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Quick and Dirty Auto Repair

1.0 Executive Summary

Quick and Dirty Auto Repair (QDAR) is a start-up organization that offers a complete domestic and foreign care repair service as well as a full-featured retail parts store. QDAR will serve the Portland, OR market with three convenient locations. QDAR will grow into a business with \$13.3 million in sales by year three.

The Concept

The auto repair market has a lot of competition, however, almost all only offer service. QDAR will differentiate themselves by not only offering a hassle-free repair service, but a fully stocked parts store. Not only will this serve a wide range of customers for both service and parts, but the parts department will support the service department by allowing the service department to turnaround jobs far faster than the competition with generally all of the needed parts in stock and on location.

QDAR also differentiates themselves by having 10 bays at every location. This offers incredible value to customers who need their cars fixed right away. Waits for service and parts are ideas not entertained by QDAR. Lastly, QDAR offers unlimited shuttle service for repair customers making the entire service experience as painless and convenient as possible.

QDAR will attract and maintain a loyal customer base through their customer-oriented focus on business. All employees are trained and held responsible for providing superior service, developing a long lasting trust bond with customers. This is very important, especially in the auto repair industry where trust and honesty are not the image of repair facilities.

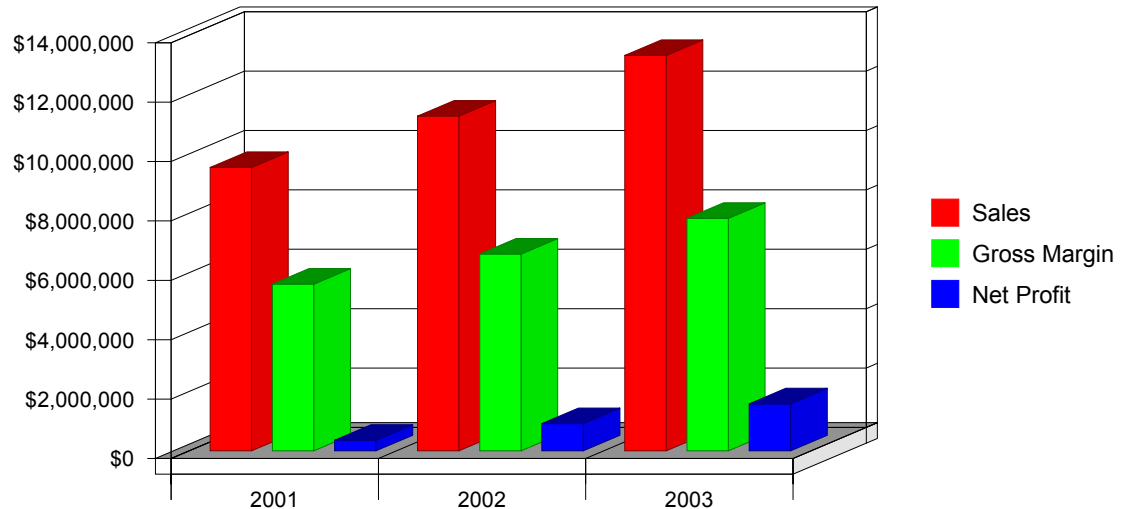
The Management Team

QDAR has a strong management team that will allow them to execute on this exciting idea. QDAR has four partners, Jake Braques, Blair Horne, Hyugo Ford, and Gaz Môder. Jake has a background of sales, 12 years at the nation's second largest Ford dealership. He will be overseeing the sales and marketing for the organization. Blair's background is in management from Siemen's automobile division where he was a Vice President overseeing a department of 565 people. Hyugo is also a product of the auto industry, specifically the auto repair and parts sales industry. Hyugo spent six years at NAPA Auto Parts and then seven years at Repair-It, Oregon's largest independent auto repair facility. At both organizations Hyugo had multiple roles within the organization allowing him to bring to QDAR a broad skill set. Lastly, Gaz brings QDAR 10 years of finance and administration experience. Gaz was trained at GM and later in his career took a position at Delco Parts. The incredible breadth of skill sets and knowledge that the management team possesses will allow QDAR to accomplish their lofty goals of over \$11 million in sales.

QDAR is an exciting business opportunity that addresses the unmet need of having a full service auto repair facility that also has a complete retail parts center. These distinct but complimentary services will have benchmarked customer service, something that the industry is not known for having. QDAR will be led by a seasoned management team of four, all of whom have extensive industry experience. QDAR has forecasted sales of \$9.1 million for year one, \$11.3 million for year two, and \$13.3 million for year three.

Quick and Dirty Auto Repair

Highlights



1.1 Mission

Quick and Dirty Auto Repair aims to offer high-quality auto repair services and a full range of auto parts. QDAR focuses on personalized service to its customers by offering convenience and rapid service. Additionally, QDAR is technologically savvy with computerized monitoring of all parts inventory, to ensure that parts are always in stock, while keeping a balanced level of inventory to maximize inventory turnover. Finally, QDAR has strong vendor relationships with the most service conscious vendors who are capable of shipping major parts rapidly (on an overnight timeline in most cases).

1.2 Keys To Success

QDAR's keys to success will include:

1. Expedient and convenient auto repair services.
2. Growing and maintaining a referral network of local towing service companies.
3. A wide range of auto parts inventory that is (nearly) never out of stock.
4. Rapid order and delivery of major auto parts items.

Quick and Dirty Auto Repair

2.0 Company Summary

Quick and Dirty Auto Repair is a new start-up incorporated business managed by four partners. Three of the four partners represent sales/management, and one focuses on the finance/administration section of the business.

The economic growth of the last several years has resulted in increased disposable income. Many people have chosen to spend part of their increased income on their automobiles. As a result, the need for reliable and convenient auto services has substantially risen as well. QDAR will position itself to capitalize on the growing need of the middle and upper class market for quality auto service in the Portland metropolitan area. The company will be privately owned by four co-owners, with most of the additional funding coming from a ten year SBA loan.

2.1 Company Ownership

QDAR is incorporated in the state of Oregon. It is privately owned by Jake Braques, Blair Horne, Hyugo Ford and Gaz Môder. To attract additional financing, the owners may consider taking QDAR public several years down the road.

2.2 Company History

QDAR is a new start-up company. The company management team has strong industry experience and a clear vision of how QDAR will position itself in the local market.

3.0 Start-up Summary

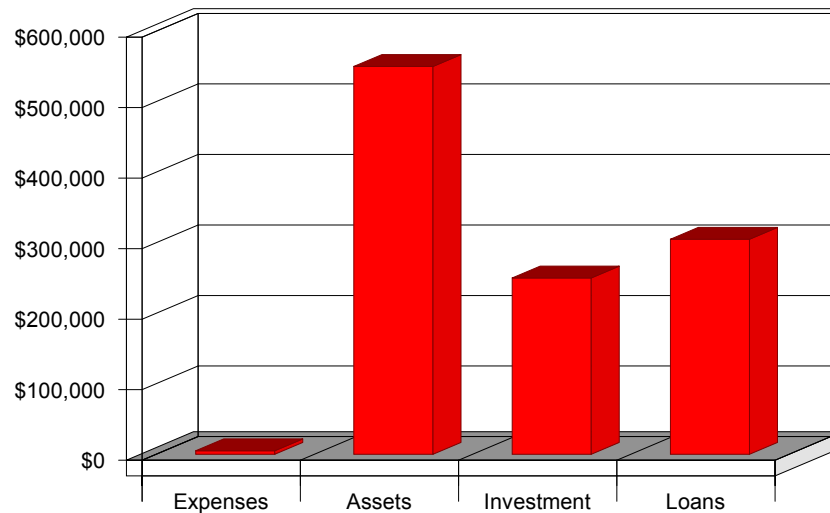
Each of the four co-owners will invest \$62,500. The remainder of the required financing will come from a ten year Small Business Administration (SBA) loan in the amount of \$250,000 and a short-term loan in the amount of \$55,000. Total loss at start-up is \$5,000. The following chart and table show projected initial start-up costs for QDAR.

Quick and Dirty Auto Repair

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$3,000
Other	\$2,000
Total Start-up Expenses	\$5,000
Start-up Assets Needed	
Cash Balance on Starting Date	\$100,000
Start-up Inventory	\$50,000
Other Current Assets	\$50,000
Total Current Assets	\$200,000
Long-term Assets	\$350,000
Total Assets	\$550,000
Total Requirements	\$555,000
Funding	
Investment	
Jake Brakes	\$62,500
Blair Horn	\$62,500
Yugo Ford	\$62,500
Gaz Motor	\$62,500
Total Investment	\$250,000
Current Liabilities	
Accounts Payable	\$0
Current Borrowing	\$55,000
Other Current Liabilities	\$0
Current Liabilities	\$55,000
Long-term Liabilities	\$250,000
Total Liabilities	\$305,000
Loss at Start-up	(\$5,000)
Total Capital	\$245,000
Total Capital and Liabilities	\$550,000

Start-up



Quick and Dirty Auto Repair

4.0 Product/Service Description

QDAR has the core competencies amongst its large crew to work on all makes and models of domestic and foreign vehicles. With ten service bays at each location, and all employees focused on superior customer service, quick turnaround is always the standard at QDAR. QDAR strives to be accurate and honest with customers in terms of quoting cost estimates and repair completion time estimates. QDAR employees focus on delivering what they promise. This focus on building strong customer relationships based on trust and integrity will be the catalyst in establishing a strong regular customer base.

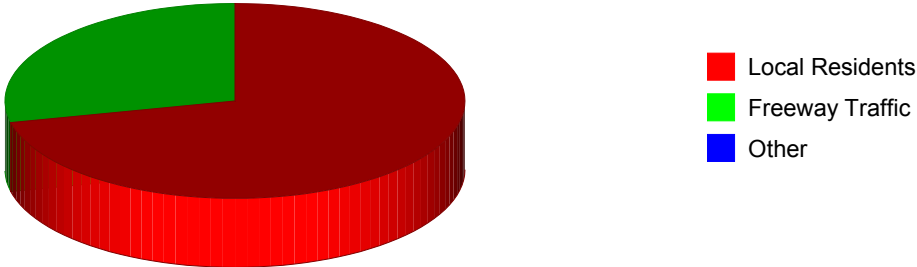
QDAR utilizes the highest degree of technology in managing a full range of auto parts inventory. The goal is to never be out of a specific part, while maximizing inventory turnover. Strong vendor relationships have been established with the most reputable vendors in terms of shipping time of major parts.

5.0 Market Analysis

QDAR has a focus on meeting the demand of a regular local resident customer base, as well as towed vehicle drop-ins from local and freeway traffic traveling on nearby freeways. QDAR has established relationships with a few major local tow truck companies for referral business of stalled vehicles requiring a tow to an auto repair facility.

The company estimates that about 80% of revenues will come from the established local clientele and 20% from the tow-ins local and freeway traffic. The table below further estimates the total market potential of type of services rendered by QDAR in Portland metropolitan area.

Market Analysis (Pie)



Quick and Dirty Auto Repair

Table: Market Analysis

Market Analysis	Growth	2001	2002	2003	2004	2005	CAGR
Potential Customers							
Local Residents	15%	50,000	57,500	66,125	76,044	87,451	15.00%
Freeway Traffic	10%	20,000	22,000	24,200	26,620	29,282	10.00%
Other	0%	0	0	0	0	0	0.00%
Total	13.64%	70,000	79,500	90,325	102,664	116,733	13.64%

5.1 Service Business Analysis

The market of auto repair services and parts sales is very fragmented. The majority of auto shops usually offer either repair services or parts inventory. The niche where QDAR positions itself represents auto centers that offer both auto services and parts at one convenient location. Middle and upper class customers to whom QDAR will cater its services are less price sensitive as they value the convenience of quick turnaround (on any model/make of car) and high quality of services.

5.2 Market Segmentation

QDAR focuses on the middle and upper income markets. This market looks for high quality, rapid service with as much convenience as possible. Most individuals in this market segment are willing to pay an extra premium within the pricing of auto repair services to avoid the common inconveniences of having a vehicle tied up in a repair shop.

Local residents regular customer base

QDAR wants to establish a significantly large regular customer base. This will establish a healthy, consistent revenue base to ensure stability of the business.

Emergency towing local and freeway traffic

Emergency towing of local and freeway traffic comprises approximately 20% of revenues. Convenience, regular referrals from tow truck companies, and high quality, rapid service are critical to capture this segment of the market.

5.3 Target Market Segment Strategy

QDAR will focus on its target market, the middle and upper class market, and establish a reputable image from that target market's perspective, by offering convenience, expedient auto repair services, customer service excellence, and by working with local towing companies.

Quick and Dirty Auto Repair

5.4 Market Needs

Between having a high level of commuting traffic, and an equally high level of tourism traffic on local highways, there is a constant significant demand for auto repair services and auto parts. Convenience is a must for most middle and upper class consumers and travelers.

5.5 Competition and Buying Patterns

QDAR faces over 400 auto repair and auto parts competitors in the local area. Only a quarter of these competitors offer both auto repair services and auto parts inventories. Among these, only a few are major national chains. The remainder are small privately-owned establishments. QDAR will compete well by focusing on convenience and offering a high level of customer service. Additionally, its honest reputation will be a major factor in repeat business and building a large base of regular, loyal customers.

Primary competitors are engaged principally in the retail sale of automotive parts, tires and accessories, automotive maintenance and service and the installation of parts. Larger competitors have adopted the "supercenter" store model, a freestanding, "one-stop" shopping automotive warehouse that features state-of-the-art service bays. These "supercenters" carry thousands of stock-keeping units and serve the automotive aftermarket needs of the "do-it-yourself," the "do-it-for-me" (automotive service), tire and "buy-for-resale" customer sectors.

Large competitors' stores typically carry the same basic product line, with variations based on the number and type of cars registered in the different markets. A full complement of inventory at a typical supercenter includes an average of approximately 25,000 items.

Automotive product lines usually include:

- Tires.
- Batteries.
- New and remanufactured parts for domestic and imported cars, including:
 - Suspension parts.
 - Ignition parts.
 - Exhaust systems.
 - Engines and engine parts.
 - Oil and air filters, belts, hoses, and air conditioning parts.
 - Lighting.
 - Wiper blades.
 - brake parts.
- Chemicals, including oil, antifreeze, polishes, additives, cleansers and paints.
- Mobile electronics, including sound systems, alarms, and remote vehicle starters.
- Car accessories, including seat covers, floor mats, and exterior accessories.
- Hand tools, including sockets, wrenches, ratchets, paint and body tools, jacks and lift equipment, automotive specialty tools and test gauges.
- A selection of truck, van, and sport utility vehicle accessories.

Many competitors have adopted point-of-sale systems in their stores, which gathers sales and gross profit data by a stock-keeping unit from each store on a daily basis. This information is then used to help formulate pricing, marketing and merchandising strategies. Electronic parts catalogs are available in many competitor stores along electronic commercial invoicing systems that offer commercial parts delivery.

Additionally, a number of competitors have electronic work order systems available amongst their various service centers. This type of system creates a service history for each vehicle, provides customers with a comprehensive sales document, and enables the service center to

Quick and Dirty Auto Repair

maintain a service customer database.

6.0 Strategy and Implementation

QDAR will succeed by offering its customers high-quality, rapid, and convenient auto repair service. Additionally, QDAR will succeed by ensuring a full range of auto parts inventory and rapid shipping capability of major auto parts.

6.1 Competitive Edge

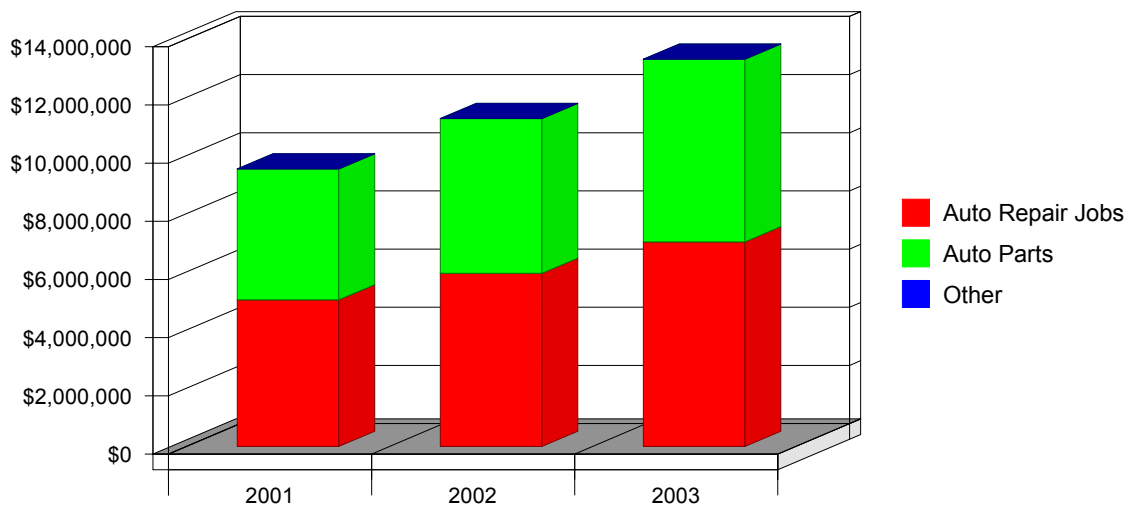
QDAR's competitive edge is the heavy focus on customer convenience by offering unlimited shuttle service, rapid turnaround on auto repair jobs, and a referral network of a few local major tow truck companies.

6.2 Sales Strategy

QDAR will focus its sales strategy on effectively reaching the target customer segment of upper and middle class customers. For this purposes, the company will employ direct sales staff. At the same time, the company will further strengthen its relationships with the tow truck companies to capture auto repair needs of the local and highway traffic.

As the chart and table show, QDAR plans to deliver sales of about \$9.5M in the first year, \$11.3M in the second year, and \$13.3M in the third year of the plan.

Sales by Year



Quick and Dirty Auto Repair

Table: Sales Forecast

Sales Forecast			
Unit Sales	2001	2002	2003
Auto Repair Jobs	16,800	18,900	21,263
Auto Parts	75,000	84,375	94,922
Other	0	0	0
Total Unit Sales	91,800	103,275	116,184
Unit Prices	2001	2002	2003
Auto Repair Jobs	\$300.00	\$315.00	\$330.75
Auto Parts	\$60.00	\$63.00	\$66.15
Other	\$0.00	\$0.00	\$0.00
Sales	2001	2002	2003
Auto Repair Jobs	\$5,040,000	\$5,953,500	\$7,032,572
Auto Parts	\$4,500,000	\$5,315,625	\$6,279,082
Other	\$0	\$0	\$0
Total Sales	\$9,540,000	\$11,269,125	\$13,311,654
Direct Unit Costs	2001	2002	2003
Auto Repair Jobs	\$100.00	\$105.00	\$110.25
Auto Parts	\$30.00	\$31.50	\$33.08
Other	\$0.00	\$0.00	\$0.00
Direct Cost of Sales	2001	2002	2003
Auto Repair Jobs	\$1,680,000	\$1,984,500	\$2,344,191
Auto Parts	\$2,250,000	\$2,657,813	\$3,139,541
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$3,930,000	\$4,642,313	\$5,483,732

7.0 Management Summary

Jake Braques, Blair Horne, and Hyugo Ford have 40 years of combined experience in sales, marketing, and management within the auto repair and auto parts industries. Gaz Môder has ten years of experience in the arena of finance and administration, also within the auto repair and auto parts industries.

7.1 Personnel Plan

As the personnel plan shows, QDAR expects to make gradual investments in staffing as several new facilities are opened over the next ten years.

Table: Personnel

Personnel Plan			
	2001	2002	2003
Owners	\$320,000	\$336,000	\$352,800
Managers	\$135,000	\$141,750	\$148,838
Mechanics	\$3,150,000	\$3,307,511	\$3,472,897
Customer Service Associates	\$270,000	\$283,503	\$297,681
Sales & Administrative	\$440,000	\$462,003	\$485,106
Total People	120	136	152
Total Payroll	\$4,315,000	\$4,530,767	\$4,757,322

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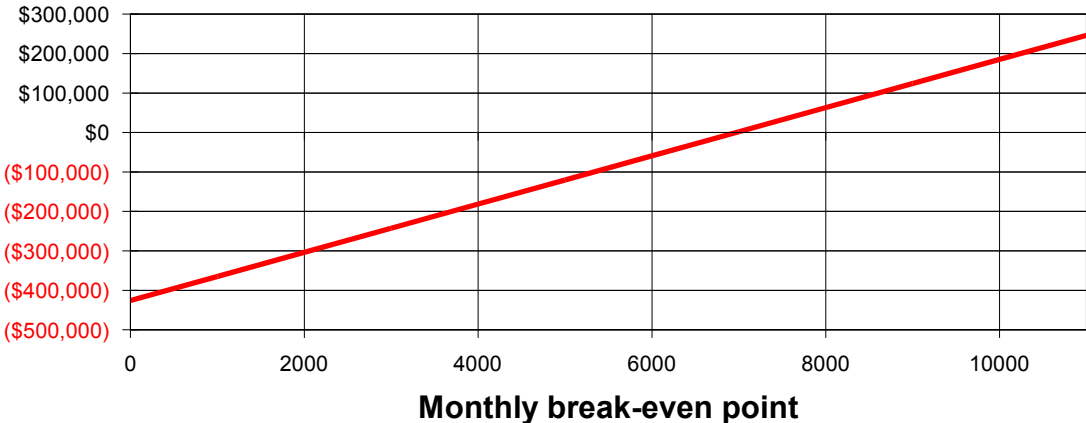
8.0 Financial Plan

QDAR expects to raise \$250,000 of its own capital, and to borrow \$250,000 guaranteed by the SBA as a ten year loan. This provides the bulk of the current financing required.

8.1 Break-even Analysis

QDAR's break-even analysis is based on the averages of the first-year figures for total sales by units, and for operating expenses. These are presented as per-unit revenue, per-unit cost, and fixed costs. These conservative assumptions make for a more accurate estimate of real risk.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	6,969
Monthly Revenue Break-even	\$724,211

Assumptions:	
Average Per-Unit Revenue	\$103.92
Average Per-Unit Variable Cost	\$42.81
Estimated Monthly Fixed Cost	\$425,871

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8.2 Projected Profit and Loss

As the profit and loss table shows, QDAR expects to continue its steady growth in profitability over the next three years of operations.

Table: Profit and Loss

Pro Forma Profit and Loss	2001	2002	2003
Sales	\$9,540,000	\$11,269,125	\$13,311,654
Direct Costs of Goods	\$3,930,000	\$4,642,313	\$5,483,732
Other	\$0	\$0	\$0
	-----	-----	-----
Cost of Goods Sold	\$3,930,000	\$4,642,313	\$5,483,732
Gross Margin	\$5,610,000	\$6,626,813	\$7,827,922
Gross Margin %	58.81%	58.81%	58.81%
Expenses:			
Payroll	\$4,315,000	\$4,530,767	\$4,757,322
Sales and Marketing and Other Expenses	\$27,000	\$35,830	\$72,122
Depreciation	\$120,000	\$138,000	\$158,700
Utilities	\$1,200	\$1,260	\$1,323
Payroll Taxes	\$647,250	\$679,615	\$713,598
Other	\$0	\$0	\$0
	-----	-----	-----
Total Operating Expenses	\$5,110,450	\$5,385,472	\$5,703,065
Profit Before Interest and Taxes	\$499,550	\$1,241,341	\$2,124,858
Interest Expense	\$26,748	\$22,467	\$20,217
Taxes Incurred	\$118,200	\$304,719	\$526,160
Net Profit	\$354,601	\$914,156	\$1,578,481
Net Profit/Sales	3.72%	8.11%	11.86%
Include Negative Taxes	TRUE	TRUE	TRUE

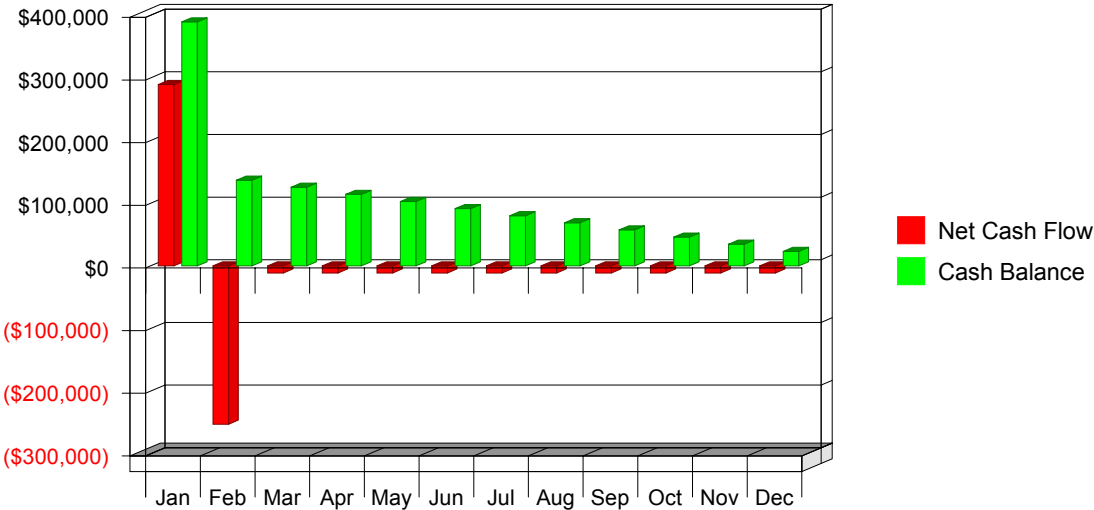
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8.3 Projected Cash Flow

The cash flow projection shows that provisions for ongoing expenses are adequate to meet QDAR's needs as the business generates cash flow sufficient to support operations.

The short-term \$55,000 loan is expected to be paid out within one year, while a \$250,000 SBA loan will be repaid in ten years.

Cash



Quick and Dirty Auto Repair

Table: Cash Flow

Pro Forma Cash Flow	2001	2002	2003
Cash Received			
Cash from Operations:			
Cash Sales	\$9,540,000	\$11,269,125	\$13,311,654
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$9,540,000	\$11,269,125	\$13,311,654
Additional Cash Received			
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	\$9,540,000	\$11,269,125	\$13,311,654
Expenditures			
Expenditures from Operations:			
Cash Spending	\$492,065	\$572,595	\$694,367
Payment of Accounts Payable	\$8,514,384	\$9,648,672	\$10,866,962
Subtotal Spent on Operations	\$9,006,449	\$10,221,266	\$11,561,329
Additional Cash Spent			
Non Operating (Other) Expense	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$55,000	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$15,335	\$20,000	\$25,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$540,000	\$660,000	\$770,000
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$9,616,784	\$10,901,266	\$12,356,329
Net Cash Flow	(\$76,784)	\$367,859	\$955,325
Cash Balance	\$23,216	\$391,075	\$1,346,399

Quick and Dirty Auto Repair

8.4 Balance Sheet

QDAR's projected company balance sheet follows.

Table: Balance Sheet

Pro Forma Balance Sheet

Assets	2001	2002	2003
Current Assets			
Cash	\$23,216	\$391,075	\$1,346,399
Inventory	\$327,500	\$386,859	\$456,978
Other Current Assets	\$50,000	\$50,000	\$50,000
Total Current Assets	\$400,716	\$827,934	\$1,853,377
Long-term Assets			
Long-term Assets	\$890,000	\$1,550,000	\$2,320,000
Accumulated Depreciation	\$120,000	\$258,000	\$416,700
Total Long-term Assets	\$770,000	\$1,292,000	\$1,903,300
Total Assets	\$1,170,716	\$2,119,934	\$3,756,677
Liabilities and Capital			
	2001	2002	2003
Accounts Payable	\$336,450	\$391,512	\$474,774
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$336,450	\$391,512	\$474,774
Long-term Liabilities	\$234,665	\$214,665	\$189,665
Total Liabilities	\$571,115	\$606,177	\$664,439
Paid-in Capital	\$250,000	\$250,000	\$250,000
Retained Earnings	(\$5,000)	\$349,601	\$1,263,757
Earnings	\$354,601	\$914,156	\$1,578,481
Total Capital	\$599,601	\$1,513,757	\$3,092,238
Total Liabilities and Capital	\$1,170,716	\$2,119,934	\$3,756,677
Net Worth	\$599,601	\$1,513,757	\$3,092,238

8.5 Business Ratios

The following table outlines some of the more important business ratios for the auto repair industry, as described by the Standard Industry Classifications (SIC) Index code 7538, General Automotive Repair Shops.

Quick and Dirty Auto Repair

Table: Ratios

Ratio Analysis	2001	2002	2003	Industry Profile
Sales Growth	0.00%	18.13%	18.13%	7.00%
Percent of Total Assets				
Accounts Receivable	0.00%	0.00%	0.00%	8.80%
Inventory	27.97%	18.25%	12.16%	9.60%
Other Current Assets	4.27%	2.36%	1.33%	23.80%
Total Current Assets	34.23%	39.05%	49.34%	42.20%
Long-term Assets	65.77%	60.95%	50.66%	57.80%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.00%	0.00%	0.00%	34.80%
Long-term Liabilities	20.04%	10.13%	5.05%	24.70%
Total Liabilities	20.04%	10.13%	5.05%	59.50%
Net Worth	79.96%	89.87%	94.95%	40.50%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	58.81%	58.81%	58.81%	0.00%
Selling, General & Administrative Expenses	55.09%	50.69%	46.95%	75.20%
Advertising Expenses	0.03%	0.09%	0.34%	1.30%
Profit Before Interest and Taxes	5.24%	11.02%	15.96%	1.70%
Main Ratios				
Current	1.19	2.11	3.90	1.17
Quick	0.22	1.13	2.94	0.65
Total Debt to Total Assets	48.78%	28.59%	17.69%	59.50%
Pre-tax Return on Net Worth	78.85%	80.52%	68.06%	1.80%
Pre-tax Return on Assets	40.39%	57.50%	56.02%	4.60%
Business Vitality Profile				
	2001	2002	2003	Industry
Sales per Employee	\$79,500	\$82,861	\$87,577	\$63,423
Survival Rate				71.24%
Additional Ratios				
	2001	2002	2003	
Net Profit Margin	3.72%	8.11%	11.86%	n.a
Return on Equity	59.14%	60.39%	51.05%	n.a
Activity Ratios				
Accounts Receivable Turnover	0.00	0.00	0.00	n.a
Collection Days	0	0	0	n.a
Inventory Turnover	12.00	13.00	13.00	n.a
Accounts Payable Turnover	26.31	24.79	23.06	n.a
Payment Days	14	164	173	
Total Asset Turnover	8.15	5.32	3.54	n.a
Debt Ratios				
Debt to Net Worth	0.95	0.40	0.21	n.a
Current Liab. to Liab.	0.59	0.65	0.71	n.a
Liquidity Ratios				
Net Working Capital	\$64,266	\$436,422	\$1,378,603	n.a
Interest Coverage	18.68	55.25	105.11	n.a
Additional Ratios				
Assets to Sales	0.12	0.19	0.28	n.a
Current Debt/Total Assets	29%	18%	13%	n.a
Acid Test	0.22	1.13	2.94	n.a
Sales/Net Worth	15.91	7.44	4.30	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Appendix Table: Sales Forecast

Sales Forecast												
Unit Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Auto Repair Jobs	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Auto Parts	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Unit Sales	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650
Unit Prices	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Auto Repair Jobs	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Auto Parts	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Auto Repair Jobs	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000
Auto Parts	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000
Direct Unit Costs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Auto Repair Jobs	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Auto Parts	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
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
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Auto Repair Jobs	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
Auto Parts	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500

Appendix

Appendix Table: Personnel

Personnel Plan	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Owners	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667	\$26,667
Managers	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250
Mechanics	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500	\$262,500
Customer Service Associates	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
Sales & Administrative	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667	\$36,667
Total People	120	120	120	120	120	120	120	120	120	120	120	120
Total Payroll	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583

Appendix

Appendix Table: General Assumptions

General Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
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%
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%
Calculated Totals												
Payroll Expense	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583
New Accounts Payable	\$966,687	\$716,905	\$716,873	\$716,840	\$716,808	\$716,775	\$716,742	\$716,709	\$716,675	\$716,641	\$716,607	\$716,572
Inventory Purchase	\$605,000	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500

Appendix

Appendix Table: Profit and Loss

Pro Forma Profit and Loss

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000
Direct Costs of Goods	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Goods Sold	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500
Gross Margin	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500	\$467,500
Gross Margin %	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%	58.81%
Expenses:												
Payroll	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583	\$359,583
Sales and Marketing and Other Expenses	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
Depreciation	15% \$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Utilities	5% \$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Payroll Taxes	15% \$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938	\$53,938
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871	\$425,871
Profit Before Interest and Taxes	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629	\$41,629
Interest Expense	\$2,495	\$2,448	\$2,401	\$2,353	\$2,305	\$2,256	\$2,207	\$2,157	\$2,108	\$2,057	\$2,007	\$1,956
Taxes Incurred	\$9,784	\$9,795	\$9,807	\$9,819	\$9,831	\$9,843	\$9,856	\$9,868	\$9,880	\$9,893	\$9,906	\$9,918
Net Profit	\$29,351	\$29,386	\$29,421	\$29,457	\$29,493	\$29,530	\$29,567	\$29,604	\$29,641	\$29,679	\$29,717	\$29,755
Net Profit/Sales	3.69%	3.70%	3.70%	3.71%	3.71%	3.71%	3.72%	3.72%	3.73%	3.73%	3.74%	3.74%
Include Negative Taxes												

Appendix

Appendix Table: Cash Flow

Pro Forma Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations:												
Cash Sales	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000
Cash from Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000
Additional Cash Received												
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	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000	\$795,000
Expenditures												
Expenditures from Operations:												
Cash Spending	\$66,463	\$38,709	\$38,706	\$38,702	\$38,699	\$38,695	\$38,691	\$38,688	\$38,684	\$38,680	\$38,676	\$38,672
Payment of Accounts Payable	\$388,460	\$958,360	\$716,904	\$716,872	\$716,839	\$716,807	\$716,774	\$716,741	\$716,708	\$716,674	\$716,640	\$716,606
Subtotal Spent on Operations	\$454,923	\$997,070	\$755,609	\$755,574	\$755,538	\$755,502	\$755,465	\$755,428	\$755,391	\$755,354	\$755,316	\$755,278
Additional Cash Spent												
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	\$4,377	\$4,414	\$4,450	\$4,487	\$4,525	\$4,562	\$4,601	\$4,639	\$4,677	\$4,716	\$4,756	\$4,796
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$1,220	\$1,231	\$1,241	\$1,251	\$1,262	\$1,272	\$1,283	\$1,293	\$1,304	\$1,315	\$1,326	\$1,337
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$505,520	\$1,047,715	\$806,300	\$806,312	\$806,325	\$806,336	\$806,349	\$806,360	\$806,372	\$806,385	\$806,398	\$806,411
Net Cash Flow	\$289,480	(\$252,715)	(\$11,300)	(\$11,312)	(\$11,325)	(\$11,336)	(\$11,349)	(\$11,360)	(\$11,372)	(\$11,385)	(\$11,398)	(\$11,411)
Cash Balance	\$389,480	\$136,766	\$125,465	\$114,153	\$102,828	\$91,493	\$80,143	\$68,783	\$57,410	\$46,026	\$34,627	\$23,216

Appendix

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Assets													
Cash	\$100,000	\$389,480	\$136,766	\$125,465	\$114,153	\$102,828	\$91,493	\$80,143	\$68,783	\$57,410	\$46,026	\$34,627	\$23,216
Inventory	\$50,000	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500
Other Current Assets	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Current Assets	\$200,000	\$766,980	\$514,266	\$502,965	\$491,653	\$480,328	\$468,993	\$457,643	\$446,283	\$434,910	\$423,526	\$412,127	\$400,716
Long-term Assets													
Long-term Assets	\$350,000	\$395,000	\$440,000	\$485,000	\$530,000	\$575,000	\$620,000	\$665,000	\$710,000	\$755,000	\$800,000	\$845,000	\$890,000
Accumulated Depreciation	\$0	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000	\$80,000	\$90,000	\$100,000	\$110,000	\$120,000
Total Long-term Assets	\$350,000	\$385,000	\$420,000	\$455,000	\$490,000	\$525,000	\$560,000	\$595,000	\$630,000	\$665,000	\$700,000	\$735,000	\$770,000
Total Assets	\$550,000	\$1,151,980	\$934,266	\$957,965	\$981,653	\$1,005,328	\$1,028,993	\$1,052,643	\$1,076,283	\$1,099,910	\$1,123,526	\$1,147,127	\$1,170,716
Liabilities and Capital													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Accounts Payable	\$0	\$578,227	\$336,771	\$336,740	\$336,709	\$336,678	\$336,646	\$336,614	\$336,582	\$336,549	\$336,516	\$336,483	\$336,450
Current Borrowing	\$55,000	\$50,623	\$46,209	\$41,759	\$37,272	\$32,747	\$28,185	\$23,584	\$18,945	\$14,268	\$9,552	\$4,796	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$55,000	\$628,850	\$382,980	\$378,499	\$373,981	\$369,425	\$364,831	\$360,198	\$355,527	\$350,817	\$346,068	\$341,279	\$336,450
Long-term Liabilities	\$250,000	\$248,780	\$247,549	\$246,308	\$245,057	\$243,795	\$242,523	\$241,240	\$239,947	\$238,643	\$237,328	\$236,002	\$234,665
Total Liabilities	\$305,000	\$877,630	\$630,529	\$624,807	\$619,038	\$613,220	\$607,354	\$601,438	\$595,474	\$589,460	\$583,396	\$577,281	\$571,115
Paid-in Capital	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Retained Earnings	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
Earnings	\$0	\$29,351	\$58,736	\$88,158	\$117,615	\$147,109	\$176,639	\$206,205	\$235,809	\$265,450	\$295,129	\$324,846	\$354,601
Total Capital	\$245,000	\$274,351	\$303,736	\$333,158	\$362,615	\$392,109	\$421,639	\$451,205	\$480,809	\$510,450	\$540,129	\$569,846	\$599,601
Total Liabilities and Capital	\$550,000	\$1,151,980	\$934,266	\$957,965	\$981,653	\$1,005,328	\$1,028,993	\$1,052,643	\$1,076,283	\$1,099,910	\$1,123,526	\$1,147,127	\$1,170,716
Net Worth	\$245,000	\$274,351	\$303,736	\$333,158	\$362,615	\$392,109	\$421,639	\$451,205	\$480,809	\$510,450	\$540,129	\$569,846	\$599,601