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# Calico Computer Consulting

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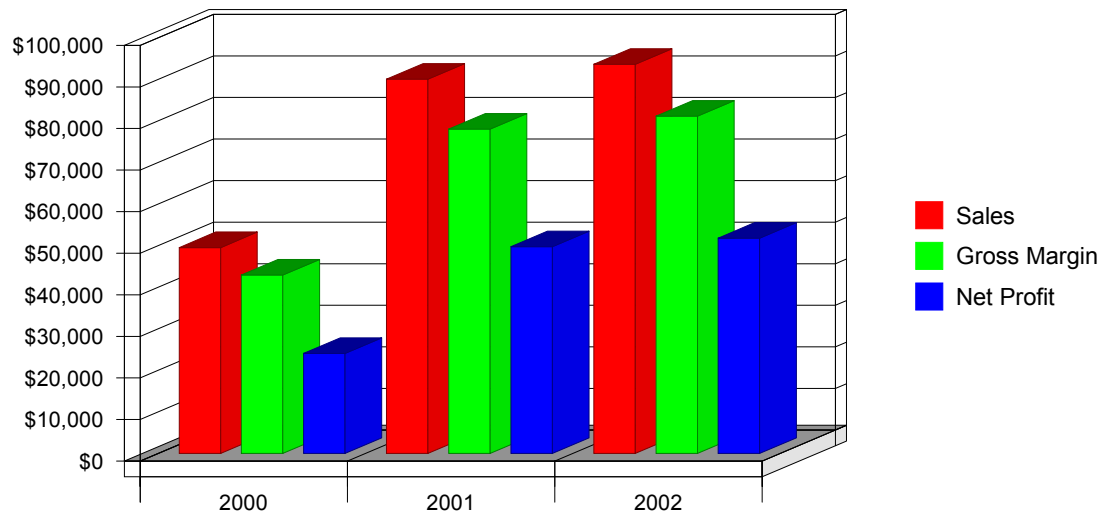
## 1.0 Executive Summary

Calico Computer Consulting is in the process of being formed as a sole proprietorship owned and operated by Doug Burham. This plan is written as a guide for starting and managing this new business and will also serve as the basis for a separate, detailed marketing plan. Following is a summary of the main points of this plan.

- The objectives of CCC are to generate a profit, grow at a challenging and manageable rate, and to be a good citizen.
- The mission of CCC is to provide fast and reliable technical assistance to small office computer users.
- The keys to success for CCC are marketing and networking, responsiveness and quality, and generating repeat customers.
- The initial primary service offered will be hourly technical aid, although retainer contracts and projects will be considered in the future growth.
- The local market for this business, while not new, is wide open for new and expanding consulting firms.
- An initial financial analysis of the viability of this venture shows outstanding promise and results. Several sources note that the computer consulting business is easy to start, requires little up-front capital, and has the potential to be quite lucrative in today's high tech world.

In conclusion, as shown in the highlights chart below, this plan projects rapid growth and high net profits over the next three years. Implementing this plan, in conjunction with a comprehensive and detailed marketing plan, will ensure that Calico Computer Consulting rapidly becomes a profitable venture for the owner.

### Highlights



# Calico Computer Consulting

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## 1.1 Objectives

The objectives of this business plan are:

1. To provide a written guide for starting and managing this computer consulting business; a strategic framework for developing a comprehensive tactical marketing plan.
2. The intended audience is the owner of this business only; this plan is not intended to obtain financing from outside sources.
3. The scope of this plan is to provide detailed monthly projections for the current plan year, and yearly summaries for the following two years.

The objectives of Calico Computer Consulting are:

- 1. Profit** - To generate sufficient profit to finance future growth and to provide the resources needed to achieve the other objectives of the company and its owner. (Net profit of at least 45% of sales in first year).
- 2. Growth** - To grow the business at a rate that is both challenging and manageable, leading the market with innovation and adaptability. (Grow from 24 billable hours/week at end of Year 1 to 35 hours/week in Year 3).
- 3. Citizenship** - To be an intellectual and social asset to the community and environment. (Contribute 5 hours per week as volunteer, contribute 5% of pretax profits to charity).

## 1.2 Mission

Calico Computer Consulting's mission is simple and straightforward:

- **Purpose** - CCC exists to provide fast, reliable technical assistance to local business/small office/home office computer users. CCC sells **solutions & results!**
- **Vision** - By providing fast response, informed expertise, and consistently high quality solutions, CCC generates enough satisfied repeat customers to provide a stable retainer base. This generates sufficient profit to provide a comfortable living for the owner.
- **Mission** - The short term objective is to start this company quickly and inexpensively, with a minimum of debt. The long term objective is to grow the company into a stable and profitable entity that the owner can easily and comfortably manage.
- **Marketing Slogan** - "Calico Computer Consulting is your computer paramedic..."

# Calico Computer Consulting

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## 1.3 Keys to Success

The keys to success for Calico Computer Consulting are:

- Marketing and Networking (getting the name out there -TOMA).
- Responsiveness (being an on-call computer paramedic with fast response time).
- Quality (getting the job done right the first time, offering 100% guarantee).
- Relationships (developing loyal repeat customers - retainers).

## 2.0 Company Summary

Calico Computer Consulting will be a start-up venture with the following characteristics:

- CCC will initially be a sole proprietorship.
- The goal will be to start the venture as inexpensively as possible, with no debt financing.
- CCC will be a home office start-up, utilizing one studio room in the owner's home.

## 2.1 Company Ownership

Calico Computer Consulting will be created initially as a sole proprietorship, owned and operated by Doug Burham. Incorporation, probably as a LLC, will be explored as a later option.

## 2.2 Start-up Summary

In keeping with the company philosophy of avoiding the use of debt, the goal is to start-up as inexpensively as possible. This is in line with industry figures that show that computer consulting start-ups are ideal entrepreneurial opportunities with very low start-up costs. Total start-up expenses for CCC come to \$2050, all of which will be financed through owner investment.

- Most expenses are typical start-up paperwork fees (legal, accounting, etc.).
- Cash requirements consist of one month's rent as a reserve.
- \$500 for expensed equipment will be used to purchase a new All-In-One printer, fax, answering machine to replace an aging inkjet printer.

# Calico Computer Consulting

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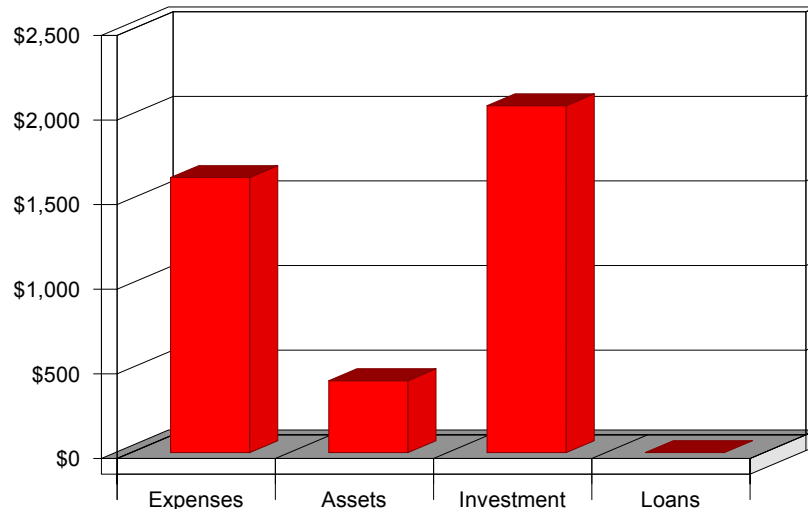
## Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$250
Stationery etc.	\$100
Brochures	\$125
Accountant	\$75
Insurance	\$150
Rent	\$425
Research and development	\$0
Expensed equipment	\$500
Other	\$0
Total Start-up Expenses	\$1,625
Start-up Assets Needed	
Cash Balance on Starting Date	\$425
Other Current Assets	\$0
Total Current Assets	\$425
Long-term Assets	\$0
Total Assets	\$425
Total Requirements	\$2,050
Funding	
Investment	
Owner Investment	\$2,050
Other	\$0
Total Investment	\$2,050
Current Liabilities	
Accounts Payable	\$0
Current Borrowing	\$0
Other Current Liabilities	\$0
Total Current Liabilities	\$0
Long-term Liabilities	\$0
Total Liabilities	\$0
Loss at Start-up	(\$1,625)
Total Capital	\$425
Total Capital and Liabilities	\$425

# Calico Computer Consulting

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## Start-up



## 2.3 Company Locations and Facilities

This is a home office venture, located in one studio of the owner's home.

- Computer facilities will initially consist of the owner's existing system.
- Telephone - one line currently serves the location. A second line for data use should be added soon.
- Utilities are already provided, included in the space rent of \$425.

## 3.0 Services

Calico Computer Consulting will offer small office/home office business owners a quick-response, reliable source of technical help for their computers.

- CCC will offer three main services - Hourly Technical Aid, Retainer contracts for specific skills or systems, and Project consulting.
- There appear to be four main classes of competition, the largest of which consists of individual proprietors and smaller consulting firms such as CCC. The competitive edge for CCC will be to expand on already existing relationships.
- CCC will start with some basic sales literature, including logo and stationary, a brochure, and a basic web page. These will be self-designed and computer generated, of course.
- Fulfillment of services will be provided exclusively by CCC's owner.
- Technology is obviously a critical component of this business: It will be important to stay up to date on both equipment and knowledge to remain competitive in the future.

Detailed descriptions of these points are found in the sections below.



# Calico Computer Consulting

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## 3.1 Service Description

Calico Computer Consulting will offer three main services, corresponding to what industry experts have identified as the primary opportunities in computer consulting:

1. **Hourly** (Temporary Technical Aid) - The less traditional sort of short term assignment helping a company solve a software or hardware related problem. Includes both emergency and non-emergency technical assistance.
2. **Retainer** (Specific Skill) - The more traditional form of consulting, including regular system maintenance, software and hardware upgrades, and network administration. The owner's particular area of expertise is in management consulting with regard to MIS.
3. **Project** (Bail-out or Specific Skill) - This will include such things as consulting on major purchases, system/network installation and testing, and major disaster recovery.

## 3.2 Competitive Comparison

There seems to be four major classes of competition in the local computer consulting industry:

- In-house MIS consultants - Usually employed by larger companies that can afford the fixed cost of a salaried or hourly employee.
- Individual proprietors & smaller consulting firms - As noted elsewhere in this plan, the bulk of Yellow Page advertisements are comprised of this group.
- Larger network and telecommunications consulting firms - Large, known-name companies such as Network One that specialize in providing total MIS services to larger companies that choose to outsource.
- Computer and electronics stores offering consulting services.

Of course, Calico Computer Consulting fits into the largest group as a sole proprietorship. The primary reason that customers would buy from CCC rather than competitors is the existing relationships that exist. Customer loyalty and satisfaction are the way to success for small service businesses such as this.

## 3.3 Sales Literature

Calico Computer Consulting will start with some basic self-generated literature to establish initial positioning:

- **Logo and theme** - A national catalog sales paper goods company has a wonderful line of blank papers with a computer theme that will serve as the "look" for CCC. A graphic artist friend of the owner has already commenced work on a matching logo.
- **Stationery** - The theme paper is available in various formats for use as company stationery.
- **Brochure** - Likewise, pre-printed paper is available, along with software templates for generating brochures
- **Web Presence** - Eventually a website will be developed as an "electronic brochure" as well as a resource site for the owner's established client base.
- **Response Templates** - As common problems/solutions are encountered and solved, a set of standardized templates for initial responses will be developed. This will shorten response time and eliminate confusion in providing quick solutions to routine issues.

# Calico Computer Consulting

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## 3.4 Fulfillment

The fulfillment of services for CCC is provided by the owner. The ultimate deliverable is the owner's expertise and problem solving ability, coupled with an open mind and ease of communication that will result in the customer's complete confidence in immediate and lasting results.

## 3.5 Technology

Technology is, of course, vital to the success of Calico Computer Consulting. It is imperative that the owner stay up-to-date on the latest technological developments in the computer industry. In addition, it will be important to devote a reasonable portion of each year's revenues toward upgrading the equipment and software used by CCC in its normal operations.

## 4.0 Market Analysis Summary

Calico Computer Consulting will adopt a fairly intently focused market strategy.

- A logical segmentation breaks the market down into the following: Home Office Businesses, Small Businesses, Medium Businesses and Large Businesses. Descriptions are provided below.
- The largest and most logical target markets for CCC are the Home Office and Small Businesses. These businesses mostly have a need for temporary technical aid, usually billed at an hourly rate. Some opportunity does exist, however, for retainer and/or specific project contracts.
- While there are a fair number of competitors in the local area, they seem to be widely specialized and widely sized, leaving ample opportunity for CCC to create and expand a niche in the chosen market segments.
- Finally worth noting is the growth trend for this market, estimated at around 9 to 10 percent annually through the beginning of the next century.

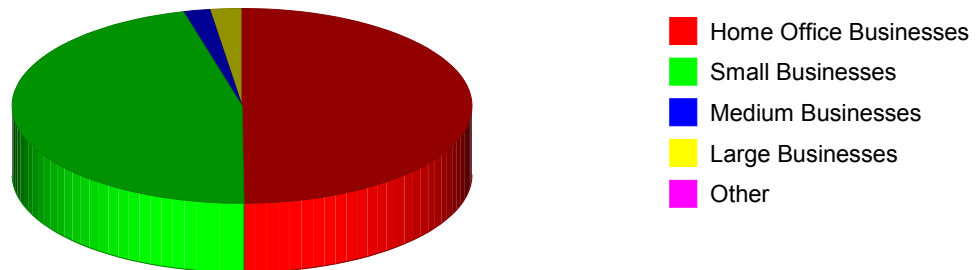
## 4.1 Market Segmentation

The following chart and table reflect the market segmentation for this business. The size and growth numbers are based on US Census data for the local region.

- **Home Office Businesses** - The largest and fastest growing segment, this segment is obviously defined as small businesses that are based primarily out of the owner's home. This is not the same as simple home computer users, which sources warn are NOT a viable market segment for computer consulting.
- **Small Businesses** - Defined by the government as businesses with 1 to 99 employees, this is the second largest and fastest growing segment in Eugene and Lane County.
- **Medium Businesses** - 100 to 499 employees.
- **Large Businesses** - 500 or more employees.

As is obvious in the pie chart, the first two segments comprise the bulk of opportunity for Calico Computer Consulting.

## Market Analysis (Pie)



**Table: Market Analysis**

Market Analysis	Growth	1999	2000	2001	2002	2003	CAGR
Potential Customers							
Home Office Businesses	10%	4,259	4,664	5,107	5,592	6,123	9.50%
Small Businesses	9%	3,931	4,293	4,688	5,119	5,590	9.20%
Medium Businesses	9%	159	173	189	206	225	9.07%
Large Businesses	9%	192	209	227	247	268	8.69%
Other	0%	0	0	0	0	0	0.00%
Total	9.34%	8,541	9,339	10,211	11,164	12,206	9.34%

## 4.2 Target Market Segment Strategy

Entrepreneur Magazine suggests six market segments as a starting point:

- Businesses not using computers
- Small entrepreneurial businesses using one or more computers
- Small to medium sized corps using computers on networks
- Large corps seeking problem-solving assistance (trouble-shooting) with specific projects
- Government agencies, corporations, and other organizations in search of computer training
- Businesses in search of custom computer programming services

Calico Computer Consulting will focus on the top market segments only - an intently focused marketing strategy.

## 4.2.1 Market Needs

According to Entrepreneur Magazine, experts in the consulting industry have identified three different opportunities that exist for computer consultants:

### 1. Temporary Technical Aid

- Short term assignments finding solutions for businesses - this is noted as the largest market

### 2. Specific Skill - the largest area is software specialty, the second largest area

- System setup & purchasing guidance
- Systems reengineering/optimization
- Network Admin
- Training
- Repair
- Database/Application development
- Data Storage
- Disaster Recovery
- Security/Data Protection
- Telecommunications

### 3. Bail-Out (Trouble shooting)

According to Entrepreneur Magazine, private home computer users are NOT a viable market for computer consultants.

## 4.2.2 Market Trends

Three primary market trends seem to be most important in this industry:

- Trend #1 - *most important* - rapid growth in technology, need for continuous upgrades in both hardware and software.
- Trend #2 - *moderately important* - predicted continued growth in consulting/outsourcing - companies being unwilling to pay fixed costs of salaries, choosing instead to treat computer upgrades and repair as variable costs.
- Trend #3 - *least important* - rapid growth in ratio of SOHO businesses to traditional medium sized businesses.

These trends are predicted by industry experts to continue well into the next century.

## 4.2.3 Market Growth

As noted in the previous section, several factors are predicted to continue well into the next decades, not the least of which are the growth rates for this market:

- *Growth rate citation* - Entrepreneur Magazine says that the consulting industry in general will continue to grow at an annual rate of 9.1%
- *Growth rate citation* - Census data for each identified segment in the Lane County area roughly parallel this growth rate.
- *Growth rate citation* - Eugene Chamber of Commerce published data supports the Federal Census data, predicting continued and rapid growth particularly in the small office/home office market segment.

## 4.3 Service Business Analysis

The computer consulting business for the local area is already well established, yet still allows ample opportunity for entry and growth for new participants. This is supported by the following points:

- While there already exists a large number of consultants, there is also a wide range of sizes and specialties. This leaves plenty of opportunity for CCC to find and develop a particular niche.
- Customers in this industry tend to be loyal, relying on the same consultant for future needs once a relationship has been established.
- An analysis of CCC's main competitors shows no overwhelming strengths that would be significant barriers to CCC's success. Likewise, identifying competitor's weaknesses has illuminated several areas that CCC can target as marketing strategies.

In short, this business arena, while no longer brand new, is far from exhausted as an opportunity for a new and aggressive company or sole proprietor. By utilizing a logical and comprehensive marketing approach, CCC should easily find success in the computer consulting business.

### 4.3.1 Business Participants

A search of the local Yellow Pages revealed the following:

- Under the heading **Consultants - Computer & Data Processing** there were a total of four listings
- Under **Computers - Service & Repair** there were 51 total listings, the majority of which seemed to be stores or companies
- Under **Computers - Software & Services** there were 88 total listings. Thirteen of those were large companies such as [name omitted], [name omitted], and [name omitted] (a Portland firm). Sixteen were specialists in accounting software that listed CPA's on their staff.
- Under **Computers - System Designers & Consultants** there were 45 total listings. About half had larger listings and/or company names that implied larger size. Throughout all the listings, only four were clearly listed as individual practitioners. The most unique (and catching) name amongst all listings was "[name omitted]."

The conclusion is that while there a fair number of competitors in the geographic area, they

## Calico Computer Consulting

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are widely specialized and widely sized. Many of the larger participants appear to cater to larger clients, thus leaving plenty of opportunity for Calico Computer Consulting to focus on its chosen market segments.

### 4.3.2 Competition and Buying Patterns

As noted above, the local computer consulting industry is fragmented, with a wide variety of sizes and specialties. Two general factors of competition immediately show up in the analysis:

- The larger competitors seem to be grouped into two main categories: those who provide network expertise to large companies, and those who provide "consulting" service to products they sell.
- Of the smaller sized companies, about half still seemed to favor larger businesses as their clients.

Customer buying patterns also highlight the opportunity for Calico Computer Consulting. While larger companies tend to hire larger consulting firms, the home business/small business owner tends to favor the personal relationship that can develop with the smaller consulting firm. Several small business owners interviewed for this research admitted being intimidated and overwhelmed by the prospect of calling a larger firm to come "rescue them." They much preferred calling a person they already knew for help.

This leads to another very important buying pattern. Customers who have established a relationship with a computer consultant tend to stay very loyal as long as the service and results remain acceptable. This will be critical to the success of a new company like CCC.

### 4.3.3 Main Competitors

Below are examples of a brief analysis of CCC's main competitors.

#### 1. Competitor 1 [name omitted]

- Top strength - A very memorable name that will stick in customer's minds.
- Primary weakness - a focus primarily on one operating system (not used by businesses).

#### 2. Competitor 2 [name omitted]

- Top strength - Longevity and experience, someone who has been in the business locally a long time.
- Primary weakness - Slow response and an unwillingness to take on new customers.

A much more comprehensive discussion of these strategies is presented in Section #.# of the CCC Marketing Plan (written in Marketing Plan Pro).

# Calico Computer Consulting

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## 5.0 Strategy and Implementation Summary

Calico Computer Consulting will focus on the following to establish and grow the business:

- Four main promotion strategies: networking and referrals, web based promotion, traditional media advertising, and some non-traditional promotion methods.
- A value proposition of timely and practical solutions, at a reasonable rate, coupled with a 100% guarantee.
- A competitive edge based on cultivating existing customer relationships.
- A comprehensive and detailed marketing and sales strategy, covered in depth in a separate marketing plan.

## 5.1 Strategy Pyramids

Most of the textbooks and/or experienced business people who contributed to the research for this plan suggested some combination of the following four marketing strategies. These are especially suited for a modern high tech business such as computer consulting.

- Strategy 1 - Networking & Referrals - Using existing contacts and clients to build a larger network of potential clients.
- Strategy 2 - Web promotion - Using a web page to showcase the owner's skills and knowledge, providing an "electronic brochure" as well as useful technical information free of charge.
- Strategy 3 - Advertising - Traditional methods such as Yellow Page ads, newspaper classified and display ads, local television cable access advertisements.
- Strategy 4 - Non-traditional - Creative and unique advertising such as door hangers, bumper stickers, etc.

A much more comprehensive discussion of these strategies is presented in Section #.# of the CCC Marketing Plan (written in Marketing Plan Pro).

## 5.2 Value Proposition

The value proposition offered by Calico Computer Consulting is quite simple: timely and practical solutions for client's computer problems and/or upgrades, all at a very reasonable and competitive rate. Most important, CCC offers a 100% satisfaction guarantee, thus building and retaining the client's confidence.

## 5.3 Competitive Edge

CCC's competitive edge is that the owner already has a significant number of high quality relationships with current and potential clients. In essence, CCC has already overcome the barriers to entry in the consulting field and is simply in the process of formalizing the business.

# Calico Computer Consulting

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## 5.4 Marketing Strategy

The topics below briefly outline the marketing strategy for Calico Computer Consulting. A much more comprehensive discussion of these strategies is presented in Section 3.0 of the CCC Marketing Plan (written in Marketing Plan Pro).

### 5.4.1 Positioning Statement

For the home business/small business owner who needs technical help with their business computers, Calico Computer Consulting provides fast and effective response that gets the business back up and running. Unlike [key competition], CCC offers a 100% satisfaction guarantee.

### 5.4.2 Pricing Strategy

Calico Computer Consulting will adopt a price matching strategy rather than entry pricing. A survey of local consulting businesses revealed the following:

- Hourly Rate Pricing - The average price charged was \$75.00 per hour.
- Retainer Pricing - Based on the expected minimum number of hours per month, the average was \$150.
- Project Pricing - Based on a daily rate (8 hours x \$75.00/hour)

### 5.4.3 Promotion Strategy

The primary promotion strategy for CCC will be directly in line with the strategy pyramids mentioned previously. The lead strategy will be to focus on cultivating existing relationships, using known networking techniques to develop referrals and new customer leads. Added to this will be a blend of web based marketing and traditional public relations and media marketing. The ultimate promotion strategy, however, will be in guaranteeing customer satisfaction: happy customers will generate repeat and new business.

### 5.4.4 Marketing Programs

The most important marketing program for CCC is to get the word out, through a combination of the following:

- Sending a letter of announcement and brochure to all existing contacts and customers.
- Following the well-established steps of a public relations campaign (press releases, announcements, etc.).
- Developing and purchasing "grand opening" announcements in the local news media.

A much more comprehensive discussion of these programs is presented in Section 3.6 of the CCC Marketing Plan (written in Marketing Plan Pro).



# Calico Computer Consulting

## 5.5 Sales Strategy

Sales strategy for Calico Computer Consulting is simple and straightforward: customer satisfaction! Happy customers will be repeat customers, and they will provide referrals to new customers.

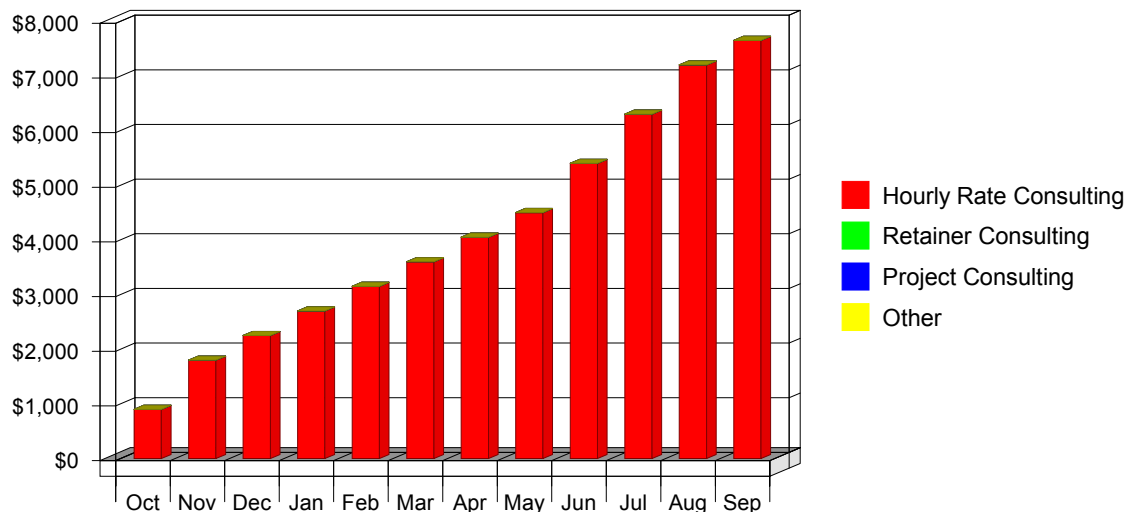
- Sales forecast figures are based on industry figures for the typical growth of a consulting startup and reflect repeat business generated through meeting customer needs.
- Sales programs must be based on the notion that business is driven on customer demand when problems arise. While some business can be generated by soliciting customers to upgrade their systems and software, by and large the bulk of the business will be emergency technical aid.

A much more comprehensive discussion of the sales strategy is presented in Section 3.6 of the CCC Marketing Plan (written in Marketing Plan Pro).

### 5.5.1 Sales Forecast

The sales figures shown below include the projection based solely on hourly rate consulting during the first year of business. Yearly figures for subsequent years include the growth of retainer and project consulting income as business grows.

**Sales Monthly**



# Calico Computer Consulting

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**Table: Sales Forecast**

Sales Forecast			
Unit Sales	2000	2001	2002
Hourly Rate Consulting	660	1,152	1,152
Retainer Consulting	0	5	10
Project Consulting	0	6	12
Other	0	0	0
<b>Total Unit Sales</b>	<b>660</b>	<b>1,163</b>	<b>1,174</b>
Unit Prices			
	2000	2001	2002
Hourly Rate Consulting	\$75.00	\$75.00	\$75.00
Retainer Consulting	\$0.00	\$0.00	\$0.00
Project Consulting	\$0.00	\$600.00	\$600.00
Other	\$0.00	\$0.00	\$0.00
Sales			
	2000	2001	2002
Hourly Rate Consulting	\$49,500	\$86,400	\$86,400
Retainer Consulting	\$0	\$0	\$0
Project Consulting	\$0	\$3,600	\$7,200
Other	\$0	\$0	\$0
<b>Total Sales</b>	<b>\$49,500</b>	<b>\$90,000</b>	<b>\$93,600</b>
Direct Unit Costs			
	2000	2001	2002
Hourly Rate Consulting	\$10.00	\$10.00	\$10.00
Retainer Consulting	\$0.00	\$0.00	\$0.00
Project Consulting	\$0.00	\$79.98	\$79.98
Other	\$0.00	\$0.00	\$0.00
Direct Cost of Sales			
	2000	2001	2002
Hourly Rate Consulting	\$6,598	\$11,517	\$11,517
Retainer Consulting	\$0	\$0	\$0
Project Consulting	\$0	\$480	\$960
Other	\$0	\$0	\$0
<b>Subtotal Direct Cost of Sales</b>	<b>\$6,598</b>	<b>\$11,997</b>	<b>\$12,477</b>

## 5.6 Strategic Alliances

Calico Computer Consulting will need to focus on networking with local computer stores and local business organizations (such as Chamber of Commerce and local SBDC) to develop strategic alliances. Such organizations, which may not be customers in themselves, will be valuable in providing leads to new customers.

## 5.7 Milestones

The milestones listed in the table below outline primarily the tasks needed to develop this business plan and get the start-up business to opening day. The milestones table in the marketing plan will be a more comprehensive listing of the tasks involved in promoting and sustaining CCC's business.

# Calico Computer Consulting

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**Table: Milestones**

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Research the right business	10/1/98	5/1/99	\$0	Owner	N/A
Test assumptions	10/1/98	5/1/99	\$0	Owner	N/A
Improve business mgmt. skills	10/1/98	10/1/99	\$0	Owner	N/A
Determine the right business	5/1/99	6/1/99	\$0	Owner	N/A
Prepare personal financials	5/1/99	7/1/99	\$0	Owner	N/A
Decide on target customers	5/1/99	6/1/99	\$0	Owner	N/A
Know the industry	5/1/99	8/1/99	\$0	Owner	N/A
Decide on location	5/1/99	6/1/99	\$0	Owner	N/A
Select business name	7/1/99	8/1/99	\$0	Owner	N/A
Secure location	7/1/99	8/1/99	\$0	Owner	N/A
Establish business contacts	7/1/99	9/1/99	\$0	Owner	N/A
Expand information base	7/1/99	9/1/99	\$0	Owner	N/A
Choose business form	7/1/99	8/1/99	\$0	Owner	N/A
Establish good information flow	7/1/99	8/1/99	\$0	Owner	N/A
Research demographic info	7/1/99	7/15/99	\$0	Owner	N/A
Establish financial objectives	8/1/99	8/15/99	\$0	Owner	N/A
Establish pricing strategy	8/1/99	9/1/99	\$0	Owner	N/A
Establish sales forecast	8/1/99	8/15/99	\$0	Owner	N/A
Determine capital needs	8/1/99	9/1/99	\$0	Owner	N/A
Prepare marketing plan	9/1/99	9/15/99	\$0	Owner	N/A
Prepare balance sheet	9/1/99	10/1/99	\$0	Owner	N/A
Establish bank relationship	9/1/99	9/15/99	\$0	Owner	N/A
Prepare for opening	9/1/99	9/15/99	\$0	Owner	N/A
Check all systems	9/15/99	10/1/99	\$0	Owner	N/A
Opening final prep	9/15/99	10/1/99	\$0	Owner	N/A
Other					
Totals			\$0		

## 6.0 Management Summary

Since Calico Computer Consulting is a sole proprietorship and this is an internal plan, this topic is moot.

# Calico Computer Consulting

## 7.0 Financial Plan

The following sections include the annual estimates for the standard set of financial tables. Detailed monthly pro-forma tables are included in the appendices.

### 7.1 Important Assumptions

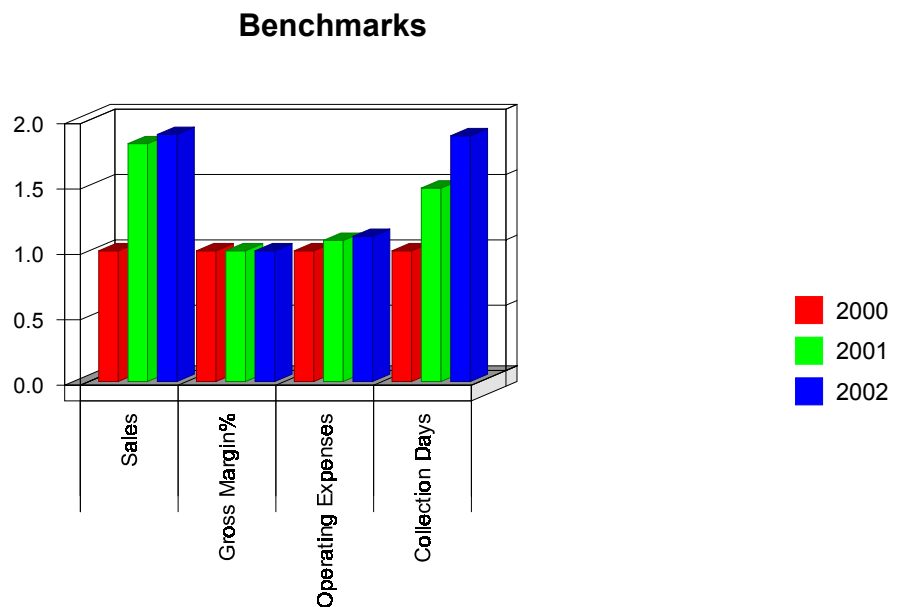
This information is presented in the table below.

**Table: General Assumptions**

General Assumptions	2000	2001	2002
Plan Month	1	2	3
Current 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%
Sales on Credit %	75.00%	75.00%	75.00%
Other	0.00%	0.00%	0.00%
<b>Calculated Totals</b>			
Payroll Expense	\$0	\$0	\$0
Sales on Credit	\$37,125	\$67,500	\$70,200
New Accounts Payable	\$22,932	\$36,262	\$37,653

### 7.2 Key Financial Indicators

This information is presented in the chart below.

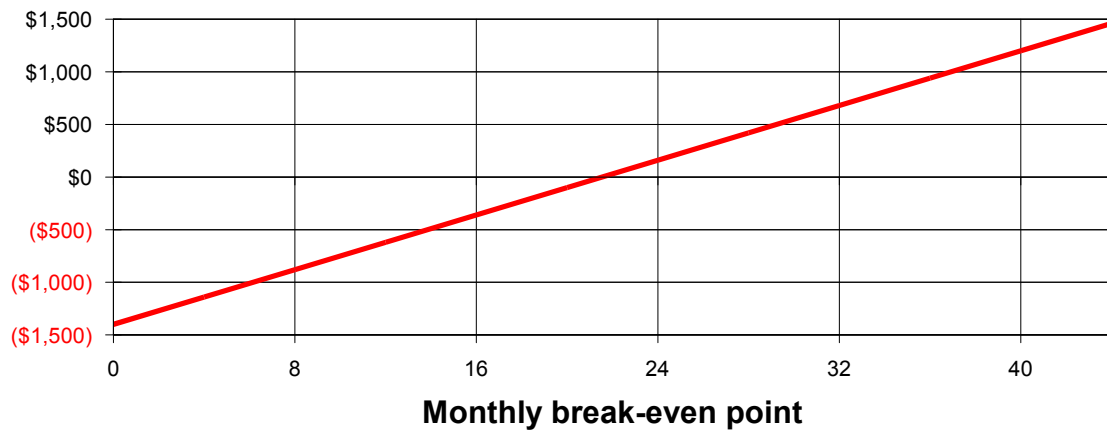


# Calico Computer Consulting

## 7.3 Break-even Analysis

The following table and chart summarize the break-even analysis for Calico Computer Consulting. Fixed costs are minimal, consisting mostly of rent and utilities for the home office. Variable costs are assumed as 13% of sales, an average figure provided by sources within the consulting field.

### Break-even Analysis



Break-even point = where line intersects with 0

#### Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	22
Monthly Revenue Break-even	\$1,615
Assumptions:	
Average Per-Unit Revenue	\$75.00
Average Per-Unit Variable Cost	\$10.00
Estimated Monthly Fixed Cost	\$1,400

## Calico Computer Consulting

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### 7.4 Projected Profit and Loss

This information is presented in the table below.

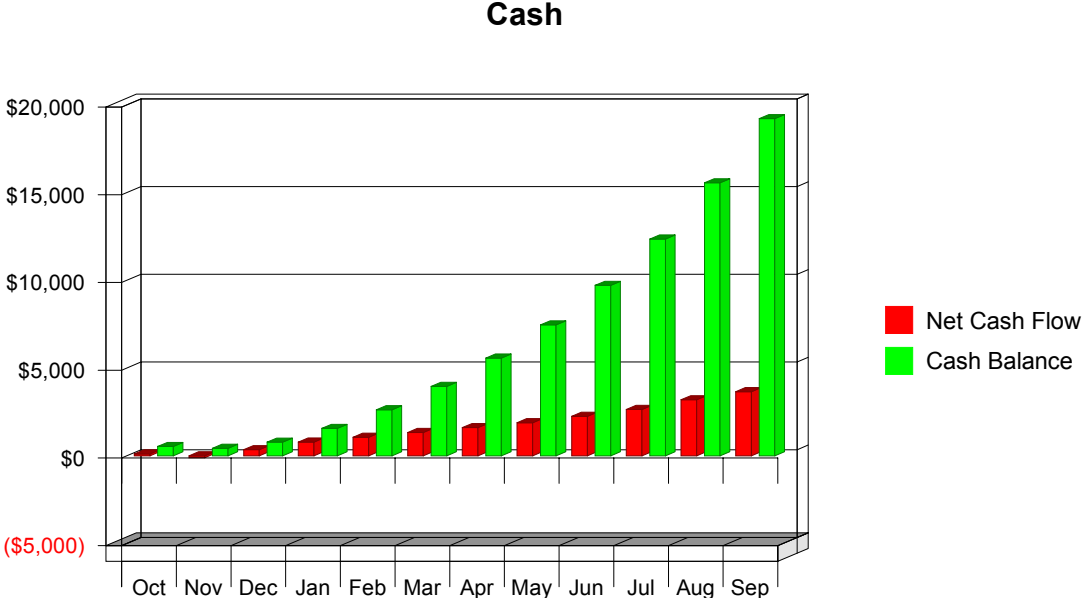
**Table: Profit and Loss**

Pro Forma Profit and Loss	2000	2001	2002
Sales	\$49,500	\$90,000	\$93,600
Direct Cost of Sales	\$6,598	\$11,997	\$12,477
Other	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$6,598	\$11,997	\$12,477
Gross Margin	\$42,902	\$78,003	\$81,123
Gross Margin %	86.67%	86.67%	86.67%
Expenses:			
Payroll	\$0	\$0	\$0
Sales and Marketing and Other Expenses	\$2,475	\$4,500	\$4,680
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Utilities	\$1,500	\$125	\$125
Insurance	\$1,800	\$2,000	\$2,200
Rent	\$5,100	\$5,100	\$5,100
Payroll Taxes	\$0	\$0	\$0
Other	\$0	\$0	\$0
	-----	-----	-----
Total Operating Expenses	\$10,875	\$11,725	\$12,105
Profit Before Interest and Taxes	\$32,027	\$66,278	\$69,018
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$8,007	\$16,570	\$17,255
Net Profit	\$24,020	\$49,709	\$51,764
Net Profit/Sales	48.53%	55.23%	55.30%
Include Negative Taxes	TRUE	TRUE	TRUE

# Calico Computer Consulting

## 7.5 Projected Cash Flow

This information is presented in the chart and table below.



# Calico Computer Consulting

**Table: Cash Flow**

Pro Forma Cash Flow	2000	2001	2002
<b>Cash Received</b>			
<b>Cash from Operations:</b>			
Cash Sales	\$12,375	\$22,500	\$23,400
Cash from Receivables	\$28,868	\$60,744	\$69,599
Subtotal Cash from Operations	\$41,243	\$83,244	\$92,999
<b>Additional Cash Received</b>			
Non Operating (Other) Income	\$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 Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$41,243	\$83,244	\$92,999
<b>Expenditures</b>			
<b>Expenditures from Operations:</b>			
Cash Spending	\$2,548	\$4,029	\$4,184
Payment of Accounts Payable	\$19,896	\$34,498	\$37,469
Subtotal Spent on Operations	\$22,444	\$38,527	\$41,652
<b>Additional Cash Spent</b>			
Non Operating (Other) Expense	\$0	\$0	\$0
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 Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$22,444	\$38,527	\$41,652
<b>Net Cash Flow</b>	<b>\$18,798</b>	<b>\$44,717</b>	<b>\$51,347</b>
<b>Cash Balance</b>	<b>\$19,223</b>	<b>\$63,940</b>	<b>\$115,287</b>



# Calico Computer Consulting

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## 7.6 Projected Balance Sheet

This information is presented in the table below.

**Table: Balance Sheet**

Pro Forma Balance Sheet

Assets			
Current Assets	2000	2001	2002
Cash	\$19,223	\$63,940	\$115,287
Accounts Receivable	\$8,258	\$15,014	\$15,614
Other Current Assets	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$27,481</b>	<b>\$78,954</b>	<b>\$130,901</b>
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$27,481</b>	<b>\$78,954</b>	<b>\$130,901</b>
Liabilities and Capital			
	2000	2001	2002
Accounts Payable	\$3,036	\$4,800	\$4,984
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$3,036</b>	<b>\$4,800</b>	<b>\$4,984</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$3,036</b>	<b>\$4,800</b>	<b>\$4,984</b>
Paid-in Capital	\$2,050	\$2,050	\$2,050
Retained Earnings	(\$1,625)	\$22,395	\$72,103
Earnings	\$24,020	\$49,709	\$51,764
<b>Total Capital</b>	<b>\$24,445</b>	<b>\$74,153</b>	<b>\$125,917</b>
<b>Total Liabilities and Capital</b>	<b>\$27,481</b>	<b>\$78,954</b>	<b>\$130,901</b>
<b>Net Worth</b>	<b>\$24,445</b>	<b>\$74,153</b>	<b>\$125,917</b>

## 7.7 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 7379, Computer Related Services, are shown for comparison.

# Calico Computer Consulting

**Table: Ratios**

Ratio Analysis	2000	2001	2002	Industry Profile
Sales Growth	0.00%	81.82%	4.00%	7.20%
<b>Percent of Total Assets</b>				
Accounts Receivable	30.05%	19.02%	11.93%	21.70%
Inventory	0.00%	0.00%	0.00%	3.50%
Other Current Assets	0.00%	0.00%	0.00%	46.70%
Total Current Assets	100.00%	100.00%	100.00%	71.90%
Long-term Assets	0.00%	0.00%	0.00%	28.10%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.00%	0.00%	0.00%	51.40%
Long-term Liabilities	0.00%	0.00%	0.00%	19.10%
Total Liabilities	0.00%	0.00%	0.00%	70.50%
Net Worth	100.00%	100.00%	100.00%	29.50%
<b>Percent of Sales</b>				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	86.67%	86.67%	86.67%	0.00%
Selling, General & Administrative Expenses	38.14%	31.44%	31.37%	80.70%
Advertising Expenses	5.00%	5.00%	5.00%	1.20%
Profit Before Interest and Taxes	64.70%	73.64%	73.74%	1.70%
<b>Main Ratios</b>				
Current	9.05	16.45	26.26	1.27
Quick	9.05	16.45	26.26	1.01
Total Debt to Total Assets	11.05%	6.08%	3.81%	70.50%
Pre-tax Return on Net Worth	131.02%	89.38%	54.81%	3.50%
Pre-tax Return on Assets	116.54%	83.95%	52.73%	11.80%
<b>Business Vitality Profile</b>				
	1999	2000	2001	Industry
Sales per Employee	\$0	\$0	\$0	\$125,971
Survival Rate				58.18%
<b>Additional Ratios</b>				
	2000	2001	2002	
Net Profit Margin	48.53%	55.23%	55.30%	n.a
Return on Equity	98.26%	67.03%	41.11%	n.a
<b>Activity Ratios</b>				
Accounts Receivable Turnover	4.50	4.50	4.50	n.a
Collection Days	42	63	80	n.a
Inventory Turnover	0.00	0.00	0.00	n.a
Accounts Payable Turnover	7.55	7.55	7.55	n.a
Payment Days	27	473	569	
Total Asset Turnover	1.80	1.14	0.72	n.a
<b>Debt Ratios</b>				
Debt to Net Worth	0.12	0.06	0.04	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
<b>Liquidity Ratios</b>				
Net Working Capital	\$24,445	\$74,153	\$125,917	n.a
Interest Coverage	0.00	0.00	0.00	n.a
<b>Additional Ratios</b>				
Assets to Sales	0.56	0.88	1.40	n.a
Current Debt/Total Assets	11%	6%	4%	n.a
Acid Test	6.33	13.32	23.13	n.a
Sales/Net Worth	2.02	1.21	0.74	n.a
Dividend Payout	0.00	0.00	0.00	n.a

# Appendix

**Appendix Table: Sales Forecast**

Sales Forecast												
Unit Sales	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hourly Rate Consulting	12	24	30	36	42	48	54	60	72	84	96	102
Retainer Consulting	0	0	0	0	0	0	0	0	0	0	0	0
Project Consulting	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unit Sales</b>	<b>12</b>	<b>24</b>	<b>30</b>	<b>36</b>	<b>42</b>	<b>48</b>	<b>54</b>	<b>60</b>	<b>72</b>	<b>84</b>	<b>96</b>	<b>102</b>
Unit Prices	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hourly Rate Consulting	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Retainer Consulting	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Project Consulting	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hourly Rate Consulting	\$900	\$1,800	\$2,250	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500	\$5,400	\$6,300	\$7,200	\$7,650
Retainer Consulting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Consulting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Sales</b>	<b>\$900</b>	<b>\$1,800</b>	<b>\$2,250</b>	<b>\$2,700</b>	<b>\$3,150</b>	<b>\$3,600</b>	<b>\$4,050</b>	<b>\$4,500</b>	<b>\$5,400</b>	<b>\$6,300</b>	<b>\$7,200</b>	<b>\$7,650</b>
Direct Unit Costs	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hourly Rate Consulting	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Retainer Consulting	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Project Consulting	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98	\$79.98
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Direct Cost of Sales	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Hourly Rate Consulting	\$120	\$240	\$300	\$360	\$420	\$480	\$540	\$600	\$720	\$840	\$960	\$1,020
Retainer Consulting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Consulting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Direct Cost of Sales</b>	<b>\$120</b>	<b>\$240</b>	<b>\$300</b>	<b>\$360</b>	<b>\$420</b>	<b>\$480</b>	<b>\$540</b>	<b>\$600</b>	<b>\$720</b>	<b>\$840</b>	<b>\$960</b>	<b>\$1,020</b>

# Appendix

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## Appendix Table: Personnel

Personnel Plan	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Name or title	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

# Appendix

**Appendix Table: General Assumptions**

General Assumptions	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
	1	2	3	4	5	6	7	8	9	10	11	12
Plan Month												
Current 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%
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%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Calculated Totals</b>												
Payroll Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales on Credit	\$675	\$1,350	\$1,688	\$2,025	\$2,363	\$2,700	\$3,038	\$3,375	\$4,050	\$4,725	\$5,400	\$5,738
New Accounts Payable	\$786	\$1,100	\$1,257	\$1,414	\$1,571	\$1,728	\$1,885	\$2,042	\$2,356	\$2,669	\$2,983	\$3,140

# Appendix

## Appendix Table: Profit and Loss

### Pro Forma Profit and Loss

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Sales	\$900	\$1,800	\$2,250	\$2,700	\$3,150	\$3,600	\$4,050	\$4,500	\$5,400	\$6,300	\$7,200	\$7,650
Direct Cost of Sales	\$120	\$240	\$300	\$360	\$420	\$480	\$540	\$600	\$720	\$840	\$960	\$1,020
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$120</b>	<b>\$240</b>	<b>\$300</b>	<b>\$360</b>	<b>\$420</b>	<b>\$480</b>	<b>\$540</b>	<b>\$600</b>	<b>\$720</b>	<b>\$840</b>	<b>\$960</b>	<b>\$1,020</b>
Gross Margin	\$780	\$1,560	\$1,950	\$2,340	\$2,730	\$3,120	\$3,510	\$3,900	\$4,680	\$5,460	\$6,240	\$6,630
Gross Margin %	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%	86.67%
Expenses:												
Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales and Marketing and Other Expenses	\$45	\$90	\$113	\$135	\$158	\$180	\$203	\$225	\$270	\$315	\$360	\$383
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Insurance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Rent	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425	\$425
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$745</b>	<b>\$790</b>	<b>\$813</b>	<b>\$835</b>	<b>\$858</b>	<b>\$880</b>	<b>\$903</b>	<b>\$925</b>	<b>\$970</b>	<b>\$1,015</b>	<b>\$1,060</b>	<b>\$1,083</b>
Profit Before Interest and Taxes	\$35	\$770	\$1,138	\$1,505	\$1,873	\$2,240	\$2,608	\$2,975	\$3,710	\$4,445	\$5,180	\$5,548
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$9	\$193	\$284	\$376	\$468	\$560	\$652	\$744	\$928	\$1,111	\$1,295	\$1,387
Net Profit	\$26	\$578	\$853	\$1,129	\$1,404	\$1,680	\$1,956	\$2,231	\$2,783	\$3,334	\$3,885	\$4,161
Net Profit/Sales	2.92%	32.09%	37.92%	41.81%	44.59%	46.67%	48.29%	49.59%	51.53%	52.92%	53.96%	54.39%
Include Negative Taxes												

## Appendix

### Appendix Table: Cash Flow

Pro Forma Cash Flow	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Cash Received</b>												
<b>Cash from Operations:</b>												
Cash Sales	\$225	\$450	\$563	\$675	\$788	\$900	\$1,013	\$1,125	\$1,350	\$1,575	\$1,800	\$1,913
Cash from Receivables	\$0	\$360	\$1,035	\$1,530	\$1,868	\$2,205	\$2,543	\$2,880	\$3,218	\$3,735	\$4,410	\$5,085
Subtotal Cash from Operations	\$225	\$810	\$1,598	\$2,205	\$2,655	\$3,105	\$3,555	\$4,005	\$4,568	\$5,310	\$6,210	\$6,998
<b>Additional Cash Received</b>												
Non Operating (Other) Income	\$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 Current 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
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$225	\$810	\$1,598	\$2,205	\$2,655	\$3,105	\$3,555	\$4,005	\$4,568	\$5,310	\$6,210	\$6,998
<b>Expenditures</b>												
<b>Expenditures from Operations:</b>												
Cash Spending	\$87	\$122	\$140	\$157	\$175	\$192	\$209	\$227	\$262	\$297	\$331	\$349
Payment of Accounts Payable	\$26	\$797	\$1,105	\$1,262	\$1,419	\$1,576	\$1,733	\$1,890	\$2,052	\$2,366	\$2,680	\$2,989
Subtotal Spent on Operations	\$114	\$919	\$1,245	\$1,419	\$1,594	\$1,768	\$1,943	\$2,117	\$2,314	\$2,663	\$3,011	\$3,337
<b>Additional Cash Spent</b>												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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 Current 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
Subtotal Cash Spent	\$114	\$919	\$1,245	\$1,419	\$1,594	\$1,768	\$1,943	\$2,117	\$2,314	\$2,663	\$3,011	\$3,337
Net Cash Flow	\$111	(\$109)	\$352	\$786	\$1,061	\$1,337	\$1,612	\$1,888	\$2,254	\$2,647	\$3,199	\$3,660
Cash Balance	\$536	\$427	\$780	\$1,565	\$2,626	\$3,963	\$5,576	\$7,464	\$9,717	\$12,364	\$15,563	\$19,223

## Appendix

### Appendix Table: Balance Sheet

#### Pro Forma Balance Sheet

Assets	Starting Balances	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Current Assets</b>													
Cash	\$425	\$536	\$427	\$780	\$1,565	\$2,626	\$3,963	\$5,576	\$7,464	\$9,717	\$12,364	\$15,563	\$19,223
Accounts Receivable	\$0	\$675	\$1,665	\$2,318	\$2,813	\$3,308	\$3,803	\$4,298	\$4,793	\$5,625	\$6,615	\$7,605	\$8,258
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$425</b>	<b>\$1,211</b>	<b>\$2,092</b>	<b>\$3,097</b>	<b>\$4,378</b>	<b>\$5,934</b>	<b>\$7,766</b>	<b>\$9,873</b>	<b>\$12,256</b>	<b>\$15,342</b>	<b>\$18,979</b>	<b>\$23,168</b>	<b>\$27,481</b>
<b>Long-term Assets</b>													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$425</b>	<b>\$1,211</b>	<b>\$2,092</b>	<b>\$3,097</b>	<b>\$4,378</b>	<b>\$5,934</b>	<b>\$7,766</b>	<b>\$9,873</b>	<b>\$12,256</b>	<b>\$15,342</b>	<b>\$18,979</b>	<b>\$23,168</b>	<b>\$27,481</b>
<b>Liabilities and Capital</b>													
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Accounts Payable	\$0	\$760	\$1,064	\$1,215	\$1,367	\$1,519	\$1,670	\$1,822	\$1,974	\$2,277	\$2,581	\$2,884	\$3,036
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$760</b>	<b>\$1,064</b>	<b>\$1,215</b>	<b>\$1,367</b>	<b>\$1,519</b>	<b>\$1,670</b>	<b>\$1,822</b>	<b>\$1,974</b>	<b>\$2,277</b>	<b>\$2,581</b>	<b>\$2,884</b>	<b>\$3,036</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$760</b>	<b>\$1,064</b>	<b>\$1,215</b>	<b>\$1,367</b>	<b>\$1,519</b>	<b>\$1,670</b>	<b>\$1,822</b>	<b>\$1,974</b>	<b>\$2,277</b>	<b>\$2,581</b>	<b>\$2,884</b>	<b>\$3,036</b>
Paid-in Capital	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050
Retained Earnings	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)	(\$1,625)
Earnings	\$0	\$26	\$604	\$1,457	\$2,586	\$3,990	\$5,670	\$7,626	\$9,857	\$12,640	\$15,974	\$19,859	\$24,020
<b>Total Capital</b>	<b>\$425</b>	<b>\$451</b>	<b>\$1,029</b>	<b>\$1,882</b>	<b>\$3,011</b>	<b>\$4,415</b>	<b>\$6,095</b>	<b>\$8,051</b>	<b>\$10,282</b>	<b>\$13,065</b>	<b>\$16,399</b>	<b>\$20,284</b>	<b>\$24,445</b>
<b>Total Liabilities and Capital</b>	<b>\$425</b>	<b>\$1,211</b>	<b>\$2,092</b>	<b>\$3,097</b>	<b>\$4,378</b>	<b>\$5,934</b>	<b>\$7,766</b>	<b>\$9,873</b>	<b>\$12,256</b>	<b>\$15,342</b>	<b>\$18,979</b>	<b>\$23,168</b>	<b>\$27,481</b>
<b>Net Worth</b>	<b>\$425</b>	<b>\$451</b>	<b>\$1,029</b>	<b>\$1,882</b>	<b>\$3,011</b>	<b>\$4,415</b>	<b>\$6,095</b>	<b>\$8,051</b>	<b>\$10,282</b>	<b>\$13,065</b>	<b>\$16,399</b>	<b>\$20,284</b>	<b>\$24,445</b>