



Angelo's Tree Service Inc

**Business Summary Example
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Business Summary

Angelo's Tree Service has been providing tree and shrub assessment, pruning, cabling, bracing, take downs and removals since 1995. The company is licensed in Westchester, Putnam Counties, Rockland and Dutchess Counties New York. The business sells to residential and commercial customers.

Angelo's is a medium sized tree service business. It is fully licensed, insured and carries workman's compensation for all employees. The company owns the full range of equipment needed to provide quality service.

Angelo's prides itself in prompt, quality service. Employees pay attention to detail and ensure all work sites are left clean and tidy to the satisfaction of the customer.

Business History

Angelo's was established in 1995. Mr. Angelo worked for various tree companies in the in the area before starting his own business. Mr. Angelo learned to assess, care for and take down trees. He passed his arborist certificate in 1994.

The business started small and did residential work exclusively. Mr. Angelo runs all aspects of the business: sales, assessments, climbing and cutting. There is an office manager who keeps records and performs all bookkeeping.

In 2000 the business began increasing its capacity. It purchased a used chipper in 2000, in 2004 it bought a new truck and in 2005 it purchased a dump truck. The business is now able to grind down trees and shoot wood chips into this dump truck increasing efficiency and improving site clean up. In 2006 it purchased a new second chipper. In response to increased demand for stump removal, the business also acquired a stump grinder. In 2008 the business purchased a second truck.

The business can now run 3 sites at a time. Mr. Angelo can climb and cut which he performed the bulk of for many years. Increasingly he is focusing on tree and shrubbery assessments, training staff and overseeing the work crews.

Business Structure

Angelo's is a C Corporation. Mr. Angelo is the 100% owner. The business hires up to eight staff during peak season.

Marketing

Business growth has been achieved through word of mouth referrals, advertising and regular mailings. Angelo's also partners with a three nurseries for cross-referrals. This has brought in new commercial clients. The business sets aside a fixed budget each month for advertising and increases advertising in the lead up to the busy spring and fall seasons.

Pricing and Competition

Mr. Angelo is responsible for all assessments and estimates. The business prices below its larger competitors such as Save a Tree, Almstead, Westchester Tree Life and Davey. Angelo's Tree Service provides a more personalized service and after service care than the larger companies.

Financials

Business income has fallen during the recession. From 2007 onward there was a drop in requests for quotes and more competition from small sole proprietorships. Pressure to drop prices was strong. Gross income fell by 5% between 2006 and 2007 and by 10% between 2007 and 2008. Business expense rose during the period due to the purchase of the new truck which required a down payment and loan payments. Insurance, one of the largest annual fixed expenses (\$15,000-\$25,000 annual), has to be paid to continue to operate.

In 2009, business income rebounded above the 2006 level. This is partly thanks to 5 new contracts with commercial management companies. These contracts plus opportunities to bid for school district work are opening a new sales center for the business. Angelo's will develop the property/commercial management company business aggressively in 2010 while continuing residential work. Projections for 2010 see a 15% increase in gross revenue over 2009.

The business has debt incurred to purchase necessary equipment over the years and to cover the fall in sales in 2007-08. Some of this is bank and financing company debt. There is also credit card debt.

Future Plans

The business intends to expand into Connecticut. Mr. Angelo will obtain his Connecticut arborist's certification which is required to obtain a license in Connecticut.

The business will continue residential work and will expand the commercial side focusing on property management companies and school districts.