

Profitability report

Total Square Feet	1500
Annual Rent Per Square Foot	39
Annual NNN Per Square Foot	9.22
Effective Price Per Service Sold	18.50
Number of Services Sold Per Day In Year 1	25
Number of Services Sold Per Day In Year 2	35
Employee Hourly Wage	17
Days Open Per Year	360
Hours Open Per Day	8.5
Number Of Employees Working Per Hour Open	1.5
Annual Merchandise Sales In Year 1	8900
Annual Merchandise Sales In Year 2	9100
COGS As % Of Sale Price	50

Annual business expense estimates

Annual Gift expenses (bonuses, incentives, etc.)	500
Total payroll deductions as % of wages	16
Insurance Expenses Year 1	2700
Insurance Expenses Year 2	920
Annual Health Insurance	4600

Utilities, Internet/phone, Software	5600
Annual Expenses On Supplies	3200
Annual Professional Fees	400
Annual Miscellaneous Expenses	10400
Royalties As % Of Sales	6
Marketing Expenses As % Of Sales	2
Annual Debt Expenses	5000

Initial investment estimates

Initial Franchise Fee (IFF)	40000
Training Fee	2500
Architect Cost	7000
Construction Costs	27000
Signage Costs	6000
Electronics & Appliances	5000
Fixtures, Furniture, Equipment (FFE)	30000
Inventory And Supplies	3000
Grand opening	8000
Advertising	2000
Utilities deposit	600
Security system	1000
Recruiting for staff	500
One-time professional fees	7000
Contingency (permits, licenses, miscellaneous)	5000

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	1	2	3	4	5	<-- YEARS					
General assumptions											
All-in investment ...estimated in cell C88 -->	\$ 158,952						green means "enter value"				
Square Feet of commercial real estate	1,500										
Annual rent per square foot enter value -->	\$ 39.00	\$ 40.17	\$ 41.38	\$ 42.62	\$ 43.89						
Annual NNN per square foot enter value -->	\$ 9.22	\$ 9.59	\$ 9.97	\$ 10.37	\$ 10.79						
Total annual rent	72,330	74,638	77,021	79,481	82,021						
Effective price per service sold	\$ 18.50	\$ 19.06	\$ 19.63	\$ 20.22	\$ 20.82						
Services sold / day	25	35	45	55	65						
Average employee wage per hour	\$ 17.00	\$ 17.68	\$ 18.39	\$ 19.12	\$ 19.89						
Days open / year	360	360	360	360	360						
Hours open / day	8.5	8.5	8.5	8.5	8.5						
Sales and Direct Labor											
Sales YOY (year over year)		44%	32%	26%	22%						
Annual service sales	\$166,500	\$240,093	\$317,952	\$400,266	\$487,233						
Service sales per day	\$462	\$667	\$883	\$1,112	\$1,353						
Services per hour	2.9	4.1	5.3	6.5	7.6						
Number of employees / hour enter values -->	1.5	2.1	2.7	3.3	3.9		1	2	3	4	5
Total Wages	\$78,030	\$113,612	\$151,915	\$193,101	\$237,338		44%	46%	46%	47%	48%
Annual merchandise sales enter values -->	\$8,900	\$9,100	9,300	9,500	9,700		5%	4%	3%	2%	2%
Cost of Goods Sold as % of sale price enter values -->	50	50	50	50	50						
Total Sales	\$175,400	\$249,193	\$327,252	\$409,766	\$496,933						
Total Sales YOY (year over year)		42%	31%	25%	21%						
Pro-Forma P&L (Profit & Loss)											
Sales: services	\$166,500	\$240,093	\$317,952	\$400,266	\$487,233		94.9%	96.3%	97.2%	97.7%	98.0%
Sales: merchandise	8,900	9,100	9,300	9,500	9,700		5.1%	3.7%	2.8%	2.3%	2.0%
Total Sales	\$ 175,400	\$ 249,193	\$ 327,252	\$ 409,766	\$ 496,933		100.0%	100.0%	100.0%	100.0%	100.0%
COGS (Cost of Goods Sold)	4,450	4,550	4,650	4,750	4,850		2.5%	1.8%	1.4%	1.2%	1.0%
Gross Margin	\$ 170,950	\$ 244,643	\$ 322,602	\$ 405,016	\$ 492,083		97.5%	98.2%	98.6%	98.8%	99.0%
Payroll Expenses											
Direct Labor	78,030	113,612	151,915	193,101	237,338		44.5%	45.6%	46.4%	47.1%	47.8%
Gifts (bonuses, incentives) enter value -->	500	728	973	1,237	1,521		0.3%	0.3%	0.3%	0.3%	0.3%
Payroll Taxes & Other Payroll Deductions enter value -->	12,300	17,909	23,947	30,439	37,412		15.8				
Total Payroll	90,830	132,248	176,835	224,777	276,271		51.8%	53.1%	54.0%	54.9%	55.6%
Other Expenses											
Rent	72,330	74,638	77,021	79,481	82,021		41.2%	30.0%	23.5%	19.4%	16.5%
Insurance (year 1 include buildout) enter values -->	2,700	920	920	920	920		1.5%	0.4%	0.3%	0.2%	0.2%
Health insurance enter value -->	4,600	5,060	5,566	6,123	6,735		2.6%	2.0%	1.7%	1.5%	1.4%
Utilities + Internet/phone + software enter values -->	5,600	5,768	5,941	6,119	6,303		3.2%	2.3%	1.8%	1.5%	1.3%
Supplies enter values -->	3,200	3,200	3,200	3,200	3,200		1.8%	1.3%	1.0%	0.8%	0.6%
Professional Fees (CPA) enter values -->	400	400	400	400	400		0.2%	0.2%	0.1%	0.1%	0.1%
Other: Automobile, charity, home office, mail, staff mee	10,400	10,400	10,400	10,400	10,400		5.9%	4.2%	3.2%	2.5%	2.1%

Royalties & corporate advertising	10,524	14,952	19,635	24,586	29,816	6.0	6.0%	6.0%	6.0%	6.0%	% of sales
Local Store Marketing	3,508	4,984	6,545	8,195	9,939	2.0	2.0%	2.0%	2.0%	2.0%	% of sales
Bank Charges	3,333	4,735	6,218	7,786	9,442	1.9%	1.9%	1.9%	1.9%	1.9%	% of sales
Taxes	6,139	8,722	11,454	14,342	17,393	3.5%	3.5%	3.5%	3.5%	3.5%	% of sales
Total Expenses	122,734	133,778	147,300	161,552	176,568	70.0%	53.7%	45.0%	39.4%	35.5%	% of sales
EBITDA (earnings before interest, taxes, depreciation, a	\$ (42,614)	\$ (21,384)	\$ (1,533)	\$ 18,687	\$ 39,243						
						blue means "goal" OR "plan for"					
Profit Margin	-24.3%	-8.6%	-0.5%	4.6%	7.9%						
Debt Service# 1- Interest and Principal	\$ 5,000	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00						
Estimated Cash Flow before taxes	\$ (47,614)	\$ (26,384)	\$ (6,533)	\$ 13,687	\$ 34,243						
Initial Investment Estimates											
IFF (initial franchise fee)	\$40,000										
One time Training fee	\$2,500										
Expenses to open store											
1st Month Rent + Rent Security	\$12,055										
Architect	\$7,000										
Construction minus Tenant Improvement Allowance	\$27,000										
Signage	\$8,000										
Electronics/appliances/software	\$10,000										
Fixtures, Equipment, Furniture including freight	\$47,000										
Inventory & Supplies	\$6,000										
Grand Opening Marketing	\$8,000										
Advertising	\$2,000										
Utilities Deposit	\$600										
Security System	\$1,000										
Recruiting	\$500										
Contingency (permits, licences, miscellaneous)	\$5,000										
Professional Fees (attorney, cpa)	\$7,000										
Working Capital	\$17,797										
TOTAL expenses to open store	\$ 158,952										
TOTAL initial investment	\$ 201,452										