

**SURYA PHARMA LIMITED**

**BUSINESS PLAN FOR MEDICAL PRODUCTS SUPERMARKET**

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## Executive Summary

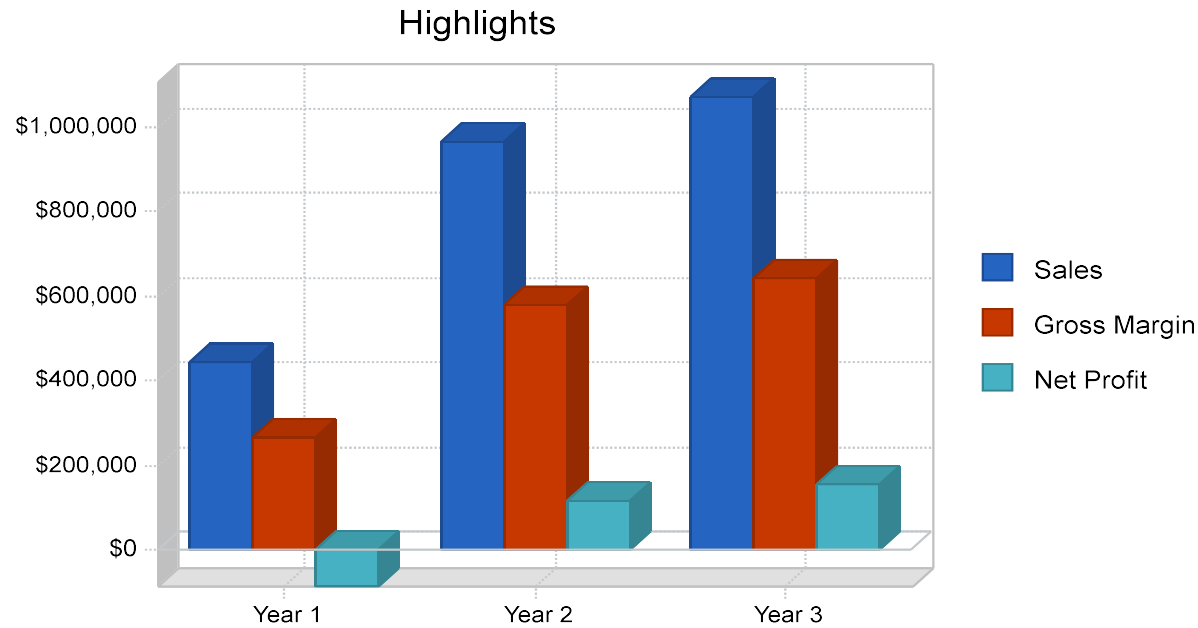
The Surya Pharma's main goal is to provide prescription medications for our customers at the lowest prices on the market. We will be able to sell prescriptions at reduced prices by carefully maintaining efficiencies in our operations and by targeting a specific segment of the market - those customers who pay for their prescription medications themselves. By focusing on this segment it gives us additional efficiencies - we avoid disruptions in cash flow often associated with insurance payments and we can eliminate unnecessary services for the type of knowledgeable, repeat customer taking maintenance-type medication.

The Surya Pharma will operate from one store that will serve both mail-order customers and those who visit in person. We will thrive by employing friendly and knowledgeable personnel, which, along with our great prices, will drive the repeat business that we will rely upon. We only expect that as the price of medication continues to skyrocket, The Surya Pharma will appeal more and more to the customer's sense of value and convenience.

Our advertising, mainly through ads in magazines targeted at the over-55 crowd, will be targeted at those who are looking to save money on a pricey but necessary and regular expense.

The Surya Pharma will be led by a General Manager with experience in the pharmaceutical industry. Costs will be minimized by maintaining only one pharmacist and filling the void with pharmaceutical techs. We expect to reach profitability by our second year and will generate substantial sales by year three.

**Chart: Highlights**



**Objectives**

The objectives for the first three years include:

- Exceed customer expectations with superior pricing
- Increase the number of customers by more than 30% per year
- Develop a business that survives off its own cash flow

## **Keys to Success**

The keys to success are:

- Satisfy our customers so they will return again and again
- Maintain low overhead and operating costs
- Provide better prices than all our competitors

## **Mission**

The Surya Pharma's mission is to provide our customers with the best prices for their prescription medications. Our convenience and services will exceed the expectations of our customers.

## **Company Summary**

The Surya Pharma is located in Dar es Salaam and offers prescription medications at discount prices to our customers by mail order or at the store front.

## **Company Ownership**

The Surya Pharma is an Tanzanian limited liability corporation. The majority stock holder is Pratish Kakkad.

## **Start-up Summary**

The Surya Pharma will incur the following start-up equipment costs:

- Office equipment including chairs, file cabinets, and desks.
- Front counter, storage bins, cash register.

- Three computer terminals.
- Main computer server with a laser printer, and back-up system.
- Software: Microsoft Office, QuickBooks Pro, drug interaction software, Physician Desk Reference software detailing side effects and other information pertinent to the customer.
- Assorted bottles, boxes, envelopes, etc. for dispensing and shipment.
- Scales for shipping.
- Telecom system.
- Storefront build-out.
- Start-up inventory.
- Rent, utilities, insurance.

Please note that these items will be used for more than one year and will therefore be labeled long-term assets, depreciated using G.A.A.P. approved straight-line depreciation.

**Table: Start-up**

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	\$1,000
Rent	\$2,000
Utilities	\$400
Telecom System	\$400
Insurance	\$300
Storefront Build-out	\$15,000
Expensed Equipment	\$4,000
Website development	\$1,000
<b>Total Start-up Expenses</b>	<b>\$24,100</b>

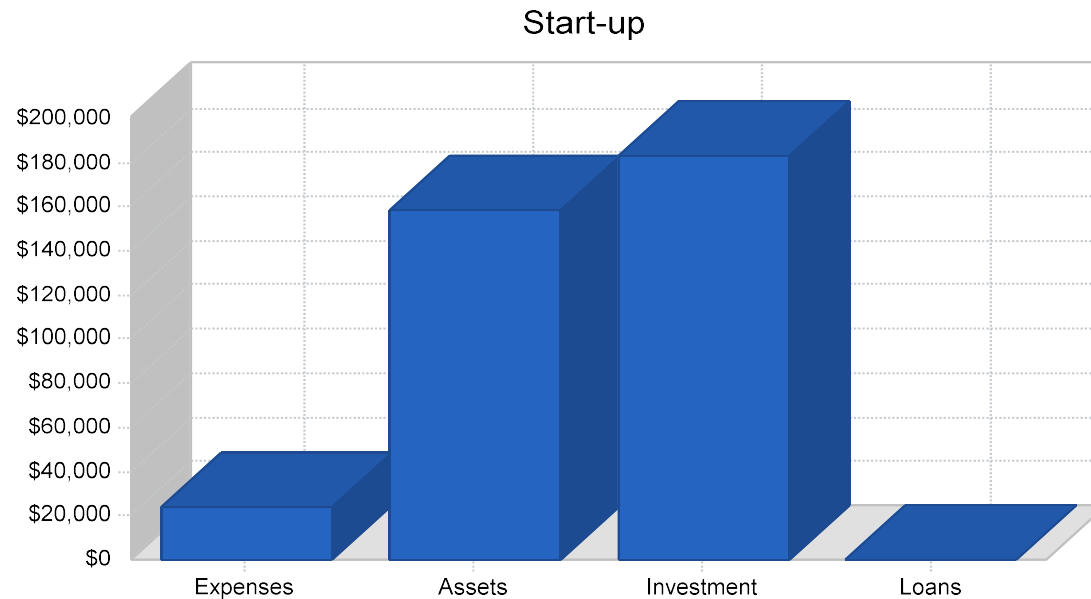
Start-up Assets	
Cash Required	\$140,500
Start-up Inventory	\$10,000
Other Current Assets	\$0
Long-term Assets	\$8,500
Total Assets	\$159,000
<b>Total Requirements</b>	<b>\$183,100</b>

**Table: Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$24,100
Start-up Assets to Fund	\$159,000
Total Funding Required	\$183,100
Assets	
Non-cash Assets from Start-up	\$18,500
Cash Requirements from Start-up	\$140,500
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$140,500
Total Assets	\$159,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0

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Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Seed Funding	\$50,000
Pratish kakkad	\$51,000
Friends and Family	\$50,000
Additional Investment Requirement	\$32,100
Total Planned Investment	\$183,100
Loss at Start-up (Start-up Expenses)	(\$24,100)
Total Capital	\$159,000
Total Capital and Liabilities	\$159,000
<b>Total Funding</b>	<b>\$183,100</b>

**Chart: Start-up**

*Do you need better-looking financial charts? Tools like [LivePlan](#) will do this for you automatically, with a professional modern design.*

## Products

The Surya Pharma offers a wide range of prescription drugs to patients based in Tanzanian or nationally. Both generics and name brands are offered.

In order for a customer to purchase medications mail order, they must first contact The Surya Pharma over the phone. The customer then needs to either mail in the prescription, fax it, or email it. Once it is received and payment arrangements are complete, the medicines will be sent out to the customer via U.S.P.S. or U.P.S. Local customers may stop by the store front to pick up the medications.

The Surya Pharma will only service customers who self-pay. The self-pay customers will be attracted to The Surya Pharma because of its superior prices. For many Tanzanians that do not have drug plans, including the vast majority of Tanzanians over 65, a discount on drugs is very welcome on today's increasingly tight monthly budgets.

The Surya Pharma will be able to survive on lower margins due to operating efficiencies gained through national mail order operations and not accepting insurance policy drug plans which hampers cash flow. The Surya Pharma will also save money by not paying for customers' unlimited access to a pharmacist. If a customer has a question regarding a drug, the pharmaceutical technician will attempt to answer it. As a last resort, the pharmacist will provide the answer. Generally, the technician or the accompanying printed literature will answer the question.

This model of saving costs by not providing unlimited access to the pharmacist will be successful because the majority of customers will be customers who have been taking said drug for a while, as opposed to a new prescription, and will not require their hand to be held during the transaction. They are interested in The Pharmacy as an inexpensive source for their medication.

With each order, a printout will accompany the medications providing directions on how to take the medications, other drugs that should be avoided concurrently, and other useful information. The Surya Pharma will be using computer print outs from industry software to reduce the cost of providing this information.

Note--while the term "self pay" is typically associated with the notion that the customer is paying for the medication out of pocket without insurance, it is used in this context as the customer paying for the medications up front regardless if they have insurance. They may be paying out of pocket, or they may be paying up front and then submitting to their insurance company's drug plan to reimburse them later.

## Market Analysis Summary

The Surya Pharma's target market consists of two different groups, local customers or walk-ins, and mail order customers.

The Surya Pharma will employ two different strategies to reach these two diverse market segments.

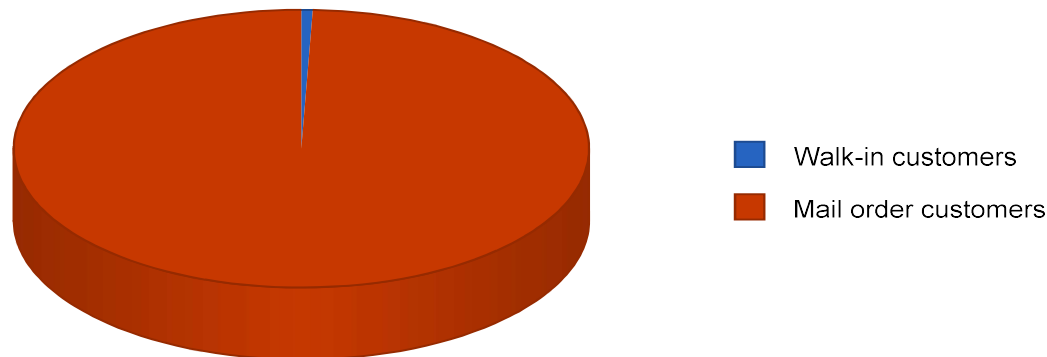
## Market Segmentation

The Surya Pharma's customers can be broken down into two different groups, mail order customers and walk-in customers:

- **Mail order customers.** This group of customers orders their medication through the mail in an effort to save money. Generally, the mail order customers are older in age, typically over 50. In general, elderly customers consume more medication relative to younger people. The mail order customer will typically purchase maintenance medications - prescriptions for an ongoing ailment that requires regular treatment. This group of customers will also be more likely to purchase several months of medication at once.
- **Walk-in customers.** This group of customers are also looking for the lowest prices for their medication. However, they tend to purchase medications monthly at their local pharmacy, often at a higher price. There is not a common demographic for this group of people, other than living in the Portland metropolitan area. Some of these customers will pay for the medications out of pocket and some will submit a claim to their insurance company for reimbursement at a later date.

### Chart: Market Analysis (Pie)

Market Analysis (Pie)



**Table: Market Analysis**

<i>Market Analysis</i>	Growth	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Potential Customers							
Walk-in customers	8%	345,887	373,558	403,443	435,718	470,575	8.00%
Mail order customers	9%	54,876,345	59,815,216	65,198,585	71,066,458	77,462,439	9.00%
<b>Total</b>	<b>8.99%</b>	<b>55,222,232</b>	<b>60,188,774</b>	<b>65,602,028</b>	<b>71,502,176</b>	<b>77,933,014</b>	<b>8.99%</b>

## Target Market Segment Strategy

The Surya Pharma will seek to attract two different groups of customers and will thus have two strategies to attract them.

We anticipate that by far our largest group of customers will be those who order through the mail. These customers will be targeted through an advertising campaign in magazines and newsletters that have an older (>55) audience who regularly need medication and are aware in advance of their needs. For example, one of the main advertising vehicles will be the Surya monthly newsletter.

Walk-in customers will be targeted through advertisements in the local paper, "The Tanzanian." Ads will raise awareness for the The Surya Pharma and our low prices.

## Competition and Buying Patterns

Competition takes many different forms in the pharmacy industry.

- **Chain pharmacies.** These are regional or national chains such as ..... The advantage to these chains are better prices through economies of scale, as well as personalized service. The personalized service takes the form of the chain having a record of your medication purchases as well as any allergies that you have disclosed to them.
- **Local pharmacies.** These are the pharmacies where you typically know the pharmacist and they know your medical history. This option is high in personalized service and convenience, and high in price.
- **Mail order and Internet pharmacies.** These are similar to The Surya Pharma.
- **International pharmacies.** These pharmacies are located in different countries where the cost of drugs is lower than in Tanzania. These pharmacies can be accessed through mail order, the Internet, or via travel. Recently there has been the trend for trips arranged for senior citizens in Tanzania to travel abroad for the day to pick up their medicines.

## Strategy and Implementation Summary

The Surya Pharma will use their website to develop visibility and disseminate information.

### Competitive Edge

The Surya Pharma's competitive edge is superior pricing. To do that we must maintain our position as the low-cost provider by painstakingly ensuring that costs are kept low through operating efficiencies.

We will be able to do that by eliminating some of the services traditionally offered by pharmacies. For example, we will employ only one pharmacist and use pharmaceutical technicians to fill the void. As long as a pharmacist is on site during the hours of operation, we can use the pharmaceutical techs for all other capacities where other pharmacies use pharmacists. Other efficiencies are created by having only a small store front and conducting most of our business through mail order.

Finally, The Surya Pharma is not designed to hold the patient's hand during their purchase. We expect that the vast majority of our customers will already be informed of how to take the medication, and any side effects or drug interactions that should be avoided. We will simply provide each patient with a print out of all the relevant information for consumption of the medication.

## **Marketing Strategy**

The marketing strategy will be based on targeted advertisements, appealing to the customer's sense of value. The marketing campaign's goal will to be increase awareness of The Surya Pharma with their target market.

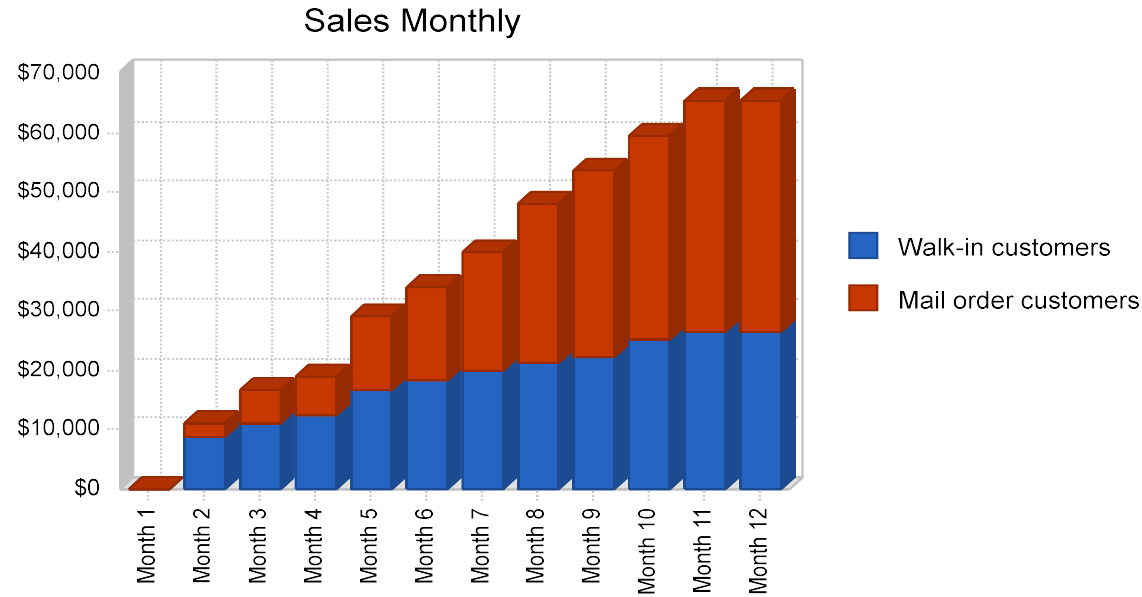
## **Sales Strategy**

The sales strategy will be based on generating long-term relationships with customers. To facilitate that, we will provide medications at superior prices, have medicines in stock for both quick shipment and store front pick up, and provide superior customer service. All sales agents will be trained to provide friendly, knowledgeable customer service. By keeping to these simple, yet effective, business practices, we expect that our customers will make The Surya Pharma their exclusive source for medications. For some, medications are an integral part of their lives, so establishing long-term relationships will ensure a large, loyal customer base.

## Sales Forecast

During the first month, we will focus on setting up the storefront and generating both local and national visibility. Sales activity will begin in month two. Sales during months three through five there will mainly consist of local business through the store front. In month six we expect to see a jump in sales from mail order. Sales will grow steadily from month six on.

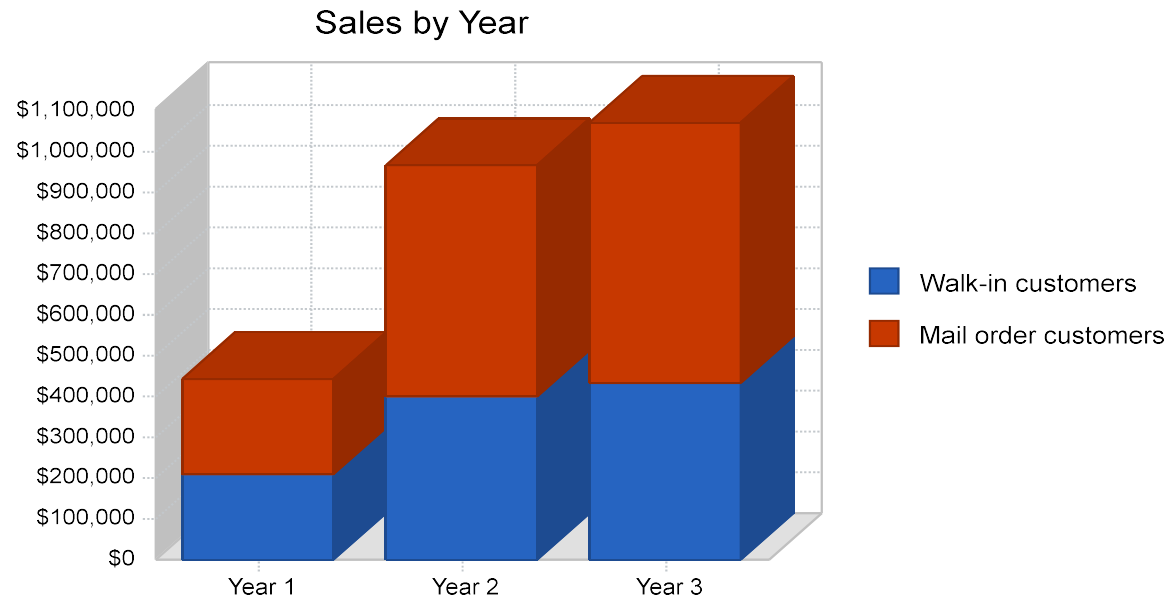
**Chart: Sales Monthly**



**Table: Sales Forecast**

<i>Sales Forecast</i>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sales					
Walk-in customers	\$209,600	\$399,833	\$431,334	\$546,998	\$601,698
Mail order customers	\$232,222	\$567,432	\$640,543	\$750,000	\$825,000
<b>Total Sales</b>	<b>\$441,822</b>	<b>\$967,265</b>	<b>\$1,071,877</b>	<b>\$1,296,998</b>	<b>\$1,426,698</b>
Direct Cost of Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Walk-in customers	\$83,840	\$159,933	\$172,534	\$234,998	\$258,498
Mail order customers	\$92,889	\$226,973	\$256,217	\$456,789	\$502,468
<b>Subtotal Direct Cost of Sales</b>	<b>\$176,729</b>	<b>\$386,906</b>	<b>\$428,751</b>	<b>\$691,787</b>	<b>\$760,966</b>

**Chart: Sales by Year**



**Milestones**

The Surya Pharma Limited will have several milestones early on:

- Office/business set up.
- Establishment of the first strategic relationship.
- Profitability.

**Table: Milestones**

<i>Milestones</i>					
Milestone	Start Date	End Date	Budget	Director	Department
Office/business set up	1/1/2023	5/1/2023	\$0	Kakkad	Executive
Establishment of the first strategic relationship	1/1/2023	7/1/2023	\$0	Kakkad	Business Development
Profitability	1/1/2023	11/1/2024	\$0	Everyone	Finance
<b>Totals</b>			\$0		

## Web Plan Summary

The website will be used for the dissemination of information as well as a mechanism for email communication. Initially there will be no ordering through our website since we do not expect that method to be widely used and trusted by our target customers.

## Development Requirements

The Surya Pharma will hire a recent college graduate with a major in computer science to complete and maintain our simple website. This will keep costs down.

## Management Summary

Pratish Kakkad has experience working with a major drug manufacturer in India and other countries, as a drug representative. He was able to see first hand the profitability associated with the prescription drug industry, as well as the inefficiencies with which most companies are plagued.

## Personnel Plan

The Surya Pharma will employ the following people:

- Sales agents/phone representatives: two at month three, an additional person at month sixth.
- Pharmaceutical technicians: two at month two, a third at month six.
- Pharmacists: month two.
- Order fulfillment agents: two for month five, a third for month eight.
- Counter person/phone representative: one at month three.

**Table: Personnel**

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
CEO (To be Nominated)	\$48,000	\$52,000	\$60,000
Pharmacist	\$55,000	\$60,000	\$60,000
Pharmacist technician	\$27,500	\$30,000	\$30,000
Pharmacist technician	\$27,500	\$30,000	\$30,000
Pharmacist technician	\$17,500	\$30,000	\$30,000
Sales agent	\$19,200	\$23,040	\$23,040
Sales agent	\$19,200	\$23,040	\$23,040
Sales agent	\$11,520	\$23,040	\$23,040
Counter person/phone rep.	\$14,400	\$17,280	\$17,280
Counter person/phone rep.	\$14,400	\$17,280	\$17,280
Order fulfillment	\$14,400	\$17,280	\$17,280
Total People	11	11	11
<b>Total Payroll</b>	<b>\$268,620</b>	<b>\$322,960</b>	<b>\$330,960</b>

# Financial Plan

The following sections will outline important financial information.

## Important Assumptions

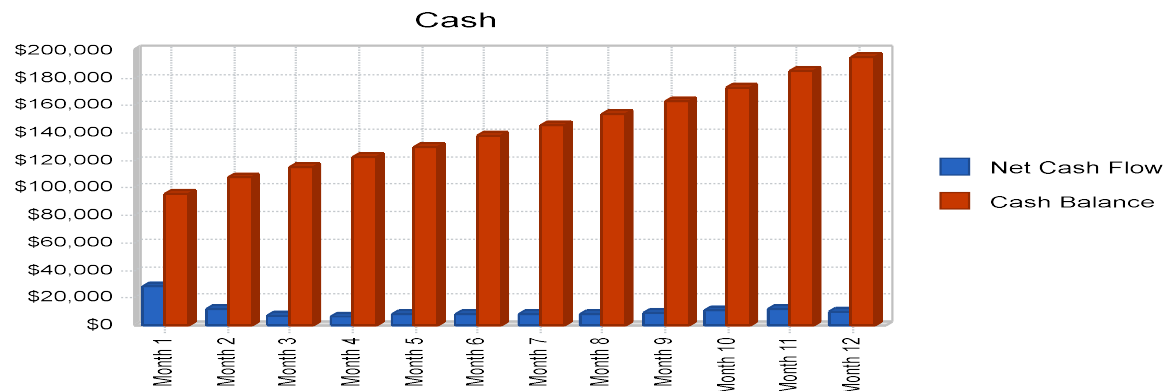
The following table details important financial assumptions.

**Table: General Assumptions**

<i>General Assumptions</i>	Year 1	Year 2	Year 3
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	30.00%	30.00%	30.00%
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Projected Cash Flow

The following chart and table display the projected cash flow.



**Table: Projected Cash Flow**

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$441,822	\$967,265	\$1,071,877	\$1,371,877	\$1,751,877
Subtotal Cash from Operations	\$441,822	\$967,265	\$1,071,877	\$1,371,877	\$1,751,877
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0

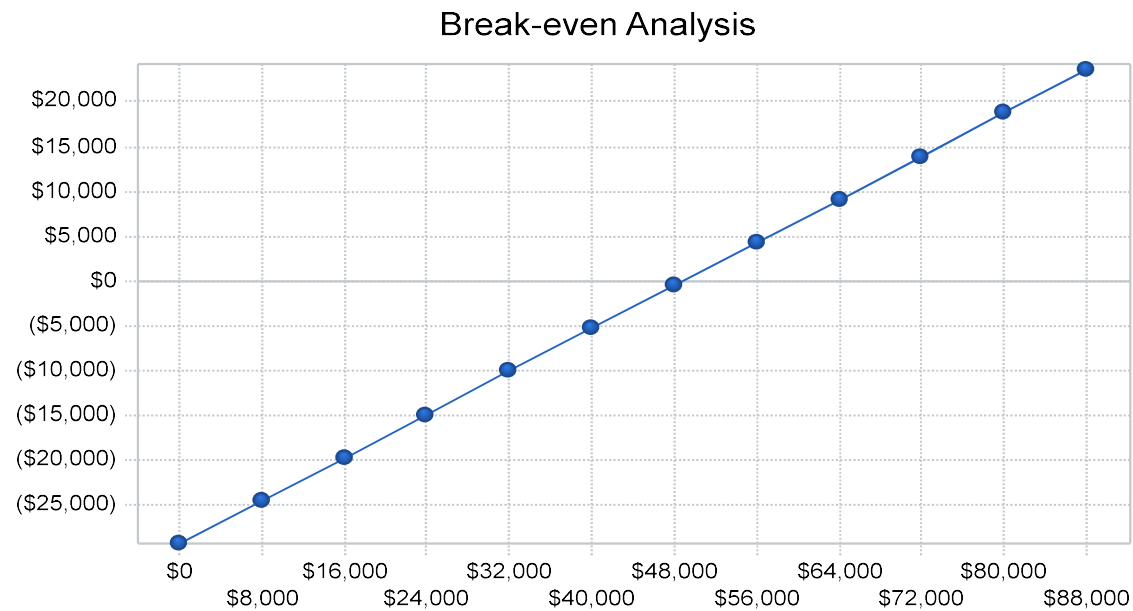
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$441,822	\$967,265	\$1,071,877	\$1,371,877	\$1,751,877
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	\$268,620	\$322,960	\$330,960	\$330,961	\$330,962
Bill Payments	\$244,177	\$564,066	\$551,685	\$556,067	\$551,686
Subtotal Spent on Operations	\$512,797	\$887,026	\$882,645	\$887,027	\$882,646
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0

Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment					
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$512,797	\$887,026	\$882,645	\$512,798	\$887,027
Net Cash Flow	(\$70,975)	\$80,239	\$189,232	(\$70,975)	\$80,240
<b>Cash Balance</b>	<b>\$69,525</b>	<b>\$149,765</b>	<b>\$338,997</b>	<b>\$338,997</b>	<b>\$338,999</b>

## Break-even Analysis

The Break-even Analysis calculates what will be needed in monthly revenue to reach the break-even point.

**Chart: Break-even Analysis**



**Table: Break-even Analysis**

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$48,808
Assumptions:	
Average Percent Variable Cost	40%
<b>Estimated Monthly Fixed Cost</b>	<b>\$29,285</b>

## Appendix

**Table: Sales Forecast**

<i>Sales Forecast</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Walk-in customers	40%	\$0	\$8,765	\$10,987	\$12,554	\$16,776	\$18,443	\$20,001	\$21,332	\$22,343	\$25,311	\$26,544	\$26,544
Mail order customers	40%	\$0	\$2,245	\$5,543	\$6,543	\$12,344	\$15,454	\$19,877	\$26,765	\$31,223	\$34,232	\$38,998	\$38,998
<b>Total Sales</b>		\$0	\$11,010	\$16,530	\$19,097	\$29,120	\$33,897	\$39,878	\$48,097	\$53,566	\$59,543	\$65,542	\$65,542
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Walk-in customers		\$0	\$3,506	\$4,395	\$5,022	\$6,710	\$7,377	\$8,000	\$8,533	\$8,937	\$10,124	\$10,618	\$10,618
Mail order customers		\$0	\$898	\$2,217	\$2,617	\$4,938	\$6,182	\$7,951	\$10,706	\$12,489	\$13,693	\$15,599	\$15,599
<b>Subtotal Direct Cost of Sales</b>		\$0	\$4,404	\$6,612	\$7,639	\$11,648	\$13,559	\$15,951	\$19,239	\$21,426	\$23,817	\$26,217	\$26,217

**Table: Personnel**

<i>Personnel Plan</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
CEO (Pratish)	0%	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Pharmacist	0%	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Pharmacist technician	0%	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Pharmacist technician	0%	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Pharmacist technician	0%	\$0	\$0	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Sales agent	0%	\$0	\$0	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920
Sales agent	0%	\$0	\$0	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920
Sales agent	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920	\$1,920
Counter person/phone rep.	0%	\$0	\$0	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Counter person/phone rep.	0%	\$0	\$0	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Order fulfillment	0%	\$0	\$0	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
Total People		1	4	9	9	9	10	11	11	11	11	11	11
<b>Total Payroll</b>		<b>\$4,000</b>	<b>\$14,000</b>	<b>\$22,160</b>	<b>\$22,160</b>	<b>\$22,160</b>	<b>\$24,660</b>	<b>\$26,580</b>	<b>\$26,580</b>	<b>\$26,580</b>	<b>\$26,580</b>	<b>\$26,580</b>	<b>\$26,580</b>

**Table: General Assumptions**

<i>General Assumptions</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
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%	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%	10.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
<b>Other</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table: Profit and Loss**

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$0	\$11,010	\$16,530	\$19,097	\$29,120	\$33,897	\$39,878	\$48,097	\$53,566	\$59,543	\$65,542	\$65,542
Direct Cost of Sales	\$0	\$4,404	\$6,612	\$7,639	\$11,648	\$13,559	\$15,951	\$19,239	\$21,426	\$23,817	\$26,217	\$26,217
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$4,404	\$6,612	\$7,639	\$11,648	\$13,559	\$15,951	\$19,239	\$21,426	\$23,817	\$26,217	\$26,217
Gross Margin	\$0	\$6,606	\$9,918	\$11,458	\$17,472	\$20,338	\$23,927	\$28,858	\$32,140	\$35,726	\$39,325	\$39,325
Gross Margin %	0.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
<b>Expenses</b>												
Payroll	\$4,000	\$14,000	\$22,160	\$22,160	\$22,160	\$24,660	\$26,580	\$26,580	\$26,580	\$26,580	\$26,580	\$26,580
Sales and Marketing and Other Expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Depreciation	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Rent	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Payroll Taxes	15%	\$600	\$2,100	\$3,324	\$3,324	\$3,324	\$3,699	\$3,987	\$3,987	\$3,987	\$3,987	\$3,987
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$8,142	\$19,642	\$29,026	\$29,026	\$29,026	\$31,901	\$34,109	\$34,109	\$34,109	\$34,109	\$34,109	\$34,109
Profit Before Interest and Taxes	(\$8,142)	(\$13,036)	(\$19,108)	(\$17,568)	(\$11,554)	(\$11,563)	(\$10,182)	(\$5,251)	(\$1,969)	\$1,617	\$5,216	\$5,216
EBITDA	(\$8,000)	(\$12,894)	(\$18,966)	(\$17,426)	(\$11,412)	(\$11,421)	(\$10,040)	(\$5,109)	(\$1,827)	\$1,759	\$5,358	\$5,358
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$8,142)	(\$13,036)	(\$19,108)	(\$17,568)	(\$11,554)	(\$11,563)	(\$10,182)	(\$5,251)	(\$1,969)	\$1,617	\$5,216	\$5,216
<b>Net Profit/Sales</b>	0.00%	-118.40%	-115.60%	-91.99%	-39.68%	-34.11%	-25.53%	-10.92%	-3.68%	2.72%	7.96%	7.96%

**Table: Cash Flow**

<i>Pro Forma Cash Flow</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$0	\$11,010	\$16,530	\$19,097	\$29,120	\$33,897	\$39,878	\$48,097	\$53,566	\$59,543	\$65,542	\$65,542
Subtotal Cash from Operations	\$0	\$11,010	\$16,530	\$19,097	\$29,120	\$33,897	\$39,878	\$48,097	\$53,566	\$59,543	\$65,542	\$65,542
Additional Cash Received												
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	\$0	\$11,010	\$16,530	\$19,097	\$29,120	\$33,897	\$39,878	\$48,097	\$53,566	\$59,543	\$65,542	\$65,542
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$4,000	\$14,000	\$22,160	\$22,160	\$22,160	\$24,660	\$26,580	\$26,580	\$26,580	\$26,580	\$26,580	\$26,580
Bill Payments	\$133	\$4,050	\$5,817	\$15,029	\$15,735	\$22,781	\$22,867	\$26,112	\$30,275	\$31,307	\$33,914	\$36,155
Subtotal Spent on Operations	\$4,133	\$18,050	\$27,977	\$37,189	\$37,895	\$47,441	\$49,447	\$52,692	\$56,855	\$57,887	\$60,494	\$62,735
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$4,133	\$18,050	\$27,977	\$37,189	\$37,895	\$47,441	\$49,447	\$52,692	\$56,855	\$57,887	\$60,494	\$62,735
Net Cash Flow	(\$4,133)	(\$7,040)	(\$11,447)	(\$18,092)	(\$8,775)	(\$13,544)	(\$9,569)	(\$4,595)	(\$3,289)	\$1,656	\$5,048	\$2,807
Cash Balance	\$136,367	\$129,327	\$117,880	\$99,787	\$91,012	\$77,468	\$67,899	\$63,304	\$60,015	\$61,671	\$66,719	\$69,525

**Table: Balance Sheet**

<i>Pro Forma Balance Sheet</i>													
Assets	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Assets													
Cash	\$140,500	\$136,367	\$129,327	\$117,880	\$99,787	\$91,012	\$77,468	\$67,899	\$63,304	\$60,015	\$61,671	\$66,719	\$69,525
Inventory	\$10,000	\$10,000	\$5,596	\$7,273	\$8,403	\$12,813	\$14,915	\$17,546	\$21,163	\$23,569	\$26,199	\$28,838	\$28,838
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$150,500	\$146,367	\$134,923	\$125,153	\$108,190	\$103,825	\$92,382	\$85,445	\$84,466	\$83,584	\$87,870	\$95,557	\$98,364
Long-term Assets													
Long-term Assets	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Accumulated Depreciation	\$0	\$142	\$284	\$426	\$568	\$710	\$852	\$994	\$1,136	\$1,278	\$1,420	\$1,562	\$1,704
Total Long-term Assets	\$8,500	\$8,358	\$8,216	\$8,074	\$7,932	\$7,790	\$7,648	\$7,506	\$7,364	\$7,222	\$7,080	\$6,938	\$6,796
Total Assets	\$159,000	\$154,725	\$143,139	\$133,227	\$116,122	\$111,615	\$100,030	\$92,951	\$91,830	\$90,806	\$94,950	\$102,495	\$105,160
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	\$0	\$3,867	\$5,317	\$14,513	\$14,976	\$22,023	\$22,001	\$25,104	\$29,234	\$30,179	\$32,706	\$35,035	\$32,484
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	\$3,867	\$5,317	\$14,513	\$14,976	\$22,023	\$22,001	\$25,104	\$29,234	\$30,179	\$32,706	\$35,035	\$32,484
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$3,867	\$5,317	\$14,513	\$14,976	\$22,023	\$22,001	\$25,104	\$29,234	\$30,179	\$32,706	\$35,035	\$32,484
Paid-in Capital	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100	\$183,100
Retained Earnings	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)	(\$24,100)
Earnings	\$0	(\$8,142)	(\$21,178)	(\$40,286)	(\$57,854)	(\$69,408)	(\$80,971)	(\$91,153)	(\$96,404)	(\$98,373)	(\$96,756)	(\$91,540)	(\$86,324)
Total Capital	\$159,000	\$150,858	\$137,822	\$118,714	\$101,146	\$89,592	\$78,029	\$67,847	\$62,596	\$60,627	\$62,244	\$67,460	\$72,676
Total Liabilities and Capital	\$159,000	\$154,725	\$143,139	\$133,227	\$116,122	\$111,615	\$100,030	\$92,951	\$91,830	\$90,806	\$94,950	\$102,495	\$105,160
<b>Net Worth</b>	<b>\$159,000</b>	<b>\$150,858</b>	<b>\$137,822</b>	<b>\$118,714</b>	<b>\$101,146</b>	<b>\$89,592</b>	<b>\$78,029</b>	<b>\$67,847</b>	<b>\$62,596</b>	<b>\$60,627</b>	<b>\$62,244</b>	<b>\$67,460</b>	<b>\$72,676</b>