Business Plan

Advanced Cleaning, Inc.

Prepared by , Managing Director
March 18,

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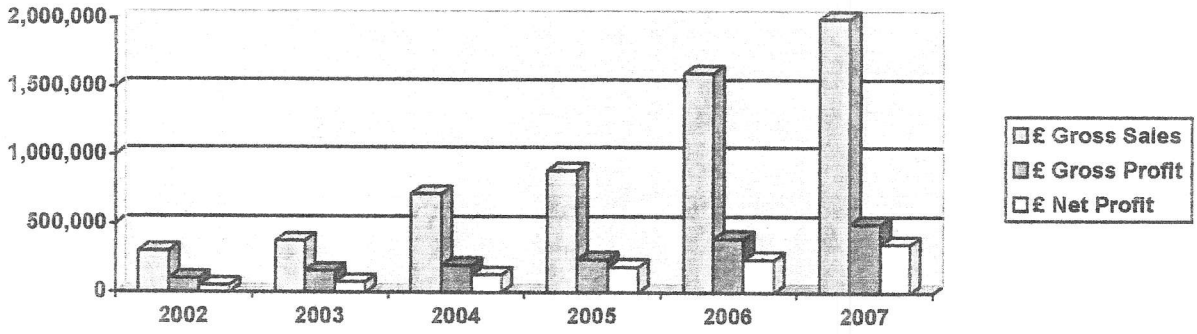
1.0 Executive Summary

Director owns 100% of Advanced Cleaning Ltd. (U.K.) which he personally founded in 2002 and grew it to 120 employees plus 5 senior management employees achieving:

- 2006 sales of $1.9 Million (£1.0 Million), and projected
- 2007 sales of $3.1 to 3.9 Million (£1.6 to £2.0 Million).

specializes in providing specialized, tailor made cleaning solutions and "high class" service to meet the general cleaning needs of primarily the Hotel, Restaurant & Bar, and Retail Shop segments of the industry.

(U.K.) Sales – in British £



Although (U.K.) grew to be a country wide company, it has remained family run with a local company feel and an intense commitment to "high class" customer service. For example, Martin knows all his customers, speaks to and sees them regularly, and prides himself in this level of personal touch! The company is known across the U.K. for this "high class" customer service in a way that establishes a competitive edge for (U.K.) in the cleaning industry.

(U.K.) is also devoted to a higher social standard than what is typically characteristic of the cleaning industry; (U.K.) pays good wages and offers employee incentives. This has been an effective tool locate, acquire and most importantly retain exceptional employees.

rapid growth in the U.K. was built on a foundation of delivering consistent quality service, done to a level unique in their industry. For example, has developed standard operating procedures (SOP's) centered on providing consistent quality with the aim of achieving 100% customer satisfaction; this was formally recognized by earning ISO 9001 certification in the U.K. resulting 84 page proprietary manual details processes for quality management including:

- Senior management objectives and "quality responsibilities".
- A formal quality policy and scope.
- Details for measurement, analysis & improvement.
- Quality Management System and its general requirements.
- Quality Management Process Model.
- Continual Improvement Model.

(U.K.) is certified ISO 9001 by ISO Quality Services Ltd. and earned "Approved Safe Contractor Accreditation" certification.

Building on foundation of quality, Martin's executive expertise and tenacity won cleaning contracts with very prestigious British accounts, including: .. ($4,000/month), Hilton Hotels U.K. ($9,000/month), Clothing ($20,000/month) and the Individual Restaurant Company PLC ($60,000/month). quickly became experienced at winning large cleaning contracts from major hotel corporations, restaurant chains, and retailers whilst in competition with other contractors.

has built strong U.K. contacts with , and retailer , among others. These corporations also operate in the U.S. and will be first customers to target once Paragon (U.S.) begins operation. Leveraging his U.K. contacts, Martin's pre-existing networking business relationship is a key advantage towards pursuing these U.S. affiliate customers. For example 2 years ago, negotiated and won the cleaning business for all of the Clothing retail locations across the entire U.K., including some in Spain

and Ireland too. Thus, is confident that he can win the cleaning business for all of the Clothing retail locations across the U.S. too.

research of the U.S. market has determined that the US market is growing, and that it is an ideal time to infiltrate. For example, many restaurants and bars are trending towards outsourcing facility cleaning services in search of fulfilling "specialists" cleaning needs (rather than have restaurant staff perform routine cleaning). Not only is already experienced at providing this cleaning service, but also offers high tech water filtration devices to offer the restaurant and bar trade a more comprehensive "turn-key" cleaning solution. Additionally, the demand in the cleaning industry continues to grow as concerns over germs, bacteria, and microbes are churned in the media. After all, clients know the importance of having a clean business environment, both in keeping staff productive as well as customers happy.

knows that past performance is the best predictor of future success. 125 employees would surely agree too. Having built a U.K business from scratch to projected sales of $3.1 to 3.9 Million in merely 5 years, is confident to repeat this success in the U.S where he intends to recruit, train and supervise U.S. Citizens to assist build a new business either as employees or sub-contractors.

$96,000 annual gross salary will initially be paid from the UK branch of Advanced Cleaning, until such time the US branch can sustain this salary. (U.K.) is financially able to do this since (U.K.) currently carries no loans or debt, owns all of their own equipment, and owns their office space in the U.K.

Sales Forecasts Over Five Year Period
(Highlights)

Typical Weekly Cleaning Job for: Retail Shop

Job: Retail Shop — Annual Sales

Line Item	Per Week	Per Year
Gross Sales (USD)	$ 1,500	$ 78,000
Materials / Equipment Cost	50	2,600
Labor Cost (Trained U.S. Workers)	1,000	52,000
Incidental	50	2.600
Sales Commission	100	5,200
Gross Profit per Sale	$ 300	**$ 15,600**

The above represents a typical cleaning contract for a small retail shop. Although a cleaning contract for a large hotel would generate more gross profit, a conservative company, decided that a retail shop model should be used as a basis for future cash flow projections.

(Year 1)

10 Annual cleaning contracts of Retail Shops	$ 156,000
Annual Operating Budget	78000
Martin's Annual Salary (paid by the UK business, not by the US business – thus zero entered here >>)	- 0 -
Gross Profit	**$ 78,000**

(Year 3)

30 Annual cleaning contracts of Retail Shops	$ 468,000
Annual Operating Budget (adjusted for inflation)	85,000
Martin's Annual Salary	96,000
Gross Profit	**$ 287,000**

(Year 5)

50 Annual cleaning contracts of Retail Shops	$ 780,000
Annual Operating Budget (adjusted for inflation)	91,000
Martin's Annual Salary	96,000
Gross Profit	**$ 593,000**

1.1. Objectives

- To offer a complete, specialized, tailor made cleaning solution to meet every requirement of clients in key industry segments.
- To specialize in providing "high class" service to meet the general cleaning needs of Hotel, Retail, and Restaurant & Bar segments of the industry.
- To expand the business by providing a complete builders cleaning service to the construction industry, offering a full range of cleaning services for finished construction including: initial cleaning, sparkle cleaning, and deep cleaning prior to display or occupancy (e.g. model homes, residential, commercial, & office new construction or remodel).
- To provide a 24/7 cleaning service, 365 days each year.
- To provide clients with a consistently "high standard" of service through fully trained and regularly supervised staff utilizing only the best of both traditional and modern cleaning methods.

1.2. Mission

To establish (U.S.) as a professional, family run cleaning company operating in all parts of California, built on a commitment to:

- Provide "high class" service every time.
- Offer a complete customized solution.
- Employ the best of both traditional and modern cleaning methods.
- Meet all applicable legal and other requirements and monitoring to ensure compliance.
- Promote the co-operation of all employees through clear senior management commitment and the provision of awareness and training programs.
- Build a large company known for its family run, local company feel and intense commitment to "high class" customer service.

1.3. Keys to Success

- For to obtain L1 as Managing Director of (UK) to open branch of in Los Angeles, California.
- Implement staff training programs, already proven in the UK, to ensure development of a fully trained field staff that can consistently deliver hallmark "high standard" of service to clients.
- Implement management training programs, already proven in the UK, to develop middle management to regularly supervise the field staff (a key metric to ensure hallmark "high standard" of service is consistently delivered in the field).
- Leverage existing business networking contacts in the targeted industry segments in order to quickly solicit and obtain contracts needed to establish a foothold in the Southern California market place.
- Keep in regular contact with clients to make sure they are 100% satisfied with the service (U.S.) provides.
- Gain industry bonds and certifications that demonstrate to clients safety and reliability as a service provider (e.g. "Approved Safe Contractor Accreditation" earned in the UK).
- Achieve ISO 9001 quality certification by adapting Paragon's existing 84 page ISO 9001 manual from its UK business to the new branch in Los Angeles, California (ISO 9001 UK Registration No:). The ISO 9001 document establishes standard operating procedures (SOP's), quality control processes, management responsibilities, and a plan for continual improvement of the organization.

2.0. Company Summary

The new U.S. branch will be developed as a mirror image of the existing U.K. cleaning business. will be the only employee initially. Advanced Cleaning (US), as it will be known, would seek to recruit, train and supervisor local U.S. citizens either as employees of (US) or as sub-contractors. will have (U.S.) management in place within 1 year or less. Section 6.1 contains Martin's proposed U.S. staff organizational chart for (U.S.).

2.1. Company Ownership

Advanced Cleaning (U.S.) has completed the process to set up a LLC-Corporation under the laws of the State of California. (U.S.) will be 100% owned by (U.K.).

2.2. Start-Up Summary

The Advanced Cleaning (U.S.) branch will be located in the greater Los Angeles, California area. (U.S.) has secured a business address of: , CA to begin using once the L-1 visa is granted. Upon visa application and issuance Martin will spend the first month relocating to the California area and set up all the infrastructure requirements to commence trading. has already developed relationships with Los Angeles based business professionals to expedite this phase.

will also set up meetings with a local Certified Public Accountant (CPA) to ensure that all the appropriate city licensing codes are duly adhered to from inception. A US branch has already been incorporated by local business attorneys as guided by the chosen CPA. Additionally, a payroll service will be hired to ensure that employee payments, taxes, deductions are handled correctly from inception.

Advanced Cleaning (U.K.) existing management will maintain the business affairs in the U.K. while establishes the U.S. branch. The (U.S.) branch is owned by the (U.K.) company.

Once has relocated he will begin meetings with potential clients using his U.K. client list, brochure and expertise in the field to solicit opportunities to bid on cleaning contracts. has already made contact with Hilton Hotels, Holiday Inn, and . Clothing retailer in . CA and expects this new business to be "quick wins". To this end, expects to have the (U.S.) branch breakeven within 6 months, turn its first profit in 8 months, and become self-sufficient in 14 to 16 months.

US Branch Start-up Costs and Monthly Running Costs

Table 2:

One Time Expense Items	
Legal costs & fees for incorporation etc	5,000.00
Initial Office Hard Ware [Computer, phone, fax, printer]	3,600.00
Van Lease Deposit	9,060.00
Miscellaneous	1,000.00
Total Start Up Costs	**$18,660.00**

Total Monthly Start-Up Budget	$
Office Lease	1,200.00
Gas	75.00
Electricity	40.00
Telephone	60.00
Cell Phone	40.00
Auto Insurance	60.00
Auto Lease Payments	300.00
Auto Gas	150.00
Stationary	100.00
Miscellaneous and other supplies	500.00
Advertising	250.00
Trade magazines	20.00
Company Lunches and Meetings	150.00
Directors Allowance	2,000.00
Total Monthly Budget	**$4,945.00**

1st Yr Annualized Budget (rounded up)	**$59,340**
1st Yr Start Up Cost	**$18,660**
1st Yr Total	**$78,000**

will fully fund (US) until Advanced Cleaning (US) becomes self-sufficient. It is anticipated that (Advanced Cleaning will become self sufficient by the 14th to 16th month of operation in the U.S.

3.0. Services

, specializes in providing specialized, tailor made cleaning solutions and "high class" service to meet the general cleaning needs of primarily the Hotel, Restaurant & Bar, and Retail Shop segments of the industry.

also targets the following market areas for "one off" deep cleans, done after a builder's remodel or new construction as the premise is readied for occupancy:

- Bar / restaurant
- Hotels
- Retail stores
- Shopping centres / mails
- Offices
- Flat / apartment / new house construction
- Schools

4.0. Market Analysis Summary

The cleaning industry in the U.S. is dominated by mostly small local companies who do not offer services beyond their local area. The remainder of the cleaning industry contains a few national cleaning companies who, although they offer services across the U.S., tend to offer only limited services. Coincidently, these national cleaning companies (mainly ,) also operate affiliate companies in the UK.

Meanwhile, the demand for cleaning services in the U.S. is growing. Growth is driven primarily by the many restaurants, bars, hotels and shops that are turning to outsourcing their cleaning duties since their internal staff is reluctant to add cleaning duties to their existing responsibilities. Most of this client base are "chains" (with multiple locations across a wide geographic area), thus the numerous small local cleaning companies cannot service this segment of the industry.

Although the few larger U.S. cleaning companies span the geographic area of these "chain" clients, , and others generally offer only a limited scope of cleaning services (e.g. restroom cleaning only) and do not offer the comprehensive "turn-key" cleaning solution clients demand. will have a distinct advantage entering the U.S. market with a business model already perfected to address this opportunity under identical market conditions in the U.K. Paragon's advantage is furthered by having existing business connections with major U.S. chains whose U.K. counterparts are already clients.

4.1. Market Segmentation

The cleaning market is broken down into the following segments: -

- Hotel & Hospitality
- Restaurant & Bar
- Retail & Commercial Establishments
- Construction / Builder
  - Cleaning during construction of new retail locations.
  - "Deep clean" newly built retail location before occupancy.
- Ancillary Business
  - Window Cleaning (platform / cherry pickers / water pole)
  - Carpet & Upholstery Cleaning
  - Power Washing & Graffiti Removal

4.2. Target Market Segment Strategy

will concentrate efforts on providing "high class" service to meet the general cleaning needs of Hotel, Retail, and Restaurant & Bar industry segments of the U.S. market.

will target major U.S. hotel, restaurant & bar, and retail chains with whom has existing business connections by way of holding contracts with the chains' U.K. counterparts.

4.3. Service Business Analysis

Overview

The U.S. market is currently growing at around 45% per year. This is because many restaurants, bars, hotels and shops are now outsourcing their cleaning since their internal staff is reluctant to add cleaning duties to their existing responsibilities. Additionally, there are many more health and safety regulations, and industry-wide hygiene and safe practices that must be adhered to. This is quite prevalent across Los Angeles County where the local government rates every restaurant with a publicly displayed "grade" of "A", "B", or "C" to inform potential patrons of the restaurant's cleanliness and food handling safe-practices. Thus, many restaurants, bars, hotels, and other foodservice establishments are outsourcing cleaning rather than entrust to an increasing important responsibility to reluctant employees.

Sales volume is relatively steady year-round. However there is a mild peak from October through December each year as builders scurry to open a newly constructed or remodeled retail shop for the Christmas holiday selling season.

4.4. Competition and Buying Patterns

The local competitors are , CA; 2000 Specialty Cleaning Service in Los Angeles, CA; Building Maintenance Inc, in Canoga Park, CA; One Source Building Maintenance, Inc. in Sunnyvale, CA; and Service in San Diego, CA.

Although there are competitors in this field, they are mostly small local businesses not equipped to service clients with cleaning needs across multiple locations spanning a large geographic area. Thus, many hotel or restaurant chains rely on the few larger cleaning companies (like) or more commonly add cleaning duties to that of existing internal staff already designated to perform other functions.

Of the few larger cleaning companies, , and others generally offer only a limited scope of cleaning services; for example, U.S. based , Inc. provides only restroom cleaning services. has already successfully competed against ., and in the U.K. market for the past 5 years.

believes that it can succeed in the U.S. by following the same model that built U.K. business . . . to offer "turn-key" solutions and "high class" service to meet the general cleaning needs of primarily the Hotel, Restaurant & Bar, and Retail Shop segments of the industry. This strategy plays to Paragon's niche expertise and to the client's need for a comprehensive cleaning resource offering consistently high service. As a result, Paragon has charted continued business growth for the U.S. branch.

The buying pattern of the (U.S.) branch is primarily related to the equipment and supplies needed to service their level of business. Since this business is secured in advance by long term contract (e.g. an annual contract to clean a certain number of retail shops each week), the equipment and supplies buying pattern is predictable and in correlation with actual sales growth. Aside from normal wear and tear, there is little to no risk of Paragon's equipment and supplies inventory becoming obsolete or otherwise being rendered useless for business.

5.0 Strategy and Implementation Summary

Once the L-1 visa is approved Martin will seek to implement the strategy as outlined below.

5.1. Marketing Strategy

- Leverage existing networking contacts to gain business appointments with key decision makers for contract business in the Hotel, Retail, and Restaurant & Bar general cleaning segments of the industry.
    - ; & retailer will be the initial focus.
    - Network from these to other accounts within the same industry segment.
- Pursue "one-offs" or one time cleaning projects in the construction and builders cleaning segments of the industry.
- Develop new networking contacts through membership in Chamber of Commerce and other business organizations to gain additional business appointments with key decision makers.
- Advertise in local trade publications
- Initiate a direct telephone / mail campaign to a targeted new client list with the goal of gaining an introductory face-to-face appointment

5.2. Sales Strategy

The sales strategy of (U.S.) will be to solicit "one-off" projects (which provide immediate sales) from smaller corporate clients while simultaneously bidding on cleaning contracts (to secure longer term sales) from larger hotel and restaurant corporations as outlined above.

5.3. Sales Forecast

Estimate of US Branch Performance in First 12 Months

Average Monthly Overhead: $4,945.00

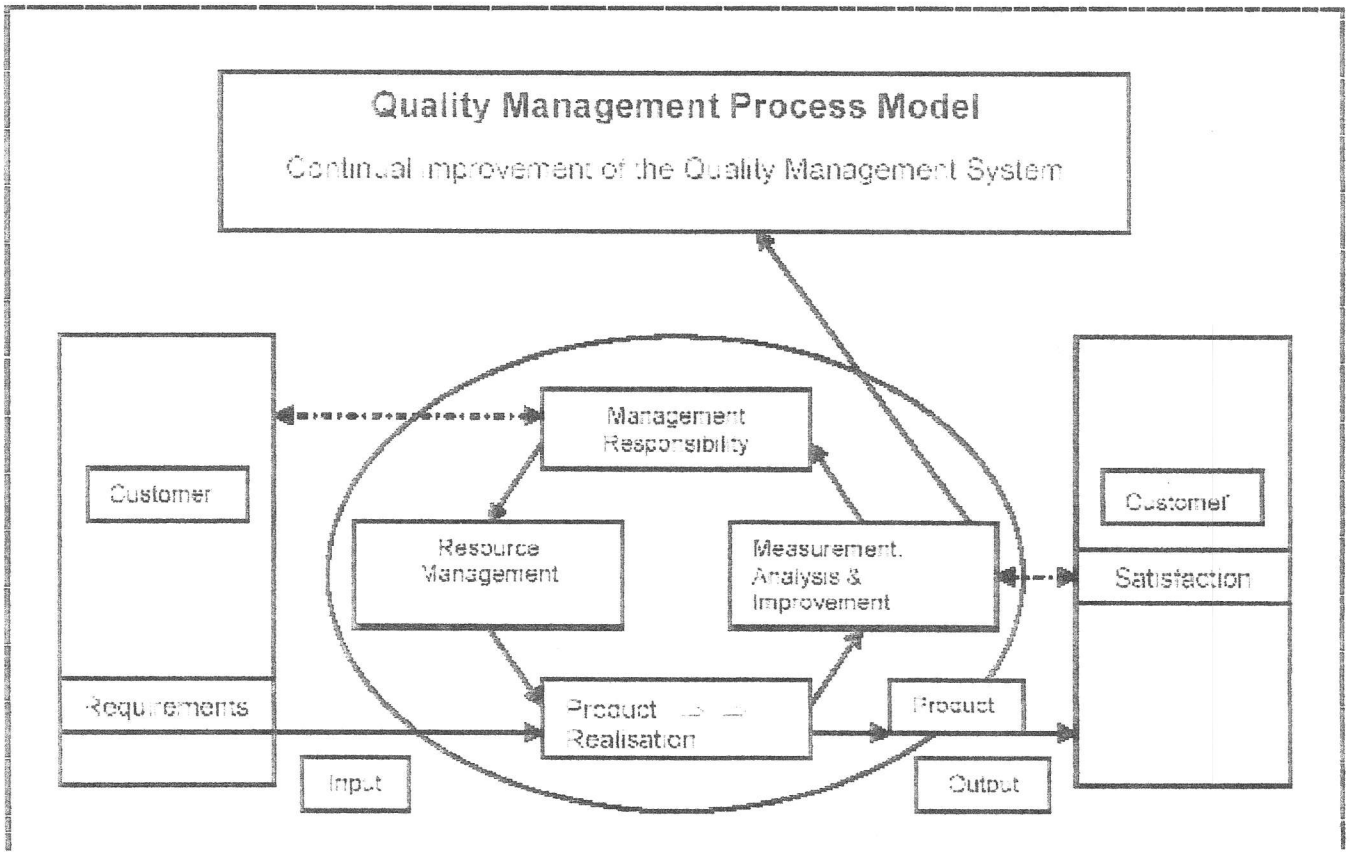
Average Monthly Profit On Typical Retail Shop Contract: $1,500

	Retail Shop / Regular Contracts	Order Value inc	Monthly Overhead	Net Profit/ Loss $
June	1500	1500	9,945.00	-8445
July	3000	3000	9,945.00	-6945
August	7500	7500	9,945.00	-2445
September	10500	10500	8,605.00	+1895
October	13500	13500	4,945.00	+8555
November	13500	18500	4,945.00	+13555
December	13500	22500	4,945.00	+17555
January	15000	15000	4,945.00	+10055
February	15000	15000	4,945.00	+10055
March	15000	15000	4,945.00	+10055
April	15000	15000	4,945.00	+10055
May	19000	19000	4,945.00	+14055
TOTAL	10		**$ 78,000.00**	**+$78,000**

Note: November & December contain slight additional income to reflect the peak season of builder's "one off" deep cleans of newly constructed shops.

5.4. Competitive Edge In The Market Place

- Executive expertise: Martin personally founded the U.K. company in 200 and grew it to 125 employees achieving:
  - 200 sales of $1.9 Million (£1.0 Million), and projected
  - 200 sales of $3.1 to 3.9 Million (£1.6 to £2.0 Million).
- Experienced in winning large cleaning contracts from major hotel corporations, restaurant chains, and retailers in competition with other contractors.
- Already experienced at successfully competing with the British counterparts of large multi-national competitors who are also present in the U.S. (e.g. the).
- Already ISO 9001 certified (in the U.K.)
- Paragon's already established and tested plan for "Continual Improvement & Quality Management" of the organization (currently practiced by in the U.K. – see below).



6.0. Management Summary

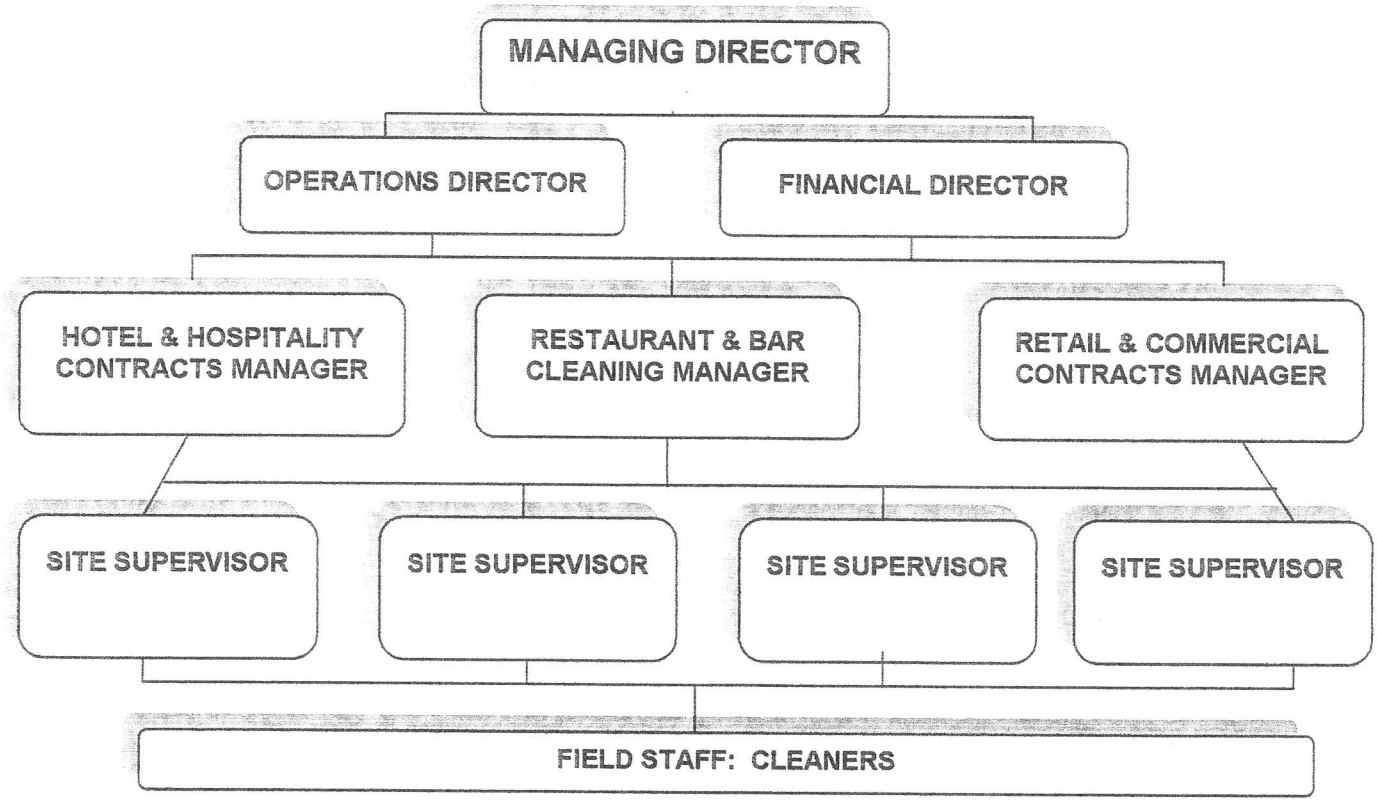
: Skills

- Personally founded a company from scratch in 20 and grew it to 120 employees and 5 senior management employees by 2007.
- 5 years experience as a Managing Director for a company approaching $3.9 million in sales for 20
- 8 years experience in the cleaning industry.
- Led a successful acquisition of competitor's company in 200 .
- Achieved ISO 9001/2000 accreditation for Paragon (BS EN ISO)
- Experts soliciting, bidding. negotiating and winning major contracts with Large Blue Chip Companies including:
    -
    -
    -
    - Her Majesty's Government Offices
    - Clothing
    - Restaurant Bar & Grill
    - Ltd
- .Seasoned sales manager, having won top "Sales Rep of the Year" awards in & .

6.1. Personnel Plan

will be the initial executive employee in the U.S. charged with establishing the business, the development of the management team, and recruiting staff. intends to hire or subcontract U.S. citizens to complete the organizational chart below; this organizational structure mirrors successful business structure in the U.K..

U.S. ORGANIZATIONAL CHART - ADVANCED CLEANING



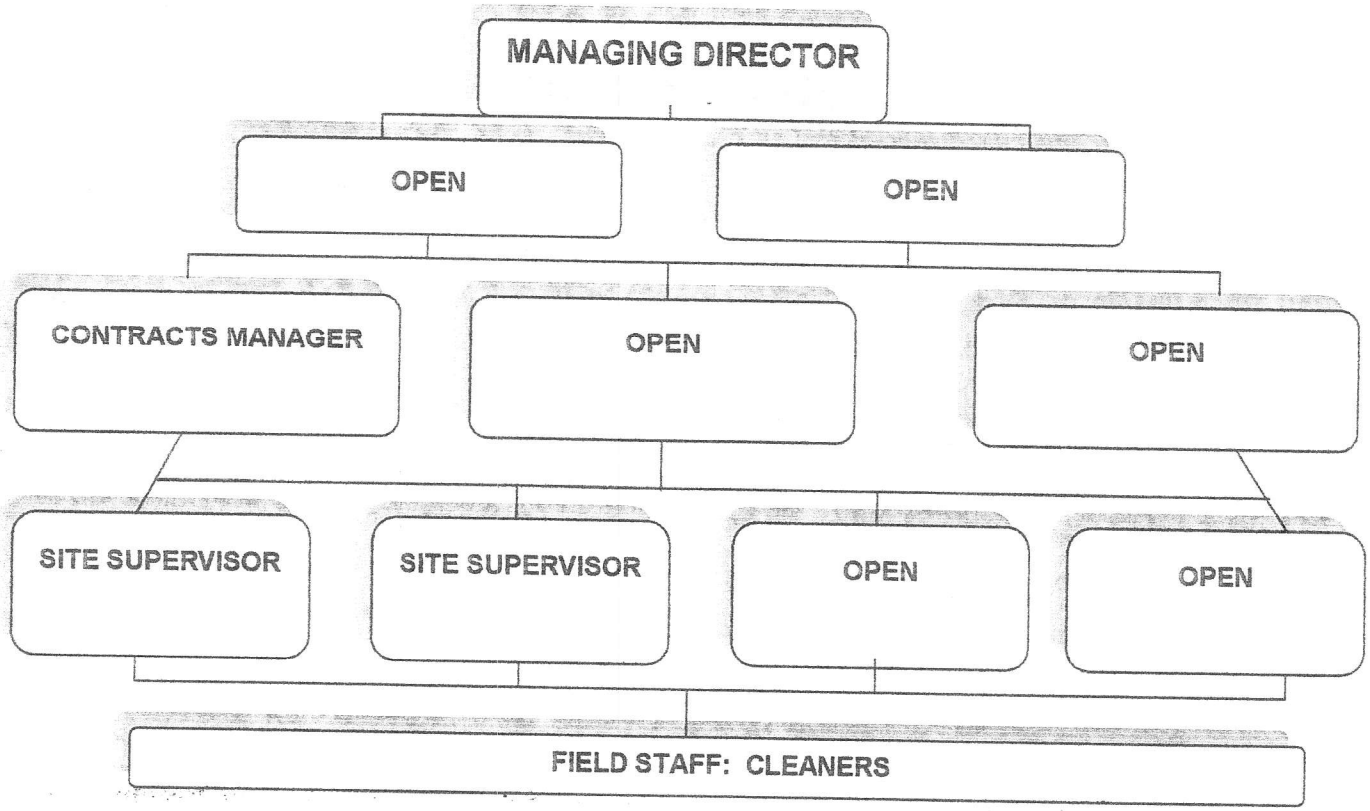
I the undersigned confirm that all the information given above is accurate and true to the best of my knowledge.

Signed: _____

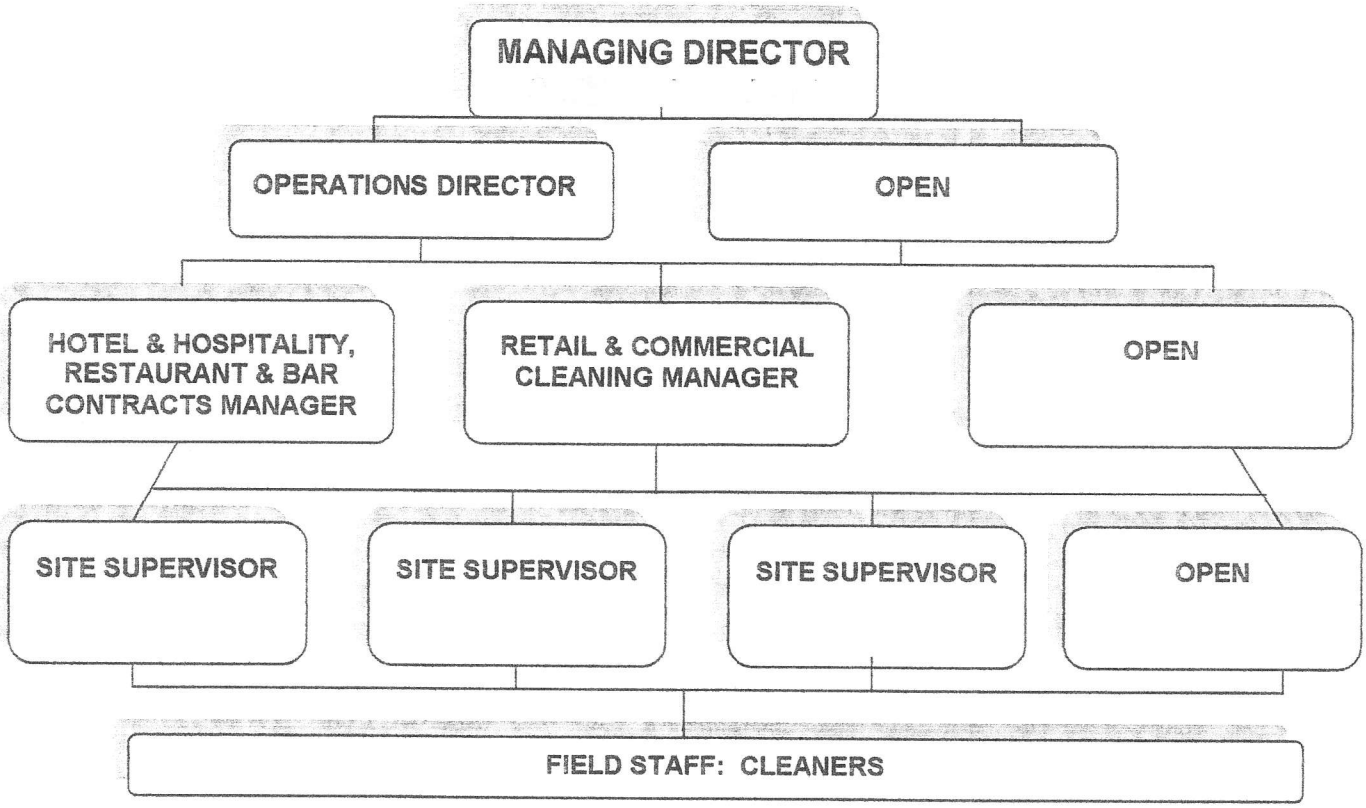
Dated: _____

6.2.. 1, 3, & 5 Year Organizational Charts

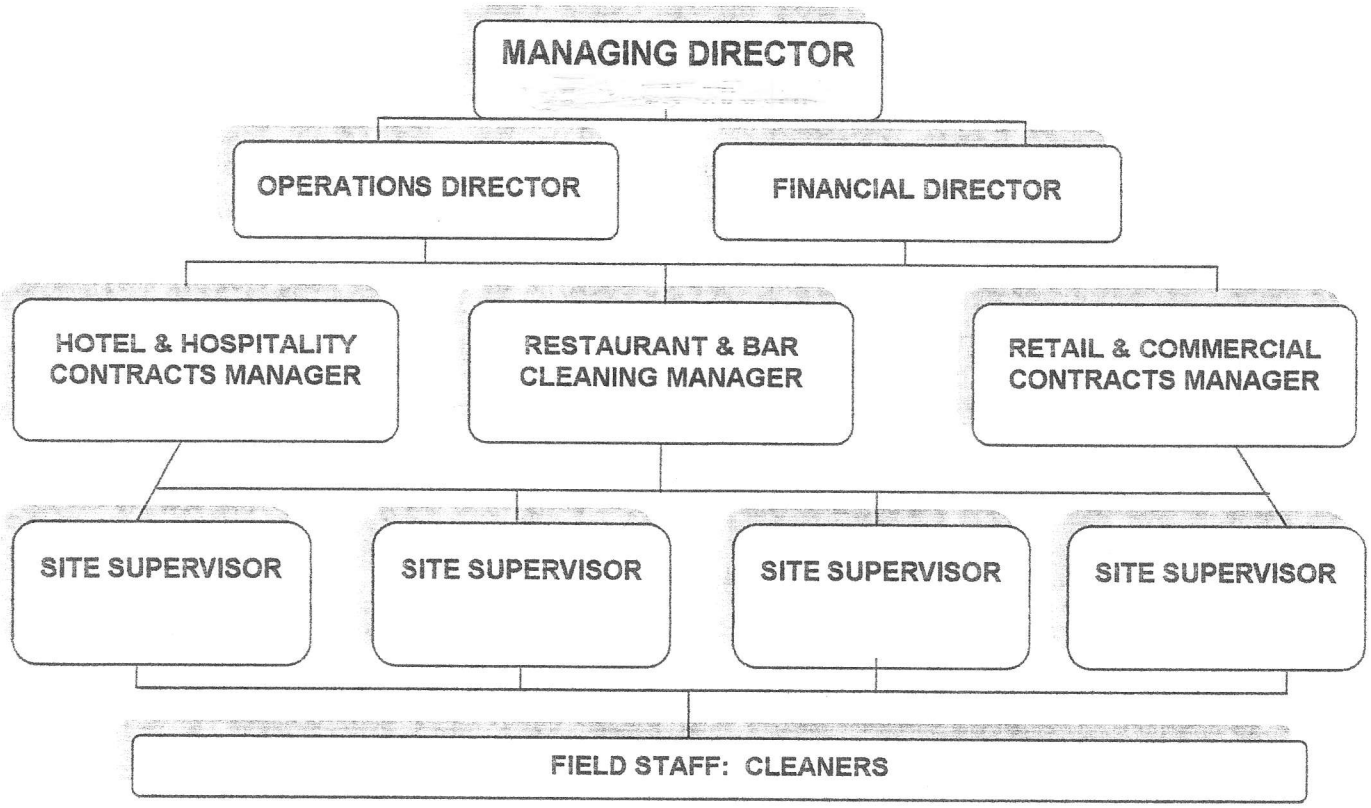
U.S. ORGANIZATIONAL CHART - – YEAR 1



U.S. ORGANIZATIONAL CHART - – YEAR 3



U.S. ORGANIZATIONAL CHART - – YEAR 5



I the undersigned confirm that all the information given above is accurate and true to the best of my knowledge.

Signed: _____

Dated: _____