PROFESSIONALISM

We are committed to using our best judgement in helping our clients meet their needs while providing effective and sustainable solutions for each financial literacy, accounting and tax issue. Each associate is expected to act in the highest professional manner without compromise.

PASSION

We love what we do. "Develop a passion for learning. If you do, you will never cease to grow." ~ Anthony J. D'Angelo

INTEGRITY

We conduct business with the quality of being honest and having strong moral principles. We not only accept new clients, but we strive to build meaningful relationships that only exist in the presence of integrity.

QUALITY

We strive to deliver what we promise to our clients. We create an environment of continuous learning and improvement that enhances the quality of work and the product that we provide to our clients.

MANAGEMENT & STAFF

Alicia Davis, owner of Davis Tax Consulting & Financial Services LLC, has received basic and advanced certifications in tax preparation and planning through the Internal Revenue Service. Dr. Davis currently has a Bachelor of Science in Business Administration with a concentration in Accounting from the University of South Carolina and a Master of Arts in Accounting from Clark Atlanta University. In addition, Dr. Davis has a terminal degree in Educational Leadership. Dr. Davis founded Davis Tax Consulting & Financial Services LLC after over 20 years of work to include the following positions Senior Accountant, IRS Auditor, Grant Accountant, Accounting Program Coordinator, Assistant Professor of Accounting, VITA Program Coordinator, etc. Dr. Davis has one part-time assistant: an office manager who also has experience in working for the Internal Revenue Service but is also a retired human resource executive who advises on business formation and human resource issues. Davis Tax Consulting & Financial Services LLC has been in business for approximately two years but already has a list of individual clients, business clients, and nonprofit organizations.

OPERATIONAL STRUCTURE

In the past, Davis Tax Consulting & Financial Services LLC met with business clients based on appointments only. Individual clients were assisted at Voorhees College on Mondays, Tuesdays, and Thursdays from 3:00p.m. – 8:00p.m. and by appointment. However, with the

opening of the new location in Barnwell, SC, Davis Tax Consulting & Financial Services LLC will now have set hours Monday - Thursday. As the company grows, additional personnel will be needed. Davis Tax Consulting & Financial Services LLC currently has relationships with Voorhees College, Newberry College, Charleston Southern, South Carolina State University, and Denmark Technical College and will offer internships for current business students. Anticipated vacancies include: Grant Accountant, Bookkeeper, and Tax Preparer.

BUSINESS PROTECTION

Ideal has no intellectual property, trademarks, or licensable assets.

3. BUSINESS DESCRIPTION

Davis Tax Consulting & Financial Services LLC exists to meet the financial literacy, tax, and accounting needs of the residents of Barnwell, SC and surrounding areas. Residents of these areas are currently underserved and live below the poverty line. According to the most recent information provided by the U.S. Census Bureau, 38.1 million people are currently living in poverty in the United States. The official poverty rate is currently 11.8 percent. The poverty rate for Barnwell, SC is 36.6 percent the largest demographic being females ages 35-44 and the highest ethnicity being African Americans. The prevalence of poverty in the United States is an important public health issue, but it is even more critical in rural areas such as Barnwell, SC. Poverty and poor health worldwide are intricately linked. Poverty is both a cause and a consequence of poor health. Infectious and neglected diseases kill and weaken millions of the poorest and most vulnerable people each year.

In addition to the health effects, poverty also has a negative impact on our communities. According to the USDA, “Concentrated poverty contributes to poor housing and health conditions, higher crime and school dropout rates, and employment dislocations. As a result, economic conditions in very poor areas can create limited opportunities for poor residents that become self-perpetuating.” According to the most recent statistics from the USDA, the southern region of the United States had a nonmetro poverty rate of 20.5 percent. The United States average graduation rate is 88 percent. The average for Barnwell High School is 84 percent which is below the national average. According to the most recent information from the S.C. Department of Employment & Workforce (prior to the COVID-19 pandemic), the unemployment rate for Barnwell, SC is 4.8 percent while the state average is 3.5 percent, and the national average is 3.9 percent. Given these statistics, there is a need to assist the residents in our rural areas, and Davis Tax Consulting & Financial Services LLC seeks to fulfill these needs.

OPPORTUNITY

The population of Barnwell County is 22,621. There are 780 women-owned firms, and 672 minority-owned firms. According to the statistics above, women and ethnic minorities are two groups with the highest poverty rates. Therefore, we currently focus on small business owners and individuals who live below the poverty line. Tax and Accounting Services are currently offered remotely and by appointment only; however, to ensure Davis Tax Consulting & Financial Services LLC is able to maximize its efforts, regular office hours will be established, monthly financial literacy workshops will be conducted, and the current website will be expanded to allow customers from other locations to have submit documentation and access their financial documents through individual on-line portals.

PRODUCT OVERVIEW

Davis Tax Consulting & Financial Services LLC provides a range of financial literacy, tax, and accounting services to small business owners and individuals in the Barnwell County area. Each client uses a slightly different mix of services, which include the follow:

SMALL BUSINESS START-UP SERVICES

Small business start-up services include the following: choosing a business structure, creating business plans, business registration, business licenses and permits, etc. Pricing for small business start-up plans start at \$300 per business. Plans are customized to meet the client's needs.

BUSINESS & INDIVIDUAL TAX SERVICES

Business & Individual Tax Services include tax services for small business owners and individuals. Davis Tax Consulting & Financial Services LLC remains current on all of the latest tax regulations and laws and is knowledgeable and experienced in preparing tax returns for LLCs, Non-Profits, C Corporations, S Corporations, Partnerships, and Sole Proprietorships. Pricing for individual tax returns start at \$175 per tax return. Pricing for small business tax returns start at \$300. Services are customized to meet the client's needs.

ACCOUNTING SERVICES

Accounting services include bank reconciliations, preparation of financial statements, bookkeeping services, payroll services, budgeting, invoicing and billing, development of policies and procedures, etc. Pricing for accounting services starts at \$125 per month. Services are customized to meet the client's needs.

BUSINESS FORMATION & INCORPORATION SERVICES

Business Formation & Incorporation Services include preparing the Articles of Incorporation, Operating Agreement, Business License Applications, Strategic Plans, Business Plans, Start-up Budgets, and filing the required documents with the Secretary of State. Pricing for business formation and incorporation services begin at \$300. Services are customized to meet the client's needs.

NON-PROFIT ACCOUNTING SERVICES

Non-Profit Accounting Services include preparing and filing the Form 1023 & 1024 Nonprofit Application, Form 990 & state tax filings, state charitable registrations, and grant writing & management services. Pricing for individual forms begins at \$175. Pricing for grant writing services depends on the grant award (10% of grant awards that are less than \$1,000,000 and 5% of grant awards that exceed \$1,000,000). Services are customized to meet the client's needs.

NOTARY SERVICES

Notary services are provided at a rate of \$20 per signature.

EDUCATION SERVICES

Education Services include financial literacy workshops, QuickBooks certification courses, budgeting courses, credit workshops, college prep workshops, resume writing, professional development, etc. Pricing for workshops start at \$25 per attendee.

4. MARKET ANALYSIS

The target market for Davis Tax Consulting & Financial Services LLC is small business owners, women, and ethnic minorities in rural areas. The greatest concentration of these potential customers is in Barnwell County. According to IRS statistics and MarketWatch, 44 percent of Americans do not pay federal income tax and won't file a tax return for various reasons. However, 56 percent of Americans will pay a federal income tax and will file a tax return. Therefore, approximately 12,667 residents in Barnwell County will file a tax return and may need tax assistance. According to the most recent data from the IRS, 10 million taxpayers received refund anticipation loans (RALs) for the 2018 tax year. A RAL is a short-term loan based on a taxpayer's expected income tax refund and is a contract between the taxpayer and a lender. The effective annual interest rate (APR) for an RAL can range from about 40% (for a loan of \$9,999) to over 700% (for a loan of \$200). There are approximately 10 tax preparers in Barnwell, SC who provide the RAL option for its clients; however, none of them provide financial literacy education.

In addition, there are 780 women-owned firms, and 672 minority-owned firms in Barnwell County which represent business owners who may need additional accounting and tax assistance. According to [SCORE.org](https://www.score.org), the #1 reasons why small businesses fail is due to inadequate cash flow which is the result of the lack of budgeting, inadequate credit, poor inventory control, and lack of an experienced and knowledgeable accountant.

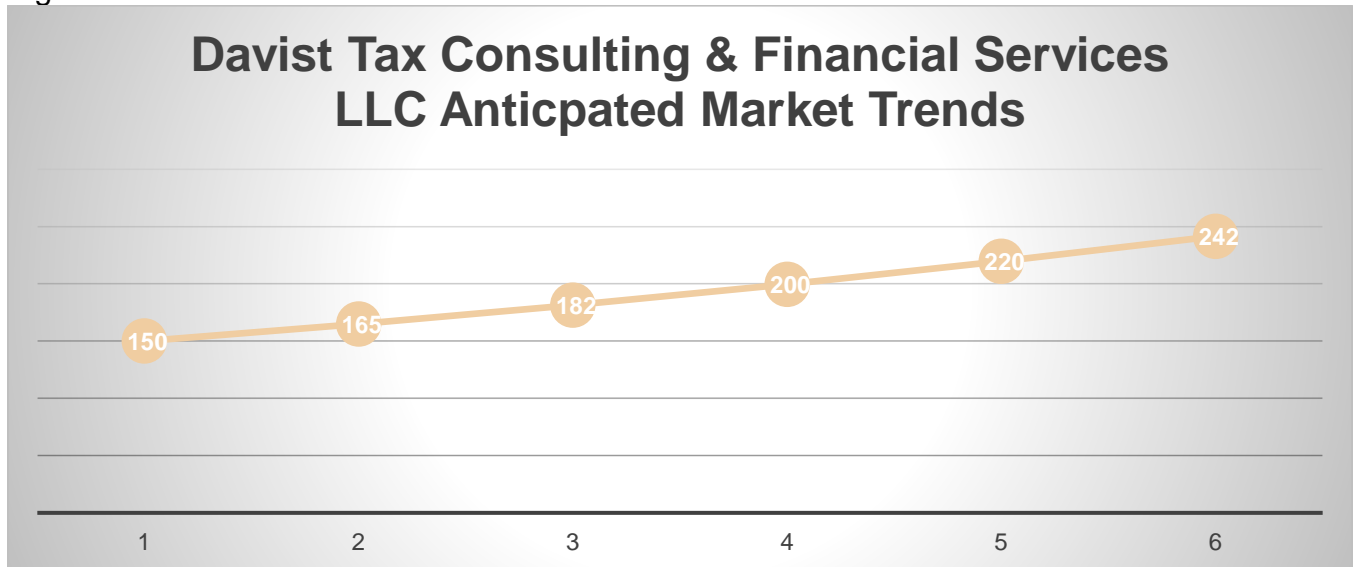
INDUSTRY TYPE

Davis Tax Consulting & Financial Services LLC is a service business. Potential clientele consists of small business owners, women, and ethnic minorities in rural areas. It is projected that the revenue of accounting, tax preparation, bookkeeping, and payroll services in the U.S. will amount to approximately 200 billion U.S. Dollars by 2023. Although there are close to 1 million accountants and tax preparers nationwide, only approximately 40 percent of them have credentials and are required to meet continuing education requirements, such as a CPA (Certified Public Accountant), EA (Enrolled Agent) or VITA Coordinator. Automation and artificial intelligence will become prominent and will have an impact on the accounting field; therefore, continuing education will be important within this industry.

MARKET SEGMENTATION

The market segment consists of individuals in rural areas such as women between the age of 35-44 and ethnic minorities. In addition, Davis Tax Consulting & Financial Services LLC will target small business owners with income of \$500,000 or less. With many other tax professionals in Barnwell County, during the next year, Davis Tax Consulting & Financial Services LLC. Due to the continuous changes to the tax code, individuals and small business owners will continue to request tax assistance. Over the next 6 years, from 2020-2025, Davis Tax Consulting & Financial Services LLC is anticipating a 10 percent increase in the market share (Figure 1). New services and continuing education will be vital to remain competitive in the current market in the Barnwell, SC area.

Figure 1



COMPETITION

There are currently over 10 physical tax preparation offices located in Barnwell, SC. These locations offer tax and accounting assistance. As shown below in Figure 2, direct competitors for Davis Tax Consulting & Financial Services LLC are McGregor & Co LLP, Bonnie’s Tax Service, and Jackson & Hewitt. Though each company provides tax and accounting services, Davis Tax Consulting & Financial Services LLC also focuses on the training aspect and provides workshops that assist taxpayers in the areas of financial literacy, job training, life skills, etc. In addition, Davis Tax Consulting & Financial Services LLC has a direct connection to the local high school and various colleges (Newberry College, South Carolina State University, Voorhees College, and Denmark Technical College) and seeks to provide internships, job opportunities, and “train the trainer” programs for current business students and individuals in the community.

Figure 2

Blank	Davis Tax Consulting & Financial Services	McGregor & Co LLP	Bonnie’s Tax Service	Jackson & Hewitt
Quality	Excellent	Excellent	Good	Fair
Price	Excellent	Fair	Moderate	Moderate
Location	Excellent	Fair	Fair	Fair
Service	Excellent	Excellent	Moderate	Moderate

Speed/ Turnaround	Good	Fair	Moderate	Excellent
Specialization	Excellent	Excellent	Good	Moderate
Personalization	Excellent	Good	Good	Fair

SWOT ANALYSIS

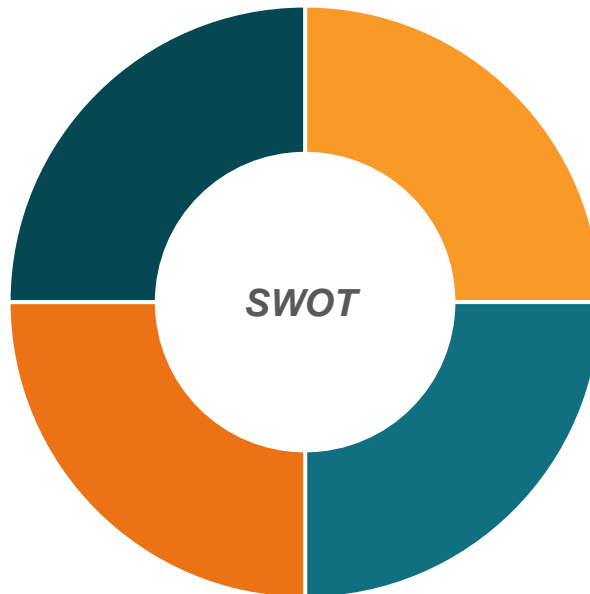
Below is the SWOT Analysis for Davis Tax Consulting & Financial Services LLC.

STRENGTHS

- Accounting Background
- Education Background
- Tax Certification
- IRS Background
- Existing Clients

OPPORTUNITIES

- Local Colleges
- AXIS I
- Barnwell High School
- VITA
- Grant Opportunities



WEAKNESSES

- Start-up Company
- Lack of sufficient clientele
- Starting Capital
- No full-time staff

THREATS

- Existing Tax Preparers
- Existing Accounting Firms
- Artificial Intelligence
- Automation
- Less credentialed tax preparers

5. MARKETING AND SALES PLAN

Davis Tax Consulting & Financial Services LLC will continue its relationships with its existing clients, but it will seek to increase its current clientele. It will emphasize Dr. Davis' experience as an accountant, tax professional, and educator. There are several well-established groups within the Barnwell and CSRA areas that will be very useful in disseminating data. Davis Tax Consulting & Financial Services LLC will make use of both traditional print ads, free introductory workshops at the Barnwell location and other areas, social media, and grassroots marketing. There are resources for small businesses in general in local rural areas such as the Small Business Development Center located on the campus of Voorhees College which is approximately 25 minutes away from Barnwell.

MARKET ACTIVITIES

Marketing activities will consist of the following:

- Media advertising (newspaper, television, radio)
- Seminars and business conferences
- Word of Mouth or fixed signage
- Digital marketing such as social media, email marketing, website, etc.
- Free consultations
- Complementary services
- Providing in-kind contributions

PROMOTION

Davis Tax Consulting & Financial Services LLC will use the current digital network that exists for this area. Targeted flyers will be distributed. Customers will receive referral fees. Personal appearances will be made during local events, and the surrounding schools and colleges, and word of mouth advertising will also take place.

DISTRIBUTION

Davis Tax Consulting & Financial Services LLC will continue to meet clients and perform its services either from its own office or on client's premises, depending on the situation. Clients are generally located in a close proximity so travel costs are low, and there is not a great expectation for expensive or flashy entertaining of clients on company premises.

6. FINANCIAL PLAN

Davis Tax Consulting & Financial Services LLC has been in existence since 2018; however, this company will move into a physical location in 2020. The table below shows the start-up, ongoing, and one-time cost items for the business to open its physical location. Though Davis Tax Consulting & Financial Services LLC will be soliciting funding for various sources, Dr. Davis has provided an initial investment of over \$10,000.

START-UP COSTS				
Davis Tax Consulting & Financial Services LLC				July 1 2020
COST ITEMS	MONTHS	COST/ MONTH	ONE-TIME COST	TOTAL COST
Advertising/Marketing	3	\$300	\$0	\$300
Employee Salaries*	6	\$584	\$0	\$3,500
Employee Payroll Taxes and Benefits	6	\$175	\$0	\$1,600
Rent/Lease Payments/Utilities	6	\$750	\$2,500	\$1,050
Postage/Shipping	6	\$50	\$0	\$300
Communication/Telephone	6	\$100	\$200	\$800
Computer Equipment		\$0	\$4,650	\$4,650
Computer/Tax Software		\$0	\$1,495	\$1,495
Website Maintenance	6	\$60	\$0	\$360
QuickBooks	6	\$40	\$0	\$240
Insurance		\$0	\$300	\$300
Supplies		\$0	\$200	\$200
Equipment		\$0	\$2,500	\$2,500
Furniture & Fixtures		\$0	\$5,000	\$5,000
Business Licenses/Permits/Fees		\$0	\$500	\$500
Professional Services - Legal, Accounting		\$0	\$1,500	\$1,500
Internships		\$0	\$4,395	\$4,395
Cash-On-Hand (Working Capital)		\$0	\$2,560	\$5,000
Scholarships		\$0	\$1,000	\$1,000
ESTIMATED START-UP BUDGET				\$34,690

*Based on one part-time employee and interns.