



# Carpet Cleaning Service

BUSINESS PLAN

CARPET CHEM CORPORATION

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585 Linberg  
Salt Lake City, Utah 84116

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*Carpet Chem Corporation began as a family owned and operated business venture. The owners identified a need for a quality carpet and upholstery cleaning system, and their son developed the formula for success. Today, the business has been franchised 21 times in 16 different states. Carpet Chem Corporation attributes its steady growth and financial achievements to a quality product line, through market research and an effective price strategy.*

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- COMPANY INFORMATION
- MARKET ANALYSIS
- MARKET STRATEGY AND IMPLEMENTATION
- MANAGEMENT SUMMARY
- FINANCIAL PLAN AND INFORMATION

## EXECUTIVE SUMMARY

Carpet Chem Corporation (CCC) formulates, manufactures, and re-labels special high quality carpet and upholstery cleaning solutions for use by its network of franchises and customers nation-wide. We sell these products to these franchises, and provide them with specific support services, including marketing and technical support. Our products are developed, packaged, and sold out of our headquarters located in Salt Lake City, Utah.

### Objectives

- To give CCC the market presence needed to support marketing and sales goals.
- To continue to provide quality products and support to our franchises.
- To develop consistent quality standards for our products and provide a guarantee to all those purchasing our products.
- To continue research and development efforts to produce the best products on the market.
- To grow sales to \$25,000 monthly by the end of 1996, and \$100,000 monthly by the end of 2000.

### Mission

Carpet Chem Corporation is a support company dedicated to developing and selling the highest quality, and most productive, carpet solutions at competitive prices. We combined this with the best method of cleaning carpets known as The Carpet Chem Advanced Drycleaning System. We intend to make enough profit to



generate a fair return for our investors, and to finance continued growth and development in a quality product. We also maintain a friendly, fair, and creative work environment, which respects diversity, new ideas, hard work, and unity.

## Keys to Success

The keys to success in this business are:

- Marketing: by dealing with channel problems and barriers to entry, or solving problems with major advertising and promoting budgets.
- Product quality.
- Management: products delivered on time, costs controlled, marketing budgets managed. There is a temptation to fixate to growth, at the expense of profits.

## COMPANY INFORMATION

Carpet Chem supports franchises, hospitals, hotels, schools, carpet cleaning companies and janitorial cleaning companies with proven methods of carpet cleaning and upholstery cleaning designed to help them provide quality service to their customers and facilities. Its customers are intelligent business people who want a practical and high quality method of cleaning carpets to accomplish their needs and/or their customer's needs, with as little expenditure of time and money as possible. The company was incorporated in Utah in 1993, after twenty-two years of previous operation under different names.

### Company Ownership

Carpet Chem Corporation is a privately held Utah corporation. Samantha Berns is the majority owner. Dave and Alex Berns are the other owners.

### Company History

Carpet Chem Corporation (CCC) was incorporated on December 16, 1993 by Samantha, Dave, and Alex Berns. The corporation was formed by liquidating the assets of Builders Basics Cleaning (BBC), a predecessor of CCC. BBC operated two franchise programs, Carpet Chem Cleaning Corp. and Builders Basics Commercial Cleaning. Both franchise programs started between 1990 and 1992. Previous to this, Samantha and Dave had ownership in nine other commercial cleaning companies. Samantha and Dave started their own janitorial company in 1972 because they identified a need for a quality cleaning company in a building where Dave was employed. After they started their business, they found that there was money to be made in the commercial cleaning industry. From 1972 until 1990, they operated commercial cleaning companies in several states with great success. During this time, one of the services that they offered was carpet cleaning. Many methods were tried, but none of them satisfied the owners or the customers. Finally, after much research, development, and trial and error, Alex Berns, their son, developed a carpet cleaning system that effectively satisfied their high standards for quality. This system cleans the entire fiber of the carpet without getting any moisture below the primary backing, dries quickly, and leaves no residue. This system was so incredible that they decided to franchise it nationwide. Today, this system is known as the Carpet Chem Total DryCleaning System.

CCC provides high-quality solutions, equipment, and supplies, along with a complete support program for its franchisees. In July of 1995, Samantha and Dave recognized the success of the Carpet Chem System, as they reviewed the increasing list of satisfied customers. They introduced a new idea that will open up the Carpet Chem System to everyone, releasing it from franchise restrictions. Now, hospitals, hotels, schools, carpet cleaning companies, janitorial cleaning companies, and entrepreneurs can enjoy the benefits of a franchise without paying for one.



The new program was researched using a survey during the beginning of September 1995. Recently, it has been marketed locally, and in the surrounding states of Utah, with great interest and success.

Currently, there are 21 Carpet Chem franchises in 16 different states. As of November 1st, one hotel and one school district in Salt Lake City are using the new program, and many more clients have expressed interest in the program.

The following table illustrates past performance over the last three years, including sales, gross margin, net revenue, and cash flow. The plan also includes financial statements for the last three years.

## Past Financial Performance

	1993	1994	1995
Sales	\$0	\$103,490	\$186,085
Gross Margin	\$0	\$69,814	\$115,671
Gross % (calculated)	0.00%	67.46%	62.16%
Operating expenses	\$0	\$76,973	\$119,888
Collection period (days)	0	47	45
Inventory turnover	0	126	66
Balance Sheet	–	–	1995
Short-term Assets	–	–	–
Cash	–	–	\$11,694
Accounts receivable	–	–	\$7,679
Inventory	–	–	\$6,583
Other Short-term Assets	–	–	\$2,596
Total Short-term Assets	–	–	\$28,552
Long-term Assets	–	–	–
Capital Assets	–	–	\$42,854
Accumulated Depreciation	–	–	\$9,732
Total Long-Term Assets	–	–	\$33,122
Total Assets	–	–	\$61,674
Debt and Equity	–	–	–
Accounts Payable	–	–	\$14,664
Short-term Notes	–	–	\$0

  

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Debt and Equity	–	–	–
Accounts Payable	–	–	\$14,664
Short-term Notes	–	–	\$0



Other ST Liabilities	—	—	\$0
Subtotal Short-term Liabilities	—	—	\$14,664
Long-term Liabilities	—	—	\$45,218
Total Liabilities	—	—	\$59,882
Paid in Capital	—	—	\$12,969
Retained Earnings	—	—	(\$6,960)
Earnings	\$0	(\$7,159)	(\$4,217)
Total Equity	—	—	\$1,792
Total Debt and Equity	—	—	\$61,674
Other Inputs	—	—	1995
Payment Days	—	—	45
Sales on credit	—	—	\$150,000
Receivables turnover	—	—	19.53
Other ST Liabilities	—	—	\$0
Subtotal Short-term Liabilities	—	—	\$14,664
Long-term Liabilities	—	—	\$45,218
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Total Equity	—	—	\$1,792
Total Debt and Equity	—	—	\$61,674
Other Inputs	—	—	1995
Payment Days	—	—	45
Sales on credit	—	—	\$150,000
Receivables turnover	—	—	19.53

## Company Products

The Carpet Chem products go through a series of testing and development to insure quality and to make sure they are safe for stain-resistant carpets. CCC performs tests similar to those used by Smithson flooring systems.

## Company Locations and Facilities

Headquarters are located in office space of approximately 900 square feet and warehouse space of approximately 1200 square feet at 5 85 Linberg, Salt Lake City, Utah 84116.

We have first rights of refusal for both office and warehouse space of equal size on each side of our current location for easy expansion. We already have all of the furniture and shelving needed to expand to twice our current size.

## MARKET ANALYSIS

We have researched the national market and found the following results:

- 96.4% of people would like to have their carpets dry within less than 1 hour of cleaning.
- 98.2% of people want a cleaning solution that removes stains during cleaning, eliminating prespraying.
- 94.5% of people want a toll-free number to answer technical questions about cleaning and spotting.
- 3.6% of people nationwide are currently acquainted with Carpet Chem.
- 58.2% of people want to see a free demonstration of Carpet Chem.
- 85.5% of people spend \$0 - \$500 on carpet cleaning in a month.
- 14.5% of people spend \$500 - \$1000 in a month,
- 0% spend over \$1000 in a month.
- 78.2% of people currently use a wet carpet cleaning system.



- 9.1% of people currently use a dry carpet cleaning system.
- 10.9% of people currently use both wet and dry types of carpet cleaning systems.
- 52.7% of people would pay \$ 100-\$ 150 to learn how to be fully trained and certified on how to use Carpet Chem System.
- 3.6% of people would pay \$ 150-\$200 to become educated about the Carpet Chem System.

According to our market research, conducted in 5 different areas of the United States with 25 different companies, there is a need for our services and products.

## Main Competitors

Our main competitors are other supply houses that are specific to the carpet cleaning industry.

## Market Analysis

The chart below compares the percentage of each of our target markets. We are currently targeting carpet cleaning companies and janitorial cleaning companies because they have the most experience with cleaning carpets. We have had little success with hospitals, hotels, or schools.

Potential Customers	Customers	Growth rate
Carpet Cleaning Companies	170	0%
Janitorial Cleaning Companies	120	13%
New Business Owners-Service Industry	150	4%
Hospitals	32	-11%
Hotels	105	11%
Schools	250	14%
Other	—	0%
<b>Total</b>	<b>827</b>	<b>N/A</b>

## Analysis of Potential Market

Potential Customers	Customers	Growth rate
Carpet Cleaning Companies	170	0%
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<b>Total</b>	<b>827</b>	<b>N/A</b>

## MARKET STRATEGY IMPLEMENTATION

### Marketing Strategy

We will attend trade shows and send advertisements to cleaning companies, offering them the same supplies, support, and solutions that we provide to our franchisees.

### Pricing strategy

We have decided to offer prices a bit lower than the average to acquire new customers.



## Sales Strategy

Yearly	Total Sales
1996	270,000
1997	410,000
1998	620,000

### Yearly Total Sales

1996	270,000
1997	410,000
1998	620,000

Sales	1996	1997	1998
Supply Sales	\$176,621	\$300,000	\$500,000
Seminar Training	\$2,725	\$5,000	\$10,000
Video Training	\$2,098	\$3,000	\$3,500
Carpet Cleaning Revenue	\$47,548	\$58,000	\$65,000
Franchise Royalties	\$23,683	\$20,000	\$20,000
Misc. Income	\$1,197	\$1,100	\$2,000
Other	\$12,672	\$15,100	\$16,600
<b>Total Sales</b>	<b>\$266,544</b>	<b>\$402,200</b>	<b>\$617,100</b>
Cost of sales			
Supply Sales	\$94,290	\$140,000	\$200,000
Seminar Training	\$606	\$500	\$1,000
Video Training	\$80	\$125	\$200
Carpet Cleaning Revenue	\$7,344	\$8,700	\$9,750
Franchise Royalties	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0
Other	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$102,320</b>	<b>\$149,325</b>	<b>\$210,950</b>

### Sales Forecast

Sales	1996	1997	1998
Supply Sales	\$176,621	\$300,000	\$500,000
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<b>Total Cost of Sales</b>	<b>\$102,320</b>	<b>\$149,325</b>	<b>\$210,950</b>

## MANAGEMENT SUMMARY

Alex Jenkins, President of CCC, has several years experience in management. His objective is to provide a comfortable work environment.



## Organizational Structure

Dave and Samantha Berns consult with Alex on many decisions. Alex then organizes them, delegates them, and carries on the day-to-day operations.

## Personnel Plan

	1996	1997	1998
Payroll	\$56,981	\$69,000	\$75,000
	<b>1996</b>	<b>1997</b>	<b>1998</b>
Payroll	\$56,981	\$69,000	\$75,000

## FINANCIAL PLAN AND INFORMATION

We plan to market our idea nationwide while maintaining our carpet cleaning revenue and franchises.

### Important Assumptions

Short Term Interest Rate	12.00%	12.00%	12.00%
Long Term Interest Rate	14.00%	14.00%	14.00%
Collection days	45	40	37
Payment days	40	30	30
Inventory Turnover	7.00	6.00	5.00
Tax Rate Percent	0.00%	0.00%	0.00%
Expenses in cash%	7.25%	7.00%	7.00%
Sales on credit	52.83%	70.00%	75.00%
Personnel Burden %	10.28%	11.00%	11.25%

### General Assumptions

	1996	1997	1998
Short Term Interest Rate	12.00%	12.00%	12.00%
Long Term Interest Rate	14.00%	14.00%	14.00%
Collection days	45	40	37
Payment days	40	30	30
Inventory Turnover	7.00	6.00	5.00
Tax Rate Percent	0.00%	0.00%	0.00%
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Sales	\$266,544	\$402,200	\$617,100
Cost of Sales	\$102,320	\$149,325	\$210,950
Other	\$0	\$0	\$0
Total Cost of Sales	\$102,320	\$149,325	\$210,950
Gross margin	\$164,224	\$252,875	\$406,150
Gross margin percent	61.61%	62.87%	65.82%
Operating expenses:			
Advertising/Promotion	\$19,800	\$20,000	\$25,000
Auto Expense	\$3,310	\$8,000	\$12,000
Bank Service Charges	\$520	\$650	\$750
Printing Expense	\$366	\$500	\$1,000
Legal Fees/Licenses \$ Other Fees			
	\$262	\$200	\$500
Miscellaneous	\$956	\$1,500	\$2,500
Entertainment	\$242	\$0	\$0
Payroll Expense	\$56,981	\$69,000	\$75,000
Office Expense	\$3,767	\$4,000	\$5,000
Postage	\$5,426	\$6,000	\$10,000
Professional Fees	\$444	\$750	\$1,000
Taxes - Property and Other	\$277	\$300	\$350
Utilities	\$2,350	\$2,500	\$3,000
Insurance	\$2,773	\$3,500	\$5,000
Rent	\$6,350	\$6,500	\$7,200
Depreciation	\$4,524	\$3,500	\$4,000
Telephone	\$4,444	\$4,700	\$5,000
Pagers	\$616	\$750	\$800
Travel	\$1,789	\$3,000	\$5,000
Total Operating Expenses	\$115,197	\$135,350	\$163,100
Profit Before Interest/Taxes	\$49,027	\$117,525	\$243,050
Interest Expense ST	\$0	\$0	\$0
Interest Expense LT	\$7,614	\$7,731	\$7,731

### Projected Profit and Loss 1996 1997 1998

Sales	\$266,544	\$402,200	\$617,100
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Interest Expense LT	\$7,614	\$7,731	\$7,731
Taxes Incurred	\$0	\$0	\$0
Net Profit	\$41,413	\$109,794	\$235,319
Net Profit/Sales	15.54%	27.30%	38.13%

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	1996	1997	1998
Net Profit:	\$41,413	\$109,794	\$235,319
Plus:	—	—	—
Depreciation	\$4,524	\$3,500	\$4,000
Change in Accts Payable	\$2,846	(\$1,590)	\$14,513
Current Borrowing	\$0	\$0	\$0
Increase (decrease) Other Liabilities	\$0	\$0	\$0
Long-term Borrowing	\$10,000	\$0	\$0
Capital input	\$0	\$0	\$0
Subtotal	\$58,783	\$111,704	\$253,833
Less:			
Change in Accts Rec	\$16,725	\$596	\$19,000
Change in Inventory	\$7,943	\$20,723	\$13,882
Change in Other ST Assets	\$0	\$0	\$0
Capital Expenditure	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal	\$24,668	\$21,319	\$32,882
Net Cash Flow	\$34,115	\$90,385	\$220,951
Cash balance	\$45,809	\$136,195	\$357,145

## Projected Cash Flow

	1996	1997	1998
Net Profit:	\$41,413	\$109,794	\$235,319
Plus:	—	—	—
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Subtotal	\$24,668	\$21,319	\$32,882
Net Cash Flow	\$34,115	\$90,385	\$220,951
Cash balance	\$45,809	\$136,195	\$357,145



<b>Short-term Assets</b>			
Cash	\$45,809	\$136,195	\$357,145
Accounts receivable	\$24,404	\$25,000	\$44,000
Inventory	\$14,526	\$35,249	\$49,131
Other Short-term Assets	\$2,596	\$2,5%	\$2,596
<b>Total Short-term Assets</b>	<b>\$87,335</b>	<b>\$199,040</b>	<b>\$452,872</b>
<b>Long-term Assets</b>			
Capital Assets	\$42,854	\$42,854	\$42,854
Accumulated Depreciation	\$14,256	\$17,756	\$21,756
<b>Total Long-Term Assets</b>	<b>\$28,598</b>	<b>\$25,098</b>	<b>\$21,098</b>
<b>Total Assets</b>	<b>\$115,933</b>	<b>\$224,138</b>	<b>\$473,970</b>

## Projected Balance Sheet

1996 1997 1998

### Short-term Assets

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### Long-term Assets

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**Total Long-Term Assets** \$28,598 \$25,098 \$21,098

**Total Assets** \$115,933 \$224,138 \$473,970

### Debt and Equity

	1996	1997	1998
Accounts Payable	\$17,510	\$15,920	\$30,433
Short-term Notes	\$0	\$0	\$0
Other ST Liabilities	\$0	\$0	\$0
Subtotal Short-term Liab.	\$17,510	\$15,920	\$30,433
Long-term Liabilities	\$55,218	\$55,218	\$55,218
<b>Total Liabilities</b>	<b>\$72,728</b>	<b>\$71,138</b>	<b>\$85,651</b>
Paid in Capital	\$12,969	\$12,969	\$12,969
Retained Earnings	(\$11,177)	\$30,236	\$140,031
Earnings	\$41,413	\$109,794	\$235,319
<b>Total Equity</b>	<b>\$43,205</b>	<b>\$153,000</b>	<b>\$388,319</b>
<b>Total Debt and Equity</b>	<b>\$115,933</b>	<b>\$224,138</b>	<b>\$473,970</b>
<b>Net Worth</b>	<b>\$43,205</b>	<b>\$153,000</b>	<b>\$388,319</b>

### Debt and Equity

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Accounts Payable	\$17,510	\$15,920	\$30,433
Short-term Notes	\$0	\$0	\$0
Other ST Liabilities	\$0	\$0	\$0
Subtotal Short-term Liab.	\$17,510	\$15,920	\$30,433
Long-term Liabilities	\$55,218	\$55,218	\$55,218
<b>Total Liabilities</b>	<b>\$72,728</b>	<b>\$71,138</b>	<b>\$85,651</b>
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Earnings	\$41,413	\$109,794	\$235,319
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<b>Total Debt and Equity</b>	<b>\$115,933</b>	<b>\$224,138</b>	<b>\$473,970</b>
<b>Net Worth</b>	<b>\$43,205</b>	<b>\$153,000</b>	<b>\$388,319</b>



<b>Profitability Ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Gross margin	61.61%	62.87%	65.82%
Net profit margin	15.54%	27.30%	38.13%
Return on Assets	35.72%	48.99%	49.65%
Return on Equity	95.85%	71.76%	60.60%
<b>Activity Ratios</b>			
AR Turnover	5.68	11.26	10.52
Collection days	42	32	27
Inventory Turnover	9.69	6.00	5.00
Accts payable turnover	8.50	12.60	9.14
Total asset turnover	2.30	1.79	1.30

### Projected Business Ratios

<b>Profitability Ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Gross margin	61.61%	62.87%	65.82%
Net profit margin	15.54%	27.30%	38.13%
Return on Assets	35.72%	48.99%	49.65%
Return on Equity	95.85%	71.76%	60.60%

### Activity Ratios

AR Turnover	5.68	11.26	10.52
Collection days	42	32	27
Inventory Turnover	9.69	6.00	5.00
Accts payable turnover	8.50	12.60	9.14
Total asset turnover	2.30	1.79	1.30

<b>Debt Ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Debt to Net Worth	1.68	0.46	0.22
Short-term Debt to Liab.	0.24	0.22	0.36
<b>Liquidity ratios</b>			
Current Ratio	4.99	12.50	14.88
Quick Ratio	4.16	10.29	13.27
Net Working Capital	\$69,825	\$183,120	\$422,439
Interest Coverage	6.44	15.20	31.44

<b>Debt Ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Debt to Net Worth	1.68	0.46	0.22
Short-term Debt to Liab.	0.24	0.22	0.36

### Liquidity ratios

Current Ratio	4.99	12.50	14.88
Quick Ratio	4.16	10.29	13.27
Net Working Capital	\$69,825	\$183,120	\$422,439
Interest Coverage	6.44	15.20	31.44

<b>Additional ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Assets to sales	0.43	0.56	0.77
Debt/Assets	63%	32%	18%
Current debt/Total Assets	15%	7%	6%
Acid Test	2.76	8.72	11.82
<b>Asset Turnover</b>	2.30	1.79	1.30
Sales/Net Worth	6.17	2.63	1.59

<b>Additional ratios</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Assets to sales	0.43	0.56	0.77
Debt/Assets	63%	32%	18%
Current debt/Total Assets	15%	7%	6%
Acid Test	2.76	8.72	11.82
<b>Asset Turnover</b>	2.30	1.79	1.30
Sales/Net Worth	6.17	2.63	1.59



	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
<b>Short-term Assets</b>							
Cash	\$7,233	\$4,126	\$2,265	\$6,169	\$7,861	\$14,855	\$19,056
Accounts receivable	\$11,488	\$13,592	\$15,818	\$14,787	\$17,016	\$16,339	\$17,772
Inventory	\$7,070	\$10,431	\$11,751	\$12,585	\$13,222	\$13,451	\$13,521
Other S-term Assets	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596
<b>Total S-term Assets</b>	<b>\$28,388</b>	<b>\$30,746</b>	<b>\$32,430</b>	<b>\$36,136</b>	<b>\$40,695</b>	<b>\$47,241</b>	<b>\$52,945</b>
<b>Long-term Assets</b>							
Capital Assets	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854
Accum Depreciation	\$10,109	\$10,486	\$10,863	\$11,240	\$11,617	\$11,994	\$12,371
<b>Total Long-term Assets</b>	<b>\$32,745</b>	<b>\$32,368</b>	<b>\$31,991</b>	<b>\$31,614</b>	<b>\$31,237</b>	<b>\$30,860</b>	<b>\$30,483</b>
<b>Total Assets</b>	<b>\$61,133</b>	<b>\$63,114</b>	<b>\$64,421</b>	<b>\$67,750</b>	<b>\$71,932</b>	<b>\$78,101</b>	<b>\$83,428</b>
<b>Debt and Equity</b>							
Accounts Payable	\$18,171	\$19,000	\$19,522	\$19,584	\$18,584	\$17,521	\$16,529
Short-term Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other ST Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Short-term Liabilities</b>	<b>\$18,171</b>	<b>\$19,000</b>	<b>\$19,522</b>	<b>\$19,584</b>	<b>\$18,584</b>	<b>\$17,521</b>	<b>\$16,529</b>
Long-term Liabilities	\$45,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218

### Projected Balance Sheet

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
<b>Short-term Assets</b>							
Cash	\$7,233	\$4,126	\$2,265	\$6,169	\$7,861	\$14,855	\$19,056
Accounts receivable	\$11,488	\$13,592	\$15,818	\$14,787	\$17,016	\$16,339	\$17,772
Inventory	\$7,070	\$10,431	\$11,751	\$12,585	\$13,222	\$13,451	\$13,521
Other S-term Assets	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596
<b>Total S-term Assets</b>	<b>\$28,388</b>	<b>\$30,746</b>	<b>\$32,430</b>	<b>\$36,136</b>	<b>\$40,695</b>	<b>\$47,241</b>	<b>\$52,945</b>
<b>Long-term Assets</b>							
Capital Assets	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854
Accum Depreciation	\$10,109	\$10,486	\$10,863	\$11,240	\$11,617	\$11,994	\$12,371
<b>Total Long-term Assets</b>	<b>\$32,745</b>	<b>\$32,368</b>	<b>\$31,991</b>	<b>\$31,614</b>	<b>\$31,237</b>	<b>\$30,860</b>	<b>\$30,483</b>
<b>Total Assets</b>	<b>\$61,133</b>	<b>\$63,114</b>	<b>\$64,421</b>	<b>\$67,750</b>	<b>\$71,932</b>	<b>\$78,101</b>	<b>\$83,428</b>
<b>Debt and Equity</b>							
Accounts Payable	\$18,171	\$19,000	\$19,522	\$19,584	\$18,584	\$17,521	\$16,529
Short-term Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other ST Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Short-term Liabilities</b>	<b>\$18,171</b>	<b>\$19,000</b>	<b>\$19,522</b>	<b>\$19,584</b>	<b>\$18,584</b>	<b>\$17,521</b>	<b>\$16,529</b>
Long-term Liabilities	\$45,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$28,451	\$31,769	\$39,847	\$42,754	\$45,809	\$45,809	\$136,195	\$357,145
\$15,822	\$18,578	\$18,196	\$21,274	\$24,404	\$24,404	\$25,000	\$44,000
\$13,259	\$14,526	\$14,500	\$14,500	\$14,526	\$14,526	\$3,524	\$49,131
\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596
\$60,127	\$67,469	\$75,139	\$81,124	\$87,335	\$87,335	\$199,040	\$452,872
\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854
\$12,748	\$12,13,125	\$13,125	\$13,502	\$13,879	\$14,256	\$17,756	\$21,756
\$30,106	\$29,729	\$29,352	\$28,975	\$28,598	\$28,598	\$25,098	\$21,098
\$90,233	\$97,198	\$104,491	\$110,099	\$115,933	\$115,933	\$224,138	\$473,970
\$16,524	\$15,754	\$17,333	\$16,746	\$17,510	\$17,510	\$15,920	\$30,433
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$16,524	\$15,754	\$17,333	\$16,746	\$17,510	\$17,510	\$15,920	\$30,433
\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$28,451	\$31,769	\$39,847	\$42,754	\$45,809	\$45,809	\$136,195	\$357,145
\$15,822	\$18,578	\$18,196	\$21,274	\$24,404	\$24,404	\$25,000	\$44,000



Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$13,259	\$14,526	\$14,500	\$14,500	\$14,526	\$14,526	\$35,249	\$49,131
\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596	\$2,596
\$60,127	\$67,469	\$75,139	\$81,124	\$87,335	\$87,335	\$199,040	\$452,872
\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854	\$42,854
\$12,748	\$12,13,125	\$13,125	\$13,502	\$13,879	\$14,256	\$17,756	\$21,756
\$30,106	\$29,729	\$29,352	\$28,975	\$28,598	\$28,598	\$25,098	\$21,098
\$90,233	\$97,198	\$104,491	\$110,099	\$115,933	\$115,933	\$224,138	\$473,970
\$16,524	\$15,754	\$17,333	\$16,746	\$17,510	\$17,510	\$15,920	\$30,433
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$16,524	\$15,754	\$17,333	\$16,746	\$17,510	\$17,510	\$15,920	\$30,433
\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218	\$55,218

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Total Liabilities	\$63,389	\$74,218	\$74,740	\$74,802	\$73,802	\$72,739	\$71,747
Paid in Capital	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969
Retained Earnings	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)
Earnings	(\$4,049)	(\$12,897)	(\$12,111)	(\$8,844)	(\$3,663)	\$3,569	\$9,889
Total Equity	(\$2,256)	(\$11,104)	(\$10,319)	(\$7,052)	(\$1,870)	\$5,362	\$11,681
Total Debt & Equity	\$61,133	\$63,114	\$64,421	\$67,750	\$71,932	\$78,101	\$83,428
Net Worth	(\$2,256)	(\$11,104)	(\$10,319)	(\$7,052)	(\$1,870)	\$5,362	\$11,681

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Total Liabilities	\$63,389	\$74,218	\$74,740	\$74,802	\$73,802	\$72,739	\$71,747
Paid in Capital	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969
Retained Earnings	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)
Earnings	(\$4,049)	(\$12,897)	(\$12,111)	(\$8,844)	(\$3,663)	\$3,569	\$9,889
Total Equity	(\$2,256)	(\$11,104)	(\$10,319)	(\$7,052)	(\$1,870)	\$5,362	\$11,681
Total Debt & Equity	\$61,133	\$63,114	\$64,421	\$67,750	\$71,932	\$78,101	\$83,428
Net Worth	(\$2,256)	(\$11,104)	(\$10,319)	(\$7,052)	(\$1,870)	\$5,362	\$11,681

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Net Profit:	(\$4,049)	(\$8,848)	\$786	\$3,267	\$5,182	\$7,232	\$6,320
Plus:							
Depreciation	\$377	\$377	\$377	\$377	\$377	\$377	\$377
Change in Accts Payable	\$3,507	\$829	\$522	\$62	(\$1,000)	(\$1,063)	(\$992)
Current Borrowing (repayment)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase (decrease) Other Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Borrowing (repayment)	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
Capital input	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	(\$165)	\$2,358	\$1,685	\$3,706	\$4,559	\$6,546	\$5,705
Less:							
Change in Accounts Receivable	\$3,809	\$2,104	\$2,226	(\$1,032)	\$2,30	(\$677)	\$1,433
Change in Inventory	\$487	\$3,361	\$1,320	\$834	\$637	\$229	\$70
Change in Other ST Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$4,296	\$5,465	\$3,546	(\$198)	\$2,867	(\$448)	\$1,503
Net Cash Flow	(\$4,461)	(\$3,107)	(\$1,861)	\$3,904	\$1,692	\$6,994	\$4,202
Cash Balance	\$7,233	\$4,126	\$2,265	\$6,169	\$7,861	\$14,855	\$19,056

**General Assumptions**

Short Term Interest Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Long Term Interest Rate	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Collection Days	45	45	45	45	45	45	45
Payment Days	40	40	40	40	40	40	40
Inventory Turnover	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Tax Rate Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenses as Cash %	8.00%	8.00%	8.00%	7.00%	7.00%	7.00%	7.00%
Sales on Credit	55.00%	64.00%	64.00%	44.00%	55.00%	41.00%	51.00%
Personnel Burden %	10.15%	10.15%	10.15%	10.15%	10.15%	10.35%	10.35%
Personnel Plan							
Payroll	\$1,766	\$4,943	\$4,943	\$4,943	\$4,943	\$4,943	\$5,000



## Projected Cash Flow

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Net Profit:	(\$4,049)	(\$8,848)	\$786	\$3,267	\$5,182	\$7,232	\$6,320
<b>Plus:</b>							
Depreciation	\$377	\$377	\$377	\$377	\$377	\$377	\$377
Change in Accts Payable	\$3,507	\$829	\$522	\$62	(\$1,000)	(\$1,063)	(\$992)
Current Borrowing (repayment)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase (decrease) Other Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Borrowing (repayment)	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
Capital input	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	(\$165)	\$2,358	\$1,685	\$3,706	\$4,559	\$6,546	\$5,705
<b>Less:</b>							
Change in Accounts Receivable	\$3,809	\$2,104	\$2,226	(\$1,032)	\$2,230	(\$677)	\$1,433
Change in Inventory	\$487	\$3,361	\$1,320	\$834	\$637	\$229	\$70
Change in Other ST Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$4,296	\$5,465	\$3,546	(\$198)	\$2,867	(\$448)	\$1,503
Net Cash Flow	(\$4,461)	(\$3,107)	(\$1,861)	\$3,904	\$1,692	\$6,994	\$4,202
Cash Balance	\$7,233	\$4,126	\$2,265	\$6,169	\$7,861	\$14,855	\$19,056

## General Assumptions

Short Term Interest Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Long Term Interest Rate	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Collection Days	45	45	45	45	45	45	45
Payment Days	40	40	40	40	40	40	40
Inventory Turnover	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Tax Rate Percent	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenses in Cash?%	8.00%	8.00%	8.00%	7.00%	7.00%	7.00%	7.00%
Sales on Credit	55.00%	64.00%	64.00%	44.00%	55.00%	41.00%	51.00%
Personnel Burden%	10.15%	10.15%	10.15%	10.15%	10.15%	10.35%	10.35%

## Personnel Plan

Payroll	\$1,766	\$4,943	\$4,943	\$4,943	\$4,943	\$4,943	\$5,000
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Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$71,742	\$70,972	\$72,551	\$71,964	\$72,728	\$72,728	\$71,138	\$85,651
\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969
(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	\$30,236	\$140,031
\$16,699	\$24,434	\$30,148	\$36,343	\$41,413	\$41,413	\$109,794	\$235,319
\$18,491	\$26,226	\$31,941	\$38,136	\$43,205	\$43,205	\$153,000	\$388,319
\$90,233	\$97,198	\$104,491	\$110,099	\$115,933	\$115,933	\$224,138	\$473,970
\$18,491	\$26,226	\$31,941	\$38,136	\$43,205	\$43,205	\$153,000	\$388,319

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$71,742	\$70,972	\$72,551	\$71,964	\$72,728	\$72,728	\$71,138	\$85,651
\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969	\$12,969
(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	(\$11,177)	\$30,236	\$140,031
\$16,699	\$24,434	\$30,148	\$36,343	\$41,413	\$41,413	\$109,794	\$235,319
\$18,491	\$26,226	\$31,941	\$38,136	\$43,205	\$43,205	\$153,000	\$388,319



Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$90,233	\$97,198	\$104,491	\$110,099	\$115,933	\$115,933	\$224,138	\$473,970
\$18,491	\$26,226	\$31,941	\$38,136	\$43,205	\$43,205	\$153,000	\$388,319

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$6,810	\$7,735	\$5,715	\$6,195	\$5,070	\$41,413	\$109,794	\$235,319
\$377	\$377	\$377	\$377	\$377	\$4,524	\$3,500	\$4,000
(\$5)	(\$770)	\$1,579	(\$587)	\$764	\$2,846	(\$1,590)	\$14,513
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,182	\$7,342	\$7,670	\$5,985	\$6,211	\$58,783	\$111,704	\$253,833

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
(\$1,950)	\$2,757	(\$382)	\$3,078	\$3,130	\$16,725	\$596	\$19,000
(\$262)	\$1,267	(\$26)	\$0	\$26	\$7,943	\$20,723	\$13,882
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$2,212)	\$4,024	(\$408)	\$3,078	\$3,156	\$24,668	\$21,319	\$32,882
\$9,394	\$3,318	\$8,079	\$2,907	\$3,055	\$34,115	\$90,385	\$220,951
\$28,451	\$31,769	\$39,847	\$42,754	\$45,809	\$45,809	\$136,195	\$357,145

12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
45	45	45	45	45	45	40	37
40	40	40	40	40	40	30	30
7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7.00%	7.00%	7.00%	7.00%	7.00%	7.25%	7.00%	7.00%
38.00%	51.00%	44.00%	61.00%	66.00%	52.83%	70.00%	75.00%
10.35%	10.35%	10.35%	10.35%	10.50%	10.28%	11.00%	11.25%
\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$56,981	\$69,800	\$75,000

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$6,810	\$7,735	\$5,715	\$6,195	\$5,070	\$41,413	\$109,794	\$235,319
\$377	\$377	\$377	\$377	\$377	\$4,524	\$3,500	\$4,000
(\$5)	(\$770)	\$1,579	(\$587)	\$764	\$2,846	(\$1,590)	\$14,513
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$7,182	\$7,342	\$7,670	\$5,985	\$6,211	\$58,783	\$111,704	\$253,833
(\$1,950)	\$2,757	(\$382)	\$3,078	\$3,130	\$16,725	\$596	\$19,000
(\$262)	\$1,267	(\$26)	\$0	\$26	\$7,943	\$20,723	\$13,882
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$2,212)	\$4,024	(\$408)	\$3,078	\$3,156	\$24,668	\$21,319	\$32,882
\$9,394	\$3,318	\$8,079	\$2,907	\$3,055	\$34,115	\$90,385	\$220,951
\$28,451	\$31,769	\$39,847	\$42,754	\$45,809	\$45,809	\$136,195	\$357,145
12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
45	45	45	45	45	45	40	37
40	40	40	40	40	40	30	30
7.00	7.00	7.00	7.00	7.00	7.00	6.00	5.00
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
7.00%	7.00%	7.00%	7.00%	7.00%	7.25%	7.00%	7.00%
38.00%	51.00%	44.00%	61.00%	66.00%	52.83%	70.00%	75.00%
10.35%	10.35%	10.35%	10.35%	10.50%	10.28%	11.00%	11.25%
\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$56,981	\$69,000	\$75,000

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Sales	\$13,479	\$14,355	\$16,706	\$21,456	\$22,356	\$24,856	\$24,856
Cost of Sales	\$6,535	\$6,085	\$6,855	\$8,435	\$8,570	\$9,020	\$8,975
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$6,535	\$6,085	\$6,855	\$8,435	\$8,570	\$9,020	\$8,975
Gross Margin	\$6,944	\$8,270	\$9,851	\$13,021	\$13,786	\$15,836	\$15,881
Gross Margin %	51.52%	57.61%	58.97%	60.69%	61.67%	63.71%	63.89%
Operating expenses:							
Advertising/Promotion							
	\$3,824	\$8,000	\$126	\$500	\$500	\$500	\$700
Auto Expense	\$185	\$100	\$175	\$250	\$250	\$250	\$300
Bank Service Charges	\$0	\$40	\$40	\$40	\$40	\$40	\$40
Printing Expense	\$356	\$0	\$10	\$0	\$0	\$0	\$0
Legal Fees/Licenses and Other Fees							
	\$212	\$50	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$56	\$50	\$50	\$50	\$50	\$50	\$100
Entertainment	\$142	\$100	\$0	\$0	\$0	\$0	\$0
Payroll Expense	\$1,766	\$4,943	\$4,943	\$4,943	\$4,943	\$4,943	\$5,000
Office Expense	\$517	\$300	\$250	\$300	\$300	\$300	\$300
Postage	\$526	\$800	\$300	\$800	\$200	\$200	\$800
Professional Fees	\$194	\$100	\$50	\$0	\$0	\$0	\$0
Taxes - Property and Other							
	\$13	\$264	\$0	\$0	\$0	\$0	\$0
Utilities	\$225	\$225	\$225	\$225	\$175	\$175	\$175
Insurance	\$473	\$200	\$200	\$200	\$200	\$200	\$200
Rent	\$525	\$525	\$525	\$525	\$525	\$525	\$525
Depreciation	\$377	\$377	\$377	\$377	\$377	\$377	\$377
Telephone	\$469	\$350	\$350	\$350	\$350	\$350	\$350
Pagers	\$66	\$50	\$50	\$50	\$50	\$50	\$50
Travel	\$539	\$0	\$750	\$800	\$0	\$0	\$0
Total Operating Expenses	\$30,465	\$16,674	\$8,421	\$9,110	\$7,960	\$7,960	\$8,917
Profit Before Interest and Taxes	(\$3,521)	(\$8,204)	\$1,430	\$3,911	\$5,826	\$7,876	\$6,964
Interest Expense - I	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense - LT	\$528	\$644	\$644	\$644	\$644	\$644	\$644
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$4,049)	(\$8,848)	\$786	\$3,267	\$5,182	\$7,232	\$6,320
Net Profit/Sales	-30.04%	-61.64%	4.70%	15.25%	23.18%	29.09%	25.43%
Sales Forecast							
Supply Sales	\$7,871	\$9,000	\$10,250	\$14,000	\$14,000	\$16,500	\$16,500
Seminar Training	\$625	\$600	\$0	\$500	\$0	\$0	\$500
Video Training	\$99	\$99	\$300	\$300	\$200	\$200	\$200
Carpet Cleaning Revenue	\$1,548	\$1,500	\$3,000	\$3,500	\$5,000	\$5,000	\$4,500
Franchise Royalties	\$2,183	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Misc. Income	\$97	\$300	\$100	\$100	\$100	\$100	\$100
Other	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056
Total Sales	\$13,479	\$14,355	\$16,706	\$21,456	\$22,356	\$24,856	\$24,856

## Projected Profit and Loss

	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Sales	\$13,479	\$14,355	\$16,706	\$21,456	\$22,356	\$24,856	\$24,856
Cost of Sales	\$6,535	\$6,085	\$6,855	\$8,435	\$8,570	\$9,020	\$8,975
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$6,535	\$6,085	\$6,855	\$8,435	\$8,570	\$9,020	\$8,975
Gross Margin	\$6,944	\$8,270	\$9,851	\$13,021	\$13,786	\$15,836	\$15,881
Gross Margin %	51.52%	57.61%	58.97%	60.69%	61.67%	63.71%	63.89%
Operating expenses:							
Advertising/Promotion	\$3,824	\$8,000	\$126	\$500	\$500	\$500	\$700
Auto Expense	\$185	\$100	\$175	\$250	\$250	\$250	\$300
Bank Service Charges	\$0	\$40	\$40	\$40	\$40	\$40	\$40
Printing Expense	\$356	\$0	\$10	\$0	\$0	\$0	\$0
Legal Fees/Licenses and Other Fees	\$212	\$50	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$56	\$50	\$50	\$50	\$50	\$50	\$100
Entertainment	\$142	\$100	\$0	\$0	\$0	\$0	\$0
Payroll Expense	\$1,766	\$4,943	\$4,943	\$4,943	\$4,943	\$4,943	\$5,000
Office Expense	\$517	\$300	\$250	\$300	\$300	\$300	\$300
Postage	\$526	\$800	\$300	\$800	\$200	\$200	\$800
Professional Fees	\$194	\$100	\$50	\$0	\$0	\$0	\$0
Taxes - Property and Other	\$13	\$264	\$0	\$0	\$0	\$0	\$0



**Projected Profit and Loss**

Utilities	\$225	\$225	\$225	\$225	\$175	\$175	\$175
Insurance	\$473	\$200	\$200	\$200	\$200	\$200	\$200
Rent	\$525	\$525	\$525	\$525	\$525	\$525	\$525
Depreciation	\$377	\$377	\$377	\$377	\$377	\$377	\$377
Telephone	\$469	\$350	\$350	\$350	\$350	\$350	\$350
Pagers	\$66	\$50	\$50	\$50	\$50	\$50	\$50
Travel	\$539	\$0	\$750	\$500	\$0	\$0	\$0
Total Operating Expenses	\$10,465	\$16,474	\$8,421	\$9,110	\$7,960	\$7,960	\$8,917
Profit Before Interest and Taxes	(\$3,521)	(\$8,204)	\$1,430	\$3,911	\$5,826	\$7,876	\$6,964
Interest Expense ST	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense LT	\$528	\$644	\$644	\$644	\$644	\$644	\$644
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$4,049)	(\$8,848)	\$786	\$3,267	\$5,182	\$7,232	\$6,320
Net Profit/Sales	-30.04%	-61.64%	4.70%	15.23%	23.18%	29.09%	25.43%

**Sales Forecast**

Supply Sales	\$7,871	\$9,000	\$10,250	\$14,000	\$14,000	\$16,500	\$16,500
Seminar Training	\$625	\$600	\$0	\$500	\$0	\$0	\$500
Video Training	\$99	\$99	\$300	\$300	\$200	\$200	\$200
Carpet Cleaning Revenue	\$1,548	\$1,500	\$3,000	\$3,500	\$5,000	\$5,000	\$4,500
Franchise Royalties	\$2,183	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Misc. Income	\$97	\$100	\$100	\$100	\$100	\$100	\$100
Other	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056
Total Sales	\$13,479	\$14,355	\$16,706	\$21,456	\$22,356	\$24,856	\$24,856

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$24,956	\$27,131	\$25,631	\$25,631	\$25,131	\$266,544	\$402,200	\$617,100
\$9,000	\$9,000	\$9,678	\$9,675	\$9,680	\$102,320	\$149,325	\$210,950
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$9,000	\$9,000	\$9,678	\$9,675	\$9,680	\$102,320	\$149,325	\$210,950
\$15,956	\$17,291	\$15,951	\$15,956	\$15,531	\$164,224	\$252,875	\$406,150
63.94%	63.31%	62.27%	62.25%	61.80%	61.61%	62.87%	65.82%

\$750	\$1,090	\$1,200	\$1,200	\$1,500	\$19,808	\$20,000	\$25,800
\$580	\$350	\$350	\$350	\$450	\$3,318	\$8,800	\$12,800
\$50	\$50	\$50	\$65	\$65	\$520	\$650	\$756
\$0	\$0	\$0	\$0	\$0	\$366	\$500	\$1,000

\$0	\$0	\$0	\$0	\$0	\$262	\$208	\$500
\$108	\$108	\$108	\$108	\$155	\$956	\$1,500	\$2,500
\$0	\$0	\$0	\$0	\$0	\$242	\$0	\$0
\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$54,981	\$69,000	\$75,800
\$380	\$380	\$380	\$380	\$300	\$3,767	\$4,000	\$5,800
\$280	\$250	\$800	\$250	\$300	\$5,426	\$6,800	\$10,000
\$0	\$0	\$0	\$0	\$100	\$444	\$750	\$1,800

\$0	\$0	\$0	\$0	\$0	\$277	\$308	\$350
\$175	\$175	\$175	\$208	\$208	\$2,350	\$2,500	\$3,000
\$208	\$208	\$208	\$208	\$300	\$2,773	\$3,500	\$5,000
\$525	\$525	\$525	\$55	\$9,550	\$6,780	\$6,500	\$7,280
\$377	\$377	\$377	\$377	\$377	\$4,254	\$3,580	\$4,880
\$375	\$375	\$375	\$375	\$375	\$8,444	\$4,780	\$5,680
\$50	\$50	\$50	\$50	\$50	\$414	\$750	\$800
\$0	\$0	\$0	\$0	\$0	\$1,789	\$3,000	\$5,000

\$8,502	\$8,852	\$9,602	\$9,117	\$9,817	\$115,197	\$135,258	\$163,108
\$7,454	\$8,379	\$6,359	\$6,839	\$5,714	\$49,827	\$117,525	\$243,050
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$644	\$644	\$644	\$644	\$7,614	\$7,733	\$7,733	\$7,733
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$6,818	\$7,735	\$5,715	\$6,195	\$5,070	\$41,413	\$109,794	\$235,319
27.29%	28.51%	22.30%	24.17%	24.17%	15.54%	27.30%	38.13%

\$16,500	\$18,000	\$18,000	\$18,000	\$18,000	\$176,621	\$300,000	\$500,000
\$0	\$0	\$500	\$0	\$0	\$2,725	\$5,000	\$10,800
\$500	\$100	\$100	\$108	\$108	\$2,098	\$3,800	\$3,500
\$5,000	\$6,800	\$4,000	\$4,500	\$4,080	\$47,548	\$50,000	\$65,000
\$2,080	\$1,875	\$1,875	\$1,875	\$1,875	\$23,683	\$20,000	\$20,800
\$180	\$180	\$180	\$180	\$180	\$1,197	\$1,100	\$2,000
\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$12,872	\$15,100	\$16,680
\$24,956	\$27,131	\$25,631	\$25,631	\$25,131	\$266,544	\$402,200	\$617,100

<b>Aug-96</b>	<b>Sep-96</b>	<b>Oct-96</b>	<b>Nov-96</b>	<b>Dec-96</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
\$24,956	\$27,131	\$25,631	\$25,631	\$25,131	\$266,544	\$402,200	\$617,100



Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$9,000	\$9,900	\$9,670	\$9,675	\$9,600	\$102,320	\$149,325	\$210,950
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$9,000	\$9,900	\$9,670	\$9,675	\$9,600	\$102,320	\$149,325	\$210,950
\$15,956	\$17,231	\$15,961	\$15,956	\$15,531	\$164,224	\$252,875	\$406,150
63.94%	63.51%	62.27%	62.25%	61.80%	61.61%	62.87%	65.82%
\$750	\$1,000	\$1,200	\$1,200	\$1,500	\$19,800	\$20,000	\$25,000
\$300	\$350	\$350	\$350	\$450	\$3,310	\$8,000	\$12,000
\$50	\$50	\$50	\$65	\$65	\$520	\$650	\$750
\$0	\$0	\$0	\$0	\$0	\$366	\$500	\$1,000
\$0	\$0	\$0	\$0	\$0	\$262	\$200	\$500
\$100	\$100	\$100	\$100	\$150	\$956	\$1,500	\$2,500
\$0	\$0	\$0	\$0	\$0	\$242	\$0	\$0
\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$56,981	\$69,000	\$75,000
\$300	\$300	\$300	\$300	\$300	\$3,767	\$4,000	\$5,000
\$200	\$250	\$800	\$250	\$300	\$5,426	\$6,000	\$10,000
\$0	\$0	\$0	\$0	\$100	\$444	\$750	\$1,000
\$0	\$0	\$0	\$0	\$0	\$277	\$300	\$350
\$175	\$175	\$175	\$200	\$200	\$2,350	\$2,500	\$3,000
\$200	\$200	\$200	\$200	\$300	\$2,773	\$3,500	\$5,000
\$525	\$525	\$525	\$55	0\$550	\$6,350	\$6,500	\$7,200
\$377	\$377	\$377	\$377	\$377	\$4,524	\$3,500	\$4,000
\$375	\$375	\$375	\$375	\$375	\$4,444	\$4,700	\$5,000
\$50	\$50	\$50	\$50	\$50	\$616	\$750	\$800
\$0	\$0	\$0	\$0	\$0	\$1,789	\$3,000	\$5,000
\$8,502	\$8,852	\$9,602	\$9,117	\$9,817	\$115,197	\$135,350	\$163,100
\$7,454	\$8,379	\$6,359	\$6,839	\$5,714	\$49,027	\$117,525	\$243,050
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$644	\$644	\$644	\$644	\$644	\$7,614	\$7,731	\$7,731
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$6,810	\$7,735	\$5,715	\$6,195	\$5,070	\$41,413	\$109,794	\$235,319
27.29%	28.51%	22.30%	24.17%	20.17%	15.54%	27.30%	38.13%
\$16,500	\$18,000	\$18,000	\$18,000	\$18,000	\$176,621	\$300,000	\$500,000
\$0	\$0	\$500	\$0	\$0	\$2,725	\$5,000	\$10,000
\$300	\$100	\$100	\$100	\$100	\$2,098	\$3,000	\$3,500
\$5,000	\$6,000	\$4,000	\$4,500	\$4,000	\$47,548	\$58,000	\$65,000
\$2,000	\$1,875	\$1,875	\$1,875	\$1,875	\$23,683	\$20,000	\$20,000
\$100	\$100	\$100	\$100	\$100	\$1,197	\$1,100	\$2,000
\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$12,672	\$15,100	\$16,600
\$24,956	\$27,131	\$25,631	\$25,631	\$25,131	\$266,544	\$402,200	\$617,000



Cost of Sales	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Supply Sales	\$5,810	\$5,735	\$6,355	\$7,840	\$7,800	\$8,250	\$8,250
Seminar Training	\$406	\$50	\$0	\$50	\$0	\$0	\$50
Video Training	\$0	\$0	\$0	\$20	\$20	\$20	\$0
Carpet Cleaning Revenue	\$319	\$300	\$500	\$525	\$750	\$750	\$675
Franchise Royalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$6,535</b>	<b>\$6,085</b>	<b>\$6,855</b>	<b>\$8,435</b>	<b>\$8,570</b>	<b>\$9,020</b>	<b>\$8,975</b>

Cost of Sales	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96
Supply Sales	\$5,810	\$5,735	\$6,355	\$7,840	\$7,800	\$8,250	\$8,250
Seminar Training	\$406	\$50	\$0	\$50	\$0	\$0	\$50
Video Training	\$0	\$0	\$0	\$20	\$20	\$20	\$0
Carpet Cleaning Revenue	\$319	\$300	\$500	\$525	\$750	\$750	\$675
Franchise Royalties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$6,535</b>	<b>\$6,085</b>	<b>\$6,855</b>	<b>\$8,435</b>	<b>\$8,570</b>	<b>\$9,020</b>	<b>\$8,975</b>

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$8,250	\$9,000	\$9,000	\$9,000	\$9,000	\$94,290	\$140,000	\$200,000
\$0	\$0	\$50	\$0	\$0	\$606	\$500	\$1,000
\$0	\$0	\$20	\$0	\$0	\$80	\$125	\$200
\$750	\$900	\$600	\$675	\$600	\$7,344	\$8,700	\$9,750
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>\$9,000</b>	<b>\$9,900</b>	<b>\$9,670</b>	<b>\$9,675</b>	<b>\$9,600</b>	<b>\$102,320</b>	<b>\$149,325</b>	<b>\$210,950</b>

Aug-96	Sep-96	Oct-96	Nov-96	Dec-96	1996	1997	1998
\$8,250	\$9,000	\$9,000	\$9,000	\$9,000	\$94,290	\$140,000	\$200,000
\$0	\$0	\$50	\$0	\$0	\$606	\$500	\$1,000
\$0	\$0	\$20	\$0	\$0	\$80	\$125	\$200
\$750	\$900	\$600	\$675	\$600	\$7,344	\$8,700	\$9,750
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>\$9,000</b>	<b>\$9,900</b>	<b>\$9,670</b>	<b>\$9,675</b>	<b>\$9,600</b>	<b>\$102,320</b>	<b>\$149,325</b>	<b>\$210,950</b>