



Freelance Editor

BUSINESS PLAN

THE SCRIVENER

752 Kenwood Dr.
Silver City, NV 75002

June 1995 to December 1995

The following plan features an approach to home-based freelancing that seeks to combine professionalism and state-of-the art technology with a broad range of editorial and publishing services. The plan includes discussions of marketing strategy, services, and a variety of other issues of interest to those intending to launch a freelance editorial or similar enterprise.

- EXECUTIVE SUMMARY
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EXECUTIVE SUMMARY

The Scrivener was formed as a sole proprietorship in November 1993 in Silver City, Nevada. It is a Nevada certified woman-owned business. The Scrivener will be seeking Nevada Department of Transportation certification as a woman-owned business in the first quarter of 1996.

The Scrivener, located in Silver City, Nevada, increases their client's share of the market by ensuring that each piece of written material is accurate, comprehensible, creative and effective. The company provides Writing Works solutions to businesses, government, non-profit organizations, and individuals. An array of products and services varying from simple data input to developing complex marketing materials, from technical manuals to newsletters rests beneath this umbrella. The Scrivener will handle any project needing to be researched, written, edited, typeset, illustrated, and produced.

The Scrivener is the only writing and editing service in the Silver Valley region. Other companies offer graphic design, some ad copy, or fill-in-the-blank resume services. The Scrivener delivers a comprehensive product from concept to binding. The Scrivener offers research services that use the latest in electronic technology and state-of-the art computer systems. The Scrivener is the only company in the region with an active presence on the Internet. The Internet/CompuServe resources allow The Scrivener to swiftly answer the needs of its clients for accurate timely information.

Our marketing focus in order of precedence is:

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1. Businesses / Government entities
2. Non-profit organizations
3. Individuals

The Marketing Plan seeks to increase our position as a full-service partner to our client base. All businesses have a need for our services. Our job has two segments: educate local businesses that an effective flyer, brochure, etc., is more than a secretary with a desktop publishing program, and secondly, demonstrate that using a professional delivers measurable positive results.

The Scrivener is a home-based business. It uses state-of-the-art Macintosh platforms and peripherals. Through telecommunication technology, The Scrivener is able to service clients in Europe and Australia. The company contracts out large printing jobs and occasional work overruns. The business is seventeen months old. The services offered by The Scrivener have been altered and honed to meet the needs of its clients. We are in daily operation, and we are currently investigating future services to offer.

Jane Austen has previously worked as a technical writer, documentation and learning systems designer, and a writer of articles for a variety of regional, national, and international markets. Ms. Austen edited and published an international newsletter which appeared throughout Europe. She is the decision-maker, primary designer and writer, and marketing specialist for the company.

James Baldwin, retired from the Los Angeles Police Department, performs routine input, document and graphic scanning, graphic and photographic editing, project design, graphic design, copy editing duties, and Quality Assurance duties.

The company will eventually be expanded (estimate Spring 1996) to include an office manager/designer, and a solid stable of contracting writers. Expansion options include segmenting the company into divisions handling advertising/marketing, technical documentation, newsletters, training programs, and consumer clients.

The Scrivener will be evaluating its business status in late 1995 according to advice from the accountants. At this time The Scrivener is considering the benefits of Limited Liability Companies and Schedule S Corporations.

The Scrivener will seek certification as an Enterprise Zone business prior to hiring any personnel.

The Scrivener will be trademarking its name, and its logo in the first quarter of 1996. It plans to service mark "Writing Works."

MANAGEMENT AND ORGANIZATION

The Scrivener delivers global quality written communication services at a regional price. The company focuses on providing complete marketing and documentation services to businesses, government entities, and non-profit organizations. The Scrivener meets general consumer needs for letters, specialty projects, and resumes.

Jane Austen, sole proprietor, handles all decision-making administrative and financial record keeping, and most of the project development. She is the primary writer and researcher. She is a graduate of the Fast Track II program. The Scrivener plans to become either a Limited Liability Company or a Schedule S Corporation by the third quarter of 1996. The company plans to hire an administrative assistant/writer-designer by the first quarter of 1996.

Management Team

The management team is volunteer or hired as advisory consultants; their fees, if any are paid as part of the expense of doing business.

The primary management team consists of:

Decision-maker - Jane Austen

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Co-Decision-maker - James Baldwin

Small Business Advisor - Jesse James, Director of the SBDC at Silver City

Banker - George Eliot, Vice President Business Account, Bank One Silver City

Lawyer - To be selected

Accountant - B. Jones at Jones & Associates, Silver City, NV.

The secondary management team consists of:

Contacts on CompuServe and the Internet

Outside experts brought in by the SBDC

Clients

Jane Austen has over thirteen years of experience in writing genres ranging from analyzing information for technical publications for a quasi-illiterate audience to motivational marketing documents. She has the drive to succeed and pays attention to details. She is passionate about her occupation. She has used computers for over fifteen years. She will concentrate on the project management and development aspects of the business.

Marketing is handled by Ms. Austen.

James Baldwin, co-decision-maker concentrates on graphic development, input, and proofing of projects. He is learning how to design and develop projects. The primary management team will be briefed on The Scrivener's activities, goals, projects, and processes at approximately two-month intervals, or on an as-needed basis (lawyer).

The secondary management team is consulted on an as-needed basis. The administrative assistant/writer-designer position will require someone who is familiar with Macintoshes, the American-English language, and who possesses very good interpersonal/customer handling skills. The ideal candidate will possess organizational skills, excellent typing and proofing skills. The Scrivener is willing to consider JTPA candidates.

Compensation

When The Scrivener makes money, (after paying off debt accumulated to purchase capital equipment and to pay operating expenses) a salary will be drawn by Jane Austen and James Baldwin. The appropriate financial retirement/health benefits will be set up with the accountant's advice. A bonus of 25% of net income is payable to Jane Austen and James Baldwin at year end.

Contractors for overflow work will be paid between \$5.50 and \$25.00 per hour based on project requirements. The administrative assistant/writer-designer will be paid between \$4.75 and \$8.50 depending on the skills brought to The Scrivener.

Contract Agreement

No outside employees at this time. When employees are hired, they will sign non-compete agreements valid for one year, and a trade secrets agreement regarding client lists. Employees will sign a confidentiality agreement as a condition of hire.

Insurance

Schornack & Associates Insurance has prepared a policy through the U.S. Insurance Co. The Scrivener's personal agent is Steven Schornack. The policy has the following coverages:



General Liability	\$1,000,000
Products - Comp/Op Agg [E&O]	\$1,000,000
Personal & Adv Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any 1 fire)	\$50,000
Med Exp (Any 1 person)	\$10,000
Business Contents	\$50,000
Deductible	\$250

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Products - Comp/Op Agg [E&O]	\$1,000,000
Personal & Adv Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any 1 fire)	\$50,000
Med Exp (Any 1 person)	\$10,000
Business Contents	\$50,000
Deductible	\$250

When the Business's capital debts have been repaid, a life insurance policy will be placed on Jane Austen, and possibly on James Baldwin.

SERVICE PLAN

Purpose of the Service

The Scrivener eliminates the "huh??" in written documents. Some people regard writing as an inherent skill, and the services of a third party as a luxury. Yet, most people peruse at least one document each day where they use precious time deciphering directions, memos and reports, and other company's service offerings.

The Scrivener provides clearly written communication. Clearly written communication is necessary for the success of any business or industry. Applications of creative effective written communication range from advertising to technical documentation. By using such a service clients reach target markets, comply with regulations, increase the ability of their workers to perform, and streamline specific functions via a coherent written document.

Unique Features

- Flexibility, creativity. The Scrivener provides a global quality product at regional accessible prices. Access through telecommunications enhances the material/resources available to the local area.
- Our system of checklists ensure the high quality of the final product.
- We offer a variety of project options/payment plans.
- Our top-of-the-line equipment allows us to work faster and provide a higher quality product than any other local service.
- Experience of Ms. Austen in a range of corporate, military, technical, and academic settings.
- Comprehensive writing/editing/desktop publishing services.
- Ability to function as client's marketing and/or technical documentation department.
- Use of telecommunication and courier services allow client service across the globe.

Stage of Development

The business is seventeen months old. The services offered by The Scrivener have been altered and honed to meet the needs of its clients. We are in daily operation, and currently investigating future services to offer.



Trademarks and Copyrights

The Scrivener plans to trademark its logo and its name within the next six months - October 1995 to March 1996. Copyrights of work are not registered but held in house as per the 1976 law. Work for hire agreements are handled by contract. To date there are no royalty or license issues. The Scrivener adheres to copyright law requirements in all projects. Clarification is sought on an as-needed basis.

Product Liability

(Excerpt from Letter of Agreement Elements - See Appendix 1 for complete text.)

Preparatory Work (sketches, copy, dummies, and all preparatory work created or furnished by The Scrivener) shall remain our exclusive property and no use of same shall be made, nor any ideas obtained there from be used, except upon compensation to be determined by The Scrivener.

Alterations represent work, performed in addition to the original specifications. Such work shall be charged at current rates and supported with documentation upon request.

Color Proofing - Because of differences in equipment, paper, inks, and other conditions, a reasonable variation in color between color proofs and completed job shall constitute acceptable delivery.

Proofs shall be submitted and returned marked "O.K." or "O.K. with corrections" and signed by client. We regret any errors that may occur undetected, but cannot be held responsible for errors if the work is printed per client's O. K., and shall not be responsible if client returned proofs without written indications of change or has instructed The Scrivener to proceed without submission of proofs.

We will, of course, make every reasonable effort to assure that the text, artwork, photos and color of your (brochure, mailer, annual report, etc.) are correct before printing. However, inasmuch as we can never be as familiar as you with your (operations and products, activities, etc.) and because subjective decisions are often unnecessary, we require your approval at key intervals in the production process. Typically this includes signing off on text drafts, typeset copy, page proofs, printing dummies (bluelines/salt prints), and color and press proofs. The Scrivener assumes no legal or financial responsibility for content errors or omissions.

The Scrivener carries a general and professional liability policy. Liability is possible if a client has an accident at our office. We endeavor to meet clients at their offices.

Limitations

Most writing materials need to be periodically updated. It is possible to develop a high quality product that the client uses it as a template. Clients may take material to another service provider for copying at a total reduced cost.

Related Services and Spin-offs

One-stop convenience for marketing and technical documentation.

Services offered as of 1 June 1995

- Annual Reports
- Newsletters
- Booklets
- News Releases
- Brochures
- Product Literature
- Business Letters
- Proposals and presentations



Directories
Proofreading
Desktop Publishing Research (Electronic & Library)
Document Scanning
Reports
Editing Resumes and Cover Letters
Flyers
Rewriting
Manuals & Other Forms of Documentation Special Occasion Booklets
Job Descriptions
Technical Editing
Technical Writing
Thermal Binding
Word Processing
Grant Writing
Training Program Development & Documentation
Training Sessions

Spin-offs

Presentation materials, i.e., Computer generated slide shows, transparencies, CBT (Computer-Based Training) scripts.

Alliance with computer training providers/printing houses

Spin-offs are limited by manpower, innovation, expertise, and funding.

Current production is readily handled by Jane Austen and James Baldwin. An administrative assistant/technical writer will be added when volume reaches a steady workload of 100 hours per week. Technical writers will be used as contractors on an as-needed basis until that point. Printing is handled by print shops and service bureaus.

Environmental Factors

Currently the only "waste" produced is paper, which is used in our fireplace. If volume increases to the point where paper recycling is feasible, then the paper will be sorted, shredded, and recycled. Various products such as toner, etc. are disposed of per the packaging guidelines.

The Scrivener is a smoke-free environment.

MARKETING PLAN

Industry Profile

Writing services encompass all forms of written media from specialist to generalists, from concept to delivery of bound materials. As larger industries trim their staffs, the specialists in marketing and training are dismissed. Some of these individuals become contractors to their former employer; others seek more traditional employment opportunities.

Every business, non-profit, educational, and governmental entity has an on-going demand for high quality, value-priced writing services. Some companies choose to purchase desktop publishing software to be operated by clerical staff. These products vary from loathsome to excellent.



Successful writing service operators cater to a global clientele with educated tastes. Materials are exchanged through facsimile, on-line telecommunications, and courier services. The Scrivener is at the cutting edge of its industry. The market is growing for writing services to function as an independent marketing/documentation "department." Writing and other professional services are no longer tied to a specific geographic area.

"Lone Eagles are entrepreneurs or professionals—writers, brokers, analysts, lawyers, accountants, management consultants (marketing gurus, futurists, trainers and so forth), among others—who move to America's small towns or rural areas, where they continue to practice their trade and deliver products and services to faraway markets.

Whatever their motivation, Lone Eagles are knowledge workers who live by their wits, are heavy users of computers and advanced telecommunications, and remain connected to their markets and the outside world by faxes, modems, express mail, and airplane tickets." [Phil Burgess & Colleen Bogg Murphy - Center for the New West] (Sullivan, "Workstyles: Ten Years After," *Home Office Computing*, 126, March 1995).

There do exist concentrations of writing services in metro areas, the Northeast Corridor, DC beltway, and Los Angeles. The trend is for remote servicing using telecommunication equipment and courier services, however. Investment in equipment/software is key to profitability once client base is established.

Little capital is required to open a writing service. Traditional requirements are telephone, stamps, table, chair, and a typewriter. Today most homes have personal computers, a printer, and a word processing package.

Our competitive advantage to these wannabees are experience in diverse written communication products, flexibility, reliability, and state-of-the-art equipment. We actively solicit Letters of Recommendation and include these in our presentation and marketing materials.

Some clients do offer seasonal opportunities. Some local clients are seasonal based on income from recreational visitors. The winter Holiday period for family newsletters etc. is a growing market.

Customer Profile

Primary clients are:

- Business - owners and managers
- Non-profit/educational
- Government

Secondary clients are:

- Resume clients
- Non-business consumers

Target Market Profile

The Scrivener targets businesses and organizations needing Writing Works. We tailor our products to the needs of real estate agents, non-profits, and educational groups. Our clients seek to increase their market share through the use of our services.

- Business - owners and managers
- Non-profit/educational
- Government

Market Penetration

The Scrivener primarily relies on clients referred by satisfied customers and the local Yellow Pages listings. The company will be expanding its client base through networking, seminar presentations, and a series of



direct mail campaigns.

Prospects receive a package with a brochure, two business cards, two letters of recommendation, and a tailored solutions letter. Follow-up with telephone calls after a ten-day period.

Advertising and Promotion

An 8.5 × 11 newsletter will be mailed to clients and prospects on a bi-monthly basis. The newsletter will present practical tips, inform clients about The Scrivener's services and accomplishments, discuss the need for Writing Works.

The Scrivener is an active member of the Silver City Chamber of Commerce and regularly attends networking opportunities. The Scrivener is a member of the National Association of Desktop Publishers and the National Association of Female Executives. The Scrivener will be joining the Society of Technical Communication in the third quarter of 1995.

Referrals from the Small Business Development Center from an important source of clients. The SBDC also provides professional services to The Scrivener.

The Scrivener uses the following avenues to promote its services:

- 800 AT&T yellow pages. Cost: \$110/mo. Discontinued as of October 1995 due to poor return.
- Silver Valley Directory. Cost: None.
- Silver City Chamber of Commerce Directory. Cost: None
- Brochure displays at: Commercial Productions, Silver City Chamber of Commerce, Office City, Graphics Unlimited.
- The Silver Valley Weekly. Cost: \$44/mo. Women in Business issue - \$50.00
- Dynamic Silver City column. Cost: Time to write column
- Interaction on Internet and CompuServe forums. Sign messages with our name, mission, and 800 number. In the Desktop Publishing forum, the Work from Home forum, and the Writers Forum, have file describing The Scrivener's services.
- The Scrivener is investigating the cost of advertising on CompuServe and the Internet.

Future Markets

- Training Seminars - Internet, client-defined topics
- Technical documentation/Employee handbooks
- Newsletters for clubs & organizations
- Church bulletins
- Presentations/proposals for executives, contractors, and engineers
- Bi-monthly regional magazine

Pricing Profile

Please see the Service Fees list included in the Appendices. Prices are evaluated in March, June, October, and December of each year. The Scrivener offers the following service discounts:

Non-profits - 50%.

Educational organizations - 25%.

SBDC referred clients - 30%.

Long Term Agreements - 20% with 15% for independent projects



Payment Policy

- Projects below \$50: payment is due upon job completion.
- Projects between \$50 and \$100: \$50 is due upon job acceptance, the balance is due upon completion.
- Projects over \$100 are divided into thirds, with one-third due upon job acceptance, the second third due upon delivery of the first draft, and the balance due upon job completion.

Gross Margin on Products

The Scrivener uses a variety of industry publications, (National Writers Union, Creative Business, Writer's Marketplace etc.) and conversations with peers to establish service prices. Industry standard pricing is too expensive for this region, therefore The Scrivener has evolved a reduced pricing structure as compared to the rest of the industry.

The Scrivener requires \$10.00 of each hourly billing to meet overhead costs. The profit margin varies with the rate charged.

Management Benchmarks

No one client should contribute more than 25% of yearly income. A good mix of existing to new client work is about 2 to 1 (66%) for freelancers and midsize firms (up to 12 employees). Jobs from existing clients frequently produce profit that is up to 30% higher. [Creative Business - March-April 1995].

FINANCIAL PLAN

Business History

Nineteen ninety-four was our first year in operation. In addition to the "standard" development of a start-up business, there were additional problems. These incidents account for the sometimes negative growth of a viable growing business. Existing computer systems also proved unable to handle the volume and quality of work necessary to succeed.

The Scrivener invested \$12,000.00 drawn from personal savings in new computer equipment and software in August 1994.

Ratios for a Creative Business*

Quick: [Short term assets divided by short-term liabilities]. Ideal = 1.0 to 1.5. The Scrivener as of June 1995 has a ratio of 1.25.

Debt to Asset: [Total liabilities divided by total assets]. Ideal = 0.3 to 0.6. The Scrivener as of June 1995 has a ratio of 0.5.

****Return on Equity:** [Net profit divided by owner's equity]. Ideal = 15% to 35%. The Scrivener as of June 1995 has a ratio of 18%.

Return on Net Working Capital: [Net revenue divided by short-term assets minus short-term liabilities]. Ideal = 5 to 10. The Scrivener as of June 1995 has a ratio of 6.

*Creative Business Newsletter **Business performance index

Assumptions

Sales - \$2,000.00 per month based on a workload of eighty hours per month at an average cost of \$25.00 per hour.



Newsletters - 2 per month at an average billing of \$300.00 each

Accounts Payable

Repay nearly \$15,000 in personal loans to start business at a monthly cost of \$486.70

Pay monthly overhead and expenses, excluding loans, average of \$600.00

Pay business Visa charges, currently \$200 per month.

Accounts Receivable

Projects below \$50: payment is due upon job completion.

Projects between \$50 and \$100: \$50 is due upon job acceptance, the balance is due upon completion.

Projects over \$100 are divided into thirds, with one-third due upon job acceptance, the second third due upon delivery of the first draft, and the balance due upon job completion.

1.75% monthly interest (21% APR) is charged on accounts over 30 days old.

Bad Checks are sent to the Silver County Attorney's office.

Taxes

The Scrivener has not had to pay income tax, nor does it collect sales taxes.

Accounting System

The Scrivener uses M.Y.O.B. ver. 5. Client project times are kept by Time slips, a report listing client, project, and activity is printed for each invoice activity. An accountant will be auditing the books and amending any errors which occurred during the set-up phase.

OPERATING SYSTEM

Administrative Policies and Procedures

- Clients receive Courteous, Prompt, Reliable service.
- A series of checklists is used to ensure the high quality of client's project.
- Appendix 2 contains the checklists used to handle clients and their projects.
- Administrative policies and procedures are maintained in The Scrivener Ops Manual. This manual contains a master listing of how to handle the business. This Business Plan is a companion document.
- The Scrivener is an equal opportunity employer and does not discriminate against color, sex, creed, political affiliation, marital status or age. It is the company's practice to fill vacancies by promoting from within whenever possible.
- The normal work week is Monday to Friday, 9 am to 5 pm with a one hour break for lunch.
- Outside hires will be made in accordance with Enterprise Zone requirements whenever possible.

Absences

Employees must call in by 10:00 with the reason for their absence.

Pay periods

Employees will be paid semi-monthly by check on the 15th and the last day of the month. All contract workers will be paid within 15 days of receipt of their invoice.

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Evaluations

Employee evaluations will be monthly, quarterly, semi-annually, and annually. An evaluation sheet will be filled out on each employee by the manager. The manager and the employee will sign the sheet after the session. A copy of the evaluation will be retained by the employee, by the manager, and by the Human Resources department.

Time Off Policy

Full-time employees are allowed 30 calendar days off during the year. Vacation and sick time is included in this time to allow the employee maximum flexibility. A maximum of 15 days may be carried over into the next year. Any time carried over must be used within six months. January 1 and 2, Presidents Day, Good Friday or Easter Monday, Memorial Day, July 4th, Labor Day, Thanksgiving Thursday and Friday, Christmas Eve, Christmas Day and Boxing Day (December 26) are Company Holidays.

- Each month the employee will earn 2.5 days of vacation-sick time.
- First year employees receive no pay for these periods.
- Second year employees receive 25% of their daily wage.
- Third year employees receive 50% of their daily wage.
- Fourth year employees receive 100% of their daily wage.

Family Leave

An employee is able to take as much unpaid family leave as necessary. Family leave covers maternity and paternity leave, catastrophic illness of a family member, and other instances on a case-by-case evaluation by management. All cases will be evaluated in accordance with the current provisions of the Family Leave Act.

On-Site Daycare

The Scrivener provides on-site daycare for its employees.

Insurance

No insurance or company benefits are being offered at this time.

Administrative Controls

Project Initiation

The Client Handling checklist is used to set up project accounting.

Billing

- Projects below \$50 are invoiced upon job completion.
- Projects between \$50 and \$100: \$50 is due upon job acceptance, the balance is invoiced upon project completion.
- Projects over \$100 are divided into thirds, with one-third due upon job acceptance, the second third is invoiced upon delivery of the first draft, and the balance is invoiced upon job completion. Terms are Net 10 days.



Collecting Accounts Receivable

Outstanding invoices are tracked and an overdue reminder is sent after 30 days. If a billed customer has not paid or made arrangements for payments by 60 days, the account is turned over to National Credit Systems for collection activities.

1.75% monthly interest (21% APR) is charged on accounts over 30 days old.

Bad Checks are sent to the Silver County Attorney's office.

Bad Check Policy

Checks marked "Returned for Insufficient Funds" are resubmitted once. Checks returned a second time are prepared in accordance with the Silver Attorney's office Bad Check handbook. The bad check is photocopied, a bad check letter is filled out and mailed to the client. Failure to pay the debt with cash, money order or certified check sends the client's check to the Silver County Attorney's office.

Bad Check Charges:

Checks Up to \$100	\$20.00
\$101 to \$300	\$45.00
\$300+	\$70.00

Bad Check Charges:

Checks Up to \$100	\$20.00
\$101 to \$300	\$45.00
\$300+	\$70.00

Inventory Control

Inventory is kept to a minimum. Office supplies are purchased in bulk whenever possible. Graphic supplies, software, and hardware are purchased on an as-needed basis.

Documents and Paper Flow

1. A Letter of Agreement is generated for each project over \$100.00, excluding resumes.
2. The Client Handling Checklist will be followed.
3. The Accounting Checklist will be followed.
4. The customer will be required to proof and sign/initial the proof before the master documents are made.
5. Clients will be informed of delays in work schedule by telephone with a letter to confirm.
6. All work in progress will be tracked on a daily basis. A project schedule board will be made up, showing each stage of the project. Completion dates will be assigned to each stage and updated daily.
7. Invoices will be prepared the day the work is complete and will accompany the final artwork.
8. Deposits to the bank will be done on a daily basis.

Risk Analysis and Alternative Plans of Action

Sales Projections - are inflated slightly. Hours would have to fall below 400 to harm cash flow. If this happens, then the household loan repayments would cease, and planned purchases (computer hardware/software) would be eliminated for the duration of the episode.

Salvaging Assets

Older computer equipment and software is being sold with the monies to be reinvested in the business. If the Scrivener were to close, all equipment would remain with Jane Austen and James Baldwin. Every effort would be made to collect Accounts Receivable.



Contractors

- Must have cash flow to pay writers at least bimonthly.
- Must train them in the Scrivener's method of project accounting for client tracking.
- Their computer systems and software must be compatible with ours & with clients'.

Subcontractors, their specialties, and rates:

C. Bronte	\$15.00	Technical documentation
Henry James	\$15.00	Technical documentation
Beth Walden	\$10.00	Library research/documentation
Sandy Smith	\$10.00	Admin Ass't/Tech documentation
Jimmy Faulkner	\$10.00	Admin Ass't/Tech documentation

C. Bronte	\$15.00	Technical documentation
Henry James	\$15.00	Technical documentation
Beth Walden	\$10.00	Library research/documentation
Sandy Smith	\$10.00	Admin Ass't/Tech documentation
Jimmy Faulkner	\$10.00	Admin Ass't/Tech documentation

Exit Strategies

1. Sell stock
2. Franchise
3. Go out of business and liquidate assets
4. Find employment with another company
5. Start new venture and transfer assets to the new company.

The ideal exit strategies are #1, #2, and #5.

GROWTH PLAN

Expansion options include segmenting the company into divisions handling advertising/marketing, technical documentation, newsletters, training programs, and consumer clients. When volume reaches \$30,000 in a particular market segment, then a division with a full-time writer will be created.

Eventually the Scrivener plans to have satellite offices in major metropolitan areas with contracted freelancers. Franchise opportunities are an option, as well.

The Scrivener will be evaluating its business status in late 1995 according to advice from the accountants. At this time The Scrivener is considering the benefits of Limited Liability Companies and Schedule S Corporations.

Capital Requirements

Small Business Loan - January 1996

- Purchase new PowerMac 8100/AV, two page monitor
- Purchase color inkjet printer
- Purchase software for new workstation
- Purchase office equipment for new workstation
- Professional services: attorney, accountant
- Trademark/servicemark search
- General operating expenses



Personnel Requirements

Administrative Assistant/Writer-Designer will provide administrative support, project oversight, clerical work, telephone support, design projects and write copy.

Service Fees (as of 1 July 1995)

(Fees subject to change without notice)

The Scrivener provides a complete range of Writing Works services. We have a policy of CPR (Courteous Prompt Reliable) Service. We believe in satisfying our customers.

Educational groups receive a 25% discount on services. Non-profit and Non-for-profit groups receive a 50% discount on services.

Service	Fee (per hour, unless otherwise specified)
Brochure	
(Design)	\$50.00
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$50.00
Arrange for printing	Enquire
Business Letters	\$50.00 and up
Consultation	\$40.00
Consumer Letters	\$15.00 and up
Desktop Publishing	
(Design)	\$50.00
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$50.00
Arrange for printing	Enquire
Graphics	
Creation	\$35.00
Editing	\$30.00
Foreign Document Translation (Spanish, German, French)	
Translation	\$25.00
Manuscript	
Typing	\$20.00
Proofreading	\$20.00
Copy Editing	\$20.00
Rewriting	\$30.00
News Releases	
Business	\$50.00 each
Non-profit/Educational	\$25.00 each
Newsletters	
(Design)	\$25.00-300.00 per design
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$40.00
(Research)	\$30.00
Proposal (Service includes)	
(Design)	\$50.00
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$40.00
Research	\$30.00
Does not include contact fees, Names, Addresses or Telephone Numbers	\$1.00 each \$10.00 for 15
Rewriting	\$30.00

Service	Fee (per hour, unless otherwise specified)
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Brochure

(Design)	\$50.00
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$50.00

Arrange for printing Enquire

Business Letters \$50.00 and up

Consultation \$40.00

Consumer Letters \$15.00 and up

Desktop Publishing

(Design)	\$50.00
(Copy Writing)	\$45.00



(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$50.00
Arrange for printing	Enquire
Graphics	
Creation	\$35.00
Editing	\$30.00
Foreign Document Translation (Spanish, German, French)	
Translation	\$25.00
Manuscript	
Typing	\$20.00
Proofreading	\$20.00
Copy Editing	\$20.00
Rewriting	\$30.00
News Releases	
Business	\$50.00 each
Non-profit/Education	\$25.00 each
Newsletters	
(Design)	\$25.00-300.00 per design
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(DTP-Input/Edit)	\$40.00
(Research)	\$30.00
Proposals (Service includes)	
(Design)	\$50.00
(Copy Writing)	\$45.00
(Copy Editing)	\$30.00
(Dtp-Input/Edit)	\$40.00
Research	
Does not include connect fees.	
Names, Addresses or Telephone Numbers	\$1.00 each
	\$10.00 for 15
Rewriting	\$30.00
Resume Services	
(Service includes two usable resumes, a camera ready copy, and an emergency white copy and two envelopes)	



1-page \$25.00-70.00
 Visually enhance basic information/address change \$25.00/ea
 Evaluate client work history, current resume and targeted employer(s) \$25.00/hr.

2-page \$35.00-100.00
 Visually enhance basic information/address change \$35.00 each
 Evaluate client work history, current resume and targeted employer(s) \$25.00/hr.

3-page \$45.00-125.00
 Visually enhance basic information/address change \$45.00 each
 Evaluate client work history, current resume and targeted employer(s) \$25.00/hr.

Job Application Letters/Cover Letter \$25.00/ea

Additional copies
 Camera ready \$5.00/ea.
 Resume paper .10/sheet
 3.5 inch disk copy \$5.00/disk

Scanning
 Document \$20.00
 Graphic \$25.00

Technical Editing \$35.00
Technical Writing \$45.00
Training \$30.00

1-page	\$25.00-70.00
Visually enhance basic information/address change	\$25.00/ea
Evaluate client work history, current resume and targeted employer(s)	\$25.00/hr.
2-page	\$35.00-100.00
Visually enhance basic information/address change	\$35.00 each
Evaluate client work history, current resume and targeted employer(s)	\$25.00/hr.
3-page	\$45.00-125.00
Visually enhance basic information/address change	\$45.00 each
Evaluate client work history, current resume and targeted employer(s)	\$25.00/hr.
Job Application Letters/Cover Letter	\$25.00/ea
Additional copies	
Camera ready	\$5.00/ea.
Resume paper	.10/sheet
3.5 inch disk copy	\$5.00/disk
Scanning	
Document	\$20.00
Graphic	\$25.00
Technical Editing	\$35.00
Technical Writing	\$45.00
Training	\$30.00

Thermal Binding

\$1.50/vol: up to .50 inch plus \$15.00/hr. labor charge for client-provided materials.

Cost per volume if we arrange copying from client master:

Copybind (2-15 sheets)	\$1.70-3.00
1/8 inch (16-33 sheets)	\$3.10-4.80
1/4 inch (34-65 sheets)	\$4.90-8.00
3/8 inch (66-98 sheets)	\$8.10-11.30
1/2 inch (99-130 sheets)	\$11.40-14.50

Sizes larger than 1/2 inch are available upon request.

Typing \$20.00

Copybind (2-15 sheets) \$1.70-3.00



1/8 inch (16-33 sheets)	\$3.10-4.80
1/4 inch (34-65 sheets)	\$4.90-8.00
3/8 inch (66-98 sheets)	\$8.10-11.30
1/2 inch (99-130 sheets)	\$11.40-14.50
Sizes larger than 1/2 inch are available upon request.	

Typing

\$20.00

Typing \$20.00

APPENDICES

Appendix 1:

Letter of Agreement

Letter of Agreement (a)

???? hereby retains The Scrivener for writing services as explained below, commencing ??? and continuing monthly thereafter, until ???. Either party hereto may terminate this agreement earlier by tendering a 30-day written notice of termination. This agreement covers only services, not printing, materials, photocopying, etc.

For these services, ??? agrees to pay a fee of ??? in ??? and a monthly fee of ???. The monthly fee shall be due and payable in advance and in the following manner:

- The first month's fee shall be due and payable by ???, and ??? shall be due on ???.
- If the client elects not to use the retained services within the agreed upon time span, then the client forfeits the use of that service for that time period.
- Expenses shall be billed by invoice and shall be due and payable within fifteen days of the invoice date. No expense shall be incurred by the Scrivener on the client's behalf without the client's prior approval.

In the event that any legal action is required to enforce this agreement or any portion thereof, the prevailing party of such legal action shall be entitled to recover from the other part the reasonable attorney's fees and legal costs thereof.

Additionally, is offered a 15% reduction on services for projects outside the terms of this retainer.

Services Retained (Monthly)

Meetings/Consultation
Copywriting
Copyediting
Desktop Publishing
Design
Research

Value of Services Retained

??? will receive ??? of service for the amount of ???. This represents a 20% savings over the project rate.

Preparatory Work (sketches, copy, dummies, and all preparatory work created or furnished by The Scrivener) shall remain our exclusive property and no use of same shall be made, nor any ideas obtained therefrom be used, except upon compensation to be determined by the Scrivener



Proofs shall be submitted and returned marked "O.K." or "O.K. with corrections" and signed by client. We regret any errors that may occur through production undetected, but cannot be held responsible for errors if the work is printed per client's O.K., and shall not be responsible if client returned proofs without written indications of change or has instructed the Scrivener proceed without submission of proofs.

We will, of course, make every reasonable effort to assure that the text, artwork, photos and color of your projects are correct before printing. However, inasmuch as we can never be as familiar as you with your (operations and products, activities, etc.) and because subjective decisions are often unnecessary, we require your approval at key intervals in the production process. Typically this includes signing off on text drafts, typeset copy, page proofs, printing dummies (bluelines/salt prints), and color and press proofs. The Scrivener assumes no legal or financial responsibility for content errors or omissions.

If the balance is not paid within 30 days, the entire balance shall become due and payable upon demand, plus the cost involved of notification, either by regular or registered mail, that this account is past due, plus any collection fees or attorney fees necessary to collect the stated amount. A monthly minimum service charge of \$3.00 will be added to all accounts over 30 days. Claims for defects, damages, or shortages must be made by the client within a period of thirty (30) days after delivery. Failure to make such a claim within the stated period shall constitute irrevocable acceptance and an admission that they fully comply with terms, conditions, and specifications. The Scrivener's liability shall be limited to stated selling price of any defective goods, and shall in no event include special or consequential damages, including profits (or profits lost).

In the event that any legal action is required to enforce this agreement or any portion thereof, the prevailing party of such legal action shall be entitled to recover from the other party the reasonable attorney's fees and legal costs thereof.

Signing this Letter of Agreement constitutes permission to proceed with the work indicated under the specified terms. Please Keep a copy for your records.

Letter of Agreement (b)

??? hereby retains The Scrivener for writing services as specified below.

All services, including consultation, research, writing, editing, designing, proofing, and other tasks normal and incidental to the completion of this project will be charged at these rates:

Project:

Design	\$20.00/hour*
Technical Writing	\$20.00/hour*
Technical Editing	\$12.50/hour*
Desktop Publishing	\$17.50/hour*
Graphic Creation	\$17.50/hour*
Graphics Editing	\$15.00/hour*
Research	\$12.50/hour*
Training	\$12.50/hour*
Meetings	\$20.00/hour

*Non-profitrate

Project:

*Non-profit rate

Design	\$20.00/hour*
Technical Writing	\$20.00/hour*
Technical Editing	\$12.50/hour*
Desktop Publishing	\$17.50/hour*
Graphic Creation	\$17.50/hour*
Graphics Editing	\$15.00/hour*
Research	\$12.50/hour*
Training	\$12.50/hour*
Meetings	\$20.00/hour



Workbooks can be thermally bound (perfect bound, ex: paperback book) at a cost of \$15.00 per hour plus \$1.50 per cover.

Preparatory Work (sketches, copy, dummies, and all preparatory work created or furnished by The Scrivener) shall remain our exclusive property and no use of same shall be made, nor any ideas obtained therefrom be used, except upon compensation to be determined by The Scrivener.

Alternations represent work performed in addition to the original specifications. Such work shall be charged at current rates and supported with documentation upon request.

Proofs shall be submitted and returned marked "O.K." or "O.K. with corrections" and signed by client. We regret any errors that may occur through production undetected, but cannot be held responsible for errors if the work is printed per client's O.K., and shall not be responsible if client returned proofs without written indications of change or has instructed The Scrivener to proceed without submission of proofs.

We will, of course, make every reasonable effort to assure that the text, artwork, photos and color of your (brochure, mailer, annual report, etc.) are correct before printing. However, inasmuch as we can never be as familiar as you with your (operations and products, activities, etc.) and because subjective decisions are often unnecessary, we require your approval at key intervals in the production process. Typically this includes signing off on text drafts, typeset copy, page proofs, printing dummies (bluelines/salt prints), and color and press proofs. The Scrivener assumes no legal or financial responsibility for content errors or omissions.

For projects under \$50.00 payment will be upon project completion. For projects over \$50.00 payment shall be 1/3 net total upon job initiation, 1/3 net total upon final proof approval, remaining balance upon delivery unless otherwise provided in writing on proposal. All discounts and terms other than these will appear on the invoice. If the balance is not paid within 30 days, the entire balance shall become due and payable upon demand, plus the cost involved of notification, either by regular or registered mail, that this account is past due, plus any collection fees or attorney fees necessary to collect the stated amount. A monthly minimum service charge of \$3.00 will be added to all accounts over 30 days. Claims for defects, damages, or shortages must be made by the client within a period of thirty (30) days after delivery. Failure to make such a claim within the stated period shall constitute irrevocable acceptance and an admission that they fully comply with terms, conditions, and specifications. The Scrivener's liability shall be limited to stated selling price of any defective goods, and shall in no event include special or consequential damages, including profits (or profits lost).

Expenses shall be billed by invoice and shall be due and payable within fifteen days of the invoice date. No expense shall be incurred by The Scrivener on the client's behalf without the client's prior approval.

In the event that any legal action is required to enforce this agreement or any portion thereof, the prevailing party of such legal action shall be entitled to recover from the other party the reasonable attorney's fees and legal costs thereof.

Appendix 2:

Client Handling Procedures

Checklist

1. Client requests services/meeting
 1. Listen to need
 1. Restate for clarity
 2. Don't specify how job will be done - just if it is possible to meet client's request.
 2. What are client's expectations?
 3. What is client's budget?
 1. How to handle project changes?
 2. Increased costs/time?
2. Fill out project spec sheet.



1. Status: individual/Business/Educational organization/Non-profit
2. Reporting periods
3. Fill out project Letter of Agreement for work valued at over \$50
 1. Is money due up front?
 2. Payment options
4. Set up Project Sheet (TT)/DTP project master
 1. Time activate steps
 2. @all board
 3. Gannt chart
5. Set up Timeslips Tracker
6. Set up job number in MYOB
7. Complete project
8. Run checklists
 1. Print out applicable checklists
 2. Use checklists
9. Invoice project - Use Accounting Checklist
10. Deliver project to client/Evaluation form
11. Within 3 working days = Telephone follow-up
12. Within 7 working days = Thank you note.
13. Add to DB, contact a minimum of every 2 months with Scrivener info/new services etc.

Project Specification Worksheet

1. Description:

brochure ad catalog press release
 annual report newsletter manual other:

2. Pages: Number Size Two-color Four-color

3. Print: One-color No Four-color

4. Illustrations: Yes No

a. What is the nature of the assignment?

Size Colors
 Number of pieces Medium
 Technique Complexity
 Style Other

b. What sketches, reference material or art direction will be provided?

c. How much consulting/meeting time is estimated?

d. What is the usage?

Medium (e.g. publication)
 Distribution
 Exposure (e.g. circulation)
 Other:

e. What is the timing?

When can I begin?
 When is the first sketch needed?
 When must the final be delivered?

f. What rights are requested?

Onetime Limited All Rights

g. Do I retain the original art?

Yes No

Estimating Considerations (hours):

Research
 Thinking/conceptual
 Drafting
 Revision
 Finish
 Optimism factor (Add 10% to 15%)
 Total

Additional Considerations:

- 1) Will the illustration be published with a credit line/copyright my signature?
- 2) Will tear sheets or copies be provided?
- 3) Does this assignment require me to work other than normal hours, and does the fee reflect it?
- 4) Is the price or my estimate approximately 15% of the ad price for a similar unit of space?
- 5) Does the job have showpiece/in value?
- 6) Is the client likely to pay without hassle?
- 7) How much money will I really make on this job (billing minus overhead & job expenses)?
- 8) Other:

5. Photographic: Yes No

Color Number
 B&W Number

Special Requirements

6. For use, in house as training information other
 outside as advertising public education other

7. Audience: Age range Knowledgeable in client's field? Yes No
 Sex: Predominantly male Predominantly female Mixed
 Education: Elementary High School College College+
 Occupation(s):
 Geographic Locale:



8. Project Objectives:
9. Product Features:
10. Customer (User) Benefits:
11. Support for Benefit Claims:
12. Competition:
13. Creative Considerations:
14. Distribution Considerations:
15. Single Most Important Point:
16. Primary Contact/Phone
Project Manager/Phone
Other
17. Will advance or progress payments be provided?
Yes\$ No
18. What expenses are allowable?
Models Deliveries Travel
Stats Research Other
19. Is there a kill fee, or will I bill for time at my hourly rate if the job should not go to completion?
Kill fee Hourly Rate Neither
20. Has budget been established?
Fixed Ball Park Estimate Required
21. Will there be a purchase order, or will I need to prepare a letter of agreement?
Purchase order Letter of Agreement
22. Materials Supplied by Client:
23. Deadline Schedule:
Materials to writer
Outline
First Draft
Revisions Noted
Final Draft

Notes:

Estimating Worksheet

Date: Revision#:
Client
Project
Job # Client PO #
Proposal required by:
Projected start date:
Projected finish date:

Job Specifications

Dimensions/format/size/scope:
Number of pages/images/item:
Quantity:
Colors:
Paper/fold/presentation:
Number of photos/illustrations:
Number of words:
Number of charts/graphs/graphics:
Special considerations:



Input Time	Hours	x	SRate	=	Total
Initial meeting(s)					
Additional meetings (No.)					
Client interviews					
Background research					
Travel time					
Conceptual Time	Hours	x	SRate	=	Total
(No.) In-house meetings					
Creative research					
Strategizing/evaluating					
Concept development					
Design/write/sketch					
Execution Time	Hours	x	SRate	=	Total
Client meetings					
Full layout/draft/sketch					
Copywriting					
Copyediting					
Scanning					
First revision					
Second revision					
Author's alterations					
Travel Time					
Sub-Contracted Services	Hours	x	SRate	=	Total
Interviewing Suppliers					
	Estimate	x	Markup	=	Total
Copywriting					
Design layout/execution					
Illustrations					
Original photography					
Stock photography					
Mfg. production/printing					
Production Time	Hours	x	SRate	=	Total
Project management					
Art direction					
Typesetting					
Mechanical boardwork					
Prepress					
Printing supervision					
General expenses	Estimate	x	Markup	=	Total
New type fonts					
Clip Art					
Special supplies/software					
Copies & stats					
Delivery services					
Cabs/tickets/mileage					
Meals/hotels					
LD telephone/fax					
Service bureau charges					
Miscellaneous					
Additional usage rights					
Administrative expense (small jobs) +5-10%					
'Optimism factor' compensation +10-20%					
Job/client difficulty factor					
Competitive factor					
Estimated Total					

Proofreading Checklist

All drafts, except Final:

Independently checked?

Material read aloud by 1 person and type-checked by another.

Proofing done without a break

If 1 person proofing:

Read text all the way through forward for sense.

Read text backward, word for word, for mistakes.

Read text forward for sense.

Check:

Photos/captions

Headlines

Text references

Format consistency

Final draft:

Run Grammar Check Program

Client:

Project:

Job#:

Stage:

This proof must be returned by ?? to make our production schedule, which calls for ?? to be provided to you next on: ??



- ☐ No changes required on this proof.
☐ Make changes where indicated on pages
☐ Submit a revised proof.
☐ No need to submit a revised proof.

Signature:

Date:

Note: Changes resulting from author's alterations (those not caused by errors or omissions) may result in additional charges or delays.

Client: Project:
Job #: Stage:

This proof must be returned by ?? to make our production schedule, which calls for ?? to be provided to you next on: ??

- ☐ No changes required on this proof.
☐ Make changes where indicated on pages
☐ Submit a revised proof.
☐ No need to submit a revised proof.

Signature:

Date:

Note: Changes resulting from author's alterations (those not caused by errors or omissions) may result in additional charges or delays.

Accounting Checklist

1. Finish work/bill client

1. Print Timeslips worksheet for project
2. Card file in MYOB: Name, address, telephone, discount, account due information
3. Jobs list General Accounts - is project listed? If not, then list.
4. Item invoice:
 1. Invoice number key (505-0100) 5=year 05=month 01 =invoice number 00=subsequent invoices for this project
 2. use Timeslip worksheet for information
 3. Include job number on invoice
 4. Record the invoice
 5. Save data
 6. Print invoice

2. Receive \$

1. Write check number on invoice stub
2. Photocopy check
3. Apply payment to outstanding invoices
4. Save data

3. Deposit \$

1. Stamp back of each check
2. Fill out deposit slip
3. Record on deposit slip
4. Deposit \$
5. Record deposit in checkbook.