

Cover Page

Blanc Beauty Salon Hair and Nail

Grooming for the *Distinguished Gentleman and Ladies*

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Upon request, this document is to be immediately returned to *Norcibien Monhomme*.

Norcibien Monhomme
Signature

NORCIBIEN MONHOMME
Name (typed or printed)

8-14-2023

Date

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

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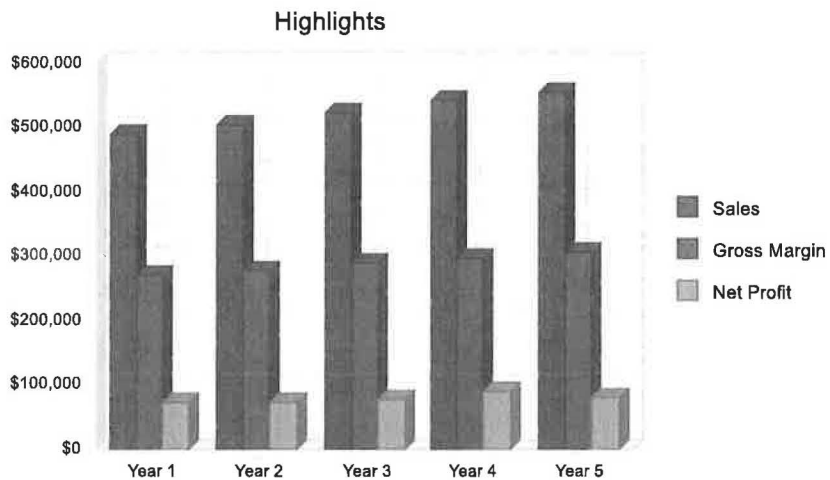
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1.0 Executive Summary

Blanc Beauty Salon Hair and Nail is an upscale old-world Beauty Salon that offers today's progressive Ladies and gentlemen a haven where he/she can sit back, relax and experience the "World Class" art of grooming and services in a welcoming atmosphere, which is calming and therapeutic. Blanc Beauty Salon Hair and Nail is aimed at an exclusive market and a discerning customer base, and will add tremendous value to our community while offering a combination of "World Class Services" not currently being offered by any competitor in the greater Delray Beach area. We intend to be profitable by increasing our client base through becoming a highly sought after personal grooming experience.

Our goal, beyond becoming a profitable business, is becoming a trusted venue whereby the clients in our community can come to refresh their minds and bodies, replenish their energies, and network with their colleagues and friends!

Chart: Highlights



1.1 Objectives

The objectives for Blanc Beauty Salon Hair and Nail are outlined below:

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1. To create a service-based company whose goal is to exceed customer's expectations.
2. Sales increase substantially by end of Year 1 and continue to consistently increase revenue every year.
3. To increase the number of clients services by at least 50% in year one and 20% each year thereafter through superior performance, local advertising and word-of mouth referrals.
4. Have a clientele return rate of 90% by end of Year 1.
5. Become an established community destination by end of Year 1.

1.2 Mission

Blanc Beauty Salon Hair and Nail will provide a comforting, yet stimulating, old world Beauty salon atmosphere in which customers will be able to relax both their body and mind, through a wide range of services. Blanc Beauty Salon Hair and Nail will establish itself as an affordable service provider to which clients can always come to escape the stresses of life, and rejuvenate their energies, enjoy the camaraderie of their colleagues and friends.

1.3 Keys to Success

The keys to success in our business are:

1. **Environment:** Providing an environment conducive to giving relaxing and professional service.
2. **Convenience:** Offering clients a wide range of services in one setting, and extended business hours.
3. **Reputation:** Reputation of the owner and staff as providing superior personal service.
4. **Effective advertising:** Advertising in the local service area.

2.0 Company Summary

Blanc Beauty Salon Hair and Nail is a full-service Beauty Salon dedicated to consistently providing world class men and women grooming services to our clients, high quality products while furnishing an enjoyable relaxing atmosphere at an acceptable price/value relationship.

Our Motto: "World Class Service Begins Here"

The company was previously established in the City of Delray Beach as a men's only barber shop. The owner has decided to capitalize on his reputation of providing great and affordable service in the local community and will now open a newly renovated beauty salon. The timing is right for this expansion. The owner has changed the name of the company to better identify with the new market. The previous company name was Blanc Fresh Cut Barber Shop will now be Blanc Beauty Salon Hair and Nail.

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2.1 Company Ownership

Blanc Beauty Salon Hair and Nail is a privately held S corporation co-owned by Norcibien Monhomme. Norcibien Monhomme has 15 years experience in the hair and spa industry. He studied in the U.S. and the Caribbean and continues to stay on top of the latest styles, trends and products. Norcibien has worked as a stylist, then as a manager - managing 16 stylists in a prestigious upscale salon.

To achieve our objectives, Blanc Beauty Salon Hair and Nail is seeking a financial grant.. This loan will be paid from the cash flow from the business, and will be secured by the assets of the company, and backed by the character, experience and personal guarantees of the owner.

2.2 Company History

Norcibien Monhomme has been serving the community of Delray Beach for over 10 years. He operated a men only barber shop in Delray Beach. The owner decided to expand the services offered and renovate the space where more services will be offered.

3.0 Products and Services

Blanc Beauty Salon Hair and Nail is considered an upscale full-service barber shop - services exclusively for men. We offer our clients a gentleman's club atmosphere, with a complimenting wide range of services and products that include:

Services:

1. Hair: Braiding
2. Nails: Manicures, pedicures
3. Men's Services: Traditional straight razor shaves, hot towels, and balm treatment

Products:

1. Men: Shave creams, soap, bath oils, shaving accessories exclusively for men
2. Women: Nail products, nail polish, hair accessories

Explanations and/or consultations will be provided on all services and products if needed. 4.0 Market Analysis Summary

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Blanc Beauty Salon Hair and Nail will focus on servicing young boys, professional men and women. An Internet study revealed that 85% of professional men had personal hair grooming services performed during the workday. The space Delray Beach's on the avenue fits the demographics for our business.

4.1 Market Segmentation

Our target market will be a Beauty Salon Hair and Nail shop services for men, women, and young boys and girls. Based on our Internet survey, 80% of our services will be associated with barbering, 15% will come from hair braiding and nail service; and 5% will come from products. Thus, our target market will be male and women professionals and retirees, from the age of 25, with individual and household incomes greater than \$35,000.

The following table and chart depict our potential customers with a conservative annual growth rate of 4%. The annual growth rate for the area has been 7.5% since 1990.

Table: Market Analysis

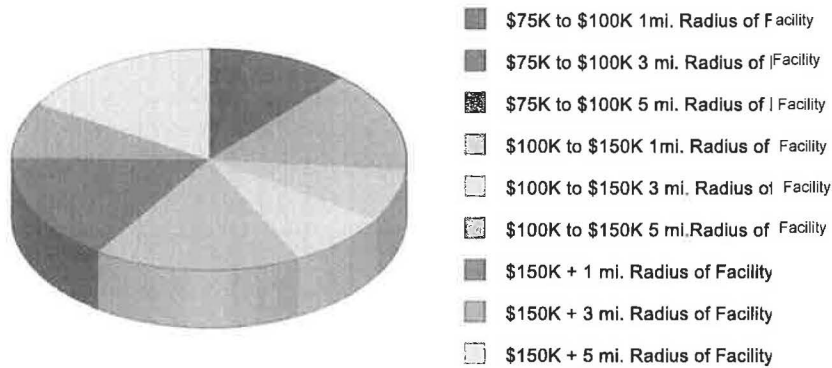
Market Analysis		2019	2020	2021	2022	2023	
Potential Customers	Growth						CAGR
\$75K to \$100K 1mi. Radius of Facility	4%	3,816	3,969	4,128	4,293	4,465	4.00%
\$75K to \$100K 3 mi. Radius of Facility	4%	10,403	10,819	11,252	11,702	12,170	4.00%
\$75K to \$100K 5 mi. Radius of Facility	4%	18,140	18,866	19,621	20,406	21,222	4.00%
\$100K to \$150K 1mi. Radius of Facility	4%	9,352	9,726	10,115	10,520	10,941	4.00%
\$100K to \$150K 3 mi. Radius of Facility	4%	10,224	10,633	11,058	11,500	11,960	4.00%
\$100K to \$150K 5 mi. Radius of Facility	4%	20,540	21,362	22,216	23,105	24,029	4.00%
\$150K + 1 mi. Radius of Facility	4%	19,432	20,209	21,017	21,858	22,732	4.00%

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\$150K + 3 mi. Radius of Facility	4%	10,045	10,447	10,865	11,300	11,752	4.00%
\$150K + 5 mi. Radius of Facility	4%	20,229	21,038	21,880	22,755	23,665	4.00%
Total	4.00%	122,181	127,069	132,152	137,439	142,936	4.00%

Chart: Market Analysis (Pie)

Market Analysis (Pie)



4.2 Target Market Segment Strategy

The members of these market segments have discretionary money on hand, and lead professional lives filled with very busy schedules. All persons usually need hairstyling regardless of income level, and make the effort to find money available to style their "look."

4.3 Service Business Analysis

We are part of the retail health and beauty industry which has four major types:

1. **Salons:** Stores with only hair styling services and products.
2. **Day Spas:** Stores specializing in body health maintenance through a variety of services and products.
3. **Day Spa & Salon:** Stores combining the services of the two aforementioned.

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4. **Health & Beauty Products:** Stores selling only merchandise product covering the wide range of products available but not inclusive of those sold by salons and spas.

The industry is now starting to realize that the traditional barber shop needs to offer additional services to fit the needs of the whole family. The ability and convenience of servicing all members of a family greatly affect the increase in sales. Research shows that when the children are with their parent during their grooming service, the average sale is 25% greater than if each member of the family is serviced individually.

4.3.1 Competition and Buying Patterns

Clients choose personal grooming services based on proximity to their daily travels from home and work, reputation for high quality service, and good pricing. With our combined services and catering to the whole family, we don't feel we have competition. Any competition will mainly be from unisex salons or combination unisex spa-salons.

5.0 Strategy and Implementation Summary

1. **Emphasize quality, originality, and "World Class Service".** We will differentiate ourselves from our competitors by offering a staff of practitioners who are not only certified in their professions, but will be trained in understanding the dynamics of customer service so as to maximize the connection to their clients and more easily meet their clients expectations.
2. **We will provide a unique atmosphere.** From our professional staff to our ambience of our shop, Blanc Beauty Salon Hair and Nail will distinguish itself as a completely trustworthy and soothing setting where clients can enjoy being pampered, escape the stress of their everyday lives and enjoy the camaraderie of friends and colleagues.
3. **Build a community/corporate relationship-oriented business.** We will focus on strengthening the trust of our customer base, and providing not only services, but information that will aid everyone in the progression of obtaining a balanced and healthy lifestyle.

5.2 Competitive Edge

Our competitive edge is a combination of our unique services, outstanding location, and our interaction with our clients. By providing our clients a "high class" atmosphere and provide world class services, we build relationships of trust and satisfaction. Our clients will come to depend on our unique services and fulfilling environment.

5.3 Marketing Strategy

Our marketing strategy is the key to our success:

1. Emphasize our name and unique services and environment through advertising.
2. Focus on the convenience of our location.

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3. Build community relationships and corporate relationships through unique and quality service, a friendly caring atmosphere, and delivering world class service.

5.4 Sales Strategy

1. Our umbrella sales strategy is to sell Blanc Beauty Salon Hair and Nail to the whole family as a uniquely desirable destination that is convenient and affordable.
2. We will sell Blanc Beauty Salon Hair and Nail through each employee's skill, courtesy, and warmth, creating a trusting impression on all clients, and establishing loyalty and return visits. We will ensure each visit to Blanc Beauty Salon air and Nail is a relaxing and memorable experience, so that clients can always depend on our brand of service when they arrive.

5.4.1 Sales Forecast

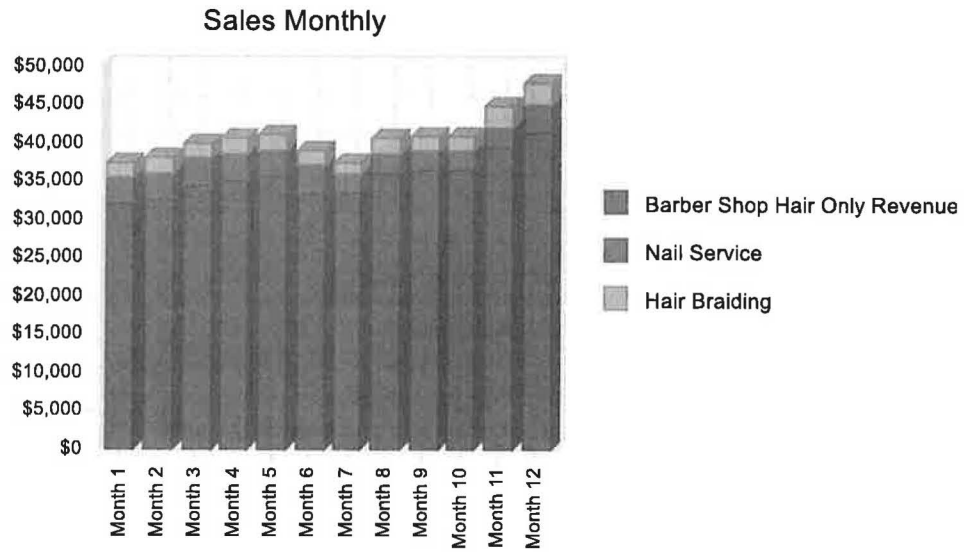
The important elements of the Sales Forecasts are shown in the chart and table below. Initial sales forecast indicate first year revenue of \$489,600 increasing to \$503,000 by the end of the second year, then \$524,000 by the end of the third year. These figures are based on revenue from minimum average estimates from barber shop hair styles and additional services, with sales costs reflective of the 40% commission earnings to each barber/therapist.

Table: Sales Forecast

<i>Sales Forecast</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Sales					
Barber Shop Hair Only Revenue	\$426,550	\$436,000	\$450,000	\$460,000	\$465,000
Nail Service	\$37,750	\$40,000	\$45,000	\$50,000	\$55,000
Hair Braiding	\$25,300	\$27,000	\$29,000	\$31,000	\$35,000
Total Sales	\$489,600	\$503,000	\$524,000	\$541,000	\$555,000
Direct Cost of Sales					
Barber Shop Hair Cut- Labor	\$170,620	\$174,400	\$180,000	\$184,000	\$186,000
Nail Service- Labor	\$15,100	\$16,000	\$18,000	\$20,000	\$22,000
Hair Braiding- Labor	\$10,120	\$10,800	\$11,600	\$12,400	\$14,000
Shop Supplies	\$24,480	\$25,150	\$26,200	\$27,050	\$27,750
Subtotal Direct Cost of Sales	\$220,320	\$226,350	\$235,800	\$243,450	\$249,750

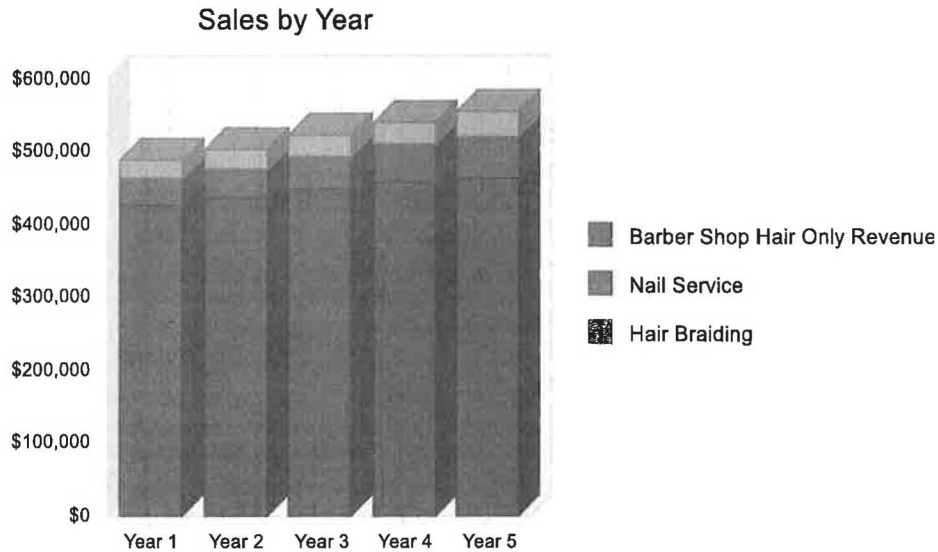
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Chart: Sales Monthly



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Chart: Sales by Year



5.5 Milestones

The following table lists important store milestones, with dates, implementation duty, and budgets for each. The milestone schedule emphasizes the timeliness for implementation per the sales and marketing targets listed in the detail in the previous topics.

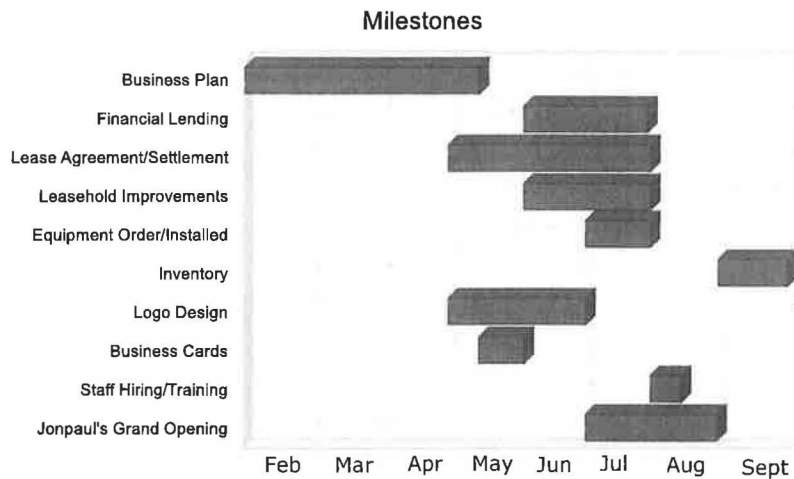
Table: Milestones

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Business Plan	2/16/2016	12/15/2016	\$750	Monhomme	Owners
Financial Lending	3/4/2016	2/29/2016	\$0	Monhomme	Owners
Lease Agreement/Settlement	2/16/2016	3/1/2017	\$0	Monhomme	Owners
Leasehold Improvements	3/4/2016	6/1/2016	\$46,000	Monhomme	Owners
Equipment Order/Installed	2/16/2016	3/1/2016	\$15,000	Monhomme	Owners
Inventory	4/1/2016	5/2/2016	\$3,000	Monhomme	Owners

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Logo Design	2/16/2016	4/1/2016	\$500	Monhomme	Owners
Business Cards	2/10/2016	3/4/2016	\$200	Monhomme	Owners
Staff Hiring/Training	3/1/2016	3/15/2016	\$0	Monhomme	Owners
Grand Opening	2/10/2016	3/31/2016	\$500	Monhomme	Owners
Totals			\$65,950		

Chart: Milestones



6.0 Management Summary

The management philosophy of Blanc Beauty Salon Hair and Nail is based on respect for each of our fellow employees, respect for every client, and individual responsibility. Blanc Beauty Salon hair and Nail success is dependent on the warmth and uniqueness of its atmosphere which is generated by a fun-loving and caring employees. The management team will consist of the owner, and assistant manager (if deemed necessary). We will hire only those who demonstrate the qualities necessary for working in a professional environment, and the willingness to move forward in continuing education. We will be hiring the ultimate "people persons" to provide world class service.

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7.0 Financial Plan

The premier element in our financial plan is initiating, maintaining, and improving the factors that create, stabilize, and increase our cash flow:

1. We must create visibility so as to create customer flow.
2. We must maintain a dependable, cheerful employee force so as to minimize turnover.
3. Create a brisk turnaround on our retail products, always maintaining viable stock levels.

7.1 Important Assumptions

The key underlying assumptions of our financial plan shown in the following general assumption table are:

1. We assume access to equity capital and financing to support our financial plan.
2. We assume our financial progress based on realistic sales to minimum sales against highest expenses.
3. We assume there will not be an economic crash that would greatly hinder our target market's access to their personal luxury finds.

7.2 Break-even Analysis

For our Break-even Analysis we assume monthly estimated operational costs which include payroll, rent, utilities and other running costs (not including employee draw fund considerations).

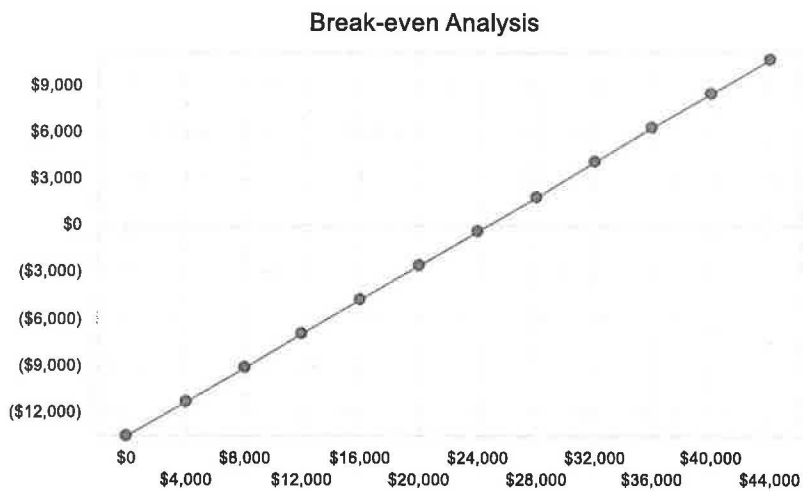
The analysis shows that we need to generate monthly revenues, as shown below, to break even. This total is less than estimated monthly gross. This estimation does not include revenue from any other sources and is based on a barber shop client average of \$25 and miscellaneous services average of \$30. Our yearly average per client is estimated at \$38. Considering our minimal assumptions show a monthly total client average of 1,063, we therefore believe our break-even figures can be readily maintained.

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Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$24,586
Assumptions:	
Average Percent Variable Cost	45%
Estimated Monthly Fixed Cost	\$13,522

Chart: Break-even Analysis



7.3 Projected Profit and Loss

There are two important assumptions with our Projected Profit and Loss statement:

1. Our revenue is based on minimum estimated averages against highest expense expectations.
2. Our major expense of rent and utilities is fixed for the next five years.

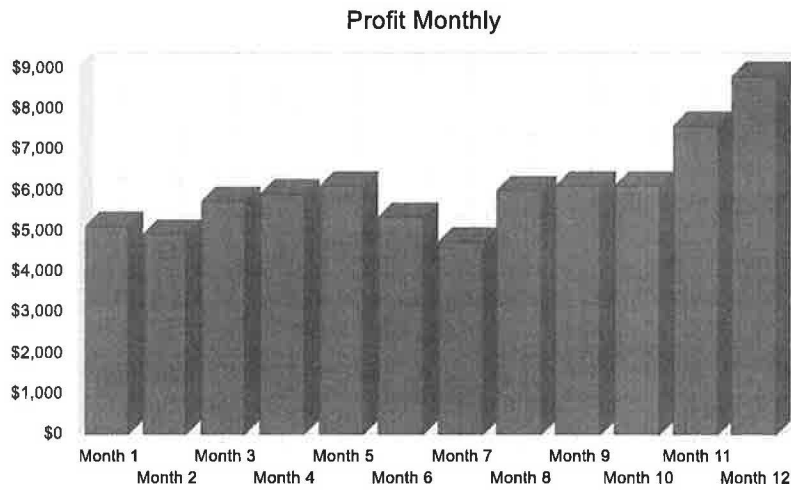
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Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$489,600	\$503,000	\$524,000	\$541,000	\$555,000
Direct Cost of Sales	\$220,320	\$226,350	\$235,800	\$243,450	\$249,750
Other Costs of Goods	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$220,320	\$226,350	\$235,800	\$243,450	\$249,750
Gross Margin	\$269,280	\$276,650	\$288,200	\$297,550	\$305,250
Gross Margin %	55.00%	55.00%	55.00%	55.00%	55.00%
Expenses					
Payroll	\$45,100	\$45,700	\$50,500	\$41,100	\$57,500
Sales and Marketing and Other Expenses	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Depreciation	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Leased Equipment	\$0	\$0	\$0	\$0	\$0
Utilities	\$9,000	\$13,000	\$15,000	\$17,000	\$19,000
Insurance	\$7,800	\$8,500	\$9,000	\$9,500	\$10,000
Rent	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Payroll Taxes	\$6,765	\$6,855	\$7,575	\$6,165	\$8,625
Licenses and Fees	\$3,600	\$4,500	\$4,500	\$4,500	\$4,500
Total Operating Expenses	\$162,265	\$170,055	\$178,075	\$169,765	\$191,125
Profit Before Interest and Taxes	\$107,015	\$106,595	\$110,125	\$127,785	\$114,125
EBITDA	\$107,015	\$108,095	\$111,625	\$129,285	\$115,625
Interest Expense	\$3,589	\$2,420	\$1,200	\$295	\$0
Taxes Incurred	\$31,028	\$31,252	\$32,677	\$38,247	\$34,237
Other Income					
Interest Income	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0	\$0
Other Expense					
Account Name	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0
Total Other Expense	\$0	\$0	\$0	\$0	\$0
Net Other Income	\$0	\$0	\$0	\$0	\$0
Net Profit	\$72,398	\$72,922	\$76,247	\$89,243	\$79,887
Net Profit/Sales	14.79%	14.50%	14.55%	16.50%	14.39%

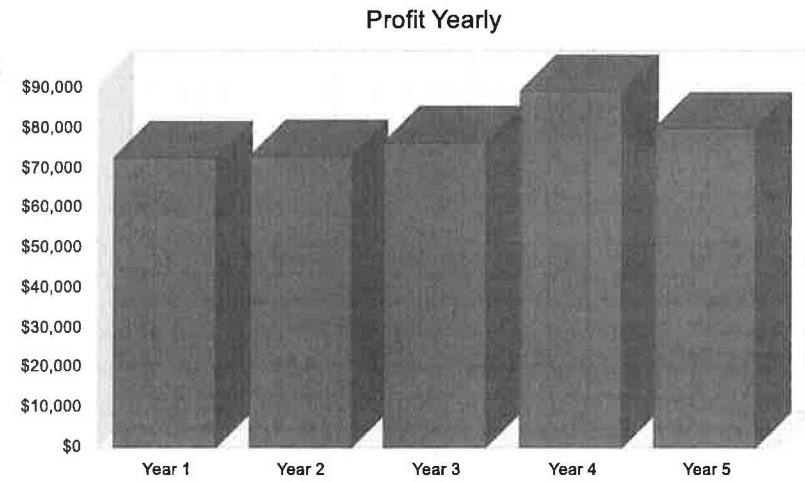
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Chart: Profit Monthly



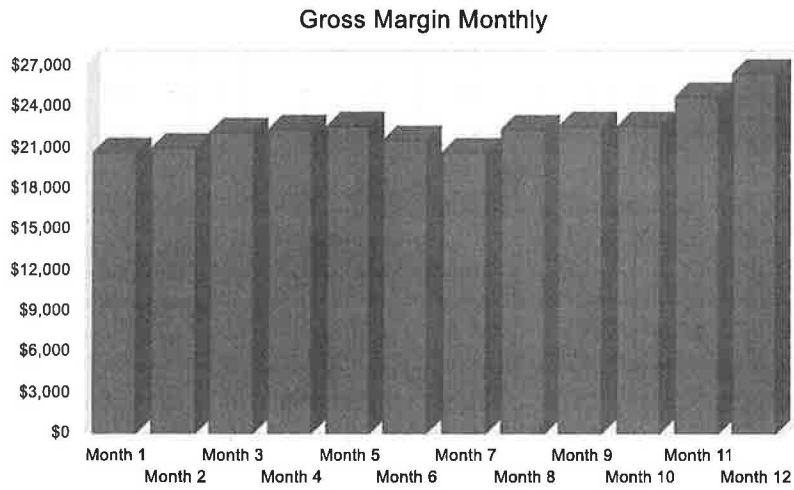
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Chart: Profit Yearly



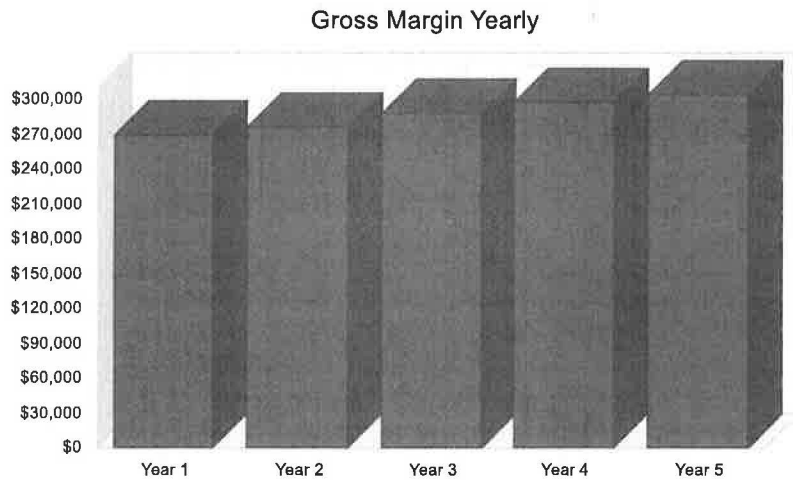
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Chart: Gross Margin Monthly



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Chart: Gross Margin Yearly



7.4 Projected Cash Flow



Our business is a service-based, retail-oriented business with clients who will pay primarily with cash and credit cards.

Table: Cash Flow

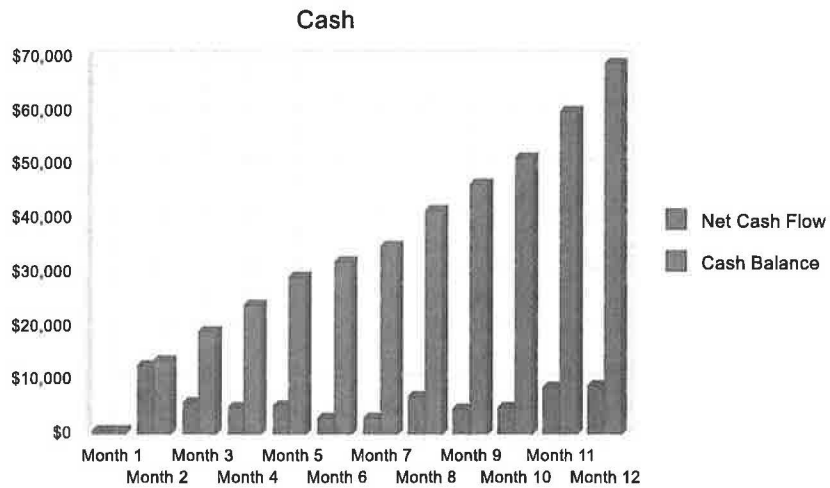
<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$489,600	\$503,000	\$524,000	\$541,000	\$555,000
Subtotal Cash from Operations	\$489,600	\$503,000	\$524,000	\$541,000	\$555,000
Additional Cash Received					
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0

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New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$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	\$10,000	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$499,600	\$503,000	\$524,000	\$541,000	\$555,000
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	\$45,100	\$45,700	\$50,500	\$41,100	\$57,500
Bill Payments	\$339,949	\$385,452	\$394,699	\$408,187	\$415,644
Subtotal Spent on Operations	\$385,049	\$431,152	\$445,399	\$449,287	\$473,144
Additional Cash Spent					
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$14,351	\$14,351	\$14,350	\$6,946	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$31,321	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$430,721	\$445,503	\$459,749	\$456,233	\$473,144
Net Cash Flow	\$68,879	\$57,497	\$64,251	\$84,767	\$81,856
Cash Balance	\$68,879	\$126,376	\$190,627	\$275,394	\$357,250

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Chart: Cash



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7.5 Projected Balance Sheet

Our Projected Balance Sheet shows we will not have any difficulty meeting our debt obligations as long as our revenue projections are met.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$68,879	\$126,376	\$190,627	\$275,394	\$357,250
Inventory	\$5,400	\$4,845	\$5,118	\$5,236	\$5,338
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$74,279	\$131,221	\$195,744	\$280,630	\$362,588
Long-term Assets					
Long-term Assets	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521
Accumulated Depreciation	\$0	\$1,500	\$3,000	\$4,500	\$6,000
Total Long-term Assets	\$77,521	\$76,021	\$74,521	\$73,021	\$71,521
Total Assets	\$151,800	\$207,242	\$270,265	\$353,651	\$434,109
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	\$34,553	\$31,424	\$32,550	\$33,639	\$34,209
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$34,553	\$31,424	\$32,550	\$33,639	\$34,209
Long-term Liabilities	\$35,649	\$21,298	\$6,948	\$2	\$2
Total Liabilities	\$70,202	\$52,722	\$39,498	\$33,641	\$34,211
Paid-in Capital	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300
Retained Earnings	(\$17,100)	\$55,298	\$128,220	\$204,468	\$293,710
Earnings	\$72,398	\$72,922	\$76,247	\$89,243	\$79,887
Total Capital	\$81,598	\$154,520	\$230,768	\$320,010	\$399,898
Total Liabilities and Capital	\$151,800	\$207,242	\$270,265	\$353,651	\$434,109
Net Worth	\$81,598	\$154,520	\$230,768	\$320,010	\$399,898

Appendix

Table: Sales Forecast

Sales Forecast		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													
Barber Shop Hair Only Revenue	0%	\$32,000	\$32,500	\$34,500	\$35,000	\$35,500	\$33,500	\$33,550	\$36,000	\$36,500	\$36,500	\$39,500	\$41,500
Nail Service	0%	\$3,500	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$2,450	\$2,600	\$2,500	\$2,500	\$2,700	\$3,500
Hair Braiding	0%	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,500	\$2,100	\$2,000	\$2,000	\$2,700	\$3,000
Total Sales		\$37,500	\$38,100	\$40,100	\$40,600	\$41,100	\$39,100	\$37,500	\$40,700	\$41,000	\$41,000	\$44,900	\$48,000
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Barber Shop Hair Cut- Labor		\$12,800	\$13,000	\$13,800	\$14,000	\$14,200	\$13,400	\$13,420	\$14,400	\$14,600	\$14,600	\$15,800	\$16,600
Nail Service- Labor		\$1,400	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440	\$980	\$1,040	\$1,000	\$1,000	\$1,080	\$1,400
Hair Braiding- Labor		\$800	\$800	\$800	\$800	\$800	\$800	\$600	\$840	\$800	\$800	\$1,080	\$1,200
Shop Supplies		\$1,875	\$1,905	\$2,005	\$2,030	\$2,055	\$1,955	\$1,875	\$2,035	\$2,050	\$2,050	\$2,245	\$2,400
Subtotal Direct Cost of Sales		\$18,875	\$17,145	\$18,045	\$18,270	\$18,495	\$17,595	\$16,875	\$18,315	\$18,450	\$18,450	\$20,205	\$21,600

Appendix

Table: 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	\$37,500	\$38,100	\$40,100	\$40,600	\$41,100	\$39,100	\$37,500	\$40,700	\$41,000	\$41,000	\$44,900	\$48,000
Direct Cost of Sales	\$16,875	\$17,145	\$18,045	\$18,270	\$18,495	\$17,595	\$16,875	\$18,315	\$18,450	\$18,450	\$20,205	\$21,600
Other Costs of Goods	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$16,875	\$17,145	\$18,045	\$18,270	\$18,495	\$17,595	\$16,875	\$18,315	\$18,450	\$18,450	\$20,205	\$21,600
Gross Margin	\$20,625	\$20,955	\$22,055	\$22,330	\$22,605	\$21,505	\$20,625	\$22,385	\$22,550	\$22,550	\$24,695	\$26,400
Gross Margin %	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%
Expenses												
Payroll	\$3,300	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800
Sales and Marketing and Other Expenses	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Insurance	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650
Rent	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Payroll Taxes	15% \$495	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570
Licenses and Fees	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Total Operating Expenses	\$12,995	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570	\$13,570
Profit Before Interest and Taxes	\$7,630	\$7,385	\$8,485	\$8,760	\$9,035	\$7,935	\$7,055	\$8,815	\$8,980	\$8,980	\$11,125	\$12,830
EBITDA	\$7,630	\$7,385	\$8,485	\$8,760	\$9,035	\$7,935	\$7,055	\$8,815	\$8,980	\$8,980	\$11,125	\$12,830
Interest Expense	\$346	\$337	\$329	\$320	\$312	\$303	\$295	\$286	\$278	\$269	\$261	\$253
Taxes Incurred	\$2,185	\$2,114	\$2,447	\$2,532	\$2,617	\$2,289	\$2,028	\$2,559	\$2,611	\$2,613	\$3,259	\$3,773
Other Income												
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expense												
Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	\$5,099	\$4,933	\$5,709	\$5,908	\$6,106	\$5,342	\$4,732	\$5,970	\$6,091	\$6,097	\$7,605	\$8,804
Net Profit/Sales	13.60%	12.95%	14.24%	14.55%	14.86%	13.66%	12.62%	14.67%	14.86%	14.87%	16.94%	18.34%

Appendix

Table: 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
Cash Received												
Cash from Operations												
Cash Sales	\$37,500	\$38,100	\$40,100	\$40,600	\$41,100	\$39,100	\$37,500	\$40,700	\$41,000	\$41,000	\$44,900	\$48,000
Subtotal Cash from Operations	\$37,500	\$38,100	\$40,100	\$40,600	\$41,100	\$39,100	\$37,500	\$40,700	\$41,000	\$41,000	\$44,900	\$48,000
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00% \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$37,500	\$48,100	\$40,100	\$40,600	\$41,100	\$39,100	\$37,500	\$40,700	\$41,000	\$41,000	\$44,900	\$48,000
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$3,300	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800
Bill Payments	\$1,011	\$30,290	\$29,480	\$30,820	\$30,958	\$31,199	\$29,701	\$28,871	\$31,285	\$31,141	\$31,197	\$33,994
Subtotal Spent on Operations	\$4,311	\$34,090	\$33,280	\$34,620	\$34,758	\$34,999	\$33,501	\$32,671	\$35,085	\$34,941	\$34,997	\$37,794
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196	\$1,196
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$31,321	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$36,828	\$35,286	\$34,476	\$35,816	\$35,954	\$36,195	\$34,697	\$33,867	\$36,281	\$36,137	\$36,193	\$38,990
Net Cash Flow	\$672	\$12,814	\$5,624	\$4,784	\$5,146	\$2,905	\$2,803	\$6,833	\$4,719	\$4,863	\$8,707	\$9,010
Cash Balance	\$672	\$13,486	\$19,110	\$23,894	\$29,040	\$31,944	\$34,747	\$41,580	\$46,299	\$51,162	\$59,869	\$68,879

Appendix

Table: 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
Assets	Starting Balances												
Current Assets													
Cash	\$0	\$672	\$13,486	\$19,110	\$23,894	\$29,040	\$31,944	\$34,747	\$41,580	\$46,299	\$51,162	\$59,869	\$68,879
Inventory	\$3,000	\$4,219	\$4,286	\$4,511	\$4,568	\$4,624	\$4,399	\$4,219	\$4,579	\$4,613	\$4,613	\$5,051	\$5,400
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$3,000	\$4,891	\$17,773	\$23,621	\$28,462	\$33,664	\$36,343	\$38,966	\$46,159	\$50,911	\$55,775	\$64,920	\$74,279
Long-term Assets													
Long-term Assets	\$46,200	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$46,200	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521	\$77,521
Total Assets	\$49,200	\$82,412	\$95,294	\$101,142	\$105,983	\$111,185	\$113,864	\$116,487	\$123,680	\$128,432	\$133,296	\$142,441	\$151,800
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	\$29,309	\$28,453	\$29,788	\$29,917	\$30,208	\$28,742	\$27,828	\$30,247	\$30,104	\$30,066	\$32,803	\$34,553
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$29,309	\$28,453	\$29,788	\$29,917	\$30,208	\$28,742	\$27,828	\$30,247	\$30,104	\$30,066	\$32,803	\$34,553
Long-term Liabilities	\$50,000	\$48,804	\$47,608	\$46,412	\$45,216	\$44,020	\$42,824	\$41,628	\$40,433	\$39,237	\$38,041	\$36,845	\$35,649
Total Liabilities	\$50,000	\$78,113	\$76,061	\$76,201	\$75,133	\$74,229	\$71,566	\$69,457	\$70,680	\$69,341	\$68,107	\$69,648	\$70,202
Paid-in Capital	\$16,300	\$16,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300	\$26,300
Retained Earnings	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)	(\$17,100)
Earnings	\$0	\$5,099	\$10,032	\$15,742	\$21,650	\$27,756	\$33,098	\$37,830	\$43,800	\$49,892	\$55,989	\$63,594	\$72,398
Total Capital	(\$800)	\$4,299	\$19,232	\$24,942	\$30,850	\$36,956	\$42,298	\$47,030	\$53,000	\$59,092	\$65,189	\$72,794	\$81,598
Total Liabilities and Capital	\$49,200	\$82,412	\$95,294	\$101,142	\$105,983	\$111,185	\$113,864	\$116,487	\$123,680	\$128,432	\$133,296	\$142,441	\$151,800
Net Worth	(\$800)	\$4,299	\$19,232	\$24,942	\$30,850	\$36,956	\$42,298	\$47,030	\$53,000	\$59,092	\$65,189	\$72,794	\$81,598