



Business Plan

Partnered With



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Mission Statement:

PowerLute is an innovative, first-to-market new power-driven solution to perform maintenance and landscaping work more easily and efficiently across a wide range of applications. Our patent-pending power tool can be sold at retailers, wholesalers and ecommerce sites everywhere.

Vision Statement:

To be a well-known brand and market-changing force in the domestic and global markets for small landscaping and handheld power tools.

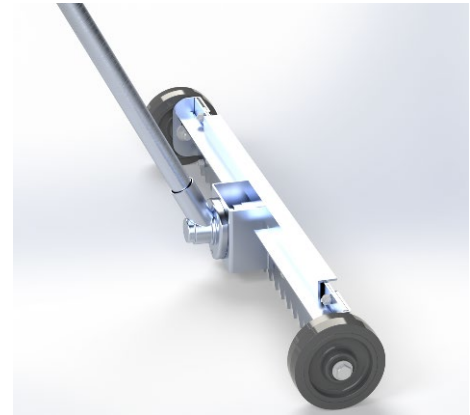
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1.0 Executive Summary

PowerLute, LLC (“the Company”) is the inventor and manufacturer of a new power-driven hand tool for the landscaping, construction and lawn & garden markets. The PowerLute is a motorized version of a traditional lute or landscaping rake, using vibration and a reciprocating shear motion to quickly and easily remove debris from a surface as well as evenly spread materials and level the ground. The PowerLute is composed of two toothed metal plates attached to wheels for easy maneuverability, controlled by a long metal shaft that contains the motor-driven apparatus.

The patent-pending PowerLute is a faster, more efficient process that provides a superior result during numerous maintenance and landscaping activities. The shearing motion between the two toothed metal plates, for instance, can quickly break up debris or organic materials that build up on gardens, landscaped grounds, baseball/softball fields, clay tennis courts, or anywhere else. The PowerLute can also be used to more easily spread soil, bark dust, aggregate or other materials on construction sites or for the DIY consumer. There are millions of potential customers in the U.S. alone that are eager for a better, easier way to perform the traditionally time- and labor-intensive tasks that the PowerLute will make quick work of.



Substantial R&D has gone into the creation of the PowerLute, which is ready for prototyping and production. The design and engineering process for final prototype and product will be performed by Studio Red, which is a top-five design firm out of Silicon Valley with a nearly 40-year history of award-winning design and extensive metals and plastics engineering experience. Clients have included Boston Scientific, Ericsson, Facebook, GE, 7-11, Medtronics, Nutanix, Sanmina, and many others. Studio Red has agreed to design the PowerLute to be easily and inexpensively made using standard processes at contract manufacturing factories.



PowerLute’s inventor and owner, Robert Korszeniewski, is a prominent tennis coach and sports-program manager, working at some of the top clubs and resorts on the East Coast, currently as Director of Tennis at Mayacoo Lakes Country Club in West Palm Beach, Florida. He is also the co-owner of Block Racquet Sports, a management company that provides club management, programming, staffing, court maintenance and court construction services for clubs across the country. Mr. Korszeniewski will direct sales and marketing operations for PowerLute, which will be a lean business that outsources manufacturing and fulfillment services. The goal is to initially market direct-to-consumer through ecommerce and seek placement across the country at big-box stores, hardware stores, garden centers, tool distributors, tool-rental stores, and elsewhere. There is also the potential for licensing the technology and IP to major power-tool manufacturers such as Stihl, Greenworks, Honda, Toro, or Briggs & Stratton, etc.

PowerLute, LLC is currently seeking development partners and funding of \$800,000 for further R&D and to create a prototype ready for manufacturing. A second phase of funding will be sought in the future for creating inventory and commencing market development.

1.1 Objectives

- ❖ Attain funding for manufacturing, inventory, marketing and business-development operations
- ❖ Establish drop-ship operations for ecommerce sales
- ❖ Be featured at major big-box stores with display near the tool aisle
- ❖ Be in major tool-rental stores across the country
- ❖ Gain government contracts for wholesale sales
- ❖ Attend construction and power tool trade shows and expos
- ❖ Establish drop-ship operations for ecommerce sales
- ❖ Have national and global distribution
- ❖ Obtain patent protection for all inventions
- ❖ Continually perform R&D for product upgrades and to develop new products
- ❖ Become a profitable, successful brand that is a target for acquisition



1.2 Keys to Success

- ❖ Substantial investment has been made into the PowerLute, including concept development, product engineering, design, patent applications, and marketing consulting
- ❖ Development by Studio Red, intends to create the PowerLute to give the Company a high profile both in technology and in sophisticated design
- ❖ The product is ready for prototyping, production and commercialization
- ❖ PowerLute will enjoy several significant advantages over competitors, including the following:
 - Numerous unique, proprietary attributes
 - First-to-market technology that is applicable to millions of businesses
 - Truly transformational tool that every landscaping, sports field, construction employee and DIYer can use

- Ownership with extensive industry background and skills in the tennis industry and sports-facility management
- Substantial knowledge of the various industries and market needs

1.3 Investor Return & Financial Overview

The Investor Return section details the investor(s) initial investment, investment multiple, investment fifth year value, investor(s) share of the Company, the value of the Company in the fifth year, and internal rate of return for 3 different cases.

Investor Return					
	Investment	Years Invested	Investment Multiple	5th Year Value	Company Share
Initial	\$800,000	5	3.0	\$2,400,000	25.8%
Total	\$800,000		3.0	\$2,400,000	25.8%
5th Year Company Earnings					
	5th Year Company Earnings	5th Year Multiple	5th Year Company Value		
Company	\$1,858,396	5.0	\$9,291,982		
Company IRR					
Normal Case	18.0%				
Best Case	29.5%				
Worst Case	4.5%				

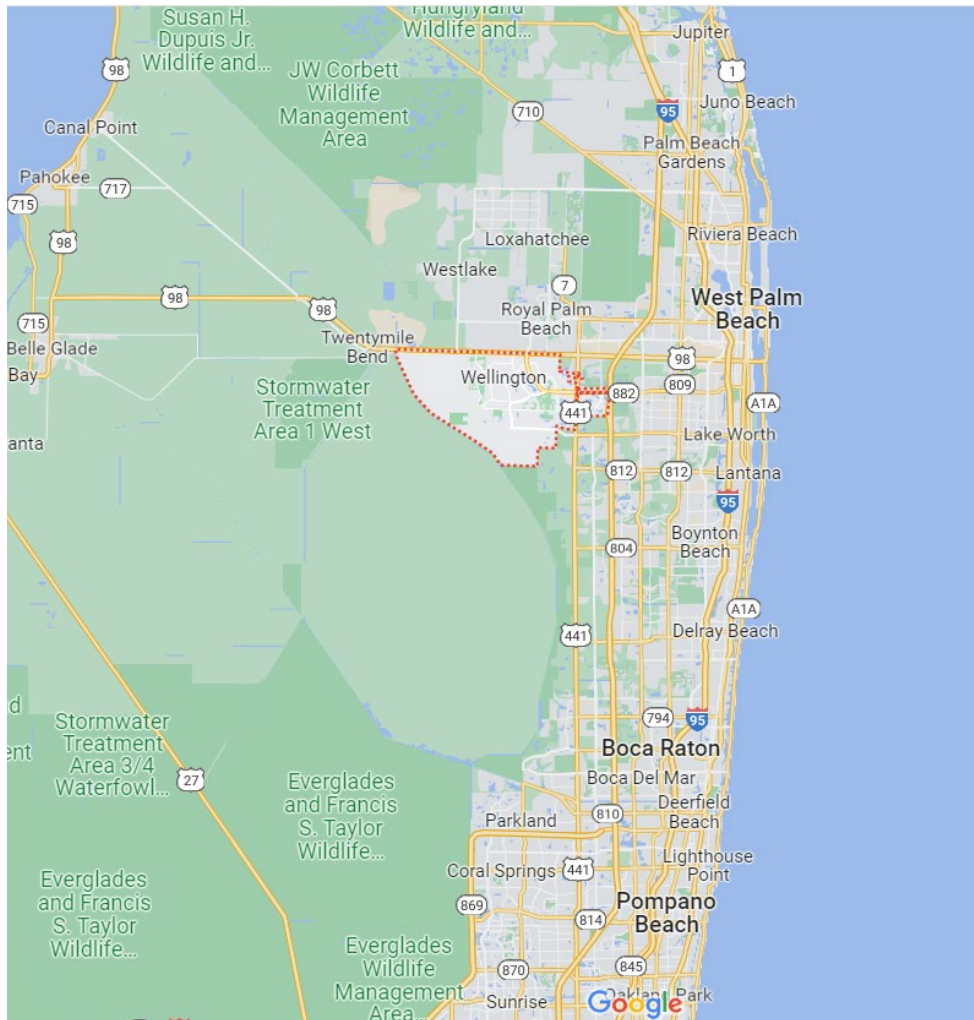
Financial Overview					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$743,472	\$1,685,438	\$2,617,738	\$4,137,036	\$6,599,647
Gross Profit	\$504,567	\$1,069,097	\$1,627,388	\$2,529,300	\$3,986,710
Operating Profit	\$12,098	\$292,997	\$509,709	\$977,057	\$1,865,521
Earning Before Interest & Taxes	\$10,973	\$290,372	\$505,584	\$971,432	\$1,858,396
Earnings	\$10,973	\$290,372	\$505,584	\$971,432	\$1,858,396
Gross Profit Percentage	67.9%	63.4%	62.2%	61.1%	60.4%
Operating Profit Percentage	1.6%	17.4%	19.5%	23.6%	28.3%
EBIT Percentage	1.5%	17.2%	19.3%	23.5%	28.2%
Earnings Percentage	1.5%	17.2%	19.3%	23.5%	28.2%
Net Cash Flow	(\$89,952)	\$196,366	\$344,210	\$730,726	\$1,448,120
Cash Balance	\$137,248	\$333,614	\$677,824	\$1,408,550	\$2,856,669

2.0 Company Summary

PowerLute is a Florida limited liability company (LLC) founded to manufacture and commercialize the new PowerLute power tool for the sports, landscaping and construction industries.

2.1 Company Location

PowerLute, LLC is headquartered in Wellington, FL.



2.2 Company Ownership

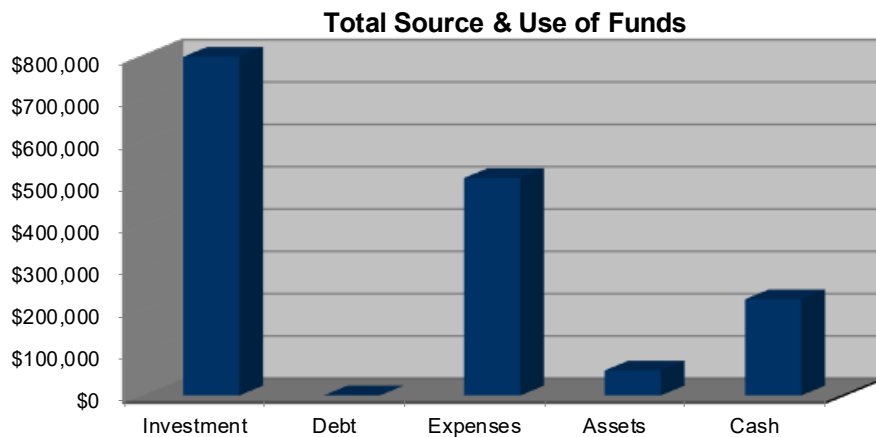
PowerLute, LLC is currently 100%-owned by Robert Korszeniewski. A team of engineering or other partners with an active role in the Company's growth and success could allocated 25% of revenue, or 12% with investment only (subject to change and negotiation).

2.3 Pre-Operating Source and Use of Funds

Pre-Operating Use of Funds	
Expenses	
Marketing & Advertising	\$12,000
Travel & Entertainment	\$30,000
Professional Services	\$4,500
Rent	\$21,600
Utilities	\$6,000
Office Supplies	\$12,000
Telephones	\$2,700
Research & Development	\$300,000
Staff/Payroll	\$125,000
Total Expenses	\$513,800
Assets	
Inventory	\$50,000
Property	\$0
Equipment	\$9,000
Other Long-Term Assets	\$0
Total Assets	\$59,000
Total Use of Funds	\$572,800

Pre-Operating Source of Funds	
Investment	
Owner	\$0
Investor	\$800,000
Total Investment	\$800,000
Debt	
Current Debt	\$0
Long-Term Debt	\$0
Total Debt	\$0
Total Source of Funds	\$800,000

Total Source & Use of Funds	
Total Source of Funds	\$800,000
Total Use of Funds	\$572,800
Month 1 Starting Cash	\$227,200



3.0 Market Needs and Value Proposition

Several large and growing markets have extensive needs for efficient, motorized equipment to limit hard labor. Construction, for instance, is the backbone of the economy, with revenue in 2022 of over \$2.7 trillion and employing 10.2 million people,¹ with projects ranging from new commercial and residential developments to landscaping and infrastructure projects.

At the same time, professional grounds maintenance services are increasingly being used by companies and the “do it for me” homeowner. This has led to a growing revenue base and increased employment. The need for more landscaping design, maintenance and installation services, according to the Bureau of Labor Services (BLS), will come from multiple factors:²

- ❖ Major institutions, such as universities and corporate headquarters, recognize the importance of good landscape design in attracting personnel and clients and are expected to continue to use grounds maintenance services to maintain and upgrade their properties.
- ❖ Homeowners are a growing source of demand, as many two-income households lack the time... so they increasingly hire people to maintain them. Also, as the population ages, more homeowners will require outside services to help maintain their yards.

In addition, more than half of all Americans engage in gardening activities, spending nearly \$50 billion each year.³

As such, there is continual need for labor-intensive spreading of heavy materials spreading, raking, and leveling with hand-held tools. While affordable and readily available, hand tools such as rakes, lutes and other landscaping tools require back-breaking labor that is not only difficult on the body but is inefficient and time-consuming.

The market needs faster and less-laborious ways to move, even and level large amounts of material and across large areas in construction, landscaping, gardening, sports and more. Demand will always be great for well-priced tools that bring high levels of efficiency and user comfort. The PowerLute was created as a first-to-market solution for these needs.



¹ IBISWorld. “Construction in the U.S.” Jan. 2023. IBISWorld.com.

² BLS. “Occupation Outlook Handbook: Grounds Maintenance Workers.” <https://www.bls.gov/ooh/building-and-grounds-cleaning/grounds-maintenance-workers.htm#tab-6>

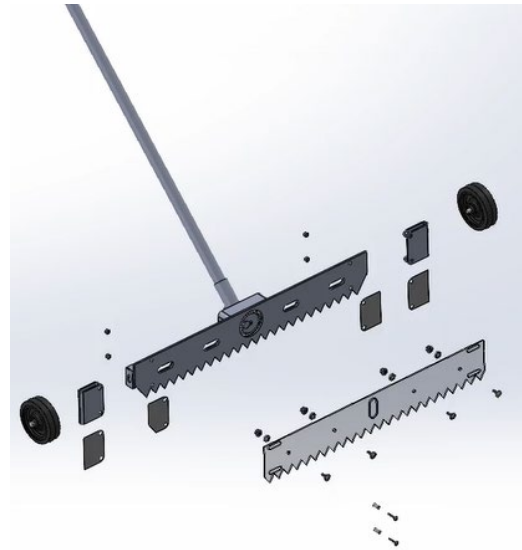
³ Garden Pals. “Gardening Statistics in 2023.” March 2023. <https://gardenpals.com/gardening-statistics/#:~:text=55%25%20of%20American%20households%20engage%20in%20gardening%20activities.,-2020%20gardening%20research&text=The%20study%20also%20found%20that,of%20growing%20your%20own%20food.>

3.1 Products and Services

The PowerLute was invented to transform an ordinary, centuries-old gardening and landscaping tool into a powerful new resource for millions of potential customers. The invention is meant to change the way multiple industries and end-users perform maintenance and spread materials, with a faster, more efficient process that provides a superior end-result.

The physics of the PowerLute – using vibration to rapidly move and level aggregate material – will be the first-of-its-kind offering a powered option for lutes and rakes. It will sit on the shelves alongside other landscaping and groundskeeping equipment as a top-tier product.

The components of the PowerLute include a handle attached to a metal shaft that houses a rotating cable that creates a shearing motion between the two toothed metal plates, illustrated here. The reciprocating plates are attached to wheels for easy maneuvering, and the long, corded handle provides leverage for the user to effortlessly push, pull and turn the PowerLute tool.



The PowerLute solves many issues with maintaining numerous services, from clay tennis courts or ball fields to landscaped grounds or any other surface that has a tendency to experience buildup of any debris, algae, or calcium, etc., for a far better result than the traditional manual process.

The main parts that comprise the PowerLute are easily manufactured, made with standard materials and production techniques. This will include readily available stock of aluminum and steel, or composite metals, and plastic parts made from injection molding. Production processes are common and performed at any number of domestic or international factories, and the product is lightweight for shipping products anywhere in the U.S. and abroad.

Design and initial prototype production will be performed by Studio Red, which offers clients industry-leading services in design, ME, prototyping, and manufacturing support in one integrated facility. Studio Red will be:

- ❖ Creating a strong design identity for the PowerLute system.
- ❖ Using available, off-the-shelf powertrain systems for incorporation into the product.
- ❖ Working closely with RSK, Inc. and contract manufacturers to assure a smooth integration into manufacturing.

The PowerLute is patent pending, and the Company will work with distributors and ecommerce outlets for distribution, as well as seeking placement into retail stores such as Home Depot, Lowes, ACE and tool-rental companies.

4.0 Market Analysis

Power tools manufacturing was a \$53.8 billion market in the United States in 2021, with growth to over \$55.5 billion estimated in 2022, fully rebounding from the market’s COVID dip in 2020. “Strong overall domestic industrial performance over the past five years has resulted in boosts for industry operators as companies felt comfortable pursuing new investment projects in the manufacturing and construction sectors,” states market research firm IBISWorld. “While the pandemic in 2020 caused industrial and commercial construction activity to falter, substantial stimulus packages... also caused residential housing markets to rise notably, increasing demand for industry products.” Revenue is projected to grow to nearly \$57 billion by 2027. As shown below, “power-driven hand tools” account for 7.6% of revenue, or \$4.1 billion in 2021.⁴



*Power-driven hand tools: Common power tools include drills, circular saws, routers, sanders, buffers and polishers, chainsaws, chisels, grinders, jigsaws, nail and staple guns, paint guns, planers, riveting guns and wrenches. In the power-drive hand tools segment, pneumatic and hydraulic hand tools are the dominant product segment. This is followed by internal combustion driven power tools, electric (excluding battery-powered) and battery operated. As income levels rise and construction increases, both individuals and professional contractors have increased their consumption of these tools.

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)	Industrial Production Index (Units)
2013	54,833	16,297	3,555	3,265	144,352	20,160	30,828	10,704	65,501	99.3
2014	54,735	17,857	3,532	3,235	145,483	20,586	32,547	10,906	66,696	102
2015	53,738	16,691	3,552	3,252	147,411	19,249	32,756	11,156	67,245	101
2016	52,083	14,953	3,511	3,195	144,456	17,668	32,354	10,787	66,768	98.7
2017	53,604	16,563	3,557	3,230	147,425	17,518	35,802	10,989	71,888	100.0
2018	54,769	16,909	3,452	3,138	149,668	18,334	38,291	11,597	74,726	103
2019	55,020	17,026	3,425	3,116	152,476	17,951	37,284	11,335	74,354	102
2020	49,833	15,725	3,278	2,993	142,746	16,251	36,307	10,543	69,889	95.0
2021	53,831	15,462	3,361	3,057	150,306	18,368	42,053	11,159	77,516	99.9
2022	55,566	16,135	3,391	3,079	153,636	18,894	43,814	11,428	80,485	104
2023	56,127	16,272	3,391	3,077	154,774	19,160	43,786	11,519	80,752	107
2024	56,179	16,438	3,383	3,069	155,108	19,365	42,689	11,541	79,502	107
2025	56,422	16,507	3,375	3,060	155,679	19,537	42,352	11,585	79,237	108
2026	56,683	16,666	3,375	3,059	156,306	19,719	42,025	11,633	78,989	109
2027	56,950	16,780	3,377	3,061	156,898	19,905	41,696	11,680	78,742	111

State	Establishments	Establishments Growth Rate (2017-2022)	Revenue	Revenue Growth Rate (2017-2022)	Employment	Employment Growth Rate (2017-2022)	Wages	Wages Growth Rate (2017-2022)
Florida	170	2.1%	\$1.3bn	5.2%	3,927	1.0%	\$236.4m	3.2%

⁴ IBISWorld. “Power Tools & Other General Purposes Machinery Manufacturing in the U.S.” April 2022. IBISWorld.com.

The largest power tools manufacturing company is Stanley Black & Decker (\$5.55 billion in revenue in 2021), which owns Black & Decker, Bostich, Craftsman, DeWalt, Irwin, and Porter Cable. The second-largest company is Techtronic Industries (\$3.79 billion in revenue in 2021), which owns Milwaukee and Ryobi.

4.1 Market Segmentation

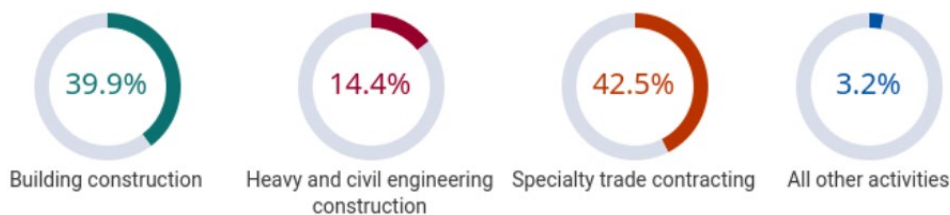
The target market for PowerLute includes participants of multiple large industries, such as landscaping, construction, gardening and sports courts/fields.

The PowerLute is a product that is not currently available and as such can also meet the needs of a broad range of end-users. This can include, but is not limited to:

- ❖ Homeowners
- ❖ Apartment complexes
- ❖ Hotels and resorts
- ❖ Facility or property managers
- ❖ Homeowner associations/CDDs
- ❖ Landowners
- ❖ Property developers
- ❖ Cemeteries
- ❖ Office complexes
- ❖ Industrial facilities
- ❖ City and government organizations

Construction industry

The Construction industry in the U.S. in 2022 was estimated at over \$2.7 trillion. This large, diverse category spans home building, commercial construction, industrial, infrastructure, public works and more. As outlined below, building construction in all forms accounts for 40% of revenue. There are more than 3.7 million businesses in the industry.⁵



Landscaping industry

The Landscaping industry generated \$171.1 billion in 2022 and will have projected growth to \$204.5 billion by 2028. There are over 625,000 businesses in this industry, with revenue by sector as follows:⁶

⁵ IBISWorld. "Construction in the U.S." Jan. 2023. IBISWorld.com.

⁶ IBISWorld. "Concrete Contractors in the U.S." Jan. 2023. IBISWorld.com.



Home improvement, gardening and lawn care

As noted above, U.S. households spend around \$50 billion annually on their lawns and gardens. Products are overwhelmingly bought at lawn and garden and home centers. There are:⁷

- ❖ 22,300 Nursery and Garden Stores, with \$49 billion in annual revenue
- ❖ 8,300 Home Improvement Stores, with \$260 billion in annual revenue
- ❖ 16,400 Hardware Stores, with \$34 billion in annual revenue

Tool & equipment rental

Tool and equipment rental stores generated more than \$4.6 billion in revenue at more than 11,200 stores nationally in 2022. Growth to over \$4.8 billion in revenue and 12,000 establishments is projected by 2028. Revenue by segment is outlined below.⁸



4.2 Competitive Landscape

The PowerLute is a unique, first-to-market power-driven lute. The PowerLute turns a simple, manual process into a powerful and efficient walk-behind tool for a variety of labor-intensive tasks and at a far more affordable price than tow-behind scarifiers or a riding rolling machine.

The Company will further distinguish itself with its lightweight, easy-to-use product that can be shipped anywhere and sold at big-box stores and tool-rental companies as well as through strong direct marketing and ecommerce sales.

4.3 Tool and Hardware Wholesaling Industry

The industry distributes hardware products, including hand tools, power tools and fasteners, to retailers, wholesalers and businesses for end use. Tools and hardware are distributed and used in construction, manufacturing and home improvement projects. As a result, sales from wholesalers rely on consumer spending, construction activity and the strength of the manufacturing sector.⁹

⁷ IBISWorld market data. <http://www.ibisworld.com>

⁸ IBISWorld. "Tool & Equipment Rental in the U.S." Feb. 2023. IBISWorld.com.

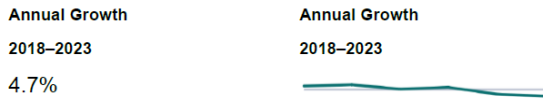
⁹ IBISWorld. "Tool & Hardware Wholesaling in the U.S." Jan. 2023. IBISWorld.com.

Key Statistics

\$92.6bn
Revenue



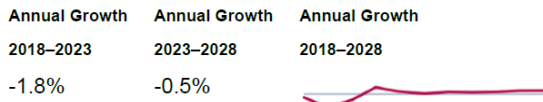
\$5.7bn
Profit



6.2%
Profit Margin



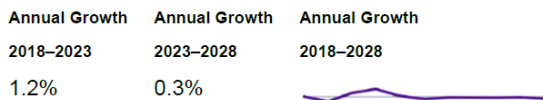
5,559
Businesses



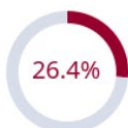
95,401
Employment



\$7.2bn
Wages



Hand tools



Power tools



Cutlery



Paint, paint supplies and wallpaper



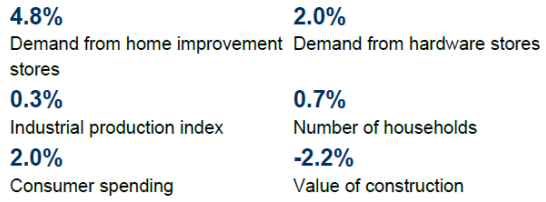
Bolts, nuts, rivets and other fasteners (excludes nails)



Plywood, panels and millwork

Key External Drivers

% = 2018–23 Annual Growth



Industry Structure

POSITIVE IMPACT

Revenue Volatility Low	Capital Intensity Low
Concentration Low	Technology Change Low
Industry Globalization Low / Steady	

MIXED IMPACT

Life Cycle
Mature

NEGATIVE IMPACT

Industry Assistance Low / Steady	Regulation & Policy None / Steady
Barriers to Entry Low / Steady	Competition High / Steady

Key Trends

- The industry will suffer a decrease in demand due to the pandemic, despite being considered essential
- Strong growth in consumer spending driven by rising disposable income has contributed to increased demand for industry products at the retail level
- Despite increasing revenue, the number of operators has declined
- Disposable income growth during the period will promote private spending on home improvements
- The number of households is expected to increase, which will likely support growth in construction industries
- Operators will continue to differentiate themselves based on price
- Increased consumer spending at downstream retailers during the period has driven revenue growth

5.0 Marketing Strategy/Implementation

The patent-pending PowerLute product will be marketed as a new, innovative solution for reducing manual labor for maintaining sports fields and courts, etc., and creating affordable work-site solutions for contractors, landscapers and others. The Company will utilize a comprehensive marketing platform that relies heavily on direct sales, third-party sales reps, networking referrals, the internet and social media. Public relations will also be a major marketing tactic, as publicity in various media often leads to more credibility than paid advertising. This will be important because of the highly unique and transformational benefits of using the PowerLute.

Once distribution is attained, merchandising displays will be a prominent marketing tactic. A kiosk with a monitor showing video on a loop of the PowerLute in action will be created, used at trade shows and ideally placed in Home Depot and Lowe's in front of the tool aisle, where contractors and homeowners alike can see the PowerLute. The kiosks and other marketing will also be linked via QR codes or other methods to the PowerLute website, which will feature instructions and safety videos.

Additional marketing tactics will include, but will not be limited to:

- ❖ Forming relationships with various industrial trade groups and associations, such as the National Association of Home Builders, Associated General Contractors of America, American Subcontractors Association, Construction Supplies Association, National Association of Landscape Professionals, American Sports Builders Association, United States Court Tennis Association and others
- ❖ Accessing the network and industry connections the Company's founder, R&D partners and manufacturers
- ❖ Attending trade shows for home improvement products, contractors, trade specialties, and many other fields
- ❖ Creating an extensive web presence
- ❖ Using referral representatives who have contacts at major big-box stores

This strategic, inclusive marketing strategy promotes the PowerLute to a diverse customer base, ensuring a sales campaign that is not dependent on one or limited market segments. In all efforts, the Company will use compelling messaging, offering in-depth product information about the PowerLute and its numerous first-to-market attributes. These methods and others are further detailed below:

- ❖ **Direct sales:** This will include contacting and forming relationships with established distribution and marketing companies that have national and international networks of contacts with companies that have numerous outlets for the PowerLute and other products being developed by the Company. PowerLute will also attempt to use direct presentations to large companies such as large construction firms, power-tool manufacturers, big-box home improvement companies and property management companies that have extensive retail, commercial, residential and sports properties.

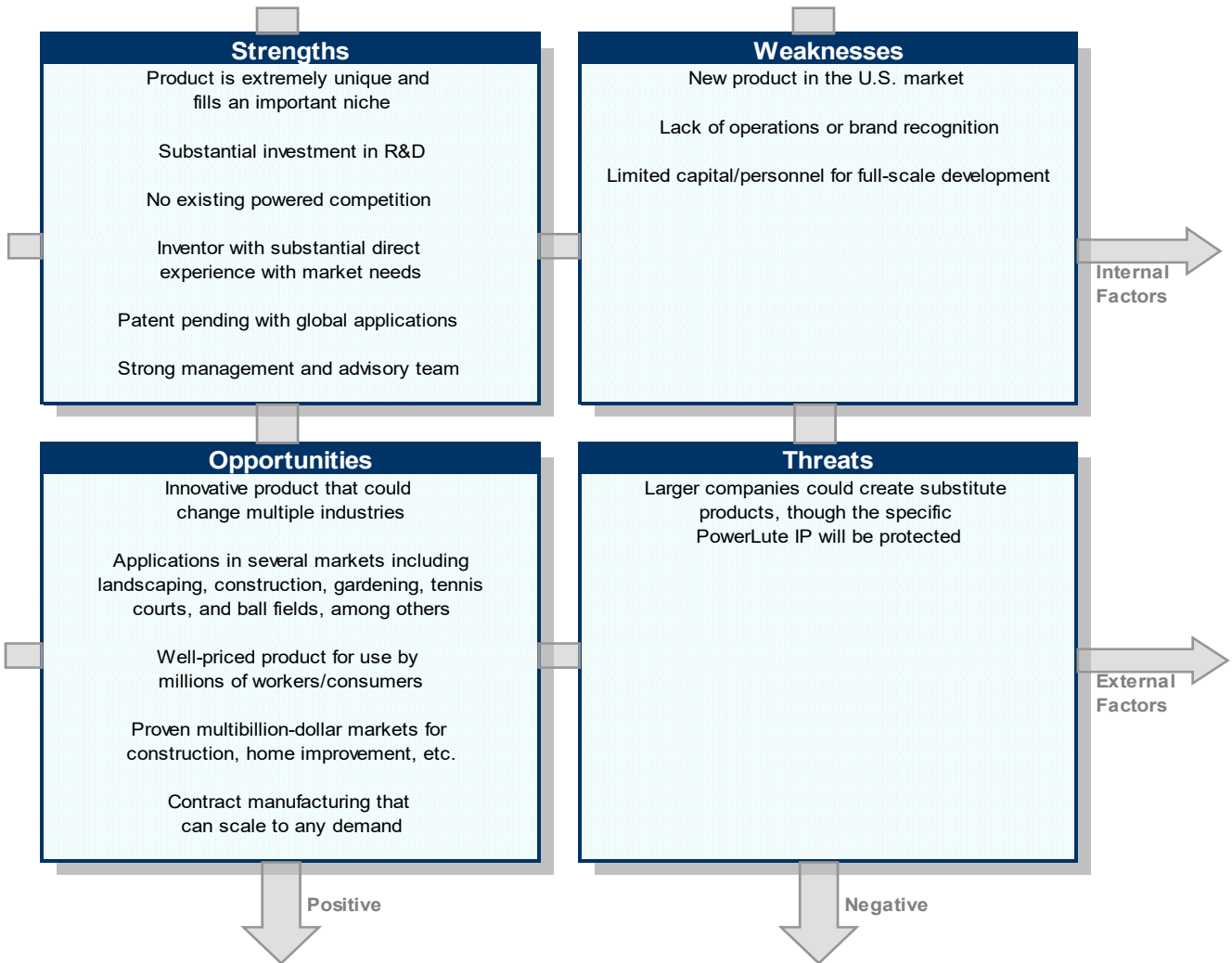
- ❖ **SEO:** Search engine optimization (SEO) will include a website that promotes the PowerLute products. This will help attract potential website traffic from individual customers, national industry organizations, business associations, and big-box retail buyers, etc. White papers and advertorial-style articles that explain the unique technology of the PowerLute will be on the website and Facebook page, etc., as well as released through article and press release services, which is highly effective for enhancing SEO.
- ❖ **E-commerce:** Through all major outlets such as Amazon as well as through PowerLute's own website.
- ❖ **PPC/CPM:** When deemed necessary, the Company will use a pay-per-click (PPC) and CPM (cost-per-thousand impressions) campaign that advertises the PowerLute along the sidebars of search engines and on relevant websites with text and banner ads that will reach professionals in various industries and general consumers. This will be kept to a minimum likely, depending on demonstrated ROI.
- ❖ **E-mail marketing:** The Company will be compiling an e-mail contact list of potential customers and use this list to promote the PowerLute, connect with industry advocates and future distributors, and to advertise product releases, new features, events, and promotional discounts.
- ❖ **Facebook/Social Media:** The PowerLute website will have a Facebook, Instagram, Twitter, and YouTube link where visitors can share info within their social networks.
- ❖ **Trade Shows/Conventions/Meetings:** As noted above, these are vital to making connections with potential customers, vendors, and industry groups/associations. The Company will attend select trade shows and conventions within the sports, consumer home-improvement products, construction products, power tools and commercial building industries, etc., in North America.
- ❖ **Traditional advertising:** Marketing for PowerLute will also potentially include online and print marketing, such as in business trade-oriented publications, and consumer DIY magazines.

5.1 Web Summary

The website for PowerLute will emphasize the product as new, innovative, highly functional and unlike anything else on the market. There will be detailed product development information on the design and technology that goes into the PowerLute, as well as how consumers can buy it. The website will be professionally designed and maintained, presenting customers with a dynamic face for the Company. Features also will include imbedded social media, email contact forms, and professionally developed videos of the PowerLute.

5.2 SWOT Analysis

The following is a summary of the Company's strengths, weaknesses, opportunities, and threats.



5.3 Company Milestones

- ❖ Utility and design patents either received or in pending status.
- ❖ Manufacturing all products in the United States.
- ❖ Commercial accounts with national warehouses (Home Depot, Lowe's, ACE Hardware, Grainger, etc.)
- ❖ Sales direct to landscapers, tennis/sports organizations, general contractors and subcontractors, etc.
- ❖ Launch of additional products and patents filed

6.0 Management Summary

Robert Korszeniewski

Robert has been working in the tennis industry for close to 30 years. Earning his Degree in Business of Hospitality Management, he has been a part of some of the best resorts in the United States, including The Colony Beach and Tennis Resort (#1 in tennis) and Smugglers Notch Resort (#1 Family Resort). He has also run or worked at some of the most prestigious summer clubs including the Edgartown Yacht Club on Martha's Vineyard and the Manchester Bath and Tennis Club.

He also worked for 10 years at the Manchester Athletic Club (MAC) where he ran a junior program, ladies' teams, and was part of the Academy under the supervision of Nick Bollettieri for 6 years. He was also instrumental in building the VESPAN Tennis Academy from inception. He has worked with players from all levels, from beginners to college players and has specialized in Doubles Strategy while coaching upwards of 10 ladies' teams at a time. Known for creating a fun and informative learning environment that produces results, Robert is currently the Director of Tennis at Mayacoo Lakes Country Club in West Palm Beach, Florida.

Certifications and accomplishments include:

- ❖ USPTA Elite Professional
- ❖ USTA Certified Tournament Director
- ❖ Coach of the year in 2008
- ❖ 4 years College Varsity tennis, Soccer (Northern Vermont University)
- ❖ Played in 5 National Tournaments
- ❖ B.A. in Hotel Resort Management, 1993

In addition, Robert is the co-owner of Block Racquet Sports, which provides facility management, tennis and pickleball programming, pro shop consulting, court construction and maintenance services, and more to clubs throughout Florida and nationally.

6.1 Management Gaps

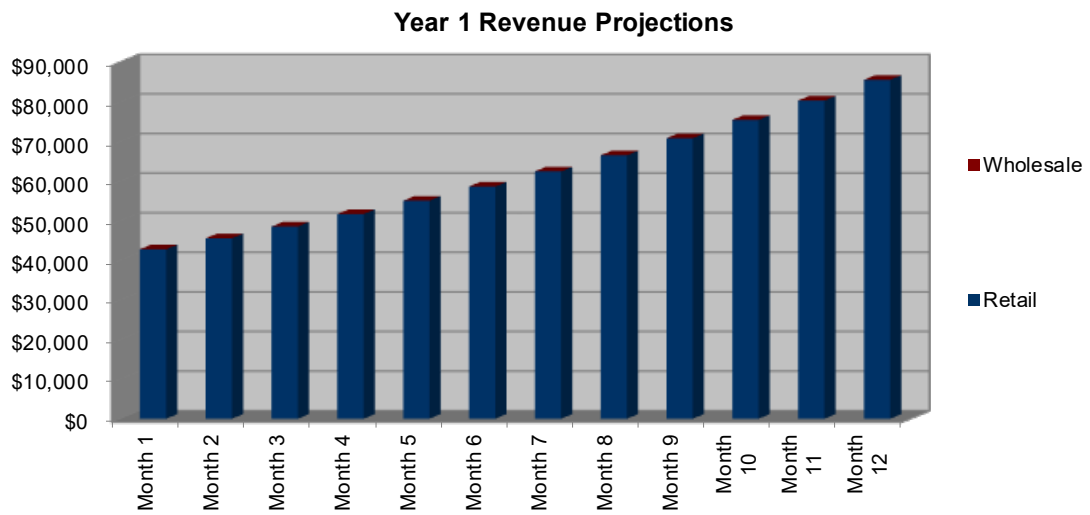
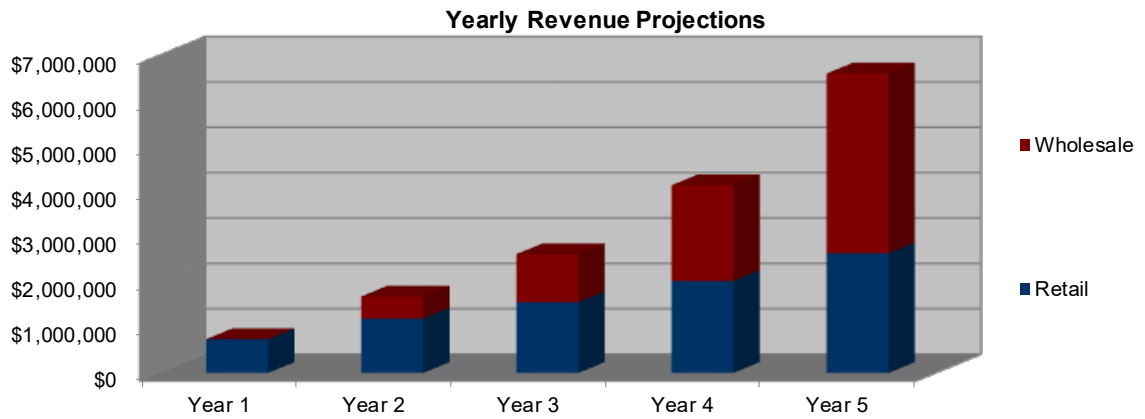
PowerLute will be a lean sales and contract-manufacturing company. Upon funding, PowerLute will hire a sales and marketing staff to facilitate growth initiatives.

7.0 Financial Summary

7.1 Revenue Forecast

The Revenue Forecast section details the revenue that the Company projects to receive. This section also details the direct costs. The following graphs illustrate the amount of revenue each line item contributes.

Yearly Revenue					
	Year 1	Year 2	Year 3	Year 4	Year 5
Units					
Retail	1,911	3,019	3,852	4,913	6,267
Wholesale	0	1,911	4,071	7,949	14,636
Total Units	1,911	4,931	7,923	12,862	20,903
Unit Price					
Retail	\$389.00	\$396.78	\$404.72	\$412.81	\$421.07
Wholesale	\$0.00	\$255.00	\$260.10	\$265.30	\$270.61
Revenue					
Retail	\$743,472	\$1,198,072	\$1,558,846	\$2,028,259	\$2,639,026
Wholesale	\$0	\$487,366	\$1,058,892	\$2,108,777	\$3,960,621
Gross Revenue	\$743,472	\$1,685,438	\$2,617,738	\$4,137,036	\$6,599,647
Unit Cost					
Retail	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Wholesale	\$0.00	\$125.00	\$125.00	\$125.00	\$125.00
Direct Costs					
Retail	\$238,905	\$377,436	\$481,463	\$614,163	\$783,436
Wholesale	\$0	\$238,905	\$508,887	\$993,574	\$1,829,501
Direct Cost of Revenue	\$238,905	\$616,341	\$990,350	\$1,607,737	\$2,612,937



7.2 Personnel Forecast

The Personnel section breaks down the payroll expense line on the Income Statement. It provides total headcount, average salary per category and total pay per category.

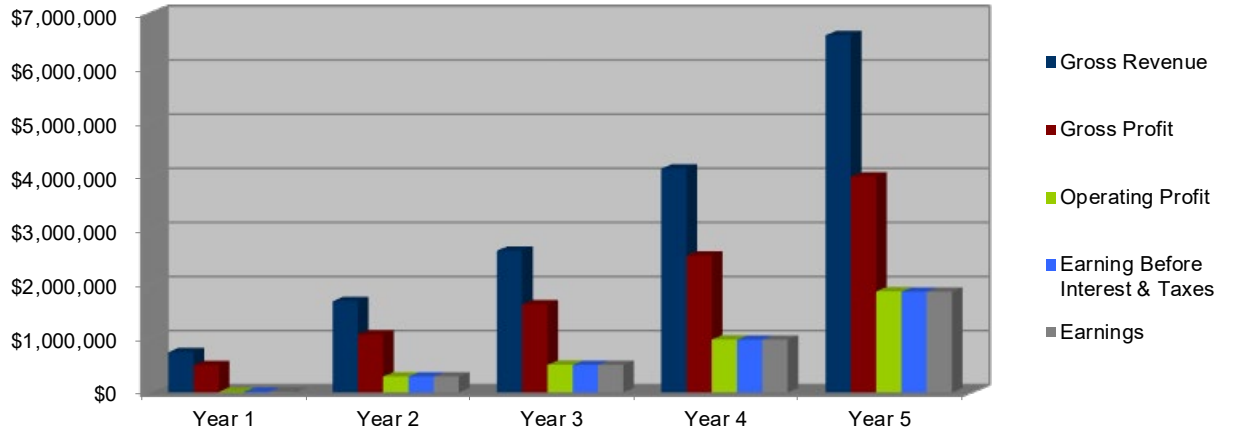
Yearly Personnel					
	Year 1	Year 2	Year 3	Year 4	Year 5
Headcount					
Owner/Manager	1	1	1	1	1
Sales/Marketing	1	1	1	1	1
Shipping/Receiving	1	2	3	4	5
Support Staff	0	2	4	6	8
Total Headcount	3	6	9	12	15
Compensation					
Owner/Manager	\$150,000	\$165,000	\$181,500	\$199,650	\$219,615
Sales/Marketing	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Shipping/Receiving	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Support Staff	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
Payroll					
Owner/Manager	\$150,000	\$165,000	\$181,500	\$199,650	\$219,615
Sales/Marketing	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Shipping/Receiving	\$50,000	\$105,000	\$165,375	\$231,525	\$303,877
Support Staff	\$0	\$74,160	\$152,770	\$236,029	\$324,147
Total Payroll	\$250,000	\$396,660	\$554,770	\$725,085	\$908,413

7.3 Income Statement

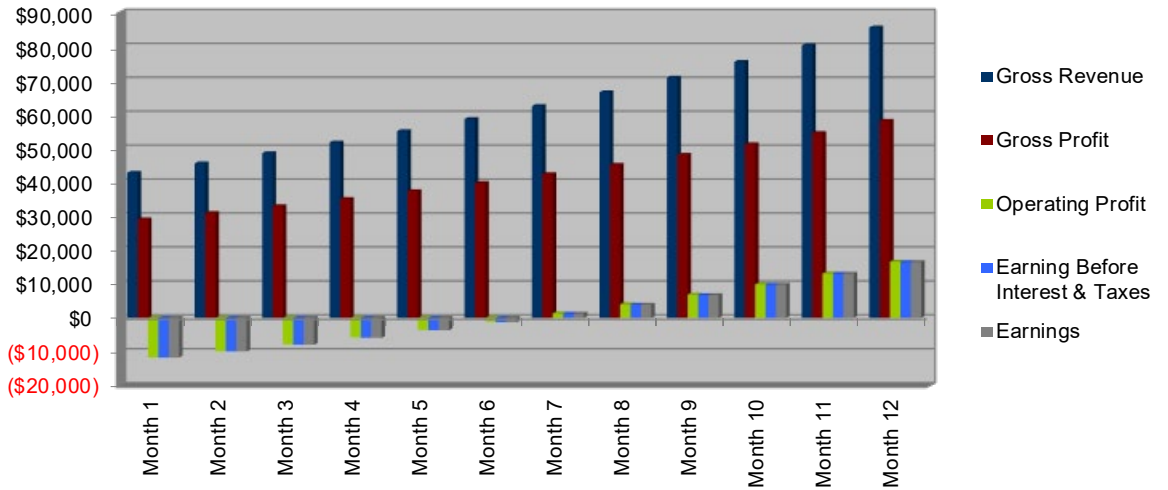
The Income Statement is also known as a Profit & Loss Statement. This table breaks down Revenue, Cost of Revenue, Operating Expenses, Depreciation, Interest, Taxes, and bottom line Earnings for the first five years.

Yearly Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$743,472	\$1,685,438	\$2,617,738	\$4,137,036	\$6,599,647
Direct Cost of Revenue	\$238,905	\$616,341	\$990,350	\$1,607,737	\$2,612,937
Other Direct Costs	\$0	\$0	\$0	\$0	\$0
Total Cost of Revenue	\$238,905	\$616,341	\$990,350	\$1,607,737	\$2,612,937
Gross Profit	\$504,567	\$1,069,097	\$1,627,388	\$2,529,300	\$3,986,710
Gross Profit Percentage	67.9%	63.4%	62.2%	61.1%	60.4%
Operating Expenses					
Marketing & Advertising	\$24,000	\$36,000	\$54,000	\$81,000	\$121,500
Travel & Entertainment	\$60,000	\$90,000	\$135,000	\$202,500	\$303,750
Professional Services	\$9,000	\$13,500	\$20,250	\$30,375	\$45,563
Rent	\$43,200	\$64,800	\$97,200	\$145,800	\$218,700
Utilities	\$12,000	\$18,000	\$27,000	\$40,500	\$60,750
Office Supplies	\$24,000	\$36,000	\$54,000	\$81,000	\$121,500
Telephones	\$5,400	\$8,100	\$12,150	\$18,225	\$27,338
Merchant Fees	\$14,869	\$33,709	\$52,355	\$82,741	\$131,993
Total Payroll	\$250,000	\$396,660	\$554,770	\$725,085	\$908,413
Payroll Taxes	\$25,000	\$39,666	\$55,477	\$72,509	\$90,841
Payroll Benefits	\$25,000	\$39,666	\$55,477	\$72,509	\$90,841
Total Operating Expenses	\$492,469	\$776,101	\$1,117,678	\$1,552,243	\$2,121,189
Operating Profit	\$12,098	\$292,997	\$509,709	\$977,057	\$1,865,521
Operating Profit Percentage	1.6%	17.4%	19.5%	23.6%	28.3%
Depreciation	\$1,125	\$2,625	\$4,125	\$5,625	\$7,125
Earning Before Interest & Taxes	\$10,973	\$290,372	\$505,584	\$971,432	\$1,858,396
EBIT Percentage	1.5%	17.2%	19.3%	23.5%	28.2%
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0
Earnings	\$10,973	\$290,372	\$505,584	\$971,432	\$1,858,396
Earnings Percentage	1.5%	17.2%	19.3%	23.5%	28.2%

Yearly Income Statement



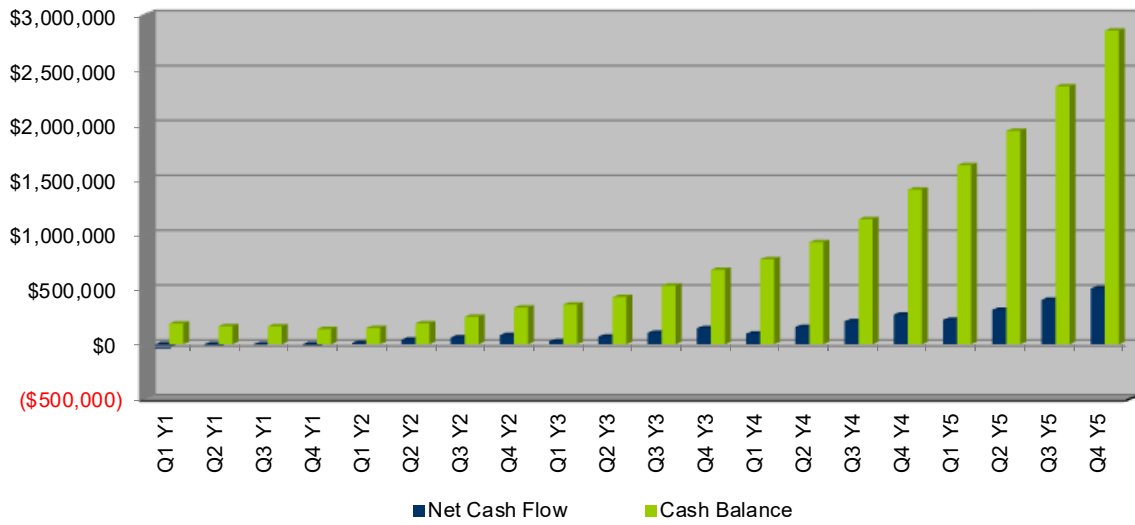
Year 1 Income Statement



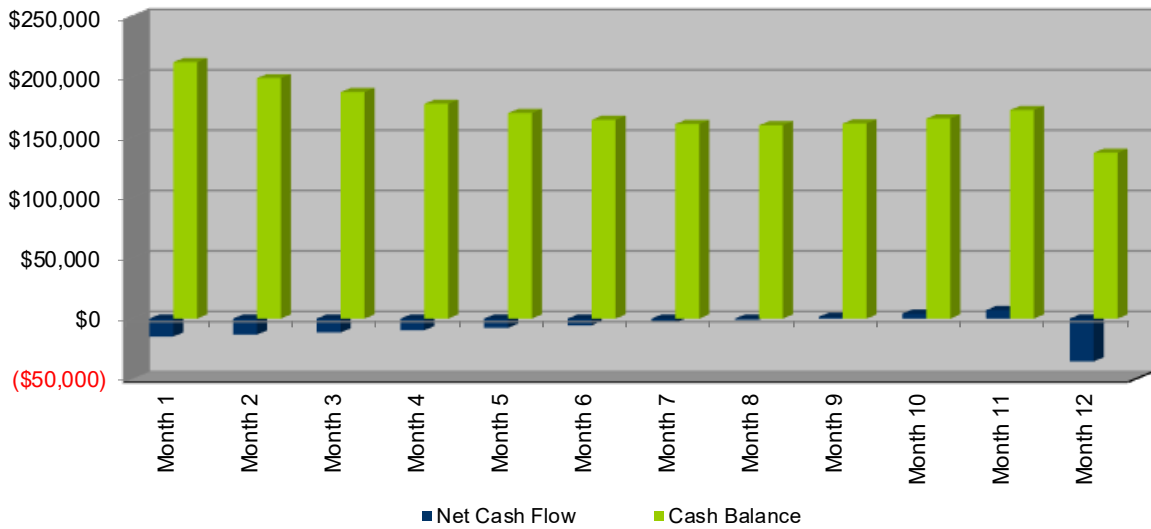
7.4 Statement of Cash Flow

Yearly Statement of Cash Flow					
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Activities					
Cash Received					
Gross Revenue	\$743,472	\$1,685,438	\$2,617,738	\$4,137,036	\$6,599,647
Total Cash Received	\$743,472	\$1,685,438	\$2,617,738	\$4,137,036	\$6,599,647
Cash Used					
Cost of Revenue	\$238,905	\$616,341	\$990,350	\$1,607,737	\$2,612,937
Payroll/Taxes/Benefits	\$300,000	\$475,992	\$665,724	\$870,102	\$1,090,096
Other Operating Expenses	\$192,469	\$300,109	\$451,955	\$682,141	\$1,031,093
Additional Inventory	\$102,049	\$84,631	\$153,500	\$234,331	\$405,401
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0
Total Cash Used	\$833,424	\$1,477,072	\$2,261,528	\$3,394,311	\$5,139,527
Net Cash From/(Used By) Operating	(\$89,952)	\$208,366	\$356,210	\$742,726	\$1,460,120
Investing Activities					
Cash Received					
Proceeds from Property/Land	\$0	\$0	\$0	\$0	\$0
Proceeds from Equipment	\$0	\$0	\$0	\$0	\$0
Total Cash Received	\$0	\$0	\$0	\$0	\$0
Cash Used					
Purchase of Property/Land	\$0	\$0	\$0	\$0	\$0
Purchase of Equipment	\$0	\$12,000	\$12,000	\$12,000	\$12,000
Total Cash Used	\$0	\$12,000	\$12,000	\$12,000	\$12,000
Net Cash From/(Used By) Investing	\$0	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)
Financing Activities					
Cash Received					
Proceeds from Investors	\$0	\$0	\$0	\$0	\$0
Proceeds from Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Total Cash Received	\$0	\$0	\$0	\$0	\$0
Cash Used					
Dividends Paid	\$0	\$0	\$0	\$0	\$0
Repayment of Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Total Cash Used	\$0	\$0	\$0	\$0	\$0
Net Cash From/(Used By) Financing	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$89,952)	\$196,366	\$344,210	\$730,726	\$1,448,120
Cash Balance	\$137,248	\$333,614	\$677,824	\$1,408,550	\$2,856,669

Quarterly Statement of Cash Flow



Year 1 Statement of Cash Flow



7.5 Balance Sheet

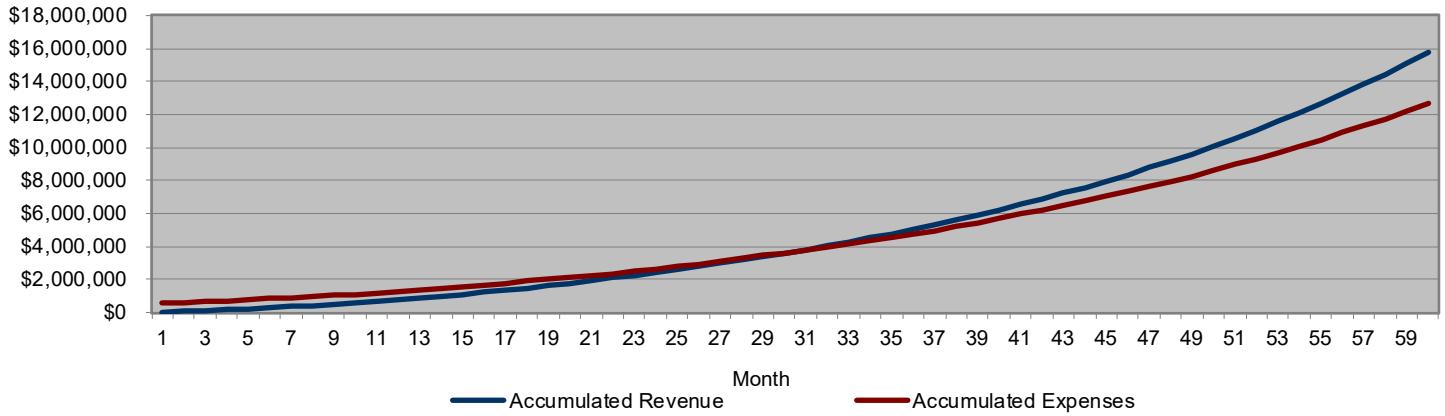
Yearly Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$137,248	\$333,614	\$677,824	\$1,408,550	\$2,856,669
Inventory	\$152,049	\$236,680	\$390,179	\$624,511	\$1,029,912
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$289,298	\$570,294	\$1,068,003	\$2,033,060	\$3,886,582
Long-Term Assets					
Property	\$0	\$0	\$0	\$0	\$0
Equipment	\$9,000	\$21,000	\$33,000	\$45,000	\$57,000
Other Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	(\$1,125)	(\$3,750)	(\$7,875)	(\$13,500)	(\$20,625)
Total Long-Term Assets	\$7,875	\$17,250	\$25,125	\$31,500	\$36,375
Total Assets	\$297,173	\$587,544	\$1,093,128	\$2,064,560	\$3,922,957
Liabilities					
Current Liabilities					
Current Debt	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities					
Long-Term Debt	\$0	\$0	\$0	\$0	\$0
New Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Total Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0
Shareholders' Equity					
Paid-in Capital					
Owner	\$0	\$0	\$0	\$0	\$0
Investor	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
New Paid-in Capital	\$0	\$0	\$0	\$0	\$0
Total Paid-in Capital	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Retained Earnings					
Previous Retained Earnings	(\$513,800)	(\$502,827)	(\$212,456)	\$293,128	\$1,264,560
Current Earnings	\$10,973	\$290,372	\$505,584	\$971,432	\$1,858,396
Total Retained Earnings	(\$502,827)	(\$212,456)	\$293,128	\$1,264,560	\$3,122,957
Total Shareholders' Equity	\$297,173	\$587,544	\$1,093,128	\$2,064,560	\$3,922,957
Total Liabilities & Equity	\$297,173	\$587,544	\$1,093,128	\$2,064,560	\$3,922,957

7.6 Break-Even Analysis

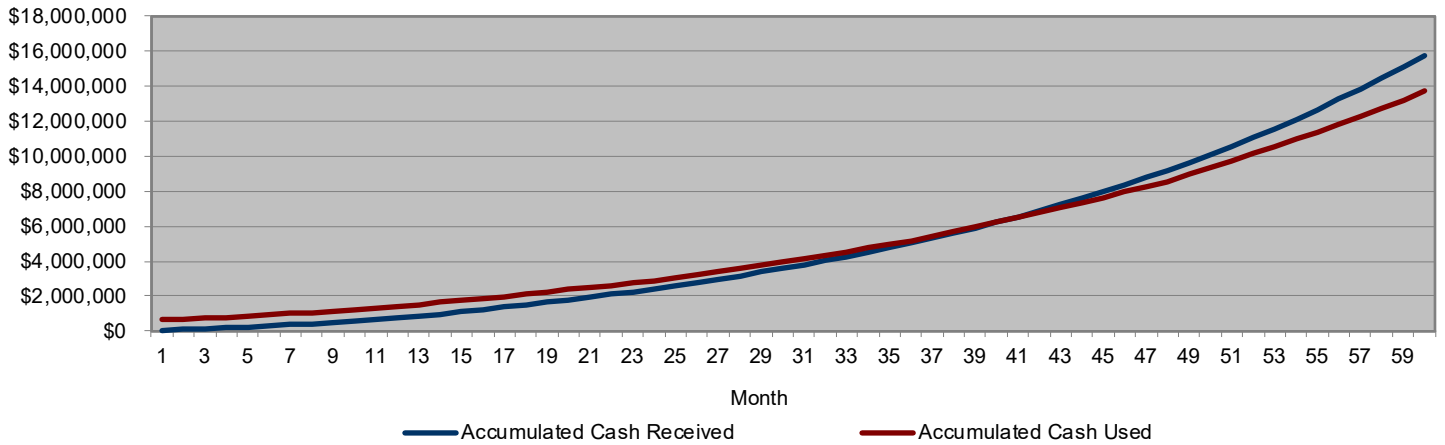
The Break-Even Analysis details two different break-even points. The Operating Break-Even accounts for the Company's revenue and expenses on the Income Statement. The Investment Cash Flow Break-Even takes the Operating Break-Even one step further by including the inflow and outflows of the Cash Flow. The Investment Cash Flow Break-Even looks at all transfers of money except investments.

Break-Even	
Analysis	Month
Operating Break-Even	31
Investment Cash Flow Break-Even	40

Operating Break-Even



Investment Cash Flow Break-Even



7.7 Best & Worst Case

The Best and Worst Case analysis illustrates what the Company's financial statements might look like with an increase or decrease in Revenue.

Best Case -- Revenue Increase By: 10%					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$817,819	\$1,853,982	\$2,879,512	\$4,550,740	\$7,259,612
Total Cost of Revenue	\$262,795	\$677,975	\$1,089,385	\$1,768,510	\$2,874,230
Gross Profit	\$555,024	\$1,176,007	\$1,790,126	\$2,782,230	\$4,385,381
Gross Profit Percentage	67.9%	63.4%	62.2%	61.1%	60.4%
Total Operating Expenses	\$492,469	\$776,101	\$1,117,678	\$1,552,243	\$2,121,189
Operating Profit	\$62,554	\$399,906	\$672,448	\$1,229,987	\$2,264,192
Operating Profit Percentage	7.6%	21.6%	23.4%	27.0%	31.2%
Earning Before Interest & Taxes	\$61,429	\$397,281	\$668,323	\$1,224,362	\$2,257,067
EBIT Percentage	7.5%	21.4%	23.2%	26.9%	31.1%
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0
Earnings	\$61,429	\$397,281	\$668,323	\$1,224,362	\$2,257,067
Earnings Percentage	7.5%	21.4%	23.2%	26.9%	31.1%
Net Cash Flow	(\$39,495)	\$303,276	\$506,948	\$983,656	\$1,846,791
Cash Balance	\$187,705	\$490,981	\$997,929	\$1,981,585	\$3,828,376

Worst Case -- Revenue Decrease By: 10%					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$669,125	\$1,516,894	\$2,355,964	\$3,723,333	\$5,939,682
Total Cost of Revenue	\$215,014	\$554,707	\$891,315	\$1,446,963	\$2,351,643
Gross Profit	\$454,110	\$962,188	\$1,464,649	\$2,276,370	\$3,588,039
Gross Profit Percentage	67.9%	63.4%	62.2%	61.1%	60.4%
Total Operating Expenses	\$492,469	\$776,101	\$1,117,678	\$1,552,243	\$2,121,189
Operating Profit	(\$38,359)	\$186,087	\$346,971	\$724,127	\$1,466,850
Operating Profit Percentage	-5.7%	12.3%	14.7%	19.4%	24.7%
Earning Before Interest & Taxes	(\$39,484)	\$183,462	\$342,846	\$718,502	\$1,459,725
EBIT Percentage	-5.9%	12.1%	14.6%	19.3%	24.6%
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0
Earnings	(\$39,484)	\$183,462	\$342,846	\$718,502	\$1,459,725
Earnings Percentage	-5.9%	12.1%	14.6%	19.3%	24.6%
Net Cash Flow	(\$140,408)	\$89,456	\$181,471	\$477,796	\$1,049,449
Cash Balance	\$86,792	\$176,248	\$357,719	\$835,514	\$1,884,963

Appendix A – Year 1 Financials

Year 1 Monthly Forecast illustrates the Company’s first 12 months after the Pre-Operating stage.

Year 1 Revenue												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Units												
Retail	110	117	125	133	142	151	161	171	182	194	207	220
Wholesale	0	0	0	0	0	0	0	0	0	0	0	0
Total Units	110	117	125	133	142	151	161	171	182	194	207	220
Unit Price												
Retail	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00	\$389.00
Wholesale	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Revenue												
Retail	\$42,790	\$45,573	\$48,537	\$51,694	\$55,056	\$58,637	\$62,451	\$66,513	\$70,839	\$75,447	\$80,354	\$85,580
Wholesale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Revenue	\$42,790	\$45,573	\$48,537	\$51,694	\$55,056	\$58,637	\$62,451	\$66,513	\$70,839	\$75,447	\$80,354	\$85,580
Unit Cost												
Retail	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Wholesale	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Direct Costs												
Retail	\$13,750	\$14,644	\$15,597	\$16,611	\$17,692	\$18,842	\$20,068	\$21,373	\$22,763	\$24,244	\$25,821	\$27,500
Wholesale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct Cost of Revenue	\$13,750	\$14,644	\$15,597	\$16,611	\$17,692	\$18,842	\$20,068	\$21,373	\$22,763	\$24,244	\$25,821	\$27,500

Year 1 Personnel												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Headcount												
Owner/Manager	1	1	1	1	1	1	1	1	1	1	1	1
Sales/Marketing	1	1	1	1	1	1	1	1	1	1	1	1
Shipping/Receiving	1	1	1	1	1	1	1	1	1	1	1	1
Support Staff	0	0	0	0	0	0	0	0	0	0	0	0
Total Headcount	3	3	3	3	3	3	3	3	3	3	3	3
Compensation												
Owner/Manager	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Sales/Marketing	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Shipping/Receiving	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Support Staff	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Payroll												
Owner/Manager	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Sales/Marketing	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Shipping/Receiving	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167
Support Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Payroll	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833

Year 1 Income Statement												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Gross Revenue	\$42,790	\$45,573	\$48,537	\$51,694	\$55,056	\$58,637	\$62,451	\$66,513	\$70,839	\$75,447	\$80,354	\$85,580
Direct Cost of Revenue	\$13,750	\$14,644	\$15,597	\$16,611	\$17,692	\$18,842	\$20,068	\$21,373	\$22,763	\$24,244	\$25,821	\$27,500
Other Direct Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Revenue	\$13,750	\$14,644	\$15,597	\$16,611	\$17,692	\$18,842	\$20,068	\$21,373	\$22,763	\$24,244	\$25,821	\$27,500
Gross Profit	\$29,040	\$30,929	\$32,940	\$35,083	\$37,365	\$39,795	\$42,383	\$45,140	\$48,076	\$51,203	\$54,533	\$58,080
Gross Profit Percentage	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%	67.9%
Operating Expenses												
Marketing & Advertising	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Travel & Entertainment	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Professional Services	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Rent	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Utilities	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Office Supplies	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Telephones	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Merchant Fees	\$856	\$911	\$971	\$1,034	\$1,101	\$1,173	\$1,249	\$1,330	\$1,417	\$1,509	\$1,607	\$1,712
Total Payroll	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833	\$20,833
Payroll Taxes	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Payroll Benefits	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Total Operating Expenses	\$40,656	\$40,711	\$40,771	\$40,834	\$40,901	\$40,973	\$41,049	\$41,130	\$41,217	\$41,309	\$41,407	\$41,512
Operating Profit	(\$11,616)	(\$9,783)	(\$7,830)	(\$5,751)	(\$3,536)	(\$1,178)	\$1,334	\$4,010	\$6,859	\$9,894	\$13,126	\$16,568
Operating Profit Percentage	-27.1%	-21.5%	-16.1%	-11.1%	-6.4%	-2.0%	2.1%	6.0%	9.7%	13.1%	16.3%	19.4%
Depreciation	\$94	\$94	\$94	\$94	\$94	\$94	\$94	\$94	\$94	\$94	\$94	\$94
Earning Before Interest & Taxes	(\$11,710)	(\$9,876)	(\$7,924)	(\$5,845)	(\$3,630)	(\$1,272)	\$1,241	\$3,916	\$6,765	\$9,800	\$13,032	\$16,475
EBIT Percentage	-27.4%	-21.7%	-16.3%	-11.3%	-6.6%	-2.2%	2.0%	5.9%	9.6%	13.0%	16.2%	19.3%
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	(\$11,710)	(\$9,876)	(\$7,924)	(\$5,845)	(\$3,630)	(\$1,272)	\$1,241	\$3,916	\$6,765	\$9,800	\$13,032	\$16,475
Earnings Percentage	-27.4%	-21.7%	-16.3%	-11.3%	-6.6%	-2.2%	2.0%	5.9%	9.6%	13.0%	16.2%	19.3%

Year 1 Statement of Cash Flow												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Operating Activities												
Cash Received												
Gross Revenue	\$42,790	\$45,573	\$48,537	\$51,694	\$55,056	\$58,637	\$62,451	\$66,513	\$70,839	\$75,447	\$80,354	\$85,580
Total Cash Received	\$42,790	\$45,573	\$48,537	\$51,694	\$55,056	\$58,637	\$62,451	\$66,513	\$70,839	\$75,447	\$80,354	\$85,580
Cash Used												
Cost of Revenue	\$13,750	\$14,644	\$15,597	\$16,611	\$17,692	\$18,842	\$20,068	\$21,373	\$22,763	\$24,244	\$25,821	\$27,500
Payroll/Taxes/Benefits	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Other Operating Expenses	\$15,656	\$15,711	\$15,771	\$15,834	\$15,901	\$15,973	\$16,049	\$16,130	\$16,217	\$16,309	\$16,407	\$16,512
Additional Inventory	\$3,252	\$3,464	\$3,689	\$3,929	\$4,184	\$4,456	\$4,746	\$5,055	\$5,384	\$5,734	\$6,107	\$2,049
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Accrued	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Used	\$57,658	\$58,819	\$60,056	\$61,374	\$62,777	\$64,272	\$65,863	\$67,558	\$69,364	\$71,287	\$73,335	\$121,061
Net Cash From/(Used By) Operating	(\$14,868)	(\$13,246)	(\$11,519)	(\$9,680)	(\$7,721)	(\$5,634)	(\$3,412)	(\$1,045)	\$1,475	\$4,160	\$7,019	(\$35,481)
Investing Activities												
Cash Received												
Proceeds from Property/Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Used												
Purchase of Property/Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase of Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash From/(Used By) Investing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Activities												
Cash Received												
Proceeds from Investors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Used												
Dividends Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash From/(Used By) Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$14,868)	(\$13,246)	(\$11,519)	(\$9,680)	(\$7,721)	(\$5,634)	(\$3,412)	(\$1,045)	\$1,475	\$4,160	\$7,019	(\$35,481)
Cash Balance	\$212,332	\$199,086	\$187,567	\$177,887	\$170,166	\$164,532	\$161,120	\$160,075	\$161,550	\$165,710	\$172,729	\$137,248

Year 1 Balance Sheet												
	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												
Current Assets												
Cash	\$212,332	\$199,086	\$187,567	\$177,887	\$170,166	\$164,532	\$161,120	\$160,075	\$161,550	\$165,710	\$172,729	\$137,248
Inventory	\$53,252	\$56,716	\$60,404	\$64,333	\$68,518	\$72,974	\$77,720	\$82,775	\$88,159	\$93,893	\$100,000	\$152,049
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$265,584	\$255,802	\$247,971	\$242,220	\$238,684	\$237,506	\$238,840	\$242,850	\$249,709	\$259,603	\$272,729	\$289,298
Long-Term Assets												
Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Other Long-Term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	(\$94)	(\$188)	(\$281)	(\$375)	(\$469)	(\$563)	(\$656)	(\$750)	(\$844)	(\$938)	(\$1,031)	(\$1,125)
Total Long-Term Assets	\$8,906	\$8,813	\$8,719	\$8,625	\$8,531	\$8,438	\$8,344	\$8,250	\$8,156	\$8,063	\$7,969	\$7,875
Total Assets	\$274,490	\$264,614	\$256,690	\$250,845	\$247,215	\$245,944	\$247,184	\$251,100	\$257,865	\$267,666	\$280,698	\$297,173
Liabilities												
Current Liabilities												
Current Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Liabilities												
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shareholders' Equity												
Paid-in Capital												
Owner	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investor	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
New Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Paid-in Capital	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Retained Earnings												
Previous Retained Earnings	(\$513,800)	(\$525,510)	(\$535,386)	(\$543,310)	(\$549,155)	(\$552,785)	(\$554,056)	(\$552,816)	(\$548,900)	(\$542,135)	(\$532,334)	(\$519,302)
Current Earnings	(\$11,710)	(\$9,876)	(\$7,924)	(\$5,845)	(\$3,630)	(\$1,272)	\$1,241	\$3,916	\$6,765	\$9,800	\$13,032	\$16,475
Total Retained Earnings	(\$525,510)	(\$535,386)	(\$543,310)	(\$549,155)	(\$552,785)	(\$554,056)	(\$552,816)	(\$548,900)	(\$542,135)	(\$532,334)	(\$519,302)	(\$502,827)
Total Shareholders' Equity	\$274,490	\$264,614	\$256,690	\$250,845	\$247,215	\$245,944	\$247,184	\$251,100	\$257,865	\$267,666	\$280,698	\$297,173
Total Liabilities & Equity	\$274,490	\$264,614	\$256,690	\$250,845	\$247,215	\$245,944	\$247,184	\$251,100	\$257,865	\$267,666	\$280,698	\$297,173