Corporate Software Sales

December 2000

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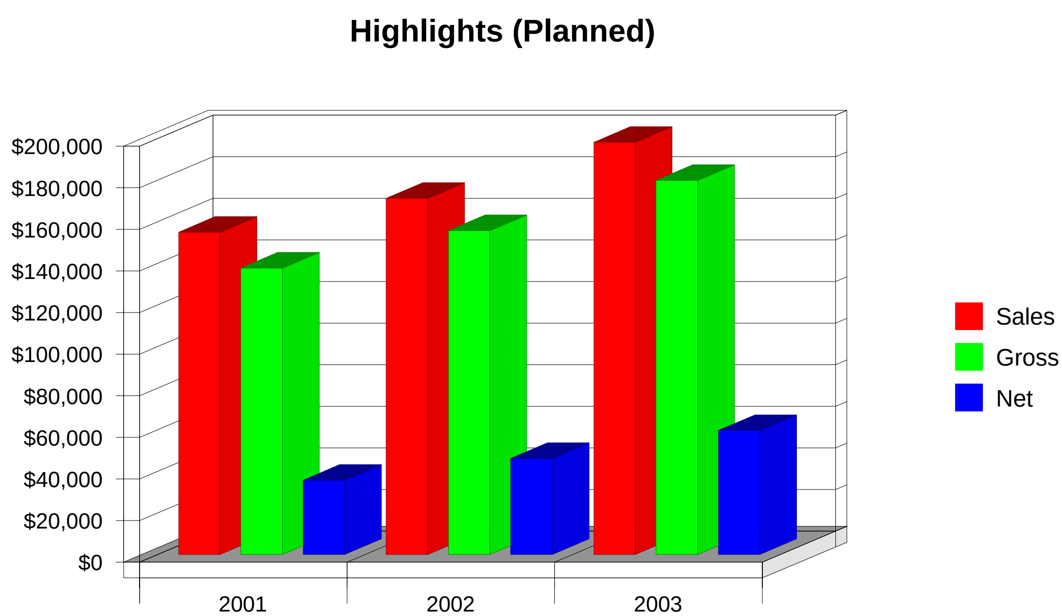
1.0 Executive Summary

This business plan outlines the strategy for sales of enterprise software planning solutions to medium-sized companies and franchises. Corporate Software Sales (CSS) will act as the direct sales arm of a software manufacturing firm based in Oregon. We expect a high degree of profitability based on our plan to key in on businesses that have already expressed the need for such services and products to the software manufacturer. Our management expertise in dealing with corporate decision makers and our partner's reputation will be the cornerstone of our success.



1.1 Objectives

- Market a business planning software package to corporate managers and achieve $60K in commission fees in year one.
- Customize the software to the individual needs of each client.
- Provide training and follow-up service to each client.

1.2 Mission

The employees of CSS recognize that information is vital for management and presenting that information in an efficient and easily understood framework is crucial. Also, not every business manager requires similar tools; what works for a service based company might be useless for a manufacturer. That's why we market an already proven third-party software planning tool which we will customize to the client's individual needs. Although we recognize the intimate relationship between profitability and quality products, we know that our success is ultimately dependent on the well-being of our employees.

1.3 Keys to Success

The success of our company is dependent on our ability to:

- Anticipate clients needs.
- Adapt software solutions to these needs.
- Identify industries/corporations that need planning tools.

2.0 Company Summary

CSS provides enterprise-corporate planning software solutions. We identify companies' planning needs and work with a third-party manufacturer to create software to address these needs. Although the actual software is produced out-of-house, we guarantee the customer the right solution.

2.1 Start-up Summary

Start-up costs, which cover phone calls, office furniture, letterhead and business cards come to $3,050. These costs will either be financed by owner investment or through financing from the software manufacturing partner. Details and assumptions are summarized in the following chart and table.

Start-up

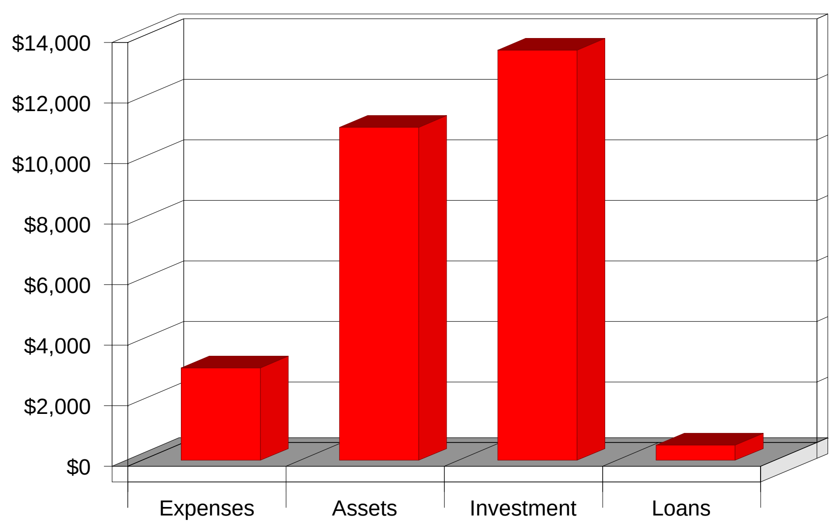


Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	$300
Stationery etc.	$250
Brochures	$0
Consultants	$0
Insurance	$1,000
Rent	$0
Research and development	$0
Expensed equipment	$1,500
Other	$0
Total Start-up Expense	$3,050
Start-up Assets Needed	
Cash Requirements	$11,000
Other Short-term Assets	$0
Total Short-term Assets	$11,000
Long-term Assets	$0
Total Assets	$11,000
Total Requirements	$14,050
Funding	
Investment	
Investor 1	$9,000
Investor 2	$4,550
Other	$0
Total Investment	$13,550
Short-term Liabilities	
Unpaid Expenses	$500
Short-term Loans	$0
Interest-free Short-term Loans	$0
Subtotal Short-term Liabilities	$500
Long-term Liabilities	$0
Total Liabilities	$500
Loss at Start-up	($3,050)
Total Capital	$10,500
Total Capital and Liabilities	$11,000

2.2 Company Locations and Facilities

The company will be located in a home-based office in Portland, Oregon. This location is ideal, as it is close to the software manufacturer's facilities and several of the first potential clients' home offices.

3.0 Products and Services

CSS will provide medium- and large-sized companies with enterprise-wide collaborative planning solutions. We will also provide consulting services by helping companies recognize opportunities for using technology to streamline their business processes. Finally, we will provide complete training for the use of solutions purchased from us.

3.1 Product and Service Description

Software
CSS software products consist of a business planning software package that is proven in the consumer market. In fact, this product is the top-rated and best-selling small business planning package. The enterprise version will be similar to the consumer version however, it will be modified to fit the needs of different clients. The product will allow corporate sales forces and franchises to use planning tools to achieve tremendous efficiencies in their business processes. In essence, a sales force will be able to write concise business plans for any customer and through the use of an extranet, allow the customer to collaboratively plan their own account. Franchises will be able to create a road map of their business plans that corporate managers can monitor and adjust accordingly. The possibility exists to customize the product to work with other collaborative tools such as LotusNotes and the clients email applications.

Consulting
CSS will perform an analysis of all potential clients' planning strategies and tactics as well as their degree of aptitude with planning software and information technology. The goal of this analysis is to ensure that all clients get a solution that best fits their needs and capabilities. Whether they decide to purchase the product or not they will have an expert analysis of their planning strategies.

Training
CSS will provide further value to our customers, and ease the customer service burden on our partner, by ensuring that all product users are properly trained in the use of all software solutions.

Interface
Through the software manufacturer, CSS will provide an additional product which will give the client a dedicated service representative--eliminating the need for product updates. This will in essence create a "living" product which can grow and adapt with the clients' needs. The interface representative will function through the clients' established extranet.

3.2 Competitive Comparison

Alternative products do not offer a complete package of tools. For example, to get similar results from another product(s) the client would have to integrate complex spreadsheets, word processing software, instructions and Web based collaboration themselves.

3.3 Technology

The software package runs on Windows 95, 98, 2000, Windows NT, and Macintosh platforms.

4.0 Market Analysis Summary

We operate in the business-to-business segment of e-commerce which recent research estimates transactions in excess of $160 billion (www.e-commerceguide.com). Our market is further segmented into companies with sales forces greater than 100 people and companies with branches, divisions or franchises in excess of 100 units.

4.1 Market Segmentation

We segment our market by size of sales force and number of company subunits. Our target customers will have sales operations in excess of 100 direct sales representatives or more than 100 organizational subdivisions or franchises. For the first three years of operation we will focus on U.S. companies in the Pacific Northwest, California and the Southwest. Geographically this make sense as our office is central to these regions and management has established key client contacts in each of these areas. Larger clients are more likely to benefit from the efficiencies our product offers and will provide fees that will sustain our profitability. Exact figures for the number of businesses are hard to determine, however, the lean structure of our company will allow us to be profitable by generating two to three new clients per year.

Market Analysis (Pie)

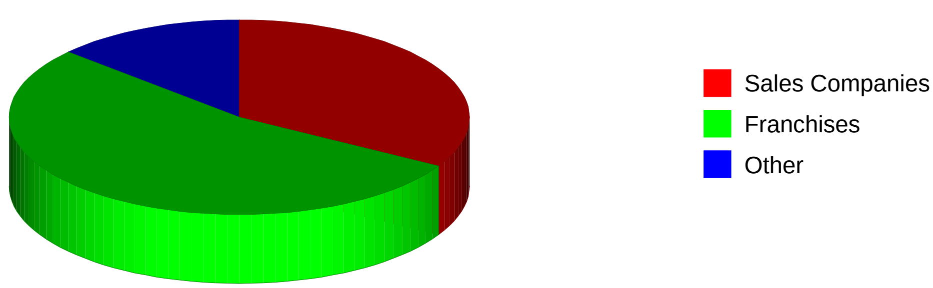


Table: Market Analysis

Market Analysis							
Potential Customers	Growth	2000	2001	2002	2003	2004	CAGR
Sales Companies	3%	500	515	530	546	562	2.97%
Franchises	2%	800	812	824	836	849	1.50%
Other	5%	200	210	221	232	244	5.10%
Total	2.49%	1,500	1,537	1,575	1,614	1,655	2.49%

4.2 Target Market Segment Strategy

Our strategy is designed to target:

- Medium- to large-size organizations whose sales forces provide their clients with proposals and plans that the client either collaborates on, or would benefit from collaboration.
- Companies that sell franchise rights and take an active role in the success of their franchises.
- Larger clients that will provide greater revenues through a larger volume of software licensing sales and greater chance of selling client interface solution.

4.2.1 Market Needs

Customization-products that strengthen their brand and address their differences:

- We will "Private Label" the solution so as to further strengthen the clients' brand.
- We recognize that different clients will have varying levels of sophistication and we will design different product templates for each customer.

Speed, efficiency and information:

- Our product will allow the client to make better and faster business decisions and receive quicker feedback from their end-customer.
- Managers will have the ability to monitor the progress and profitability of their staff.

4.2.2 Market Trends

The most significant trend affecting our company is the growth of business-to-business e-commerce. More and more firms recognize the need to take advantage of the exchange of information over the Internet and our products and services rely on this.

4.2.3 Market Growth

The fastest growing segment of the e-commerce industry is the business-to-business sector. This segment has gone from less than $50 billion to more than $160 billion in three years.

4.3 Competition and Buying Patterns

Customers tend to buy enterprise software solutions based on reputation, price and reliability. Also, compatibility with existing or legacy systems is very important. With this in mind, the key decision makers and influencer(s) will be the companies' chief financial officer and chief information officer.

4.3.1 Main Competitors

There are currently several companies that provide business planning software for desktop applications, but as yet none of these offer enterprise-wide solutions. Additional competitors are companies which provide word processing, spreadsheet and collaborative planning software, as well as publishers of business planning literature.

5.0 Strategy and Implementation Summary

Various strategy/and implementation topics are discussed in the following sections.

5.1 Competitive Edge

Our greatest strength and competitive edge is the reputation and success of the desktop software product. This product is the market leader in sales and consumer ratings. Our success will rely upon building on those strengths. We will also rely on our experience working with decision makers at the corporate level.

5.2 Marketing Strategy

We will first target the corporate offices of franchises with more than 100 units, and companies with sales forces in excess of 100 personnel. The software manufacturer has already provided the names and contact information for several firms which fit this profile. These firms have approached the software manufacturer about enterprise solutions in the past. The software firm has also provided a list of larger businesses that purchased an executive version of their desktop product. We will contact these firms with the idea of helping them take this planning tool to the next level.

Management of CSS has business contacts at the decision maker level for several more prospects as well. These will be our secondary targets.

Tertiary targets will come from lists of firms fitting the above criteria which management has generated through Web-based market research efforts. Tactics for approaching these prospects will be indirect, i.e., we will contact sales managers and/or franchisees to establish whether the firm fits our profile and then probe for upper or middle level management contact information. We will attempt to establish a face-to-face meeting with decision makers (CFO, CIO, COO) where we will present a proposal tailored to their needs. If possible, we will also have this proposal reside on an extranet so that the client can modify the proposal and see first-hand how the product and service work.

5.2.1 Pricing Strategy

This is an expensive solution to develop and maintain, and the price will reflect the premium quality of the offering. Set-up costs to the client will run between $100K-$200K. The dedicated service option is approximately $5K/year. Software licenses are $100/year.

5.3 Sales Forecast

Our sales consist of two services--consulting and training, and one product-the software/extranet package (called start-up sales). Our services provide a fraction of the revenue we will receive for the software/extranet solution, but they will sustain our cash flow needs while we develop the enterprise sales. Sales of consulting, training and product are predicted to grow at 30%, 20% and 10% respectively. Costs associated with these sales are estimated at 10% for start-up sales, 40% for consulting fees and 50% for training. We expect these costs to decrease two, five, and ten percentage points respectively in years two and three.

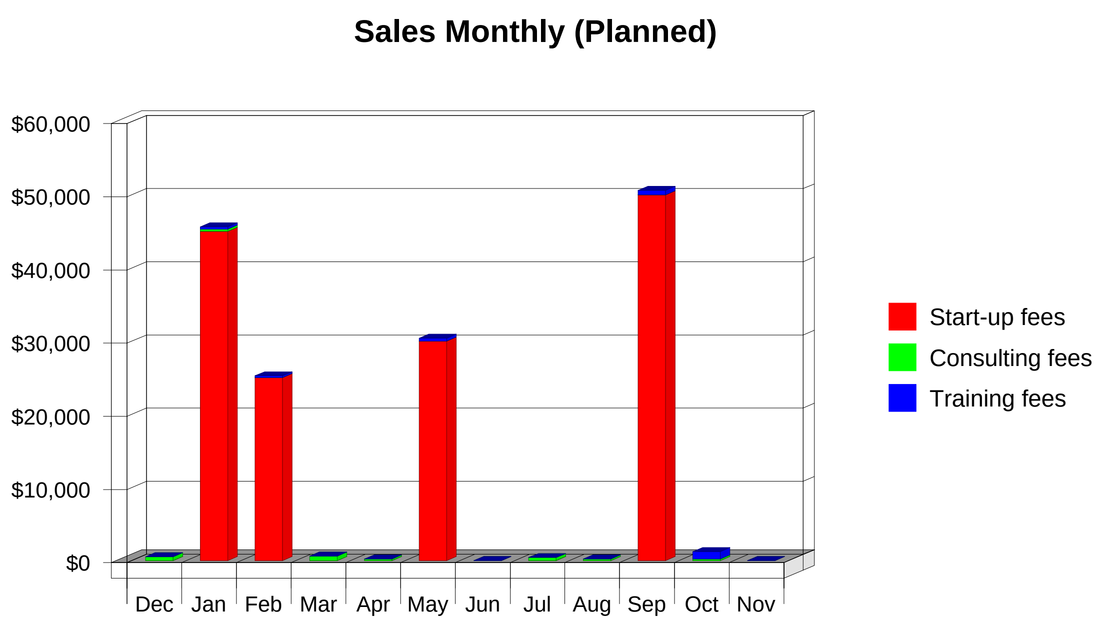


Table: Sales Forecast (Planned)

Sales Forecast			
Sales	2001	2002	2003
Start-up fees	$150,000	$165,000	$189,750
Consulting fees	$2,400	$3,120	$4,368
Training fees	$2,550	$3,060	$3,978
Total Sales	$154,950	$171,180	$198,096
Direct Cost of Sales	2001	2002	2003
Start-up fees	$15,000	$13,200	$15,180
Consulting fees	$960	$1,092	$1,529
Training fees	$1,275	$1,224	$1,591
Subtotal Direct Cost of Sales	$17,235	$15,516	$18,300

6.0 Management Team

Ronald Ivanhoe, 33, founded the company in September of 2000 to take advantage of a partnership opportunity with a highly successful Pacific NW software company. He has an MBA in marketing and e-commerce from the University of Arizona, and has designed numerous successful business plans for companies in the manufacturing, e-commerce and entertainment sectors. He consults with insurance brokers, e-commerce, and manufacturing companies in marketing strategies. He has lived in Asia for five years, speaks Japanese fluently and currently resides in Portland, OR.

6.1 Personnel Plan

Payroll expenses reflect the salary of Mr. Ivanhoe.

Table: Personnel (Planned)

Personnel Plan	2001	2002	2003
Payroll	$80,000	$85,000	$90,000

7.0 Financial Plan

The most crucial issue affecting our financial plan is the receipt of start-up fees for the customization and installation of the software and extranet solution. This drives our cash flow, and all other aspects of our operation.

7.1 Important Assumptions

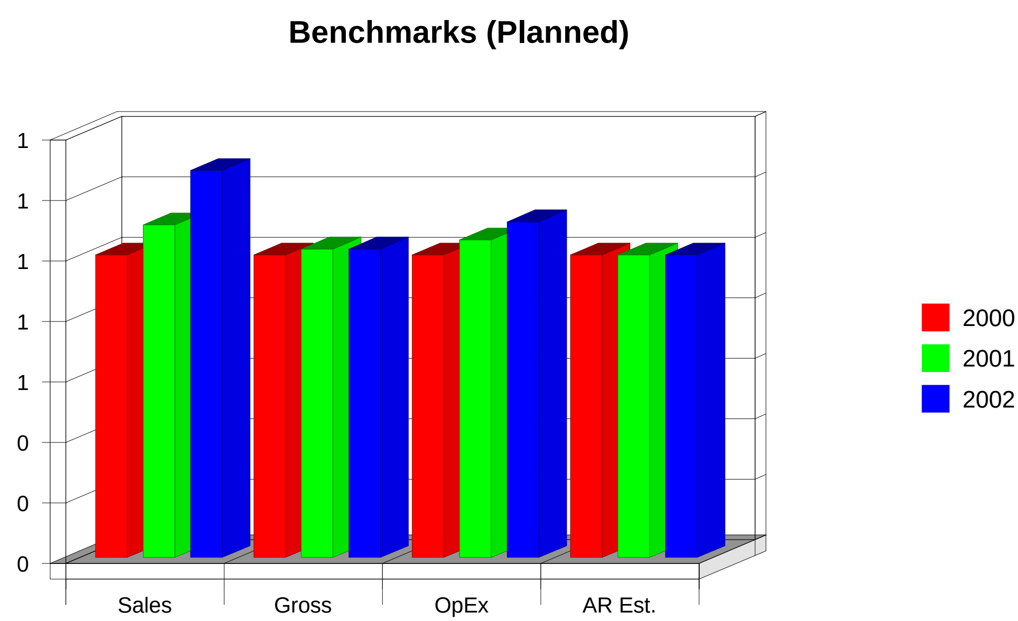
This table summarizes the general assumptions used to project our balance sheet.

Table: General Assumptions

General Assumptions	2001	2002	2003
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	8.00%	8.00%	8.00%
Tax Rate %	25.00%	25.00%	25.00%
Expenses in Cash %	40.00%	40.00%	40.00%
Sales on Credit %	50.00%	50.00%	50.00%
Personnel Burden %	0.00%	0.00%	0.00%

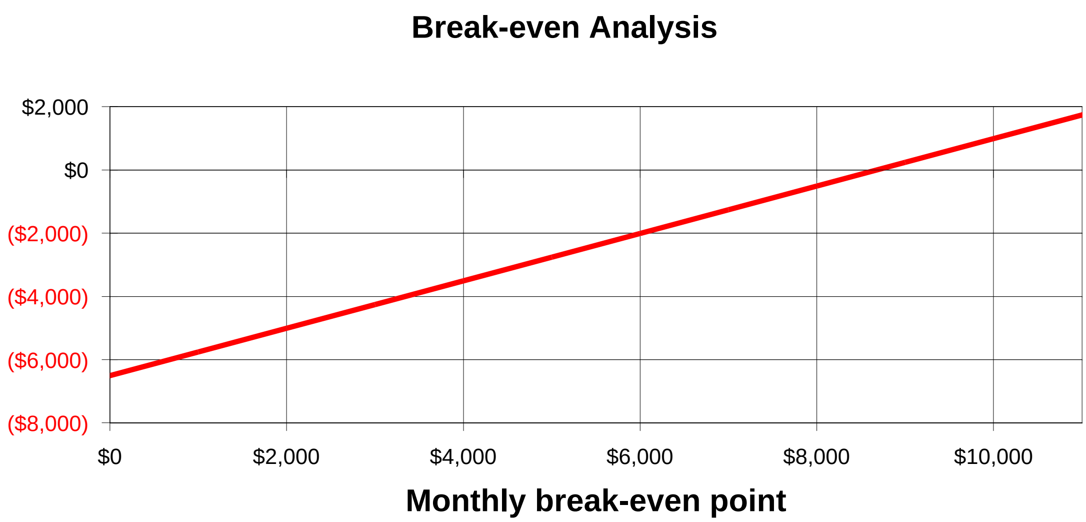
7.2 Key Financial Indicators

The chart below shows the relative relationships, year-to-year, of four business indicators; sales, gross margin, operating expenses, collection days of accounts receivable.



7.3 Break-even Analysis

We include salary and fixed overhead as fixed costs above and beyond start-up costs. This requires a break-even in sales/month for year one of $8,680.



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	8,680
Monthly Sales Break-even	$8,680
Assumptions:	
Average Per-Unit Revenue	$1.00
Average Per-Unit Variable Cost	$0.25
Estimated Monthly Fixed Cost	$6,510

7.4 Projected Profit and Loss

Monthly P&L fluctuate drastically due to the work required before a sale is closed. One to two months prior to closing a sale, we will incur travel costs and other miscellaneous expenses associated with our consulting service. Expenses are approximately 40% of fees. Set-up costs to the client (our commission), drive revenue in the period a sale is made, as do training fees. Associated direct costs are 10% and 50% respectively; however, as we anticipate a learning curve in training costs, these decrease to a flat rate in year two of eight percent. The direct cost of start-up fees is our major expense. As the client prepares to go live with the product, we will need to travel more frequently to the site, bring in their key end-customers, and travel to the manufacturer more frequently as well. We have anticipated that start-up fees will grow 10% in year two and 15% in year three. Consulting fees are projected to grow at a steady rate of 20% and training fees at 30%. As a result, net profit is projected to grow at a conservative and realistic three percent for the first three years.

Table: Profit and Loss (Planned)

Pro Forma Profit and Loss	2001	2002	2003
Sales	$154,950	$171,180	$198,096
Direct Cost of Sales	$17,235	$15,516	$18,300
Other	$0	$0	$0
	------------	------------	------------
Total Cost of Sales	$17,235	$15,516	$18,300
Gross Margin	$137,715	$155,664	$179,796
Gross Margin %	88.88%	90.94%	90.76%
Operating Expenses:			
Advertising/Promotion	$0	$0	$0
Travel	$4,000	$5,000	$6,000
Miscellaneous	$0	$0	$0
Payroll Expense	$80,000	$85,000	$90,000
Payroll Burden	$0	$0	$0
Depreciation	$0	$0	$0
Leased Equipment	$0	$0	$0
Utilities	$480	$0	$0
Insurance	$1,440	$0	$0
Rent	$4,200	$4,200	$4,350
Contract/Consultants	$0	$0	$0
	------------	------------	------------
Total Operating Expenses	$90,120	$94,200	$100,350
Profit Before Interest and Taxes	$47,595	$61,464	$79,446
Interest Expense Short-term	$0	$0	$0
Interest Expense Long-term	$0	$0	$0
Taxes Incurred	$11,899	$15,366	$19,862
Extraordinary Items	$0	$0	$0
Net Profit	$35,696	$46,098	$59,585
Net Profit/Sales	23.04%	26.93%	30.08%

7.5 Projected Cash Flow

Our cash flow assumptions are dependent on the start-up fee. We will receive 15-20% of the total fee in commission. Historical values of start-up fees are from $150K to $200K and the accounts have taken from one to four months to close. Conservative estimates lead us to believe that we can attain sales revenue from start-up fees of between $135K and $240K in year one.

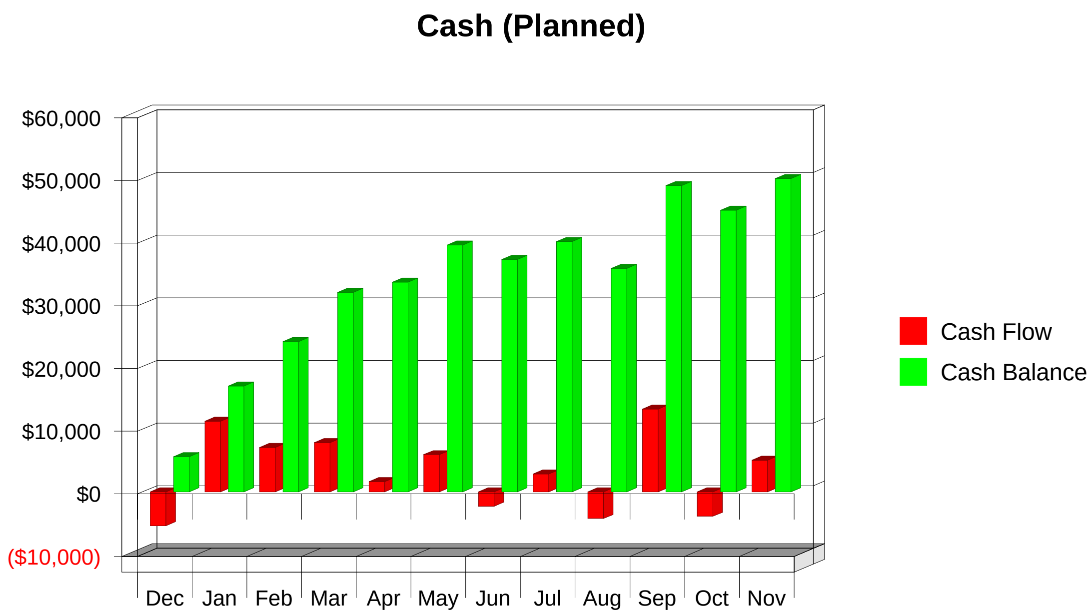


Table: Cash Flow (Planned)

Pro Forma Cash Flow	2001	2002	2003
Cash Received			
Cash from Operations:			
Cash Sales	$77,475	$85,590	$99,048
From Receivables	$77,195	$85,561	$98,999
Subtotal Cash from Operations	$154,670	$171,151	$198,047
Additional Cash Received			
Extraordinary Items	$0	$0	$0
Sales Tax, VAT, HST/GST Received	$0	$0	$0
New Current Borrowing	$0	$0	$0
New Other Liabilities (interest-free)	$0	$0	$0
New Long-term Liabilities	$0	$0	$0
Sales of other Short-term Assets	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0
Capital Input	$0	$0	$0
Subtotal Cash Received	$154,670	$171,151	$198,047
Expenditures	2001	2002	2003
Expenditures from Operations:			
Cash Spent on Costs and Expenses	$15,702	$16,033	$19,405
Wages, Salaries, Payroll Taxes, etc.	$80,000	$85,000	$90,000
Payment of Accounts Payable	$19,968	$23,963	$28,230
Subtotal Spent on Operations	$115,669	$124,996	$137,634
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	$0	$0	$0
Principal Repayment of Current Borrowing	$0	$0	$0
Other Liabilities Principal Repayment	$0	$0	$0
Long-term Liabilities Principal Repayment	$0	$0	$0
Purchase Other Short-term Assets	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0
Dividends	$0	$0	$0
Adjustment for Assets Purchased on Credit	$0	$0	$0
Subtotal Cash Spent	$115,669	$124,996	$137,634
Net Cash Flow	$39,001	$46,155	$60,413
Cash Balance	$50,001	$96,156	$156,569

7.6 Projected Balance Sheet

Balance sheet is a result of key assumptions and estimated sales/cash flows.

Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets			
Short-term Assets	2001	2002	2003
Cash	$50,001	$96,156	$156,569
Accounts Receivable	$280	$309	$358
Other Short-term Assets	$0	$0	$0
Total Short-term Assets	$50,281	$96,465	$156,927
Long-term Assets			
Long-term Assets	$0	$0	$0
Accumulated Depreciation	$0	$0	$0
Total Long-term Assets	$0	$0	$0
Total Assets	$50,281	$96,465	$156,927
Liabilities and Capital			
	2001	2002	2003
Accounts Payable	$4,085	$4,171	$5,048
Current Borrowing	$0	$0	$0
Other Short-term Liabilities	$0	$0	$0
Subtotal Short-term Liabilities	$4,085	$4,171	$5,048
Long-term Liabilities	$0	$0	$0
Total Liabilities	$4,085	$4,171	$5,048
Paid-in Capital	$13,550	$13,550	$13,550
Retained Earnings	($3,050)	$32,646	$78,744
Earnings	$35,696	$46,098	$59,585
Total Capital	$46,196	$92,294	$151,879
Total Liabilities and Capital	$50,281	$96,465	$156,927
Net Worth	$46,196	$92,294	$151,879

7.7 Business Ratios

The following table outlines important business ratios for pre-packaged software, as described by the standard industry classification (SIC) index, 7372.

Table: Ratios (Planned)

Ratio Analysis	2000	2001	2002	Industry Profile
Sales Growth	0.00%	10.47%	15.72%	9.70%
Percent of Total Assets				
Accounts Receivable	0.56%	0.32%	0.23%	21.50%
Inventory	0.00%	0.00%	0.00%	3.00%
Other Short-term Assets	0.00%	0.00%	0.00%	45.70%
Total Short-term Assets	100.00%	100.00%	100.00%	70.20%
Long-term Assets	0.00%	0.00%	0.00%	29.80%
Total Assets	100.00%	100.00%	100.00%	100.00%
Other Short-term Liabilities	0.00%	0.00%	0.00%	42.40%
Subtotal Short-term Liabilities	8.12%	4.32%	3.22%	31.40%
Long-term Liabilities	0.00%	0.00%	0.00%	19.20%
Total Liabilities	8.12%	4.32%	3.22%	61.60%
Net Worth	91.88%	95.68%	96.78%	38.40%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	88.88%	90.94%	90.76%	100.00%
Selling, General & Administrative Expenses	65.84%	64.01%	60.68%	79.40%
Advertising Expenses	0.00%	0.00%	0.00%	1.30%
Profit Before Interest and Taxes	30.72%	35.91%	40.10%	2.20%
Main Ratios				
Current	12.31	23.13	31.09	1.51
Quick	12.31	23.13	31.09	1.16
Total Debt to Total Assets	8.12%	4.32%	3.22%	61.60%
Pre-tax Return on Net Worth	103.03%	66.60%	52.31%	3.50%
Pre-tax Return on Assets	94.66%	63.72%	50.63%	9.20%
Business Vitality Profile	2000	2001	2002	Industry
Sales per Employee	$154,950	$171,180	$198,096	$0
Survival Rate				0.00%
Additional Ratios	2000	2001	2002	
Net Profit Margin	23.04%	26.93%	30.08%	n.a
Return on Equity	77.27%	49.95%	39.23%	n.a
Activity Ratios				
Accounts Receivable Turnover	276.70	276.70	276.70	n.a
Collection Days	1	1	1	n.a
Inventory Turnover	0.00	0.00	0.00	n.a
Accounts Payable Turnover	5.77	5.77	5.77	n.a
Total Asset Turnover	3.08	1.77	1.26	n.a
Debt Ratios				
Debt to Net Worth	0.09	0.05	0.03	n.a
Short-term Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	$46,196	$92,294	$151,879	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.32	0.56	0.79	n.a
Current Debt/Total Assets	8%	4%	3%	n.a
Acid Test	12.24	23.05	31.02	n.a
Sales/Net Worth	3.35	1.85	1.30	n.a
Dividend Payout	$0	0.00	0.00	n.a

Appendix

Appendix Table: Sales Forecast (Planned)

Sales Forecast												
Sales	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Start-up fees	$0	$45,000	$25,000	$0	$0	$30,000	$0	$0	$0	$50,000	$0	$0
Consulting fees	$500	$300	$0	$600	$200	$0	$0	$400	$200	$0	$200	$0
Training fees	$0	$300	$250	$0	$0	$400	$0	$0	$0	$600	$1,000	$0
Total Sales	$500	$45,600	$25,250	$600	$200	$30,400	$0	$400	$200	$50,600	$1,200	$0
Direct Cost of Sales	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Start-up fees	$0	$4,500	$2,500	$0	$0	$3,000	$0	$0	$0	$5,000	$0	$0
Consulting fees	$200	$120	$0	$240	$80	$0	$0	$160	$80	$0	$80	$0
Training fees	$0	$150	$125	$0	$0	$200	$0	$0	$0	$300	$500	$0
Subtotal Direct Cost of Sales	$200	$4,770	$2,625	$240	$80	$3,200	$0	$160	$80	$5,300	$580	$0

Appendix

Appendix Table: Personnel (Planned)

Personnel Plan	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Payroll	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$10,000	$10,000

Appendix

Appendix Table: General Assumptions

General Assumptions	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Short-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate %	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Tax Rate %	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Expenses in Cash %	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Sales on Credit %	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Personnel Burden %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Appendix

Appendix Table: Profit and Loss (Planned)

Pro Forma Profit and Loss

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Sales	$500	$45,600	$25,250	$600	$200	$30,400	$0	$400	$200	$50,600	$1,200	$0
Direct Cost of Sales	$200	$4,770	$2,625	$240	$80	$3,200	$0	$160	$80	$5,300	$580	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Total Cost of Sales	$200	$4,770	$2,625	$240	$80	$3,200	$0	$160	$80	$5,300	$580	$0
Gross Margin	$300	$40,830	$22,625	$360	$120	$27,200	$0	$240	$120	$45,300	$620	$0
Gross Margin %	60.00%	89.54%	89.60%	60.00%	60.00%	89.47%	0.00%	60.00%	60.00%	89.53%	51.67%	0.00%
Operating Expenses:												
Advertising/Promotion	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Travel	$0	$1,000	$1,000	$0	$0	$1,000	$0	$0	$0	$1,000	$0	$0
Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payroll Expense	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$10,000	$10,000
Payroll Burden	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
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	$40	$40	$40	$40	$40	$40	$40	$40	$40	$40	$40	$40
Insurance	$120	$120	$120	$120	$120	$120	$120	$120	$120	$120	$120	$120
Rent	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350
Contract/Consultants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Total Operating Expenses	$6,510	$7,510	$7,510	$6,510	$6,510	$7,510	$6,510	$6,510	$6,510	$7,510	$10,510	$10,510
Profit Before Interest and Taxes	($6,210)	$33,320	$15,115	($6,150)	($6,390)	$19,690	($6,510)	($6,270)	($6,390)	$37,790	($9,890)	($10,510)
Interest Expense Short-term	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Expense Long-term	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes Incurred	($1,553)	$8,330	$3,779	($1,538)	($1,598)	$4,923	($1,628)	($1,568)	($1,598)	$9,448	($2,473)	($2,628)
Extraordinary Items	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Profit	($4,658)	$24,990	$11,336	($4,613)	($4,793)	$14,768	($4,883)	($4,703)	($4,793)	$28,343	($7,418)	($7,883)
Net Profit/Sales	-931.50%	54.80%	44.90%	-768.75%	-2396.25%	48.58%	0.00%	-1175.63%	-2396.25%	56.01%	-618.13%	0.00%

Appendix Table: Cash Flow (Planned)

Pro Forma Cash Flow		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Cash Received													
Cash from Operations:													
Cash Sales		$250	$22,800	$12,625	$300	$100	$15,200	$0	$200	$100	$25,300	$600	$0
From Receivables		$0	$133	$12,277	$17,373	$6,052	$193	$8,153	$7,093	$107	$147	$13,540	$12,127
Subtotal Cash from Operations		$250	$22,933	$24,902	$17,673	$6,152	$15,393	$8,153	$7,293	$207	$25,447	$14,140	$12,127
Additional Cash Received													
Extraordinary Items		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales Tax, VAT, HST/GST Received	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Other Liabilities (interest-free)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Long-term Liabilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of other Short-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Input		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Received		$250	$22,933	$24,902	$17,673	$6,152	$15,393	$8,153	$7,293	$207	$25,447	$14,140	$12,127
Expenditures		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Expenditures from Operations:													
Cash Spent on Costs and Expenses		($337)	$5,844	$3,166	($315)	($403)	$3,853	($447)	($359)	($403)	$6,503	($553)	($847)
Wages, Salaries, Payroll Taxes, etc.		$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$10,000	$10,000
Payment of Accounts Payable		($6)	($196)	$8,632	$4,117	($1,061)	($392)	$4,916	($1,187)	($1,125)	($259)	$8,600	($2,072)
Subtotal Spent on Operations		$5,658	$11,648	$17,798	$9,802	$4,536	$9,461	$10,469	$4,454	$4,472	$12,244	$18,047	$7,081
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Repayment of Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Long-term Liabilities Principal Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Other Short-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Dividends		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjustment for Assets Purchased on Credit		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Spent		$5,658	$11,648	$17,798	$9,802	$4,536	$9,461	$10,469	$4,454	$4,472	$12,244	$18,047	$7,081
Net Cash Flow		($5,408)	$11,286	$7,104	$7,871	$1,616	$5,932	($2,316)	$2,839	($4,265)	$13,203	($3,907)	$5,046
Cash Balance		$5,593	$16,878	$23,982	$31,853	$33,469	$39,401	$37,085	$39,924	$35,659	$48,862	$44,955	$50,001

Appendix

Appendix Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets													
Short-term Assets	Starting Balances	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Cash	$11,000	$5,593	$16,878	$23,982	$31,853	$33,469	$39,401	$37,085	$39,924	$35,659	$48,862	$44,955	$50,001
Accounts Receivable	$0	$250	$22,917	$23,265	$6,192	$240	$15,247	$7,093	$200	$193	$25,347	$12,407	$280
Other Short-term Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Short-term Assets	$11,000	$5,843	$39,795	$47,247	$38,045	$33,709	$54,648	$44,179	$40,124	$35,852	$74,208	$57,362	$50,281
Long-term Assets													
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
Total Long-term Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Assets	$11,000	$5,843	$39,795	$47,247	$38,045	$33,709	$54,648	$44,179	$40,124	$35,852	$74,208	$57,362	$50,281

Liabilities and Capital													
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Accounts Payable	$500	$0	$8,962	$5,079	$489	$945	$7,117	$1,530	$2,178	$2,698	$12,712	$3,283	$4,085
Current Borrowing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Short-term Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Short-term Liabilities	$500	$0	$8,962	$5,079	$489	$945	$7,117	$1,530	$2,178	$2,698	$12,712	$3,283	$4,085
Long-term Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Liabilities	$500	$0	$8,962	$5,079	$489	$945	$7,117	$1,530	$2,178	$2,698	$12,712	$3,283	$4,085
Paid-in Capital	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550	$13,550
Retained Earnings	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)	($3,050)
Earnings	$0	($4,658)	$20,333	$31,669	$27,056	$22,264	$37,031	$32,149	$27,446	$22,654	$50,996	$43,579	$35,696
Total Capital	$10,500	$5,843	$30,833	$42,169	$37,556	$32,764	$47,531	$42,649	$37,946	$33,154	$61,496	$54,079	$46,196
Total Liabilities and Capital	$11,000	$5,843	$39,795	$47,247	$38,045	$33,709	$54,648	$44,179	$40,124	$35,852	$74,208	$57,362	$50,281
Net Worth	$10,500	$5,843	$30,833	$42,169	$37,556	$32,764	$47,531	$42,649	$37,946	$33,154	$61,496	$54,079	$46,196