

Nitro⁽³²¹⁾Mix

Business Plan 2016-2017
Hazen FBLA #8090
Hazen High School
Renton, Washington
Ellen Vu and Kaitlyn Tran

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Executive Summary

Synopsis of Business

Nitro Mix is an upcoming franchise that caters ice cream fresh upon order using liquid nitrogen. This business will be owned through a shared partnership consisting of Kaitlyn Tran and Ellen Vu. The first store will be opened and operated in the city of Bellevue, Washington. Services will begin on the 18th of April 2018.

We will offer a variety of different choices and flavors in liquid nitrogen ice cream to everyone. Both partners will contribute equally to decision-making and the running of the business. Nitro Mix will be successful for the following reasons:

- With recent hype regarding the fun and delicious process of liquid nitrogen ice cream, we can safely assume that the Seattle-Bellevue population will be active customers.
- Unlike regular ice cream, liquid nitrogen only requires liquid nitrogen, milk, and flavoring. This will prevent the cost of throwing away old ice cream and the risks of food poisoning.
- Both partners are highly invested and dedicated to the immediate future and success of this business.
- There is only one other competing store near this area. Therefore, competition is highly limited.
- Our services will attract kids with our nearly hands-on experience of making ice cream. This will then bring in the entire family, thus increasing the profits gained.
- Nitro Mix caters to their customers; they get to pick their own base, flavors, and mix-ins. There are also a cultural variety of flavors to pick from.
- There are over 1,000 combinations of flavors to mix and create (Appendix A)

Company Description

Legal Form

Ellen Vu and Kaitlyn Tran established this agreement on January 11, 2017.

Ellen Vu at 251 Lyons PL NE Renton, WA 98059

Kaitlyn Tran at 5513 NE 1st Pl Renton, WA 98059

I. The previously mentioned persons today form this partnership. Our business will operate under the name of Nitro Mix and is going to be located at. Our company plans to specialize in liquid nitrogen ice cream.

II. The partnership will be for two years beginning on April 18th, 2017. Agreement terms may be altered if agreed upon by both participating members.

III. Both of the participating members will dedicate their own abilities, time, and consideration to make the business as successful as possible. No engagement in other businesses will be prohibited.

IV. Each partner will be responsible for one half of the finances whether it be profit or loss.

V. Should this partnership and agreement be ended, (i.e. death or incapacitation of one or more partners, written consent by all partners) a new agreement may be written and adopted by the members.

VI. A member may exercise the option of purchasing (or buying out) another member's share of the business at a price that does not exceed the balance of the existing member's share profit account. This payment must be made in cash the day the account is transferred.

VII. After the end of this contract, and all dues has been paid, the profit of the business will be divided up equally into each partner's account. The members may also approve the decision to carry on the business under a new or renewed agreement.

Ellen Vu

Date

Kaitlyn Tran

Date

Effective Date of Business

Nitro Mix will open their store on April 18th, 2018. This date gives the store time to adjust and tweak small things to be more productive before the summer comes around. This way when there are lots of customers coming in to beat the heat, it will be faster and easier for us to get customers in and out with the two months to get comfortable and build a system.

Mission Statement

Our goal is to give ice cream lovers a place to take part in a creative and delicious experience, all the while having fun with their friends and family. We intend to provide a unique ice cream experience for each customer that walks through our doors. They will have the chance to customize ice cream their own flavor and have it made right in front of them. We will provide everyone the opportunity to experience this process including those with food allergies, medical conditions, and/or are vegan.

Company Governance

The owners of Nitro Mix, Ellen Vu and Kaitlyn Tran, will manage this business in a general partnership voting method. Through this, we may eliminate potential arguments and maintain a fair ownership. We trust that this style will be the most effective way for us to make the business prosper. Ellen Vu will oversee all finances of the enterprise, while Kaitlyn Tran will be lead of marketing for the business.

Company Location

Nitro Mix will be located in Bellevue Way NE. This is a street that is surrounded by other stores and a movie theater, increasing our number of possible customers. With all of the nearby stores, there will be lots of foot traffic around the area, which will give Nitro Mix an opportunity to attract customers passing by on the street.

Immediate Development Goals

The partners of Nitro Mix desire to:

- Both partners will complete his/her responsibilities as manager and worker
- Create social media pages
- Establish a consistent and efficient system in the offering of our services

Overview of Company's Financial Status

Nitro Mix will need \$250,000 for the start-up (modeling the store, equipment etc.); Kaitlyn Tran and Ellen Vu will pay 15% of that and the rest will be loaned by the bank. Each side of the partnership will be responsible for \$18,750. The bank will loan \$212,500 to our business at 15% interest. For the first 5 months we will pay

the interest and an additional \$5,000 to pay off the loan. We will continue to pay the interest for the rest of the next year but we will stop adding the additional \$5,000 because we project that we will not earn enough during the winter months to be able to pay off the loan. We will continue to pay off the loan in the following years and we will adjust the amount depending on our sales revenue that month. We predict that our ROI from the total startup money (\$250,000) will be at 31.41% after the first year.

Industry Analysis

Description of Industry

There is only one other business in the Seattle-Bellevue area that specializes in liquid nitrogen ice cream. This business, however, is approximately 30 minutes away from our intended location. Although, during traffic hours the drive from our intended location to SubZero can be up to an hour drive despite being 27 miles apart. This will entice customers to come to our location instead of taking the long drive to federal way. Nitro Mix offers many promotional opportunities and a relatively cheaper option than Sub Zero. Our customers may consist of the high number of daily visitors from the Bellevue Square area.

The Dairy Foods Association has also reported that in 2011, approximately 93% of all U.S. households consumed ice cream. It is clear that ice cream and frozen desserts are a very stable industry with exponential growth potential.

Trends and Strategic Opportunities

Ice cream is a dessert that enjoyed by many people of all ages all around the world. We will be offering an entertaining new experience for people of the Seattle-Bellevue area specifically. This will allow citizens of and around these areas to join in on the growing trend that is becoming very popular. Nitro Mix will provide a place for everyone to enjoy a delicious dessert and to have fun with their family and friends.

Rising consumer disposable income coupled with increasing inclination of people towards sweet dishes is expected drive the growth of Ice-cream and frozen dessert market across the globe.

Another emerging trend certain to continue will be the introduction of frozen desserts with flavors targeted to the growing Hispanic population. Our report covers the potential for products with flavors that appeal to the Asian American consumers and the likelihood of their crossover to the mainstream flavor map.

Target Market

Definition of Target Market

Within Washington State there is only one other store that provides liquid nitrogen ice cream. Besides the one store in Washington, the other closest stores are located in Canada and Oregon State, which will be inconvenient for many. Therefore, Nitro Mix will have minimal competition from other businesses.

Nitro Mix intends to target families with our fun and exciting way of making ice cream. With our Nitro Mix system, we can cater to all family members whether they have allergies or health conditions or are vegan. Even if customers have conditions that may prevent them from enjoying traditional ice cream, our store gives those individuals alternate options such as offering soymilk, almond milk, coconut milk, and rice milk for those who are vegan. This will also bring in customers that other ice cream competitors cannot satisfy.

There has been hype in the new form of ice cream- liquid nitrogen. Many community members have shown interest in this new popular trend. With our creative ideas and location, many families will be able to enjoy and take part in this incredible and delicious experience. With the two business partners and multiple advisors, we will be able to cater to customers of all ages and especially families. If we are successful in our business, we plan to franchise and extend to farther locations.

We will be targeting specific groups of people based on the demographic in Bellevue. According to statistics, 63% of the households are family led. Also, 76% of the population has an annual income of 60,000 or greater. 26% of the population is people under the age of 18.

Lastly, Nitro Mix intends to target school districts, camps, afterschool programs, religious groups, Girl Scout/Boy Scout troops, and other youth groups seeking educational experiences. We will be attracting this target market by making cold calls and in-person visits. We intend to sponsor little league games and help out with the community in order to promote awareness of our brand. They will also be retaining this target market by performing entertaining educational demonstrations.

Analysis of Market and Effective Potential

There have been a great number of potential customers that have expressed their interest in liquid nitrogen ice cream through Internet polls and Facebook. Many of our community members have referred potential customers to us. It is with a strong belief that our services will be greatly appreciated and valued in the greater Bellevue area.

With over half of Bellevue's household family led, we intend to primarily target this

demographic. Through our colorful and bright store and fun idea, we will be able to attract children. With the attraction of children, we will capture the whole family. We understand that Bellevue is an affluent and rich neighborhood. The costs of our products will not be a big issue in this area. Teenagers tend to spend their disposable income on gratification objects, mainly on normal goods. Ice cream is one of those normal goods that people under the age of 18 gravitate towards. Nitro Mix plans to entice teens through music and create an atmosphere that is appropriate for an easy day out with friends.

Competition

Key Competitors Identified

In the greater Bellevue area, there is only one other competing liquid nitrogen ice cream franchise. The nearest store is 26 miles away from our intended location. This franchise is located at:

SubZero Ice Cream and Yogurt
Pavilions Centre II
1653 Pacific Hwy SE
Federal Way, WA 98003

However, we must also take into consideration other traditional ice cream and yogurt franchises. These businesses have multiple stores scattered all across Washington, mainly in highly populated areas. For example:

Menchie's
1409 S 348th St
Federal Way, WA 98003

Yogurtland
201 Bellevue Way NE
Bellevue, WA 98004

Ben & Jerry's
575 Bellevue Sq.
Bellevue, WA 98004

Red Mango
575 Bellevue Sq.
Bellevue, WA 98004

Baskin-Robbins
1400 156th Ave NE
Bellevue, WA 98007

Analysis of Competitors

SubZero Ice Cream and Yogurt is open Monday through Thursday from 11:00 a.m. through 10:00 p.m. On Friday and Saturday they close at 11:00 p.m. and they are not open for business on Sunday. In regards to price, a kid's size is \$3.99, small is \$4.59, medium is \$5.29, and a large is \$5.69. Sub Zero also caters and has a liquid nitrogen

science education program.

A SWOT analysis of our primary competitor, Sub Zero, will help us understand our business and theirs. We will be able to determine what differentiates us from our competitors.

Strengths:

- Experienced and motivated team of individuals who have business and management backgrounds
- Obtained a solid reputation for their business since 2004
- Support from Franchisor

Weaknesses:

- They use the same cup to measure bases (mixing dairy with non-dairy)
- Constant complaints regarding lack of ingredients
- Artificially flavored ice cream using syrup
- Handmade mixing is less consistent and more inefficient

Opportunity:

- Cryo-Cone holds exclusive rights to develop Sub Zero franchises in the New England area
- Very little direct competition because of the unique technology
- The unique factor that makes them a niche in the marketplace
- Price is comparable to competition

Threats:

- The winter seasons where cold desserts are not as desirable
- Future competitors with similar liquid nitrogen idea opening locations in the region

A SWOT analysis of another competitor closer to our location will also help us to determine what differentiates us from our competitors. Baskin Robbins is a traditional ice cream place that has been popular for many years.

Strengths:

- Provide special services like birthday club for children
- Online ordering
- Few catering services
- Provide thorough nutritional and ingredient informations for all their products
- Has introduced over 100 flavors to choose from
- Their famous small pink spoons used for tasting the ice cream before buying it

Weaknesses:

- Small interior space causes a lot of crowding

- With over 30 different flavors, they are raising prices for Dunkin' Donuts and Baskin-Robbins to help cover the costly prices of key ingredients
- The initial franchising fee of \$25,000 is very high
- Inconsistency of flavors with different stores offering different flavors

Opportunities:

- High demand for sweets and desserts among teenagers
- People enjoy eating out
- Customers always get to pick from 31 flavors

Threats:

- Lower demands for ice cream during the warmer months
- Change in lifestyle to eating healthy
- Dairy product related diseases
- Drop in revenue due to high costs
- Frequent competition among other ice cream stores

Potential Competitors

Although we recognize the potential competitors in this growing popular dessert, we will continue to search for new ways to improve every year according to new popular trends. This will ensure the maintenance of uniqueness in our company.

Marketing Plan and Sales Strategy

Key Message to be Communicated

Our key message is to connect families in a new, fun, and delicious way. The ice cream we provide is unique because it is smoother and richer than usual ice cream you get from the store due to the fact that they are instantly frozen and not freezer burned. Through providing each family around the Seattle-Bellevue area with the best service and ice cream, we intend to show each customer the exciting science behind every dessert.

Message Delivery Options Analyzed

- Create a Facebook page
 - This will allow people to share our pictures and promotional deals regarding the business. We will upload videos on the process of making our ice cream to entice customers through a solid social media platform.

- E-mail Subscription
 - o During every visit to Nitro Mix, customers will be asked if they would like to subscribe to our e-mail subscription. They will be provided with notifications of sales, special deals and our occasional survey.
- Create an Instagram account
 - o Similar to Facebook, Instagram will enable us to share our business to different people, mainly teenagers. One of the largest social media networks right now, Instagram
- Distribution of flyers (Appendix B)
 - o Flyers will be posted all around Bellevue and some nearby cities also. In cities like these, people will be walking around to avoid traffic. They will see our flyers posted around, notifying the public information about our grand opening and other events.
- Attendance of events, including street fairs, marathons, and more
 - o We will sponsor events where a lot of people are going to be attending. Our unique and interesting product will attract different people and they will be intrigued by the ice cream. Thus, more customers will be brought into our store.

Marketing Plan and Sales Strategies

We plan to attract potential customers through the advertisement methods previously mentioned. We will provide stamp cards (Appendix C) that allows for one free single cup of liquid nitrogen ice cream after your first seven purchases. Through our friendly service and consistency, we plan on keeping and attracting new customers daily. We will update our social media accounts at least weekly in order to inform the public on new information regarding the business. Our sales strategy focuses first on providing the highest quality products and services to our target customers. Once a customer sets foot into our store, it is our responsibility to make sure their impression of our business is the best it could be. Product offerings and prices will be clearly posted behind the counter, and our employees will be educated about everything revolving around our store and ice cream so that they can satisfy all customers with answers.

Operations

Business Facilities

Nitro Mix will be located in Bellevue way NE. We chose this location due to the close proximity to multiple stores and a popular cinema. With this location it is easier to attract customers of all ages and especially families.

Production and Workforce Plan

Ellen Vu and Kaitlyn Tran will oversee all business transactions as managers. We will start off by hiring 3 workers and as business begins to improve we will start to

hire accordingly. Ellen Vu will be in charge of all financial aspects of the business. This job entails the maintenance of records of billing and receiving, depositing, and keeping track of paying our suppliers upon receipt of bill. Kaitlyn Tran will be in charge of business advertising. She will update the company's Facebook page and Instagram account consistently. These updates will consist of sales, pictures, and new changes within our store. She will also distribute flyers around the city to different stores in order to promote our business.

Impact of Technology

We will be using a T.V to display pictures of our products, special announcements, and our customers enjoying their creation. Also, we will be using another T.V. to show our menu. This will make it easier for us to add new products and flavors. This investment will eliminate the menu costs that would have been added if we were to have altered our items.

We will have a POS cash register and a cash register drawer to regulate money transactions with customers. Using a square stand, an iPad Air 2 and cash register drawer, customers will be able to pay anyway they want, such as through an app on their phone, credit card or cash.

Services Offered

Nitro Mix will offer a kids size at \$3.50, a small size at \$4, a medium at \$5, a large at \$5.50 and a family size at \$7.

Customers will be able to create their own customized ice cream. They have the ability to choose their own base (milk), flavor(s), mix-ins, consistency (how soft or hard the ice cream is), and toppings. This lets every ice cream be unique to that specific customer.

Management and Organization

Employee Description

Ellen Vu, along with acting as a cashier and making ice cream, will be in charge of all financial aspects of the business. She will handle all store payments and payroll. She will deposit cash into our bank account that we have created at Wells Fargo in Bellevue. Ellen has taken multiple classes within the business department (i.e. economics and accounting) at school and has secured a financial advisor to help her keep an accurate record of the books.

Kaitlyn Tran, along with acting as cashier and making ice cream, will be in charge of all advertisement aspects for the business. Kaitlyn has taking multiple classes in the business department at school and has secured a digital communications advisor to help her with her advertising needs. She will supervise the distributing of flyers, and consistently updating all social media websites. Kaitlyn is extremely artistic, accountable, and expressive.

Both partners will also equally share the responsibility of hiring workers and paperwork (i.e. renewing licenses).

Workers: We will be hiring workers to man the cash register and the make the ice cream. We will look for employees that are energetic, friendly, and are good with kids. This will create a comfortable and warm atmosphere in our store. With workers that love ice cream and smile, we are ensured that we will have good customer service. Also, we will search for seasonal workers to work in the summer so that we can save money during the winter when there aren't as many customers.

Consultants, Directors, and Advisors Description

We have already consulted and gained much advice from various people involved in the ice cream business of which includes:

- Trish Nguyen, Previous owner of a small ice cream shop
- Stephanie Freeman, Previous SubZero worker
- Nathan Cross, Previous Creamistry owner
- Mark Sabo, Hazen High School Economics Teacher and previous accountant for PEMCO Insurance
- Peter Rustemeyer, Hazen High School Business Teacher

All mentioned people have given us much insight on the inner workings of the ice cream business.

Identifying, Recruiting, and Securing Participants

Our target market is aimed towards families and people of all ages. We plan on maintaining a fun and safe environment as a means to attract customers. In order to secure our customers, we intend to utilize stamp cards and other promotional activities to help create loyal customers to our new business.

Detailed Decision Making

All decisions regarding Nitro Mix will all be agreed upon by Ellen Vu and Kaitlyn Tran. These two parties may enact no decisions without the agreement and confirmation of both. Any disagreements will be resolved by a 51-49 vote. Votes revolving around financial and designing decisions will result in Ellen getting a 51% say and votes revolving around advertisement and hiring will result in Kaitlyn getting a 51% say.

Incentives and Compensation

For every seven purchases, that customer will receive a free medium size with three toppings. Any proof of referral to Nitro Mix will result in a free small size with two toppings. We will have monthly drawings for those who choose to participant. Participants must possess a receipt with their name and number in order to be valid. Monthly prizes may vary. After the payment of all expenses, ten percent of the profits will be incorporated into our savings account in case of dire situations. The remaining ninety percent will be divided equally among the employees. All staff will be considered employees of the business and subject to deduction of payroll taxes. Business and operations taxes will be paid quarterly.

Evaluation

Every other month Nitro Mix will provide surveys, through email subscriptions, asking customers for suggestions and their opinions on how the business is functioning (Appendix D). This is great for the collection of feedback and allowing customers to have a voice in the business. We will then take into account their recommendations and further improve our business, aiming to satisfy all customers.

Long-Term Development

Long-Term Goals

Nitro Mix partners have established the following goals:

- Achieve an effective communication system with customers
 - We intend to keep our customers updated with promotional offers, news about the business, closing dates, and more. We would like to have these messages to be delivered on a consistent basis with little confusion as possible.
- Provide quality ice cream
- Create and consistently update social media pages (Facebook and Instagram)
- Educate children of the science behind liquid nitrogen
- Franchise a total of 20 stores throughout the United States within the next 10 years

Risk and Potential Adverse Results

As part of the food industry, there are a few risks that may arise for our business.

The risks are:

- Food preservation
- Failure to pay mortgage
- Lack of customers
- Mismanagement
- Bad customer service

To compensate for these potential risks, we will continue to advertise our business and consistently check up on the ingredients we are using. Each employee is required to have health coverage and accident insurance to protect their needs.

Strategy towards Long-Term Goals

Our commitment to the success of the business and constant brainstorming of new and exciting ideas will push Nitro Mix to prosper. The business will continue to grow and expand through our dedication. We are extremely motivated to watch the company succeed.

We recognize the importance of marketing and will dedicate a portion of our revenue in order to market this new business. Marketing technologies and automation are proving effective at bringing together the most effective marketing tactics (email marketing, organic search, and content marketing) to achieve better results.

Financials

Accounting Methods and Systems Identified

Nitro Mix will be utilizing QuickBooks in order to keep our financials organized. QuickBooks is a fast and efficient way for us to transfer data into the computer for safekeeping. Ellen Vu will be managing the program because of her familiarity with the program but she will also have assistance with an accountant that we will hire.

Additionally, we will rely on Mozilla's Sunbird calendar program to keep everyone up to date on duties and events. This will also help with organization.

Financial Projections

As partners in our business Nitro Mix, we have reviewed and discussed in length the potential for business, the competition, and the duration that our business would be operational.

Nitro Mix will see a higher net profit during the months leading to, on, and leaving from the summer, April through September. Kaitlyn has arranged the approximate daily, monthly, and yearly profit we hope to achieve after the payment of all expenses on a Microsoft Excel Spreadsheet (Appendix E). A drop in customers may cause variation in profit during the colder seasons. Our projected monthly profit during the warmer months is \$23,000 before expenses. During the colder months the estimated profit drops to \$20,000.

Based on our first year income, we are hoping to double our income over years one through three and triple our yearling income over the first five years. This makes

our projected year three yearly income to be \$99,908 and projected year five income to be \$124,835. (Appendix F)

General Assumptions

After extensive research and questioning of the local community (Appendix G), Nitro Mix has concluded that many would be greatly interested in the services we offer and intend to be long standing customers. Many have not been content with only one other similar business in the area and fully support our dedication towards the long-term success of the business.

Nitro Mix will be taking up residence in Bellevue Square where many potential customers come to on a daily basis. Property, advertisement, and food fees will be the only ones we need to pay for.

Appendices

Appendix A – Sample Menu

Nitro ⁽³²¹⁾ Mix

FLAVORS

- Green Tea
- Lavender
- Mocha
- Pineapple
- Thai Tea
- Black Sesame
- Jackfruit
- Pandan Coconut
- Pistachio
- Cinnamon
- Spiced Chocolate
- Avocado
- Dulce de leche
- Banana
- Mangonada
- Rose
- Hibiscus Flower
- Lychee
- Chai
- Vanilla
- Chocolate
- Vanilla
- Taro
- Lime

MIX-INS

- Maraschino Cherry
- Rainbow Sprinkles
- M&M's
- Chocolate Chips
- Peanuts
- Sliced Almonds
- Pop Rocks
- Gummy Bears
- Marshmallows
- Coconut
- Gummy Worms
- Mochi
- Bananas
- Strawberries
- Boba
- Rainbow Jelly
- Snickers
- Kit Kats
- Oreo
- Brownie
- Peaches
- Pineapples

Appendix B - Business Flyer

Nitro⁽³²¹⁾Mix
DESIGN IT YOURSELF LIQUID NITROGEN ICE CREAM

KIDS	\$3.50
SMALL	\$4.00
MEDIUM	\$5.00
LARGE	\$5.50
FAMILY	\$7.00



Appendix C- Stamp Card



Appendix D - Survey

Help Us Improve!



1. On a scale from 1-10, how likely would you recommend us to your friends?

2. What words would you use to describe Nitro Mix?

3. What did you not like about your last visit at Nitro Mix?

4. How well do our products meet your needs?

5. How long have you been a customer of ours?

6. Do you have any other comments, questions, or concerns?

Appendix E - Profit

Work Schedule

Work Hours

Monday- Thursday 12:00 pm-10:00 pm

Friday-Sunday 12:00 pm- 12:00 am

Chart of Revenue

Cup Size	Cost Total Profit
Kids	\$3.50
Small	\$4.00
Medium	\$5.00
Large	\$5.50
Family	\$7.00

We are projecting that the cost per cup is about \$5. On average, weekdays will amount to about 200 cups sold. Since the weekends will attract more customers, we approximate that 500 cups will be sold on average. Roughly, we will sell around 2000 cups a week. Our goal is to increase this by 5-10% every year.

Appendix E – Profit Continued

Quarter 1 Statement of Cash Flow

Month	April	May	June
Total Revenue	\$60,000	\$61,800	\$63,654
Operating Expense			
Cost of Goods	\$13,800	\$14,214	\$14,640
Cost of Labor	\$18,000	\$18,540	\$19,096
Property Lease	\$5,000	\$5,000	\$5,000
Advertising	\$1,200	\$1,236	\$1,273
Utility Expense	\$1,500	\$1,545	\$1,591
Credit Card Fee	\$1,200	\$1,236	\$1,273
Insurance	\$700	\$700	\$700
Licenses & Permits	\$200	\$200	\$200
Workers' Comp	\$420	\$433	\$446
Equipment Lease	\$750	\$750	\$750
Repair & Main. Fund	\$300	\$309	\$318
Office Expense	\$200	\$200	\$200
Accountant	\$1,000	\$1,000	\$1,000
Bank Charges	\$300	\$300	\$300
Loans	\$7656	\$7594	\$7531
Total Expense	\$52,226	\$53,257	\$54,319
Profit			
Total Revenue	\$60,000	\$61,800	\$63,654
Total Expense	\$52,226	\$53,257	\$54,319
Net Profit	\$7,774	\$8,543	\$9,335

Appendix E- Profit Continued

Quarter 2 Statement of Cash Flow

Month	July	August	September
Total Revenue	\$65,564	\$67,531	\$48,690
Operating Expense			
Cost of Goods	\$15,080	\$15,532	\$11,199
Cost of Labor	\$19,669	\$20,259	\$14,607
Property Lease	\$5,000	\$5,000	\$5,000
Advertising	\$1,311	\$1,351	\$974
Utility Expense	\$1,639	\$1,688	\$1,217
Credit Card Fee	\$1,311	\$1,351	\$974
Insurance	\$700	\$700	\$700
Licenses & Permits	\$200	\$200	\$200
Workers' Comp	\$459	\$473	\$341
Equipment Lease	\$750	\$750	\$750
Repair & Main. Fund	\$328	\$338	\$243
Office Expense	\$200	\$200	\$200
Accountant	\$1,000	\$1,000	\$1,000
Bank Charges	\$300	\$300	\$300
Loans	\$7,469	\$7,344	\$2,656
Total Expense	\$55,416	\$56,485	\$40,361
Profit			
Total Revenue	\$65,564	\$67,531	\$48,690
Total Expense	\$55,416	\$56,485	\$40,361
Net Profit	\$10,148	\$11,045	\$8,329

Appendix E- Profit Continued

Quarter 3 Statement of Cash Flow

Month	October	November	December
Total Revenue	\$45,135	\$41,840	\$38,786
Operating Expense			
Cost of Goods	\$10,381	\$9,623	\$8,921
Cost of Labor	\$13,541	\$12,552	\$11,636
Property Lease	\$5,000	\$5,000	\$5,000
Advertising	\$903	\$837	\$776
Utility Expense	\$1,128	\$1,046	\$970
Credit Card Fee	\$903	\$837	\$776
Insurance	\$700	\$700	\$700
Licenses & Permits	\$200	\$200	\$200
Workers' Comp	\$316	\$293	\$272
Equipment Lease	\$750	\$750	\$750
Repair & Main. Fund	\$226	\$209	\$194
Office Expense	\$200	\$200	\$200
Accountant	\$1,000	\$1,000	\$1,000
Bank Charges	\$300	\$300	\$300
Loans	\$2,656	\$2,656	\$2,656
Total Expense	\$38,203	\$36,203	\$34,349
Profit			
Total Revenue	\$45,135	\$41,840	\$38,786
Total Expense	\$38,203	\$36,203	\$34,349
Net Profit	\$6,932	\$ 5,637	\$4,437

Appendix E- Profit Continued

Quarter 4 Statement of Cash Flow

Month	January	February	March
Total Revenue	\$35,955	\$37,033	\$38,144.23
Operating Expense			
Cost of Goods	\$8,270	\$8,518	\$8,773
Cost of Labor	\$10,786	\$11,110	\$11,443
Property Lease	\$5,000	\$5,000	\$5,000
Advertising	\$719	\$741	\$763
Utility Expense	\$899	\$926	\$954
Credit Card Fee	\$719	\$741	\$763
Insurance	\$700	\$700	\$700
Licenses & Permits	\$200	\$200	\$200
Workers' Comp	\$252	\$259	\$267
Equipment Lease	\$750	\$750	\$750
Repair & Main. Fund	\$180	\$185	\$191
Office Expense	\$200	\$200	\$200
Accountant	\$1,000	\$1,000	\$1,000
Bank Charges	\$300	\$300	\$300
Loans	\$2,656	\$2,656	\$2,656
Total Expense	\$32,630	\$33,285	\$33,960
Profit			
Total Revenue	\$35,955	\$37,033	\$38,144
Total Expense	\$32,630	\$33,285	\$33,960
Net Profit	\$3,324	\$3,748	\$4,185

Appendix E- Profit Continued

Cash Flow Analysis

Month	Revenue
Apr	60,000
May	61,800
Jun	63,654
Jul	65,564
Aug	67,531
Sep	48,690
Oct	45,135
Nov	41,840
Dec	38,786
Jan	35,955
Feb	37,033
Mar	38,144
Gross Profit	604,131
Operation Expenses	
Cost of Goods	138,950
Cost of Labor	181,239
Property Lease	60,000
Advertising	12,083
Utility Expense	15,103
Credit Card Fee	12,083
Insurance	8,400
Licenses & Permits	2,400
Workers' Comp.	4,229
Equipment Lease	9,000
Repair & Main. Fund	3,021
Office Expense	2,400
Account	12,000
Bank Charges	3,600
Loans	56,186
Total Operating Expenses	520,694
Net Income	83,437

Appendix F – Yearly Projections

Year 1 to 5	1st	2nd	3rd	4th	5th
Increase By:		1.05	1.05	1.05	1.05
Apr	\$ 60,000	\$ 63,000	\$ 66,150	\$ 69,458	\$ 72,930
May	\$ 61,800	\$ 64,890	\$ 68,135	\$ 71,541	\$ 75,118
Jun	\$ 63,654	\$ 66,837	\$ 70,179	\$ 73,687	\$ 77,372
Jul	\$ 65,564	\$ 68,842	\$ 72,284	\$ 75,899	\$ 79,693
Aug	\$ 67,531	\$ 70,908	\$ 74,453	\$ 78,176	\$ 82,084
Sep	\$ 48,690	\$ 51,125	\$ 53,681	\$ 56,365	\$ 59,183
Oct	\$ 45,135	\$ 47,392	\$ 49,761	\$ 52,249	\$ 54,862
Nov	\$ 41,840	\$ 43,932	\$ 46,129	\$ 48,435	\$ 50,857
Dec	\$ 38,786	\$ 40,725	\$ 42,762	\$ 44,900	\$ 47,145
Jan	\$ 35,955	\$ 37,753	\$ 39,640	\$ 41,622	\$ 43,704
Feb	\$ 37,033	\$ 38,885	\$ 40,829	\$ 42,870	\$ 45,014
Mar	\$ 38,144	\$ 40,051	\$ 42,054	\$ 44,156	\$ 46,364
Gross Profit	\$ 604,132	\$ 634,339	\$ 666,056	\$ 699,358	\$ 734,326
	1st	2nd	3rd	4th	5th
% of Gross Profit	13%	14%	15%	16%	17%
Apr	\$ 7,800	\$ 8,820	\$ 9,923	\$ 11,113	\$ 12,398
May	\$ 8,034	\$ 9,085	\$ 10,220	\$ 11,447	\$ 12,770
Jun	\$ 8,275	\$ 9,357	\$ 10,527	\$ 11,790	\$ 13,153
Jul	\$ 8,523	\$ 9,638	\$ 10,843	\$ 12,144	\$ 13,548
Aug	\$ 8,779	\$ 9,927	\$ 11,168	\$ 12,508	\$ 13,954
Sep	\$ 6,330	\$ 7,157	\$ 8,052	\$ 9,018	\$ 10,061
Oct	\$ 5,868	\$ 6,635	\$ 7,464	\$ 8,360	\$ 9,327
Nov	\$ 5,439	\$ 6,150	\$ 6,919	\$ 7,750	\$ 8,646
Dec	\$ 5,042	\$ 5,702	\$ 6,414	\$ 7,184	\$ 8,015
Jan	\$ 4,674	\$ 5,285	\$ 5,946	\$ 6,660	\$ 7,430
Feb	\$ 4,814	\$ 5,444	\$ 6,124	\$ 6,859	\$ 7,652
Mar	\$ 4,959	\$ 5,607	\$ 6,308	\$ 7,065	\$ 7,882
Net Profit	\$ 78,537	\$ 88,807	\$ 99,908	\$ 111,897	\$ 124,835

Appendix G – Research Survey

People Of Bellevue Interest Survey

1. Are you a fan of ice cream?

yes no

2. Please describe what ideal quality ice cream means to you.

3. Which of the following brands do you associate quality ice cream with?

Baskin Robbins Cold Stone Dippin' Dots
 Ben & Jerry's Dreyer's Sub Zero

4. What flavor do you wish to see in ice cream? Or your conventional favorites.

5. Which 4 factors do you consider when purchasing ice cream?

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Appendix H - Business Cards

