



# Franchise Postal Service

## EXPRESS POSTAL CENTER

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8820 Bellevue St.  
Anniston, MI 63439

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*This plan is a good example of a well-chosen franchise. The owners have considered many important factors, such as population growth, demographics, competition, franchise track record, and location. This business is well-positioned in every respect.*

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- EXECUTIVE SUMMARY
- BUSINESS DESCRIPTION
- LOCATION
- MARKETING
- MANAGEMENT
- FINANCIAL FORECAST
- APPENDIXES
- SOURCE OF FUNDS SCHEDULE

## EXECUTIVE SUMMARY

Express Postal Center (EPC) is an exciting franchise opportunity with a strong potential for growth. EPC is Postal/Shipping center that will bring a wealth of services to the Anniston area. The overwhelming support and guidance offered through a franchise assures us of a strong foothold in the business community.

American businesses are quickly growing in a direction of small offices I home of offices. individuals are utilizing the home office structure, however they have nether the space nor financial resources to fully equip and operate productively. Every day more and more business people are traveling. working out of hotel rooms, etc. This industry provides support services that business people need and have some to rely on in an office atmosphere. To the private consumer, the Center also offers the same quality services as are offered to the business person, as well as enjoying the specialized attention and assistance provided in this one-stop shipping store.

In recent years, many Fortune companies have undergone aggressive down-sizing programs. In doing so, the disbursement of the virtual office has considerable increased the need for services of offered though businesses such as the EPC Centers.

Franchising combines the initiative and dedication of individuals, along with the economies and scale of a national chain. With the current failure rate of new business in the marketplace, the percentage of success stories lies within franchising. As an EPC Franchise Owner, we can enjoy the best of both worlds: We will be part of a cutting-edge industry and be teamed with the most experienced and powerful company in the industry.

Express Postal Center is a service franchise with locations throughout the United States and internationally. There are currently 3,000 centers worldwide. It is an industry leader in providing private postal/shipping, and business communication services.



EPC was founded in 1980, began franchising in 1980, and became a public company in 1986. EPC is traded on NASDAQ. On average EPC opens one new franchise center each business day. They were ranked in the top quartile in the Business Gold 100 as of 1994. The future growth patterns have been aggressively set while continuing to maintain a top-rated standard of excellence and providing overwhelmingly good service.

Express Postal Center is five times larger than their nearest competitor and is one of the fastest growing franchise companies in the world. Because of the network size, they can provide overwhelming support and participation in national programs that are not available to independent businesses or other smaller franchise companies.

One of the most important aspects of this Center is the convenience of the one-stop shipping source. While it may be slightly less expensive to go to the local UPS office or Post office, it has been proven that the average individual will spend a little more money for the conveniences provided in one location. Business hours for the Center will be Monday through Friday from 8:00am to 6:00pm, and Saturday from 9:00am to 5:00pm with extended hours during the holiday season. These hours will be adjusted as the community dictates a need. People with very busy lives will utilize a full-service postal center rather than make several trips to various locations, standing in lines, finding parking etc., in order to accomplish the same tasks.

A business person can run their business from the Center. Every business need can be accomplished through the Center. Time is money and the more time a business person can spend doing his/her job efficiently, the more money he/she stands to make.

After looking at many different franchise opportunities, we decided to pursue an EPC franchise for many different reasons. It is a strong, service-oriented business with an extensive support organization backing it. This support is based not only on Corporate but also on the support of all the other stores through state of the art networking. We were also impressed with past growth, future projections, and the overall success rate of the EPCs around the country. All this information was gathered through many phone conversations with different EPC store within Colorado and Michigan. This is overwhelming support from the EPC franchise headquarters and other EPC owners throughout the Country.

The services offered will be promoted through a comprehensive national television advertising program provided through the franchise organization, additional local cable t.v., community newspapers, six local radio stations, two local phone directories, inexpensive circulars with coupons, and visibility of a prime location and signage.

The business venture itself will be organized under a Limited Liability Corporation to incorporate the tax advantages. Possible expansion to multiple Center locations will be scheduled to take place during year four in The Northern Michigan region. Jack Hall will serve as President of the EPC and Gayle Hall will serve as Vice President. Jack has over 20 years experience as a Service Engineer for Xerox Corporation, and Gayle has 18 years experience as a Word Processing Manager/Operator.

Initial projections for this EPC indicate that the break even point will be reached between twelve and fifteen months after operations commence, and an adequate cash flow will be maintained thereafter.

## BUSINESS DESCRIPTION

The Business venture will be organized as a Limited Liability Corporation. Jack will serve as President of the EPC and Gayle will serve as Vice President. Projected opening date for this store is April 1, 1997. This date was specifically chosen in order to take advantage of advertising programs prior to the highly increased volume of business during the summer tourist season. It also allows for essential and valuable hands-on experience prior to this busy season. This business is not seasonal, but operates on a consistent year-round basis with hectic holiday peaks, such as a retail outlet. There is a slight slow down during the months of February and March, but overall it is consistently busy. Business hours for the Center will be Monday through Friday from 8:00am to 6:00pm, and Saturday from 9:00am to 5:00pm, with extended hours during the holiday season.



These hours will adjusted as the community dictates a Deed.

To business customers, this EPC is their copy center, private mail room, shipping department, support staff, office supply store, print shop and communications headquarters. The EPC National Accounts Network offers customer referrals to the EPC from companies such as Xerox, Panasonic, Ricoh and many others. To the consumer, the Center offers the convenience of expert packing and shipping (US Mail, UPS, Federal Express, Western Union, etc.), private mailboxes, quality photocopying, facsimile machines, binding services, passport photos' lamination, money orders, word processing and dictation transcription services, and on-site computer services. Available industry data indicates a strong need for these services.

The principal products and services available to the consumer include expert packing and shipping, reliable overnight delivery, a full-service copy center, private mailboxes, facsimile transmission/reception, word processing and personal computers, dictation transcription, office/mailing supplies, passport photos, laminating and binding, and fast efficient postal services.

These services will cater to all individuals; no one is excluded. The local merchant needing to package and ship expensive merchandise across the country, to a family member sending grandparents homemade cookies. The ability to have professionally trained people package and ship literally any item across the country offers great comfort, especially in an area like Anniston. This area in Northern Michigan has a strong populous of permanent summer residents. These individuals often require venous services ranging from keeping in close contact with out of state/country business ventures to shipping personal household items from one location to another on an annual basis.

Labor costs are to be kept at a minimum. One of the owners will be in the Center at all times. Initial labor will be obtained through Greenbriar Temporary Services, keeping taxes and benefits at a minimum.

## LOCATION

The site selected for this EPC is 8820 Bellevue Street in Anniston, Michigan (previously the DeeDee's Donuts building) serving Greenbriar, Charleston, and Braynor Counties. Location being of utmost importance, this is an easily accessible location with very strong visibility from both directions on Bellevue Street. The parking area consists of one entrance/exit off Bellevue Street and one alternate entrance/exit off an adjacent street. There are 25 parking spaces (13 in the front of the building and an additional 12 in the rear of the building), with additional parking available on the street. This site is centrally located in the heart of the Anniston, bordered on both the south and the north side by a shopping centers. In addition, a college is located within 2 miles of the Center. The most recently available traffic count going directly past the Center as recorded, by the State of Michigan shows 28,000 vehicles in 1994, 24,000 vehicles in 1996, with an average of 3 passengers per vehicle. This location is within four blocks from downtown Anniston on the major thoroughfare. The location affords convenient access to residential neighborhoods and provides alternate routes for the consumer. We are very excited about this location and the incredible potential it presents.

## MARKETING

On-site evaluate on and the most recent census data provided by the Anniston Regional of Commerce portrays Greenbriar County is a predominantly white, middle to upper middle class community with tourism being a major economic force. The county is a four-season vacation area offering numerous attractions as well as long-standing permanent summer residents. The Anniston/Point Freeman area boasts a wealthy permanent summer community that will be an ongoing financial benefit to the Center. Greenbriar County is a diversified economic development that includes industry, specialty shopping, health care, education, and other services.

The area being includes Greenbriar, Charleston and Braynor counties. According to the most recent census Greenbriar and Charleston counties have a combined population of 52,871. where 38,737 is over the age of 18. The educational level in this two county area is comprised of 80.5% of the population having a high school



education or above. The median Household Income for these two counties is \$29,016.

The targeted customers are likely to utilize the Center because of the numerous professional services offered and the outstanding quality of service received. One of our main goals is to supply absolutely the highest quality, most accommodating service money can buy. The return customer is of utmost importance and in a service business. Service is what a customer should expect and will receive.

Competition in the area consist of the local UPS office located on M12. This UPS office is approximately 6 miles from Anniston and has very limited business hours (Mon-Fri 3:00pm to 5:00pm). The U.S. Post Office is located at 455 University Street in Anniston.

The Post Office has very limited on street parking and is difficult to get to through downtown traffic. The only other competition in town is the Postal Connection located at 4403 East Bellevue Street. This is considered competitive only for rural traffic. In addition, the Postal Connection does not have the extensive services offered through the EPC. The location of this store is on the outskirts of town and offers very limited services (UPS and US mail). The lack of competition for the EPC has been a major contributing factor to locating this Center in Anniston.

The greatest advantage the Center will have over any Competition is the network of the franchise organization. There is overwhelming support received from not only the franchise organization itself, but the professional, committed owners of other Centers, all networked via state of the art computer programs, hardware and software. The training received through the franchise organization includes operating procedures, profit center development, advertising, marketing and management. As a franchise owner, we will benefit from a national network television advertising program designed to increase awareness of the EPC name and services that helps drive business into the Center. For local marketing, we will be using the Yellow Pages as well as being supplied with professional print, radio and television advertising to be used at the local level. All of this, combined with extended hours of operation, location, and the professional staff that will be employed will maximize the earning potential of this business venture

## MANAGEMENT

The combined experience and personalities of Jack and Gayle Hall are a perfect fit for this business. Jack is a very dedicated, self-motivated, professional with over 20 years experience dealing with Xerox customers. He combines an outgoing personality with the professional persona needed to gain confidence with both the business customer and the local consumer. In addition, Jack brings a wealth of knowledge about business machine service and maintenance. Gayle's experience as a Word Processing Manager within a very large insurance brokerage firm allows her the professional experience needed to coordinate tasks and successfully manage employees. She also has a very outgoing personality with the warmth of a small town atmosphere. Gayle's skills of typing 120 words per minute coupled with imagination and creativity will be an asset to the customer requiring word processing and on-site computer services.



## Balance Sheet (Forecast)

	1-Aug-96	31-Jul-97	31-Jul-98	31-Jul-99
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$30,000.00	\$37,665.00	\$123,428.00	\$239,423.00
Supplies	3,000	3,000	3,000	3,000
Total Current Assets	33,000	40,665	126,428	242,423
<b>Equipment:</b>				
Office Equipment	13,020	13,020	13,020	13,020
Leasehold improvements	21,250	21,250	21,250	21,250
Vehicles	5,000	5,000	5,000	5,000
	39,270	32,630	25,990	19,350
Less accumulated depreciation	0	6,640	13,280	19,920
Total Equip. Net of Accum. Depreciation	39,270	32,630	25,990	19,350
<b>Intangibles:</b>				
Organization costs	3,750	3,437	3,124	2,811
Franchise fees	24,950	23,287	21,624	19,961
Total Intangibles	28,700	26,724	24,748	22,772
<b>Total Assets</b>	<b>100,970</b>	<b>100,019</b>	<b>177,166</b>	<b>284,545</b>
<b>Liabilities and Proprietors Capital</b>				
<b>Current maturities of long term debt</b>	<b>2,274</b>	<b>2,512</b>	<b>2,775</b>	<b>3,065</b>
Long term debt net of current maturities	72,726	70,214	67,439	64,374
Proprietors capital	25,970	27,293	106,952	217,106
<b>Total Liabilities and Proprietor's Capital</b>	<b>\$100,970.00</b>	<b>\$100,019.00</b>	<b>\$177,166.00</b>	<b>\$284,545.00</b>

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## Source of Funds Schedule

Asset	Cost	Source of Funds
Initial Franchise Fee	\$24,950.00	Savings
Training Fee	\$2,100.00	Savings
Traveling & Living Expenses while Training	\$3,600.00	Savings
Design Fee	\$750.00	Savings
Real Property:		
Mo. Rental Payment	\$1,348.00	Savings
Triple-Net	\$245.00	Savings
Leasehold Improvements: Costs;Sinage; Furniture & Décor Items	\$21,250.00	Loan
Computer Hardware: IBM PC	\$4,900.00	Loan
MBE Software	\$3,000.00	Savings
Equipment: Mailboxes (Minimum 10 Modules) Fax Machine (Thermal) Cash Register Copiers Passport Camera Finishing Package (includes Laminator, Comb Binder, Velobind, Starter Supplies)	\$7,700.00	Loan
Yellow Pages	\$500.00	Savings
Start-Up Supplies	\$5,000.00	Loan
Security Deposits/Utility Deposits	\$3,200.00	Savings
Insurance	\$1,200.00	Savings
Grand Opening Marketing Fund	\$3,500.00	Savings
Additional Funds	\$30,000.00	Loan
<b>TOTAL</b>	<b>\$113,243.00</b>	

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Insurance	\$1,200.00	Savings
Grand Opening Marketing Fund	\$3,500.00	Savings
Additional Funds	\$30,000.00	Loan
<b>TOTAL</b>	<b>\$113,243.00</b>	

## Cash Flow: Scenario One Year One

Year One	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
<b>Revenues</b>	\$5,000	\$5,500	\$6,050	\$6,655	\$7,321	\$8,053
<b>Expenses (Variable)</b>						
Advertising	400	440	484	532	586	600
Cost of Goods	(.35)	1,750	1,925	2,118	2,329	2,819
Misc.	(.01)	50	55	61	67	81
Salaries	2,100	2,100	2,100	2,100	2,100	2,100
Supplies	(.01)	50	55	61	67	81
Taxes/Ben	(.20)	420	420	420	420	420
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200
<b>Expenses (Fixed)</b>						
Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100
Lease	1,500	1,500	1,500	1,500	1,500	1,500
Loan	1,000	1,000	1,000	1,000	1,000	1,000
Prof. Services	150	150	150	150	150	150
Triple-Net	0	0	0	0	0	0
<b>Total Expenditure</b>	8,520	8,745	8,994	9,265	9,564	9,851
Co-Op Adv.	(.01)	50	55	61	67	81
Franchise Royalty	250	275	303	333	366	403
Nat. Media Fund	(.025)	125	138	151	166	201
<b>Net Profit</b>	3,945	3,713	3,459	3,176	2,865	2,483
<b>Cash Flow</b>	3,945	7,658	11,117	14,293	17,158	19,641

(10% Increase per/mo 1-9...5% Increase per/mo 10-18...1% Increase per/mo 19-36)

Year One	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
(10% Increase per/mo 1-9...5% Increase per/mo 10-18...1% Increase per/mo 19-36)						
<b>Revenues</b>	\$5,000	\$5,500	\$6,050	\$6,655	\$7,321	\$8,053
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Salaries	2,100	2,100	2,100	2,100	2,100	2,100
Supplies	(.01)	50	55	61	67	81
Taxes/Ben	(.20)	420	420	420	420	420
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200
<b>Expenses (Fixed)</b>						
Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100
Lease	1,500	1,500	1,500	1,500	1,500	1,500
Loan	1,000	1,000	1,000	1,000	1,000	1,000
Prof. Services	150	150	150	150	150	150



Year One		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Triple-Net		0	0	0	0	0	0
<b>Total Expenditure</b>		8,520	8,745	8,994	9,265	9,564	9,851
Co-Op Adv.	(.01)	50	55	61	67	73	81
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<b>Net Profits</b>		3,945	3,713	3,459	3,176	2,865	2,483
<b>Cash Flow</b>		3,945	7,658	11,117	14,293	17,158	19,641

Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
\$8,858	\$9,743	\$10,717	\$11,253	\$11,815	\$12,406	\$103,371

600	600	600	600	600	600	6,642
3,100	3,410	3,751	3,939	4,135	4,342	36,180
89	97	107	113	118	124	1,035
2,100	2,100	2,100	2,100	2,100	2,100	25,200
89	97	107	113	118	124	1,035
420	420	420	420	420	420	5,040
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,500	1,500	1,500	1,500	1,500	1,500	18,000
1,000	1,000	1,000	1,000	1,000	1,000	12,000
150	150	150	150	150	150	1,800
0	0	0	0	0	0	0
10,148	10,474	10,835	11,035	11,241	11,460	120,132
89	97	107	113	118	124	1,035
443	487	536	563	591	620	5,170
221	244	268	281	295	310	2,583
2,043	1,559	1,029	739	430	108	108
21,684	23,243	24,272	25,011	25,441	25,549	25,549

Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
\$8,858	\$9,743	\$10,717	\$11,253	\$11,815	\$12,406	\$103,371

600	600	600	600	600	600	6,642
3,100	3,410	3,751	3,939	4,135	4,342	36,180
89	97	107	113	118	124	1,035
2,100	2,100	2,100	2,100	2,100	2,100	25,200
89	97	107	113	118	124	1,035
420	420	420	420	420	420	5,040
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,500	1,500	1,500	1,500	1,500	1,500	18,000
1,000	1,000	1,000	1,000	1,000	1,000	12,000
150	150	150	150	150	150	1,800





Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
0	0	0	0	0	0	0
10,148	10,474	10,835	11,035	11,241	11,460	120,132
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2,043	1,559	1,029	739	430	108	108
21,684	23,243	24,272	25,011	25,441	25,549	25,549

## Cash Flow: Scenario One Year Two

Year Two	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
<b>Revenues</b>	\$13,026	\$13,678	\$14,361	\$15,080	\$15,834	\$16,625
<b>Expenses (Variable)</b>						
Advertising	600	600	600	600	600	600
Cost of Goods	(.35) 4,459	4,788	5,026	5,278	5,542	5,819
Misc.	(.01) 130	137	144	151	158	166
Salaries	3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02) 130	137	144	151	158	166
Taxes/Ben	(.20) 600	600	600	600	600	600
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200
<b>Expenses (Fixed)</b>						
Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100
Lease	1,560	1,560	1,560	1,560	1,560	1,560
Loan	1,000	1,000	1,000	1,000	1,000	1,000
Prof. Services	150	150	150	150	150	150
Triple-Net	0	0	0	0	0	0
<b>Total Expenses</b>	12,729	13,072	13,324	13,590	13,868	14,161
Co-Op Adv.	(.01) 130	137	144	151	158	166
Franchise Royalty	(.05) 651	684	718	754	792	831
Nat. Media Fund	(.025) 330	342	359	377	396	416
<b>Net Profit</b>	814	557	184	208	620	1,051
<b>Cash Flow</b>	26,363	26,920	27,104	26,896	26,276	25,225

(10% Increase per/mo 1-9...5% Increase per/mo 10-18...1% Increase per/mo 19-36)

Year Two                      Month 13   Month 14   Month 15   Month 16   Month 17   Month 18  
 (10% Increase per/mo 1-9...5% Increase per/mo 10-18...1% Increase per/mo 19-36)

**Revenues**                      \$13,026   \$13,678   \$14,361   \$15,080   \$15,834   \$16,625

**Expenses (Variable)**

Advertising	600	600	600	600	600	600
Cost of Goods	(.35) 4,459	4,788	5,026	5,278	5,542	5,819
Misc.	(.01) 130	137	144	151	158	166
Salaries	3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02) 130	137	144	151	158	166
Taxes/Ben	(.20) 600	600	600	600	600	600
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200

**Expenses (Fixed)**

Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Year Two		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
Lease		1,560	1,560	1,560	1,560	1,560	1,560
Loan		1,000	1,000	1,000	1,000	1,000	1,000
Prof. Services		150	150	150	150	150	150
Triple-Net		0	0	0	0	0	0
<b>Total Expenses</b>		12,729	13,072	13,324	13,590	13,868	14,161
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Franchise Royalty	(.05)	651	684	718	754	792	831
Nat. Media Fund	(.025)	330	342	359	377	396	416
<b>Net Profits</b>		814	557	184	208	620	1,051
<b>Cash Flow</b>		26,363	26,920	27,104	26,896	26,276	25,225

Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
\$16,791	\$16,959	\$17,129	\$17,300	\$17,473	\$17,648	\$191,904

600	600	600	600	600	600	7,200
5,877	5,936	6,055	6,116	6,177	67,068	83,449
168	170	171	173	175	176	1,919
3,000	3,000	3,000	3,000	3,000	3,000	36,000
168	170	171	173	175	176	1,919
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,560	1,560	1,560	1,560	1,560	1,560	18,720
1,000	1,000	1,000	1,000	1,000	1,000	12,000
150	150	150	150	150	150	1,800
0	0	0	0	0	0	0

14,023	14,286	14,347	14,411	14,476	14,539	167,026
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168	170	171	173	175	176	1,919
840	848	856	865	874	882	9,595
420	424	428	433	437	441	4,803

1,140	1,231	1,327	1,418	1,511	1,610	37,829
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24,085	22,854	21,527	20,109	18,598	16,988	16,988
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Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
\$16,791	\$16,959	\$17,129	\$17,300	\$17,473	\$17,648	\$191,904

600	600	600	600	600	600	7,200
5,877	5,936	6,055	6,116	6,177	67,068	83,449
168	170	171	173	175	176	1,919
3,000	3,000	3,000	3,000	3,000	3,000	36,000
168	170	171	173	175	176	1,919

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200



Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
1,560	1,560	1,560	1,560	1,560	1,560	18,720
1,000	1,000	1,000	1,000	1,000	1,000	12,000
150	150	150	150	150	150	1,800
0	0	0	0	0	0	0
14,023	14,286	14,347	14,411	14,476	14,539	167,026
168	170	171	173	175	176	1,919
840	848	856	865	874	882	9,595
420	424	428	433	437	441	4,803
1,140	1,231	1,327	1,418	1,511	1,610	37,829
24,085	22,854	21,527	20,109	18,598	16,988	16,988

### Cash Flow: Scenario One Year Three

Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
<b>Revenues</b>	\$17,824.00	\$18,364.00	\$18,921.00	\$19,495.00	\$74,604.00
	18,003	18,548	19,111	19,690	75,352
	18,183	18,734	19,302	19,887	76,106
	54,010	55,646	57,334	59,072	226,062
<b>Expenses (Variable)</b>					
Advertising	1,800	1,800	1,800	1,800	7,200
Cost of Goods (.35)	18,904	19,476	20,067	20,676	79,123
Misc. (.01)	540	556	573	591	2,260
Salaries	9,000	9,000	9,000	9,000	36,000
Supplies (.02)	540	556	573	591	2,260
Taxes/Ben	1,800	1,800	1,800	1,800	7,200
Telephone	300	300	300	300	1,200
Utilities	600	600	600	600	2,400
<b>Expenses (Fixed)</b>					
Equipment	1,800	1,800	1,800	1,800	7,200
Insurance	300	300	300	300	1,200
Janitorial	300	300	300	300	1,200
Lease	4,866	4,866	4,060	4,060	19,464
Loan	3,000	3,000	3,000	3,000	12,000
Prof. Services	450	450	450	450	1,800
Triple-Net	0	0	0	0	0
<b>Total Expenses</b>	44,200	44,804	45,429	46,074	180,507
<b>Co-Op Adv. (.01)</b>	784	808	832	857	2,260
<b>Franchise Royalty (.05)</b>	3,920	4,039	4,161	4,287	11,303
<b>Nat Media Fund (.025)</b>	1,351	1,391	1,434	1,476	5,652
<b>Net Profits</b>	5,219	6,113	7,031	7,977	26,340
<b>Cash Flow</b>	11,769	5,656	1,375	9,352	9,352

(10% Increase per/mo 1-9...5% Increase per/mo 10-18... 1% Increase per/mo 19-36)

Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
(10% Increase per/mo 1-9...5% Increase per/mo 10-18... 1% Increase per/mo 19-36)					
<b>Revenues</b>	\$17,824.00	\$18,364.00	\$18,921.00	\$19,495.00	\$74,604.00
	18,003	18,548	19,111	19,690	75,352
	18,183	18,734	19,302	19,887	76,106
	54,010	55,646	57,334	59,072	226,062
<b>Expenses (Variable)</b>					
Advertising	1,800	1,800	1,800	1,800	7,200
Cost of Goods (.35)	18,904	19,476	20,067	20,676	79,123
Misc. (.01)	540	556	573	591	2,260
Salaries	9,000	9,000	9,000	9,000	36,000
Supplies (.02)	540	556	573	591	2,260
Taxes/Ben	1,800	1,800	1,800	1,800	7,200



Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
Telephone	300	300	300	300	1,200
Utilities	600	600	600	600	2,400
Expenses (Fixed)					
Equipment	1,800	1,800	1,800	1,800	7,200
Insurance	300	300	300	300	1,200
Janitorial	300	300	300	300	1,200
Lease	4,866	4,866	4,050	4,050	19,464
Loan	3,000	3,000	3,000	3,000	12,000
Prof. Services	450	450	450	450	1,800
Triple-Net	0	0	0	0	0
Total Expenses	44,200	44,804	45,429	46,074	180,507
Co-Op Adv. (.01)	784	808	832	857	2,260
Franchise Royalty (.05)	3,920	4,039	4,161	4,287	11,303
Nat Media Fund (.025)	1,351	1,391	1,434	1,476	5,652
Net Profits	5,219	6,113	7,031	7,977	26,340
Cash Flow	11,769	5,656	1,375	9,352	9,352

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## Cash Flow: Scenario Two Year One

YearOne	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
<b>Revenues</b>	\$5,000	\$5,500	\$6,050	\$6,655	\$7,321	\$8,053
<b>Expenses (Variable)</b>						
Advertising	400	440	484	532	586	600
Cost of Goods	(.35)	1,750	1,925	2,118	2,562	2,819
Misc.	(.01)	50	55	61	73	81
Salaries	3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02)	100	110	122	134	146
Taxes/Fees	(.20)	600	600	600	600	600
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200
<b>Expenses (Fixed)</b>						
Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100
Lease	1,350	1,350	1,350	1,350	1,350	1,350
Prof. Services	150	150	150	150	150	150
Loan Payment	700	700	700	700	700	700
<b>Total Expenses</b>	9,200	9,430	9,685	9,962	10,267	10,562
Co-Op Adv.	(.01)	50	55	61	73	81
Franchise Royalty	(.05)	250	275	303	333	403
Nat. Media Fund	(.025)	125	138	151	166	201
<b>Net Profits</b>	4,625	4,398	4,150	3,873	3,568	3,194
<b>Cash Flow</b>	4,625	9,023	13,173	17,046	20,614	23,808

(10% Increase per/mo 1-12)

Year One	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
(10% Increase per/mo 1-12)						
<b>Revenues</b>	\$5,000	\$5,500	\$6,050	\$6,655	\$7,321	\$8,053
<b>Expenses (Variable)</b>						
Advertising	400	440	484	532	586	600



Year One		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Cost of Goods	(.35)	1,750	1,925	2,118	2,329	2,562	2,819
Misc.	(.01)	50	55	61	67	73	81
Salaries		3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02)	100	110	122	134	146	162
Taxes/Ben	(.20)	600	600	600	600	600	600
Telephone		100	100	100	100	100	100
Utilities		200	200	200	200	200	200
Expenses (Fixed)							
Equipment		600	600	600	600	600	600
Insurance		100	100	100	100	100	100
Janitorial		100	100	100	100	100	100
Lease		1,350	1,350	1,350	1,350	1,350	1,350
Prof. Services		150	150	150	150	150	150
Loan Payment		700	700	700	700	700	700
<b>Total Expenses</b>		9,200	9,430	9,685	9,962	10,267	10,562
Co-Op Adv.	(.01)	50	55	61	67	73	81
Franchise Royalty	(.05)	250	275	303	333	366	403
Nat. Media Fund	(.025)	125	138	151	166	183	201
<b>Net Profits</b>		4,625	4,398	4,150	3,873	3,568	3,194
<b>Cash Flow</b>		4,625	9,023	13,173	17,046	20,614	23,808

Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
\$8,858	\$9,743	\$10,717	\$11,790	\$12,969	\$14,266	\$ 106,922

600	600	600	600	600	600	6,642
3,100	3,410	3,751	4,127	4,539	4,993	37,423
89	97	107	118	130	143	1,071
3,000	3,000	3,000	3,000	3,000	3,000	36,000
178	194	214	236	260	286	2,142
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,350	1,350	1,350	1,350	1,350	1,350	16,200
150	150	150	150	150	150	1,800
700	700	700	700	700	700	8,400
10,867	11,201	11,572	11,981	12,429	12,922	130,078

89	97	107	118	130	143	1,071
443	487	536	590	648	713	5,347
221	244	268	295	324	357	2,673

2,762	2,286	1,766	1,194	562	131	131
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26,570	28,856	30,622	32,748	33,748	34,158	32,247
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Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
\$8,858	\$9,743	\$10,717	\$11,790	\$12,969	\$14,266	\$ 106,922

600	600	600	600	600	600	6,642
3,100	3,410	3,751	4,127	4,539	4,993	37,423



Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
89	97	107	118	130	143	1,071
3,000	3,000	3,000	3,000	3,000	3,000	36,000
178	194	214	236	260	286	2,142
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,350	1,350	1,350	1,350	1,350	1,350	16,200
150	150	150	150	150	150	1,800
700	700	700	700	700	700	8,400
10,867	11,201	11,572	11,981	12,429	12,922	130,078
89	97	107	118	130	143	1,071
443	487	536	590	648	713	5,347
221	244	268	295	324	357	2,673
2,762	2,286	1,766	1,194	562	131	131
26,570	28,856	30,622	32,748	33,748	34,158	32,247

## Cash Flow: Scenario Two Year Two

Year Two	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
<b>Revenues</b>	\$14,979	\$15,728	\$16,515	\$17,340	\$18,207	\$19,117
<b>Expenses (Variable)</b>						
Advertising	600	600	600	600	600	600
Cost of Goods	(.35)	5,243	5,505	5,780	6,069	6,372
Misc.	(.01)	150	157	165	173	182
Salaries	3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02)	300	314	330	346	364
Taxes/Bea	(.20)	600	600	600	600	600
Telephone	100	100	100	100	100	100
Utilities	200	200	200	200	200	200
<b>Expenses (Fixed)</b>						
Equipment	600	600	600	600	600	600
Insurance	100	100	100	100	100	100
Janitorial	100	100	100	100	100	100
Lease	1,350	1,350	1,350	1,350	1,350	1,350
Prof. Services	150	150	150	150	150	150
Loan Payment	700	700	700	700	700	700
<b>Total Expenses</b>	13,193	13,476	13,775	14,088	14,418	14,764
Co-Op Adv.	(.01)	150	157	165	173	182
Franchise Royalty	(.05)	479	786	826	867	910
Nat. Media Fund	(.025)	374	393	413	434	455
<b>Net Profit</b>	783	916	1,336	1,778	2,242	2,728
<b>Cash Flow</b>	31,464	30,548	29,212	27,434	25,192	22,464

(5% Increase per/mo 13-24)

Year Two	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
(5% Increase per/mo 13-24)						
<b>Revenues</b>	\$14,979	\$15,728	\$16,515	\$17,340	\$18,207	\$19,117
<b>Expenses (Variable)</b>						





Year Two		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
Advertising		600	600	600	600	600	600
Cost of Goods	(.35)	5,243	5,505	5,780	6,069	6,372	6,691
Misc.	(.01)	150	157	165	173	182	191
Salaries		3,000	3,000	3,000	3,000	3,000	3,000
Supplies	(.02)	300	314	330	346	364	382
Taxes/Ben	(.20)	600	600	600	600	600	600
Telephone		100	100	100	100	100	100
Utilities		200	200	200	200	200	200
Expenses (Fixed)							
Equipment		600	600	600	600	600	600
Insurance		100	100	100	100	100	100
Janitorial		100	100	100	100	100	100
Lease		1,350	1,350	1,350	1,350	1,350	1,350
Prof. Services		150	150	150	150	150	150
Loan Payment		700	700	700	700	700	700
<b>Total Expenses</b>		<b>13,193</b>	<b>13,476</b>	<b>13,775</b>	<b>14,088</b>	<b>14,418</b>	<b>14,764</b>
Co-Op Adv.	(.01)	150	157	165	173	182	191
Franchise Royalty	(.05)	479	786	826	867	910	956
Nat. Media Fund	(.025)	374	393	413	434	455	478
<b>Net Profits</b>		<b>783</b>	<b>916</b>	<b>1,336</b>	<b>1,778</b>	<b>2,242</b>	<b>2,728</b>
<b>Cash Flow</b>		<b>31,464</b>	<b>30,548</b>	<b>29,212</b>	<b>27,434</b>	<b>25,192</b>	<b>22,464</b>

Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
\$20,073	\$21,077	\$22,131	\$23,237	\$24,399	\$25,619	\$238,422

600	600	600	600	600	600	7,200
7,026	7,377	7,746	8,133	8,540	8,967	83,449
201	211	221	232	244	256	2,383
3,000	3,000	3,000	3,000	3,000	3,000	36,000
402	422	442	464	488	512	4,766
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400

600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,350	1,350	1,350	1,350	1,350	1,350	16,200
150	150	150	150	150	150	1,800
700	700	700	700	700	700	8,400
15,129	15,510	15,909	16,329	16,772	17,235	180,598

201	211	221	232	244	256	2,383
1,004	1,054	1,107	1,162	1,220	1,281	11,652
502	527	553	581	610	640	5,960
3,237	3,775	4,341	4,933	5,553	6,207	37,829
19,227	15,452	11,111	6,178	625	5,582	5,582

Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
\$20,073	\$21,077	\$22,131	\$23,237	\$24,399	\$25,619	\$238,422

600	600	600	600	600	600	7,200
7,026	7,377	7,746	8,133	8,540	8,967	83,449



Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
201	211	221	232	244	256	2,383
3,000	3,000	3,000	3,000	3,000	3,000	36,000
402	422	442	464	488	512	4,766
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
200	200	200	200	200	200	2,400
600	600	600	600	600	600	7,200
100	100	100	100	100	100	1,200
100	100	100	100	100	100	1,200
1,350	1,350	1,350	1,350	1,350	1,350	16,200
150	150	150	150	150	150	1,800
700	700	700	700	700	700	8,400
15,129	15,510	15,909	16,329	16,772	17,235	180,598
201	211	221	232	244	256	2,383
1,004	1,054	1,107	1,162	1,220	1,281	11,652
502	527	553	581	610	640	5,960
3,237	3,775	4,341	4,933	5,553	6,207	37,829
19,227	15,452	11,111	6,178	625	5,582	5,582

## Cash Flow: Scenario Two Year Three

Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
<b>Revenues</b>	\$25,875.00	\$26,659.00	\$27,467.00	\$28,299.00	\$108,300.00
	26,134	26,926	27,742	28,582	109,384
	26,395	27,195	28,019	28,868	110,477
	78,404	80,780	83,228	85,749	328,161
<b>Expenses (Variable)</b>					
Advertising	1,800	1,800	1,800	1,800	7,200
Cost of Goods (.35)	27,441	28,273	29,130	30,012	114,856
Misc. (.01)	784	808	832	857	3,281
Salaries	9,000	9,000	9,000	9,000	36,000
Supplies (.02)	1,568	1,616	1,664	1,714	6,562
Taxes/Item	2,400	2,400	2,400	2,400	9,600
Telephone	300	300	300	300	1,200
Utilities	600	600	600	600	2,400
<b>Expenses (Fixed)</b>					
Equipment	1,800	1,800	1,800	1,800	7,200
Insurance	300	300	300	300	1,200
Janitorial	300	300	300	300	1,200
Lease	4,050	4,060	4,050	4,050	16,200
Prof. Services	450	450	450	450	1,800
<b>Total Expenses</b>	50,793	51,697	52,626	53,583	208,699
<b>Co-Op Adv. (.01)</b>	784	808	832	857	3,281
<b>Franchise Royalty (.05)</b>	3,920	4,039	4,161	4,287	16,407
<b>Loan Payment</b>	2,100	2,100	2,100	2,100	8,400
<b>Net Profits</b>	20,807	22,136	23,509	24,922	91,374
<b>Cash Flow</b>	26,389	48,525	72,034	96,956	96,956

(1% per/mo 25-36)

Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
(1% per/mo 25-36)					
<b>Revenues</b>	\$25,875.00	\$26,659.00	\$27,467.00	\$28,299.00	\$108,300.00
	26,134	26,926	27,742	28,582	109,384



Year Three	Month 25, 26, 27	Month 28, 29, 30	Month 31, 32, 33	Month 34, 35, 36	TOTAL
	26,395	27,195	28,019	28,868	110,477
	78,404	80,780	83,228	85,749	328,161
Expenses (Variable)					
Advertising	1,800	1,800	1,800	1,800	7,200
Cost of Goods (.35)	27,441	28,273	29,130	30,012	14,856
Misc. (.01)	784	808	832	857	3,281
Salaries	9,000	9,000	9,000	9,000	36,000
Supplies (.02)	1,568	1,616	1,664	1,714	6,562
Taxes/Ben	2,400	2,400	2,400	2,400	9,600
Telephone	300	300	300	300	1,200
Utilities	600	600	600	600	2,400
Expenses (Fixed)					
Equipment	1,800	1,800	1,800	1,800	7,200
Insurance	300	300	300	300	1,200
Janitorial	300	300	300	300	1,200
Lease	4,050	4,060	4,050	4,050	16,200
Prof. Services	450	450	450	450	1,800
Total Expenses	50,793	51,697	52,626	53,583	208,699
Co-Op Adv. (.01)	784	808	832	857	3,281
Franchise Royalty (.05)	3,920	4,039	4,161	4,287	16,407
Loan Payment	2,100	2,100	2,100	2,100	8,400
Net Profits	20,807	22,136	23,509	24,922	91,374
Cash Flow	26,389	48,525	72,034	96,956	96,956