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Greens Manicure Service

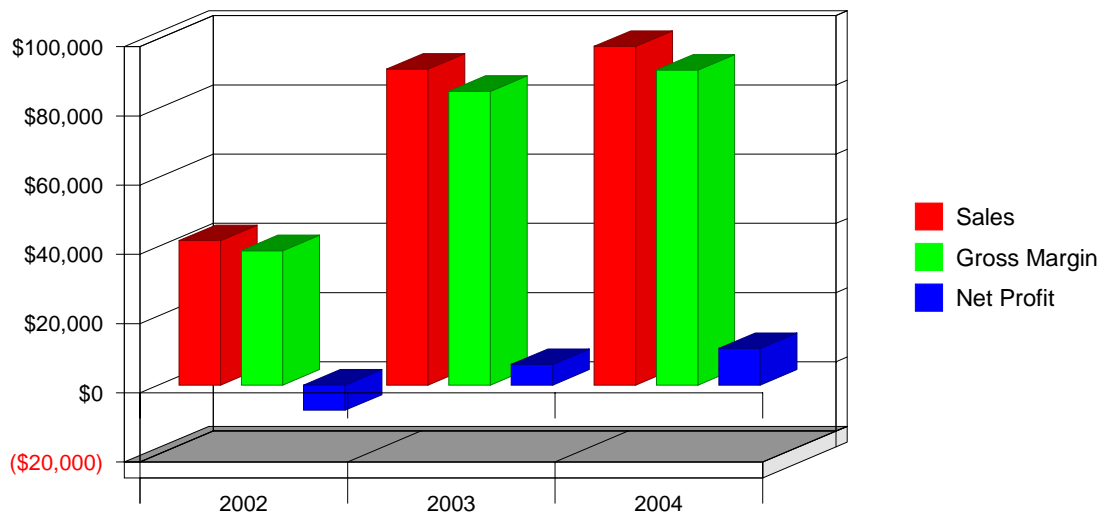
1.0 Executive Summary

Greens Manicure Service is a seasonal residential lawn care service targeting suburban middle-class homes with larger yards. A large grouping of this demographic is located in Steve's neighborhood. Steve will leverage his connection to the neighborhood to sign up customers.

For year one Steve will have one employee in addition to himself. By year two Steve will purchase a second vehicle, additional equipment, and hire two new employees to form a second work crew.

Greens Manicure Service is projected to reach profitability by month six and will have profits of \$13,000 by the end of the third year. Revenue activity will occur from April through November.

Highlights (Planned)



1.1 Objectives

The objectives for the first three years of operation include:

- To create a service-based company whose primary goal is to exceed customer's expectations.
- The utilization of Greens Manicure Service in at least 20 different residential homes.
- To increase our number of clients served by 20% per year through superior service.
- To develop a sustainable home business, surviving off its own cash flow.

Greens Manicure Service

1.2 Mission

Greens Manicure Service's mission is to provide the customer with professional lawn care. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

2.0 Company Summary

Greens Manicure Service, located in Eugene, OR, will offer residential lawn care service. The service will include lawn cutting, trimming, edging, and removal of the clippings. The service is typically a once a week service, but is offered at different frequencies as per the customer's wishes.

2.1 Company Ownership

Greens Manicure Service is a sole proprietorship owned by Steve Greinthum.

2.2 Start-up Summary

Greens Manicure Service's start-up costs include:

- Home office equipment including: desk, chair, file cabinet, computer system (including printer, scanner, and fax software).
- Vehicle: a 1993 Toyota T100 pickup truck.
- Two self-propelled commercial mowers.
- Trimmer: used to reach grass around trees and other hard to reach areas.
- Edger: cuts grass that overgrows the border of the lawn and driveway.
- Blowers: blasts stray clippings that litter the sidewalk and driveway.
- Hedge trimming equipment.
- Two rakes.
- Safety equipment including steel toed shoes, goggles, gloves.
- Standard tool box with tools for simple repairs.

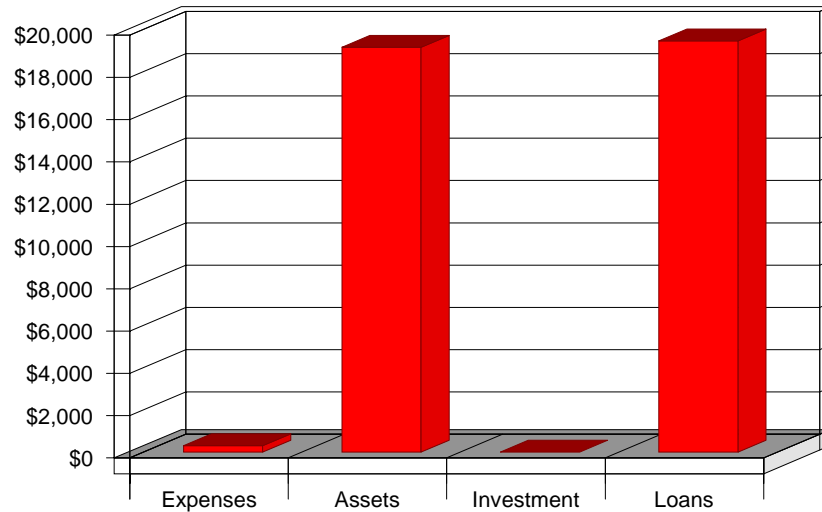
Greens Manicure Service

Table: Start-up

<u>Start-up</u>	
<u>Requirements</u>	
<u>Start-up Expenses</u>	
Legal	\$100
Stationery etc.	\$50
Brochures	\$150
Consultants	\$0
Insurance	\$0
Rent	\$0
Research and development	\$0
Expensed equipment	\$0
Other	\$0
Total Start-up Expense	\$300
<u>Start-up Assets Needed</u>	
Cash Balance on Starting Date	\$14,400
Other Short-term Assets	\$0
Total Short-term Assets	\$14,400
Long-term Assets	\$4,750
Total Assets	\$19,150
Total Requirements	\$19,450
<u>Funding</u>	
<u>Investment</u>	
Investor 1	\$0
Investor 2	\$0
Other	\$0
Total Investment	\$0
<u>Short-term Liabilities</u>	
Accounts Payable	\$0
Current Borrowing	\$0
Other Short-term Liabilities	\$0
Subtotal Short-term Liabilities	\$0
Long-term Liabilities	\$19,450
Total Liabilities	\$19,450
Loss at Start-up	(\$300)
Total Capital	(\$300)
Total Capital and Liabilities	\$19,150

Greens Manicure Service

Start-up



3.0 Services

Greens Manicure Service will provide residential lawn care service which includes lawn cutting, edging and trimming. Optional services will include hedge trimming. The service is typically offered once a week in season, but Greens can create a custom schedule for clients.

4.0 Market Analysis Summary

Greens Manicure Service will be targeting one specific segment of the population, suburban middle-class families with no children and larger lawns. This group of people are the most likely to use a lawn care service such as Steve's.

Steve will be canvassing his parents neighborhood, developing a client list. For the second year, Steve will expand service beyond his general neighborhood, utilizing advertisements in the local newspaper to develop visibility for Greens Manicure Service.

Greens Manicure Service

4.1 Market Segmentation

Greens Manicure Service will be targeting one specific group of customers, the suburban middle class. Greens is targeting middle-aged homemakers as they are more likely to rely on a lawn service. Younger homemakers are more likely to do their lawn themselves. Greens will also be targeting homes that do not have teenage children, as the youngsters are likely to help out with the lawn. The median income is \$60-\$120K, just enough to have disposable income for the care of their lawn. Greens Manicure Service will be targeting larger size lawns, from 4,000-7,000 square feet. This is done because the margins are higher with larger lawns once you factor in transportation time and costs. Lastly, white collar families will be targeted instead of blue collar families as the blue collar families are more likely to do the lawn themselves.

Market Analysis (Pie)

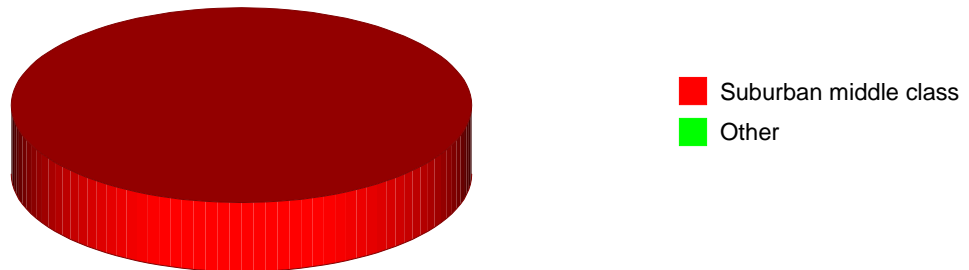


Table: Market Analysis

Market Analysis	Growth	2001	2002	2003	2004	2005	CAGR
Potential Customers							
Suburban middle class	12%	325	364	408	457	512	12.03%
Other	0%	0	0	0	0	0	0.00%
Total	12.03%	325	364	408	457	512	12.03%

Greens Manicure Service

4.2 Target Market Segment Strategy

Greens Manicure Service's segment will be initially targeted by canvassing the neighborhood and offering a free estimate and cut. Steve will be basing the business out of his parents home, right in the middle of a target neighborhood. Steve will walk the neighborhood and leverage his relationship in this community to gain a foothold. Although some people are put off by solicitors, Steve is their neighbor so he will generally be able to make his spiel.

Once Steve has built up a steady list of customers he will begin to run advertisements in the local paper to gain a foothold in different neighborhoods. This will take place during the second year as Steve will have sufficient business for year one in his neighborhood.

4.3 Service Business Analysis

Greens Manicure Service will be working in the lawn care industry. The industry is both residential business (individual home) and commercial businesses (apartment complexes, business parks, schools, etc.).

The commercial side is generally serviced by larger landscaping services. The residential side is serviced by both landscaping companies and basic lawn care service companies.

The lawn care business is made up of many small companies. This occurs because of the high labor intensity, low start-up costs, nature of the industry. The industry is also vulnerable to recessions as lawn care is a luxury. Lasty, lawn care is seasonal, the high season is spring through fall. There is little activity in the winter.

4.3.1 Competition and Buying Patterns

The lawn care business can be divided into two types, residential and commercial. As a smaller company or start up business, it is much easier to enter into the residential market compared with the commercial market. The commercial market is dominated by larger, established companies.

Within the residential market, there are two competitors: full-scale landscaping companies and basic lawn care services. The full-scale landscaping companies will generally be handling jobs outside of Green's range. They are servicing even larger homes that require other landscaping activities that need more equipment and higher-skilled employees. The margins are therefore larger for the full-scale companies because they can charge more for the higher-skilled work. The other competitor is the basic lawn care services, not unlike Greens Manicure Service. Most markets, including Greens, the competition is not overwhelming and often

Greens Manicure Service

lacks basic quality and professionalism.

More often than not, residential customers make purchasing decisions based on referrals and perceived professionalism and quality.

5.0 Strategy and Implementation Summary

Greens Manicure Service will be aggressively targeting Steve's neighborhood community by emphasizing its competitive edges of quality and professionalism. For year one Steve will be personally canvassing the area signing up clients. He will be able to leverage his competitive advantages as well as his status as a member of the community. For year two Steve will begin advertisements in the local paper to generate additional business.

5.1 Competitive Edge

Greens Manicure Service's competitive edge will be based on quality and professionalism. During the first year Steve will be doing all of the lawns with only one other employee. This provides him with direct supervision of the employee and direct involvement with the job. This will ensure customers receive a quality job. Steve knows what quality work is, based on previous experiences to be detailed under the Management section.

Greens second competitive edge is professionalism. Steve will ensure that all interactions between the customer and his employee, as well as himself, ooze professionalism.

Steve truly believes that professionalism and quality are the factors that attract and maintain customers. Consequently, Steve will be truly vigilant in ensuring that his competitive edges are always apparent to the customer as his livelihood is dependant on this.

5.2 Sales Strategy

Greens Manicure Service's sales strategy will be based on one-on-one communications with prospective leads. Steve will first be leveraging his relationships with his parents (pillars in the neighborhood) and his connection with the neighborhood. The prospectives will generally form a bit of a bond with Steve because of local familiarity and then Steve will need to communicate his experience in lawn care and his constant benchmarks of quality and professionalism. Steve is willing to offer a free estimate and cutting for those that are interested in a possible contract. Although some of the free cuttings will not turn out to be long term customers, he is confident that his competitive

Greens Manicure Service

prices and superior service will turn most of the leads into customers.

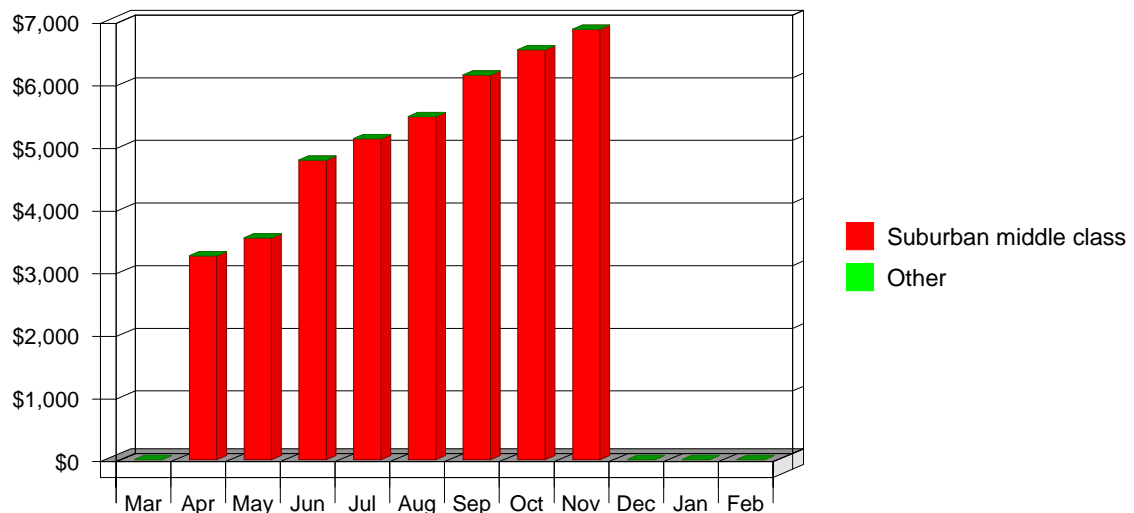
By year two, the business will be ready to expand outside of the neighborhood and Steve will be using advertisements in the local paper to generate business. When people call with questions, Steve will have already (the previous year) built up a loyal following of customers that will serve as an effective referral system in which prospective people can call the current customers and get a glowing testimonial of Green's service.

5.2.1 Sales Forecast

The first month will be used to set up the office, purchase the necessary lawn care equipment, hire and train an employee. Additionally, during the last two weeks of the month, Steve will be canvassing the neighborhood to build up a customer list.

Month two will see some business. The business will be growing as Steve continues to increase the number of jobs that he has. Month two through October will see a steady rise in revenues. Business will pick up again in April of year two. From February through April Steve will be working hard on generating new customers and will bring on two additional employees to service the new customers.

Sales Monthly (Planned)



Greens Manicure Service

Table: Sales Forecast (Planned)

Sales Forecast	2002	2003	2004
Sales			
Suburban middle class	\$41,748	\$91,254	\$97,854
Other	\$0	\$0	\$0
Total Sales	\$41,748	\$91,254	\$97,854
Direct Cost of Sales	2002	2003	2004
Suburban middle class	\$2,922	\$6,388	\$6,850
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$2,922	\$6,388	\$6,850

5.3 Milestones

Greens Manicure Service will have several milestones early on:

1. Business plan completion. This will be done as a roadmap for the organization. While we do not need a business plan to raise capital, it will be an indispensable tool for the ongoing performance and improvement of the company.
2. Set up the office.
3. Signing up the 20th client.
4. Revenue exceeding \$50,000.

Table: Milestones (Planned)

Milestones	Start Date	End Date	Budget	Manager	Department
Business plan completion	3/1/01	4/1/01			
Set up the office	3/1/01	4/1/01			
Signing up the 20th client	3/1/01	5/1/01			
Revenue exceeding \$50,000	3/1/01	5/1/02			
Totals			\$0		

6.0 Management Summary

Greens Manicure Service is owned and operated by Steve Greinthum. Steve was first introduced to lawn care while he was pursuing his bachelor's degree in business from the University of Oregon. Steve worked for a large, well-respected landscaping company. He started out his freshman summer year as a mower operator. During his four years at school he eventually moved up to crew manager.

Steve enjoyed taking care of lawns. He was always excited about working outside. He also liked the management responsibilities that he had his last summer. The one thing he longed for is operating his own company. He decided the only thing stopping him was money, he already had all the experience and knowledge necessary. So Steve got a loan from his parents and started the company.

Greens Manicure Service

6.1 Personnel Plan

Greens Manicure Service will consist of Steve working full time. Steve will be the manager for the business, signing up new customers, managing customer accounts, hiring, training, supervising, and cutting grass.

Greens Manicure Service will use a total of two people during year one. For year two Steve will hire an additional two people to create a second work crew.

Table: Personnel (Planned)

Personnel Plan	2002	2003	2004
Steve	\$22,500	\$22,500	\$22,500
Employee 1	\$12,800	\$12,800	\$12,800
Employee 2	\$0	\$12,800	\$12,800
Employee 3	\$0	\$12,800	\$12,800
Total Payroll	\$35,300	\$60,900	\$60,900
Total Headcount	0	4	4
Payroll Burden	\$5,295	\$9,135	\$9,135
Total Payroll Expenditures	\$40,595	\$70,035	\$70,035

7.0 Financial Plan

The following sections will outline important financial information.

7.1 Important Assumptions

The following table highlights some important financial assumptions of Greens.

Table: General Assumptions

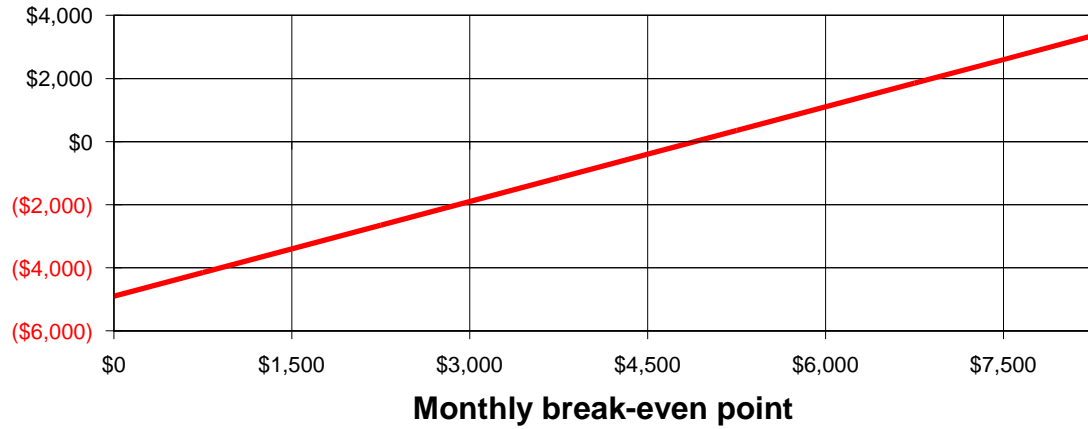
General Assumptions	2002	2003	2004
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%
Tax Rate %	25.00%	25.00%	25.00%
Expenses in Cash %	10.00%	10.00%	10.00%
Sales on Credit %	75.00%	75.00%	75.00%
Personnel Burden %	15.00%	15.00%	15.00%

Greens Manicure Service

7.2 Break-even Analysis

The Break-even Analysis indicates \$4,900 is needed in monthly revenue to break even.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	20
Monthly Sales Break-even	\$4,900
Assumptions:	
Average Per-Unit Revenue	\$250.00
Average Per-Unit Variable Cost	\$0.00
Estimated Monthly Fixed Cost	\$4,900

Greens Manicure Service

7.3 Projected Profit and Loss

The following table indicates the projected profit and loss.

Table: Profit and Loss (Planned)

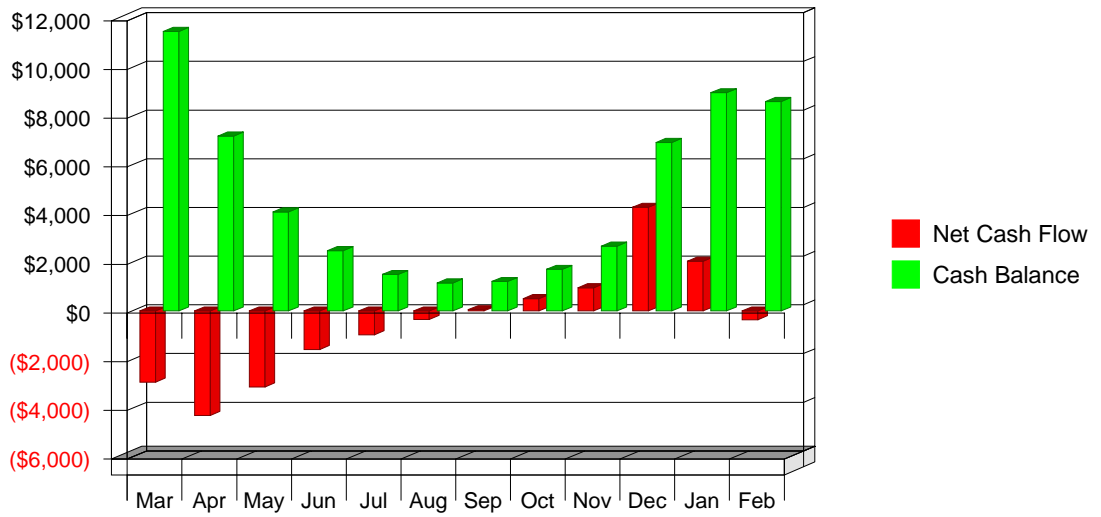
Pro Forma Profit and Loss	2002	2003	2004
Sales	\$41,748	\$91,254	\$97,854
Direct Cost of Sales	\$2,922	\$6,388	\$6,850
Other	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$2,922	\$6,388	\$6,850
Gross Margin	\$38,826	\$84,866	\$91,004
Gross Margin %	93.00%	93.00%	93.00%
Operating Expenses:			
Advertising/Promotion	\$0	\$0	\$0
Travel	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
Payroll Expense	\$35,300	\$60,900	\$60,900
Payroll Burden	\$5,295	\$9,135	\$9,135
Depreciation	\$1,152	\$2,552	\$2,552
Leased Equipment	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Insurance	\$1,200	\$1,200	\$1,200
Licenses + bonded fees	\$1,200	\$1,200	\$1,200
Equipment for second work crew	\$0	\$0	\$0
	-----	-----	-----
Total Operating Expenses	\$44,147	\$74,987	\$74,987
Profit Before Interest and Taxes	(\$5,321)	\$9,879	\$16,017
Interest Expense Short-term	\$0	\$0	\$0
Interest Expense Long-term	\$1,945	\$1,945	\$1,945
Taxes Incurred	\$0	\$1,984	\$3,518
Extraordinary Items	\$0	\$0	\$0
Net Profit	(\$7,266)	\$5,951	\$10,554
Net Profit/Sales	-17.41%	6.52%	10.79%

Greens Manicure Service

7.4 Projected Cash Flow

The following chart and table will indicate projected cash flow.

Cash (Planned)



Greens Manicure Service

Table: Cash Flow (Planned)

Pro Forma Cash Flow	2002	2003	2004
Cash Received			
Cash from Operations:			
Cash Sales	\$10,437	\$22,814	\$24,464
From Receivables	\$31,311	\$68,441	\$73,391
Subtotal Cash from Operations	\$41,748	\$91,254	\$97,854
Additional Cash Received			
Extraordinary Items	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
Capital Input	\$0	\$0	\$0
Subtotal Cash Received	\$41,748	\$91,254	\$97,854
Expenditures			
Expenditures from Operations:			
Cash Spent on Costs and Expenses	\$727	\$1,972	\$1,471
Wages, Salaries, Payroll Taxes, etc.	\$40,595	\$70,035	\$70,035
Payment of Accounts Payable	\$6,226	\$17,205	\$13,458
Subtotal Spent on Operations	\$47,547	\$89,212	\$84,965
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$7,000	\$0
Dividends	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	(\$7,000)	\$0
Subtotal Cash Spent	\$47,547	\$89,212	\$84,965
Net Cash Flow	(\$5,799)	\$2,042	\$12,889
Cash Balance	\$8,601	\$10,643	\$23,532

Greens Manicure Service

7.5 Projected Balance Sheet

The following table indicates the projected balance sheet.

Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	2002	2003	2004
Short-term Assets			
Cash	\$8,601	\$10,643	\$23,532
Accounts Receivable	(\$0)	\$0	\$0
Other Short-term Assets	\$0	\$0	\$0
Total Short-term Assets	\$8,601	\$10,643	\$23,532
Long-term Assets			
Long-term Assets	\$4,750	\$11,750	\$11,750
Accumulated Depreciation	\$1,152	\$3,704	\$6,256
Total Long-term Assets	\$3,598	\$8,046	\$5,494
Total Assets	\$12,199	\$18,689	\$29,026
Liabilities and Capital			
	2002	2003	2004
Accounts Payable	\$315	\$855	\$638
Current Borrowing	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$315	\$855	\$638
Long-term Liabilities	\$19,450	\$19,450	\$19,450
Total Liabilities	\$19,765	\$20,305	\$20,088
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	(\$300)	(\$7,566)	(\$1,616)
Earnings	(\$7,266)	\$5,951	\$10,554
Total Capital	(\$7,566)	(\$1,616)	\$8,938
Total Liabilities and Capital	\$12,199	\$18,689	\$29,026
Net Worth	(\$7,566)	(\$1,616)	\$8,938

Appendix

Appendix Table: Sales Forecast (Planned)

Sales Forecast	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Sales												
Suburban middle class	\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales	\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
Direct Cost of Sales												
Suburban middle class	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0

Appendix

Appendix Table: Personnel (Planned)

Personnel Plan	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Steve	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0
Employee 1	\$0	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$0	\$0	\$0
Employee 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Payroll	\$2,500	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$0	\$0	\$0
Total Headcount	1	2	2	2	2	2	2	2	2	0	0	0
Payroll Burden	\$375	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$0	\$0	\$0
Total Payroll Expenditures	\$2,875	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$0	\$0	\$0

Appendix

Appendix Table: General Assumptions

General Assumptions	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Short-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate %	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Expenses in Cash %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Sales on Credit %	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Personnel Burden %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

Appendix

Appendix Table: Profit and Loss (Planned)

Pro Forma Profit and Loss	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Sales	\$0	\$3,254	\$3,541	\$4,785	\$5,124	\$5,478	\$6,145	\$6,547	\$6,874	\$0	\$0	\$0
Direct Cost of Sales	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$228	\$248	\$335	\$359	\$383	\$430	\$458	\$481	\$0	\$0	\$0
Gross Margin	\$0	\$3,026	\$3,293	\$4,450	\$4,765	\$5,095	\$5,715	\$6,089	\$6,393	\$0	\$0	\$0
Gross Margin %	0.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	93.00%	0.00%	0.00%	0.00%
Operating Expenses:												
Advertising/Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Expense	\$2,500	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100	\$0	\$0	\$0
Payroll Burden	\$375	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$615	\$0	\$0	\$0
Depreciation	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Licenses + bonded fees	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Equipment for second work crew	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$3,171	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$5,011	\$296	\$296	\$296
Profit Before Interest and Taxes	(\$3,171)	(\$1,985)	(\$1,718)	(\$561)	(\$246)	\$84	\$704	\$1,078	\$1,382	(\$296)	(\$296)	(\$296)
Interest Expense Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense Long-term	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162	\$162
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$3,333)	(\$2,147)	(\$1,880)	(\$723)	(\$408)	(\$79)	\$542	\$916	\$1,220	(\$458)	(\$458)	(\$458)
Net Profit/Sales	0.00%	-65.98%	-53.09%	-15.11%	-7.96%	-1.43%	8.82%	13.99%	17.74%	0.00%	0.00%	0.00%

Appendix

Appendix Table: Cash Flow (Planned)

Pro Forma Cash Flow	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Cash Received												
Cash from Operations:												
Cash Sales	\$0	\$814	\$885	\$1,196	\$1,281	\$1,370	\$1,536	\$1,637	\$1,719	\$0	\$0	\$0
From Receivables	\$0	\$0	\$1,302	\$2,555	\$3,153	\$3,724	\$3,985	\$4,375	\$4,770	\$5,041	\$2,406	\$0
Subtotal Cash from Operations	\$0	\$814	\$2,187	\$3,752	\$4,434	\$5,094	\$5,521	\$6,012	\$6,488	\$5,041	\$2,406	\$0
Additional Cash Received												
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Input	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$814	\$2,187	\$3,752	\$4,434	\$5,094	\$5,521	\$6,012	\$6,488	\$5,041	\$2,406	\$0
Expenditures												
Expenditures from Operations:												
Cash Spent on Costs and Expenses	\$36	\$59	\$61	\$70	\$72	\$75	\$79	\$82	\$84	\$36	\$36	\$36
Wages, Salaries, Payroll Taxes, etc.	\$2,875	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$4,715	\$0	\$0	\$0
Payment of Accounts Payable	\$11	\$333	\$531	\$552	\$628	\$649	\$672	\$714	\$739	\$745	\$326	\$326
Subtotal Spent on Operations	\$2,922	\$5,107	\$5,307	\$5,336	\$5,415	\$5,439	\$5,467	\$5,511	\$5,538	\$781	\$362	\$362
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$2,922	\$5,107	\$5,307	\$5,336	\$5,415	\$5,439	\$5,467	\$5,511	\$5,538	\$781	\$362	\$362
Net Cash Flow	(\$2,922)	(\$4,293)	(\$3,121)	(\$1,585)	(\$981)	(\$345)	\$54	\$501	\$950	\$4,260	\$2,044	(\$362)
Cash Balance	\$11,478	\$7,185	\$4,064	\$2,479	\$1,499	\$1,153	\$1,208	\$1,709	\$2,659	\$6,919	\$8,963	\$8,601

Appendix

Appendix Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	Starting Balances	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Short-term Assets													
Cash	\$14,400	\$11,478	\$7,185	\$4,064	\$2,479	\$1,499	\$1,153	\$1,208	\$1,709	\$2,659	\$6,919	\$8,963	\$8,601
Accounts Receivable	\$0	\$0	\$2,441	\$3,795	\$4,828	\$5,518	\$5,902	\$6,526	\$7,061	\$7,447	\$2,406	(\$0)	(\$0)
Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Short-term Assets	\$14,400	\$11,478	\$9,625	\$7,859	\$7,307	\$7,016	\$7,055	\$7,734	\$8,770	\$10,106	\$9,325	\$8,963	\$8,601
Long-term Assets													
Long-term Assets	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750	\$4,750
Accumulated Depreciation	\$0	\$96	\$192	\$288	\$384	\$480	\$576	\$672	\$768	\$864	\$960	\$1,056	\$1,152
Total Long-term Assets	\$4,750	\$4,654	\$4,558	\$4,462	\$4,366	\$4,270	\$4,174	\$4,078	\$3,982	\$3,886	\$3,790	\$3,694	\$3,598
Total Assets	\$19,150	\$16,132	\$14,183	\$12,321	\$11,673	\$11,286	\$11,229	\$11,812	\$12,752	\$13,992	\$13,115	\$12,657	\$12,199
Liabilities and Capital													
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Accounts Payable	\$0	\$315	\$513	\$531	\$606	\$627	\$649	\$689	\$714	\$734	\$315	\$315	\$315
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$0	\$315	\$513	\$531	\$606	\$627	\$649	\$689	\$714	\$734	\$315	\$315	\$315
Long-term Liabilities	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450	\$19,450
Total Liabilities	\$19,450	\$19,765	\$19,963	\$19,981	\$20,056	\$20,077	\$20,099	\$20,139	\$20,164	\$20,184	\$19,765	\$19,765	\$19,765
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained Earnings	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)
Earnings	\$0	(\$3,333)	(\$5,480)	(\$7,360)	(\$8,083)	(\$8,491)	(\$8,569)	(\$8,027)	(\$7,112)	(\$5,892)	(\$6,350)	(\$6,808)	(\$7,266)
Total Capital	(\$300)	(\$3,633)	(\$5,780)	(\$7,660)	(\$8,383)	(\$8,791)	(\$8,869)	(\$8,327)	(\$7,412)	(\$6,192)	(\$6,650)	(\$7,108)	(\$7,566)
Total Liabilities and Capital	\$19,150	\$16,132	\$14,183	\$12,321	\$11,673	\$11,286	\$11,229	\$11,812	\$12,752	\$13,992	\$13,115	\$12,657	\$12,199
Net Worth	(\$300)	(\$3,633)	(\$5,780)	(\$7,660)	(\$8,383)	(\$8,791)	(\$8,869)	(\$8,327)	(\$7,412)	(\$6,192)	(\$6,650)	(\$7,108)	(\$7,566)