



# Rubber Adhesive Manufacturer

BUSINESS PLAN

SHAKE PROOF

---

*Kirby Corporation  
315 Valley Rd.  
Glendale, California 83005*

*August 10, 1992*

---

*Shake Proof's business plan provides a good example of a company seeing an immediate need in a distinct market and responding to that need quickly.*

---

- EXECUTIVE SUMMARY
- BACKGROUND AND DESCRIPTION OF PRODUCT
- COMPETITION
- MARKETING AND SALES OF SHAKE PROOF
- HOW THE MONEY WILL BE USED
- PRO FORMA INCOME STATEMENT

## EXECUTIVE SUMMARY

Shake Proof is a timely product which follows the most successful marketing and sales rule—find a need and quickly fill it. Shake Proof is a rubber adhesive that securely fastens valuable items in place during seismic activity. Kirby Corp. has done a tremendous amount of research and product testing prior to bringing this fine product to the market. In the following pages you will find that this product is far superior to any of the "stop gap" measures presently being used in the marketplace to secure valuable items in place. The product is non-toxic, reusable, easy to apply and remove and well priced for the marketplace.

Kirby Corp. proposes to market Shake Proof through direct response, retail outlets and trade shows. The initial marketing thrust will be to a direct response market in Los Angeles, Riverside, San Bernadino, Orange County and the San Francisco Bay area. These demographic regions experience the highest number of earthquakes. In addition, they have the highest demographic counts in income and densities with the greatest collections of antiques, art, crystal and china. The target customer is 35 years and up. These customers are generally upwardly mobile or already well established. The secondary markets are Palm Springs, Santa Barbara, Central Coast Regions, San Diego and other areas which are prone to seismic activity.

Shake Proof is clean, simple and easy to use. The product will stick to most any surface. The product leaves little or no residue, thus avoiding any damage to the surface or secured object.

The increasing amount of potential earthquakes in California has created a proactive attitude towards

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



earthquake preparedness. To date, there is no product being marketed to the general public which will preserve valued items from damage during seismic activity or even a household accident which could cause an item to topple and break. We propose to fill that need, thus giving Californians and others who fear the loss of valuable household items the security they so need.

The potential profits in marketing this product are phenomenal! Over 8 million Californians are currently covered by earthquake insurance. We believe we have only touched the tip of the fault line. The net profit ratios for direct response and retail sales are at or above industry standards. We propose to "skim the market" for the first eight months of product introduction. This additional cash from higher net profits will allow us to obtain a higher rate of return for our venture partner.

In addition, the rule of "first in, first win" will also help our cause when competition is introduced. At the present time, we have no direct competition and fully intend to saturate the market as quickly and effectively as possible.

Kirby Corp. is currently seeking venture capital in the amount of \$200,000.00 to capitalize the advertising, packaging and set up costs of the venture. We believe our numbers are rather conservative with regard to the projected sales volumes.

## BACKGROUND & DESCRIPTION OF PRODUCT

### What is Shake Proof?

Shake Proof is a non-toxic, removable, primarily reusable, and non-drying gum adhesive designed especially for the purpose of securing valuables to household surfaces when they are displayed. Once secured, objects can withstand the potential danger of being shattered through displacement caused by the ever fearful and often occurring earthquake.

### The Purpose of Shake Proof

The purpose in marketing Shake Proof is to help prevent the preventable. We want to preserve our valuable possessions from the earthquake's constant shaking and rolling that causes our valuables to topple and break. As necessary as it is to know how to shut off your gas main, keep food and water well-stocked and be familiar with your escape routes, it is necessary to try to protect your valuable crystal and china. Shake Proof is the solution for protecting those breakable valuables that you have worked so hard to attain.

### What Are Valuable Household Items?

Valuable household items are defined as those items on display in your home such as: crystal, china, vases, figurines, collectibles, antiques, heirlooms and even picture frames that you would be upset to find broken.

### The Earthquakes

The Southern California Seismic Network records more than 10,000 earthquakes in an average year, not including aftershocks, in addition, there are about 100 earthquakes larger than 3.0 and 12 earthquakes larger than 4.0 occur each year. Also, an average of 1.5 earthquakes big enough to cause minor damage (greater than 5.0) occur every year in Southern California. Caltech records an average of about 30 earthquakes per day in Southern California. Is this not a cause for concern?

What about the rest of the United States and the world? On the average, the earth has ten major earthquakes (M7.0 to 7.9) and one great earthquake (M8.0 or larger) each year.

Over 90 percent of the loss of life, and more than half the property loss due to earthquakes, is unnecessary and



preventable.

Those of us who live in a state that is under a constant threat of earthquakes understand the fear of the impending "Big One." The Big One in California, for example, is estimated to be of a magnitude 8 on the Richter Scale and centered on the San Andreas Fault. If an earthquake of this magnitude should occur, the protection of life and possessions is of greater concern. Consider your proximity to the fault, the construction of your home and the amount that you have prepared for this size earthquake.

## Why Is Shake Proof So Good?

1. It is the only product on the market strong enough to hold valuable household items yet gentle enough not to ruin them.
2. Shake Proof is easy to install and simple to remove.
3. Shake Proof is non-toxic.
4. Shake Proof is pliable and can be shaped and formed to fit any size object.
5. It is aesthetically appealing in two ways: a) It comes in blue or white and b) It can be hidden underneath or behind most objects.
6. The product performs well in both freezing and high temperature conditions.
7. It is safe for children.
8. It will not cause damage to marble, tile, porcelain, vinyl, wood, painted walls, plywood and almost any hard surface imaginable.
9. If residue is left on any surface, it can easily be rubbed off with your fingers or, in difficult cases, with the common solvent trichloroethane, dry cleaning fluid or lighter fluid.
10. It has an indefinite shelf life.
11. It can be reused indefinitely provided all contact surfaces are clean.
12. There is no adhesive of this type that targets the earthquake prevention market in this manner.

## How Does Shake Proof Work?

You simply pull off or cut with scissors the appropriate amount for securing the item; then roll it in your fingers, working with it like clay or dough. The more you work with it the softer it becomes. There are two ways to use Shake Proof. First, roll it into a ball which you then attach to the bottom of a flat surfaced item. Let's use, for example, a crystal vase 12" high with a 7" diameter flat bottom. An approximate sized piece would be the diameter of two fifty-cent pieces rolled into a ball. Place this at the bottom of the vase. Then press the vase onto the surface where it is displayed. To test its security simply try to jiggle the vase loose. If it jiggles loose easily, you need to repeat the procedure adding more Shake Proof until you feel that the vase is completely secure. The second method is to pull the cut portion apart with both fingers, stretching it into a long skinny strip to place circularly around the bottom of your item.

## How Reliable is Shake Proof?

It is our opinion that Shake Proof is the best product available on the market today for securing crystals, china and various other valuables during earthquakes.

We have determined that earthquakes of 3 or less magnitude will not necessarily knock anything down. At a magnitude 4, things can begin to shake and drop. As the magnitude increases the damage and risks become greater. It just depends on your proximity to the epicenter, the strength of your home and how much preparation you have done.

We have tested the strength of Shake Proof in a simulated earthquake structure. The structure is a school house on wheels with a hydraulic system capable of reenacting a 6.5 magnitude earthquake.

It is used for demonstration purposes in schools and for public safety awareness events. We secured a variety of



glass figurines, crystal, vases, etc. to a variety of movable surfaces (glass, wood, metal) with Shake Proof and then reattached the entire movable surface to angled desks within the school house also with Shake Proof. The school house was jolted to a 6.5 magnitude earthquake 4 times. It was a total success! Everything stayed secure! In fact, we believe that Shake Proof is the best assurance anyone can have against earthquakes even higher than 6.5. The excitement level was so high that day that even the operators of the school house offered to sell Shake Proof.

## Packaging

Shake Proof comes in two sizes and two colors. The colors are blue and white. The sizes are 6" × 2 ¾" which is 75 gms and 2" × 2 ⅝" which is 35 gms.

We plan to package Shake Proof for two different markets. The first market will be direct response sales through radio, television and some print media. Shake Proof will be sold in bulk sizes, approximately 4 of the larger or 6 of the smaller. The packaging will be less expensive consisting of a transparent plastic bag with a labeling header and a separate instruction manual.

The second market will be retail. Shake Proof will be sold in smaller quantities to keep the retail price competitive. To accommodate in-store shelf space requirements the small packages will hang, be stacked or a combination of both. The packaging will reflect a colorful, eye-catching earthquake theme. Within this retail market, we will be selling to specialty stores and mass merchants. We feel strongly about in-store counter displays situated near the cash register to capture the impulse Shake Proof purchase. These counter displays will most likely be used in the smaller retail, specialty gift, crystal and china shops and less in the department store fine china areas. Depending on the mass merchant, either the counter display or a floor display model will be suggested. The use of the floor display can be timed with our advertising campaign and the pre-sell.

## Other Uses For Shake Proof

Even though the theme for marketing and packaging Shake Proof will be towards securing valuables in case of earthquakes, Shake Proof is an excellent defense against careless children and pets. In addition, Shake Proof can be used to mount paper products (maps, charts, photos, cards, etc.) to walls. It can seal bathtubs, wash basins and gaps around doors and windows. It can fix tilting pictures on walls. It can secure calculators, phones and personal computers to office desks. It can hold anything, like art brushes, tools, and test tubes, secure. Use your imagination. This is an incredible product!

## COMPETITION

Consumer awareness is at its all time high and the problem of securing valuables during earthquakes has taken California by storm. An article printed in the Los Angeles Reporter called direct attention to this problem. Our timing could not be better!!! We are way ahead of the competition in product performance and are right on in our concept. The first rule of marketing: "find a need and fill it" has just been filled. In addition, the article touts the usage of a microcrystalline wax known as Wax-It. The product is inferior to Shake Proof.

The source for Wax-It mentioned at the end of the article caters strictly to the museum and art restoration business. He is not interested in dealing in smaller retail quantities. He suggested that we become his California local resource and he would refer all business to us. We are evaluating the need for a second product in our line. Currently, the only advantage we can see in this type of alliance is in the ultimate co-opting of him as a competitor. His connections in the museum and art restoration business can be of service for Shake Proof as well.



## Major Competition

The following pages list the potential competitors and the products they offer. The bottom line is that we feel we have little or no competition at this point.

**Product & Company Name:** Bud Craft Adhesive

**Address:** 1224 Forsythe Dr.

Holland, Michigan

**Price:** \$2.49

**Market Served:** Arts & Crafts, Floral

**Performance & Properties:** Green clay adhesive. Sticky, leaves residues, hard to remove. Number one clay in floral industry. Works well for permanent floral arrangements.

**Analysis:** This was recommended by individuals and companies with some knowledge of clay and adhesions. This product does not contain the properties necessary for our purposes. It is no competition.

**Product Name:** Fastenz

**Company:** Sandy Run Corp.

1185 Washington Ave.

Urbana, Illinois

**Price:** \$2.98

**Market Served:** Gift stores & frame shops

**Performance & Properties:** Clear wax. Very sticky, leaves residue, hard to install, hard to remove. Does not adequately secure miniature figurines, glass & porcelain treasures from slipping or toppling as claimed. Company has mediocre counter point-of-purchase display. Currently, doing the only in-store marketing for this type of use. Packaging is marginal.

**Analysis:** Fastenz is the only product in the market claiming to hold valuables. We believe that our point-of-purchase display will be designed to educate, stimulate, and easily attract away any customers from Fastenz. Shake Proof is by far a better product and this will be reflected in the packaging. This is our only true competition and everything about them is unstable. We definitely can capture the gift and frame shop business away by better packaging and in-store merchandising. This competition is short-term.

**Product & Company Name:** Modestine

1711 Woodstock Blvd.

Birmingham, England

**Price:** \$1.35

**Market Served:** Gift, China& Glass Shops

**Performance & Properties:** Wax slices the size of a dime. Product is sticky, leaves a residue and simply does not work. Packaging is confusing, written in 4 different languages and is geared toward sticking candles.

**Analysis:** This product is no competition. It has ineffective packaging, performance, and overall market penetration. Note: Worcestshire, England is so excited about Shake Proof, that they will promote it with each purchase and ignore ineffective Modestine.

**Product & Company Name:** Stix

239 Goepp St.

Salinas, California

**Price:** \$19.00-\$39.00

**Market Served:** Hospital & industrial use and upon request

**Performance & Properties:** Stix is an inter-woven fabric fastener. This combined with strapping is used to secure large items like computers. Stix is not sold in the retail market and therefore poses no competition. In addition, the pieces are so bulky that it would not work on china or crystal. The sticky adhesion is difficult to remove and cannot be easily relocated.

**Analysis:** Stix poses no competition. They concentrate on a different market and sell at an extremely high price.





**Product Name:** Place Right

**Company Name:** Dublin

Brookline Drive

University Heights, Ohio

**Price:** \$2.39

**Market Served:** Automotive & Hardware

**Performance & Properties:** Non-toxic gum adhesive cut into squares the size of a fingernail. This is a professional organization with a catalogue of over 100 adhesives, sealants, and aerosols. Place Right has the same properties as Shake Proof except that it is not as adhesive, cannot be stretched into thin strips and is cut into small pieces. It loses its adhesion with repeated use. They claim it can be used on glassware. Our tests show it will not hold securely.

**Analysis:** Place Right is packaged as a hardware item and is geared towards hanging posters and decorations to walls. Since it is not tough enough to secure glassware and is packaged inappropriately for this purpose, we feel Shake Proof can even out distance this product in the hardware market.

**Product Name:** Holdz

**Company Name:** Kingswood Inc.

Akron, Ohio

**Price:** \$.99

**Market Served:** Arts & Crafts, Schools, Stationery and Hardware

**Performance & Properties:** Holdz has exactly the same properties as Shake Proof. The packaging is geared towards use for decorations, posters, and notes. It is also billed as a replacement for tape, tacks, staples and magnets.

**Analysis:** The price is lower because they ship less volume per package. The packaging is mediocre and is geared towards a different market than we are concerned with. We believe that our product marketed to our target audience and packaged uniquely will create a whole new set of buyers. By the time this or any other company catches on to this potential market, we will already be there. We will be first.

**Product Name:** Gloo

**Company Name:** Oneder

88 E. Tee Rd.

Bethesda, Maryland

**Price:** \$1.99

**Market Served:** Arts & Crafts, Schools, Stationery, Hardware

**Performance & Properties:** Same as Holdz above. This is the first well-done packaging that we have seen. It conveys their target market more effectively than anyone. The target market, again, is posters, cards, decorations and a variety of household, school and office uses.

**Analysis:** The price is higher than Holdz because they ship more. They are keeping the cost of the packaging confidential. This product, like Holdz, has kept a low profile in terms of advertising and promotions and therefore, are not universally well known.

**Product Name:** Stick-Up

**Company Name:** Fort Fasteners

Sarasota, Florida

**Price:** \$1.69

**Market Served:** Arts & Crafts, Schools, Stationery, Hardware

**Performance & Properties:** This has the same properties as Holdz and Gloo. All three are competing for the same markets.

**Analysis:** This is our supplier. We have a signed Non-compete Agreement and their full cooperation.

**Product Name:** Wax-It

**Company Name:** Fitzwater Products

125 Lafayette Ave.



Henderson, Nevada

**Price:** \$15.00

**Market Served:** Museums, Art Restoration, Conservatorships

**Performance & Properties:** This is a microcrystalline wax. Similar to Fastenz in overall stickiness, and messy installation and removal. The company does not sell retail or to the direct public. They go through an extreme freezing process to break 5-10 lb. blocks of wax into 1 lb. \$15.00 sizes. They have no packaging except a zip-lock bag. The product has to be removed with fishing wire and mineral spirits, a form of paint thinner. The product is inferior.

**Analysis:** A recent issue of the Los Angeles Reporter had an extremely eye-opening article on this potentially massive market. The newspaper and this company setup away of fulfilling orders which would be a direct result of this article. The response intrigued them and made them aware of this potential market. They received approximately 300 \$15.00 checks in the mail 3 days following the article. We made contact with the company and they want no part of this retail business. They offered us the California distributorship. We are considering this.

## MARKETING AND SALES OF SHAKE PROOF

### Who Is The Market For Shake Proof

- Anyone residing in an earthquake state.
- Professionals who typically own their own homes and have accumulated wealth and possessions.
- Married couples over 35 years of age with dual incomes.
- Those that seek and have a relatively high standard of living.
- People with collections of fine things, wedding gifts, heirlooms. Those that view their possessions as priceless—art collectors, etc.
- People that have earthquake insurance.
- People who are concerned about earthquake preparation.
- People who entertain or have children and animals.

### California: The Primary Market

California has the eighth largest economy in the entire world. Our population is over 29,760,000. Over 30% or 8,928,000 people have earthquake insurance. We are considered trendsetters, money-oriented and self-indulgent. Therefore, we are the perfect market. We have a lot to lose.

Earthquakes pose a continual threat in California and, as the population grows, even moderate quakes will take an increasingly heavy toll. We have the most notorious of all faults, the San Andreas, which is expected to cause major damage sometime in the next 30 years. In short, Californians live in fear daily.

### The United States: Secondary Market

The potential market for Shake Proof is substantial with essentially every state at risk for an earthquake. The map of earthquake risk in the United States shows that there are very few areas in the United States that are immune to earthquakes. Beyond our ultimate Californian market, we will approach a secondary market in the following states:

- Alaska
- Hawaii
- Mississippi
- Montana



- Nevada
- Utah
- Washington

## Future Plans

Kirby Corp. was developed for the purpose of marketing and selling Shake Proof. At this point, we are only interested in saturating the market with this one product. We are, however, interested in improving what we have and continuing our research for future markets and products that compliment our line.

## Our Sales Strategy

### Direct Response

Our initial main emphasis will be to generate sales and cash flow quickly through direct response television, radio and some print sales. In addition, the advertising will create product identification and open the door to retail sales.

### Retail Sales

The pre-sell will have been established through Direct Response advertising. We currently have appointments scheduled with several major grocery store chains. This, plus drug and department store sales, will be our next in-house effort. Simultaneously with our in-house sales efforts, we will hire two representative organizations (one in Southern California and one in Northern California) to handle the specialty gift and crystal/china stores.

### Trade Shows

We will attend trade shows for two reasons: 1. To help the Southern and Northern California representative organization to find dealers and, 2. To continue our in-house direct sales. We will attend the gift shows in San Francisco, Los Angeles and San Diego for the representatives and then home decorating and restoration shows for direct sales.

### Sales Tools

Packaging is essential in the retail market. We plan "tight, clean, colorful" packaging to comply with retail chain hanging and stacking requirements and will have an earthquake theme that will be unique and attract attention.

Counter displays are essential in the specialty crystal/china and gift stores. Shake Proof becomes the impulse purchase. After someone has purchased an expensive piece of crystal or a breakable Lladro figurine and is at the cash register ready to pay—there is Shake Proof—a clean, easy, simple way of preserving that expensive piece forever.

Floor displays will most likely be used by the grocery and drug store chains. We will suggest to these stores to have these on hand for the following reasons: 1. In the case that a newsworthy earthquake should occur, the store can play upon that fear by promoting Shake Proof in an instant, and 2. April of each year has been designated Earthquake Preparedness Month by the Red Cross. Free radio and television public service announcements are done to promote the need to prepare and be aware. Earthquakes of the recent and distant past become newsworthy all over again and serve as reminders of what may be ahead for anyone at anytime. The above stores may consider full in-store promotions of products related to earthquake preparedness i.e. Shake Proof, flashlights, candles, water, food, toilet paper, etc. for a full 30 days.





## Brochures

One brochure will suffice as the "stuffer instruction manual" and label for our direct response sales. In addition, this same brochure will be used by all sales staff.

## Additional Follow-Up Markets

As time and money permits, we will endeavor to approach the following markets for sales:

- independent disaster preparedness stores
- insurance companies
- variety stores
- hardware stores
- arts and antiques
- museums, galleries and churches
- home furnishings
- independent catalog mail order
- credit card catalog mail order
- office supply and computer stores
- QVC/QVS, Home Shopping Network: TV Direct

## International Market

Earthquakes occur all over the world. We do not plan to include this as an immediate endeavor. If, through word of mouth and our associations with Disaster Preparedness stores and the Red Cross, we should get requests for product, then we will not hesitate to sell.

## Changing Earthquake Preparedness Manuals

Up to now manuals put out by the Red Cross, police, fire departments and even the private sector have failed to instruct us to secure our valuables from movement. Why? Because up to now, no one has had a product that can do the job, to protect Californians who doubted that an earthquake would hit them. These doubts are being put aside and more and more people are now seeking ways of protecting themselves, their homes and their valuables.

Our research has shown that with enough satisfactory endorsements those incomplete manuals will be changed to incorporate the new section: "Secure all loose, (small and large) breakable objects from flying or falling during earthquakes."

We can own the business.

## Our Commercials

Our television and radio commercials will be designed to create the movements of an actual earthquake and glass breaking. It is our job to reactivate those fears over and over again until steps are taken to become as prepared as possible and that means using Shake Proof.

## Free Publicity

We plan on sending press releases with pictures to all the major magazines, newspapers, etc. that are trade and consumer publications.

In addition, we will be on the State of California Vendor list for products and services related to earthquake



relief and preparation. The Red Cross and fire departments take the most active role in Earthquake Preparedness. They do not endorse any products but often suggest items necessary to achieve the preparedness goal. We plan on traveling in these circles regularly.

We will seek for Shake Proof to be known as the best method for keeping valuables safe in all Earthquake Preparedness Manuals and books on the subject. To date, we are being put in touch with Nancy Carpenter author of *Get Prepared*, the number one most informative consumer book on the subject. Our introduction comes through the Red Cross in Pasadena.

We will contact local television shows like Wake Up California that introduce new products for public safety.

## HOW THE MONEY WILL BE USED

### September 1992

Initially, we plan on implementing a very intensive direct response television advertising campaign. We need a loan to produce our 30-60 second commercial and to set up for order receiving and processing and to buy air time in the two major market areas of Los Angeles and San Francisco. Packaging will be a minimal charge at this time. We will ship in plastic bags with an instruction manual and sell larger quantities to drive the retail price higher and to build cash reserves in order to facilitate entering the retail market.

Simultaneously, we will have our Southern and Northern California representative organizations in place, preparing for our first two trade shows in October.

In-house sales will have commenced with grocery and drug store chains.

### October 1992

Direct response television time spots will increase and radio and trade publication advertising will be introduced. Orders taken by direct response in September will be filled in October. Simultaneously, we will receive our retail store packaging and begin shipping grocery and drug store orders. We will equip the representative organizations with samples, packaging and brochures at this time. Our first trade show to the gift market will commence in San Francisco in early October. The second will be in Los Angeles towards the end of the month. October and November are the buying seasons for the Mother's Day market which is a big gift and crystal market.

In-house sales will continue to major grocery, drug and department store chains.

Our counter displays will be delivered at the end of this month.

### November 1992

Our first orders from the representative organizations should be forthcoming. Counter displays will go with each initial order. Our direct response TV buys, radio and print will be in full swing. We will be filling orders received in October. November 6th is the California Home Show. We will do direct sales there (attendance 30,000).

By now, Kirby Corp. will be in full swing shipping and receiving Shake Proof.

This cycle will continue until March of 1993 when we discontinue the direct response advertising and concentrate on the retail trade. We will shift our advertising budgets and will gear up for April, Earthquake Preparedness Month. Our floor displays will be in place for individual in-store promotions at this time.

We will also have in reserve the immediate budget necessary for television and radio advertising should the occurrence of earthquake reactivate immediate consumer awareness.



	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Total
<b>Sales</b>									
Direct	\$39,166	\$222,741	\$211,552	\$211,552	\$211,552	\$181,905	\$33,500	\$67,000	\$1,178,968
Retail	\$0	\$0	\$25,000	\$50,000	\$85,000	\$100,000	\$400,000	\$1,000,000	\$1,660,000
Cost of Sales	\$14,028	\$79,776	\$95,780	\$113,750	\$129,760	\$141,160	\$276,000	\$684,000	\$1,534,254
Gross Profit	\$25,138	\$142,965	\$140,772	\$147,802	\$166,792	\$140,745	\$157,500	\$383,000	\$1,304,714
<b>Expenses</b>									\$0
Controlable Expense									\$0
Salary/Payroll	\$2,000	\$3,150	\$5,000	\$5,000	\$8,000	\$8,000	\$10,000	\$15,000	\$56,150
Contact Labor	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$9,600
Advertising	\$18,500	\$51,000	\$49,000	\$48,000	\$26,500	\$26,500	\$44,000	\$41,000	\$304,500
Commercial	\$4,500	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$8,500
Legal/Acct.	\$2,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$3,000
Equipment	\$4,000	\$0	\$500	\$0	\$1,000	\$0	\$0	\$0	\$5,500
Stationary	\$500	\$0	\$100	\$100	\$100	\$100	\$0	\$0	\$900
Office Supply	\$250	\$100	\$250	\$250	\$250	\$500	\$250	\$500	\$2,350
Postage	\$250	\$1,000	\$250	\$250	\$250	\$250	\$250	\$500	\$3,000
Travel	\$0	\$1,000	\$0	\$0	\$0	\$2,000	\$0	\$0	\$3,000
Phone	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$8,000
Subscriptions	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Ent, Gifts	\$0	\$0	\$0	\$1,000	\$250	\$250	\$250	\$2,000	\$3,750
<b>Total Cont Exp.</b>	<b>\$34,200</b>	<b>\$58,950</b>	<b>\$57,300</b>	<b>\$56,800</b>	<b>\$39,550</b>	<b>\$41,800</b>	<b>\$57,950</b>	<b>\$62,200</b>	<b>\$408,750</b>
<b>Fixed Expenses</b>									
Rent	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Insurance	\$100	\$100	\$100	\$500	\$500	\$500	\$500	\$500	\$2,800
Utilities	\$100	\$100	\$100	\$200	\$250	\$250	\$300	\$500	\$1,800
<b>Total Fixed Exp.</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$1,700</b>	<b>\$1,750</b>	<b>\$1,750</b>	<b>\$1,800</b>	<b>\$2,000</b>	<b>\$9,600</b>
<b>Total Expenses</b>	<b>\$34,400</b>	<b>\$59,150</b>	<b>\$57,500</b>	<b>\$58,500</b>	<b>\$41,300</b>	<b>\$43,550</b>	<b>\$59,750</b>	<b>\$64,200</b>	<b>\$418,350</b>
<b>Net Profit/Loss</b>	<b>(\$9,262)</b>	<b>\$83,815</b>	<b>\$83,272</b>	<b>\$89,302</b>	<b>\$125,492</b>	<b>\$97,195</b>	<b>\$97,750</b>	<b>\$318,800</b>	<b>\$886,364</b>

## Pro Forma Income Statement September 1992 Through April 1993

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Total
<b>Sales</b>									
Direct	\$39,166	\$222,741	\$211,552	\$211,552	\$211,552	\$181,905	\$33,500	\$67,000	\$1,178,968
Retail	\$0	\$0	\$25,000	\$50,000	\$85,000	\$100,000	\$400,000	\$1,000,000	\$1,660,000
Cost of Sales	\$14,028	\$79,776	\$95,780	\$113,750	\$129,760	\$141,160	\$276,000	\$684,000	\$1,534,254
Gross Profit	\$25,138	\$142,965	\$140,772	\$147,802	\$166,792	\$140,745	\$157,500	\$383,000	\$1,304,714
<b>Expenses</b>									\$0
Controlable Expense									\$0
Salary/Payroll	\$2,000	\$3,150	\$5,000	\$5,000	\$8,000	\$8,000	\$10,000	\$15,000	\$56,150
Contact Labor	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$9,600
Advertising	\$18,500	\$51,000	\$49,000	\$48,000	\$26,500	\$26,500	\$44,000	\$41,000	\$304,500
Commercial	\$4,500	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$8,500
Legal/Acct.	\$2,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$3,000
Equipment	\$4,000	\$0	\$500	\$0	\$1,000	\$0	\$0	\$0	\$5,500
Stationary	\$500	\$0	\$100	\$100	\$100	\$100	\$0	\$0	\$900
Office Supply	\$250	\$100	\$250	\$250	\$250	\$500	\$250	\$500	\$2,350
Postage	\$250	\$1,000	\$250	\$250	\$250	\$250	\$250	\$500	\$3,000
Travel	\$0	\$1,000	\$0	\$0	\$0	\$2,000	\$0	\$0	\$3,000
Phone	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$8,000
Subscriptions	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Ent, Gifts	\$0	\$0	\$0	\$1,000	\$250	\$250	\$250	\$2,000	\$3,750
<b>Total Cont Exp.</b>	<b>\$34,200</b>	<b>\$58,950</b>	<b>\$57,300</b>	<b>\$56,800</b>	<b>\$39,550</b>	<b>\$41,800</b>	<b>\$57,950</b>	<b>\$62,200</b>	<b>\$408,750</b>



## Pro Forma Income Statement

September 1992 Through April 1993

### Fixed Expenses

Rent	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Insurance	\$100	\$100	\$100	\$500	\$500	\$500	\$500	\$500	\$2,800
Utilities	\$100	\$100	\$100	\$200	\$250	\$250	\$300	\$500	\$1,800
<b>Total Fixed Exp.</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>	<b>\$1,700</b>	<b>\$1,750</b>	<b>\$1,750</b>	<b>\$1,800</b>	<b>\$2,000</b>	<b>\$9,600</b>
<b>Total Expenses</b>	<b>\$34,400</b>	<b>\$59,150</b>	<b>\$57,500</b>	<b>\$58,500</b>	<b>\$41,300</b>	<b>\$43,550</b>	<b>\$59,750</b>	<b>\$64,200</b>	<b>\$418,350</b>
<b>Net Profit/Loss</b>	<b>(\$9,262)</b>	<b>\$83,815</b>	<b>\$83,272</b>	<b>\$89,302</b>	<b>\$125,492</b>	<b>\$97,195</b>	<b>\$97,750</b>	<b>\$318,800</b>	<b>\$886,364</b>