**Band business plan**

Executive Summary

An executive summary is a short document or section of a document, produced for business purposes, that summarizes a longer report or proposal or a group of related reports in such a way that readers can rapidly become acquainted with a large body of material without having to read it all. It usually contains a brief statement of the problem or proposal covered in the major document(s), background information, concise analysis and main conclusions.

Example: ABC Music Band LLC will give you plenty ideas of potential revenue sources based on music consumption habits. List each one that pertains to you; Describe what it is and how you will profit by selling it. Continue this section by describing your competitive advantage and why you think your business will succeed among others within the music industry.

Mission

A mission statement is a key tool that can be as important as your business plan. It captures, in a few succinct sentences, the essence of your business's goals and the philosophies underlying them

Example: ABC Music Band LLC starts with extensive market research about the music industry. You will want to explain its current state of by taking account of the industry participants, gate keepers, sceptics, potential customers and competitors.

Objectives

Objective Connect allows public and private sector organisations to share information securely and easily. It allows you to share information beyond your organisation while maintaining the security and traceability demanded by security-conscious environments.

Keys to Success

The combination of important facts that is required in order to accomplish one or more desirable business goals for the industry. One of the key to success is promoting & advertising achieving the customers mind.

Example: ABC Music Band LLC aimed at creating skilled manpower in the country by providing quality training programmes in the field of Music Band.

* Location: providing an easily accessible location for customers.
* Environment: providing an environment conducive to giving relaxing and professional music service.
* Convenience and entertainment

Company Summary

The Company Summary of a business plan provides a high level look at how all of the different elements of your business fit together, including information about the nature of your business and the success factors that you feel will make your business successful and consequently, profitable.

Example: ABC Music Band LLC will provide quality that will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

Your marketing mix should provide answers to the following questions:

1. Product ­ how will it meet or create consumer demand?

2. Price – is it low enough for your customer to buy and high enough to make a profit?

3. Place ­ where will your product or service will be sold?

4. Promotion – what is your advertising and publicity strategy? What programs will you use to mobilize your strategy?

Start-up Summary

Start-up summary covers the Non-recurring costs associated with setting up a business, such as accountant's fees, legal fees, registration charges, as well as advertising, promotional activities, and employee training. Also called start-up expenses, preliminary expenses, or pre-opening

Example: Make sure to include the anticipated cost of studio time, manufacturing of merchandise, marketing, promotion, sales and live show expenses. Finish your plan with a chart that highlights these figures for the next 3 to 5 years. Most private investors will pour over your income and cash flow statements, but other readers will only need a charted summary.

Table: Start-up funding

|  |  |
| --- | --- |
| Start-up Funding | |
| Start-up Expenses to Fund | $13,750 |
| Start-up Assets to Fund | $56,250 |
| Total Funding Required | $70,000 |
| Assets |  |
| Non-cash Assets from Start-up | $0 |
| Cash Requirements from Start-up | $56,250 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $56,250 |
| Total Assets | $56,250 |
| Liabilities and Capital |  |
| Liabilities |  |
| Current Borrowing | $0 |
| Long-term Liabilities | $0 |
| Accounts Payable (Outstanding Bills) | $0 |
| Other Current Liabilities (interest-free) | $0 |
| Total Liabilities | $0 |
| Capital |  |
| Planned Investment |  |
| Founders | $70,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| Total Planned Investment | $70,000 |
| Loss at Start-up (Start-up Expenses) | ($13,750) |
| Total Capital | $56,250 |
| Total Capital and Liabilities | $56,250 |
| Total Funding | $70,000 |

Table: Start Up

|  |  |
| --- | --- |
| Start-up | |
| Requirements |  |
| Start-up Expenses |  |
| Computers (3) | $3,600 |
| Office Furniture (Home Offices - 3) | $5,000 |
| Business Supplies | $1,200 |
| Legal | $2,500 |
| ISP Installation Fees | $450 |
| Information Sources (Access Fee) | $500 |
| Professional Logo Design | $500 |
| Total Start-up Expenses | $13,750 |
| Start-up Assets |  |
| Cash Required | $56,250 |
| Other Current Assets | $0 |
| Long-term Assets | $0 |
| Total Assets | $56,250 |
| Total Requirements | $70,000 |

The following table and chart show projected initial start-up costs ABC Music Band LLC

Services

By service we mean functionalities or support provided. Accounting, design, maintenance, printing, and supply of temporary personnel, etc., provided by specialized firms to other firms are deemed as service

Example: ABC Music Band LLC’s Trend Setters is considered an upscale full-service beauty Band.

Market Analysis Summary

The market analysis is one of the most important parts of any start-up strategy. If you do it right, and you will have a clear idea of the path down which you are headed. A good market analysis will enable you to lure investors, sidestep pitfalls, and most importantly, attract customers. A market analysis studies the attractiveness and the dynamics of a special market within a special industry.

Table: Market Analysis

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Market Analysis | | | | | | | |
|  |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |  |
| Potential Customers | Growth |  |  |  |  |  | CAGR |
| Permanent customer | 65% | 4,000 | 4,600 | 5,290 | 6,084 | 6,997 | 65.00% |
| Daily customer | 25% | 40,000 | 46,000 | 52,900 | 60,835 | 69,960 | 25.00% |
| Other | 10% | 2000 | 2000 | 2400 | 2500 | 3000 | 10.00% |
| Total | 100.00% | 44,222 | 50,697 | 58,156 | 61,919 | 72,957 | 100.00% |

Example: ABC Music Band LLC’s focus is on meeting the demand of the local resident customer base, as well as service agreements with other Consultant services. The company estimates that about 65% of revenues will come from these two business customers. It is estimated that these contracts will grow yearly at 18%.

Market Segmentation

Market segmentation is a marketing strategy that involves dividing a broad target market into subsets of consumers, businesses, or countries that have common needs and priorities, and then designing and implementing strategies to target them.

Example: The table and chart below further estimates the total market potential of services rendered by ABC Music Band LLC in the market area.

Target Market Segment Strategy

Marketers must address prospects who seek to be heard and valued while they learn about housing options. Now more than ever, marketing is about engaging and building relationships while informing the masses. Over recent years

Example: The majority of the successful bands have strong local support from years of great music service. The niche where ABC Music Band LLC positions itself represents one great band for business clients and local residents.

Personal Strategy

As one who started his own Personal business after managing a Consultant organization for a large corporation – and made some mistakes along the way – I feel qualified to share what I believe are the fundamental steps you should take before starting a Consultant business. Regardless of whether you want to be a contract designer, instructor, or consultant, or you want to create a learning technology or product, these tips will help ensure your success and reduce your risk of failure.

Example: If you are starting a new band business, it helps immensely to demonstrate that you possess the knowledge, Consultant, or validation that proves you knows more about the subject than others. A valid credential may be an advanced corporate degree; industry recognized certification, professional license, or something that comes from an independent third party. Experience is also important. It quantifies the time you have invested in certain situations, even though it doesn’t qualify your expertise at that skill.

Strategy and Implementation Summary

Understanding your competition's strengths and weaknesses is certainly important, but defining a strategy that highlights your superiority in the market is just as essential. A Consultant business plan’s Strategy and Implementation Summary emphasizes on what makes your business concept compelling and how you will attract and maintain a customer base. The first component of your Strategy and Implementation plan is a strategic position

Example: ABC Music Band LLC will succeed by offering its customers high-quality and convenient Consultant & training service. Each satisfied customer is a potential of five new referrals so the quality of our workmanship is key to growing the business.

Competitive Edge

Establishing your competitive edge is an important part of the feasibility study you do prior to writing your start-up Consultant business plan or your year-end strategic planning for next year's business expansion. It entails research into your competition, how their buildings differ from yours, how their operations differ from yours and how their marketing differs from yours

Example: The competitive edge of ABC Music Band LLC is its people. There are a number of Bands like ours, but they are mainly in the very high income parts of surrounding areas. We wish to offer a middle ground for those clients who can't quite afford those high-end luxury Bands.

Sales Forecast

Sales forecasts are estimates of your sales for the forecast period. The sales forecast establishes the level of activity used in all the other forecasts and budgets for the business. If your sales forecast varies wildly from your actual results, your cash flow and profitability forecasts will similarly be inaccurate.

Table: Sales Forecast

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sales Forecast | | | | | |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Sales |  |  |  |  |  |
| License Sales | $51,000 | $102,000 | $204,000 | $369,750 | $510,000 |
| Other | $0 | $0 | $0 | $0 | $0 |
| Total Sales | $51,000 | $102,000 | $204,000 | $369,750 | $510,000 |
| Direct Cost of Sales | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Travel Cost Per License | $8,400 | $16,800 | $25,200 | $37,800 | $50,400 |
| Demo Model | $4,000 | $8,000 | $12,000 | $18,000 | $24,000 |
| Legal | $4,000 | $8,000 | $12,000 | $18,000 | $24,000 |
| Subtotal Direct Cost of Sales | $16,400 | $32,800 | $49,200 | $73,800 | $98,400 |

Example: The following table and charts show the projected sales forecast for ABC Music Band LLC

Chart: Sales Monthly

 Chart: Sales Yearly

Management Summary

An executive summary, or management summary, is a short document or section of a document, produced for business purposes, that summarizes a longer report or proposal or a group of related reports in such a way that readers can rapidly become acquainted with a large body of material without having to read it all.

Example: Mr. Thomas had experience with technology transfer between the Corporate and the private sector. He also has experience with licensing patents and negotiations. There is a potential conflict of interest with being a future customer.

Personnel Plan

It is necessary to determine the natural attrition of the personnel in future years. The difference between supply and demand will indicate the future quantitative and qualitative need for personnel. This information has an effect on the recruitment and development planning of the personnel and on the measures taken.

Example: ABC Music Band LLC’s personalise some ideas in the market for the growth of the market in music band sector, which make us different from the competitors.

Break-even Analysis

Breakeven analysis is used to determine when your business will be able to cover all its expenses and begin to make a profit. It is important to identify your start-up costs, which will help you determine your sales revenue needed to pay ongoing business expenses.

Table: Break-even Analysis

|  |  |
| --- | --- |
| Break-even Analysis | |
| Monthly Revenue Break-even | $9,232 |
| Assumptions: |  |
| Average Percent Variable Cost | 32% |
| Estimated Monthly Fixed Cost | $6,263 |

Example: The monthly break-even point is presented in the table and chart below by ABC Music Band LLC

### Projected Profit and Loss

### This is an essential document that either you or your accountant should put together. It will be a useful tracking tool for objectively determining whether your business is likely to make a profit and be successful or generate losses and eventually fail. Your projected profit and loss statement will list revenues, your cost for goods or services provided, operating expenses, and net income or loss.

### Example: ABC Music Band LLC preparing a projected profit and loss statement for existing business.

The following table and chart show projected profit and loss for some years.

Table: Pro Forma Profit and Loss

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Pro Forma Profit and Loss | | | | | |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Sales | $51,000 | $102,000 | $204,000 | $369,750 | $510,000 |
| Direct Cost of Sales | $16,400 | $32,800 | $49,200 | $73,800 | $98,400 |
| Other | $0 | $0 | $0 | $0 | $0 |
| Total Cost of Sales | $16,400 | $32,800 | $49,200 | $73,800 | $98,400 |
| Gross Margin | $34,600 | $69,200 | $154,800 | $295,950 | $411,600 |
| Gross Margin % | 67.84% | 67.84% | 75.88% | 80.04% | 80.71% |
| Expenses |  |  |  |  |  |
| Payroll | $60,000 | $63,000 | $66,150 | $210,000 | $255,500 |
| Sales and Marketing and Other Expenses | $1,500 | $1,500 | $1,500 | $1,500 | $1,500 |
| Depreciation | $0 | $0 | $0 | $0 | $0 |
| Computer Equipment | $0 | $0 | $0 | $0 | $600 |
| Utilities | $1,000 | $1,050 | $1,103 | $1,158 | $1,216 |
| Insurance | $1,000 | $1,050 | $1,103 | $1,158 | $1,216 |
| Payroll Taxes | $9,000 | $9,450 | $9,923 | $31,500 | $38,325 |
| ISP Access | $2,160 | $2,268 | $2,381 | $2,500 | $2,625 |
| Information Services | $500 | $525 | $551 | $579 | $608 |
| Total Operating Expenses | $75,160 | $78,843 | $82,711 | $248,395 | $301,590 |
| Profit Before Interest and Taxes | ($40,560) | ($9,643) | $72,089 | $47,555 | $110,010 |
| EBITDA | ($40,560) | ($9,643) | $72,089 | $47,555 | $110,010 |
| Interest Expense | $0 | $0 | $0 | $0 | $0 |
| Taxes Incurred | $0 | $0 | $21,627 | $14,267 | $33,003 |
| Net Profit | ($40,560) | ($9,643) | $50,462 | $33,289 | $77,007 |
| Net Profit/Sales | -79.53% | -9.45% | 24.74% | 9.00% | 15.10% |

Chart: Profit monthly

Chart: Profit Yearly

Example: The following table and charts show the Marginal sales forecast for ABC Music Band LLC

Chart: Gross Marginal Monthly

Example: The following table and charts show the Gross margin forecast for ABC Music Band LLC

Chart: Gross Margin Yearly

### Projected Cash Flow

### Cash flow management is a key aspect of financial management of a business, planning its future cash requirements to avoid a crisis of liquidity. Cash flow forecasting is important because if a business runs out of cash and is not able to obtain new finance.

### Example: The table and chart show the projected cash flow for three years by ABC Music Band LLC

### Table: Pro Forma Cash Flow

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Pro Forma Cash Flow | | | | | |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Cash Received |  |  |  |  |  |
| Cash from Operations |  |  |  |  |  |
| Cash Sales | $12,750 | $25,500 | $51,000 | $92,438 | $127,500 |
| Cash from Receivables | $19,444 | $57,694 | $115,388 | $216,192 | $330,783 |
| Subtotal Cash from Operations | $32,194 | $83,194 | $166,388 | $308,630 | $458,283 |
| 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 | $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 | $30,000 | $30,000 | $0 | $0 | $0 |
| Subtotal Cash Received | $62,194 | $113,194 | $166,388 | $308,630 | $458,283 |
| Expenditures | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Expenditures from Operations |  |  |  |  |  |
| Cash Spending | $60,000 | $63,000 | $66,150 | $210,000 | $255,500 |
| Bill Payments | $27,360 | $48,845 | $84,203 | $123,250 | $173,299 |
| Subtotal Spent on Operations | $87,360 | $111,845 | $150,353 | $333,250 | $428,799 |
| Additional Cash Spent |  |  |  |  |  |
| 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 | $0 | $0 | $0 | $0 | $0 |
| Purchase Other Current Assets | $0 | $0 | $0 | $0 | $0 |
| Purchase Long-term Assets | $0 | $0 | $0 | $0 | $0 |
| Dividends | $0 | $0 | $0 | $0 | $0 |
| Subtotal Cash Spent | $87,360 | $111,845 | $150,353 | $333,250 | $428,799 |
| Net Cash Flow | ($25,166) | $1,349 | $16,034 | ($24,620) | $29,484 |
| Cash Balance | $31,084 | $32,433 | $48,467 | $23,847 | $53,331 |

### Chart: Cash

### Projected Balance Sheet

### A projected balance sheet communicates expected changes in future asset investments, outstanding liabilities and equity financing. Businesses may consider the creation of a projected balance sheet as a way to facilitate long-term, strategic planning.

### Example: ABC Music Band LLC’s market growth & strategic analysis will create a high value of gross margin in the market.

The table shows the projected balance sheet for three years by ABC Music Band LLC

Table: Pro Forma Balance Sheet

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Pro Forma Balance Sheet | | | | | |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Assets |  |  |  |  |  |
| Current Assets |  |  |  |  |  |
| Cash | $31,084 | $32,433 | $48,467 | $23,847 | $53,331 |
| Accounts Receivable | $18,806 | $37,613 | $75,225 | $136,345 | $188,063 |
| Other Current Assets | $0 | $0 | $0 | $0 | $0 |
| Total Current Assets | $49,890 | $70,045 | $123,692 | $160,192 | $241,393 |
| Long-term Assets |  |  |  |  |  |
| Long-term Assets | $0 | $0 | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 | $0 | $0 |
| Total Assets | $49,890 | $70,045 | $123,692 | $160,192 | $241,393 |
| Liabilities and Capital | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Current Liabilities |  |  |  |  |  |
| Accounts Payable | $4,200 | $3,998 | $7,183 | $10,394 | $14,588 |
| Current Borrowing | $0 | $0 | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 | $0 | $0 |
| Subtotal Current Liabilities | $4,200 | $3,998 | $7,183 | $10,394 | $14,588 |
| Long-term Liabilities | $0 | $0 | $0 | $0 | $0 |
| Total Liabilities | $4,200 | $3,998 | $7,183 | $10,394 | $14,588 |
| Paid-in Capital | $100,000 | $130,000 | $130,000 | $130,000 | $130,000 |
| Retained Earnings | ($13,750) | ($54,310) | ($63,953) | ($13,491) | $19,798 |
| Earnings | ($40,560) | ($9,643) | $50,462 | $33,289 | $77,007 |
| Total Capital | $45,690 | $66,047 | $116,509 | $149,798 | $226,805 |
| Total Liabilities and Capital | $49,890 | $70,045 | $123,692 | $160,192 | $241,393 |
| Net Worth | $45,690 | $66,047 | $116,509 | $149,798 | $226,805 |

Business Ratios

It includes dozens of standard business ratios calculated from Consultant business plans financials, and used and expected by bankers, financial analysts, and investors. It also includes a column of statistical indicators for the specific type of business. This industry information is classified and categorized by Standard Industrial Classification.

Example: Business ratios for the years of this plan presented below represent the standard ratios used in business practice and are provided as guidelines. Not all these ratios will provide the information you need to support your particular decisions and strategies. ABC Music Band LLC can also develop your own ratios and indicators based on what you consider important and meaningful to your organization and stakeholders.

Table: Ratio Analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Ratio Analysis | | | | | | |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Industry Profile |
| Sales Growth | 0.00% | 100.00% | 100.00% | 81.25% | 37.93% | 8.18% |
| Percent of Total Assets |  |  |  |  |  |  |
| Accounts Receivable | 37.70% | 53.70% | 60.82% | 85.11% | 77.91% | 29.59% |
| Other Current Assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 41.37% |
| Total Current Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 75.36% |
| Long-term Assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 24.64% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 46.10% |
| Current Liabilities | 8.42% | 5.71% | 5.81% | 6.49% | 6.04% | 31.49% |
| Long-term Liabilities | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 16.85% |
| Total Liabilities | 8.42% | 5.71% | 5.81% | 6.49% | 6.04% | 48.34% |
| Net Worth | 91.58% | 94.29% | 94.19% | 93.51% | 93.96% | 51.66% |
| Percent of Sales |  |  |  |  |  |  |
| Sales | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 67.3% |
| Gross Margin | 67.84% | 67.84% | 75.88% | 80.04% | 80.71% | 81.20% |
| Selling, General & Administrative Expenses | 147.37% | 77.30% | 51.15% | 71.04% | 65.61% | 82.59% |
| Advertising Expenses | #VALUE! | #VALUE! | #VALUE! | #VALUE! | #VALUE! | 1.16% |
| Profit Before Interest and Taxes | -79.53% | -9.45% | 35.34% | 12.86% | 21.57% | 1.47% |
| Main Ratios |  |  |  |  |  |  |
| Current | 11.88 | 17.52 | 17.22 | 15.41 | 16.55 | 1.93 |
| Quick | 11.88 | 17.52 | 17.22 | 15.41 | 16.55 | 1.5 |
| Total Debt to Total Assets | 8.42% | 5.71% | 5.81% | 6.49% | 6.04% | 3.09% |
| Pre-tax Return on Net Worth | -88.77% | -14.60% | 61.87% | 31.75% | 48.50% | 59.56% |
| Pre-tax Return on Assets | -81.30% | -13.77% | 58.28% | 29.69% | 45.57% | 7.63% |
| Additional Ratios | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |  |
| Net Profit Margin | -79.53% | -9.45% | 24.74% | 9.00% | 15.10% | n.a |
| Return on Equity | -88.77% | -14.60% | 43.31% | 22.22% | 33.95% | n.a |
| Activity Ratios |  |  |  |  |  |  |
| Accounts Receivable Turnover | 2.03 | 2.03 | 2.03 | 2.03 | 2.03 | n.a |
| Collection Days | 52 | 135 | 135 | 139 | 155 | n.a |
| Accounts Payable Turnover | 7.51 | 12.17 | 12.17 | 12.17 | 12.17 | n.a |
| Payment Days | 27 | 31 | 23 | 25 | 26 | n.a |
| Total Asset Turnover | 1.02 | 1.46 | 1.65 | 2.31 | 2.11 | n.a |
| Debt Ratios |  |  |  |  |  |  |
| Debt to Net Worth | 0.09 | 0.06 | 0.06 | 0.07 | 0.06 | n.a |
| Current Liab. to Liab. | 1 | 1 | 1 | 1 | 1 | n.a |
| Liquidity Ratios |  |  |  |  |  |  |
| Net Working Capital | $45,690 | $66,047 | $116,509 | $149,798 | $226,805 | n.a |
| Interest Coverage | 0 | 0 | 0 | 0 | 0 | n.a |
| Additional Ratios |  |  |  |  |  |  |
| Assets to Sales | 0.98 | 0.69 | 0.61 | 0.43 | 0.47 | n.a |
| Current Debt/Total Assets | 8% | 6% | 6% | 6% | 6% | n.a |
| Acid Test | 7.4 | 8.11 | 6.75 | 2.29 | 3.66 | n.a |
| Sales/Net Worth | 1.12 | 1.54 | 1.75 | 2.47 | 2.25 | n.a |
| Dividend Payout | 0 | 0 | 0 | 0 | 0 | n.a |

Table: Sales Forecast

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  |  |  |  |  |  |  |
| Service Contracts | 0% | $9,000 | $11,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| Walk-In Customers | 0% | $4,000 | $5,000 | $7,000 | $8,000 | $9,000 | $10,000 |
| Total Sales |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Direct Cost of Sales |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Service Contracts |  | $300 | $400 | $450 | $400 | $400 | $450 |
| Walk-In Customers |  | $200 | $200 | $300 | $350 | $350 | $400 |
| Subtotal Direct Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |
| $12,000 | $11,000 | $12,000 | $11,000 | $12,000 | $11,000 |
| $8,000 | $9,000 | $10,000 | $10,000 | $9,000 | $9,000 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $500 | $500 | $475 | $575 | $600 | $500 |
| $450 | $450 | $500 | $500 | $500 | $500 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |

Table: Personal Plan

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Richard Abbey | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| John Williamson | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| Jim Logan | 0% | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| Other | 0% | $0 | $0 | $0 | $0 | $0 | $0 |
| Total People |  | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Payroll |  | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |

Example: The following table and charts show the projected general assumption forecast for ABC Music Band LLC

Table: General Assumption

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Plan Month |  | 1 | 2 | 3 | 4 | 5 | 6 |
| Current Interest Rate |  | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Long-term Interest Rate |  | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Tax Rate |  | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| Other |  | 0 | 0 | 0 | 0 | 0 | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| 0 | 0 | 0 | 0 | 0 | 0 |

Example: The following table and charts show the projected profit & loss forecast for ABC Music Band LLC

Table: Profit & loss

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
| Sales |  | $13,000 | $16,000 | $19,000 | $20,000 | $21,000 | $22,000 |
| Direct Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |
| Other Production Expenses |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Cost of Sales |  | $500 | $600 | $750 | $750 | $750 | $850 |
| Gross Margin |  | $12,500 | $15,400 | $18,250 | $19,250 | $20,250 | $21,150 |
| Gross Margin % |  | 96.15% | 96.25% | 96.05% | 96.25% | 96.43% | 96.14% |
| Expenses |  |  |  |  |  |  |  |
| Payroll |  | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| Sales and Marketing and Other Expenses |  | $800 | $800 | $900 | $1,000 | $500 | $400 |
| Depreciation |  | $185 | $185 | $185 | $185 | $185 | $185 |
| Leased Equipment |  | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 |
| Utilities |  | $200 | $200 | $200 | $200 | $200 | $200 |
| Insurance |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Rent |  | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Payroll Taxes | 15% | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 |
| Other |  | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Operating Expenses |  | $17,185 | $17,185 | $17,285 | $17,385 | $16,885 | $16,785 |
| Profit Before Interest and Taxes |  | ($4,685) | ($1,785) | $965 | $1,865 | $3,365 | $4,365 |
| EBITDA |  | ($4,500) | ($1,600) | $1,150 | $2,050 | $3,550 | $4,550 |
| Interest Expense |  | $833 | $833 | $833 | $833 | $833 | $833 |
| Taxes Incurred |  | ($1,655) | ($786) | $39 | $309 | $759 | $1,060 |
| Net Profit |  | ($3,863) | ($1,833) | $92 | $722 | $1,772 | $2,472 |
| Net Profit/Sales |  | -29.71% | -11.46% | 0.49% | 3.61% | 8.44% | 11.24% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| $20,000 | $20,000 | $22,000 | $21,000 | $21,000 | $20,000 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $950 | $950 | $975 | $1,075 | $1,100 | $1,000 |
| $19,050 | $19,050 | $21,025 | $19,925 | $19,900 | $19,000 |
| 95.25% | 95.25% | 95.57% | 94.88% | 94.76% | 95.00% |
|  |  |  |  |  |  |
| $12,000 | $12,000 | $12,000 | $12,000 | $12,000 | $12,000 |
| $500 | $500 | $300 | $600 | $600 | $500 |
| $185 | $185 | $185 | $185 | $185 | $185 |
| $1,200 | $1,200 | $1,200 | $1,200 | $1,200 | $1,200 |
| $200 | $200 | $200 | $200 | $200 | $200 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| $1,800 | $1,800 | $1,800 | $1,800 | $1,800 | $1,800 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $16,885 | $16,885 | $16,685 | $16,985 | $16,985 | $16,885 |
| $2,165 | $2,165 | $4,340 | $2,940 | $2,915 | $2,115 |
| $2,350 | $2,350 | $4,525 | $3,125 | $3,100 | $2,300 |
| $833 | $833 | $833 | $833 | $833 | $833 |
| $399 | $399 | $1,052 | $632 | $624 | $384 |
| $932 | $932 | $2,455 | $1,475 | $1,457 | $897 |
| 4.66% | 4.66% | 11.16% | 7.02% | 6.94% | 4.49% |

Example: The following table and charts show the projected net Balance sheet forecast for ABC Music Band LLC

Table: Balance Sheet

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
| Assets | Starting Balances |  |  |  |  |  |
| Current Assets |  |  |  |  |  |  |
| Cash | $56,250 | $51,189 | $44,359 | $37,529 | $33,803 | $24,875 |
| Accounts Receivable | $0 | $0 | $0 | $0 | $9,563 | $9,244 |
| Other Current Assets | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Current Assets | $56,250 | $51,189 | $44,359 | $37,529 | $43,366 | $34,119 |
| Long-term Assets |  |  |  |  |  |  |
| Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 |
| Accumulated Depreciation | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Long-term Assets | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Assets | $56,250 | $51,189 | $44,359 | $37,529 | $43,366 | $34,119 |
| Liabilities and Capital |  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
| Current Liabilities |  |  |  |  |  |  |
| Accounts Payable | $0 | $1,769 | $1,769 | $1,769 | $4,186 | $1,779 |
| Current Borrowing | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Current Liabilities | $0 | $0 | $0 | $0 | $0 | $0 |
| Subtotal Current Liabilities | $0 | $1,769 | $1,769 | $1,769 | $4,186 | $1,779 |
| Long-term Liabilities | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Liabilities | $0 | $1,769 | $1,769 | $1,769 | $4,186 | $1,779 |
| Paid-in Capital | $70,000 | $70,000 | $70,000 | $70,000 | $70,000 | $70,000 |
| Retained Earnings | ($13,750) | ($13,750) | ($13,750) | ($13,750) | ($13,750) | ($13,750) |
| Earnings | $0 | ($6,830) | ($13,660) | ($20,490) | ($17,070) | ($23,910) |
| Total Capital | $56,250 | $49,420 | $42,590 | $35,760 | $39,180 | $32,340 |
| Total Liabilities and Capital | $56,250 | $51,189 | $44,359 | $37,529 | $43,366 | $34,119 |
| Net Worth | $56,250 | $49,420 | $42,590 | $35,760 | $39,180 | $32,340 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| $27,279 | $23,559 | $15,088 | $17,008 | $40,164 | $36,439 | $31,084 |
| $0 | $9,563 | $9,244 | $0 | $0 | $9,563 | $18,806 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $27,279 | $33,122 | $24,332 | $17,008 | $40,164 | $46,002 | $49,890 |
|  |  |  |  |  |  |  |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $27,279 | $33,122 | $24,332 | $17,008 | $40,164 | $46,002 | $49,890 |
| Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|  |  |  |  |  |  |  |
| $1,779 | $3,712 | $2,262 | $1,784 | $1,784 | $3,717 | $4,200 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $1,779 | $3,712 | $2,262 | $1,784 | $1,784 | $3,717 | $4,200 |
| $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| $1,779 | $3,712 | $2,262 | $1,784 | $1,784 | $3,717 | $4,200 |
| $70,000 | $70,000 | $70,000 | $70,000 | $100,000 | $100,000 | $100,000 |
| ($13,750) | ($13,750) | ($13,750) | ($13,750) | ($13,750) | ($13,750) | ($13,750) |
| ($30,750) | ($26,840) | ($34,180) | ($41,025) | ($47,870) | ($43,965) | ($40,560) |
| $25,500 | $29,410 | $22,070 | $15,225 | $38,380 | $42,285 | $45,690 |
| $27,279 | $33,122 | $24,332 | $17,009 | $40,164 | $46,002 | $49,890 |
| $25,500 | $29,410 | $22,070 | $15,225 | $38,380 | $42,285 | $45,690 |