

APPROVAL OF HONORS PROGRAM SENIOR PROJECT

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Project Title

Eastern Carolina Lighting LLC

This Senior Project is approved as acceptable

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Eastern Carolina Lighting LLC.

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Executive Summary

Eastern Carolina Lighting is a family owned and operated lighting company with a mission to install pole top lighting and driving range netting with an end goal of being a registered contractor for the largest electrical power companies in the United States, serving anyone who may have been through a national disaster or installing lights for major businesses. The headquarters for our company will be Murphy Family Ventures LLC. in Wallace, North Carolina. As for leadership, there will be one owner and CEO, Wendall Murphy III and Matthew Coltren as vice-president handling the strategic and tactical plans. Employment will be limited as we begin until more jobs arise but starting, we will have one ten-man crew and by the end of year one we will have at least three crews. Other employees such as receptionists and accountants will handle the day-to-day operations, so we will not need to add anyone. Our Vision is to become the largest co-op in the United States but more importantly we want to provide the best service at the fastest time for the well-being of our society.

Company Description

At Eastern Carolina lighting, we serve in installing pole top lighting, which is used in places such as parking lots, ball fields, and anywhere else you see lights on high poles. Service in golf course netting will also be a priority during the early days of our company as this is something that we can do with the equipment we will have, to be able to reach higher places. Oddly enough, many electrical companies have great relationships with golf courses because of having fundraiser tournaments which just gives us an edge on why they would pick a lighting company. Consumers we will serve are golf courses with driving range netting, as well as cities and towns roadsides with single poles lights. Business and School parking lots with the usage of two pole lights will be in our wheelhouse. The last consumer being high schools, colleges and professional teams that provide our biggest jobs will be multi-light pole lighting, also called stadium lighting, used for ball fields and stadiums for high schools, colleges, and major sports teams or event centers.

Although we are going to be a newly incoming business into the lighting and electricity business, we have major competitive advantages, the most important being that we have a reliable source of money to purchase anything we need to get our business started. Along with that, we will not have to worry about finding a location or the purchase of a building since we will run out of MFV headquarters. The last competitive advantage that we have is my father and although that seems odd, Ricky has worked for co-ops since 18 and is now the vice president of Lee Electrical which is one of the largest co-ops in the nation. Having Ricky as an employee will give us an advantage of having knowledge from someone who has done everything there is to do in the business and has connections in the electricity world.

Market Analysis

While I am trying to create one of the best contracting companies to hit the electrical industry, most contractors are all the same. This means that performing the best service we can at fair prices will be crucial in the short run for this company. However, after researching one of the largest electrical contractors in North Carolina, Lee Electrical, I knew what it took to be the best. We need to consider the company's opening date. Although this does not seem important in most business practices, when it comes to the electrical field, starting during a time such as hurricane season is great because you can get storm work and quickly get the business name out. Being centrally located to have easy access to anywhere in the state you may need to go. Most crucial point is staying away from the big business and focusing on the small co-ops throughout North Carolina, South Carolina, and Virginia.

I have noticed that these successful companies have a direct connection from highest to the lowest employee, making a strong relationship throughout the company and creating a strong team devoted to helping make the right financial and ethical decisions. Every owner started by running their crews and working hands on with them for quite a while before removing themselves from the jobsites. This all works in the electrical industry because it is a very personal business, and all these points show how close these businesses are on the inside. When it comes to doing any business between co-ops, things need to be on a first name basis because as a contractor, we need to be extremely close to the groups we are working for. I believe we can do all of this but better and really by doing one simple thing, not selling out to big business. All these small contractor companies are starting to sell out to the big guys such as Quanta and that is leaving those little guys we should care about, now struggling.

SWOT Analysis

- Strengths: We are starting a company through a bigger, more developed company which will make the process of getting and needing money much easier. We also will have resources readily available to us because they will be used for all the other businesses. We also have major backers and resources that have been in the contracting business a long time
- Weakness: We are a new starting business in a field that is expensive to get into so being a new business means it will be hard to get jobs at first, we will have to do jobs at a more reduced rate until we can prove ourselves.
- Opportunity: We are going to be able to help other small businesses like ours. By sticking to our plan of staying with small co-ops, we are going to create opportunities for these small co-ops to grow.
- Threats: We are a small business that will need a lot of growth before we are able to compete with big companies and if we cannot do that, we will not make it.

Organization and Management

“Eastern Carolina Lighting” is going to be an LLC. The company will be run through a partnership between Wendell Murphy III and myself. Wendell Murphy III being the CEO and myself being the Vice President. I will be the head of operations in the company and will take full responsibility for the company. Under me as the head leader of the crews will be my father, Ricky Coltren. He will take on responsibility for sending crews out and arranging all the companies' jobs. Under him he will have three crew leaders that will be picked once we get enough employees for that, any crews. The number of crew leaders will grow as crew members continue to grow. Crew leaders' jobs are exactly what they sound like; they lead their crew in jobs and make sure they get finished the best possible in a timely manner. The last line is the crew members, also known as linemen. This group will be the brute force of our operation which will do all the challenging work. However, this is the most important job in the company.

Service or Product line

The service that we are looking to provide is ordering and installing pole-top lighting. We also plan to become a contractor to help small co-ops when storms or extra jobs come their way, and they do not have the people themselves to do the work. Our customers are primarily going to be other businesses, so they care about three things, faster, easier, and better. That is exactly what we are going to specialize in doing, getting jobs done in a timely manner at a reasonable cost. Product life cycle, however, is a little complicated when it comes to this job.

Reasoning for the product life cycle being tough is the fact that different poles will last a different amount of time, but it also depends on the types of weather and if any accidents take out poles. Our intentions, however, would be to have the average lifespan of a job be 7-30 years. This could easily go up or down depending on material of poles and netting, but some jobs may only take one material or the other based on location. This company will be built from demanding work which will keep us from doing any research and development.

Marketing and Sales

We will attract our customers by having the best-looking products and providing any service they may need. By having a resource for every piece of equipment, we would have to turn down a job, losing money and business opportunities for the future. To do this, it will cost a few thousand dollars in leases; having all types of equipment will increase the amount of business we do a year by about 10%. We are also going to be reliable, which is very uncommon in the electrical industry. Most contractor companies are terrible at finishing jobs and especially finishing jobs to full completion. So, we are going to make sure that we are always finishing what we start to its fullest extent by the deadline, which will increase new business but will maintain current business. Keeping this up means we must have particularly good employees that are hard workers, with pay starting at \$140 per hour.

Funding Request

Although we will be starting this company using Murphy Family Ventures money, this is where we will discuss equipment and prices. Most of our equipment we will eventually need multiples of because we will have multiple crews and jobs. The first and most important piece in this operation is bucket trucks because these are the main sources for standing up polls and setting pulls. This is going to be about \$130,000 each, and we would have 1 bucket truck to start. We would next need pole trailers which would be \$15,000 and we would need one of these. Next, we would need tensioners and full drum pullers which tensioners \$30,000 and pullers are \$90,000 which we only need one of. Next is rollers, x 100 blocks, we would need 300 of these at \$150 each.

Specialty vehicles are next in this operation. Firstly, needing a truck for each crew, we would need 1 bucket truck as well as 1 pickup truck for the general supervisor and then 2 for the CEO and Vice President. These trucks need to be 2500hd pickups with 4wd, so we are looking at about \$30,000 each through the commercial discount through the local Chevrolet dealership. We will rent cranes because it is much cheaper to rent than to maintain and run them, and this will vary depending on the job and size. Next, we will also have to rent a 10k material handling forklift, we do not want to have to deal with the expenses upkeep. It is cheaper to rent. Lastly, we are going to move into the tools. Using all Milwaukee tools now and moving from hydraulic, we are going to be looking at \$30,000 per bucket truck. Safety materials are the final tool piece, and these are the most important in keeping our employees safe. We will need rubber gloves, blankets, hoses, sleeves, as well as fire resistant uniforms, hardhat, safety glass, and cut-resistant hand gloves. Each employee will need all of this, and you would be looking at about \$50,000 in total.

Financial Projections

This business is always going to make money in the sense that this job is always needed because electricity has turned into the way of life and now, more than ever, we are using electricity. Now on the money side of things:

- 2 million dollars for start-up and running for 5 years.
- Projecting to do 150 netting jobs install lights at 200 job sites for the first two years.
- Our 200 light installations will be very based on the job but for a normal ball field pole set-up, we are looking at a revenue of \$15,000 per pole we set.
- It will take money to make money.
- From projections of profit, we are going to start collecting straight income by year 3.

This is also going to incorporate growing our business, which will be fantastic for employment opportunities throughout North Carolina while giving the company greater opportunities to make more money.

- Within 10 years we should be able to let the company naturally flourish on its own.
- From there, I would love to branch the company out as far as we could while still having our focus be on distribution.

The Competition

While this is not a new concept that we are coming up with, we do have a great advantage in our start up in the company because many of these big businesses that started in similar ways that my plan is too, have since moved away from this form of low-level work. Most of the companies aren't moving from it because of a lack of money or need for the job, however, it's because they feel as though they have gotten too big and have more priorities or high-level jobs that should take precedence to this type of "small job". What it seems these high-level businessman employees seem to disregard is the fact that with their big crews, this is easy money that for them would not take long at all. This will be extremely beneficial for myself and my company and the supplier of income for start-up because there are so many jobs available now for this service that we will be able to jump straight into work and quickly make money to repay the investments but as well expand at a rapid pace. It will also be extremely helpful because my father's company is one of those that has gotten big and moved away from what made them who they are but because of that, I have great connections with the old clientele that he had and would be able to pick them up whether it be the golf courses or the stadiums and parking lots where he used to put up lights.

Revenue Streams

Our revenue stream will be directly from consumer to producer, which in this case would be our company. We will be the ones to negotiate contracts and price per hour as well as equipment and products needed to complete the job such as light bulbs, poles, netting, and other products needed for job completion which we will list in a pricing chart under the pricing chart section of this plan. This will also be extremely helpful with the money going straight from consumer to the business because it will make payroll and keeping up with our inventory that much easier and will give me a much easier time inputting information into our checks and balances system which will fall under my jurisdiction which will help cut cost on needing a full-time accountant on staff and putting to use my minor of accounting. However, these numbers will not be final, they will be a huge help in keeping up with much needed information that can be sent to our accountants at year's end to go back over all our numbers and keep us in check for tax purposes.

Marketing Activates

Marketing is one of my strong suits and will definitely be the most fun part of my job, but it will also be much easier than most other companies because we will have that extremely large flow of income at our disposal thanks to our CEO and success of his other companies that are going to help in the start-up of this company. We will have a decent media presence with being able to help promote not only through the Murphy Family Ventures company page on many different social medias but there are also the social media of the other entities accumulated by the Murphy Family Venture company. As well, we will also have our own company pages throughout various social media platforms such as Instagram, Facebook, “X” formally Twitter, and TikTok. We will also have a company website which will have things such as pricing, our morals, and other various parts that will come from this business plan that will help consumers get an idea of what kind of company they are going to be dealing with and what they are going to be putting their money into. This will also be a great tool for recruiting and getting new employees interested and understanding what company they could potentially be joining.

Our most important form of advertising and one that I find great enthusiasm in, is supporting our local county, high school and college sports teams. We will use our resources to help sponsor and donate money to these programs to not only give back to our community and get our name out there but give these programs the greatest chance of success and give these kids the equipment and tools they need to succeed with their athletic talent but as well in life. This will mean a lot to myself and our business because I grew up as one of those kids that used sports to enjoy life to its fullest and I truly believe it has made me the man I am today and who I will be in the future.

Lastly, which means a lot to me is providing opportunities for academic scholarships throughout our community and our state for the students that are bright but need the help to continue their academic career that otherwise wouldn't have the funds to do so.

Milestones

We are going to be looking at the year's milestones as I feel that these are much easier as a start-up company than looking at where we would like to soon. I will also look at the five- and ten-year plans of where I want and believe the company could be at.

Year 1

- We will be a very small company
- Start with somewhere around the five-employee mark
- Look at having two ballpark and parking lot lighting a week
- One netting job a week
- Figure of \$140 a man at 10 hours per man with equipment we would be looking at making \$9,000 per netting job
- Not including the price of netting which would be \$1,500 per panel
- An average of 8 panels but it would depend on what the golf course wants to cover.
- We would be looking at \$8,400 for the man hours and equipment for lighting
- Add in material cost which would be bulbs and ballast that are discussed in the pricing chart.
- A number of \$9,000 a week in netting and \$16,800 a week in lighting work.
- This would be a gross income of \$1,914,000 for the yearly income
- Roughly \$537,600 for employee cost at the end of the year 1

In conclusion for year 1, our biggest milestone is going to be getting the business established while also paying back money for the equipment that was purchased for the start-up of the company by the CEO. As we see how the economy and company is doing during this first year,

it will give us the information we need as to if we can start hiring more employees. As it looks, we will move to adding another 5-man crew which would allow us to take on more jobs throughout the week. While year two will be pretty like year one, year three is where I am looking to really expand our company for the best.

Year 3

We will look at moving into a co-op power company that will serve North Carolina power companies by bidding on jobs to help with major projects that they have going on that they either don't have enough or no extra manpower to do. This will be a huge financial commitment, but it has exponential upside in creating more jobs and making more money, which is what every business wants to hear. This will be taking a significant leap in needing to add more crews as well as more equipment to move into this field. Our main search for that new equipment and to get it at the best prices will be going to other companies' auctions where they will be selling off old equipment that still works great just needs to be upgraded, which will be perfect for us.

Moving now to more of a 5-year plan, our goal is to be debt free from the startup of the company but also be somewhere around the 15-million-dollar income range for the year while having an employee number near 200. This is a very attainable goal with having this many employees with the average co-op job lasting a month and making around the 1.5-to-2-million-dollar range which we could do 2 to the 3 jobs a month as well as still doing our ballpark lighting and golf course netting jobs. Lastly, we will look at our 10-year goal which will be to have close to 500 employees with an office staff and job hierarchy which would include safety men, financial officers and everything else that a multimillion-dollar company should have.

Netting Employee and Equipment Cost

Man hours	10
Men	5
Price	\$140
	\$7,000

Netting Employee Cost from Company

Man hours	1
Men	5
Price	\$140
	\$800

Lighting Employee and Equipment Cost

Man hours	12
Men	5
Price	\$140
	\$8,400

Lighting Employee Cost for Company

Man hours	5
Men	5
Price	\$140
	\$4,200

Insurance

Insurance is very important especially when we are dealing with something that has the risk of death involved. For this very reason, I have tried to use all my resources I have to come up with the most common and best ideas of what insurance would look like as the company is getting started to keep us from getting into any troubled situations. I was first informed to make sure that the business was covered for what it would be worth. After looking at the finances and equipment that we would have and to be on the higher side to make sure that we would be fully covered, we estimated a worth of \$1,000,000. For this, we could not get exact numbers without filling out true forms for the insurance companies, so we are going off of average amounts for this section.

Firstly, we would have General Liability Insurance costing in the ballpark of \$69 a month which would cover the company if something happened and there was a lawsuit presented. This would keep us from losing our whole company. Next, we would have Workers Compensation Insurance which again was a ballpark figure of about \$204 a month. This is higher because of the chances of something more significant happening when injured on the job. The last form of insurance we would need is called Builders Risk Insurance which unfortunately I could not get a number for but after asking around, it was estimated to be somewhere around \$150 a month. This would just cover the company if a light fell and injured someone while at a game or if something was damaged during installation that would keep us covered from significant backlash.

Storage and Office

This section needed to be added just for the understanding of where we would keep our materials and run the business out of since it will be a significant piece of this process.

Thankfully, with Murphy Family Ventures already having a warehouse which already has offices, and a large storage facility connected to the backside of the building, we will have plenty of storage space to keep equipment, tools and products always put away from outside weather as well as remaining safe and secure. We will also be able to use some of the open offices as places to run out of, which would primarily be my office where I would be able to take phone calls, emails, and other forms of communication for jobs and be able to get them scheduled. We would also be able to hold meetings here as there are multiple huge meeting rooms to accommodate as many people as need be.

Financial Reports

All prices are per

Bucket Trucks (leased)	\$100,000
Tools and Equipment	\$30,000
Personal Protective Equipment	\$50,000
Wood Light Pole	\$300
Steel Light Pole	\$9,000
Lights	\$1,000
Bulbs	\$150
Ballast	\$175
Digger (leased)	\$100,000
Pole Trailer	\$15,000
Pick-up	\$30,000
10K Forklift (lease)	\$1,900 (month)
Crane (rent per day)	\$1,000
Enclosed trailer	\$7,000
Netting (25'x150')	\$1,271.16
Tensioners	\$30,000
Puller	\$90,000
Rollers	\$150
Employee Cost	\$140 (hour)
Electrical license	\$500
General Liability Insurance	\$69 (month)
Workers' Compensation Insurance	\$204 (month)
Builders Risk Insurance	Est. \$150 (month)
Vehicle Insurance	Est. \$150 (month)