



May 2001

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Soapy Rides Car Wash

1.0 Executive Summary

Soapy Rides is a prominent hand car wash serving the East Meadow, Long Island, NY community. Soapy Rides will be run by Mark Deshpande, of the prominent Deshpande family. The Deshpande family has been serving the Long Island area with a car repair business and property development /management for over 30 years. Mark will be leveraging the incredible good will and brand recognition of the Deshpande family name to quickly gain market penetration.

The Business

Soapy Rides will be providing customers with three services: exterior car washing, , interior cleaning, and detailing. Soapy Rides has no true competitors that are trying to offer a high quality service for a reasonable rate. Most are trying to compete on price alone. Soapy Rides' ability to provide a high quality service, both in regards to the actual washing as well as customer service is all based on their ability to find the best employees. Hiring the best employees is cost effective because it decreases HR costs associated with turnover and other employee costs. Hiring the best employees and making sure that they are well taken care of ensures that they in turn take care of the customers. Study after study proves that a happy employee is far more likely to provide the highest level of customer service compared to an employee who is not happy and feels that they are being taken advantage of.

The Customers

Soapy Rides will target three main groups of customers: individual car owner and leasers, car dealerships, and local businesses. The surrounding area is quite affluent, 40% of the residents earn over \$70,000 a year. Consequently, they have nice cars and want them to look nice. There are five different car dealerships within a three-mile radius which will require car washing services for the various fleets. Lastly, there are many different local businesses that have company cars and that require clean appearances.

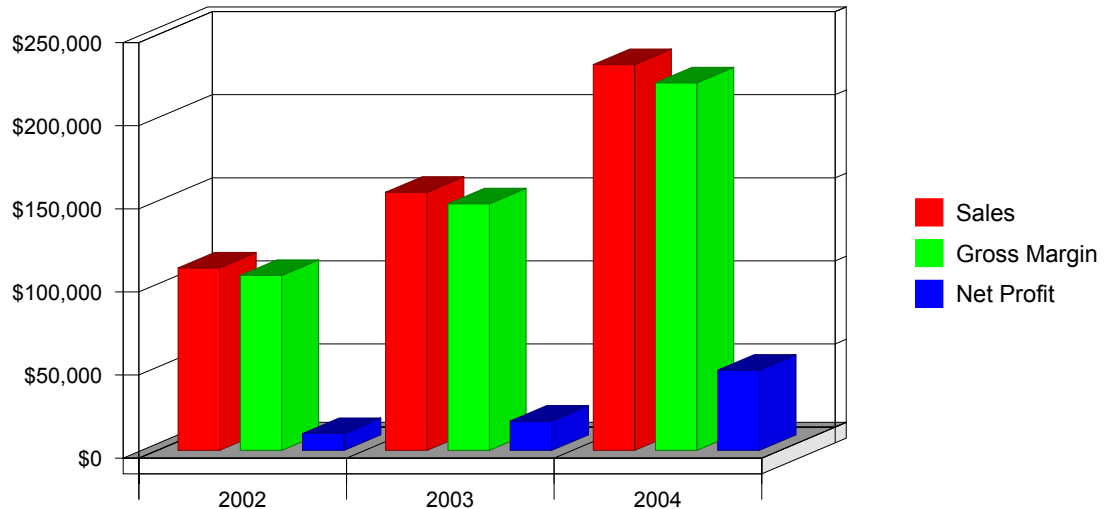
Management

The strength of Mark's experience and his family's name equity and assistance is Soapy Rides' competitive edge as well as a significant asset. Mark has been involved in the family's car repair business for the last ten years. He has worked his way through the organization and has been the manager for the last five years overseeing operations of \$1.2 million annually. Before the family venture, Mark received his MBA from Cornell University. With 30 years invested in the community, the Deshpande family name has generated significant value as a fair, active member of the community. Lastly, Soapy Rides will be able to leverage several of the Deshpande's for their business expertise.

Soapy Rides is positioning itself as the premier hand car wash serving the Long Island area. Mark has forecasted a 20% market share. The business will generate a 95% gross margin and an 11% net margin after year one and 20.79% after year three. By year three the business will have developed a yearly net profit of \$48,000 .

Soapy Rides Car Wash

Highlights



1.1 Objectives

The objectives for Soapy Rides Car Wash and Detail Service are:

1. To be viewed as a premium car wash and detail service in East Meadow.
2. Maintain a gross profit margin of over 95%.
3. Maintain a net profit margin of 10-15%.
4. Expand to two locations after third year of operation.

1.2 Mission

The mission of Soapy Ride is to provide top-quality washing and detail service for luxury car owners in East Meadow, NY. Soapy Rides will work to keep employees satisfied in order to maintain impeccable customer service.

2.0 Company Summary

The company is solely owned by Mark Deshpande and will be funded by an initial investment of \$30,000. Soapy Rides is New York State registered C corporation.

Soapy Rides Car Wash

2.1 Company Ownership

The company will be solely owned by Mark Deshpande. Mark has been in the car industry all his life, having grown up in the family car repair business. He came across the location in East Meadow purely by accident and he felt it would be a perfect location for a car wash service.

2.2 Start-up Summary

The start-up expenses for Soapy Rides will be financed by Mark Deshpande, from the profits he made in selling his part of the family car repair business. The property on Hempstead Road will be leased in April 2001 for a minimum of three years, with the option to extend the lease for another three years after that.

Mark is working with the family lawyer to set up incorporation and to discuss lease issues before the business is launched. He is working with a local graphic designer to develop a logo, letterhead, and company brochures. Although Mark has been in the car repair business, he has not been in the wash and detailing business, which is a very different service (quick turnaround per car is incredibly important). For this reason he is working with an acquaintance to set up the system that will ensure efficient service even during peak usage.

Rent on the location has been negotiated and will be \$1,200 per month. In addition, insurance for the business will be approximately \$200 per month and will be paid by direct debit on a monthly basis. Expensed equipment includes three high-power water pumps, two industrial vacuum cleaners, two computer terminals, and one cash register. All of the equipment will be depreciated over three years.

The location was previously used as a quick stop automobile service shop, so it is set up to move vehicles quickly through the premises, but does not have all the necessary systems in place to host a car wash and detail facility. The services of a contracting company will be sought to convert the use of the facility and to improve the customer waiting room facilities.

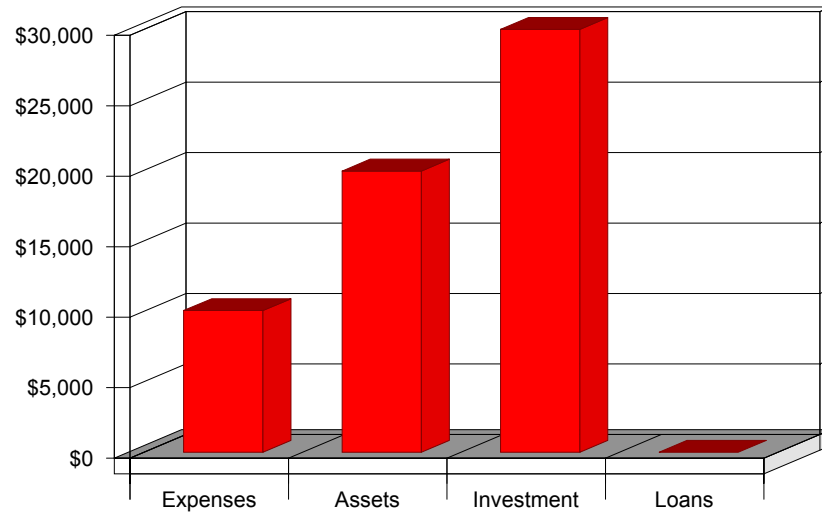
Soapy Rides Car Wash

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$500
Stationery etc.	\$400
Brochures	\$450
Consultants	\$0
Insurance	\$200
Rent	\$1,200
Research and Development	\$300
Expensed Equipment	\$4,100
Signs	\$700
Building Materials	\$1,200
Building Labor	\$1,000
Total Start-up Expenses	\$10,050
Start-up Assets Needed	
Cash Balance on Starting Date	\$8,700
Start-up Inventory	\$250
Other Current Assets	\$1,000
Total Current Assets	\$9,950
Long-term Assets	\$10,000
Total Assets	\$19,950
Total Requirements	\$30,000
Funding	
Investment	
Investor 1	\$30,000
Investor 2	\$0
Other	\$0
Total Investment	\$30,000
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	(\$10,050)
Total Capital	\$19,950
Total Capital and Liabilities	\$19,950

Soapy Rides Car Wash

Start-up



3.0 Services

Soapy Rides will provide three services to its customers:

- Car washing (exterior)
- Car cleaning (interior)
- Car detailing.

4.0 Market Analysis Summary

The car wash will be based in East Meadow, New York. This area has a number of benefits in terms of the market that it will provide for the business. Over 40% of households in the immediate neighborhood earn over \$70,000 annually. Many people in the neighborhood own and/or lease new cars and place great value on their cars and how they look. There are a large number of car dealerships in the area--five within three miles of the proposed location for Soapy Rides.

Soapy Rides Car Wash

4.1 Market Segmentation

Soapy Rides segments its customers by type of car ownership. We believe that the type of car that a person owns says volumes about their driving, and, therefore their car washing and detailing requirements.

1. **New car owners:** Owners of newer cars are most likely to use a hand car washing service. These owners take great pride in their cars and will bring them often to the wash and detail service. The goal with these customers is to promote regular use of the wash and detail service. The aim is to inform these customers that Soapy Rides will keep their car looking as good as it did the day they drove it off the lot.
2. **Older luxury car owners:** These people have either owned their high-end luxury cars for several years or are unable to afford the expense of a new luxury car but want the feel of relaxed driving. Both of these groups want to keep their cars in the best shape possible. Those who have bought second-hand cars will often spend many hours in their cars and will place high importance on keeping their cars looking good. These owners will bring their cars in for regular washes and occasional details.
3. **Sports car owners:** These people are often younger or middle-aged men and will regard the look of their car as important. They will also pride themselves on the look of their car and will have their car hand washed (at least) weekly. These drivers will have an occasional detail, but will keep their cars so clean the detail will not be necessary very often.
4. **Lifetime owners:** Many of these people have owned their cars for more than five or six years, and are more likely to be women. They are attached to their cars as friends and though it may be more sensible for them to purchase a new car, they will bring their car in for a wash occasionally, just when the car is dirty. They like their cars to look presentable, and want to keep it in good shape but are not tied up in the look of their car. For this reason, they will not have a detail carried out on their car unless they are selling it.
5. **Dealerships:** There are five new and used car dealerships within three miles of the proposed location of Soapy Rides. These dealerships often use outside car wash services to detail their vehicles before they are put up for sale. In addition, there are fifteen other car dealerships within a seven mile radius of Soapy Rides.
6. **Local businesses:** Some local businesses have fleets of cars and small vans that must be kept clean to maintain their company image. These businesses will be looking for a cost effective, efficient car washing service to perform this service, and will prefer to use a car wash service during the week rather than during weekends, like the general public.

Soapy Rides Car Wash

Market Analysis (Pie)

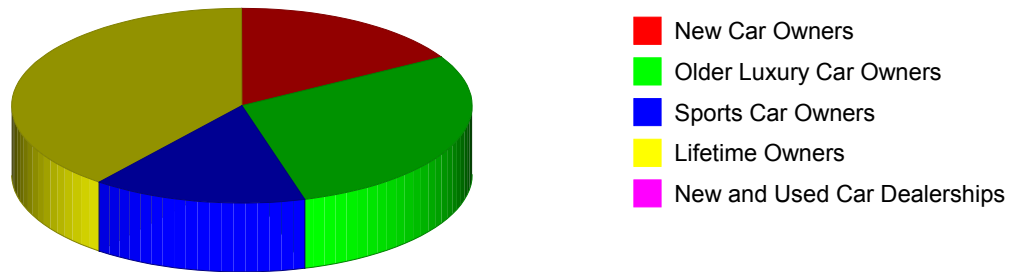


Table: Market Analysis

Market Analysis	Growth	2001	2002	2003	2004	2005	CAGR
Potential Customers							
New Car Owners	10%	7,200	7,920	8,712	9,583	10,541	10.00%
Older Luxury Car Owners	15%	12,500	14,375	16,531	19,011	21,863	15.00%
Sports Car Owners	15%	6,500	7,475	8,596	9,885	11,368	15.00%
Lifetime Owners	10%	17,000	18,700	20,570	22,627	24,890	10.00%
New and Used Car Dealerships	7%	9	10	11	12	13	9.63%
Total	12.28%	43,209	48,480	54,420	61,118	68,675	12.28%

4.2 Target Market Segment Strategy

The strategy behind Soapy Rides target segmentation is to attract customers who will be repeat users and will frequent the business in the typically quiet times for a car wash business. It will not be difficult to attract customers during the summer months and on the weekends, the weekdays however, especially in the winter, people will not think about having their cars washed. For this reason, Soapy Rides will target people who will tend not to be restricted to these busy times.

- Business owners (new car owners) tend to be very busy people, but are often able to make their own hours.
- Retired people (older luxury car owners) are not restricted by typical work schedules so will be able to frequent the car wash during the week.
- Dealerships will need cars detailed and washed regardless of the time of the day and week. This will supply a constant flow of traffic.
- Businesses will need their fleet cars washed during the week during regular business hours.

Soapy Rides Car Wash

4.3 Service Business Analysis

The hand car washing business in East Meadow consists of many small competitors. Everything from local children raising money for their youth group on a Saturday by cleaning cars, to the automatic car wash machines, are competition for Soapy Rides. However, these two alternatives aim to meet the needs of the price-conscious individuals who are choosing the service simply so they do not have to clean the car themselves. Soapy Rides on the other hand, targets the quality-conscious individuals who value their car enough to spend \$10-\$15 per week to make it look good.

4.3.1 Competition and Buying Patterns

There is one other hand car wash shop in East Meadow. It is quite new and is trying to compete with automatic car washes by offering low prices. However, it is not targeting the customers who seek quality cleaning.

The customers who Soapy Rides is targeting have their cars washed based on the quality of the job. They do not mind spending a little more each week to have their car washed and waxed in order to keep the paint work in excellent shape. The businesses that Soapy Rides targets will be more cost conscious, so prices will be approximately 30% less for these customers to promote volume usage.

5.0 Strategy and Implementation Summary

The key differentiator for Soapy Rides Car Wash is Mark Deshpande and his business and personal connections within the East Meadow neighborhood. For this reason, the sales and marketing focus will be on a one-to-one basis, with the emphasis on gaining loyal and repeat customers as "friends" of the business. Soapy Rides, therefore, will depend on word-of-mouth advertising for the immediate community.

5.1 Competitive Edge

Soapy Rides' competitive edge will be Mark Deshpande and the quality of the family name in the East Meadow area. As mentioned, the family has been in the car business for over 30 years, and has an excellent reputation and a myriad of both business and personal contacts. In addition, Mark has put a great deal of emphasis on creating a system that is both fast and efficient, which will keep costs, in terms of time spent per car, to a minimum.

Soapy Rides Car Wash

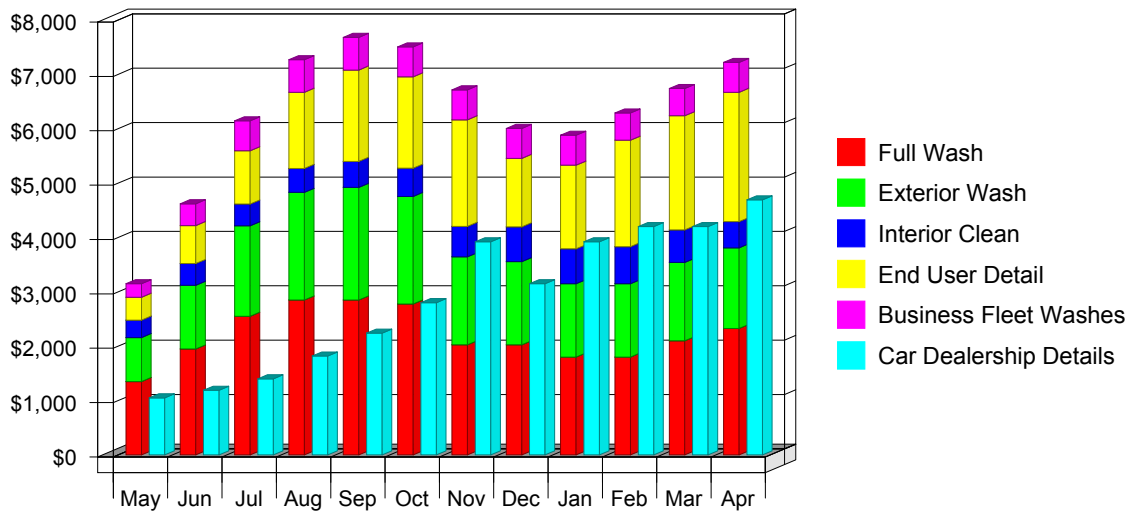
5.2 Sales Strategy

Sales strategy is on a one-to-one basis. All customers will feel they are a valued friend of Soapy Rides, and that all employees care about the care and upkeep of each vehicle. We must be aware that there are low switching costs in the car washing industry, so we have to work hard to develop and keep repeat customers.

5.2.1 Sales Forecast

The following chart forecasts sales based upon the Market Segmentation Strategy. Sales are seasonal in this industry, tending to be higher in the warmer summer months, and to drop off in the winter. However, we will aim to flatten sales across the sales cycle by targeting segments that will want to keep their cars clean and looking good year round.

Sales Monthly



Soapy Rides Car Wash

Table: Sales Forecast

Sales Forecast			
Unit Sales	2002	2003	2004
Full Wash	1,760	2,288	2,974
Exterior Wash	2,050	2,665	3,465
Interior Clean	770	1,001	1,301
End User Detail	129	193	290
Business Fleet Washes	615	923	1,384
Car Dealership Details	494	642	963
Total Unit Sales	5,818	7,712	10,376
Unit Prices			
	2002	2003	2004
Full Wash	\$15.00	\$15.00	\$15.00
Exterior Wash	\$9.00	\$10.00	\$12.00
Interior Clean	\$8.00	\$9.00	\$9.00
End User Detail	\$140.00	\$145.00	\$150.00
Business Fleet Washes	\$10.00	\$10.00	\$10.00
Car Dealership Details	\$70.00	\$75.00	\$80.00
Sales			
	2002	2003	2004
Full Wash	\$26,400	\$34,320	\$44,616
Exterior Wash	\$18,450	\$26,650	\$41,574
Interior Clean	\$6,160	\$9,009	\$11,712
End User Detail	\$18,060	\$27,985	\$43,425
Business Fleet Washes	\$6,150	\$9,225	\$13,838
Car Dealership Details	\$34,580	\$48,150	\$77,040
Total Sales	\$109,800	\$155,339	\$232,204
Direct Unit Costs			
	2002	2003	2004
Full Wash	\$0.70	\$0.80	\$0.90
Exterior Wash	\$0.40	\$0.45	\$0.50
Interior Clean	\$0.30	\$0.35	\$0.40
End User Detail	\$3.00	\$3.50	\$4.00
Business Fleet Washes	\$0.70	\$0.75	\$0.80
Car Dealership Details	\$3.00	\$3.50	\$4.00
Direct Cost of Sales			
	2002	2003	2004
Full Wash	\$1,232	\$1,830	\$2,677
Exterior Wash	\$820	\$1,199	\$1,732
Interior Clean	\$231	\$350	\$521
End User Detail	\$387	\$676	\$1,158
Business Fleet Washes	\$431	\$692	\$1,107
Car Dealership Details	\$1,482	\$2,247	\$3,852
Subtotal Direct Cost of Sales	\$4,583	\$6,994	\$11,047

5.3 Milestones

The following table outlines the important milestones in the planning and implementation of Soapy Rides.

Soapy Rides Car Wash

Table: Milestones

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Complete Business Plan	2/1/01	5/1/01	\$0	ABC	Department
Sign Rental Contract	3/20/01	3/20/01	\$475	Mark	Owner
Convert Premises	4/1/01	4/30/01	\$0	Contractors	Contractors
Hire Car Wash Staff	4/20/01	4/20/01	\$200	Mark	Owner
Hire Admin Staff	4/20/01	4/20/01	\$200	Mark	Owner
Open for Business	5/1/01	5/1/01	\$0	Staff	Staff
Distribute Flyers	4/28/01	5/5/01	\$75	Friends	Friends
Press Release	4/29/01	4/29/01	\$25	Mark	Owner
Follow-up on Press Release	4/30/01	4/30/01	\$0	Mark	Owner
Totals			\$975		

6.0 Management Summary

Mark Deshpande is the sole owner and manager of Soapy Rides. In addition, he will be helped (on an unofficial basis) by his father, Barry Deshpande. Barry has over 30 years experience as an entrepreneur, both in the car business and in property development and management.

Mark will also have the assistance of John Shine, the family accountant, in creating a long-term strategic vision for the company. John is a family friend and has worked with the Deshpande family for 23 years. He has worked with hundreds of small- and medium-sized businesses during his career.

6.1 Personnel Plan

Since car washing is a seasonal business, with business increasing in the warm summer months, and being busier on the weekends than during the week, Soapy Rides will rely on both temporary and part-time help. The company will hire one full-time car wash/detail specialist and one full-time car wash specialist when it opens for business. Although it will rely on temporary and part-time help, quality will not be compromised, since all washers and detailers will receive thorough training. The company will also hire an administrative assistant who will assist Mark with paperwork and act as a receptionist.

Table: Personnel

Personnel Plan	2002	2003	2004
Owner	\$18,000	\$30,000	\$40,000
Car Washers	\$30,240	\$43,312	\$51,174
Admin/Sales	\$13,440	\$15,000	\$22,000
Total People	0	0	0
Total Payroll	\$61,680	\$88,312	\$113,174

Soapy Rides Car Wash

7.0 Financial Plan

The following plan outlines the financial development of Soapy Rides. The business will be initially financed by a \$30,000 investment by Mark Deshpande and will finance growth through cash flow. This will mean that the company will grow more slowly than it could, but it will ensure that Mark retains control over the direction of the company. In year three, it is hoped that the company will be able to open a second location. It is envisioned that an outside loan or equity funding will be sought at that time.

7.1 Important Assumptions

The financial projections for Soapy Rides are based on the following assumptions. These assumptions are thought to be quite conservative, as are the financial forecasts.

Table: General Assumptions

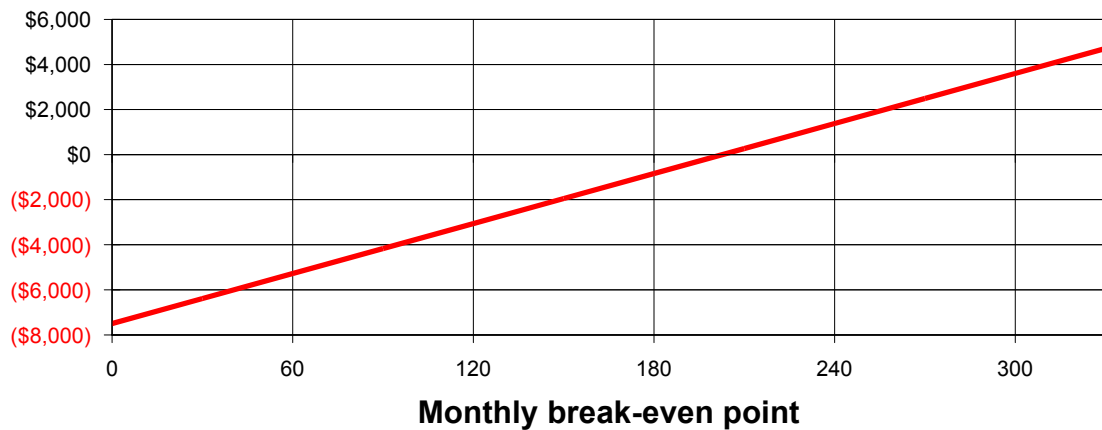
General Assumptions	2002	2003	2004
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	25.00%	25.00%	25.00%
Sales on Credit %	15.00%	15.00%	15.00%
Other	0.00%	0.00%	0.00%
Calculated Totals			
Payroll Expense	\$61,680	\$88,312	\$113,174
Sales on Credit	\$16,470	\$23,301	\$34,831
New Accounts Payable	\$95,749	\$133,324	\$178,202
Inventory Purchase	\$4,816	\$7,249	\$11,474

Soapy Rides Car Wash

7.2 Break-even Analysis

Fixed monthly costs for Soapy Rides are estimated to be approximately \$7,500, and break even monthly units are 203 units per month.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	203
Monthly Revenue Break-even	\$9,122
Assumptions:	
Average Per-Unit Revenue	\$45.00
Average Per-Unit Variable Cost	\$8.00
Estimated Monthly Fixed Cost	\$7,500

Soapy Rides Car Wash

7.3 Projected Profit and Loss

The following Profit and Loss table illustrates income and expenses monthly for the first year, and annually for the next two years.

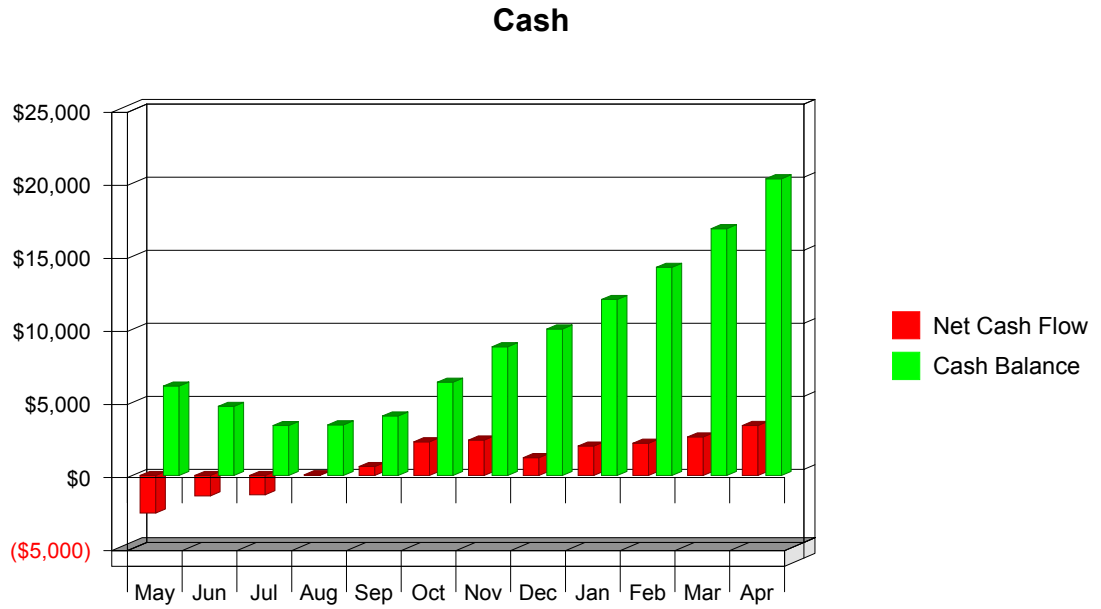
Table: Profit and Loss

Pro Forma Profit and Loss	2002	2003	2004
Sales	\$109,800	\$155,339	\$232,204
Direct Cost of Sales	\$4,583	\$6,994	\$11,047
Other	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$4,583	\$6,994	\$11,047
Gross Margin	\$105,218	\$148,345	\$221,157
Gross Margin %	95.83%	95.50%	95.24%
Expenses:			
Payroll	\$61,680	\$88,312	\$113,174
Sales and Marketing and Other Expenses	\$2,600	\$1,550	\$1,700
Depreciation	\$2,070	\$2,070	\$2,070
Leased Equipment	\$0	\$0	\$0
Utilities	\$3,325	\$3,500	\$3,750
Insurance	\$1,800	\$1,800	\$1,800
Rent	\$4,800	\$5,500	\$6,000
Payroll Taxes	\$15,420	\$22,078	\$28,294
Other	\$0	\$0	\$0
	-----	-----	-----
Total Operating Expenses	\$91,695	\$124,810	\$156,788
Profit Before Interest and Taxes	\$13,523	\$23,535	\$64,370
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$3,381	\$5,884	\$16,092
Net Profit	\$10,142	\$17,651	\$48,277
Net Profit/Sales	9.24%	11.36%	20.79%
Include Negative Taxes	TRUE	TRUE	TRUE

Soapy Rides Car Wash

7.4 Projected Cash Flow

The following Cash Flow table illustrates that if Soapy Rides meets projected sales, it will have positive cash flow after month three of operation.



Soapy Rides Car Wash

Table: Cash Flow

Pro Forma Cash Flow	2002	2003	2004
Cash Received			
Cash from Operations:			
Cash Sales	\$93,330	\$132,038	\$197,374
Cash from Receivables	\$13,918	\$22,242	\$33,044
Subtotal Cash from Operations	\$107,248	\$154,280	\$230,417
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	\$107,248	\$154,280	\$230,417
Expenditures			
Expenditures from Operations:			
Cash Spending	\$2,072	\$2,548	\$4,082
Payment of Accounts Payable	\$93,565	\$132,822	\$176,586
Subtotal Spent on Operations	\$95,637	\$135,370	\$180,668
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	\$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	\$95,637	\$135,370	\$180,668
Net Cash Flow	\$11,610	\$18,910	\$49,750
Cash Balance	\$20,310	\$39,220	\$88,970

Soapy Rides Car Wash

7.5 Projected Balance Sheet

Soapy Rides' balance sheet illustrates a healthy financial position for this new company. The monthly estimates are included in the appendices.

Table: Balance Sheet

Pro Forma Balance Sheet

Assets	2002	2003	2004
Current Assets			
Cash	\$20,310	\$39,220	\$88,970
Accounts Receivable	\$2,552	\$3,611	\$5,398
Inventory	\$483	\$737	\$1,164
Other Current Assets	\$1,000	\$1,000	\$1,000
Total Current Assets	\$24,346	\$44,568	\$96,532
Long-term Assets			
Long-term Assets	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$2,070	\$4,140	\$6,210
Total Long-term Assets	\$7,930	\$5,860	\$3,790
Total Assets	\$32,276	\$50,429	\$100,322
Liabilities and Capital			
	2002	2003	2004
Accounts Payable	\$2,184	\$2,686	\$4,302
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$2,184	\$2,686	\$4,302
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$2,184	\$2,686	\$4,302
Paid-in Capital	\$30,000	\$30,000	\$30,000
Retained Earnings	(\$10,050)	\$92	\$17,743
Earnings	\$10,142	\$17,651	\$48,277
Total Capital	\$30,092	\$47,743	\$96,020
Total Liabilities and Capital	\$32,276	\$50,429	\$100,322
Net Worth	\$30,092	\$47,743	\$96,020

7.6 Business Ratios

The following table contains important ratios for the car wash industry, as determined by the Standard Industry Classification (SIC) code, 7542.

Soapy Rides Car Wash

Table: Ratios

Ratio Analysis	2002	2003	2004	Industry Profile
Sales Growth	0.00%	41.47%	49.48%	3.00%
Percent of Total Assets				
Accounts Receivable	7.91%	7.16%	5.38%	8.70%
Inventory	1.50%	1.46%	1.16%	9.50%
Other Current Assets	3.10%	1.98%	1.00%	26.40%
Total Current Assets	75.43%	88.38%	96.22%	44.60%
Long-term Assets	24.57%	11.62%	3.78%	55.40%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.00%	0.00%	0.00%	29.30%
Long-term Liabilities	0.00%	0.00%	0.00%	27.80%
Total Liabilities	0.00%	0.00%	0.00%	57.10%
Net Worth	100.00%	100.00%	100.00%	42.90%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	95.83%	95.50%	95.24%	0.00%
Selling, General & Administrative Expenses	86.59%	84.13%	74.45%	68.20%
Advertising Expenses	0.91%	0.74%	0.56%	1.50%
Profit Before Interest and Taxes	12.32%	15.15%	27.72%	2.70%
Main Ratios				
Current	11.15	16.60	22.44	1.53
Quick	10.93	16.32	22.17	0.88
Total Debt to Total Assets	6.77%	5.33%	4.29%	57.10%
Pre-tax Return on Net Worth	44.94%	49.29%	67.04%	3.40%
Pre-tax Return on Assets	41.90%	46.67%	64.16%	8.00%
Business Vitality Profile				
Sales per Employee	\$0	\$0	\$0	\$0
Survival Rate				0.00%
Additional Ratios				
Net Profit Margin	9.24%	11.36%	20.79%	n.a
Return on Equity	33.70%	36.97%	50.28%	n.a
Activity Ratios				
Accounts Receivable Turnover	6.45	6.45	6.45	n.a
Collection Days	43	48	47	n.a
Inventory Turnover	12.00	11.46	11.62	n.a
Accounts Payable Turnover	43.84	49.64	41.43	n.a
Payment Days	5	80	86	
Total Asset Turnover	3.40	3.08	2.31	n.a
Debt Ratios				
Debt to Net Worth	0.07	0.06	0.04	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$22,162	\$41,883	\$92,230	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.29	0.32	0.43	n.a
Current Debt/Total Assets	7%	5%	4%	n.a
Acid Test	9.76	14.98	20.92	n.a
Sales/Net Worth	3.65	3.25	2.42	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Appendix Table: Sales Forecast

Sales Forecast												
Unit Sales	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Full Wash	90	130	170	190	190	185	135	135	120	120	140	155
Exterior Wash	90	130	185	220	230	220	180	170	150	150	160	165
Interior Clean	40	50	50	55	60	65	70	80	80	85	75	60
End User Detail	3	5	7	10	12	12	14	9	11	14	15	17
Business Fleet Washes	25	40	55	60	60	55	55	55	55	50	50	55
Car Dealership Details	15	17	20	26	32	40	56	45	56	60	60	67
Total Unit Sales	263	372	487	561	584	577	510	494	472	479	500	519
Unit Prices												
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Full Wash	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Exterior Wash	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Interior Clean	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
End User Detail	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00
Business Fleet Washes	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Car Dealership Details	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00
Sales												
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Full Wash	\$1,350	\$1,950	\$2,550	\$2,850	\$2,850	\$2,775	\$2,025	\$2,025	\$1,800	\$1,800	\$2,100	\$2,325
Exterior Wash	\$810	\$1,170	\$1,665	\$1,980	\$2,070	\$1,980	\$1,620	\$1,530	\$1,350	\$1,350	\$1,440	\$1,485
Interior Clean	\$320	\$400	\$400	\$440	\$480	\$520	\$560	\$640	\$640	\$680	\$600	\$480
End User Detail	\$420	\$700	\$980	\$1,400	\$1,680	\$1,680	\$1,960	\$1,260	\$1,540	\$1,960	\$2,100	\$2,380
Business Fleet Washes	\$250	\$400	\$550	\$600	\$600	\$550	\$550	\$550	\$550	\$500	\$500	\$550
Car Dealership Details	\$1,050	\$1,190	\$1,400	\$1,820	\$2,240	\$2,800	\$3,920	\$3,150	\$3,920	\$4,200	\$4,200	\$4,690
Total Sales	\$4,200	\$5,810	\$7,545	\$9,090	\$9,920	\$10,305	\$10,635	\$9,155	\$9,800	\$10,490	\$10,940	\$11,910
Direct Unit Costs												
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Full Wash	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70
Exterior Wash	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Interior Clean	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
End User Detail	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Business Fleet Washes	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70	\$0.70
Car Dealership Details	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Direct Cost of Sales												
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Full Wash	\$63	\$91	\$119	\$133	\$133	\$130	\$95	\$95	\$84	\$84	\$98	\$109
Exterior Wash	\$36	\$52	\$74	\$88	\$92	\$88	\$72	\$68	\$60	\$60	\$64	\$66
Interior Clean	\$12	\$15	\$15	\$17	\$18	\$20	\$21	\$24	\$24	\$26	\$23	\$18
End User Detail	\$9	\$15	\$21	\$30	\$36	\$36	\$42	\$27	\$33	\$42	\$45	\$51
Business Fleet Washes	\$18	\$28	\$39	\$42	\$42	\$39	\$39	\$39	\$39	\$35	\$35	\$39
Car Dealership Details	\$45	\$51	\$60	\$78	\$96	\$120	\$168	\$135	\$168	\$180	\$180	\$201
Subtotal Direct Cost of Sales	\$183	\$252	\$328	\$388	\$417	\$432	\$436	\$387	\$408	\$427	\$445	\$483

Appendix

Appendix Table: Personnel

Personnel Plan	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Owner	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Car Washers	\$2,240	\$2,240	\$3,360	\$3,360	\$3,360	\$2,240	\$2,240	\$2,240	\$2,240	\$2,240	\$2,240	\$2,240
Admin/Sales	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120	\$1,120
Total People	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	\$4,860	\$4,860	\$5,980	\$5,980	\$5,980	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860

Appendix

Appendix Table: General Assumptions

General Assumptions	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
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%
Sales on Credit %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
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	\$4,860	\$4,860	\$5,980	\$5,980	\$5,980	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860
Sales on Credit	\$630	\$872	\$1,132	\$1,364	\$1,488	\$1,546	\$1,595	\$1,373	\$1,470	\$1,574	\$1,641	\$1,787
New Accounts Payable	\$6,554	\$6,969	\$8,517	\$8,891	\$9,071	\$7,917	\$7,985	\$7,571	\$7,927	\$7,959	\$8,055	\$8,334
Inventory Purchase	\$115	\$322	\$403	\$448	\$447	\$446	\$441	\$338	\$428	\$446	\$463	\$522

Appendix

Appendix Table: Profit and Loss

Pro Forma Profit and Loss

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Sales	\$4,200	\$5,810	\$7,545	\$9,090	\$9,920	\$10,305	\$10,635	\$9,155	\$9,800	\$10,490	\$10,940	\$11,910
Direct Cost of Sales	\$183	\$252	\$328	\$388	\$417	\$432	\$436	\$387	\$408	\$427	\$445	\$483
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$183	\$252	\$328	\$388	\$417	\$432	\$436	\$387	\$408	\$427	\$445	\$483
Gross Margin	\$4,018	\$5,558	\$7,218	\$8,703	\$9,503	\$9,874	\$10,199	\$8,768	\$9,393	\$10,064	\$10,496	\$11,427
Gross Margin %	95.65%	95.66%	95.66%	95.74%	95.80%	95.81%	95.90%	95.77%	95.84%	95.93%	95.94%	95.94%
Expenses:												
Payroll	\$4,860	\$4,860	\$5,980	\$5,980	\$5,980	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860	\$4,860
Sales and Marketing and Other Expenses	\$500	\$300	\$300	\$300	\$300	\$100	\$100	\$100	\$300	\$100	\$100	\$100
Depreciation	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$250	\$275	\$300	\$300	\$300	\$275	\$275	\$275	\$275	\$275	\$250	\$275
Insurance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Rent	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Payroll Taxes	25% \$1,215	\$1,215	\$1,495	\$1,495	\$1,495	\$1,215	\$1,215	\$1,215	\$1,215	\$1,215	\$1,215	\$1,215
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$7,547	\$7,372	\$8,797	\$8,797	\$8,797	\$7,172	\$7,172	\$7,172	\$7,372	\$7,172	\$7,147	\$7,172
Profit Before Interest and Taxes	(\$3,530)	(\$1,814)	(\$1,580)	(\$95)	\$706	\$2,701	\$3,027	\$1,596	\$2,020	\$2,891	\$3,348	\$4,255
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$882)	(\$454)	(\$395)	(\$24)	\$176	\$675	\$757	\$399	\$505	\$723	\$837	\$1,064
Net Profit	(\$2,647)	(\$1,361)	(\$1,185)	(\$71)	\$529	\$2,026	\$2,270	\$1,197	\$1,515	\$2,168	\$2,511	\$3,191
Net Profit/Sales	-63.04%	-23.42%	-15.71%	-0.78%	5.33%	19.66%	21.34%	13.07%	15.46%	20.67%	22.95%	26.79%
Include Negative Taxes												

Appendix

Appendix Table: Cash Flow

Pro Forma Cash Flow	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Cash Received												
Cash from Operations:												
Cash Sales	\$3,570	\$4,939	\$6,413	\$7,727	\$8,432	\$8,759	\$9,040	\$7,782	\$8,330	\$8,917	\$9,299	\$10,124
Cash from Receivables	\$0	\$336	\$759	\$1,010	\$1,255	\$1,430	\$1,519	\$1,572	\$1,477	\$1,425	\$1,525	\$1,610
Subtotal Cash from Operations	\$3,570	\$5,275	\$7,172	\$8,737	\$9,687	\$10,189	\$10,559	\$9,354	\$9,807	\$10,341	\$10,824	\$11,733
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	\$3,570	\$5,275	\$7,172	\$8,737	\$9,687	\$10,189	\$10,559	\$9,354	\$9,807	\$10,341	\$10,824	\$11,733
Expenditures												
Expenditures from Operations:												
Cash Spending	\$53	\$99	\$116	\$157	\$177	\$205	\$212	\$166	\$206	\$209	\$220	\$251
Payment of Accounts Payable	\$6,091	\$6,568	\$8,374	\$8,530	\$8,897	\$7,679	\$7,919	\$7,971	\$7,583	\$7,928	\$7,962	\$8,064
Subtotal Spent on Operations	\$6,144	\$6,667	\$8,489	\$8,687	\$9,075	\$7,883	\$8,131	\$8,137	\$7,788	\$8,138	\$8,182	\$8,315
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	\$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	\$6,144	\$6,667	\$8,489	\$8,687	\$9,075	\$7,883	\$8,131	\$8,137	\$7,788	\$8,138	\$8,182	\$8,315
Net Cash Flow	(\$2,574)	(\$1,393)	(\$1,317)	\$50	\$613	\$2,306	\$2,427	\$1,217	\$2,018	\$2,204	\$2,642	\$3,418
Cash Balance	\$6,126	\$4,733	\$3,416	\$3,465	\$4,078	\$6,384	\$8,811	\$10,028	\$12,046	\$14,250	\$16,892	\$20,310

Appendix

Appendix Table: Balance Sheet

Pro Forma Balance Sheet

Assets	Starting Balances	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Current Assets													
Cash	\$8,700	\$6,126	\$4,733	\$3,416	\$3,465	\$4,078	\$6,384	\$8,811	\$10,028	\$12,046	\$14,250	\$16,892	\$20,310
Accounts Receivable	\$0	\$630	\$1,166	\$1,538	\$1,892	\$2,124	\$2,240	\$2,317	\$2,118	\$2,111	\$2,260	\$2,375	\$2,552
Inventory	\$250	\$183	\$252	\$328	\$388	\$417	\$432	\$436	\$387	\$408	\$427	\$445	\$483
Other Current Assets	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Current Assets	\$9,950	\$7,938	\$7,150	\$6,282	\$6,745	\$7,619	\$10,055	\$12,564	\$13,533	\$15,565	\$17,936	\$20,712	\$24,346
Long-term Assets													
Long-term Assets	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$0	\$172	\$345	\$517	\$690	\$862	\$1,035	\$1,207	\$1,380	\$1,552	\$1,725	\$1,897	\$2,070
Total Long-term Assets	\$10,000	\$9,828	\$9,655	\$9,483	\$9,310	\$9,138	\$8,965	\$8,793	\$8,620	\$8,448	\$8,275	\$8,103	\$7,930
Total Assets	\$19,950	\$17,766	\$16,805	\$15,764	\$16,055	\$16,757	\$19,021	\$21,356	\$22,153	\$24,012	\$26,211	\$28,815	\$32,276
Liabilities and Capital													
Accounts Payable	\$0	\$463	\$864	\$1,007	\$1,369	\$1,542	\$1,780	\$1,846	\$1,446	\$1,790	\$1,821	\$1,914	\$2,184
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
Subtotal Current Liabilities	\$0	\$463	\$864	\$1,007	\$1,369	\$1,542	\$1,780	\$1,846	\$1,446	\$1,790	\$1,821	\$1,914	\$2,184
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$463	\$864	\$1,007	\$1,369	\$1,542	\$1,780	\$1,846	\$1,446	\$1,790	\$1,821	\$1,914	\$2,184
Paid-in Capital	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Retained Earnings	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)	(\$10,050)
Earnings	\$0	(\$2,647)	(\$4,008)	(\$5,193)	(\$5,265)	(\$4,735)	(\$2,710)	(\$440)	\$757	\$2,272	\$4,440	\$6,951	\$10,142
Total Capital	\$19,950	\$17,303	\$15,942	\$14,757	\$14,685	\$15,215	\$17,240	\$19,510	\$20,707	\$22,222	\$24,390	\$26,901	\$30,092
Total Liabilities and Capital	\$19,950	\$17,766	\$16,805	\$15,764	\$16,055	\$16,757	\$19,021	\$21,356	\$22,153	\$24,012	\$26,211	\$28,815	\$32,276
Net Worth	\$19,950	\$17,303	\$15,942	\$14,757	\$14,685	\$15,215	\$17,240	\$19,510	\$20,707	\$22,222	\$24,390	\$26,901	\$30,092