Sample Business Plan

B. Burke Consulting
Pragmatic Business Planning for Profitable Growth
Email: BBurkeConsulting@gmail.com
Web: www.BBurkeConsulting.com

Legal Page

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by ________________ in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ________________.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to ________________.

Upon request, this document is to be immediately returned to ________________.

____
Signature

____
Name (typed or printed)

____
Date

This is a business plan. It does not imply an offering of securities.

Table of Contents

1.0 Executive Summary

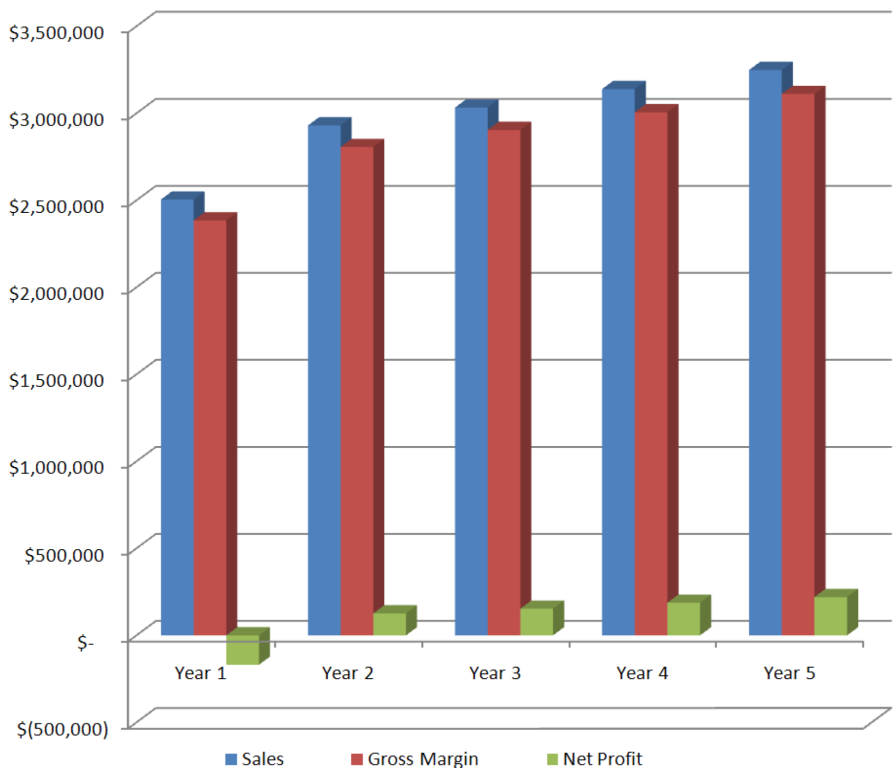
In meeting the demands of the *REDACTED* industry, *Company 1* consistently exceeds the highest standards and delivers the best value to customers. We take great pride in the service we provide to our clients in the private, commercial, and government sectors. With many years of experience in *REDACTED*, *REDACTED*, and *REDACTED* operations, the Company 1 management team understands what it takes to deliver quality *REDACTED* services.

A core driver of *Company 1*'s success is its ability to deliver a fully trained and professional *REDACTED* force to the customer. Quality and accessibility of *REDACTED* and *REDACTED* facilities are paramount in maintaining the company's competitive edge. With limited *REDACTED* and *REDACTED* facilities in *Area 1*, and the overall disrepair and limited access to this infrastructure, *Company 1*'s long term sustainability relies heavily on tenuous relationships with smaller third party facility owners.

Currently, *Company 1* spends in excess of $350 thousand annually for requirements associated with maintaining its 1400+ *REDACTED* force and $1.2 million annually for the *REDACTED* facility; all of which goes to third parties. It is important to note that upon *NEW COMPANY* stand-up, these expenditures will represent revenue for the *NEW COMPANY* facility. Additionally, limited availability of *REDACTED* time requires *REDACTED* and *REDACTED* activities to take place in the late evening or overnight, when mental acuity and agility are not at peak levels. As a result, establishing *NEW COMPANY* yields an immediate quality of training/readiness benefit as well.

Because of the significant training requirements associated with operating a *REDACTED* staff the size of *Company 1*'s, an in-house *REDACTED* facility will present the company with significantly greater sustainability, while presenting an additional opportunity for profit. *NEW COMPANY* will be stood up as a wholly-owned subsidiary of *Company 1*, and will provide benefits in terms of sustainability and profit.

Chart: Highlights



1.1 Objectives

- To bring online *NEW COMPANY* as a fully operational *REDACTED* facility within twelve months of project inception.
- To facilitate long term sustainability in staffing by developing and delivering fully trained and certified *REDACTED* to *Company 1*. Success in this endeavor will provide *Company 1* with the ability to absorb expansion, and to grow as a company.
- To reduce the impacts of constraints associated with limited *REDACTED* availability in the immediate region; and to reduce the risk of resulting upward price pressures.
- To ensure overall quality of *REDACTED* and product offering.

1.2 Mission

The Mission of *NEW COMPANY* is threefold:

1. *NEW COMPANY* exists to provide advanced and top tier *REDACTED*, *REDACTED*, and *REDACTED* to *REDACTED*. Overall value of *REDACTED* product offering will be demonstrated through knowledgeable instructors, qualified *REDACTED* personnel, an atmosphere of professionalism conducive to learning, and a modern facility.
2. *NEW COMPANY* will increase the long term sustainability of *Company 1* by providing a consistent stream of qualified and certified *REDACTED EMPLOYEE TYPE*.
3. *NEW COMPANY* will be self-sustaining; realizing revenues resulting from an overall value of offering, accessibility of location, minimal competition, and current demand found in the local area.

1.3 Keys to Success

There are a few key factors that will significantly influence immediate term profitability and long term viability. These include:

1. <u>Overall Value:</u> *NEW COMPANY* must embody uniqueness, professionalism, and an upscale atmosphere. The quality of *REDACTED* and *REDACTED* will be unparalleled in the region, and *REDACTED* will be knowledgeable and instrumental in achieving results.
2. <u>Visibility & Reputation:</u> *NEW COMPANY* must develop visibility and a solid professional reputation to generate additional client relationships, and will create an environment that won't intimidate the novice user.
3. <u>Differentiation & Revenue:</u> *NEW COMPANY* must successfully differentiate itself through the aforementioned characteristics, and must work to leverage those competitive advantages to ensure they translate into revenue.

2.0 Company Summary

In meeting the demands of the *REDACTED* industry, *Company 1* exceeds the highest standards and delivers the best value to customers. We take great pride in the service we provide to our clients in the private, commercial, and government sectors. With many years of experience in *REDACTED, REDACTED*, and *REDACTED* operations, the *Company 1* management team understands what it takes to deliver quality *REDACTED* services.

Since *DATE*, our company has shown continuous growth, making *Company 1* a multi-million dollar company. It is our reputation for dependability, adaptability and accountability that has set us apart from other companies in our industry. Our experience and solid financial backing allows us to handle *REDACTED* contracts of any size. Yet we pride ourselves on serving both our large and small contract clients with a "hands on" approach that starts at the top of our organization.

Our *NEW COMPANY* will provide additional long term sustainability to the company by decreasing reliance on outside organizations to accommodate internal *REDACTED* requirements. Increased access and internal management of *REDACTED* standards and *REDACTED* will yield a better trained and equipped workforce, a quicker turnaround on *REDACTED* programs, increased return on investment, and a continuous pool of *REDACTED*, allowing *Company 1* to continue its long-term sustained growth trend.

This new venture provides *Company 1* with additional leverage, security, and flexibility in the *REDACTED* market, while placing a product of significant value in a market of limited and insubstantial competition. The overall benefit is represented by two distinct and considerable deliverables:

1. Long-term sustainability
2. Profit

2.1 Company Ownership

NEW COMPANY will be a C corporation and a wholly-owned subsidiary of *Company 1*. It will be directly managed by a full-time manager, with *Company 1* management conducting immediate oversight. All *NEW COMPANY* activities will fall under the scope of a Board of Directors, made up of three to five principles of *Company 1* and its parent company, *Company 2*.

2.2 Start-up Summary

NEW COMPANY's start-up costs will fall just under $7 million. Land Costs are $350,000 per acre for 5 acres, totaling $1.75 million. Site Work Costs of $10 per square foot, totaling $400,000, will include grading, building pad, parking lot, paving, striping, etc. Shell Costs are projected at $45 per square foot, totaling approximately $1.8 million. Soft Costs, including design fees, permit fees, CM fees, materials testing fees, Phase 1 report, etc are indexed at $15 per square foot for a total of $600,000. Tenant Improvement Costs are estimated at $38 per square foot, for a total of just over $1.5 million. Lastly, *REDACTED* Costs are estimated at a total of $1.2 million. Total projected start-up costs equal $6.912 million.

Table: Start-up

Start-up Requirements		
Start-up Expenses		
Pre-Opening Set-Up / Moving	$	61,750
Soft Costs	$	600,000
Total Start-Up Expenses	$	661,750
Start-up Assets		
Cash Required	$	-
Start-up Inventory	$	120,000
Other Current Assets	$	145,860
Land	$	1,750,000
REDACTED	$	1,200,000
Tenant Improvements	$	1,800,000
Build Out Costs	$	834,140
Total Assets	$	6,250,000
Total Requirements	**$**	**6,911,750**

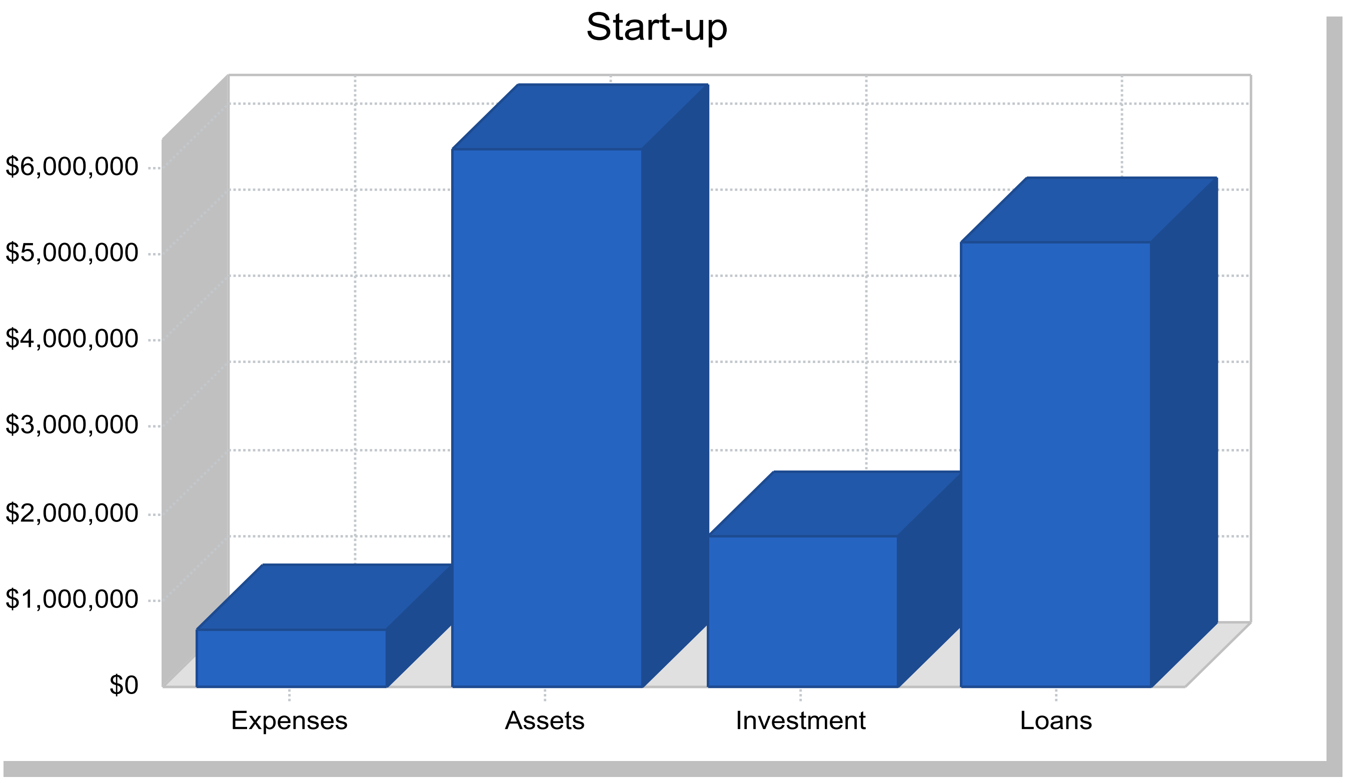
Start-up Detail

Tenant Improvements		
General Conditions	$	80,000
Masonry Walls	$	225,000
Concrete	$	5,000
Millwork (counters & cabinets)	$	28,000
Drywall	$	33,800
Doors/Frames/Hardware	$	25,000
Acoustical Ceiling	$	40,600
Carpet	$	32,223
REDACTED	$	17,500
VCT	$	1,050
Painting	$	35,100
Mechanical	$	390,000
Plumbing	$	78,000
Sprinkler	$	32,500
Fire Alarm Tie Ins	$	5,087
Electrical	$	390,000
General Contracting Fee	$	93,640
Miscellaneous General Contracting	$	287,500
Total, General Contractor Costs	$	1,800,000

Build Out Costs		
Architecture	$	100,100
MEP Engineering	$	65,000
A&E Peer Review	$	10,000
AV/Media	$	12,500
Tele/Data	$	35,100
CM Fees - @ $1.50/sq ft.	$	39,000
Contingency @ 5% of TI	$	70,900
Permit Fee/Expeditor	$	7,500
Miscellaneous Build Out	$	494,000
Total Build Out Costs	$	834,100

Pre-Opening Set-Up / Moving		
Salaries	$	16,042
Labor Burden	$	1,765
Benefits	$	1,444
Moving Expense	$	25,000
Relocate VOIP system	$	2,500
Relocate IT Network	$	5,000
Advertising	$	10,000
REDACTED	$	-
Total Pre-Opening Set-up / Moving	$	61,750

Chart: Start-up



3.0 Services

NEW COMPANY will provide top tier *REDACTED*, *REDACTED*, and *REDACTED* resources to companies, government, corporate entities, associations, and individuals. As a wholly-owned subsidiary of *Company 1*, *NEW COMPANY* 's first consideration will be conducting its operations in a manner that provides *Company 1* with the *REDACTED* needed to conduct its *LOCATION 1* based operations. Additional *REDACTED* and *REDACTED* capacity will be sold in blocks to various other organizations on a non-interference basis to leverage additional revenue.

NEW COMPANY's *REDACTED* will accommodate *REDACTED*, *REDACTED*, and *REDACTED*. Instruction will be available for each. *NEW COMPANY*'s *REDACTED* offering will consist of *REDACTED*, *REDACTED*, and other *REDACTED* required by location. A full list of *REDACTED* offerings appears on the following page.

NEW COMPANY's future benefit will be its ability to continuously deliver fully trained *REDACTED* to *COMPANY 1*. As *NEW COMPANY*'s overall reputation grows, and the industry understands and realizes the robust *REDACTED* and *REDACTED* program, *NEW COMPANY* will become the standard in area *REDACTED*.

REDACTED sales and accessories offerings will be available on-site, through a subcontract with *COMPANY 3*. *NEW COMPANY* will also provide *REDACTED*, *REDACTED*, and additional resources as part of a robust *REDACTED*. It is important to note that revenue from *REDACTED* is not indexed in this plan, but presents another significant opportunity. Current *REDACTED* offerings are detailed below:

TYPE 1		
$475	80 Hours	aaaaaaaaaa
$200	40 Hours	aaaaaaaaaa
$350	40 Hours	aaaaaaaaaa
$350	40 Hours	aaaaaaaaaa
$150	8 Hours	aaaaaaaaaa
$100	9 Hours	aaaaaaaaaa
$75		aaaaaaaaaa
$15		aaaaaaaaaa
$5		aaaaaaaaaa
$10		aaaaaaaaaa

TYPE 2		
$50	4.5 Hours	aaaaaaaaaa
$80	6.75 Hours	aaaaaaaaaa
$30	3.75 Hours	aaaaaaaaaa
$110	8.5 Hours	aaaaaaaaaa

TYPE 3		
$250	40 Hours	aaaaaaaaaa
$100	8 Hours	aaaaaaaaaa

TYPE 4		
$100	8 Hours	aaaaaaaaaa
$55		aaaaaaaaaa

TYPE 5		
$125	16 Hours	aaaaaaaaaa
$75	8 Hours	aaaaaaaaaa
$150	16 Hours	aaaaaaaaaa
$50	4 Hours	aaaaaaaaaa
$55	4 Hours	aaaaaaaaaa
$250	40 Hours	aaaaaaaaaa

Other Classes		
$75	8 Hours	aaaaaaaaaa
$75	8 Hours	aaaaaaaaaa
$50	4 Hours	aaaaaaaaaa
TBA	8 Hours	aaaaaaaaaa

Miscellaneous		
$25		aaaaaaaaaa
$15	Card	aaaaaaaaaa

4.0 Market Analysis Summary

Already one of the fastest growing sectors in the United States, the demand for *REDACTED* on all levels has continued to grow since *EVENT 1*. This demand permeated all sectors, both public and private, and the country quickly began realizing a sustainable trend in the outsourcing of *REDACTED* to private companies.

We regularly see enhanced *REDACTED* in all aspects of government in the *REDACTED* area, as well as commercial offices, warehouses, transit systems, etc. The *REDACTED* industry, a ten billion dollar industry in 1996, grew to over fourteen billion dollars in 2002, representing an approximate 5% annual increase.

Between 2001 and 2006, *REDACTED* activities realized an approximate 9% increase on an annual basis. America's post 2006 *REDACTED* industry growth has been somewhat slower, but still distinct and measurable at a rate of 4.34% and 2.01% annually for 2006 and 2007 respectively. The most recent verifiable government statistics for the same time period indicate the annual increases in market size for the *LOCATION 1 REDACTED* market to be 8.90% and 5.92%.

The notable upward trend in the *REDACTED* industry has apparently subsided concurrent with the nation's economic concerns, but *REDACTED* continues to remain a top priority despite the trying fiscal times. *REDACTED* industry realized slight declines since 2008, and is projected to decrease at the rate of approximately 2% annually until it levels out at a size of roughly 12% lower than its 2008 peak.

The North American Industry Classification System (NAICS) is used by business and government to classify business establishments according to type of economic activity in North America. Our primary market is NAICS *REDACTED*; *REDACTED*. This industry comprises establishments primarily engaged in providing *REDACTED*, such as *REDACTED*, *REDACTED*, and *REDACTED* services.

The US Census Bureau conducts bi-centennial economic census, and reports data through the NAICS system. This survey is a statistical program that obtains information about virtually every US business and publishes America's most used and useful business statistics. Through the data obtained, we are able to select profiles of sectors at various geographic levels. The most recent data set provides us with key statistical information on businesses operating at over 21 million locations, to include such data sets as concentration, employees, receipts, revenue, etc.

The table on the following page demonstrates the size of the *LOCATION 1 REDACTED* (NAICS *REDACTED*), and projected annual movement from 2011 - 2018 in terms of current year dollars ($ CY), then year dollars [indexed for projected inflation] ($ TY), Employees, and Companies.

NAICS *REDACTED* ; *REDACTED* (*LOCATION 1*) Projected Annual Market Size		2011	2012	2013	2014	2015	2016	2017	2017	2018
NAICS *REDACTED* *REDACTED* *LOCATION 1*	$ CY*	$ 992.31	$ 972.47	$ 953.02	$ 933.96	$ 933.96	$ 933.96	$ 933.96	$ 933.96	$ 933.96
	$ TY*	$ 1,015.14	$ 994.83	$ 974.94	$ 955.44	$ 955.44	$ 955.44	$ 955.44	$ 955.44	$ 955.44
	Employees	21,710	21,276	20,851	20,434	20,434	20,434	20,434	20,434	20,434
	Companies	354	347	340	333	333	333	333	333	333

* Dollars in Millions

Source: Analysis of U.S. Census Bureau and Department of Labor Publications

In addition to corporate sales, the limited market saturation has an effect on availability of *REDACTED* time to individuals. Concentration of like businesses and offerings is relatively low, and demand is present and stable. There are no active *REDACTED* readily available for personal use on *SITE 1*, *SITE 2*, *SITE 3*, or *SITE 4*. The surrounding areas have a few insignificant facilities to address this need. *NEW COMPANY* will allocate marketing resources to these areas to meet the projected 10% individual volume level.

4.3 Service Business Analysis

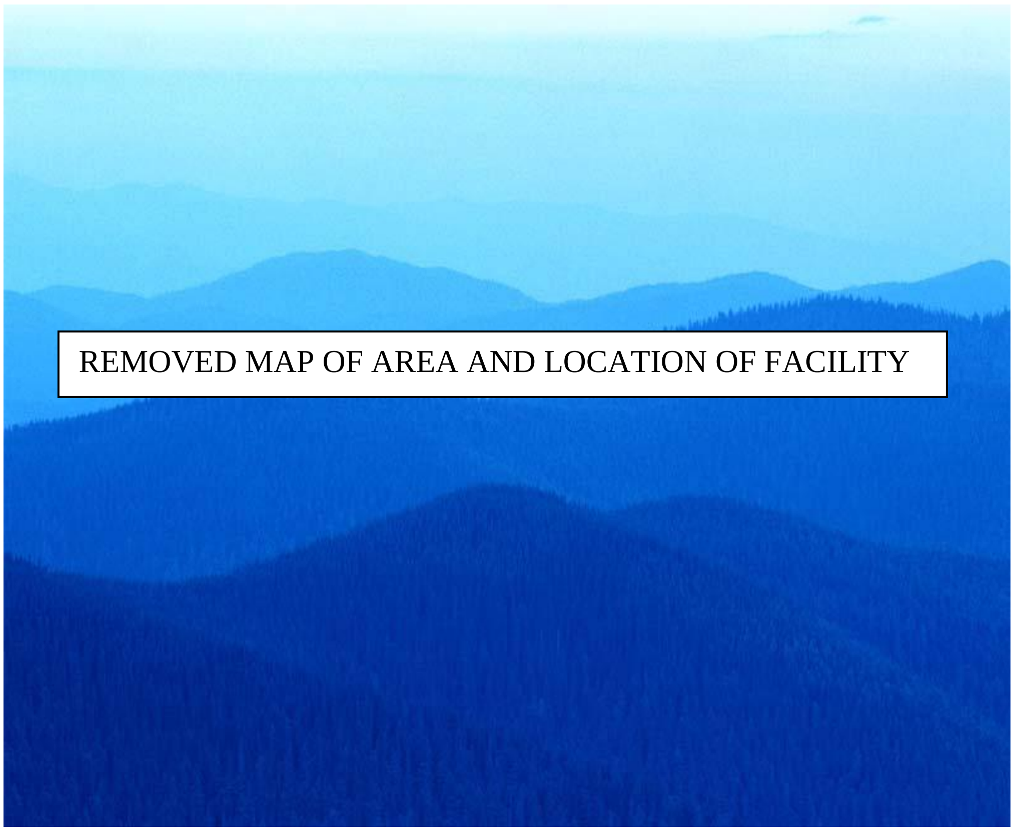
4.3.1 Competition and Buying Patterns

NEW COMPANY faces limited competition in the *LOCATION 1* Area. Concentration of like businesses and offerings is relatively low, and demand is present and stable. The local area is populated with a few small scale competitors who rely on aging facilities and average or below quality. Location, accessibility, and availability of *REDACTED* are all problems the competition faces.

Current competitors:

Competition		
1	COMPETITOR NAME	COMPETITOR LOCATION
2	COMPETITOR NAME	COMPETITOR LOCATION
3	COMPETITOR NAME	COMPETITOR LOCATION
4	COMPETITOR NAME	COMPETITOR LOCATION
5	COMPETITOR NAME	COMPETITOR LOCATION
6	COMPETITOR NAME	COMPETITOR LOCATION
7	COMPETITOR NAME	COMPETITOR LOCATION

NEW COMPANY will be located in an accessible location, just outside the *REDACTED*. No real competitors are closer in proximity to the *REDACTED* Area. Of the aforementioned competitors, only *REDACTED* is within a 20 mile radius of our proposed facility. Additionally, each of the competitors listed above has significant challenges in capacity, availability, location, or aging facilities.



Location: *REDACTED*

5.0 Strategy and Implementation Summary

5.1.1 Strengths

NEW COMPANY's keys to success are achievable and in fact very probable through effective management. The company stands to immediately benefit *Company 1*, and subsequently to become stable and viable very early in its existence. Strengths are detailed as follows:

1. Limited Market Saturation: *NEW COMPANY* will be positioned in a market of limited competition. Concentration of like businesses and offerings is relatively low, and demand is present and stable. There are no active *REDACTED* readily available for personal or corporate use on *SITE 1, SITE 2, SITE 3, or SITE 4*. *NEW COMPANY* will market in these areas to meet the projected 10% individual volume level.

2. Immediate Revenue Stream: *NEW COMPANY* will receive an immediate and stable revenue stream upon opening its doors. The relationship with *Company 1* will offer immediate stability.
3. Product Quality and Presentation: *NEW COMPANY* will be unique and upscale; a modern *REDACTED* and *REDACTED* facility, while largely small scale competitors rely on aging facilities and average or below quality. *NEW COMPANY* will be in a prime location, and will have adequate parking, while most competitors are significantly distanced from their users and have limited parking.
4. Visibility and Reputation: *NEW COMPANY* will benefit from limited competition in the area and its overall quality and value offering. These two characteristics will facilitate a high level of visibility in the area market and development of a solid reputation within the industry.
5. Differentiation and Revenue: *NEW COMPANY* will differentiate itself from the area's limited competition as described above. This differentiation will facilitate increased visibility and a superior reputation, and will allow *NEW COMPANY* to fill its *REDACTED* capacity in excess of *Company 1's* needs.

5.1.2 Weaknesses

The establishment of *NEW COMPANY* makes sense from a financial standpoint and from a sustainability standpoint on behalf of *Company 1*. Additionally, the strengths and opportunities outnumber the weaknesses, and carry significantly more influence. Weaknesses appear below:

1. Maintenance and Upkeep: *NEW COMPANY* will have routine maintenance costs that are imperative to maintaining facility quality, top-tier value, and its professional upscale atmosphere. In order to mitigate the impact on the bottom line, such maintenance will be conducted primarily outside of normal operating hours.
2. Licensing & Permits: Licensing and permits are both crucial and costly, and must be kept current. The initial development team will ensure all documentation is in place prior to opening, and management will keep all licensing and permits current.
3. Liability: Because of the nature of *NEW COMPANY*'s operation, liability will be a concern. *NEW COMPANY* will carry adequate liability insurance, and will mitigate this risk by ensuring adequate *REDACTED* by *REDACTED*. *REDACTED* personnel will be *REDACTED*, and standard procedures will be followed.

5.1.3 Opportunities

There are a number of internal and external opportunities in the current market that *NEW COMPANY* will capitalize on. These factors render the business climate quite attractive.

1. Sustainability Provided to *Company 1*: Successful stand-up of *NEW COMPANY* will facilitate long term sustainability in *REDACTED* by developing and delivering *REDACTED* to *Company 1*. Success in this endeavor will provide *Company 1* with the ability to absorb expansion and to grow as a company.
2. Limited Competition: *NEW COMPANY* will be positioned in a market of limited competition. Concentration of like businesses and offerings is relatively low, and demand is present and stable.
3. Significant Future Opportunity: In addition to *NEW COMPANY*'s overall value and projected near term and sustained revenues, additional long-term opportunities are present. As the company grows and its value and reputation is realized, management will position *NEW COMPANY REDACTED* to be requirements on future *REDACTED* contracts. Opportunities for *REDACTED* will be assessed and approached accordingly. Additionally, *REDACTED* and *REDACTED* revenue will be generated as those programs are implemented.

5.1.4 Threats

The following factors could place *NEW COMPANY*'s marketing strategy or overall business at risk.

1. Increased Automation: For the past several years, the demand for automated *REDACTED* has grown at a rate disproportionate to the growth of the demand for *REDACTED*. Such capability is both readily available and more cheaply acquired. However, the presence of *REDACTED* is vital in the *REDACTED* Area, and we anticipate the effects of increased automation to have only a marginal effect on *REDACTED*. This threat is moderate to low, and will be mitigated by the overall value provided by a *REDACTED*.
2. Competition: Increased competition represents a potential threat to *NEW COMPANY*'s success. Though comparable facilities and programs are not currently present in the *REDACTED* Area, competition *could* arise. This threat represents a moderate risk in terms of seriousness and probability, and will be mitigated by *NEW COMPANY*'s name, reputation, value, and visibility. These attributes will translate into near term market dominance, in turn reducing probability and opportunity of competitive market entry.
3. Site Security: Because of the location of the *NEW COMPANY* facility, physical security may present a concern. This threat is moderate in probability and low in seriousness, and will be addressed through implementation of additional security measures, i.e. fencing, lighting, alarm system, etc.

5.2 Competitive Edge

The overall inherent value of *NEW COMPANY*, significant market need, quality of product presentation, immediate relationship with *Company 1*, and robust *REDACTED* provide the company with a significant competitive advantage. *NEW COMPANY* will have an immediate revenue stream from *Company 1*, and will be positioned to receive significant revenues from outside sources very shortly after opening its doors. Additionally, *NEW COMPANY* will stress customer focus and will uphold standards, ensuring that these values are present in day-to-day operations. Through *Company 1*, *NEW COMPANY* will develop relationships with *REDACTED*, *REDACTED*, and other *REDACTED*. These advantages are both immediate and sustainable in the long term, and provide *NEW COMPANY* with the likelihood of quickly becoming the primary player in the *REDACTED* Area *REDACTED* market.

5.3 Marketing Strategy

NEW COMPANY begins with an immediate revenue stream from *Company 1*. Additional marketing efforts will target government and corporate entities as well as individuals. Accessibility and ability to handle large block contracts will position *NEW COMPANY* to receive significant revenues from large scale clients almost immediately. *NEW COMPANY*'s *REDACTED* offerings, overall value, accessibility, and unique atmosphere will be stressed in dealing with clients. Marketing efforts will commence within a few months of project inception.

5.4 Sales Strategy

5.4.1 Sales Forecast

NEW COMPANY's sales forecast is based on the following assumptions:

- *REDACTED* facility
- Open 363 days annually (closed for two holidays)
- 16 hours a day operation
- Year 1 efficiency 70%; Years 2-5 efficiency 85%
- $120K annual *REDACTED* costs, 20% markup on *REDACTED* sales
- 17,600 hours/year sold at $10.00/hour to *Company 1* for *REDACTED*
- 9600 hours/year reserved for *Company 1 REDACTED*
- Assumes no revenue from *REDACTED*, though future revenues will be placed against this resource utilization [see 5.1.3 Opportunities; section 3, page 10]
- Assumes no revenue for *REDACTED* or *REDACTED* or *REDACTED* [future revenue is anticipated; see 5.1.3 Opportunities; section 3, page 10]
- Remaining *REDACTED* sold to corporations or government and individuals at a ratio of 90%/10% respectively.
- Assumes $1 million *Company 1 REDACTED* Contract [replaces the entire *REDACTED* (*REDACTED*)]
- Assumes no revenue from other companies for providing "*REDACTED*"
- Does not factor in potential elimination of *Company 1 REDACTED* bonus currently paid
- Assumes marginal revenue from retail *REDACTED* sales
- Assumes no revenue from *REDACTED*
- Inflation is indexed at 3.5% annually, and is reflected in revenues and expenses

Sales Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales					
Type 1	17,600	17,600	17,600	17,600	17,600
Type 2	9,600	9,600	9,600	9,600	9,600
Type 3	85,291	108,814	108,814	108,814	108,814
Type 4	9,477	12,090	12,090	12,090	12,090
Type 5	1	1	1	1	1
Type 6	1	1	1	1	1
Total Unit Sales	121,968	148,104	148,104	148,104	148,104
Unit Prices	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Type 1	$ 10.00	$ 10.35	$ 10.71	$ 11.09	$ 11.48
Type 2	$ -	$ -	$ -	$ -	$ -
Type 3	$ 12.50	$ 12.94	$ 13.39	$ 13.86	$ 14.34
Type 4	$ 12.50	$ 12.94	$ 13.39	$ 13.86	$ 14.34
Type 5	$ 144,000	$ 149,040	$ 154,256	$ 159,655	$ 165,243
Type 6	$ 1,000,000	$ 1,035,000	$ 1,071,225	$ 1,108,718	$ 1,147,523
Sales					
Type 1	$ 176,000	$ 182,160	$ 188,536	$ 195,134	$ 201,964
Type 2	$ -	$ -	$ -	$ -	$ -
Type 3	$ 1,066,140	$ 1,407,776	$ 1,457,048	$ 1,508,045	$ 1,560,826
Type 4	$ 118,460	$ 156,420	$ 161,894	$ 167,561	$ 173,425
Type 5	$ 144,000	$ 149,040	$ 154,256	$ 159,655	$ 165,243
Type 6	$ 1,000,000	$ 1,035,000	$ 1,071,225	$ 1,108,718	$ 1,147,523
Total Sales	$ 2,504,600	$ 2,930,396	$ 3,032,959	$ 3,139,113	$ 3,248,982
Direct Unit Costs	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Type 1	$ -	$ -	$ -	$ -	$ -
Type 2	$ -	$ -	$ -	$ -	$ -
Type 3	$ -	$ -	$ -	$ -	$ -
Type 4	$ -	$ -	$ -	$ -	$ -
Type 5	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703
Type 6	$ -	$ -	$ -	$ -	$ -
Direct Cost of Sales					
Type 1	$ -	$ -	$ -	$ -	$ -
Type 2	$ -	$ -	$ -	$ -	$ -
Type 3	$ -	$ -	$ -	$ -	$ -
Type 4	$ -	$ -	$ -	$ -	$ -
Type 5	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703
Type 6	$ -	$ -	$ -	$ -	$ -
Subtotal Direct Cost of Sales	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703

Chart: Sales Monthly

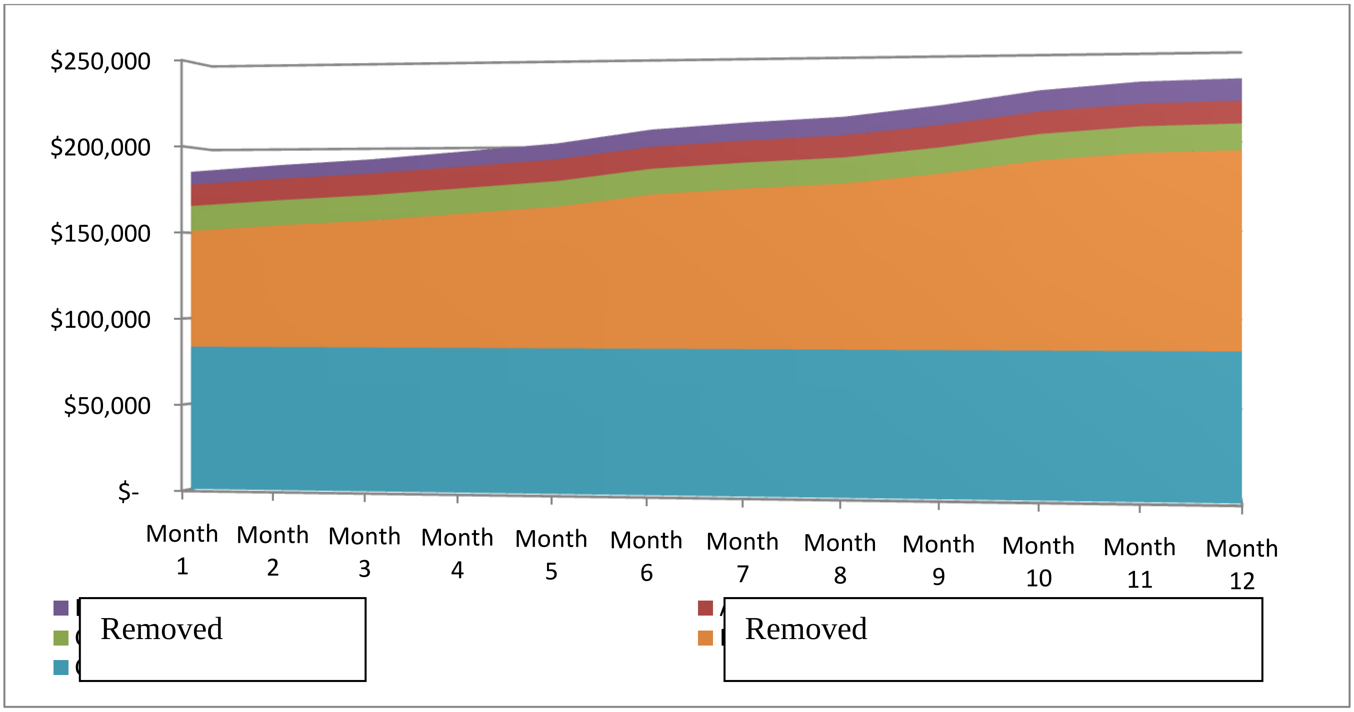
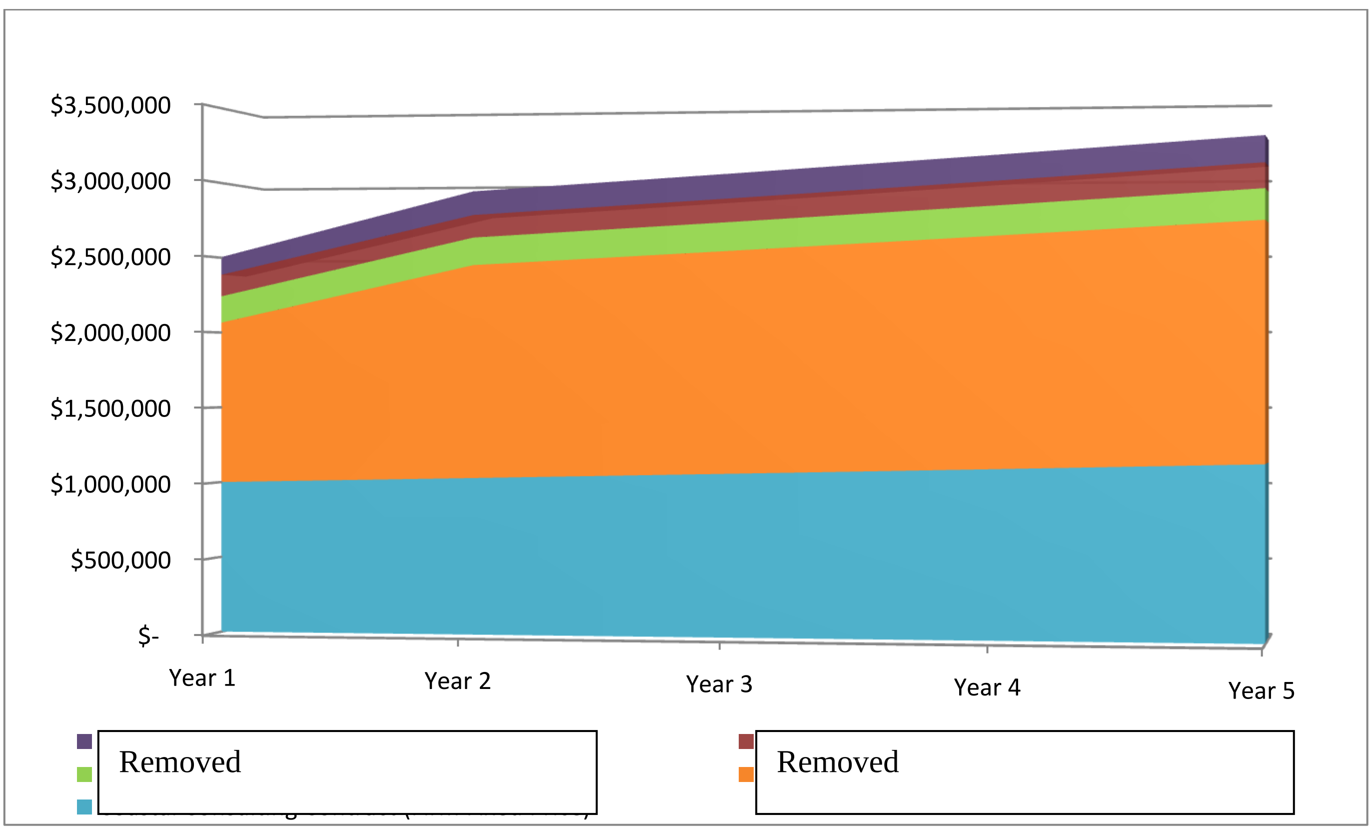


Chart: Sales Annually



6.0 Management Summary

6.1 Personnel Plan

NEW COMPANY will be directly managed by a full-time *REDACTED* manager, with *Company 1* management conducting immediate oversight. All *NEW COMPANY* activities will fall under the scope of a Board of Directors, made up of three to five principles of *Company 1* and its parent company, *Company 2*.

On-site personnel will include a general manager, accountant, 6 *REDACTED*, an administrative specialist, 1 *REDACTED*, 3 *REDACTED*, 1 lead *REDACTED*, and 7 *REDACTED*. Years 2-5 will require one additional *REDACTED* to handle the projected volume increase.

The general manager will be tasked with management, marketing, maintenance, and inventory management tasks. The accountant will handle payroll, accounts payable, receivables, and other accounting related activity. *REDACTED* will be tasked with overall effectiveness and safety of operations, will assist in daily/weekly maintenance, and will assist the general manager on an as needed basis.

For years 2-5 employee cost of living increases are indexed at 3.5%. A labor burden of 11% is included in operating costs (which includes taxes, workers compensation, general liability, federal and state unemployment insurance, etc.), and benefits costs are calculated at 9%, totaling a 20% employee overhead factor.

Personnel positions and costs are detailed as follows:

Personnel Plan					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	1	1	1	1	1
Bookkeeper	1	1	1	1	1
Position 1	6	7	7	7	7
Position 2	1	1	1	1	1
Administrative Specialist	1	1	1	1	1
Position 3	1	1	1	1	1
Position 4	3	3	3	3	3
Position 5	1	1	1	1	1
Position 6	7	7	7	7	7
Total People	22	23	23	23	23

Salary by Employee Type					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	$ 125,000	$ 129,375	$ 133,903	$ 138,590	$ 143,440
Bookkeeper	$ 60,000	$ 62,100	$ 64,274	$ 66,523	$ 68,851
Position 1	$ 55,000	$ 56,925	$ 58,917	$ 60,979	$ 63,114
Position 2	$ 85,000	$ 87,975	$ 91,054	$ 94,241	$ 97,539
Administrative Specialist	$ 30,000	$ 31,050	$ 32,137	$ 33,262	$ 34,426
Position 3	$ 62,000	$ 64,170	$ 66,416	$ 68,741	$ 71,146
Position 4	$ 49,000	$ 50,715	$ 52,490	$ 54,327	$ 56,229
Position 5	$ 75,000	$ 77,625	$ 80,342	$ 83,154	$ 86,064
Position 6	$ 60,000	$ 62,100	$ 64,274	$ 66,523	$ 68,851
Weighted Avg. Employee Cost	$ 60,636.36	$ 62,505.00	$ 64,692.68	$ 66,956.92	$ 69,300.41

Total Salary Costs by Employee Type					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	$ 125,000	$ 129,375	$ 133,903	$ 138,590	$ 143,440
Bookkeeper	$ 60,000	$ 62,100	$ 64,274	$ 66,523	$ 68,851
Position 1	$ 330,000	$ 398,475	$ 412,422	$ 426,856	$ 441,796
Position 2	$ 85,000	$ 87,975	$ 91,054	$ 94,241	$ 97,539
Administrative Specialist	$ 30,000	$ 31,050	$ 32,137	$ 33,262	$ 34,426
Position 3	$ 62,000	$ 64,170	$ 66,416	$ 68,741	$ 71,146
Position 4	$ 147,000	$ 152,145	$ 157,470	$ 162,982	$ 168,686
Position 5	$ 75,000	$ 77,625	$ 80,342	$ 83,154	$ 86,064
Position 6	$ 420,000	$ 434,700	$ 449,915	$ 465,662	$ 481,960

Total Payroll	$ 1,334,000	$ 1,437,615	$ 1,487,932	$ 1,540,009	$ 1,593,909

7.0 Financial Plan

7.1 Start-up Funding

Start-up requirements total approximately $6.9 million. The figures in the following table represent the costs of constructing the planned 40,000 square foot facility with a fully built out *REDACTED*, *REDACTED*, shell costs, land, and tenant improvements. Shell costs are indexed at $45/square foot for tilt up construction for a total of $1.8M. Site work is projected at $400K, or $10/square foot, for grading, building pad, parking lot, paving, and striping. Tenant improvements and *REDACTED* costs are $1.52M and $1.2M respectively. Soft costs, including design fees, permitting fees, materials testing fees, etc. are indexed at $15/square foot for a total of $600K. Lastly, 5 acres of land at $350K/acre ($1.75M total) is required.

Company 1 is prepared to purchase the land outright, and calculations herein assume a 15 year $5.16M loan at 6% interest.

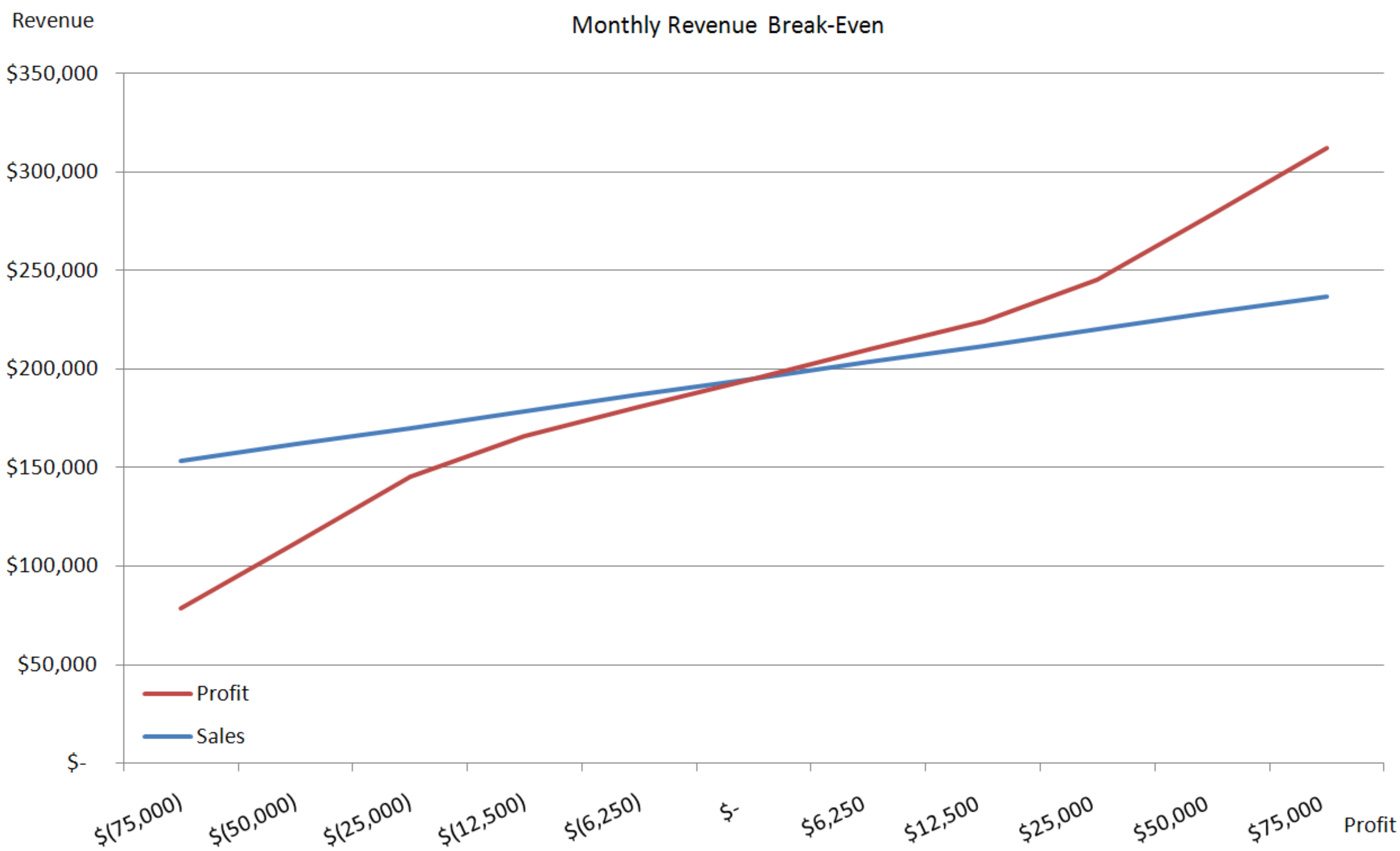
Table: Start-up Funding

Start-up Funding		
Start-up Expenses to Fund	$	661,750
Start-up Assets to Fund	$	6,250,000
Total Funding Required	$	6,911,750
Assets		
Non-cash Assets from Start-up	$	6,250,000
Cash Requirements from Start-up	$	-
Additional Cash Raised	$	-
Cash Balance on Starting Date	$	-
Total Assets	$	6,250,000
Liabilities and Capital		
Liabilities		
Current Borrowing	$	-
Long-term Liabilities	$	5,161,750
Accounts Payable (Outstanding Bills)	$	-
Other Current Liabilities (interest-free)	$	-
Total Liabilities	$	5,161,750
Capital		
Planned Investment		
Company 1	$	1,750,000
Additional Investment Requirement	$	-
Total Planned Investment	$	1,750,000
Loss at Start-up (Start-up Expenses)	$	(661,750)
Total Capital	$	1,108,250
Total Capital and Liabilities	$	6,250,000
Total Funding	$	6,911,750

7.2 Break-even Analysis

Break-even Analysis		
Monthly Revenue Break-even	$	195,265
Assumptions:		
Average Percent Variable Cost		5.40%
Estimated Monthly Fixed Cost	$	185,265

Chart: Break-even Analysis



7.3 Projected Profit and Loss

In the following profit and loss statement, depreciation of long term assets is straight-lined over 30 years, and fixtures and appliances are depreciated over 5 years. All costs of sales are marginal with the exception of *REDACTED*, estimated at $120K/year. Inflation is indexed at 3.5% per year, and revenues increase concurrently, essentially adjusting pricing with inflation levels.

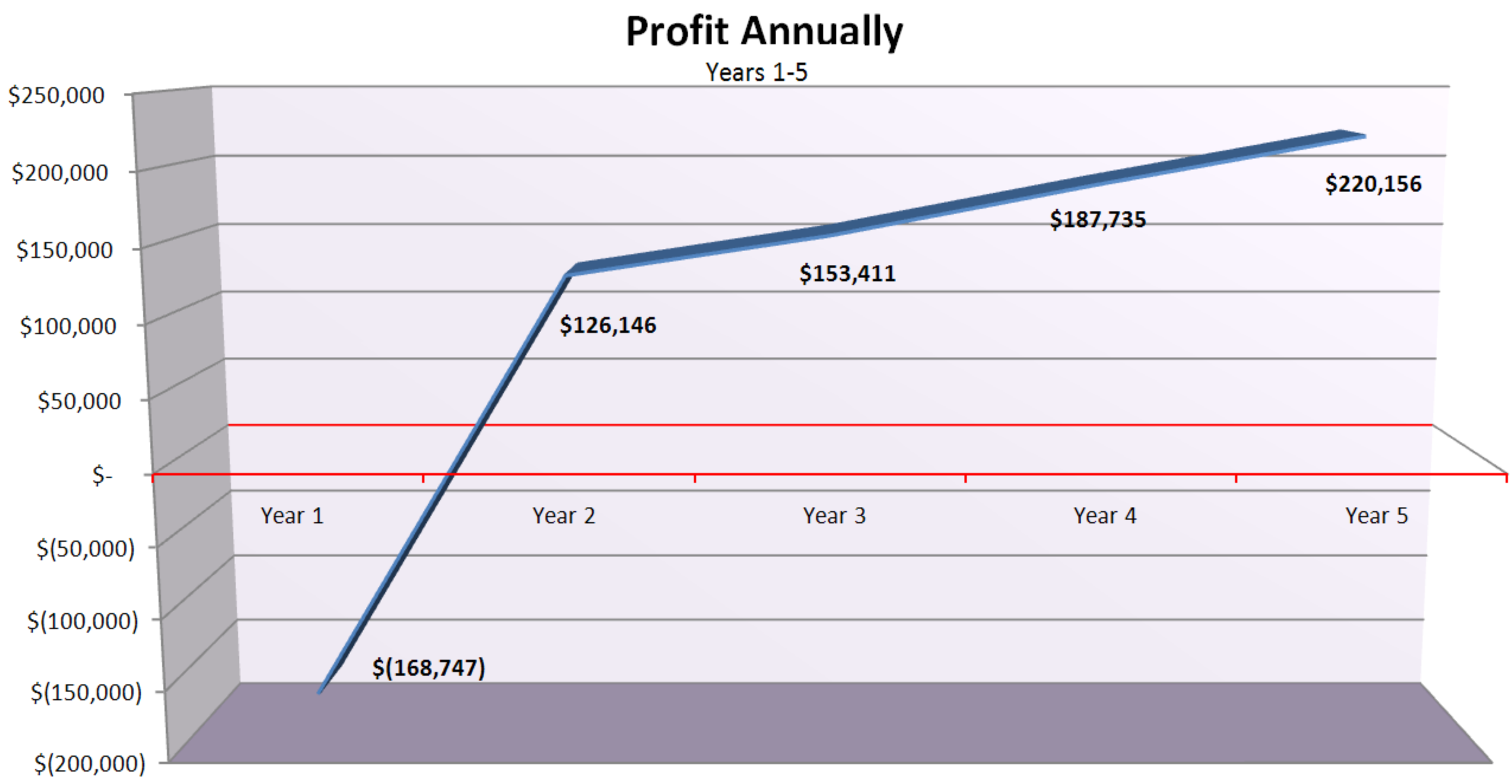
Table: Profit and Loss

Pro Forma Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	$ 2,504,600	$ 2,930,396	$ 3,032,959	$ 3,139,113	$ 3,248,982
Direct Cost of Sales	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703
Other Costs of Sales	$ -	$ -	$ -	$ -	$ -
Total Cost of Sales	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703
Gross Margin	$ 2,384,600	$ 2,806,196	$ 2,904,412	$ 3,006,067	$ 3,111,279
Gross Margin %	95.21%	95.76%	95.76%	95.76%	95.76%
Expenses					
Payroll	$ 1,255,296	$ 1,356,156	$ 1,403,622	$ 1,452,749	$ 1,503,595
Utilities	$ 90,000	$ 93,150	$ 96,410	$ 99,785	$ 103,277
Depreciation	$ 170,310	$ 170,310	$ 170,310	$ 170,310	$ 170,310
Mortgage Principle Payment	$ 218,096	$ 231,548	$ 245,829	$ 260,991	$ 277,089
Equipment, Maintenance, Repairs	$ 12,000	$ 12,420	$ 12,855	$ 13,305	$ 13,770
Facility Maintenance & Repairs	$ 12,000	$ 12,420	$ 12,855	$ 13,305	$ 13,770
Business Taxes/Licenses	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Insurance	$ 15,000	$ 15,525	$ 16,068	$ 16,631	$ 17,213
Payroll Taxes	$ 138,083	$ 149,177	$ 157,398	$ 159,802	$ 165,395
Personnel Benefits	$ 98,040	$ 101,471	$ 105,023	$ 108,699	$ 112,503
Recruiting Advertisement	$ 10,000	$ 10,350	$ 10,712	$ 11,087	$ 11,475
Marketing/Promotion	$ 18,000	$ 18,630	$ 19,282	$ 19,957	$ 20,655
Background Investigations	$ 20,000	$ 20,700	$ 21,425	$ 22,174	$ 22,950
Drug Testing	$ 4,800	$ 4,968	$ 5,142	$ 5,322	$ 5,508
Medical Exams	$ 22,500	$ 23,288	$ 24,103	$ 24,946	$ 25,819
REDACTED	$ -	$ -	$ -	$ -	$ -
Office Phone/Internet	$ 18,500	$ 19,148	$ 19,818	$ 20,511	$ 21,229
Computer Support	$ 24,000	$ 24,840	$ 25,709	$ 26,609	$ 27,541
Office Equipment Leases	$ 13,000	$ 13,455	$ 13,926	$ 14,413	$ 14,918
Office Equipment Purchases	$ 5,000	$ 5,175	$ 5,356	$ 5,544	$ 5,738
Office Furniture Replacement/Repair	$ 5,000	$ 5,175	$ 5,356	$ 5,544	$ 5,738
Office Supplies	$ 3,000	$ 3,105	$ 3,214	$ 3,326	$ 3,443
REDACTED Supplies	$ 10,000	$ 10,350	$ 10,712	$ 11,087	$ 11,475
Printing/Copying Expense	$ 4,500	$ 4,658	$ 4,821	$ 4,989	$ 5,164
Postage/Shipping	$ 2,400	$ 2,484	$ 2,571	$ 2,661	$ 2,754
Cell Phones Service	$ 5,000	$ 5,175	$ 5,356	$ 5,544	$ 5,738
Vehicle Lease	$ 12,000	$ 12,420	$ 12,855	$ 13,305	$ 13,770

Profit & Loss (continued)

Vehicle Fuel	$	4,250	$	4,399	$	4,553	$	4,712	$	4,877
Vehicle Insurance	$	2,400	$	2,484	$	2,571	$	2,661	$	2,754
REDACTED	$	5,000	$	5,175	$	5,356	$	5,544	$	5,738
Accounting Services (outsourced)	$	5,000	$	5,175	$	5,356	$	5,544	$	5,738
Bank Fees	$	15,000	$	15,000	$	15,000	$	15,000	$	15,000
Total Operating Expenses	$	2,223,175	$	2,363,329	$	2,448,563	$	2,531,055	$	2,619,943
Profit Before Interest and Taxes	$	161,425	$	442,867	$	455,850	$	475,012	$	491,336
Interest Expense	$	302,572	$	289,120	$	274,839	$	259,677	$	243,580
Property Taxes Incurred	$	27,600	$	27,600	$	27,600	$	27,600	$	27,600
Net Profit	$	(168,747)	$	126,146	$	153,411	$	187,735	$	220,156
Net Profit/Sales		-6.74%		4.30%		5.06%		5.98%		6.78%

Chart: Profit Annually



Pro Forma Profit and Loss					
	Year 1	Year 2	Year 3	Year 4	Year 5
Profit Annually	$ (168,747)	$ 126,146	$ 153,411	$ 187,735	$ 220,156
Net Profit/Sales	-6.74%	4.30%	5.06%	5.98%	6.78%

7.4 Projected Cash Flow

Table: Cash Flow

Pro Forma Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	$ 2,504,600	$ 2,930,396	$ 3,032,959	$ 3,139,113	$ 3,248,982
Subtotal Cash from Operations	$ 2,504,600	$ 2,930,396	$ 3,032,959	$ 3,139,113	$ 3,248,982
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	$ 206,630	$ 241,758	$ 250,219	$ 258,977	$ 268,041
New Current Borrowing	$ -	$ -	$ -	$ -	$ -
New Other Liabilities (interest-free)	$ -	$ -	$ -	$ -	$ -
New Long-term Liabilities	$ -	$ -	$ -	$ -	$ -
Sales of Other Current Assets	$ -	$ -	$ -	$ -	$ -
Sales of Long-term Assets	$ -	$ -	$ -	$ -	$ -
New Investment Received	$ -	$ -	$ -	$ -	$ -
Subtotal Cash Received	$ 2,711,230	$ 3,172,153	$ 3,283,178	$ 3,398,090	$ 3,517,023
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	$ 1,255,296	$ 1,356,156	$ 1,403,622	$ 1,452,749	$ 1,503,595
Bill Payments	$ 1,087,879	$ 1,131,373	$ 1,173,488	$ 1,211,352	$ 1,254,051
Subtotal Spent on Operations	$ 2,343,175	$ 2,487,529	$ 2,577,110	$ 2,664,101	$ 2,757,646
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	$ 206,630	$ 241,758	$ 250,219	$ 258,977	$ 268,041
Principal Repayment of Current Borrowing	$ -	$ -	$ -	$ -	$ -
Other Liabilities Principal Repayment	$ -	$ -	$ -	$ -	$ -
Long-term Liabilities Principal Repayment	$ -	$ -	$ -	$ -	$ -
Purchase Other Current Assets	$ -	$ -	$ -	$ -	$ -
Purchase Long-term Assets	$ -	$ -	$ -	$ -	$ -
Dividends	$ -	$ -	$ -	$ -	$ -
Interest Expense	$ 302,572	$ 289,120	$ 274,839	$ 259,677	$ 243,580
Taxes	$ 27,600	$ 27,600	$ 27,600	$ 27,600	$ 27,600
Subtotal Cash Spent	$ 2,879,977	$ 3,046,007	$ 3,129,768	$ 3,210,355	$ 3,296,866
Net Cash Flow	$ (168,747)	$ 126,146	$ 153,411	$ 187,735	$ 220,156
Cash Balance	$ (168,747)	$ (42,601)	$ 110,810	$ 298,544	$ 518,701

7.5 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	$ (168,747)	$ (42,601)	$ 110,810	$ 298,544	$ 518,701
Inventory	$ 120,000	$ 124,200	$ 128,547	$ 133,046	$ 137,703
Other Current Assets	$ 145,860	$ 145,860	$ 145,860	$ 145,860	$ 145,860
Total Current Assets	$ 97,113	$ 227,459	$ 385,217	$ 577,451	$ 802,264
Long-term Assets					
Long-term Assets	$ 5,984,140	$ 5,984,140	$ 5,984,140	$ 5,984,140	$ 5,984,140
Accumulated Depreciation	$ 170,310	$ 340,620	$ 510,930	$ 681,240	$ 851,550
Total Long-term Assets	$ 5,813,830	$ 5,643,520	$ 5,473,210	$ 5,302,900	$ 5,132,590
Total Assets	$ 5,910,943	$ 5,870,979	$ 5,858,427	$ 5,880,351	$ 5,934,854
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	$ 1,087,879	$ 1,131,373	$ 1,173,488	$ 1,211,352	$ 1,254,051
Current Borrowing	$ -	$ -	$ -	$ -	$ -
Other Current Liabilities	$ -	$ -	$ -	$ -	$ -
Subtotal Current Liabilities	$ 1,087,879	$ 1,131,373	$ 1,173,488	$ 1,211,352	$ 1,254,051
Long-term Liabilities	$ 4,923,654	$ 4,910,203	$ 4,895,921	$ 4,880,759	$ 4,864,662
Total Liabilities	$ 6,011,533	$ 6,041,576	$ 6,069,409	$ 6,092,111	$ 6,118,713
Paid-in Capital	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000	$ 1,750,000
Retained Earnings	$ (168,747)	$ 126,146	$ 153,411	$ 187,735	$ 220,156
Total Capital	$ 1,581,253	$ 1,876,146	$ 1,903,411	$ 1,937,735	$ 1,970,156
Total Liabilities and Capital	$ 7,592,786	$ 7,917,722	$ 7,972,820	$ 8,029,846	$ 8,088,869
Net Worth	$ 1,581,253	$ 1,876,146	$ 1,903,411	$ 1,937,735	$ 1,970,156

7.6 Business Ratios

Table: Ratios

Key Ratios	Year 1	Year 2	Year 3	Year 4	Year 5
Profit/Sales Ratio	-6.74%	4.30%	5.06%	5.98%	6.78%
Profit Margin Ratio	95.21%	95.76%	95.76%	95.76%	95.76%
Return on Assets	-2.85%	2.15%	2.62%	3.19%	3.71%
Return on Net Worth	-10.67%	6.72%	8.06%	9.69%	11.17%

Profit / Sales Ratio:

The Profit to Sales Ratio discounts the effect of tax rates and gives an accurate indication of the return associated with the firm's operations. NEW COMPANY's projected profit begins at -6.74% (year 1) and reaches approximately 6.75% by the end of the projection period (year 5).

Profit Margin Ratio:

The Profit Margin Ratio is a measure of a firm's financial health, demonstrating the proportion of remaining after accounting for Cost of Goods Sold. Most of NEW COMPANY's costs are fixed costs associated with facility operation, and variable costs are marginal.

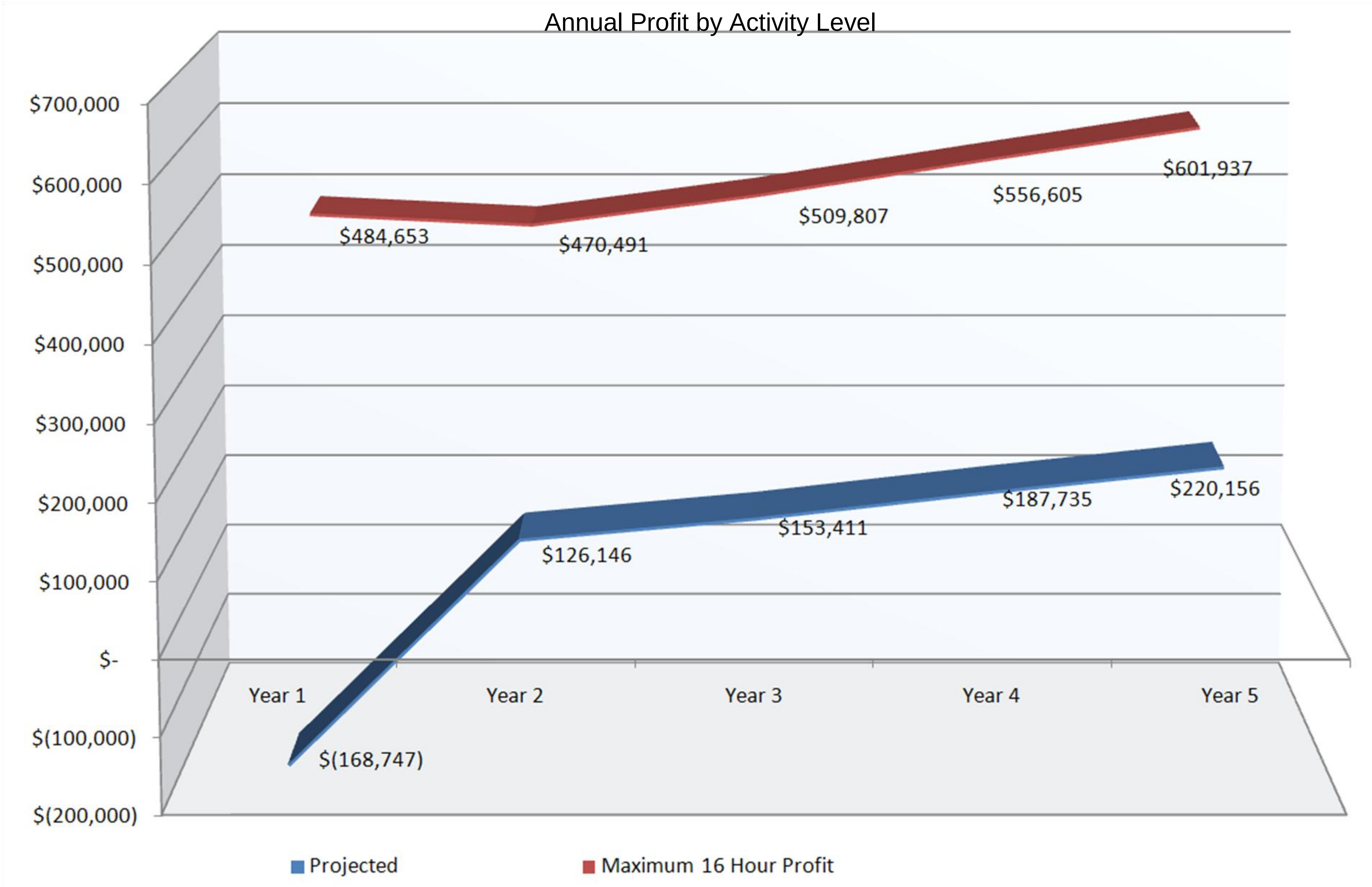
Return on Assets:

Return on Assets indicated profitability relative to total assets, demonstrating how effectively the company leverages its assets to generate earnings. The stated calculations represent net income as a percentage of total assets.

Return on Net Worth:

Return on Net Worth measures how much profit a company generates with the funds invested. The figures above represent NEW COMPANY's return as a percentage of equity held. This ratio is also referred to as Return on Equity.

Appendix



Annual Profit by Activity Level
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
$(100,000)
$(200,000)
$484,653
$470,491
$509,807
$556,605
$601,937
$(168,747)
$126,146
$153,411
$187,735
$220,156
Year 1
Year 2
Year 3
Year 4
Year 5
Projected
Maximum 16 Hour Profit