



Bottled Water Manufacturer

BUSINESS PLAN

SPARKLING HORIZON BOTTLED WATER

315 Fauborg
Wichita, KS 67207

April 1995

Sparkling Horizon Bottled Water's business plan contains valuable financial information. Check out the Projected Cash Flow tables for the first three years of operation. The plan's owner has also included a Projected Balance Sheet and a Projected Income Statement, both of which also contain helpful information for anyone interested in starting a bottled water business.

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EXECUTIVE SUMMARY

Demand for bottled drinking water has been growing rapidly since the 1980s, increasing nearly 400% in the last decade according to the Council of Bottled Water Manufacturers, as a result of declining consumer confidence in the safety and quality of municipal water supplies.

Bottled Drinking Water

To take advantage of this expanding market for drinking water, Sparkling Horizon Bottled Water has been established to provide home and office delivery of bottled water to the Wichita area. After months of extensive industry and market research, the company has developed a solid business plan to enter the market for bottled water.

Sparkling Horizon will generate revenue as a result of the rental and sale of water coolers, as well as for the delivery of the three types of water: pure spring water, distilled drinking water, and purified drinking water in 5-gallon bottles.



Management Team

Chantal Fuzet is the owner and president of Sparkling Horizon, bringing years of experience in water bottling and delivery to the company. Her family has operated a thriving bottled water business in Paris for over 15 years, which she helped to run.

The company has applied for certification as a woman-owned business, which is in progress.

Two key managers have been retained to assist in the operation and expansion of the company: Jean Polsky will serve as the company's Operations Manager, and Robert Blanc will be the Route Driver, an extremely important position as the primary customer contact. In addition, two commission sales associates will be hired to secure new customers.

Manufacturing

Sparkling Horizon Bottled Water will be bottled by Rue Bottling of Decatur, Illinois, who will fill the 5-gallon bottles and store them until they are needed by Sparkling Horizon, as well as accepting empty bottles, cleaning them, and refilling them for reuse.

By using free trials to entice consumers to install their water coolers, Sparkling Horizon will quickly establish a customer base. The free trial offer will be advertised through a variety of media, and will be promoted at trade shows and mall events.

The marketing budget of \$25,000 will enable the company to quickly capture a large percent of the potential market. All funding for marketing activities will be generated from the business as earnings from operations, not from start-up capital, and is based on a standard 5% of first-year sales.

Projected Income Statement	1995	1996	1997	1999	2000
Revenues	247,928	322,721	400,992	453,092	509,801
COGS	95,760	105,336	115,870	127,455	140,003
Operating Expenses	96,250	102,104	108,379	115,111	122,342
Net Income	50,782	110,468	172,570	207,046	244,340

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Operating Expenses	96,250	102,104	108,379	115,111	122,342
Net Income	50,782	110,468	172,570	207,046	244,340

INDUSTRY ANALYSIS

The market for bottled drinking water has been growing rapidly since the 1980s, increasing nearly 400% in the last decade according to the Council of Bottled Water Manufacturers, as a result of declining consumer confidence in the safety and quality of municipal water supplies. This nationwide trend is also evident in the Greater Wichita area, where Sparkling Horizon intends to operate.

In response, individuals and businesses are purchasing bottled drinking water for use in their homes and offices. Free of contaminants and government-monitored, bottled waters are derived from protected springs or wells or are produced by purifying and processing water from public water supplies. Consumer demand for bottled water is expected to continue to increase, as water supplies worldwide are deemed undrinkable or unhealthy.

According to a survey conducted by E-Works in 1988, more than 60% of consumers questioned about their purchase of bottled waters claimed "taste" was the primary reason for buying bottled water. Other reasons cited were safety and concerns about "too many chemicals in tap water."



Growth Rate

The bottled water industry as a whole has been growing at a rate of 12-15% annually since the mid-1980s. Bottled water sales increased 15.8% from February 1993 to February 1994, indicating a market rebound from the single digit growth of the late 1980s. From 1990-1995, demand for home delivery of bottled water is expected to be approximately 10.2%, with commercial distribution growing at a rate of 8.5% per year, according to the *Report on World Bottled Water, 1991*.

Industry Size

By far, the most popular type of water is non-sparkling water; in 1990 sales of non-sparkling water were \$1,489,000,000, according to the *Report on World Bottled Water Manufacturing, 1991*. Total bottled water sales were \$2,222,000,000, including both domestic sparkling and imported drinking waters.

Total sales of bottled water increased by more than 13% from 1989 to 1990, and have doubled in the last five years.

In terms of gallons sold, there were 1,753,300,000 gallons of non-sparkling water sold in the U. S. alone during 1990, with that number increasing to approximately.

Consumption

Per capita consumption of bottled water in the U.S. is also increasing dramatically, rising from 4.5 gallons per person in 1985 to 8.0 gallons per person just five years later, in 1990.

Approximately 1 out of every 6 households currently consumes non-sparkling bottled water as a source of drinking water. In addition, only 1% of the water being brought into a household is used for drinking; the rest is used for washing, bathing, etc.

Delivery of Water

The Council of Bottled Water Manufacturers divides the distribution channels for bottled water into: retail grocery, commercial delivery, home delivery, restaurant purchase, and vending.

While retail purchase accounts for the largest percentage of bottled water purchases (41.5%), 21.3% of sales are made through commercial delivery of water and 21.4% are through home delivery sales. The percentage of the industry that relies on water deliveries for its water is 42.7%, the largest percentage of all.

Cost

In the U.S., the average price for a 5-gallon delivered bottle of water is \$5.29. An informal poll of local Wichita distributors showed that the average price in the area was also approximately \$5.00 per bottle, which is what Sparkling Horizon intends to charge.

After water and delivery costs of \$1.80, each bottle generates \$3.49 in profit per unit for the company.

Sparkling Horizon will purchase coolers at a cost of \$202.00 and rent them to customers for a fee of \$10.00 per month. In just 21 months, each rented cooler will be paid for and generating profit long-term for the company.

Suppliers

The Council of Bottled Water Manufacturers reports that there are approximately 430 bottling facilities in the U.S., producing more than 700 different brand labels.



MARKET OVERVIEW

Following the devastating floods of 1993, water supplies in the Wichita area are still suspect, leading many residents to turn to bottled water for health reasons. However, even before the massive flooding, demand for bottled drinking water was growing.

Potential Customers

Because delivered bottled water is relatively inexpensive, virtually any household can afford to have a water cooler in their home.

The cost to rent a cooler is \$10 per month, and an average household drinks 20 gallons per month (4-5 bottles), with a total monthly cost of approximately \$30.

Size of the Market

The size of the non-sparkling bottled water market for the Wichita area is approximately 16,871,019 gallons per year, assuming a population size of 2,444,099 in the Wichita area (according to the 1990 Census).

The value of the local water market is approximately \$13,177,220, as of 1990.

Competition

There are currently 13 bottled water distributors listed in the Wichita Yellow Pages, however only 7 companies are actively engaged in home and office delivery of drinking water. The other 6 companies are equipment sales representatives.

The 3 largest competitors are:

- Crystal Water
- Rain Man Water
- Hello! Water

However, these firms, in total, control just 5% of the potential market for bottled water, according to the local Small Business Administration office. In fact, all have stated by phone that they constantly have more orders for coolers and water delivery than they can handle, indicating strong demand for bottled water that has overrun the capacity of companies already in the market.

BUSINESS DESCRIPTION

Sparkling Horizon Bottled Water is a regional distributor of bottled waters for use in conjunction with rented company water coolers.

Corporate Structure

Sparkling Horizon Bottled Water was established in 1995 as a Kansas corporation. Chantal Fuzet owns 100% of the stock of the company.

Name

The trade name Sparkling Horizon is in the process of being registered, and the product logo is being finalized for imprinting on the bottles.



Operations

Spring, distilled, and purified drinking waters will be bottled by a Southern Illinois bottler who will fill the 5-gallon bottles labeled with the Sparkling Horizon logo. The refillable bottles will be collected from customers when empty and returned to the bottler bi-weekly for cleaning and refilling.

Personal Investment

Chantal Fuzet has already invested over \$15,000 of her personal funds during the last year in order to thoroughly research the U.S. bottled water industry and verify demand within the local Wichita market through attendance at industry conventions and trade shows (which included attendance and travel expenses). Funds have also been invested in association memberships, logo and label creation, and professional consulting fees in order to incorporate, register the trademark, and finalize the company business plan.

PRODUCT DESCRIPTION

Sparkling Horizon offers home and office delivery of drinking waters, as well as water cooler rentals, under the Sparkling Horizon label.

Drinking Water

The company offers three types of water in 5 gallon refillable bottles:

Pure spring water

Pure spring water is collected from protected springs and wells and contains no contaminants or additives. Consequently, it is considered to have the best taste of all drinking waters.

Distilled Water

Distilled water is produced by vaporizing water and then allowing it to condense, thereby leaving behind any dissolved minerals present in the original water.

Purified Drinking Water

Water is purified by a process of reverse osmosis, where the water is forced under pressure through membranes which remove 90% of the dissolved minerals.

Water is delivered in 5-gallon bottles made of plastic. Sparkling Horizon is the only water company in the Wichita area to offer a special new handle that makes lifting and refilling bottles much easier. Eventually, the company intends to offer smaller 2- and 3-gallon bottles of water.

Water Cooler Rentals

Sparkling Horizon will offer a variety of water coolers for rent to its customer base, including standard floor models or counter top models offering choices of cold water only, hot and cold, or room temperature and cold water dispensing.

Advantages of Water Delivery

While many consumers choose to purchase bottled water at the grocery store in small 1- or 2- gallon bottles, home and office delivery of water is increasing in popularity for several reasons:



Convenience —instead of having to lug heavy, bulky bottles all the way from the grocery store home, delivery personnel bring longer-lasting, 5-gallon bottles right inside homes and offices.

Customer service —if there is ever a problem with the water cooler, Sparkling Horizon arrives quickly to replace it, taking the faulty cooler back to the warehouse for repairs.

Monthly billing —instead of weekly trips to the grocery store, customers receive a single monthly bill based on the quantity of bottles consumed.

Home vs. Office Delivery

Sparkling Horizon anticipates that approximately 50% of its deliveries will be to homes and 50% to offices.

MARKETING STRATEGY

In order to effectively and quickly build its customer base, Sparkling Horizon intends to aggressively promote its free trial program, offering new customers the use of a company cooler for a period of 30 days free of charge and includes two free bottles of water.

In addition, the company will implement a variety of other marketing methods to complement and build on the free trial offer. Since the competition has failed to utilize other marketing methods beyond the free trials, Sparkling Horizon will quickly achieve a competitive advantage.

Marketing Methods

Free Trials

Through research done by the company, this marketing approach has been found to be extremely effective in enticing consumers to try bottled water and to become used to having a cooler nearby. Once the cooler is in place, the majority of customers find it most convenient to leave it there and order additional bottles of water from the company that provided the cooler.

Sparkling Horizon will contact free trial customers two weeks after the cooler has been placed in their home or office, when the two free bottles of water have most likely been emptied, and offer them an incentive to commit to a cooler rental agreement before the 30-day free trial is actually over. The incentive may involve free bottles of water or a reduced fee for water.

The cost to deliver and place the cooler is minimal, by comparison to the advantage of having a customer essentially locked in to having water delivered by the same company that is renting the cooler to them.

Advertising

Sparkling Horizon intends to advertise its free trial offers by way of radio ads (secured through cross-promotion deals or barter arrangements), door hangers, and ads in coupon packages. Existing competitors do not currently invest in advertising, leaving the market wide open to Sparkling Horizon.

Direct Mail

Post cards offering a 30-day free trial will also be mailed to homes and businesses in selected zip codes within Wichita.

Trade and Consumer Shows

Attendance and exhibits at local home and mall shows is also planned, to keep the Sparkling Horizon Bottled



Water name constantly in front of consumers.

Placements

The company will also place coolers in public places frequented by health conscious consumers, such as pharmacies and hospitals.

Budget

An annual marketing budget of \$25,000 has been established for the first year of operation, based on a calculation of 10% of first year sales of \$247,928. This funding will be generated from profitable operation of the business and not from the start-up capital.

Competitive Advantage

Sparkling Horizon will quickly establish itself in the Wichita market as a top quality provider of bottled water. The company will do this by emphasizing superior customer service in all aspects of the company operations.

One major component of ensuring that customers are delighted with Sparkling Horizon's products and service, is the appointment of a talented and outgoing route delivery person who is responsible for monitoring customer satisfaction and for pursuing new business. Part sales person and part delivery person, Robert Blanc has been hired for this important role at Sparkling Horizon.

OPERATING PLAN

Spring, distilled, and purified drinking waters are bottled by Rue Bottling of Decatur, Illinois, who will fill the 5-gallon bottles labeled with the Sparkling Horizon logo. The plastic, refillable bottles will be collected from customers when empty and returned to the bottler bi-weekly for cleaning and refilling.

Plastic is preferred as the bottle packaging because it is lightweight, unbreakable, and inexpensive to produce and ship.

Location

The company will operate from approximately 2,600 sq. ft. of warehouse space in Wichita county, with a portion of that space being set aside for office space. Sparkling Horizon is currently working with county officials to identify and negotiate the lease on an appropriate site.

Deliveries

It is expected that the route delivery person will make approximately 40 deliveries per day, or 400 per month. One delivery person will be needed at the start and an additional delivery person will be added when the number of monthly deliveries exceeds 1,600, which is anticipated at the end of the fourth month of business.

Insurance

Through Sparkling Horizon's agreement with Rue Bottling, Rue's product liability insurance will cover any such claims against Sparkling Horizon. Sparkling Horizon will also carry its own insurance, including a \$ 1 million umbrella liability policy.



Future Plans For Bottling

Once Sparkling Horizon achieves a customer base of 3,000 or deliveries of 12,000 bottles per month, the company will begin to investigate investing in equipment to bottle water in-house. An investment of approximately \$200,000 would be needed in order to purchase the bottling equipment.

MANAGEMENT AND STAFFING

Chantal Fuzet has been involved in the water industry virtually all her life. From an early age, she sold and delivered ice and water to local residents for her family's water business in Paris. This experience familiarized her with all aspects of production, delivery, marketing, accounting, and collections.

Since moving to Wichita, Ms. Fuzet has carefully researched the opportunity to start a similar bottled water business in the area.

Chantal Fuzet

In addition to developing a strategy for entering the market by purchasing needed equipment and supplies, Ms. Fuzet has already identified a bottler who will bottle and store water for Sparkling Horizon and has invested personal funds to trademark the name and logo associated with "Sparkling Horizon Bottled Water."

Ms. Fuzet will continue to manage all strategic planning, marketing planning, staffing, and accounting activities for Sparkling Horizon, building on her experience in the bottled water industry.

Her involvement in the Council of Bottled Water Manufacturers will keep her well-informed of market changes and opportunities. As a member of the U.S. Women Business Owners Council, Ms. Fuzet has the opportunity to network with and learn from successful women business owners in the Wichita area and on a national basis.

The Kansas Department of Commerce is in the process of certifying Sparkling Horizon Bottled Water as a woman-owned business.

Management Team

Ms. Fuzet has secured commitments from two experienced and talented individuals who will be responsible for daily operations and for delivery of the water.

Jean Polsky will assume responsibility for training sales representatives and route delivery personnel, implementing the company's marketing plan, and delivering coolers as needed to new customers. Robert Blanc will become the company's primary route delivery person, serving as the key link between Sparkling Horizon and its customers.

Jean Polsky

Jean Polsky has counseled small businesses for several years as an independent consultant, on issues related to operations, marketing, and training. Mr. Polsky intends to apply the experience he has gained in his work with clients to Sparkling Horizon. This knowledge of training, marketing, and operations is directly applicable to Ms. Fuzet's new business.



Robert Blanc

Robert Blanc has worked for several companies during his career, using his knowledge of employee management, operations, and machine repair to succeed in each position. Because of his outgoing personality, talented management style, and interest in working hands-on within a smaller company, Mr. Blanc has been invited to join the Sparkling Horizon management team. His initial responsibilities will consist of cooler delivery and customer interaction in order to build the company's customer base quickly.

Sales Staff

Sparkling Horizon will hire two commissioned sales people who will focus on placing new water coolers in offices and homes. In return for each new placement, the sales person will receive an amount equal to the first and last month's rent on the cooler in payment, after the customer has completed the free trial period and has committed to cooler rental. It is expected that sales people should be able to make at least \$80-90 per day, based on placing just 4 coolers.

FUNDS NEEDED AND THEIR USES

In order to start and establish Sparkling Horizon Bottled Water as a leading supplier of quality bottled drinking waters, funding is required in the amount of \$93,500 and will be utilized as follows:

Capitalization plan

Delivery truck down payment	\$6,000
Purchase of 1,000 bottles	5,800
Purchase of 100 coolers	20,200
Computer/Office equipment	3,000
Telephone system	1,000
Office and warehouse supplies	1,500
Deposits (securities, utilities, licenses, telephone)	14,000
Start-up promotional costs	4,000
Professional fees	2,500
Opening inventory	5,000
Total Start-up Costs	\$64,000
Working capital	29,500
Total Funding Needed	\$93,500
Sources of capital	
Chantal Fuzet personal investment	15,000
SBA loan	78,500
Total Funding	\$93,500

Equipment Cost

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Equipment Cost

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Total Funding	\$93,500

FINANCIAL STATEMENTS

Assumptions

- *Bottle and cooler by month*
- *Selling price of \$5.29 per delivered bottle*
- *Cooler rental of \$10.00 per month*
- *Cost of sales of \$1.80 per delivered bottle*
- *Payroll expenses assume 1 route driver from January to May and a 2nd driver from the end of May through December*
- *Payroll taxes: FICA - 7.65%, SUTA - 4.00%, FUTA - 0.80%*
- *Vehicle gas costs of \$25 per day per truck*
- *Vehicle lease costs assume a \$20,500 van financed at 9% for a 5 year term, with a \$6,000 down payment*
- *Loan of \$78,500 financed at 9% for 7 years*

	1995	1996	1997	1998	1999
Assets					
Current Assets					
Cash	50,000	110,000	170,000	200,000	240,000
Accounts Receivable	9,000	9,450	9,923	10,419	10,940
Inventory	5,000	5,250	5,513	5,788	6,078
Other Short-term Assets	0	0	0		
Long-term Assets					
Property, Plant & Equipment	25,000	27,500	30,000	32,500	35,000
Other Assets	0	0	0	0	0
Total Assets	\$89,000	\$152,200	\$215,435	\$248,707	\$292,017
Liabilities and Owner's Equity					
Short-term Liabilities					
Accounts Payable	14,000	15,120	16,330	17,636	19,047
Short-term Notes	15,000	10,000	50,000	0	0
Other Short-term Liabilities	0	0	0	0	0
Long-term Liabilities					
Long-term Debt	78,500	67,286	57,673	49,434	42,372
Owner's Equity/Stock					
Retained Earnings	(20,500)	57,794	89,432	179,636	228,598
Total Liabilities/Owner's Equity	\$89,000	\$152,200	\$215,435	\$248,707	\$292,017

Projected Balance Sheet

	1995	1996	1997	1998	1999
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**Projected Balance Sheet**

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	1995	1996	1997	1998	1999
Revenue	\$247,928	\$322,721	\$400,992	453,092	509,801
Cost of Goods Sold	95,760	105,336	115,870	127,455	140,003
Gross Profit	152,168	217,385	285,122	\$325,637	\$369,798
Operating Expenses					
Advertising	18,000	19,800	21,780	24,000	27,000
Bad debts	4,959	6,454	8,020	9,062	10,196
Car and truck expenses	13,000	14,500	16,000	18,000	20,000
Depreciation	1,116	1,116	1,116	1,116	1,116
Insurance	2,400	2,500	2,600	2,700	2,800
Licenses	240	250	260	270	280
Legal and professional services	1,000	1,150	1,300	1,450	1,600
Warehouse costs	1,800	1,800	1,800	1,800	1,800
Postage	1,200	1,320	1,452	1,597	1,757
Publications	240	260	280	300	320
Salaries	42,000	44,100	46,305	48,620	51,051
Telephone	1,500	1,575	1,654	1,737	1,824
Utilities	1,200	1,200	1,200	1,200	1,200
Miscellaneous	7,595	6,079	4,612	3,259	1,398
Total Expenses	96,250	102,104	108,379	115,111	122,342
Net Profit Before Taxes	55,918	115,281	176,743	210,526	247,456
Taxes	5,136	4,813	4,173	3,480	3,116
Net Income	\$50,782	\$110,468	\$172,570	\$207,046	\$244,340

Projected Income Statement

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Bad debts	4,959	6,454	8,020	9,062	10,196
Car and truck expenses	13,000	14,500	16,000	18,000	20,000
Depreciation	1,116	1,116	1,116	1,116	1,116
Insurance	2,400	2,500	2,600	2,700	2,800
Licenses	240	250	260	270	280
Legal and professional services	1,000	1,150	1,300	1,450	1,600

**Projected Income Statement**

Warehouse costs	1,800	1,800	1,800	1,800	1,800
Postage	1,200	1,320	1,452	1,597	1,757
Publications	240	260	280	300	320
Salaries	42,000	44,100	46,305	48,620	51,051
Telephone	1,500	1,575	1,654	1,737	1,824
Utilities	1,200	1,200	1,200	1,200	1,200
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	January	February	March	April	May	June
Cash On Hand	15,000	42,140	54,780	67,420	80,059	92,699
Revenues	20,661	20,661	20,661	20,661	20,661	20,661
Total Inflows	35,661	62,801	75,440	88,080	100,720	113,360
Expenses						
Cost of Goods Sold	7,980	7,980	7,980	7,980	7,980	7,980
Operating Expenses						
Advertising	1,500	1,500	1,500	1,500	1,500	1,500
Bad debts	413	413	413	413	413	413
Car and truck expenses	1,083	1,083	1,083	1,083	1,083	1,083
Depreciation	93	93	93	93	93	93
Insurance	200	200	200	200	200	200
Licenses	20	20	20	20	20	20
Legal and professional services	83	83	83	83	83	83
Warehouse costs	150	150	150	150	150	150
Postage	100	100	100	100	100	100
Publications	20	20	20	20	20	20
Salaries	3,500	3,500	3,500	3,500	3,500	3,500
Telephone	125	125	125	125	125	125
Utilities	100	100	100	100	100	100
Miscellaneous	633	633	633	633	633	633
Total Expenses	8,021	8,021	8,021	8,021	8,021	8,021
Start-Up Costs	64,000	0	0	0	0	0
Total Outflow	72,021	8,021	8,021	8,021	8,021	8,021
Net Cash	(36,360)	54,780	67,420	80,059	92,699	105,339
Bank Loan	78,500	0	0	0	0	0
Cash at End of Period	42,140	54,780	67,420	80,059	92,699	105,339

Projected Cash Flow For Year One

	January	February	March	April	May	June
Cash On Hand	15,000	42,140	54,780	67,420	80,059	92,699
Revenues	20,661	20,661	20,661	20,661	20,661	20,661
Total Inflows	35,661	62,801	75,440	88,080	100,720	113,360
Expenses						
Cost of Goods Sold	7,980	7,980	7,980	7,980	7,980	7,980
Operating Expenses						
Advertising	1,500	1,500	1,500	1,500	1,500	1,500
Bad debts	413	413	413	413	413	413
Car and truck expenses	1,083	1,083	1,083	1,083	1,083	1,083
Depreciation	93	93	93	93	93	93

**Projected Cash Flow For Year One**

Insurance	200	200	200	200	200	200
Licenses	20	20	20	20	20	20
Legal and professional services	83	83	83	83	83	83
Warehouse costs	150	150	150	150	150	150
Postage	100	100	100	100	100	100
Publications	20	20	20	20	20	20
Salaries	3,500	3,500	3,500	3,500	3,500	3,500
Telephone	125	125	125	125	125	125
Utilities	100	100	100	100	100	100
Miscellaneous	633	633	633	633	633	633
Total Expenses	8,021	8,021	8,021	8,021	8,021	8,021
Start-Up Costs	64,000	0	0	0	0	0
Total Outflow	72,021	8,021	8,021	8,021	8,021	8,021
Net Cash	(36,360)	54,780	67,420	80,059	92,699	105,339
Bank Loan	78,500	0	0	0	0	0
Cash at End of Period	42,140	54,780	67,420	80,059	92,699	105,339

July	August	September	October	November	December	1995
105,339	117,979	130,619	143,259	155,898	168,538	
20,661	20,661	20,661	20,661	20,661	20,661	247,928
126,000	138,640	151,279	163,919	176,559	189,199	
7,980	7,980	7,980	7,980	7,980	7,980	95,760
1,500	1,500	1,500	1,500	1,500	1,500	18,000
413	413	413	413	413	413	4,959
1,083	1,083	1,083	1,083	1,083	1,083	13,000
93	93	93	93	93	93	1,116
200	200	200	200	200	200	2,400
20	20	20	20	20	20	240
83	83	83	83	83	83	1,000
150	150	150	150	150	150	1,800
100	100	100	100	100	100	1,200
20	20	20	20	20	20	240
3,500	3,500	3,500	3,500	3,500	3,500	42,000
125	125	125	125	125	125	1,500
100	100	100	100	100	100	1,200
633	633	633	633	633	633	7,595
8,021	8,021	8,021	8,021	8,021	8,021	96,250
0	0	0	0	0	0	64,000
8,021	8,021	8,021	8,021	8,021	8,021	168,250
117,979	130,619	143,259	155,898	168,538	181,178	
0	0	0	0	0	0	78,500
117,979	130,619	143,259	155,898	168,538	181,178	

July	August	September	October	November	December	1995
105,339	117,979	130,619	143,259	155,898	168,538	
20,661	20,661	20,661	20,661	20,661	20,661	247,928
126,000	138,640	151,279	163,919	176,559	189,199	
7,980	7,980	7,980	7,980	7,980	7,980	95,760
1,500	1,500	1,500	1,500	1,500	1,500	18,000
413	413	413	413	413	413	4,959
1,083	1,083	1,083	1,083	1,083	1,083	13,000
93	93	93	93	93	93	1,116



July	August	September	October	November	December	1995
200	200	200	200	200	200	2,400
20	20	20	20	20	20	240
83	83	83	83	83	83	1,000
150	150	150	150	150	150	1,800
100	100	100	100	100	100	1,200
20	20	20	20	20	20	240
3,500	3,500	3,500	3,500	3,500	3,500	42,000
125	125	125	125	125	125	1,500
100	100	100	100	100	100	1,200
633	633	633	633	633	633	7,595
8,021	8,021	8,021	8,021	8,021	8,021	96,250
0	0	0	0	0	0	64,000
8,021	8,021	8,021	8,021	8,021	8,021	160,250
117,979	130,619	143,259	155,898	168,538	181,178	
0	0	0	0	0	0	78,500
117,979	130,619	143,259	155,898	168,538	181,178	

	January	February	March	April	May	June
Cash On Hand	168,538	186,923	205,308	223,692	242,077	260,462
Revenues	26,893	26,893	26,893	26,893	26,893	26,893
Total Inflows	195,432	213,816	232,201	250,586	268,971	287,355
Expenses						
Cost of Goods Sold	8,778	8,778	8,778	8,778	8,778	8,778
Operating Expenses						
Advertising	1,650	1,650	1,650	1,650	1,650	1,650
Bad debts	538	538	538	538	538	538
Car and truck expenses	1,208	1,208	1,208	1,208	1,208	1,208
Depreciation	93	93	93	93	93	93
Insurance	208	208	208	208	208	208
Licenses	21	21	21	21	21	21
Legal and professional services	96	96	96	96	96	96
Warehouse costs	150	150	150	150	150	150
Postage	110	110	110	110	110	110
Publications	22	22	22	22	22	22
Salaries	3,675	3,675	3,675	3,675	3,675	3,675
Telephone	131	131	131	131	131	131
Utilities	100	100	100	100	100	100
Miscellaneous	507	507	507	507	507	507
Total Expenses	8,509	8,509	8,509	8,509	8,509	8,509
Start-Up Costs	0	0	0	0	0	0
Total Outflow	8,509	8,509	8,509	8,509	8,509	8,509
Net Cash	186,923	205,308	223,692	242,077	260,462	278,847
Bank Loan	0	0	0	0	0	0
Cash at End of Period	186,923	205,308	223,692	242,077	260,462	278,847

Projected Cash Flow For Year Two

	January	February	March	April	May	June
Cash On Hand	168,538	186,923	205,308	223,692	242,077	260,462
Revenues	26,893	26,893	26,893	26,893	26,893	26,893
Total Inflows	195,432	213,816	232,201	250,586	268,971	287,355
Expenses						
Cost of Goods Sold	8,778	8,778	8,778	8,778	8,778	8,778
Operating Expenses						
Advertising	1,650	1,650	1,650	1,650	1,650	1,650



Projected Cash Flow For Year Two

Bad debts	538	538	538	538	538	538
Car and truck expenses	1,208	1,208	1,208	1,208	1,208	1,208
Depreciation	93	93	93	93	93	93
Insurance	208	208	208	208	208	208
Licenses	21	21	21	21	21	21
Legal and professional services	96	96	96	96	96	96
Warehouse costs	150	150	150	150	150	150
Postage	110	110	110	110	110	110
Publications	22	22	22	22	22	22
Salaries	3,675	3,675	3,675	3,675	3,675	3,675
Telephone	131	131	131	131	131	131
Utilities	100	100	100	100	100	100
Miscellaneous	507	507	507	507	507	507
Total Expenses	8,509	8,509	8,509	8,509	8,509	8,509
Start-Up Costs	0	0	0	0	0	0
Total Outflow	8,509	8,509	8,509	8,509	8,509	8,509
Net Cash	186,923	205,308	223,692	242,077	260,462	278,847
Bank Loan	0	0	0	0	0	0
Cash at End of Period	186,923	205,308	223,692	242,077	260,462	278,847

July	August	September	October	November	December	1996
278,847	297,231	315,616	334,001	352,386	370,770	
26,893	26,893	26,893	26,893	26,893	26,893	322,721
305,740	324,125	342,510	360,894	379,279	397,664	
8,778	8,778	8,778	8,778	8,778	8,778	105,336
1,650	1,650	1,650	1,650	1,650	1,650	19,800
538	538	538	538	538	538	6,454
1,208	1,208	1,208	1,208	1,208	1,208	14,500
93	93	93	93	93	93	1,116
208	208	208	208	208	208	2,500
21	21	21	21	21	21	250
96	96	96	96	96	96	1,150
150	150	150	150	150	150	1,800
110	110	110	110	110	110	1,320
22	22	22	22	22	22	260
3,675	3,675	3,675	3,675	3,675	3,675	44,100
131	131	131	131	131	131	1,575
100	100	100	100	100	100	1,200
507	507	507	507	507	507	6,079
8,509	8,509	8,509	8,509	8,509	8,509	102,104
0	0	0	0	0	0	0
1,509	1,509	1,509	1,509	1,509	1,509	
297,231	315,616	334,001	352,386	370,770	389,155	
0	0	0	0	0	0	
297,231	315,616	334,001	352,386	370,770	389,155	

July	August	September	October	November	December	1996
278,847	297,231	315,616	334,001	352,386	370,770	
26,893	26,893	26,893	26,893	26,893	26,893	322,721
305,740	324,125	342,510	360,894	379,279	397,664	
8,778	8,778	8,778	8,778	8,778	8,778	105,336
1,650	1,650	1,650	1,650	1,650	1,650	19,800



July	August	September	October	November	December	1996
538	538	538	538	538	538	6,45 4
1,208	1,208	1,208	1,208	1,208	1,208	14,500
93	93	93	93	93	93	1,116
208	208	208	208	208	208	2,500
21	21	21	21	21	21	250
96	96	96	96	96	96	1,150
150	150	150	150	150	150	1,800
110	110	110	110	110	110	1,320
22	22	22	22	22	22	260
3,675	3,675	3,675	3,675	3,675	3,675	44,100
131	131	131	131	131	131	1,575
100	100	100	100	100	100	1,200
507	507	507	507	507	507	6,07 9
8,509	8,509	8,509	8,509	8,509	8,509	102,104
0	0	0	0	0	0	0
8,509	8,509	8,509	8,509	8,509	8,509	
297,231	315,616	334,001	352,386	370,770	389,15 5	
0	0	0	0	0	0	
297,231	315,616	334,001	352,386	370,770	389,155	

	January	February	March	April	May	June
Cash On Hand	389,155	413,540	437,924	462,308	486,693	511,077
Revenues	33,416	33,416	33,416	33,416	33,416	33,416
Total Inflows	422,571	446,956	471,340	495,724	520,109	544,493
Expenses						
Cost of Goods Sold	9,656	9,656	9,656	9,656	9,656	9,656
Operating Expenses						
Advertising	1815	1815	1815	1815	1815	1815
Bad debts	668	668	668	668	668	668
Car and truck expenses	1,333	1,333	1,333	1,333	1,333	1,333
Depreciation	93	93	93	93	93	93
Insurance	217	217	217	217	217	217
Licenses	22	22	22	22	22	22
Legal and professional services	108	108	108	108	108	108
Warehouse costs	150	150	150	150	150	150
Postage	121	121	121	121	121	121
Publications	23	23	23	23	23	23
Salaries	3,859	3,859	3,859	3,859	3,859	3,859
Telephone	138	138	138	138	138	138
Utilities	100	100	100	100	100	100
Miscellaneous	384	384	384	384	384	384
Total Expenses	9,032	9,032	9,032	9,032	9,032	9,032
Start-Up Costs	0	0	0	0	0	0
Total Outflow	9,032	9,032	9,032	9,032	9,032	9,032
Net Cash	413,540	437,924	462,308	486,693	511,077	535,462
Bank Loan	0	0	0	0	0	0
Cash at End of Period	413,540	437,924	462,308	486,693	511,077	535,462

Projected Cash Flow For Year Three

	January	February	March	April	May	June
Cash On Hand	389,155	413,540	437,924	462,308	486,693	511,077
Revenues	33,416	33,416	33,416	33,416	33,416	33,416
Total Inflows	422,571	446,956	471,340	495,724	520,109	544,493
Expenses						

**Projected Cash Flow For Year Three**

Cost of Goods Sold	9,656	9,656	9,656	9,656	9,656	9,656
Operating Expenses						
Advertising	1,815	1,815	1,815	1,815	1,815	1,815
Bad debts	668	668	668	668	668	668
Car and truck expenses	1,333	1,333	1,333	1,333	1,333	1,333
Depreciation	93	93	93	93	93	93
Insurance	217	217	217	217	217	217
Licenses	22	22	22	22	22	22
Legal and professional services	108	108	108	108	108	108
Warehouse costs	150	150	150	150	150	150
Postage	121	121	121	121	121	121
Publications	23	23	23	23	23	23
Salaries	3,859	3,859	3,859	3,859	3,859	3,859
Telephone	138	138	138	138	138	138
Utilities	100	100	100	100	100	100
Miscellaneous	384	384	384	384	384	384
Total Expenses	9,032	9,032	9,032	9,032	9,032	9,032
Start-Up Costs	0	0	0	0	0	0
Total Outflow	9,032	9,032	9,032	9,032	9,032	9,032
Net Cash	413,540	437,924	462,308	486,693	511,077	535,462
Bank Loan	0	0	0	0	0	0
Cash at End of Period	413,540	437,924	462,308	486,693	511,077	535,462

July	August	September	October	November	December	1997
535,462	559,846	584,231	608,615	632,999	657,384	
33,416	33,416	33,416	33,416	33,416	33,416	400,992
568,878	593,262	617,647	642,031	666,415	690,800	
9,656	9,656	9,656	9,656	9,656	9,656	115,870
1,815	1,815	1,815	1,815	1,815	1,815	21,780
668	668	668	668	668	668	8,020
1,333	1,333	1,333	1,333	1,333	1,333	16,000
93	93	93	93	93	93	1,116
217	217	217	217	217	217	2,600
22	22	22	22	22	22	260
108	108	108	108	108	108	1,300
150	150	150	150	150	150	1,800
121	121	121	121	121	121	1,452
23	23	23	23	23	23	280
3,859	3,859	3,859	3,859	3,859	3,859	46,305
138	138	138	138	138	138	1,654
100	100	100	100	100	100	1,200
384	384	384	384	384	384	4,612
9,032	9,032	9,032	9,032	9,032	9,032	108,379
0	0	0	0	0	0	0
9,032	9,032	9,032	9,032	9,032	9,032	
559,846	584,231	608,615	632,999	657,384	681,768	
0	0	0	0	0	0	
559,846	584,231	608,615	632,999	657,384	681,768	

July	August	September	October	November	December	1997
535,462	559,846	584,231	608,615	632,999	657,384	
33,416	33,416	33,416	33,416	33,416	33,416	400,992



July	August	September	October	November	December	1997
568,878	593,262	617,647	642,031	666,415	690,800	
9,656	9,656	9,656	9,656	9,656	9,656	115,870
1,815	1,815	1,815	1,815	1,815	1,815	21,780
668	668	668	668	668	668	8,020
1,333	1,333	1,333	1,333	1,333	1,333	16,000
93	93	93	93	93	93	1,116
217	217	217	217	217	217	2,600
22	22	22	22	22	22	260
108	108	108	108	108	108	1,300
150	150	150	150	150	150	1,800
121	121	121	121	121	121	1,452
23	23	23	23	23	23	280
3,859	3,859	3,859	3,859	3,859	3,859	46,305
138	138	138	138	138	138	1,654
100	100	100	100	100	100	1,200
384	384	384	384	384	384	4,612
9,032	9,032	9,032	9,032	9,032	9,032	108,379
0	0	0	0	0	0	0
9,032	9,032	9,032	9,032	9,032	9,032	
559,846	584,231	608,615	632,999	657,384	681,768	
0	0	0	0	0	0	
559,846	584,231	608,615	632,999	657,384	681,768	