

## **Acknowledgements**

This is a sample business plan made for showing at as an example of our portfolio work. It can only be taken as a reference, topics and financial details, name, industry mentioned here are totally virtual, it does not match with the real industry figures. We will be designing the Business plan based on the details provided by the customers/clients.

**Business Plan**  
**for**  
**'Pioneer Pacific'**  
  
**'Fun and Entertainment Park Project'**  
  
**In**  
**Bhubaneswar, Orissa**  
  
**Prepared**  
  
**By**  
  
**'Business Insights'**  
  
**Paramita Mondal**

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It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to *(The client name, address)*.

Upon request, this document is to be immediately returned to *(The client name, address)*.

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Signature

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Name (typed or printed)

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Date

This is a business plan. It does not imply an offering of securities.

# Sample Business Plan: Entertainment Industry

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# Sample Business Plan: Entertainment Industry

## 1.0 Executive Summary

Pioneer Pacific is a new limited company formed in India.

This document has been prepared to provide the reader with information about our company, including business structure, company goals, projected growth, venture capital requirements, start-up costs, an investment analysis and the industry trends.

Pioneer Pacific has identified the family entertainment industry as its primary interest and to that end the company has focused its efforts on the development of one or more family entertainment centers (FEC) to provide quality family entertainment activities to the communities in India, city.

Focused on family entertainment in a family-oriented community, Pioneer Pacific is a company primed to take advantage of an expanding and profitable industry.

Entertainment has become a buzzword of the new millennium. Quality family entertainment is the focus of Pioneer Pacific. The construction and commercialization of one initial FEC is factored into the initial development phase detailed within. The company's proposed FECs will be designed to provide the type of family entertainment and adventure the current market demands.

The first proposed site is a ten-acre in, with a second site to follow within five years.

In addition to other funding and capitalization efforts detailed herein, the Company anticipates that it will seek funds from the Government Redevelopment Agency which may assist in the purchasing of land for development of the proposed sites.

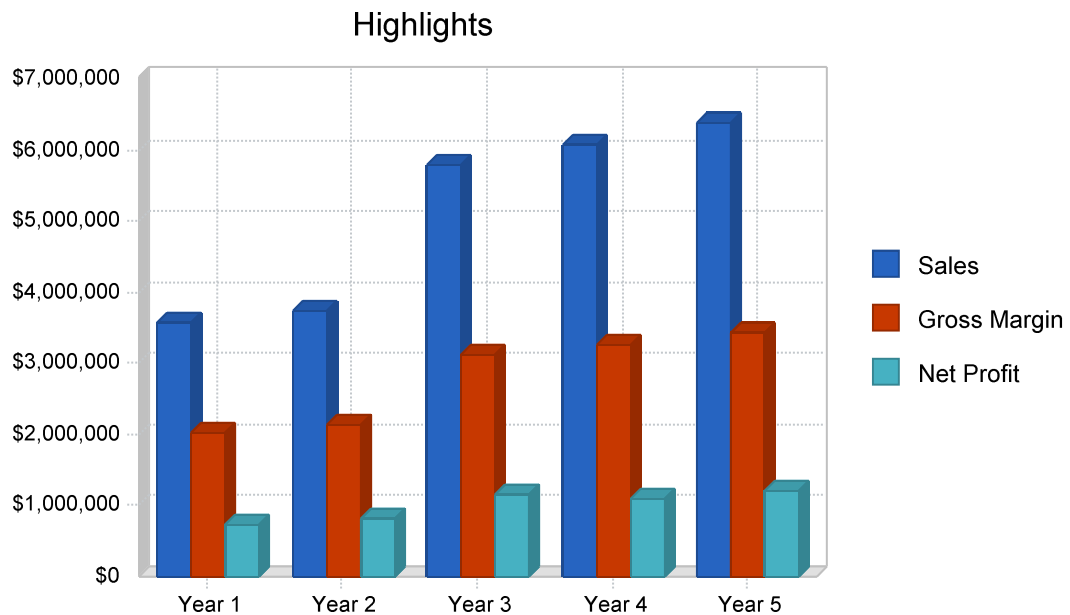
A recent census conducted by the Indian Census found that from 2000 to 2010, personal consumption and expenditures for amusement and recreation increased by \$31.5 billion USD, with an overall industry gross of \$56.2 billion USD. Source: Census India 2010

Based on the current entertainment prices and cost of revenue structure in the local amusement and recreation industries, we believe that our anticipated FEC's will have the potential of several million dollars in gross sales in the first year of operations.

With our strong management team and our aggressive marketing plan, we project a consistent and minimum annual growth of 5%.

# Sample Business Plan: Entertainment Industry

**Chart1: Highlights of Financials**



## 1.1 Objectives

The company's objective is to build quality, full-service FECs that will command the approval of the predominantly local community, especially the population with a healthy growth in gross annual income, which it serves.

Our goals include:

1. A 10% market share in our first year.
2. An modest increase in our gross margins within the second year of operation
3. An increase in our market share by a minimum of 10% for each of our first five years.

Currently, there is no quality FECs in Bhubaneswar, or the surrounding areas (for a radius of 50 miles). The company believes that by entering the marketplace first and by establishing quality facilities, it will become, and remain, a leader in the FEC industry in the state of Orissa.

Our fundamental objective is to realize how we impact the community that we do business in, knowing that we will stand the test of time if the local residents approve and support our center.

## 1.2 Mission

Pioneer Pacific's sole purpose is to establish a profitable and well managed company while at the same time creating an atmosphere of fun and excitement for the entire family, with activities designed to please the local residents, as well as the substantial tourist base of the state of Orissa.

# Sample Business Plan: Entertainment Industry

## 1.3 Keys to Success

Based on our research, our primary targeted market is parents and their children (ages 5-15 to 54). With that in mind, we intend to design our facilities to address this primary market, while keeping in mind the secondary markets such as teens and young adults.

We believe that our main keys to success include:

- Providing popular and wide-ranging entertainment activities
- Ample and secure parking
- Indoor activities for year round entertainment
- The use of state-of-the-art technology
- Easy access
- Target high traffic areas for maximum public exposure
- Design facilities to curb overcrowding
- Seasoned management team

We believe that we can minimize certain risk factors by:

- Initial capitalization of the company to sustain operations through 1<sup>st</sup> year
- Low overhead through the use of multi-skilled employees and continual training
- Strong customer base through aggressive marketing
- Strong community ties and involvement
- Eliminate collection costs by establishing cash/credit/debit card only facilities

## 2.0 Company Summary

The company anticipates that its first FEC will be located in Orissa, in the capital city - Bhubaneswar. The company's FEC will be the most modern even in the country.

Initially named the Wohoo Family Fun Center, the company anticipates that its facility will have a positive impact on the local environment and economy.

Mr. Ron Richard, CEO of Stanza Entertainment, the largest FEC chain in the world, has observed, "With most family entertainment centers having a 15 to 20 mile reach and in today's climate, you've got to understand what you're trying to accomplish. You've got to understand your market. You've got to understand construction. The attractions have to be both interactive and competitive."

Pioneer Pacific proposes to choose its locations after thoughtful and detailed research and demographic profiling.

# Sample Business Plan: Entertainment Industry

## 2.1 Company Ownership

- Managing Director – Mr Amit Singhania

Limited Partners:

- C.F.O.- Mr Suresh Sinha
- Operations Manager & Public Relations – Mr Pradeep Gupta
- Retail Space Leasing Agent Gift Shop Manager.- Ms Suchanda Sahu
- Director of Sales and Marketing – Mr Chandan Roy
- Manager of Treasury and General Accounting – Mr Nulsi Srinivas
- Manager of Promotions & Customer Service – Ms Mallika Arora

Consultants / Non-Partners (retained):

- General Entertainment Manager / Consultant – Mr Ron Dasgupta
- Redevelopment (RDA) Specialist – Mr Jagat Singhania

## 2.2 Start-up Summary

For Phase 1 the Start-up table reflects the cost of the center, activities and 8.5 +/- acres.

All Construction cost are included in the gross loan, but not detailed in the "Start-up Cost table" because these costs happen before the projected pro forma begins.

In the Start-Up Funding table there are two forms/types of investors listed:

The Use of Funds table details many of the Start-up Expenses.

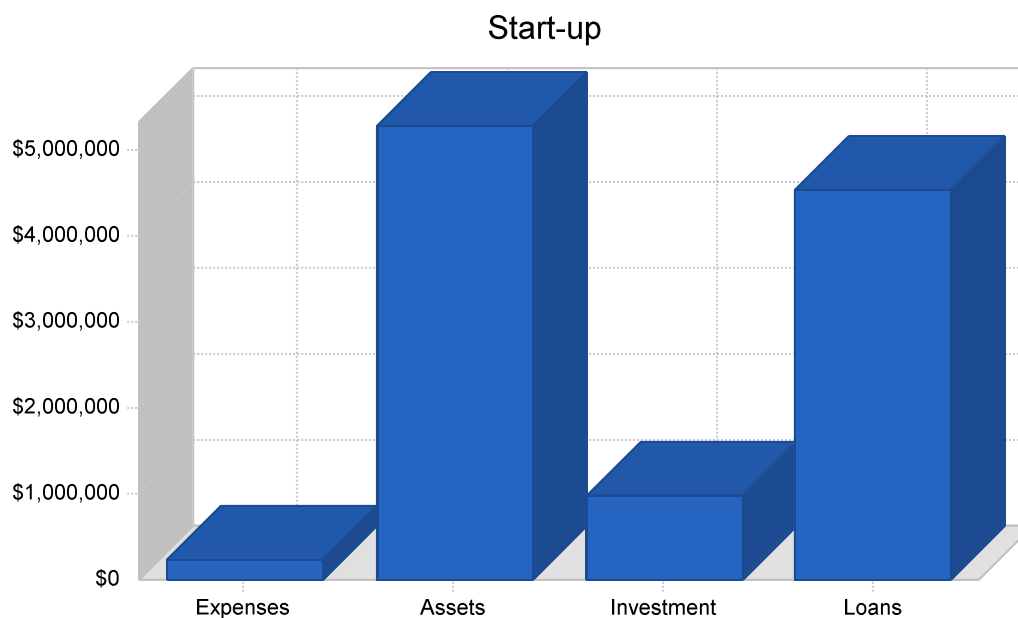
**Table1: Start-up Funding**

<i>Start-up Funding</i>	<i>Fig in USD</i>
Start-up Expenses to Fund	\$229,575
Start-up Assets to Fund	\$5,277,925
Total Funding Required	\$5,507,500
<b>Assets</b>	
Non-cash Assets from Start-up	\$5,077,925
Cash Requirements from Start-up	\$200,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$200,000
Total Assets	\$5,277,925
<b>Liabilities and Capital</b>	
Liabilities	
Current Borrowing	\$890,000
Long-term Liabilities	\$3,652,500
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$4,542,500
Capital	

## Sample Business Plan: Entertainment Industry

Planned Investment	
Seed Investor/Partner #1	\$5,000
Seed Investor/Partner #2	\$5,000
Seed Investor/Partner #3	\$2,500
Seed Investor/Partner #4	\$2,500
Seed Investor/Partner #5	\$2,500
Seed Investor/Partner #6	\$2,500
Seed Investor/Partner #7	\$5,000
Seed Investor/Partner #8	\$12,500
Seed Investor/Partner #9	\$12,500
Seed Investor/Partner #10	\$12,500
Seed Investor/Partner #11	\$12,500
Start-up Investor/Secure Partner #1	\$222,500
Start-up Investor/Secure Partner #2	\$222,500
Start-up Investor/Secure Partner #3	\$222,500
Start-up Investor/Secure Partner #4	\$222,500
Additional Investment Requirement	\$0
<b>Total Planned Investment</b>	<b>\$965,000</b>
Loss at Start-up (Start-up Expenses)	(\$229,575)
Total Capital	\$735,425
Total Capital and Liabilities	\$5,277,925
<b>Total Funding</b>	<b>\$5,507,500</b>

**Chart2: Start-up**



**Table2: Start up Expenses**

<i>Start-up</i>	<i>Figs in USD</i>
<b>Requirements</b>	
Start-up Expenses	
Seed/Development Stage Cost	\$35,000

## Sample Business Plan: Entertainment Industry

Professional Fees	\$60,000
Commercial Loan/Mortgage Points Cost	\$109,575
Sweat Equity Cost	\$25,000
Total Start-up Expenses	\$229,575
Start-up Assets	
Cash Required	\$200,000
Other Current Assets	\$0
Long-term Assets	\$5,077,925
Total Assets	\$5,277,925
<b>Total Requirements</b>	<b>\$5,507,500</b>

**Table3: Use of Funds**

<i>Use of Funds</i>	
Use	Amount (USD)
Phase 1 Construction Cost Breakdown	\$0
Total Sq.Ft. Building (±)	\$15,000
Direct Construction Cost	\$150,000
Table Top Games/FoosBall	\$50,000
Redemption Games/Inventory	\$50,000
Bumper Boats	\$175,000
Batting Cage and Pitching Device	\$140,000
Miniature Golf Course	\$225,000
Street Construction	\$800,000
Storm Water and Infiltration Program	\$217,000
Building Permit/Subdivide/Connection	\$35,000
Parking Lot	\$167,000
Construction Insurance Cost	\$4,000
Property Cost 8.6 ± Acres	\$688,000
Drafting/Renderings	\$90,000
Site and Building Engineering	\$45,000
Computers/Desks Office Supplies	\$14,000
Signs	\$20,000
Go-carts and Tracks	\$500,000
First Year Operations Capital	\$200,000
Gross Cost of Equipment & Improvements	\$3,570,000
Construction Cost of Building	\$1,000,000
Construction Loan Cost	\$300,000
Cost + Building	\$4,870,000
25% Loan (LT) Buy Down Cost	\$1,217,500
RDA Write Down	\$0
Retail Pads Sales	\$0
Net (LT) Loan	\$3,652,500
Loan Points Cost	\$109,575
Gross Cost	\$1,327,075
Loan + Points Cost/Gross Investment	\$4,979,575
<b>Total</b>	<b>\$24,611,225</b>

### 2.3 Company Locations and Facilities

The first proposed site / property has two different aspects to it:

1. We purchase a 10 acre parcel on the site and construct our center.
2. We incorporate a Government Redevelopment Agency (RDA), which can provide our company with a government grant (funds) that can help us purchase the entire 44.6 acres. This involves more risk but offers higher profits because we will need to resell 20 acres +/- once they are developed.

## Sample Business Plan: Entertainment Industry

Therefore, within this business plan we will present a primary look at both possibilities, including the basic business structure, the start-up cost, the company's projected growth, the market, the local demographics, the economic impact, the industry trends, the construction costs, the development of the land, the oversight of operations during the development of the infrastructure and the companies future management and marketing team.

Our proposed site is the 44.6 +/- acres running along the west side of the Interstate, with three planned future (roads) accesses/easements.

The entire property is zoned commercial and the owner has stated that he supports our project and will carry a contract. Phase 1 would place our FEC just north of the other existing commercial establishments.

The latest traffic figures report an average daily traffic count of 30,685 cars exiting and entering the interstate at this junction and the interstate (north and south bound) carries an average daily traffic count of 56,490 cars. *Source: Orissa Govt – Dept of Transportation*

### 3.0 Services

Our FEC's will provide customers with a wholesome environment that provides amusement, entertainment, excitement, competition, year round activities, souvenirs and great food all while forming lasting memories at affordable prices.

Although there is currently no competition in the immediate area in which we plan to establish our FECs, we believe that because the FEC industry is expanding exponentially, sooner or later competition will encroach.

To that end, the company plans to become profitable and retain a solid leadership position in the marketplace by providing:

- **Indoor facilities** – Cold/ Hot weather will close the outdoor competition.
- **Year round play with a wide variety of activities** - Our season never stops.
- **Seasoned, successful management team.**
- **Contracting top FEC consultants** - To counsel on key attraction layout and design.
- **Working with USU Extension Program** - Determining tourism impact.
- **Working with Utah Department of Tourism** - National and international exposure.
- **Family-oriented** - Partnership-operated center gives the company local insight.
- **Aggressive marketing.**
- **Customer Incentive Program** - Reward frequent visitors/customers.
- **Easy access and exposure.**

### 3.1 Service Description

The ability of Pioneer Pacific to accomplish its goals and lead the local family entertainment industry depends upon the expertise and social conscience of the management team. Our management team understands these facts and several members of our management team have been recognized in the past for their outstanding community service and involvement.

## Sample Business Plan: Entertainment Industry

Several local surveys have been reviewed and provide valuable information about a vast list of requirements that need to be met for an FEC to attract the local residents. We will strive to meet these desires and we will take future surveys with our customers to make sure that we are ahead of the curve.

Pioneer Pacific intends on building an FEC with a 15,000 to 20,000 square-foot main building located in the Northern Utah area and provide such activities and services as: go-carts, miniature golf, climbing walls, batting cages, skycoaster or tower swing, air hockey, foosball, paint ball, laser and phazer tag, skateboard arena, outdoor bumper boats, gaming & redemption center, chess/backgammon playing areas, souvenir/gift shop, ice cream, pizza, pretzels, drinks, private party rooms (birthday & corporate), massage therapy center and a coffee shop.

### 3.2 Future Services

Pioneer Pacific will expand its family entertainment activities during its first year of operation, by adding bumper boats, go-carts and other attractions as discussed elsewhere in our plan.

To further increase revenues and public attraction, Pioneer Pacific is working to establish several other entertainment (outdoor) activities that will be put in place using revenue-sharing programs, such as the Skycoaster.

### 4.0 Market Analysis Summary

Research has indicated that the prime market for a FEC is in urban areas close to neighbourhoods with large concentrations of upper- to middle-income bracket population. Ease of access is important, but street frontage is not a crucial requirement.

A 7 - 10 mile radius is considered the radial market area of a FEC. However, depending on competition (or lack thereof) a market area can grow to a 15 mile radius and with easy highway access to a radius of twenty miles from the FEC.

The Census India us with the following demographic information about our area (15 mile radius).

**Chart3: Population in states**

State	Gross pop.	Age 5-75
Bhubaneswar	196,533	171,297
Pipli	42,750	37,308
Cuttack	238,994	209,794

## Sample Business Plan: Entertainment Industry

- The population in a fifteen-mile radius is in excess of 500,000
- Median age is 27
- The male/female share is 50% split
- Over 40% are 25 to 50 years old
- Over 75% own or are buying their homes
- Average household size is 3.5 persons
- Average household adjusted gross income is \$39,250

**Chart4: Change in Orissa Population – by decade**

<b>Change in Orissa Population By Decade</b>	<b>+ Change</b>
1950s	20,410
1960s	16,600
1970s	40,800
1980s	25,510
1990s	42,111
2000s	51,170
2010s	52,149
2020s	50,030
2030s	65,703

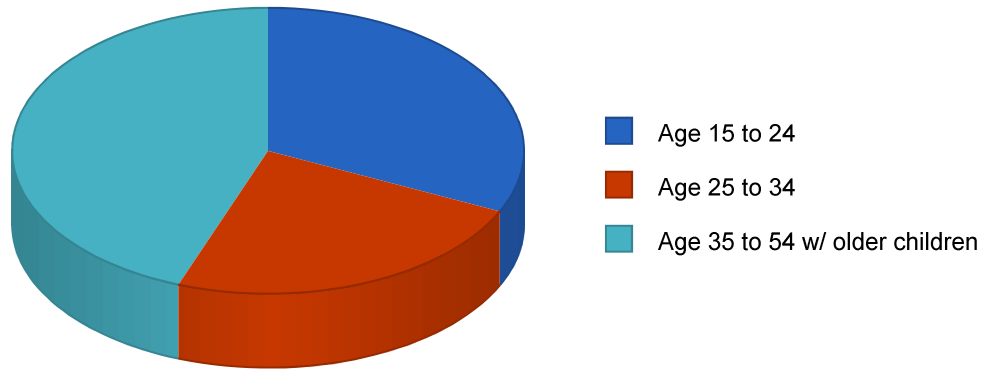
### 4.1 Market Segmentation

Pioneer Pacific ' primary targeted market consists of three main groups. These categories are: 15 to 24 year old, 25 to 34 and 35 to 54 years old. To better understand the size and breakdown of the local population see the following table and chart.

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**Chart5: Market Analysis (Pie chart)**

Market Analysis (Pie)



**Table4: Market Analysis**

Market Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Age 15 to 24	7%	90,450	96,329	102,590	109,258	116,360	6.50%
Age 25 to 34	2%	66,800	68,136	69,499	70,889	72,307	2.00%
Age 35 to 54 w/ older children	9%	125,250	136,523	148,810	162,203	176,801	9.00%
<b>Total</b>	<b>6.65%</b>	<b>282,500</b>	<b>300,988</b>	<b>320,899</b>	<b>342,350</b>	<b>365,468</b>	<b>6.65%</b>

## 4.2 Target Market Segment Strategy

A full-time public relations coordinator is a vital part of Pioneer Population's management team. The job will require this person to be responsible for assuring customer satisfaction, generating public awareness for the types of entertainment offered at our "FEC," and attractively promoting the various activities to the public.

Even though, our customers can be considered all age groups, both sexes, all races, all income levels, local residents or tourist to the area. The most important factor behind our success is simply, *THAT A PERSON CAN ENJOY THEMSELVES*, while participating in the activity they choose.

### 4.2.1 Market Needs

Upon reviewing the local demographics of businesses in the state of Orissa, we discovered that our proposed service will be filling a void that has existed for years in the local entertainment market.

## Sample Business Plan: Entertainment Industry

Our primary targeted area is Bhubaneswar and Cuttack. These cities represent two of Orissa's top two cities with the highest personal income levels in Orissa which relates to more money available for entertainment.

### 4.2.2 Market Trends

Historically if a market becomes controlled by a corporate entity, services are cut, prices are raised and core business is driven away as a result of the companies indifference to local customers concerns. To avoid this happening locally, Pioneer Pacific 's desire is to create their niche in Orissa before the national chains move in.

Orissa's Amusement and Recreation Industry is projected to employ an increase of 33,080 employees by 2030. This equals an average of 788 more employees per year being hired by Orissa's growing Amusement Industry.

### 4.2.3 Market Growth

As the population ages the potential market size increases and with the type of entertainment offered at our facilities, we are confident that our customer base will continue to grow and remain stable for the foreseeable years to come.

The market for a modern FEC center in the Bhubaneswar/Cuttack area is superior to most, partly due to the tremendous population growth which has occurred during the past five years. With the overwhelming majority of the population living and working within 15 miles of our first selected site. Additionally, there is not an FEC of this type within 50 +/- miles.

**Population Growth:** In the 10 year period of 2001- 2010, Orissa experienced a 24% increase in residents, closing the millennium at 196,500 and this rate of growth is projected to continue through 2020.

#### Chart6: Orissa's Resident Population

1900	1920	1940	1950	1970	1990	2010
100,000	250,000	400,000	500,000	800,000	1,500,000	2,300,000

### 4.3 Service Business Analysis

We were able to get information on two types of amusement companies - 1) Amusement and Recreation Services (ARS) and Membership Sports and Recreation Clubs (MSRC). ARS, more closely fits our situation than the second.

The following table presents some of the base economic information for ARS and MSRC in Orissa in 2010:

## Sample Business Plan: Entertainment Industry

	<b>ARS</b>	<b>MSRC</b>
<b>Total Sales Mil. \$</b>	17.11	7.512
<b>Total Employment (Number)</b>	830	372
<b>Total Compensation Mil. \$</b>	5.128	2.051
<b>Employee Income Mil. \$</b>	1.820	0.680
<b>Proprietor Income Mil. \$</b>	3.552	0.255
<b>Indirect Business Tax Mil. \$</b>	0.866	0.203
<b>Total Value Added Mil. \$</b>	11.366	3.188

In 2010, ARS had \$17.111 million in total sales in Orissa and employed 830 people. The employment number is a person count and not full-time equivalents

So, in the case of ARS total compensation was \$5.128 million of which \$1.820 went to employees (wages and salaries) and \$3.552 million went to owners (proprietors) as net profit. Indirect business taxes are basically sales taxes generated by the business types. So, ARS generated about \$866,000 in sales taxes during in Orissa in 2010. Total value added is basically total sales less what would be equivalent to the cost of goods sold.

So, in 2010 ARS generated \$17.111 million in sales of which \$11.366 million could be attributed to the value added by labor, management, etc. by persons in Orissa. This suggests that ARS made purchases of about \$5.745 million ( $17.111 - 11.366$ ) from sources outside of the state to be able to generate \$17.111 million in sales.

### 4.3.1 Competition and Buying Patterns

The Amusement Industry is unique in that it has little inventory. Yet, should the need arise there exists a large network of suppliers for everything in the facility. All of these sources ship overnight which reduces the requirement for a large on-hand inventory.

Being locally owned, we can design and operate the facility to be connected with the community and fine-tune to meet their needs. Pioneer Pacific is a business focusing on family entertainment where there will be sports and activities that all ages can participate in and enjoy as individuals or as a group. It is where grandparents can take grandchildren of all ages (it makes a great date night or family outing).

The simplicity of the activities enables anyone to experience excitement without having to know how to play like a pro. Miniature golf and other related activities (that require minimum

## **Sample Business Plan: Entertainment Industry**

strength and athletic ability) are some of the highest-rated family participation sports in Orissa.

By far, the most significant factor to affect the FEC business in the forthcoming decade is the dramatic growth of the 25 to 44 year old segment of the population. This age group represents the prime segment of the population that enjoys playing in tournaments. Our FEC will be high-tech, totally computerized centers. Pro play will be offered in the facility year round, increasing the profits for the center.

Competition in the amusement industry in Orissa is considered mild at best and most venues are remotely located. Our first choice of locations is superior and offers us an edge against future FECs or similar services. We will create our niche in the market place by being the first FEC in the surrounding area, but to keep our competitive edge we know we have to choose the right location.

Experts say, "If you require a big grand opening or spend a ton on advertising your center, then you are not in the right location. The public just needs to be able to see your location make it look fun and they will know where you are and when to come."

### **5.0 Strategy and Implementation Summary**

Our services will be positioned to provide our customers with a premium amusement and entertainment experience.

Thus our pricing strategy will be to charge a premium price as per industry standards.

The following subtopics will present our sales strategy, marketing strategy, pricing strategy, daily customer projections and promotion strategy. To see comparison FECs and their current pricing refer to financials topics for projections and pro forma comparisons.

Pioneer Pacific will also work toward establishing community involvement programs that will demonstrate how the business can contribute to a better quality of community life. Such as: Community projects using the "FEC's" facilities to help civic groups obtain their financial goals (by offering fund raising events). Schools, churches, and other groups will be welcomed for tours of the facilities and will be shown how the facility can be used to help raise funds for their needs.

### **5.1 Competitive Edge**

The high standards set by our company and our location are going to make it very difficult for competitors to enter and survive in the market area.

Pioneer Pacific research shows that the opportunity exists to provide a high-quality service in a family-oriented environment, where we can offer competitive pricing to our customers and still make an outstanding profit in this demanding market.

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## The keys to our competitive edge

There are several critical issues based on the lifestyles of the area for our business to be accepted and survive.

- Produce maximum profits, but still able to offer affordable entertainment
- Provide the best games/family sports
- Great food
- Little or no educational curve
- Repeat customers/tournaments/enjoyment
- Allow space for other retail tenants (reduce overhead)
- Do not compete with our tenants for the same dollar
- Provide activities for a large range of age groups
- Unique in design with comfortable ambience
- Exciting work environment

## 5.2 Marketing Strategy

Our customers can come from all age groups, male and female, all races, every income level and can be local residents or tourists to the area. That is why our marketing plan started at the construction phase; by keeping in mind, if it looks fun people will come. Thus the main factor to our success is simply that a person can enjoy themselves at our center while participating in an activity they choose.

Our full-time public relations manager is a vital part of our management team, by assuring that customer satisfaction is provided and gathering information from the public about the types of entertainment most desired. This can provide our company with the means to stay in touch with the community and ready to meet their desires.

### 5.2.1 Pricing Strategy

To establish the following detailed chart, we referred to several factory-pricing recommendations and the local competition.

The following details our pricing and the number of customers per month that we used for our cash flow projections. These projected numbers are 35% +/- of daily operation capacity and being open for business 26 days a month, closed on Mondays. It should also be noted, there may be activities planned that are not included in our projections.

#### Chart7: Entertainment rides and their pricing

	Price	Quantity
Go-carts	\$5.50	7,000/month
Mini-golf	\$5.50	7,000/month
Driving range	\$5.50	560/month

## Sample Business Plan: Entertainment Industry

Arcade and redemption	\$10.00	600/month
Sky-coaster	\$15.00	560/month
Batting cages and pitching lanes	\$1.00	1,620/month
Climbing walls	\$1.50	600/month
Bumper boats	\$4.50	560/month
Restaurant	\$3.75	10,500/month
Souvenirs	\$9.50	250/month
Party rooms	\$25.00	240/month
Air hockey and foosball	\$0.50	672/month

All business expenses are detailed in the financials topics. All other direct cost were pre-calculated and added into the Sales Forecast table.

### 5.2.2 Promotion Strategy

Pioneer Pacific first objective in promoting our center will be to capitalize on the power of the WORD OF MOUTH.

In every business it is a well-known fact that word-of-mouth advertising is any businesses' best friend or worst enemy. Yet, this does not preclude the fact that announcements, placing advertisements in the local newspapers and our future planned website are not just as important in reaching new customers and will be employed as follows:

#### **Advertising**

Getting our positioning message to the public, "family recreation," where fun and customer service is paramount.

#### **Orissa's State Tourist Dept**

Keeping them aware of our center and all current promotions.

#### **Go-cart Track Signs**

Local businesses can buy sign footage and have their signs placed around the track like you would see around any race track.

#### **Freeway & Site Signs**

Self explanatory.

# Sample Business Plan: Entertainment Industry

## **Sales Brochure**

Informing the public of all the activities found and offered at the center.

## **Player Rewards**

Rewarding customers for spending money through establishing frequent player programs and sponsoring up to \$50,000 a year towards prize money awarded through tournament playoff prizes.

## **Community Involvement**

The activities of the center will be promoted as a place to bring your group to participate in events and raise funds for "project name here." These types of fund raising events can request that a portion of each players expenses be donated to their organization (a standard amount will be established).

## **5.3 Sales Strategy**

Pioneer Pacific intends on providing a venue in which the entire family can really enjoy their leisure time by participating in fun and competitive activities that require minimum strength and athletic ability. Supported with great service and offered at competitive prices we have the winning combination.

At our facilities the value of entertainment experience that our customers receives would be considered high compared to per dollar spent ("Biggest bang for your buck" or "You get your moneys worth"), and by providing the best in the area, our management team expects to reach an even broader market than used for our cash flow projections.

Our sales strategy is set on the very basics of business, please our customers and they will return again and again.

## Sample Business Plan: Entertainment Industry

### 5.3.1 Sales Forecast

Sales as per population (exclude tourist)  
Using our minimal targeted market population of 418,399 people, we will detail how easily we can reach our projected income goals.

- 10% of 418,399 people = 41,839 customers per year, each spending \$81.26 per year, or \$8.50 per visit and visiting 9.5 times a year.
- Or, using our projected average per person expenditures = \$8.50 x 1,225 customers daily = \$10,412 x 313 days a year = \$3,259,112 per year.

This means that we can meet or exceed our projected income if approximately one out of three possible customers visits our center once a year and spends a minimum of \$8.50 on that visit.

2006 shows increase in sales caused by the opening of Phase 2.

The following chart shows Pioneer Pacific Projected Sales Forecast and the annual projections for the next five years. Monthly figures are detailed in the appendix. To see activities pricing break down & projected numbers used see topic 4.2.

**Table5: Sales Forecast**

<i>Sales Forecast</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Sales</b>					
Amusement	\$0	\$0	\$0	\$0	\$0
Bumper Boats	\$260,463	\$273,486	\$423,904	\$445,099	\$467,354
Mini-Golf	\$466,907	\$490,252	\$759,891	\$797,886	\$837,780
Go-Carts	\$1,193,801	\$1,253,491	\$1,942,911	\$2,040,057	\$2,142,060
Gaming Center	\$38,584	\$40,513	\$62,795	\$65,935	\$69,232
Sky Coaster	\$154,350	\$162,068	\$251,205	\$263,765	\$276,953
Batting Cages	\$144,697	\$151,932	\$235,494	\$247,269	\$259,633
Climbing Walls	\$55,997	\$58,797	\$91,136	\$95,692	\$100,477
Air/Foosball	\$18,308	\$19,223	\$29,796	\$31,286	\$32,850
Souvenirs	\$28,175	\$29,584	\$45,855	\$48,148	\$50,555
Party Rooms	\$460,238	\$483,250	\$749,037	\$786,489	\$825,813
Food & Drinks	\$739,588	\$776,567	\$1,203,679	\$1,263,863	\$1,327,057
<b>Total Sales</b>	<b>\$3,561,108</b>	<b>\$3,739,163</b>	<b>\$5,795,703</b>	<b>\$6,085,488</b>	<b>\$6,389,763</b>
<b>Direct Cost of Sales</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Amusement	\$0	\$0	\$0	\$0	\$0
Bumper Boats	\$65,116	\$68,372	\$105,976	\$111,275	\$116,838
Mini-Golf	\$70,036	\$73,538	\$113,984	\$119,683	\$125,667
Go-Carts	\$298,450	\$313,373	\$485,728	\$510,014	\$535,515
Gaming Center	\$19,292	\$20,257	\$31,398	\$32,968	\$34,616
Sky Coaster	\$38,588	\$40,517	\$62,801	\$65,941	\$69,238
Batting Cages	\$21,705	\$22,790	\$35,324	\$37,090	\$38,945
Climbing Walls	\$13,999	\$14,699	\$22,784	\$23,923	\$25,119
Air/Foosball	\$2,746	\$2,884	\$4,469	\$4,693	\$4,928
Souvenirs	\$7,044	\$7,396	\$11,464	\$12,037	\$12,639
Party Rooms	\$230,119	\$241,625	\$374,518	\$393,244	\$412,907
Food & Drinks	\$369,794	\$388,284	\$601,840	\$631,932	\$663,528
<b>Subtotal Direct Cost of Sales</b>	<b>\$1,136,888</b>	<b>\$1,193,733</b>	<b>\$1,850,286</b>	<b>\$1,942,800</b>	<b>\$2,039,940</b>

# Sample Business Plan: Entertainment Industry

Chart8: Sales by Year

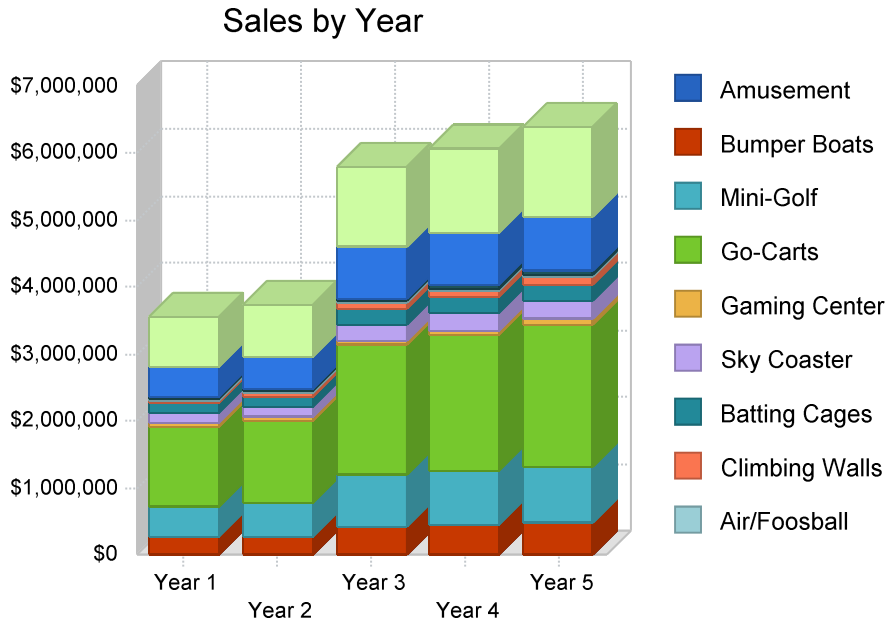
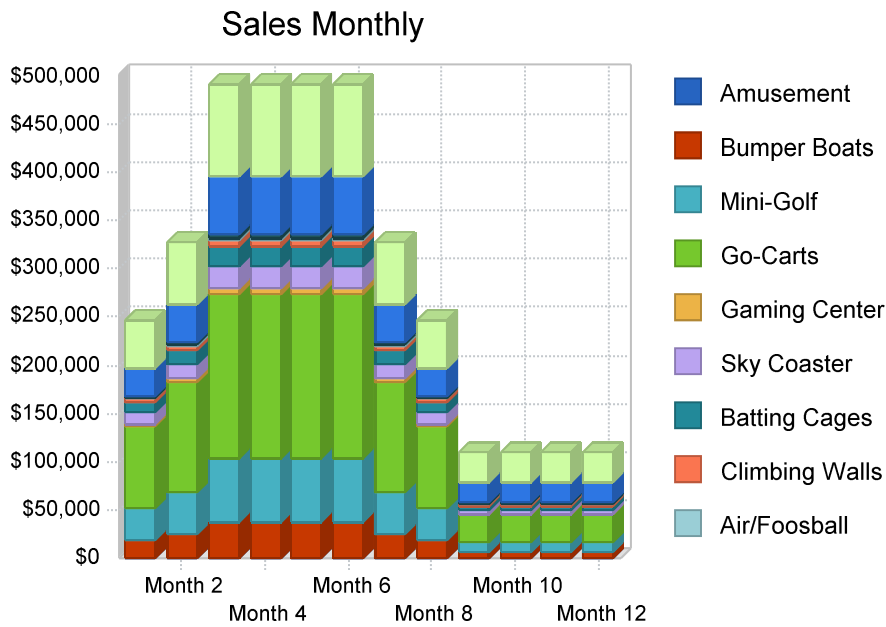


Chart9: Sales Monthly



# Sample Business Plan: Entertainment Industry

## 5.4 Milestones

Set forth below are the main milestones in the schedule of proposed development. We have carefully reviewed the timelines for start-up and firmly believe that once we are completely funded we can construct and open our initial FEC within less than one year of breaking ground.

- Purchase of property for FEC site by October 2013
- Preliminary architectural drawings
- Secure construction loan
- Approval of final architectural drawing
- Obtain all required permits
- Site preparation
- Order long lead items (i.e. go-carts, boats, skycoaster, etc.)
- Construction of center (construction phases are three and five-month timelines)
- Develop operations and employee manual
- Hire personnel
- Prepare and finalize marketing campaign
- Train staff
- Order inventory
- Soft open (training period 30 to 45 days)

## 6.0 Management Summary

Our company philosophy is based on mutual respect for all contributions made by our participating or limited partners, investors, consultants, and employees without regard to the position held in the company. Those who work with Pioneer Pacific will learn to enjoy and trust our partnership environment, because we all strive to create an environment that enables us to work smarter-not harder and suggestions are valued, appreciated and rewarded.

Pioneer Pacific will also work toward establishing community involvement programs that will demonstrate how our business can contribute to a better quality of community life. Projects such as using the FEC facilities to help civic groups obtain their financial goals (by offering fundraising events); working with schools, churches, and other groups on programs for mutual benefit.

## 6.1 Management Team:

[ Place of details of management team ]

## 6.2 Organizational Structure

The company's structure is as follows:

<b>Active Managing Partners/Senior Staff</b>	<b>Limited Partners/Senior Staff Consultants</b>	<b>Non-Partners/Senior Staff Consultants (retained)</b>
Managing Partner	Real Estate and Financial Consultant	Entertainment & Activities Consultant

## Sample Business Plan: Entertainment Industry

Operations Manager/Public Relations	Sales and Marketing Consultant	Redevelopment (RDA) Consultant
Retail Space Leasing Agent & Gift Shop Manager	Licensed General Contractor Construction Consultant	
Treasurer/Comptroller		
Manager of Promotions & Customer Service		
Human Resource Manager		

This group represents 41% of the company ownership, with the remaining percentage of the company's ownership under the control of the managing partner, but is considered to be held in the company's treasury and all taxes that are assessed against this percentage are paid from the general fund.

All partners are considered to have equal voting rights as per ownership and if a vote is called, each partner is allotted one vote per percentage of ownership. The managing partner is elected by votes and is to remain as such unless a vote is requested and the majority votes change.

The managing partner is responsible to oversee all operations and is required to inform and report to all other partners of progress. By no means is the managing partner obligated to perform any requested function unless he is convinced that it is for the betterment of the company or if a majority of the partners request that there be a vote, or that the object in question is voted to be put before arbitration (as explained in the partnership agreement).

<b>Administrative</b>	<b>Operations</b>	<b>Facilities Maintenance</b>
General Manager	Shift Leader	Lead Supervisor
Design and Function Oversight	Assistant. Managers	Hands on Repairman
Operations Manager	Customer Service Manager	Two Helpers
Human Resource Director	Floor Sales	
Safety Oversight	Ticket Desk Operators	
B-B Contact	Food Handlers	
Contract review	Concession Carts	

## Sample Business Plan: Entertainment Industry

Tenant Leasing Agent	Housekeeping	
Accounting & Bookkeeping		
Inventory Control		
Public Relations		
Customer Service Director		
Promotions		
Activities Coordinator		
Gift Shop Manager		

### 6.3 Personnel Plan

Customer service is paramount in our business and our business plan. The management team will accomplish this goal by targeting employees who are willing to be trained and by providing encouragement and employee incentive programs. Pioneer Pacific will contract with an employee leasing program to help provide the full-time staff with such things as:

- Health care insurance
- Dental care insurance
- Life insurance
- Vacation time
- Up sell incentive programs
- Discount passes for staff family members
- 401k retirement plans
- Pay checks

Our Personnel Plan reflects how we intend to utilize our peoples' assets. Most of them will be cross trained and the management team of Pioneer Pacific believes that an employee who is happy at work will enjoy working. It is always easier to please customers with a staff that cares, a facility that is clean and equipment that is kept in proper working order.

**Table6: Personnel**

<i>Personnel Plan</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Operations Personnel					
John A	\$23,184	\$24,343	\$49,904	\$52,399	\$55,019
John B	\$23,184	\$24,343	\$49,904	\$52,399	\$55,019
John C	\$23,184	\$24,343	\$49,904	\$52,399	\$55,019
John D	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John E	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John F	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John G	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597

## Sample Business Plan: Entertainment Industry

John H	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John I	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John J	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John K	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John L	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John M	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John N	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John O	\$15,000	\$15,750	\$32,288	\$33,902	\$35,597
John P	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
John Q	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
John R	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
John S	\$27,600	\$28,980	\$59,409	\$62,379	\$65,498
John T	\$27,600	\$28,980	\$59,409	\$62,379	\$65,498
John U	\$27,600	\$28,980	\$59,409	\$62,379	\$65,498
Subtotal	\$388,656	\$408,089	\$836,582	\$878,411	\$922,332
Sales and Marketing Personnel					
Sales Director	\$27,600	\$28,980	\$30,429	\$31,950	\$33,548
Other	\$27,600	\$28,980	\$30,429	\$31,950	\$33,548
Subtotal	\$55,200	\$57,960	\$60,858	\$63,901	\$67,096
General and Administrative Personnel					
PersonX	\$40,848	\$42,890	\$87,925	\$92,322	\$96,938
PersonY	\$18,768	\$19,706	\$20,692	\$21,726	\$22,813
Restaurant Manager	\$40,848	\$42,890	\$87,925	\$92,322	\$96,938
PersonZ	\$20,976	\$22,025	\$23,126	\$24,282	\$25,496
PersonA	\$49,680	\$52,164	\$106,936	\$112,283	\$117,897
Subtotal	\$171,120	\$179,676	\$326,605	\$342,935	\$360,082
Other Personnel					
Jack A	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
Jack B	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
Jack C	\$20,976	\$22,025	\$45,151	\$47,408	\$49,779
Sara A	\$18,768	\$19,706	\$40,398	\$42,418	\$44,539
Subtotal	\$77,280	\$81,144	\$166,345	\$174,662	\$183,396
Total People	32	32	32	32	32
<b>Total Payroll</b>	<b>\$692,256</b>	<b>\$726,869</b>	<b>\$1,390,390</b>	<b>\$1,459,909</b>	<b>\$1,532,905</b>

### 7.0 Financial Plan

It is anticipated that the multi-million dollar loan that the company will seek to secure will cover the business start-up costs and provide funds for operating expenses for the first year. Management projects that it will need to obtain additional investment capital to fund the loan and long-term assets.

The Highlights chart that accompanies the Executive Summary sets forth the company's anticipated profitability analysis. Management believes that even minimal revenues should be sufficient to offer investors an acceptable return on investment.

# Sample Business Plan: Entertainment Industry

## 7.1 Important Assumptions

### NOTES FOR PROJECTIONS

All sales projections/assumptions are based on operating at 35% +/- of capacity. Refer to the Sales Forecast topic for demographic break down and average cost per person.

1. The figure of \$890,000 shown in the Start-up Funding table under Current Borrowing, is the start-up investment, amortized with a 19% interest rate and paid off in five years.
2. Our long-term commercial loan is amortized at 10% interest over 20 years.
3. All pricing has been set by industry standards and the local market.
4. Revenues are strictly a projection based on gross possible players per venue and then using 35% +/- of that capacity for our base calculation.
5. Contract services include: payroll, pest control, trash removal, cable TV.
6. Employees needed and wages have been projected for full time and eight hour shifts. All payrolls will be done through a payroll company, therefore giving a flatter rate and making it easier to project.
7. Orissa tax rates are:
  - a. Real Estate tax \$10.00 per \$1,000 of assessed value.
  - b. Personal Property tax base is .009% of cost of equipment.
  - c. Business License is \$50.00 for first 10,000 sq ft & \$5.00 per every additional 1,000 sq. ft. of building space.
8. The income tax rate is estimated before deductions and overhead assumptions are included.

**Table7: General Assumptions**

<i>General Assumptions</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Plan Month	1	2	3	4	5
Current Interest Rate	19.00%	19.00%	19.00%	19.00%	19.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	32.75%	33.00%	32.75%	33.00%	32.75%
<b>Other</b>	0	0	0	0	0

## 7.2 Valuation

In the following Investment Analysis Table, one should note that the entire (gross loan + points) amount of our long-term liabilities (\$4,542,500) is the figure we used to determine the Net Present Value (NPV) and the Internal Rate of Return (IRR) of our company's projected values.

**Table8: Investment Analysis**

<i>Investment Analysis</i>	Start	Year 1	Year 2	Year 3	Year 4	Year 5
Initial Investment						
Investment	\$4,542,500	\$0	\$0	\$774,000	\$0	\$0
Dividends	\$0	\$0	\$774,000	\$0	\$0	\$0
Ending Valuation	\$0	\$7,370,000	\$8,110,000	\$11,400,000	\$11,050,000	\$12,475,000
Combination as Income Stream	(\$4,542,500)	\$7,370,000	\$8,884,000	\$10,626,000	\$11,050,000	\$12,475,000
Percent Equity Acquired	0%					
Net Present Value (NPV)	\$15,893,745					

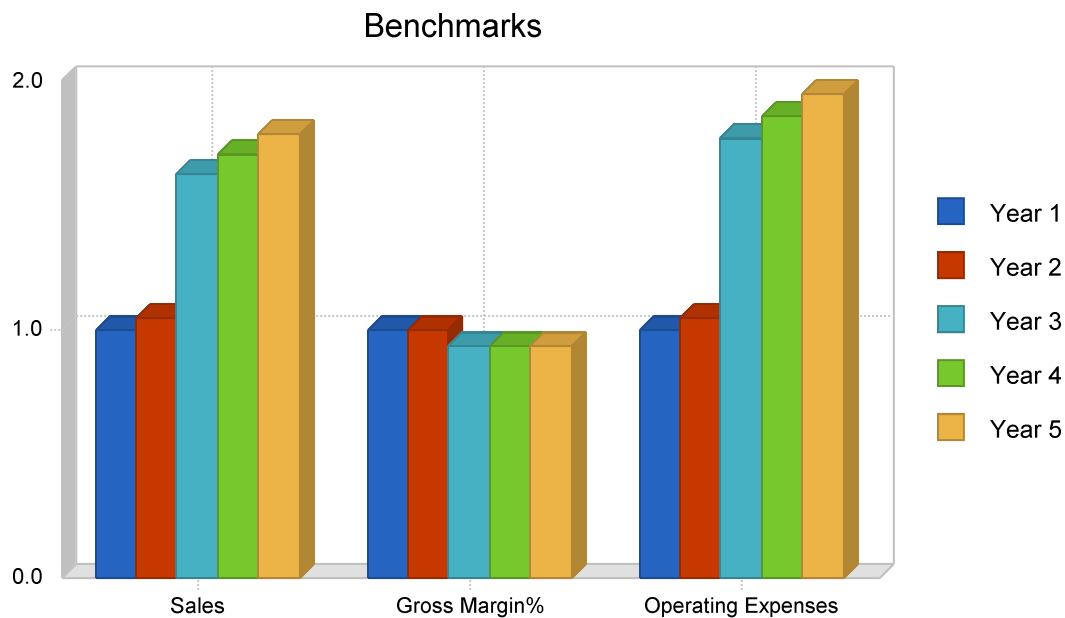
## Sample Business Plan: Entertainment Industry

Internal Rate of Return (IRR)	178%					
Assumptions						
Discount Rate	10.00%					
Valuation Earnings Multiple	10	10	10	10	10	
Valuation Sales Multiple	2	2	2	2	2	
Investment (calculated)	\$965,000	\$0	\$0	\$774,000	\$0	\$0
Dividends	\$0	\$774,000	\$0	\$0	\$0	\$0
Calculated Earnings-based Valuation	\$7,380,000	\$8,110,000	\$11,440,000	\$11,050,000	\$12,220,000	
Calculated Sales-based Valuation	\$7,120,000	\$7,480,000	\$11,590,000	\$12,170,000	\$12,780,000	
<b>Calculated Average Valuation</b>	<b>\$7,250,000</b>	<b>\$7,795,000</b>	<b>\$11,515,000</b>	<b>\$11,610,000</b>	<b>\$12,500,000</b>	

### 7.3 Key Financial Indicators

These benchmark indicators give Pioneer Pacific a sense of relative comparison for five years of projections.

**Chart10: Benchmarks**



### 7.4 Break-even Analysis

Important notice concerning Break-even Analysis

The figures represented in this analysis are connected to the costs presented in the Start-up, Start-up Funding, and Use of Funds tables.

## Sample Business Plan: Entertainment Industry

The following chart shows what we need to produce from sales per month to break-even (according to the assumptions). That is less than 1/2 of our planned 2003 sales level and less than 1/3 +/- for the years beyond. We strongly believe we can succeed and provide handsome returns for our owners/investors.

For the Break-even Analysis, we assume our per month fixed costs include most of management's payroll, loan payments, investor repayments and an estimation of other basic expenses.

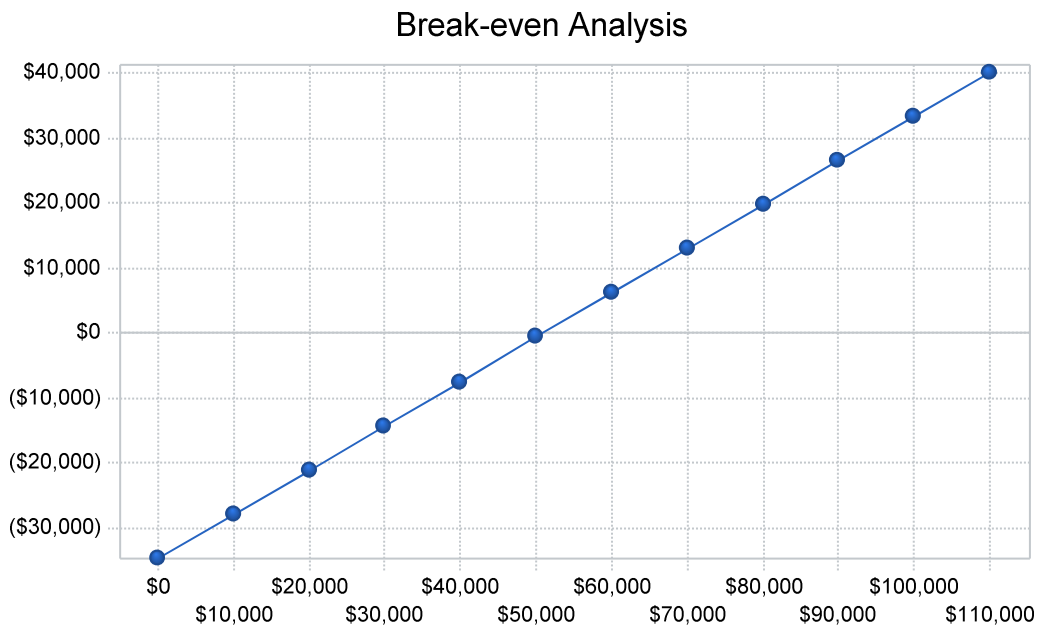
Margins are harder to assume. Our overall average of \$8.50 (goods/services sold to each person) is based on the local market average number of sales and with an average cost of 20% ( $\$8.50 - \$1.70 = \$6.80$  gross profit per each good/services sold).

We believe that not only will we entertain a much higher number of customers monthly than required by this break-even chart, we believe that we are going to possibly double the amount projected in our cash flow charts in this business plan, because we are going to be the only facilities of its kind within a 50 mile radius.

**Table9: Break-even Analysis**

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$51,010
Assumptions:	
Average Percent Variable Cost	32%
<b>Estimated Monthly Fixed Cost</b>	<b>\$34,725</b>

**Chart11: Break-even Analysis**



# Sample Business Plan: Entertainment Industry

## 7.5 Projected Profit and Loss

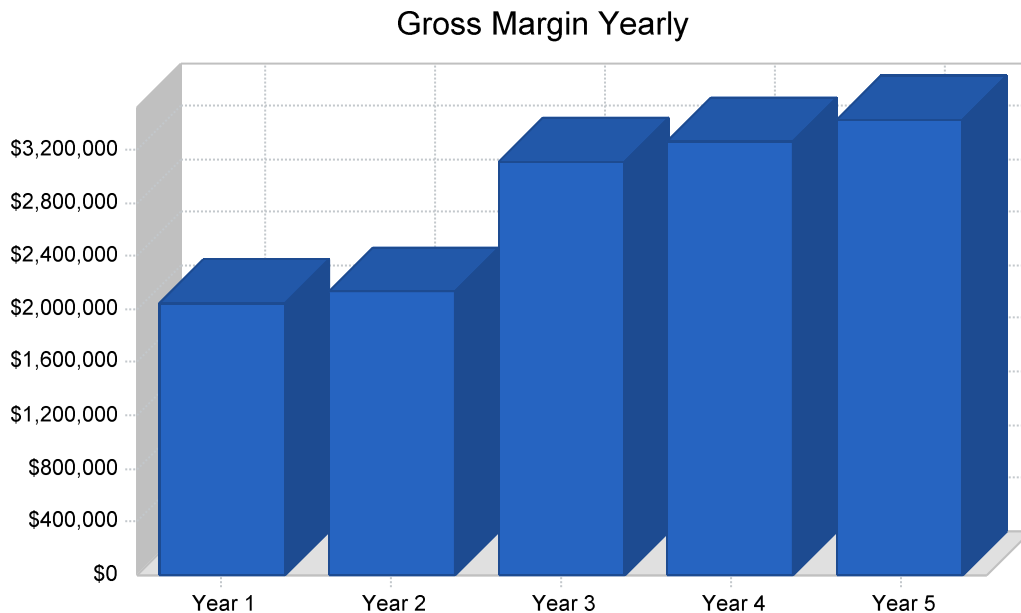
Important notes regarding Depreciation & Payroll Burden

1. The depreciation of assets was calculated separately from this Profit and Loss statement. Due to the fact of some accounting issues pertaining to our industry and this program. It appeared to be deducting our depreciation as hard cash expenses and not soft money (tax deduction). Therefore the cash tables did not appear to be reflecting a true statement of cash flow as per our industry (see further explanation below).
2. Payroll Burden (overhead/taxes) has been excluded from the Profit and Loss table based on the fact that payroll cost and taxes were pre-calculated and included in the personnel plan table. The basic reason for us doing this is, we plan on using a payroll company. Thus all employee payroll fees, taxes, insurances and other payroll burdens are charged as a flat fee (our industry average fee is: wages + 15% +/- .5%).

As per depreciation figures, our preliminary assessment using a standard 200% declining balance on equipment and assets gives us a first year figure of \$190,000 +/- . This figure is considered our income tax deductible base and will adjust each year depending on taxable items, gross income, actual values and depreciation of assets.

Upon reviewing the next table (Profit & Loss), one should note that the company is making a profit in the first month of operation. The yearly analysis is indicated in the table below. The monthly analyses can be found in the appendix.

**Chart12: Gross Margin Yearly**



## Sample Business Plan: Entertainment Industry

**Table10: Profit and Loss**

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$3,561,108	\$3,739,163	\$5,795,703	\$6,085,488	\$6,389,763
Direct Cost of Sales	\$1,136,888	\$1,193,733	\$1,850,286	\$1,942,800	\$2,039,940
Operations Payroll	\$388,656	\$408,089	\$836,582	\$878,411	\$922,332
Known expenses	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$1,525,544	\$1,601,821	\$2,686,868	\$2,821,211	\$2,962,272
Gross Margin	\$2,035,564	\$2,137,342	\$3,108,836	\$3,264,277	\$3,427,491
Gross Margin %	57.16%	57.16%	53.64%	53.64%	53.64%
Operating Expenses					
Sales and Marketing Expenses					
Sales and Marketing Payroll	\$55,200	\$57,960	\$60,858	\$63,901	\$67,096
Advertising/Promotion	\$18,000	\$18,900	\$29,295	\$30,760	\$32,298
Travel	\$1,800	\$1,890	\$2,930	\$3,076	\$3,230
Miscellaneous	\$6,000	\$6,300	\$9,765	\$10,253	\$10,766
Total Sales and Marketing Expenses	\$81,000	\$85,050	\$102,848	\$107,990	\$113,389
Sales and Marketing %	2.27%	2.27%	1.77%	1.77%	1.77%
General and Administrative Expenses					
General and Administrative Payroll	\$171,120	\$179,676	\$326,605	\$342,935	\$360,082
Sales and Marketing and Other Expenses	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0	\$0
Utilities	\$14,400	\$15,120	\$23,436	\$24,608	\$25,838
Insurance	\$14,760	\$15,498	\$24,022	\$25,223	\$26,484
Telephone	\$9,600	\$10,080	\$15,624	\$16,405	\$17,225
Payroll Taxes	\$0	\$0	\$0	\$0	\$0
Other General and Administrative Expenses	\$0	\$0	\$0	\$0	\$0
Total General and Administrative Expenses	\$209,880	\$220,374	\$389,687	\$409,171	\$429,629
General and Administrative %	5.89%	5.89%	6.72%	6.72%	6.72%
Other Expenses:					
Other Payroll	\$77,280	\$81,144	\$166,345	\$174,662	\$183,396
Consultants	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$2,400	\$2,520	\$3,906	\$4,101	\$4,306
Postal Fees	\$1,800	\$1,890	\$2,930	\$3,076	\$3,230
Professional Fees	\$3,600	\$3,780	\$5,859	\$6,152	\$6,460
Housekeeping Supplies	\$12,720	\$13,356	\$20,702	\$21,737	\$22,824
Unknown	\$3,000	\$3,150	\$4,883	\$5,127	\$5,383
Bad Checks	\$600	\$630	\$977	\$1,025	\$1,077
Bank Card Fees	\$600	\$630	\$977	\$1,025	\$1,077
Business License	\$420	\$441	\$684	\$718	\$754
Facility Maintenance	\$18,000	\$18,900	\$29,295	\$30,760	\$32,298
Contract/Consultants	\$5,400	\$5,670	\$8,789	\$9,228	\$9,689
Total Other Expenses	\$125,820	\$132,111	\$245,344	\$257,611	\$270,492
Other %	3.53%	3.53%	4.23%	4.23%	4.23%
Total Operating Expenses	\$416,700	\$437,535	\$737,878	\$774,772	\$813,511
Profit Before Interest and Taxes	\$1,618,864	\$1,699,807	\$2,370,958	\$2,489,505	\$2,613,981
EBITDA	\$1,618,864	\$1,699,807	\$2,370,958	\$2,489,505	\$2,613,981
Interest Expense	\$519,346	\$489,761	\$670,033	\$839,570	\$797,376
Taxes Incurred	\$361,116	\$399,315	\$557,053	\$544,479	\$594,938
Net Profit	\$738,401	\$810,731	\$1,143,872	\$1,105,457	\$1,221,667

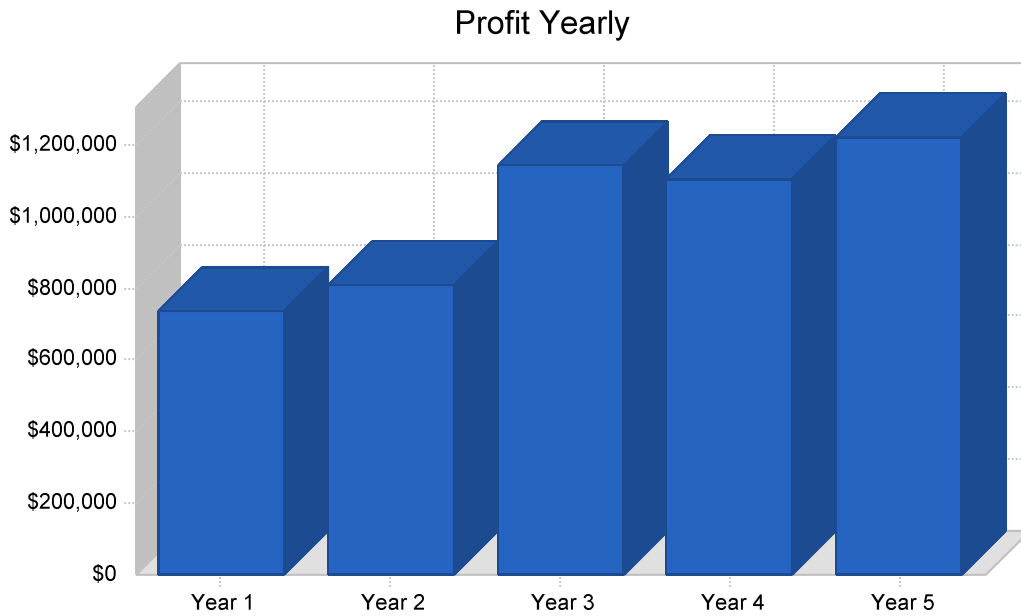
# Sample Business Plan: Entertainment Industry

Net Profit/Sales	20.74%	21.68%	19.74%	18.17%	19.12%
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**Chart13: Profit Monthly**

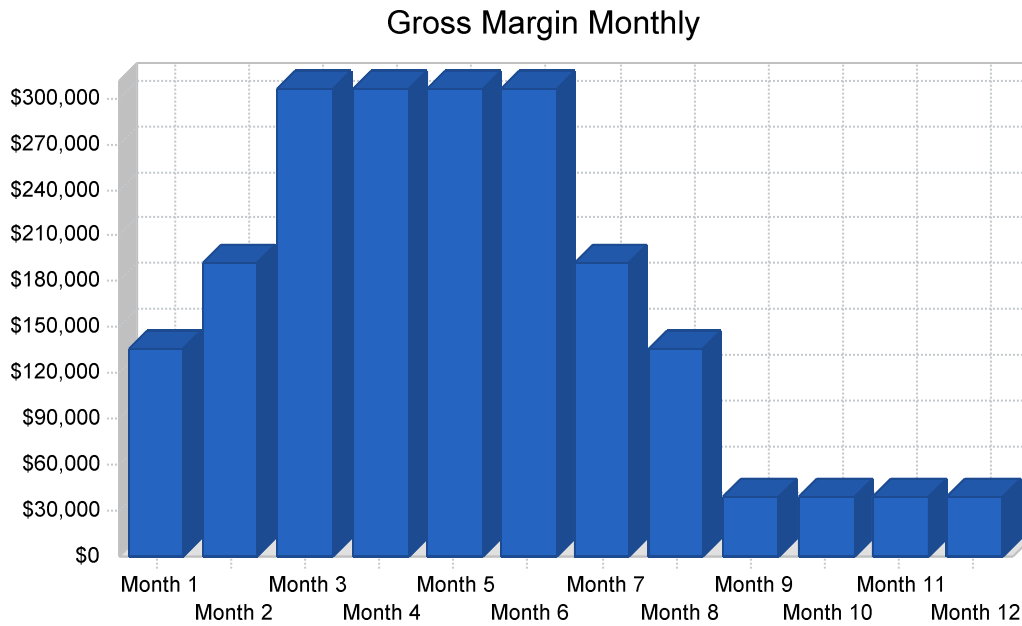


**Chart14: Profit Yearly**



# Sample Business Plan: Entertainment Industry

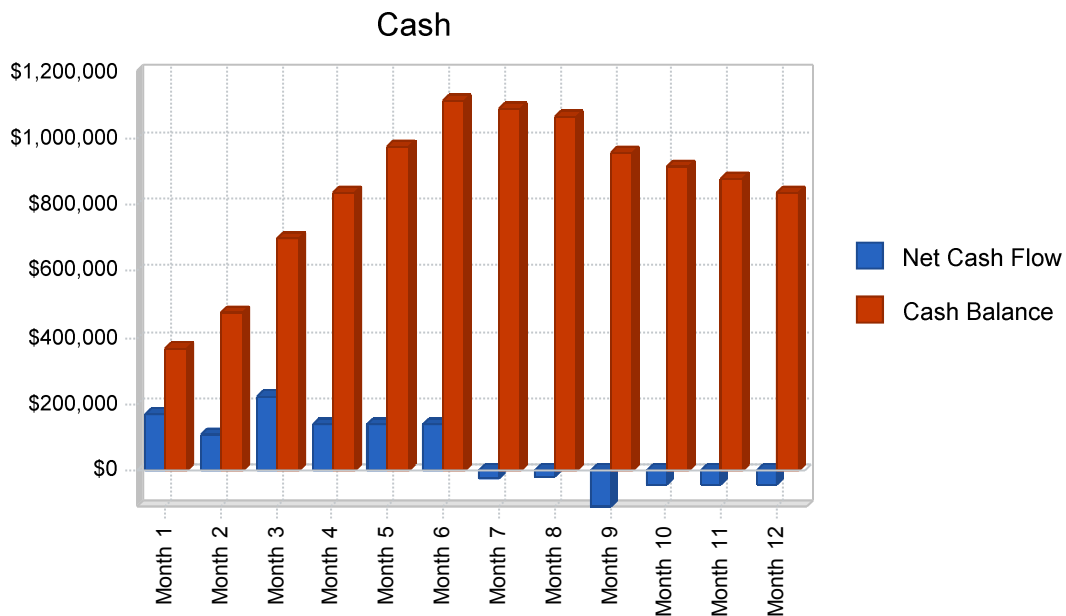
**Chart15: Gross Margin Monthly**



## 7.6 Projected Cash Flow

The company's estimated cash flow analysis is outlined in the following table, including the cost and increase in sales and profits made from Phase 2. Pioneer Pacific low overhead will ensure positive cash balance.

**Chart16: Cash**



## Sample Business Plan: Entertainment Industry

**Table11: Cash Flow**

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$3,561,108	\$3,739,163	\$5,795,703	\$6,085,488	\$6,389,763
Subtotal Cash from Operations	\$3,561,108	\$3,739,163	\$5,795,703	\$6,085,488	\$6,389,763
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$4,386,000	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$774,000	\$0	\$0
Subtotal Cash Received	\$3,561,108	\$3,739,163	\$10,955,703	\$6,085,488	\$6,389,763
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	\$692,256	\$726,869	\$1,390,390	\$1,459,909	\$1,532,905
Bill Payments	\$2,054,748	\$2,096,316	\$3,174,328	\$3,498,861	\$3,625,734
Subtotal Spent on Operations	\$2,747,004	\$2,823,185	\$4,564,718	\$4,958,770	\$5,158,639
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$117,854	\$135,758	\$163,922	\$197,927	\$67,125
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$60,434	\$65,126	\$146,052	\$161,678	\$178,607
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$774,000	\$0	\$0	\$0
Subtotal Cash Spent	\$2,925,292	\$3,798,069	\$4,874,692	\$5,318,375	\$5,404,371
Net Cash Flow	\$635,816	(\$58,905)	\$6,081,011	\$767,113	\$985,392
<b>Cash Balance</b>	<b>\$835,816</b>	<b>\$776,910</b>	<b>\$6,857,922</b>	<b>\$7,625,035</b>	<b>\$8,610,427</b>

### 7.7 Projected Balance Sheet

Estimated balance sheets for the years 2003-2008 including Phase 2 in the year 2006 are provided below.

**Table12: Balance Sheet**

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$835,816	\$776,910	\$6,857,922	\$7,625,035	\$8,610,427

## Sample Business Plan: Entertainment Industry

Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$835,816	\$776,910	\$6,857,922	\$7,625,035	\$8,610,427
Long-term Assets					
Long-term Assets	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925
Total Assets	\$5,913,741	\$5,854,835	\$11,935,847	\$12,702,960	\$13,688,352
Liabilities and Capital					
	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	\$75,702	\$180,950	\$268,064	\$289,325	\$298,783
Current Borrowing	\$772,146	\$636,388	\$472,466	\$274,539	\$207,414
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$847,848	\$817,338	\$740,530	\$563,864	\$506,197
Long-term Liabilities					
Long-term Liabilities	\$3,592,066	\$3,526,940	\$7,766,888	\$7,605,210	\$7,426,603
Total Liabilities	\$4,439,914	\$4,344,278	\$8,507,418	\$8,169,074	\$7,932,800
Paid-in Capital					
Paid-in Capital	\$965,000	\$965,000	\$1,739,000	\$1,739,000	\$1,739,000
Retained Earnings	(\$229,575)	(\$265,174)	\$545,557	\$1,689,429	\$2,794,886
Earnings	\$738,401	\$810,731	\$1,143,872	\$1,105,457	\$1,221,667
Total Capital	\$1,473,826	\$1,510,557	\$3,428,429	\$4,533,886	\$5,755,552
Total Liabilities and Capital	\$5,913,741	\$5,854,835	\$11,935,847	\$12,702,960	\$13,688,352
<b>Net Worth</b>	<b>\$1,473,826</b>	<b>\$1,510,557</b>	<b>\$3,428,429</b>	<b>\$4,533,886</b>	<b>\$5,755,552</b>

### 7.8 Business Ratios

The company's projected business ratios are provided in the table below. The final column, Industry Profile, shows significant ratios for the Amusement and Entertainment Industry.

**Table13: Ratios**

Ratio Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Industry Profile
Sales Growth	n.a.	5.00%	55.00%	5.00%	5.00%	15.20%
Percent of Total Assets						
Other Current Assets	0.00%	0.00%	0.00%	0.00%	0.00%	34.40%
Total Current Assets	14.13%	13.27%	57.46%	60.03%	62.90%	42.90%
Long-term Assets	85.87%	86.73%	42.54%	39.97%	37.10%	57.10%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Current Liabilities	14.34%	13.96%	6.20%	4.44%	3.70%	36.40%
Long-term Liabilities						
Long-term Liabilities	60.74%	60.24%	65.07%	59.87%	54.25%	23.30%
Total Liabilities	75.08%	74.20%	71.28%	64.31%	57.95%	59.70%
Net Worth	24.92%	25.80%	28.72%	35.69%	42.05%	40.30%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	57.16%	57.16%	53.64%	53.64%	53.64%	55.05%
Selling, General & Administrative Expenses	36.47%	35.48%	33.98%	35.47%	34.59%	76.60%

## Sample Business Plan: Entertainment Industry

Advertising Expenses	0.51%	0.51%	0.51%	0.51%	0.51%	2.60%
Profit Before Interest and Taxes	45.46%	45.46%	40.91%	40.91%	40.91%	2.00%
<b>Main Ratios</b>						
Current	0.99	0.95	9.26	13.52	17.01	1.17
Quick	0.99	0.95	9.26	13.52	17.01	0.75
Total Debt to Total Assets	75.08%	74.20%	71.28%	64.31%	57.95%	59.70%
Pre-tax Return on Net Worth	74.60%	80.11%	49.61%	36.39%	31.56%	102.42%
Pre-tax Return on Assets	18.59%	20.67%	14.25%	12.99%	13.27%	30.73%
<b>Additional Ratios</b>						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Net Profit Margin	20.74%	21.68%	19.74%	18.17%	19.12%	19.85%
Return on Equity	50.10%	53.67%	33.36%	24.38%	21.23%	36.53%
<b>Activity Ratios</b>						
Accounts Payable Turnover	28.14	12.17	12.17	12.17	12.17	0.00%
Payment Days	27	21	25	29	30	n.a
Total Asset Turnover	0.60	0.64	0.49	0.48	0.47	54.69%
<b>Debt Ratios</b>						
Debt to Net Worth	3.01	2.88	2.48	1.80	1.38	224.01%
Current Liab. to Liab.	0.19	0.19	0.09	0.07	0.06	8.98%
<b>Liquidity Ratios</b>						
Net Working Capital	(\$12,033)	(\$40,428)	\$6,117,392	\$7,061,171	\$8,104,230	424088221.24%
Interest Coverage	3.12	3.47	3.54	2.97	3.28	327.40%
<b>Additional Ratios</b>						
Assets to Sales	1.66	1.57	2.06	2.09	2.14	186.01%
Current Debt/Total Assets	14%	14%	6%	4%	4%	6.45%
Acid Test	0.99	0.95	9.26	13.52	17.01	1651.43%
Sales/Net Worth	2.42	2.48	1.69	1.34	1.11	180.94%
<b>Dividend Payout</b>	0.00	0.95	0.00	0.00	0.00	19.09%

## Sample Business Plan: Entertainment Industry

**Table14: Sales Forecast**

<i>Sales Forecast</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Sales</b>												
Amusement	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bumper Boats	0%	\$18,605	\$24,806	\$37,209	\$37,209	\$37,209	\$37,209	\$24,806	\$18,605	\$6,202	\$6,202	\$6,202
Mini-Golf	0%	\$33,351	\$44,467	\$66,701	\$66,701	\$66,701	\$66,701	\$44,467	\$33,351	\$11,117	\$11,117	\$11,117
Go-Carts	0%	\$85,272	\$113,695	\$170,543	\$170,543	\$170,543	\$170,543	\$113,695	\$85,272	\$28,424	\$28,424	\$28,424
Gaming Center	0%	\$2,756	\$3,675	\$5,512	\$5,512	\$5,512	\$5,512	\$3,675	\$2,756	\$919	\$919	\$919
Sky Coaster	0%	\$11,025	\$14,700	\$22,050	\$22,050	\$22,050	\$22,050	\$14,700	\$11,025	\$3,675	\$3,675	\$3,675
Batting Cages	0%	\$10,336	\$13,781	\$20,671	\$20,671	\$20,671	\$20,671	\$13,781	\$10,336	\$3,445	\$3,445	\$3,445
Climbing Walls	0%	\$3,652	\$4,869	\$7,304	\$7,304	\$7,304	\$7,304	\$4,869	\$3,652	\$2,435	\$2,435	\$2,435
Air/Foosball	0%	\$1,194	\$1,592	\$2,388	\$2,388	\$2,388	\$2,388	\$1,592	\$1,194	\$796	\$796	\$796
Souvenirs	0%	\$1,838	\$2,450	\$3,675	\$3,675	\$3,675	\$3,675	\$2,450	\$1,838	\$1,225	\$1,225	\$1,225
Party Rooms	0%	\$30,016	\$40,021	\$60,031	\$60,031	\$60,031	\$60,031	\$40,021	\$30,016	\$20,010	\$20,010	\$20,010
Food & Drinks	0%	\$48,234	\$64,312	\$96,468	\$96,468	\$96,468	\$96,468	\$64,312	\$48,234	\$32,156	\$32,156	\$32,156
<b>Total Sales</b>		<b>\$246,276</b>	<b>\$328,368</b>	<b>\$492,552</b>	<b>\$492,552</b>	<b>\$492,552</b>	<b>\$492,552</b>	<b>\$328,368</b>	<b>\$246,276</b>	<b>\$110,403</b>	<b>\$110,403</b>	<b>\$110,403</b>
<b>Direct Cost of Sales</b>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Amusement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bumper Boats	\$4,651	\$6,202	\$9,302	\$9,302	\$9,302	\$9,302	\$6,202	\$4,651	\$1,550	\$1,550	\$1,550	\$1,550
Mini-Golf	\$5,003	\$6,670	\$10,005	\$10,005	\$10,005	\$10,005	\$6,670	\$5,003	\$1,668	\$1,668	\$1,668	\$1,668
Go-Carts	\$21,318	\$28,424	\$42,636	\$42,636	\$42,636	\$42,636	\$28,424	\$21,318	\$7,106	\$7,106	\$7,106	\$7,106
Gaming Center	\$1,378	\$1,837	\$2,756	\$2,756	\$2,756	\$2,756	\$1,837	\$1,378	\$459	\$459	\$459	\$459
Sky Coaster	\$2,756	\$3,675	\$5,513	\$5,513	\$5,513	\$5,513	\$3,675	\$2,756	\$919	\$919	\$919	\$919
Batting Cages	\$1,550	\$2,067	\$3,101	\$3,101	\$3,101	\$3,101	\$2,067	\$1,550	\$517	\$517	\$517	\$517
Climbing Walls	\$913	\$1,217	\$1,826	\$1,826	\$1,826	\$1,826	\$1,217	\$913	\$609	\$609	\$609	\$609
Air/Foosball	\$179	\$239	\$358	\$358	\$358	\$358	\$239	\$179	\$119	\$119	\$119	\$119
Souvenirs	\$459	\$613	\$919	\$919	\$919	\$919	\$613	\$459	\$306	\$306	\$306	\$306
Party Rooms	\$15,008	\$20,010	\$30,016	\$30,016	\$30,016	\$30,016	\$20,010	\$15,008	\$10,005	\$10,005	\$10,005	\$10,005
Food & Drinks	\$24,117	\$32,156	\$48,234	\$48,234	\$48,234	\$48,234	\$32,156	\$24,117	\$16,078	\$16,078	\$16,078	\$16,078
<b>Subtotal Direct Cost of Sales</b>	<b>\$77,332</b>	<b>\$103,110</b>	<b>\$154,665</b>	<b>\$154,665</b>	<b>\$154,665</b>	<b>\$154,665</b>	<b>\$103,110</b>	<b>\$77,332</b>	<b>\$39,336</b>	<b>\$39,336</b>	<b>\$39,336</b>	<b>\$39,336</b>

**Table15: Personnel**

<i>Personnel Plan</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Operations Personnel</b>												
John A	100%	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932
John B	100%	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932
John C	100%	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932	\$1,932
John D	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John E	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John F	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John G	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John H	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John I	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John J	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John K	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John L	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John M	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John N	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John O	100%	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
John P	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
John Q	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
John R	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564

## Sample Business Plan: Entertainment Industry

John S	100%	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
John T	100%	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
John U	100%	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
Subtotal		\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388
Sales and Marketing Personnel													
Darren Strebrel	100%	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
Other	100%	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
Subtotal		\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600
General and Administrative Personnel													
Joe Hull	100%	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404
Rod Schaffer	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
Restaurant Manager	100%	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404	\$3,404
Laura Strebrel	100%	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748
Mark Bergman	100%	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140	\$4,140
Subtotal		\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260
Other Personnel													
Jack A	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
Jack B	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
Jack C	100%	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748	\$1,748
Sara A	100%	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564	\$1,564
Subtotal		\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440
Total People		32	32	32	32	32	32	32	32	32	32	32	32
<b>Total Payroll</b>		<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>	<b>\$57,688</b>

**Table16: General Assumptions**

General Assumptions	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%	33.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

**Table17: Profit and Loss**

Pro Forma Profit and Loss	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$246,276	\$328,368	\$492,552	\$492,552	\$492,552	\$492,552	\$328,368	\$246,276	\$110,403	\$110,403	\$110,403	\$110,403
Direct Cost of Sales	\$77,332	\$103,110	\$154,665	\$154,665	\$154,665	\$154,665	\$103,110	\$77,332	\$39,336	\$39,336	\$39,336	\$39,336
Operations Payroll	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388	\$32,388
Known expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$109,720	\$135,498	\$187,053	\$187,053	\$187,053	\$187,053	\$135,498	\$109,720	\$71,724	\$71,724	\$71,724	\$71,724
Gross Margin	\$136,556	\$192,870	\$305,499	\$305,499	\$305,499	\$305,499	\$192,870	\$136,556	\$38,679	\$38,679	\$38,679	\$38,679
Gross Margin %	55.45%	58.74%	62.02%	62.02%	62.02%	62.02%	58.74%	55.45%	35.03%	35.03%	35.03%	35.03%
Operating Expenses												

## Sample Business Plan: Entertainment Industry

<b>Sales and Marketing Expenses</b>												
Sales and Marketing Payroll	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600
Advertising/Promotion	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Travel	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Miscellaneous	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
<b>Total Sales and Marketing Expenses</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>	<b>\$6,750</b>
Sales and Marketing %	2.74%	2.06%	1.37%	1.37%	1.37%	1.37%	2.06%	2.74%	6.11%	6.11%	6.11%	6.11%
<b>General and Administrative Expenses</b>												
General and Administrative Payroll	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260	\$14,260
Sales and Marketing and Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Insurance	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230	\$1,230
Telephone	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Payroll Taxes	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other General and Administrative Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total General and Administrative Expenses</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>	<b>\$17,490</b>
General and Administrative %	7.10%	5.33%	3.55%	3.55%	3.55%	3.55%	5.33%	7.10%	15.84%	15.84%	15.84%	15.84%
<b>Other Expenses:</b>												
Other Payroll	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440	\$6,440
Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Postal Fees	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Professional Fees	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Housekeeping Supplies	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060
Unknown	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Bad Checks	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Bank Card Fees	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Business License	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35
Facility Maintenance	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Contract/Consultants	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
<b>Total Other Expenses</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>	<b>\$10,485</b>
Other %	4.26%	3.19%	2.13%	2.13%	2.13%	2.13%	3.19%	4.26%	9.50%	9.50%	9.50%	9.50%
<b>Total Operating Expenses</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>	<b>\$34,725</b>
<b>Profit Before Interest and Taxes</b>	<b>\$101,831</b>	<b>\$158,145</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$158,145</b>	<b>\$101,831</b>	<b>\$3,954</b>	<b>\$3,954</b>	<b>\$3,954</b>	<b>\$3,954</b>
<b>EBITDA</b>	<b>\$101,831</b>	<b>\$158,145</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$270,774</b>	<b>\$158,145</b>	<b>\$101,831</b>	<b>\$3,954</b>	<b>\$3,954</b>	<b>\$3,954</b>	<b>\$3,954</b>
Interest Expense	\$44,347	\$44,162	\$43,974	\$43,783	\$43,590	\$43,395	\$43,196	\$42,994	\$42,790	\$42,583	\$42,373	\$42,160
Taxes Incurred	\$17,245	\$37,615	\$74,844	\$74,907	\$74,971	\$75,035	\$37,933	\$19,416	(\$12,816)	(\$12,748)	(\$12,678)	(\$12,608)
<b>Net Profit</b>	<b>\$40,239</b>	<b>\$76,369</b>	<b>\$151,956</b>	<b>\$152,084</b>	<b>\$152,213</b>	<b>\$152,344</b>	<b>\$77,016</b>	<b>\$39,420</b>	<b>(\$26,020)</b>	<b>(\$25,882)</b>	<b>(\$25,741)</b>	<b>(\$25,598)</b>

## Sample Business Plan: Entertainment Industry

<b>Net Profit/Sales</b>	16.34%	23.26%	30.85%	30.88%	30.90%	30.93%	23.45%	16.01%	-23.57%	-23.44%	-23.32%	-23.19%
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**Table18: Cash Flow**

<i>Pro Forma Cash Flow</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Cash Received</b>												
Cash from												
Cash Sales	\$246,276	\$328,368	\$492,552	\$492,552	\$492,552	\$492,552	\$328,368	\$246,276	\$110,403	\$110,403	\$110,403	\$110,403
Subtotal Cash from	\$246,276	\$328,368	\$492,552	\$492,552	\$492,552	\$492,552	\$328,368	\$246,276	\$110,403	\$110,403	\$110,403	\$110,403
<b>Additional Cash</b>												
Sales Tax, VAT, New Current	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash	\$246,276	\$328,368	\$492,552	\$492,552	\$492,552	\$492,552	\$328,368	\$246,276	\$110,403	\$110,403	\$110,403	\$110,403
<b>Expenditures</b>												
Expenditures from												
Cash Spending	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688	\$57,688
Bill Payments	\$4,945	\$149,881	\$197,264	\$282,903	\$282,776	\$282,646	\$279,558	\$192,181	\$146,820	\$78,731	\$78,592	\$78,451
Subtotal Spent on	\$62,633	\$207,569	\$254,952	\$340,591	\$340,464	\$340,334	\$337,246	\$249,869	\$204,508	\$136,419	\$136,280	\$136,139
<b>Additional Cash</b>												
Sales Tax, VAT, Principal Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities		\$4,809	\$4,850	\$4,890	\$4,931	\$4,972	\$5,013	\$5,055	\$5,097	\$5,140	\$5,182	\$5,226
Purchase Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$76,437	\$221,556	\$269,124	\$354,951	\$355,014	\$355,077	\$352,185	\$265,007	\$219,848	\$151,962	\$152,031	\$152,100
<b>Net Cash Flow</b>	\$169,839	\$106,812	\$223,428	\$137,601	\$137,538	\$137,475	(\$23,817)	(\$18,731)	(\$109,445)	(\$41,559)	(\$41,628)	(\$41,697)
<b>Cash Balance</b>	\$369,839	\$476,651	\$700,079	\$837,679	\$975,217	\$1,112,692	\$1,088,875	\$1,070,144	\$960,699	\$919,140	\$877,513	\$835,816

**Table19: Balance Sheet**

<i>Pro Forma Balance Sheet</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>												
Starting Balances												
<b>Current Assets</b>												
Cash	\$200,000	\$369,839	\$476,651	\$700,079	\$837,679	\$975,217	\$1,112,692	\$1,088,875	\$1,070,144	\$960,699	\$919,140	\$877,513
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Current</b>	\$200,000	\$369,839	\$476,651	\$700,079	\$837,679	\$975,217	\$1,112,692	\$1,088,875	\$1,070,144	\$960,699	\$919,140	\$877,513

## Sample Business Plan: Entertainment Industry

Assets													
Long-term Assets													
Long-term Assets	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925	\$5,077,925
Total Assets	\$5,277,925	\$5,447,764	\$5,554,576	\$5,778,004	\$5,915,604	\$6,053,142	\$6,190,617	\$6,166,800	\$6,148,069	\$6,038,624	\$5,997,065	\$5,955,438	\$5,913,741
Liabilities and Capital													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	\$0	\$143,404	\$187,834	\$273,477	\$273,354	\$273,229	\$273,102	\$187,209	\$144,196	\$76,111	\$75,977	\$75,840	\$75,702
Current Borrowing	\$890,000	\$881,005	\$871,868	\$862,586	\$853,157	\$843,579	\$833,849	\$823,965	\$813,924	\$803,724	\$793,363	\$782,838	\$772,146
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$890,000	\$1,024,409	\$1,059,702	\$1,136,063	\$1,126,511	\$1,116,808	\$1,106,951	\$1,011,174	\$958,120	\$879,835	\$869,340	\$858,678	\$847,848
Long-term Liabilities	\$3,652,500	\$3,647,691	\$3,642,841	\$3,637,951	\$3,633,020	\$3,628,048	\$3,623,035	\$3,617,980	\$3,612,883	\$3,607,743	\$3,602,561	\$3,597,335	\$3,592,066
Total Liabilities	\$4,542,500	\$4,672,100	\$4,702,543	\$4,774,014	\$4,759,531	\$4,744,856	\$4,729,986	\$4,629,154	\$4,571,003	\$4,487,578	\$4,471,901	\$4,456,013	\$4,439,914
Paid-in Capital	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000	\$965,000
Retained Earnings	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)	(\$229,575)
Earnings	\$0	\$40,239	\$116,608	\$268,564	\$420,648	\$572,861	\$725,205	\$802,221	\$841,642	\$815,621	\$789,740	\$763,999	\$738,401
Total Capital	\$735,425	\$775,664	\$852,033	\$1,003,989	\$1,156,073	\$1,308,286	\$1,460,630	\$1,537,646	\$1,577,067	\$1,551,046	\$1,525,165	\$1,499,424	\$1,473,826
Total Liabilities and Capital	\$5,277,925	\$5,447,764	\$5,554,576	\$5,778,004	\$5,915,604	\$6,053,142	\$6,190,617	\$6,166,800	\$6,148,069	\$6,038,624	\$5,997,065	\$5,955,438	\$5,913,741
<b>Net Worth</b>	\$735,425	\$775,664	\$852,033	\$1,003,989	\$1,156,073	\$1,308,286	\$1,460,630	\$1,537,646	\$1,577,067	\$1,551,046	\$1,525,165	\$1,499,424	\$1,473,826