

## ABSTRACT

### Sic 'Em Squadron Business Plan

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Sic 'Em Squadron is a barge that allows college students the unique opportunity to sailgate, tailgating on a river in a boat, along the Brazos River prior to home Baylor football games. The boat will serve tailgating food like burgers, hot dogs, and other grilled food along with having beverages for the guests and other entertainment like music and TVs. Guests are more than welcome to enjoy the river if they wish and take advantage of lockers to hold their stuff and keep it dry to change into before heading into McLane Stadium. The boat will pick up the guests in the McLane Stadium marina and float around the front of the stadium until it drops the guests off at one of the boat tie downs next to the bridge to enter the game. When it is not game day for the Baylor football team, Sic 'Em Squadron will serve as a river cruise and is available to book for private parties. Sic 'Em Squadron river cruises welcome catering aboard and will be able to accommodate different themes as well such as poker night, wedding parties, formals, or any other theme the party wishes.

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SIC 'EM SQUADRON BUSINESS PLAN

A Thesis Submitted to the Faculty of

Baylor University

In Partial Fulfillment of the Requirements for the

Honors Program

By

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Waco, Texas

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## PART ONE

### Feasibility Analysis

#### *Executive Summary*

Sic 'Em Squadron (SES) is a barge that allows college students the unique opportunity to sailgate, tailgating on a river in a boat, along the Brazos River before home Baylor football games. The barge will serve tailgating food like burgers, hot dogs, and other grilled food along with having beverages for the guests and other entertainment like music and TVs. Guests are more than welcome to enjoy the river if they wish and take advantage of lockers to hold their stuff and keep it dry to change into before heading into McLane Stadium. The boat will pick up the guests at the Ferrell Center parking lot and float around the front of the stadium until it drops the guests off at one of the boat tie downs next to the bridge to enter the game. When it is not a game day for the Baylor football team, SES will serve as a river cruise and is available to book for private parties. SES river cruises welcome catering aboard and will be able to accommodate different themes as well such as poker night, wedding parties, formals, or anything else the party wishes.

Sic 'Em Squadron will offer the unique sailgating experience to first come, first serve guests at a small fee to enter the boat. This fee will cover food and beverage cost as well as pay to stay afloat in business, pun intended. The market of sailgating is not being taken advantage of by students and Baylor fans. Baylor University has a unique opportunity that only three other colleges in the nation have with their football stadium

on a river. The other two universities, Tennessee and Washington, take full advantage as fans pile into boats as their primary source of tailgating before games. Fans from the opposing team will be much more likely to visit Baylor solely for the opportunity of sailgating because it is an experience offered almost nowhere, and nowhere in the Big 12 or any neighboring states of Texas. Tailgating in the South is a huge part of the football experience, so putting a twist on it with SES would only draw more crowds. Even students that attend close-by colleges, like Texas A&M and UT, would visit on a weekend where their team is playing an away game, or they have a bye week just to have the unique experience that having a football stadium on the river offers.

The keys to success for SES would be to have a big enough boat to accommodate a lot of people. For one reason, if fans travel to Waco to sailgate, we don't want to send them away not happy. Another reason would be to accommodate a large party, like a sorority formal with the full sorority and dates, for river cruises. Another key to success for SES would be marketing. News of sailgating will get around quickly, but marketing to Waco families about river cruises will be much more challenging. The last key to success would be to offer the sailgating experience at a reasonable cost for the average college student. SES welcomes college students on board and doesn't want them to miss out on these experiences because of lack of money. SES wants this to be a fun, memorable, and unique experience for Baylor students and those that travel for our business, and it is a lot harder to accomplish this when college students cannot afford to come on the boat.

### *Product/Service Feasibility*

The majority of people, if not everyone, love being around the water. Whether they are floating down the river, enjoying a day at the beach, or doing board sports on the lake, people enjoy being around water. Waco has plenty of water for people to enjoy with the Brazos and Bosque rivers and Lake Waco, but very few people around the Baylor community take advantage of it. Student organizations at Baylor travel to different cities to enjoy river cruises like Austin, or maybe even a lake somewhere else, but why should they have to drive over an hour to do something that they can enjoy in Waco if offered? The service of being on a barge on the water is not provided in Waco. The best available option to the public is through Waco River Charters, a river cruise service that offers river cruises with a max capacity of 25. Waco thrives off of the success of Baylor University, and that doesn't capture any of the river market here to Baylor students. By offering a large enough barge to accommodate even the largest sororities plus dates at Baylor, SES will begin to capture the Baylor student organizations market. SES will also offer a more pleasant experience to those living around the Waco area with more space than Waco River Charters.

After being open for three full seasons, McLane Stadium does not offer a sailgating experience to the general public. One must have access to a small boat that fits into one of the nine available boat parking passes in the marina next to the stadium if they want to sailgate. The service just simply is not provided at all to the general fans attending a Baylor football game. SES would have the first mover advantage if it gets up and running for this upcoming season, and maybe even the next season.

The value proposition that SES would offer to its customers would be the only way for the general public to enjoy a unique sailgating experience in the Big 12 and even the southern region, besides Tennessee if you count that. For river cruises, the value would be the only river cruise large enough to accommodate Baylor student organizations in Waco, and since sororities are not allowed to leave Waco for their events, it will be a nice change of scenery from the average ballroom. The business model would focus on providing a fun and memorable experience, whether that be sailgating or a river cruise, at a cost that Baylor students can afford.

As the only way to sailgate without owning a boat and boat parking pass, we expect demand to be extremely high for sailgating. SES expects fans to travel to Waco for the experience that they cannot get anywhere near Texas. As the only barge large enough to accommodate Baylor student organizations, we expect to see a lot of business in the first year as a change of scenery from the norm will bring about excitement. After that first year, we expect those in student organizations that did not book with us the first time to do so, as well as capture more of the general Waco market.

### *Industry Feasibility*

Hardware Retailing estimates that the tailgating industry is a \$20 billion/year industry in 2015 with the average tailgater spending \$122/tailgate and 41 percent of tailgaters spending more than \$500/tailgate. According to their surveys, 50 percent of grill owners at tailgates don't go to the game they are tailgating. It seems that tailgating has become a sport of its own and is growing bigger than the games tailgated. This statistic tells us that people love tailgating and will go to great lengths to get their

tailgating fix if they are passionate about it. This tailgating movement only validates our estimate that our sailgating barge will be packed week in, week out during the football season. If people spend that much time, effort, and money into tailgating, then when something new, unique, and exciting emerges on how to tailgate, attendance will spike. SES predicts a large away crowd too as people travel to see their team get destroyed by the Bears in McLane just to have this unique experience. With being the only boat offered to the general public on a first come, first serve basis, SES would capture the entire Waco public sailgating industry.

While I could not find any data on party barge river cruises, I do know that our initial target market of Baylor University has 40 student organizations. Most, if not all, of these organizations, have a formal or a semi-formal every semester where they plan an event and bring a date. A couple of thousand dollars are allocated toward these events each semester as most organizations have a large membership, so it is pretty cheap per person. Even if we got only one-fourth of these organizations to book with us, ten weeks is likely the window of opportunity for each semester with the weather. Most of these organizations have travel restrictions keeping them in Waco, so once a change of scenery from the local ballroom or not-so-fun tourist attraction comes along, SES expects to provide a decent amount of these organizations with event planning. With SES again being the only barge that can accommodate these large groups, the party barge industry would be ours alone, and SES would make an immediate splash in the event planning industry in Waco as well.

### *Marketing Strategy*

SES will target the Baylor student population as its target market. We want to pursue student organizations at Baylor to rent out our party barge for their social events and fill our sailgates with Baylor students before football games. By offering a change of scenery in the Waco area for student organizations to plan social events, SES anticipates planning several social events for many social groups over the first two years at least which makes the party barge river cruise an attractive market to enter. Being the only way to sailgate without owning a boat and boat parking pass, SES will fill up with students and alumni wanting the unique tailgating experience that being on a river brings, which makes sailgating an attractive market.

We plan to reach our target market with several touch points around the Baylor campus. The first way would be chalking around campus to raise awareness for a sailgating opportunity, as well as having an announcement at the Tradition's Rally at the beginning of the year. Secondly, for anyone that misses those points, show a video announcement in chapel class to raise awareness for sailgating too. Another way to reach our audience through advertising is to create social media pages highlighting the SES experience and giving updates every so often to keep potential customers involved. The first week, anyone who retweets or mentions SES on social media will be rewarded half off for entry to the sailgate. To reach our target market for river cruises, SES plans to meet with social chairs of different organizations on campus to pitch our event planning services to them to bring to their student organization. The SES team has several people that are involved with Baylor student organizations and can ask who the social chairs are. If we can't get ahold of the social chair or don't know anyone in the organization, then we

can just present our services to the organization as a whole at one of their meetings by emailing someone in the organization off of the emails listed on Baylor's website.

### *Organizational Feasibility*

The management team has no hands on experience running a tailgate or a river cruise. However, management has had close experiences with both enough times to comfortably enter the market right now and be able to learn the ropes quickly. Having close friends who ran the tailgates for a student organization before, I was and still can learn from their experiences on how to provide a good tailgating experience and be able to make everyone there enjoy the tailgate. Management will have to quickly learn, by talking with several industry experts, how to manage a party barge river cruise, however, by being on a few and talking with management there, SES management feels that it is not too difficult to manage.

Some logistics that management will have to figure out is where to dock the boat, fill up on gas, find an insurance provider, getting grill supplies on the barge or just food, among many other small details. The primary resources that SES needs are boat supplies to cater to the needs of the guests, gas, and a dock to keep the barge. The main challenge will be finding a boat big enough to accommodate the number of guests that SES is trying to be able to fit, and then raising money to buy that boat, which we will talk about soon.

### *Financial Feasibility*

The total start-up cost for SES will be an estimated \$200,000 for a boat and the first couple of months' cost including runway. We expect the boat to run us about

\$150,000 and according to the pro forma, each month will run us about \$2,500 in fixed costs and \$200 per booking for labor. We accounted for about a 6-month runway which is not good at all but is simply for start-up money only. Our breakeven point is at 12 bookings per year which include six sailgates. We are going to have to run between 40 and 50 reservations to break even for the whole venture, which we expect to hit before the end of year 3.

The primary source of revenue for SES will be renting out the party barge river cruise during the spring and summer time, as well as non-football game days in the fall. We expect that side of our business to generate more revenue than the sailgating side, but the sailgating aspect of the business will provide the steadiest form of income each year. First-year expenses will be to buy a boat, up-keep the boat with gas and cleaning, marketing the company around the Baylor campus and Waco area, insurance costs for the barge, and storage to dock it. A few other small costs would be in there as well, like tailgate supplies, but that is all of the main expenses for SES in the first year. We want to ramp up marketing in the first year to raise awareness for our brand, so we expect a small decline in marketing expenses as the years continue for SES.

Due to a high initial start-up cost, SES will have to look for ways to raise capital to start the venture. Management in SES is not primarily concerned with the profits they can personally make, but rather to provide a fun, unique, and memorable experience. Management for SES does not believe that this venture makes enough money to split the profits between investors and therefore will not look for outside investors and raise capital internally. We are concerned about profits and creating value for the management



team, but our primary concern is to create value for the Baylor community with this new tradition and fun experience.

### *Summative Conclusion*

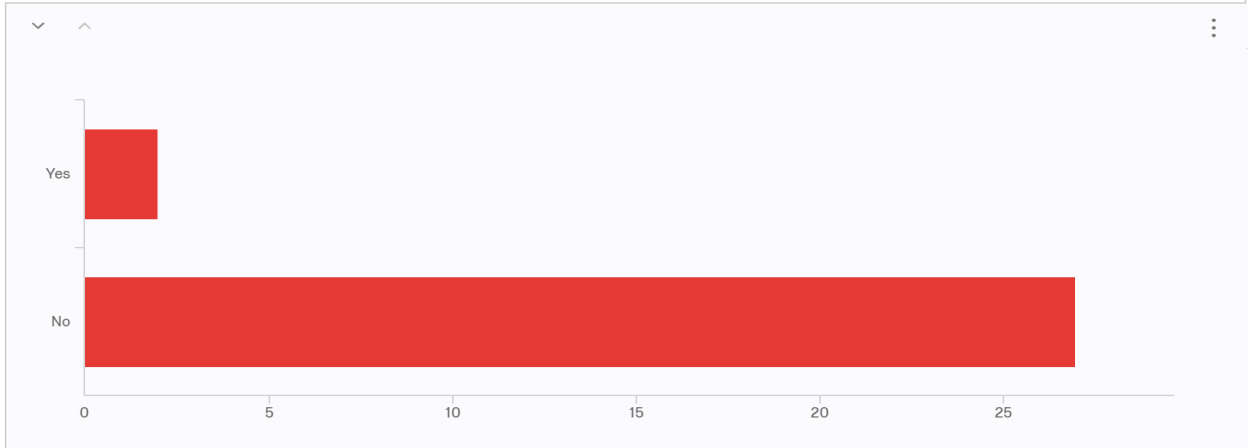
The attractiveness of our venture is there. Being the new tradition in town, in a unique situation in a market that is not being taken advantage of is very enticing to potential investors. The industry that SES is entering into is a steady climbing one as well in both the tailgating industry and the event planning industry.

If our management team is willing to wait a good while before seeing any real profits, then this venture is very feasible. SES is not an investment that will make anyone rich. SES is not even a venture for someone to live their life off of, but rather it is for those that want to see a new Baylor tradition of sailgating brought to campus. The steady income will make a profit and keep the business going, but it is just a side business. The management team really has to buy in to the concept that this is more for the Baylor community than for making a profit for themselves.

## Buying Intentions Survey

Q1 - Have you ever sailgated before a Baylor football game?

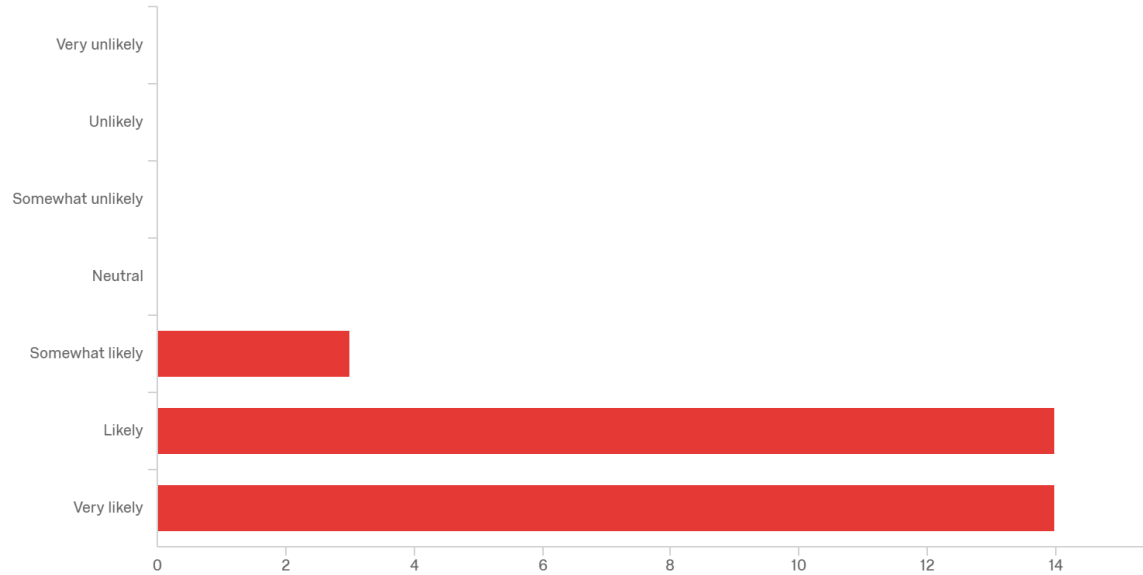
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#	Field	Choice	Count
1	Yes	6.90%	2
2	No	93.10%	27
			29

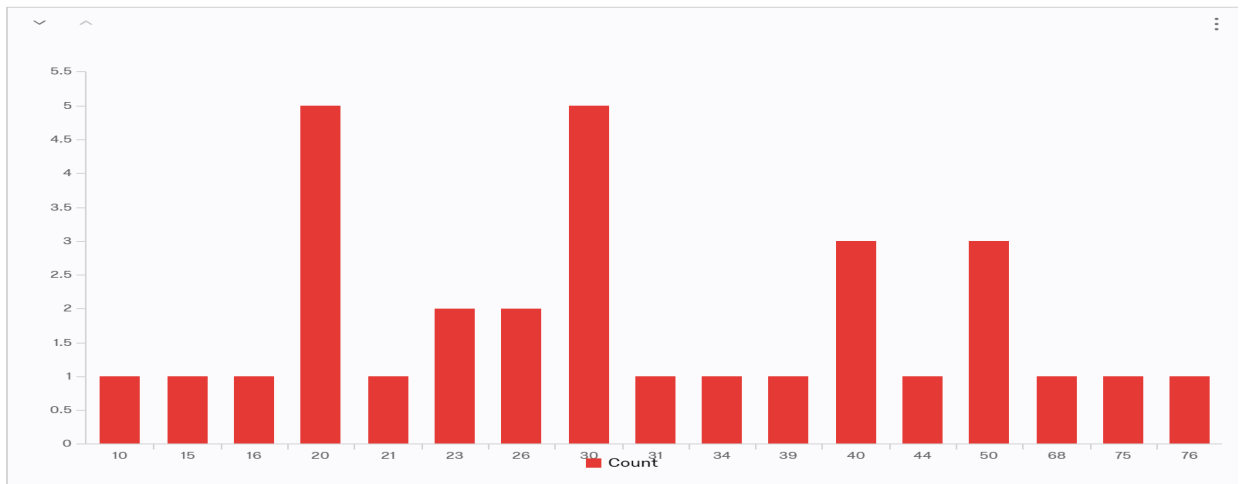
## Q2 - How likely would you be to sailgate before a Baylor football game if you h...

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## Q3 - How much would you be willing to pay for a sailgate before one Baylor fo...

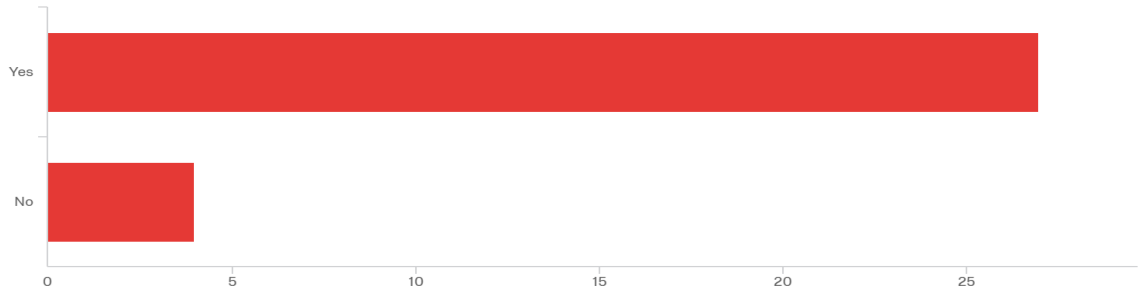
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Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
I would pay...	10.00	76.00	33.77	16.53	273.21	31

Q4 - Are you involved in a student organization at Baylor?

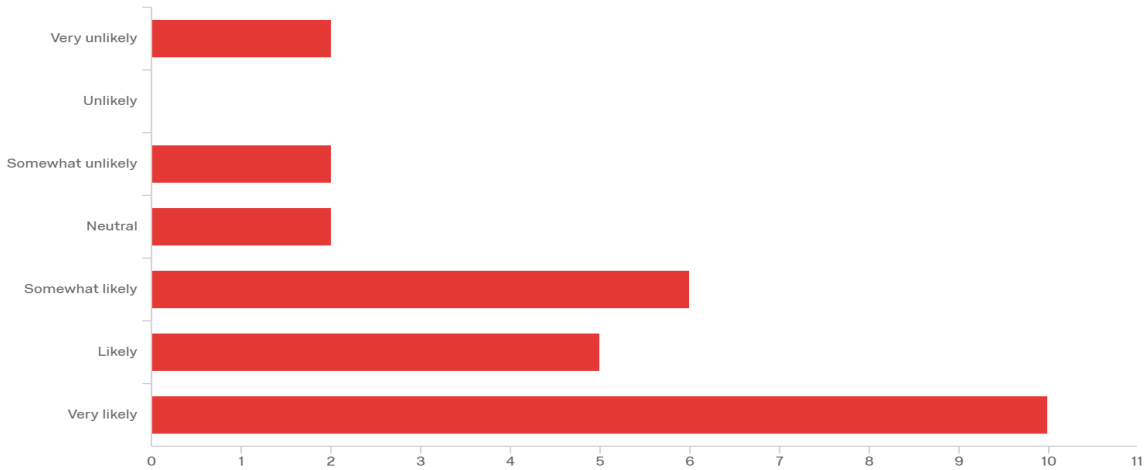
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#	Field	Choice Count
1	Yes	87.10% 27
2	No	12.90% 4
		31

Q5 - If yes, how likely would your student organization be to rent a party barg...

Page Options ▾



## PART TWO

### Expense Forecast

#### *Executive Summary*

What do Baylor University, the University of Washington and the University of Tennessee all have in common? Their football stadiums are on the banks of a river! With all of these three stadiums being the same in that aspect, Baylor is the only one that does not have accessible sailgating for its fans. The fun and exciting part of tailgating is just not there at Baylor that it is in the other two locations. This is a market Sic 'Em Squadrons is planning on taking over.

Sic 'Em Squadron (SES) will fill this gap in the market by being the only boat on the river before Baylor football games that allows fans to come on board on a first come, first serve basis. There is no other general access to sailgating before Baylor games, and the only possible way to sailgate is to own a boat or to know someone that has a boat that allows you to come on. SES is the only sailgating experience in the southwestern part of the United States where football is such a big part of the culture in the fall.

For \$30 before every Baylor football game, fans can come aboard the large boat and enjoy non-alcoholic beverages, tailgate food like burgers and hot dogs, good music and a TV to enjoy other college football games, on the river! When it is not football season, SES will rent out its services to other parties to float down the river. It will cater to different types of parties such as weddings, student organization social events,

graduation parties or just about any other kind of party you could think of having where you could float down the river.

The thought behind the process is that this market offers such a unique experience in sailgating that one cannot get anywhere close to the state of Texas that people will show up for the experience. Also, it gives student organizations at Baylor a chance to stay in Waco and still come up with a new and exciting venue for holding social events. The beauty is in the uniqueness of the market, and SES plans to take full advantage of that market.

#### *Operating Framework/Model/Plan*

The operating framework for the expenses in this venture is very simple. The employees of SES will be students at Baylor University looking for a little extra cash. For those who do not care for the game and would like to make an extra buck, SES will pay them to supervise the boat during sailgating hours. The work would include getting the boat from where it is docked, driving it over to the pick-up area, tying up the boat during the game, dropping people off after the game, driving the boat back to the storage area and cleaning the boat after the event. We will have two students working the boat during this time and will pay them \$100 for the day. We assume this would be about an 8-hour process on average (maybe less for early games, maybe more for late games) which would equate to \$12.50/hour for the employees. The same cost structure would apply to private events held on the boat. SES assumes this would be a 6-hour process which would equate to over \$16/hour for the employees.

Other expenses in this venture on an event basis would be buying tailgate supplies. Supplies include food and non-alcoholic drinks for the guests coming on board. The plan right now is to get a sponsorship or a partnership with HEB to help alleviate costs associated with buying the food and drinks. The chart below shows what prices would be if we had no partnerships or sponsorship with HEB. SES plans to pitch the alliance for 40% of the cost regularly. These numbers are based on HEB's prices assuming each person eats half of a pound of fajita meat in 2 tortillas with extra stuff added on top. The numbers also account for two jalapeno poppers per person or half of a steak per person. Accounted in this research also is two little drinks and one paper plate per person. SES's research suggests this is how much per person food and drink will be consumed during the tailgate. The average cost of food and drinks per person is well below \$4 per person. This allows SES to make more than 85% profit margin on food.

Food    Cost per person:

Beef fajitas    \$1.39

Chicken fajitas    \$1.39

Steak    \$3.00

Jalapeno poppers    \$0.80

Drinks    \$.37

Plates    \$.03

## *Most Likely Case Scenario*

### *Boat*

The first and most important expense is the boat itself. SES estimates the cost of the barge to be about \$150,000 based off of its research. The estimates are based on the size and shape of the boat. This is not a for sure cost, as each boat will have to be purchased based off of customizations from the builder. The plan is for SES to put a down payment on the barge of close to \$10,000 so the interest does not affect the total as much and pays off the boat about \$1,000/month to pay off the boat as quickly as possible. The management team will not take out salaries for themselves until the barge is paid off as to pay back the investment as soon as possible.

### *Salaries*

The SES management team would like to run this operation on the side from their primary job and not have to be in town and carefully watching over day-to-day operations. SES will employ Baylor students to take out the boat and set up/host the events. SES will have 2 Baylor students supervising for every event and pay them each \$100 for their services after every event. The management team will forgo collecting any profits for themselves until the investment is paid off.

### *Rent/Insurance*

SES will need to have rent for the boat to store it when it is not in use and boat insurance in case anything was to happen to the barge. According to storagearea.com, SES found they can rent a storage unit for our boat for about \$65/month, but SES plans to try to bootstrap costs by keeping it on the water full time and not using a covered storage



area out of the water. Even in months that SES is not in operation like during the winter, this will still be one of our only costs. Another expense that will be a monthly cost, not just when SES is operating, is insurance. The numbers on mintlife.com claim that insurance costs about 1.5% of the boat value per year. This would be for private use and according to expert interviews in the field, insurance would cost a little bit more due to the nature of the business and coverage plans. SES plans on purchasing a boat around \$150,000 due to the occupancy it desires and it estimates about a four times multiplier from private insurance to cover the barge. That would bring insurance prices to \$9,000/year or \$750/month. Of course, these numbers will change depending on the price of the boat.

### *Legal and Accounting*

In each scenario, SES estimates a legal and accounting fee of \$150/month. This allows for a total budget of \$1,800/year. This is more of a precaution than anything else. SES will need help drafting legal documents at the beginning of its venture to avoid risk and make sure the customers know that SES is not liable for injuries or other mishaps on the boat. Other than that, legal counsel will only be required in lawsuits or updates to waivers. It is a comfort to have that in the budget in case needed. Accounting fees will be associated with handling our books through QuickBooks. QuickBooks expenses run about \$21/month. This expense will be an every month cost throughout the year, even in months of inactivity.

### *Transportation*

Transportation is a cost that will only affect the business during months of operation. This expense includes gas for a truck that will tow the boat from the storage area to the river, and gas for the barge to travel down the river. Gas for boats, according to eBay's calculations for boat costs, is \$2/gallon. The boat is not planning on moving very far or fast as not to use up a lot of gas, so one fill-up per event should be more than enough to suffice. The budget that SES is expecting to use is \$100/month for a total amount of \$1,200/year. At \$2/gallon for the boat and minimal gas for a truck, this should cover the costs of transportation.

### *Marketing*

The last expense for SES is marketing. The management team feels that the only time to spend money on marketing will be in operating months. The marketing plan is to put on a video in Baylor Chapel, put up flyers and chalk around Baylor's campus, have a great social media campaign, talk with student organizations in their meetings about our services, and run a website with Google ad services on so people looking up on google for something like SES can easily find it.

### *Worst Case Scenario*

In the worst case scenario, revenues will come in much slower to not be able to cover all that we need to in SES's budget. Revenue comes in when people come on the boat during events, so if we do not have enough people come on board, then we cannot

cover all of our expenses. Food costs and specific event costs are all based on per person costs, so those expenses will still be able to be covered in any scenario.

The expenses that investors will worry about will be legal and accounting fees as well as marketing. Marketing costs will be cut down to about \$5/month just to run a website. The main way SES will market our service will be through word-of-mouth around Baylor's campus. SES will make sure it is known by speaking to student organizations and by tabling in the common areas around campus like the SUB and fountain mall. Both ways do not cost the company any money and are more useful for bootstrapping mode for the struggling business. Accounting and legal fees will be cut as well. Accounting fees using QuickBooks will not change at \$21/month because it is necessary for business. Legal fees will be cut as SES will honestly just have to hope that it does not run into any legal trouble until it is making enough money to factor it into the budget. It is not an ideal scenario but may be necessary to make payments on the boat and cover other costs.

The year-round expenses will not change because they are necessary for business. There must be rent because we cannot keep the boat in the water unprotected the whole time and insurance does not cover only when in use, but all the time. It will be tough for the barge to stay afloat with these expenses in the worst case scenario. It will at least take much longer to pay back the initial investment in the worst case scenario, if SES is able to pay it back at all.

### *Best Case Scenario*

The best case scenario would have SES more attractive than imagined. Private events would happen almost every weekend, and word would spread like wildfire about the great time SES provides. Sailgating would be full each week, and we may even be able to charge a higher price due to demand to increase revenue. The influx of income will allow SES to pay off the boat much quicker than anticipated. If SES can pay off the boat quicker then SES will be able to pay their initial investment back faster. This will allow the management team to start taking a percentage of the profits for themselves once the investments are returned. This would add another expense to the company, but it would not affect operations much because not only is it out of profits, but revenue will be much higher than expected.

The other expenses for SES would not change at all from the most likely scenario. According to SES's primary surveys, the estimates come from the customers, and we do not see any reason to change things if popularity grows. Most of the costs are per person based on events anyway, so they are variable costs and change with the demand.

## PART THREE

### Revenue Forecast

#### *Defining Success for Sic 'Em Squadron*

SES is a for-profit organization, but its only concern is not profits. SES aims to serve the Baylor and Waco community to create a fun and safe experience to build memories by providing a unique opportunity to sailgate and a different scene for social events. While we do want to make a profit, our primary concern is serving the Baylor and Waco community. I analyzed various means of successes, both financial and non-financial, and I hope by writing out my goals that SES can achieve them

#### *Non-financial goals*

SES wants to be a popular, well-known place for entertainment and social gatherings around the Baylor campus. We would like to sell out all of our space on the boat before every football game so that we know our service is appreciated by the students. Our best case scenario would be to have a line forming before every game and not have enough space for people because our service is loved so much. Success for social gatherings would be to have at least two booking per month from Baylor student organizations during the social event months of October, November, March and April. We want our services being used by the students and have them be excited and wanting to come on board to hold their social events.

### *Financial goals*

Our financial goals would be to pay off the payments on the boat and return the initial investment back by the end of year three. SES believes that if we can start making a profit consistently by the end of year three, then it will never have a problem getting business because the per month costs are so low. Our bare minimum is to be able to keep making enough money to pay off the boat every month and not have to sell it to save the company from going under, but that is not sufficient for success.

### *Industry Overview*

SES covers two different industries. It is involved in the tailgating industry and the party and event planning industry. Both of these industries are growing every year around the United States and in Waco which is good news for starting SES.

The party and event planning industry stretches across many different areas including birthday parties, weddings, social gatherings and any other type of planned social event. According to IBISWorld, an industry reference site, this industry in the US last year did \$5 billion in revenue and is growing 4.3 percent annually since 2011. With this industry growing and the already significant amount of revenue the industry has throughout the United States, that makes the industry attractive for SES to join it. Competition in this industry would not be throughout the entire United States, but rather only right here in Waco, Texas. These competitors would include places that have a ballroom, dance hall or another large area for which they would host social events for people to rent out.

The tailgate industry is doing much better than the party and event planning industry. It is a much larger industry and seems to be growing quite well each year. Data given by Forbes magazine in a magazine article estimates the US tailgate industry somewhere between \$10 billion and upwards of \$20 billion per year just on football alone. Other estimations say it is over \$35 billion across all platforms spent on food and drinks alone. It mentions that while no numbers are stating how much it is growing because it is hard to pinpoint what is being calculated in the industry statistics, the tailgating industry seems to be growing quite well and at the very least, not declining at all. Other data from tailgating.com states that almost half of tailgaters tailgate between six to ten times per year, which is how many home games Baylor football has per year. It also says that the average tailgater spends about \$500 per season, and for a poor college student, \$20 a game to tailgate is a dream come true. This industry is extremely attractive for SES to enter as the data clearly shows steady revenue streams in a growing industry.

### *Mission/Purpose of SES*

As stated earlier, the goal of this venture is to create a fun, unique experience to give people in the Baylor and Waco community great memories and a fun atmosphere. SES is more focused on improving the Baylor community than it is in making a profit. To create this experience for college students, SES plans to keep costs down and is willing to take longer to return the initial investment to create the best experience possible for the Baylor community.

While the mission of this firm is to provide a fun and unique experience to a college community, SES finds that there is plenty of money spent on entertainment by

college students. Data given by brighthouse.com states that college students spend over \$17 billion annually on entertainment alone. So while the firm wants to keep the price down to have students join in the activities, it knows that there is money in this target market.

The purpose of this firm is to fill a gap in an existing market that is not being taken advantage of in Waco. Through surveys of its target market, SES finds that Baylor students want to sailgate and would if they had access to it, but almost none of them have sailgated because of limited access. SES plans to solve that problem by providing its services to fans anywhere on a first come, first serve basis.

Another purpose of SES is to fill a need for a new venue for student organizations' social events. Lots of student organizations on campus are bound to the city limits of Waco to host their events and therefore end up using the same venues over and over again. SES plans to solve that problem by hosting social events on its boat to provide a new, fresh environment. The even better part about it is that SES can change the location or theme of the event, so it will not ever end up providing the same exact service to the same organizations. SES is capable of changing themes or changing locations to always provide a new, fun experience to its customers.

### *Revenue Model Description*

SES has two streams of revenue from its customers. The concept for both can be wrapped up simply as stating that SES makes money anytime someone comes on board the boat. The two ways that SES makes money are from providing the boat for public access for sailgating before Baylor football games, and renting out the entire boat for a private social event. In both cases, people are paying to come on board the barge.



The money coming in from sailgating will be a per person, per game stream of revenue. Four hours before every game, SES will pick up people at the marina outside of McLane Stadium to sailgate, at which time people are free to leave the boat or stay on as long as they wish. If SES gains enough popularity, season passes will be available for purchase for the whole season. SES believes that if people are given priority access for the first come, first serve service, they will be more inclined to purchase a sure ticket to get on instead of waiting in line and maybe not being able to get on board to sailgate. Single game tickets to sailgate would be \$30 per person which would cover the cost of food and non-alcoholic beverages provided and still meet our profit margins, and season passes would be sold before the season at the number of Baylor home football games times 30.

The other stream of revenue would be renting out the boat for public parties. We feel that charging \$2,000 for the party is a fair price based on prices of similar services in other areas of Texas. The \$2,000 would likely be covered by dues paid by student organizations and would be a cheap per person cost. This money does not include other catering costs because SES does not provide catering, although catering is welcome on board the boat for parties. The cost of renting out the boat would pay for access to the boat for four hours and any theme decorations that the party would like to include.

### *Outline of Scenario-Based Assumptions*

#### *Most Likely*

After conducting research into SES's target market, industry averages and peak season, I was able to come up with a most likely case scenario for revenues in years one,

two and three. Due to the nature of being located in a college town, I had to take into effect the times of the year where college students will be in town as well as when Baylor football games are played.

During my research into when the target market is available and in Waco to use our service, I found that a vast majority of students at Baylor are not in Waco from May through August, or in December. During my research into when Baylor football plays, I found that they play an average of six home games per year in the fall months of September through November. Regarding renting out the party boat for private parties to student organizations, I found that student organizations like to have their social events in the middle of the two semesters. That gives their students time to settle into the routine of school and find a date to take on the event with plenty of warning time ahead to schedule. That would mean that student organizations would be most likely to book private events in the months of September through November, and March through April. Taking into account the weather outside during Texas as well as when the target market will be available in town, I found it best just to shut down operation from December through February as SES is likely to get very little to no business at all during those cold, winter months. While students, and therefore student organizations, are not in Waco from May through August, SES still feels that because of the uniqueness of its service to Waco, and the great weather months that it will be able to serve those still in the Waco community permanently to book private parties.

Our primary research on this topic is entirely unanimous. SES surveyed five people in the target market, students at Baylor University that are in a student organization, and they all had the same results. The results of the survey taken by Marc

Ritthaler, Luke McBride, Reid Blackwell, Kathryn Gleason and Brandon Kent all said that they had never been sailgating, but would like to if it was made available to them. They all stated that they would pay the \$30 entry fee to sailgate with food and non-alcoholic beverages provided. They all said that their student organization would be interested in renting out the boat for private social events, and some stated that they already had done something like this in another city. These results show SES that our service is wanted in the Baylor and Waco community and would be put to good use and be a popular mode of entertainment in the area.

The most likely case scenario calls for sailgating to be the primary and only source of revenue for SES in the fall semester. Based on primary research done by SES, SES expects to sell out its sailgating space for each home game in the fall. That would be 200 spots per game, at \$30 per person to give it a revenue of \$6,000 per game in the fall.

Being the new kid on the block and according to the size of some of the student organizations that will not be able to fit on SES's boat, the most likely case for SES is to book three private parties per month in the peak spring times and one private party per month in non-peak times. At \$2,000 per party, this makes the revenue about \$18,000 in the spring and summer months when there is no sailgating for football games. We assume these sales will continue in the following years as SES operates on an annual seasonal schedule and will repeat the same or similar trends each season.

Although we shut down operations in the winter, SES still has to pay rent for the boat when it is not in use, as well as insurance even when not in use. Along with those payments, SES will also have to pay off the payments on the boat each month. These are the only costs that SES will have all year long.

In the most likely case scenario pro forma, units sold are sold on per person basis to come on the boat to sailgate, and units sold in the spring and summer months are based on the number of private parties booked. The prices reflect these assumptions as well. All revenue will be handled in cash directly on the dock of the boat to avoid bad debt expense and other costs associated with collecting credit.

#### *Worst Case Scenario*

The worst case scenario would see that SES is not received well by the community and is not as popular as the primary research would suggest. Worst case scenario would see that one of the Baylor football games has inclement weather that prohibits SES from sailgating before the game, causing SES to have no revenue for that game. Worst case scenario would also see lower bookings in the spring and summer months, and maybe even no bookings when Baylor is not in the fall or spring semester.

While in the most likely case scenario, all sailgating events are sold out, the worst case scenario would see that not all games are sold out. So not only would SES not sell out but to have an entire game with no revenue due to weather would crush the business in the fall. After being crushed all fall for three years and not seeing a sufficient amount of bookings in any season, the worst case scenario projects that SES is in the negative still by about \$3,000 EBIT. With not being able to pay back the initial investment at all and no profit in sight, SES would be forced to sell the boat and return what money it could to the investors that started the venture.

### *Best Case Scenario*

The best case scenario would see that popularity is beyond the dreams of SES. Everyone in Baylor and Waco loves it. Not only is sailgating a major hit in the fall with no inclement weather, but private party bookings come around in the fall too. In the pro forma, units sold would be events held by SES so either sailgating or private parties. The cost of each unit changes depending on which event it is so the price represents an average of the price of the events based on the number of events.

Private parties in the spring time would almost double as some weekends SES would be double-booked, and the popularity among local Waco residents would be great in the summer too. With all of this being completed, that leaves SES with an ending year three EBIT of over \$20,000 which will be plenty in paying back the investors and paying off the boat. There is potential for immense popularity of this venture and potential to generate a good amount of income seeing that the per month costs are very low.

## PART FOUR

### Competitors

#### *The Brazos Belle*

There used to be a boat in Waco called the Brazos Belle that held private event functions very similar to what I am planning on having Sic 'Em Squadron (SES) do for its intended purpose. The Brazos Belle, a 160-foot sternwheel riverboat, was constructed for \$1,000,000 and was docked on Lake Waco starting in 1997. The original owner, F.M. Young, sold the boat to Tony Cain in 2006 and it became a staple floating restaurant and was a hot spot for hosting events for Greek organizations. The boat was permanently located in Lake Waco due to fluctuating water levels in the Brazos River as it was too large to operate efficiently on the water, although it could be seen from I-35 in Waco as in the picture below.



In March of 2007, there were torrential rains that caused the Brazos River to flood, and as a result of that, the bottom floor of the Brazos Belle filled with water, and it sank. The restaurant failed to pay city taxes, failed to provide required insurance, and failed to meet health standards and was shut down. The owner, Tony Cain, raised \$105,000 for repairs that did not prove enough to fix the boat and could not raise more due to the lack of revenue from the restaurant. The city seized control of the boat and sold it to local businesspeople for \$10,000 to cover the lost taxes the city was owed. The new owners attempted to refloat the boat and move it upstream for repairs, but the operations proved economically unfeasible, and the Brazos Belle sold for scraps in 2008.

There are a couple of things that I have learned from the mistakes of the Brazos Belle. First, the boat must not be so large that it cannot operate on the water. If the main point of the boat is to provide a vessel for Baylor fans to sailgate, then we must be able to

run the boat on the river around the stadium. Also, we plan on cruising down the Brazos during private events if possible. If the original estimate of a boat big enough to host 200 people is too large, then SES will have to downsize to accommodate for the inherent challenges that come with this business. Secondly, insurance is an absolute must legally, but good insurance to cover for flooding of the boat also is vital to protect the boat from fluctuating water levels. The city of Waco did construct a dam nearby to help keep a constant water level after the Brazos Belle sank, so I do not believe the problem will be quite as severe for SES as it was for the Brazos Belle, but it is obviously still a serious concern.

Something I took away from the successes of the Brazos Belle was that SES could be a standing restaurant when not used for a private event or sailgating. It seemed like the restaurant was doing rather well when it was in good standing operation, so that is something else that SES could do when not in use to continue to generate revenue.

### *Manny's On the River*

Manny's On the River was a popular Tex-Mex restaurant that sat Riverside in Waco. The restaurant had an outside seating area that contained a deck and dock for a boat that was the main attraction for the restaurant. Evidently, this was not a big enough attraction as Manny's has recently decided to close down its operation. After only two years of being in business, the owners have decided to pack up, leave, and sell the property. Several people were sad and commented on how much they loved sitting outside, but it was not enough.



I have learned from Manny's that maybe a restaurant that sits Riverside is not the best idea. The two companies that have done that before have had to close down their operations. Although Manny's would not have been a direct competitor, a restaurant that sits riverside with a boat and dock to book for private parties would cut into some of SES's business.

#### *Brazos Bear*

There is a 70-foot paddle boat that floats along the Brazos named the Brazos Bear. The boat, owned by Ricky Grones, was constructed by Grones to use for gameday and holding events. As of summer 2014, the boat was only used for family use. Grones did have plans to use it during Baylor football game days, and I have seen the boat out there sailgating, but I cannot find anything about accepting the general population to sailgate. It is listed as an LLC company and takes private events.

I have learned from the Brazos Bear that a large-ish boat can float the river and successfully sailgate. I plan to have a boat that is larger than the Brazos Bear so I can accommodate a Greek organization or a larger party. The Brazos Bear could potentially be a direct competitor in the sailgating field if they decide to open their boat for the general population, but as of now, they are only a competitor in the field of private parties on the river.

#### *Waco River Charters*

Waco River Charters is a 55-foot yacht that is a direct competitor to SES. They offer excursions, private events, and even sailgating. I did not see that it is open to the

general public for sailgating but can be booked for private sailgating. The boat only holds 25 people, so it is much smaller than SES and cannot accommodate a student organization event.

What I have learned from Waco River Charters is that this is a viable idea and I received affirmation that SES will work. Although Waco River Charters does exactly what SES does, it cannot accommodate the amount of people SES is targeting and therefore does not even cut into the target market. With Waco River Charters not opening its door to the general public for sailgating, SES will still be the best option for the average fan.

### Expert Interviews

How were you able to go to market and get your first customers?

- 1.) *"From our website and ads."*
- 2.) *"Through our website."*

What are your biggest challenges today?

- 1.) *"The city of Austin. The city keeps trying to be in the boat to pick up the public spots with rules and regulations."*
- 2.) *"The insurance and lawyers. My insurance policy is \$18,000. It is expensive because if I get a lawsuit because someone is drunk, I am liable but I kick people off the boat if they get to that point."*

What is your advice to someone who is just starting in this business?

- 1.) *“Don’t do it to sustain a lifestyle. It is tough to support a lifestyle off of it and almost everyone in this business has a primary job and this is a side business. Insurance is a lot, gas is a lot, liability coverage and a captain to drive the boat are a lot; there’s too many expenses to the whole thing.”*
- 2.) *“Don’t be afraid”*

What would you do differently?

- 1.) *“I wouldn’t do it again. It’s a volume business. People really only rent on Saturdays. We get 2-3 cruises every weekend, but during the week it is just costing us money because no one rents during the week.”*
- 2.) *“A little more marketing, but I am very blessed and don’t know if I would really do anything differently honestly.”*

How do you differentiate from your competitors?

- 1.) *“Our boat looks a lot nicer than any other boat out there.”*
- 2.) *“I am the only one on the lake with a party boat. But the business overall I differentiate by having better customer service.”*

### Payment for Investors

Priority number one when SES starts up its business is to pay back the original investment made by the management team. I will be considered an equal partner with all of the other people on the management team, but I will retain a 50 percent voting share of the business. SES will pay out retained earnings equally according to the percent ownership of each investor at the end of each month. To ensure that SES does not pay out

retained earnings to investors and then fall short on the expenses due to the money distributed at the end of the month, SES will keep a runway of six months before paying investors their money and always keep that six-month runway. The rest of the retained earnings after fulfilling the six-month runway will be given to investors as long as they still have a stake in the company. Investors will only be limited to the management team.

### Possible Expansion

Possible expansion for SES is a little tough because this is not a unique business idea and these types of businesses are very local. The reason for this business is to take advantage of a market that is not being utilized at Baylor University for sailgating and hosting large private events on the river. There would need to be research done on if a market is underutilized in another body of water in another city. The best move for possible expansion would be in another area where a stadium is built on a river, but as of now, there is no such place like that where this market is not utilized fully. If a new stadium opens with the possibility of sailgating, SES would love to have the first mover advantage into that market as well. There would still need to be research done to see what would become of the boat when not in use for sailgating to see if the venture is viable, but SES would love to provide sailgating in other areas of the country as well.

Another possibility for expansion would be right here in Waco. If SES is so popular that several people cannot get on to the boat for sailgating, SES will look into adding another boat to the fleet. Depending on how business is going for the private event sector, the boat could be of similar parameters to just add more business, or it could be a slightly different boat in size or style to add variety and options for the private event

sector of the business. If SES does decide to expand in Waco, that means business is doing very well.

### Exit Strategy

There could be a couple of different exit strategies for SES. The first could be to sell the rights of the boat to a local business that has a tailgate spot at Baylor football games like George's. George's loves to use their tailgate spot and is one of the most popular on game day among alumni. To sell SES to George's and turn that into their sailgate spot to save them money on a tailgate spot, as well as be a floating advertisement for them and a much more entertaining tailgate for their tailgate-goers, would be a way to utilize their pregame ritual better and grow their business. That is why I think they would be interested.

Another exit strategy could be to sell the rights of the boat to a competitor. Either an existing competitor, like the Brazos Bear, or someone that wants to enter the market. Selling the business if it starts out well could be the best case scenario for the investors and provide the most return. The sale of the business would then be broken down equally to the percent ownership of each investor. I think re-evaluating this option after a successful five-year run would give the best benefit on return on investment for any investors.

The last exit strategy would be to sell the boat. This approach would only take place if the business fails or does not reach the amount of business that was expected, which is always a risk. The Brazos Belle was sold for scrap when it failed to cover its losses, so it has been done before to protect owners from cost. The great thing about this

business idea is that if it comes down to the sale of the boat, then the investors will be protected because the majority of their money will be returned upon completion of the sale. It definitely alleviates a lot of risk.

### Why Sic 'Em Squadron is Different

SES is different than all of these other companies. It is different than the Brazos Belle because SES does not stay in the water unprotected, so it will not have the natural disaster effect that the Brazos Belle had. The flood is what ruined the Brazos Belle, so if SES can protect itself from flooding and other natural disasters, it could have similar success without the negative that ended up closing down the business. SES also is not a restaurant on off nights with no bookings. That eliminates the risk of unnecessary costs associated with a slow restaurant as to not repeat the same mistakes as Manny's On the River. Clearly, the outdoor deck and boat were not enough to attract a steady crowd for the popular Tex-Mex restaurant, so I would not want to run the same risk. SES is a larger boat than both the Brazos Bear and Waco River Charters. That allows SES to capture the target market it is targeting that these other companies cannot capture. Waco River Charters and the Brazos Bear also do not open their doors to the general public for sailgating on Baylor football gamedays. With the larger boat, no restaurant, and not staying on the water unprotected, I expect Sic 'Em Squadron to be the clear choice for private events on the river and sailgating for the general population.

## APPENDIX

## APPENDIX A

Most likely revenue forecast - Excel															
Joey Ward															
File Home Insert Draw Page Layout Formulas Data Review View Tell me what you want to do															
Clipboard Font Alignment Number Styles Cells Editing															
1107															
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1															
2		<b>Yellow Cells are Input Cells</b>													
3		<b>Blue Cells will calculate - no input required</b>													
4															
5		<b>Year One</b>													
6		4/30/2017 15:26	August	September	October	November	December	January	February	March	April	May	June	July	
7		<b>FINANCIAL STATEMENT ASSUMPTIONS</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Month 10</b>	<b>Month 11</b>	<b>Month 12</b>	
8		Units sold	200	400	400	400	-	-	-	3	3	1	1	1	
9		Selling price per unit	30	30	30	30	-	-	-	2,000	2,000	2,000	2,000	2,000	
10															
11		% sales in cash	100%	100%	100%	100%	0%	0%	0%	100%	100%	100%	100%	100%	
12		% sales on account	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%	
13															
14		<b>Accounts Receivable Collections</b>													
15		% collected in month of sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
16		% collected in month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17		% collected in second month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18		% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19		% not collected (bad debt expense)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
20															
21															
22		Direct costs as a % of sales by month	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
23		All other direct expenses	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
24		General and Administrative Costs	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
25		Payroll Taxes													
26			FICA	0.082											
27			Medicare	0.0145											
28			Unemp	0.01											
29		Enter % - Required coverage = 0%	Other Benefits	0.1											
30		Minimum coverage = 10%	TOTAL	0.1865											
31		Competitive coverage = 12%+													

Most likely revenue forecast - Excel															
Joey Ward															
File Home Insert Draw Page Layout Formulas Data Review View Tell me what you want to do															
Clipboard Font Alignment Number Styles Cells Editing															
1107															
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
32		<b>INTEREST (annual rate in %)</b>													
33		Short-term-added to loan	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
34		Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
35															
36															
37		<b>Balance Sheet Assumptions</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Month 10</b>	<b>Month 11</b>	<b>Month 12</b>	
38		Minimum cash	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
39															
40		Land purchase	-	-	-	-	-	-	-	-	-	-	-	-	
41		Building purchase	-	-	-	-	-	-	-	-	-	-	-	-	
42		Equipment purchases	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
43		Life in months-Building													
44		Life in months-Equipment	150	149	148	147	146	145	144	143	142	141	140	139	
45															
46		<b>Accounts payable</b>													
47		% of current month's expenses paid													
48		in following month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
49		Balance paid in current month	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
50															
51		Long-term loan additions (payments)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
52		Investments by owners	-	-	-	-	-	-	-	-	-	-	-	-	
53															
54		<b>Year Two</b>													
55		4/30/2017 15:26	August	September	October	November	December	January	February	March	April	May	June	July	
56		<b>FINANCIAL STATEMENT ASSUMPTIONS</b>	<b>Month 13</b>	<b>Month 14</b>	<b>Month 15</b>	<b>Month 16</b>	<b>Month 17</b>	<b>Month 18</b>	<b>Month 19</b>	<b>Month 20</b>	<b>Month 21</b>	<b>Month 22</b>	<b>Month 23</b>	<b>Month 24</b>	
57		Units sold	400	400	400	200	-	-	-	3	3	2	1	1	
58		Selling price per unit	30	30	30	30	-	-	-	2,000	2,000	2,000	2,000	2,000	
59															
60		% sales in cash	100%	100%	100%	100%	0%	0%	0%	100%	100%	100%	100%	100%	
61		% sales on account	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%	
62															
63		<b>Accounts Receivable Collections</b>													
64		% collected in month of sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
65		% collected in month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
66															



Most likely revenue forecast - Excel																
Joey Waid																
File Home Insert Draw Page Layout Formulas Data Review View Tell me what you want to do																
Clipboard Font Alignment Number Styles Cells Editing																
1107																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
62	Accounts Receivable Collections															
63	% collected in month of sale		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
64	% collected in month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
65	% collected in second month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
66	% collected in third month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
67	% not collected (bad debt expense)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
68																
69																
70																
71	Direct costs as a % of sales by month		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
72	All other direct expenses		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.													
73	General and Administrative Costs		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.													
74	Payroll Taxes	FICA	0.062													
75		Medicare	0.0145													
76		Unemp	0.01													
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78	Minimum coverage = 10%	TOTAL	0.1865													
79	Competitive coverage = 12%+	Medicare														
80																
81	INTEREST (annual rate in %)															
82	Short-term-added to loan		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
83	Long-term-paid month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
84																
85																
86	Balance Sheet Assumptions		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24		
87	Minimum cash		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
88																
89	Land purchase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	Building purchase		-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	Equipment purchases		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
92	Life in months-Building		-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	Life in months-Equipment		138	137	136	135	134	133	132	131	130	129	128	127		
94																
95	Accounts payable															
Model Information Assumps Input Year 1 Year 2 Year 3 Sheet1																

Most likely revenue forecast - Excel																
Joey Waid																
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1107																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
95	Accounts payable															
96	% of current month's expenses paid		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
97	in following month		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
98	Balance paid in current month		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
99																
100	Long-term loan additions(payments)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
101	Investments by owners		-	-	-	-	-	-	-	-	-	-	-	-	-	-
102																
103	Year Three															
104		4/30/2017 15:26	August	September	October	November	December	January	February	March	April	May	June	July		
105	FINANCIAL STATEMENT ASSUMPTIONS		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36		
106	Units sold		200	400	400	400	-	-	-	3	3	2	1	1		
107	Selling price per unit		30	30	30	30				2,000	2,000	2,000	2,000	2,000		
108																
109	% sales in cash		100%	100%	100%	100%	0%	0%	0%	100%	100%	100%	100%	100%		
110	% sales on account		0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	0%	0%		
111																
112	Accounts Receivable Collections															
113	% collected in month of sale		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
114	% collected in month following		0%	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	0%
115	% collected in second month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
116	% collected in third month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
117	% not collected (bad debt expense)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
118																
119																
120	Direct costs as a % of sales by month		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
121	All other direct expenses		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.													
122	General and Administrative Costs		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.													
123	Payroll Taxes	FICA	0.062													
124		Medicare	0.0145													
125		Unemp	0.01													
126	Enter % - Required coverage = 0%	Other Benefits	0.1													
127	Minimum coverage = 10%	TOTAL	0.1865													
128	Competitive coverage = 12%+	Medicare														
Model Information Assumps Input Year 1 Year 2 Year 3 Sheet1																

Most likely revenue forecast - Excel																Joey Waid		
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Most likely revenue forecast - Excel															
Joey Waid															
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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	YEAR 1														
2	Income Statement														
3	Accrual Basis														
4															
5	REVENUES														
6	Cash sales		August	September	October	November	December	January	February	March	April	May	June	July	2016-2017
7	Charge sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
8	TOTAL SALES		6,000	12,000	12,000	12,000	-	-	-	6,000	6,000	2,000	2,000	2,000	60,000
9			6,000	12,000	12,000	12,000	-	-	-	6,000	6,000	2,000	2,000	2,000	46,000
10	DIRECT EXPENSES														
11	Direct Costs		1,200	2,400	2,400	2,400	-	-	-	1,200	1,200	400	400	400	12,000
12	Salaries		200	400	400	400	-	-	-	600	600	200	200	200	3,200
13	Benefits		37	75	75	75	-	-	-	112	112	37	37	37	597
14	Rent		20	20	20	20	20	20	20	20	20	20	20	20	240
15	Utilities		-	-	-	-	-	-	-	-	-	-	-	-	-
16	Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-
17	Transportation		100	100	100	100	-	-	-	100	100	100	100	100	900
18	Insurance		750	750	750	750	750	750	750	750	750	750	750	750	9,000
19	Bad debt expense		-	-	-	-	-	-	-	-	-	-	-	-	-
20			-	-	-	-	-	-	-	-	-	-	-	-	-
21															
22	TOTAL DIRECT EXPENSES		2,307	3,745	3,745	3,745	770	770	770	2,782	2,782	1,507	1,507	1,507	25,937
23	OPERATING MARGIN		3,693	8,255	8,255	8,255	(770)	(770)	(770)	3,218	3,218	493	493	493	20,063
24															
25	General & Admin. Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
26	Salaries		200	400	400	400	-	-	-	600	600	200	200	200	3,200
27	Benefits		37	75	75	75	-	-	-	112	112	37	37	37	597
28	Rent		-	-	-	-	-	-	-	-	-	-	-	-	-
29	Utilities		-	-	-	-	-	-	-	-	-	-	-	-	-
30	Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-
31	Transportation		-	-	-	-	-	-	-	-	-	-	-	-	-
32	Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-
33	Legal & Accounting		150	150	150	150	150	150	150	150	150	150	150	150	1,800
34															
Model Information			Assumps Input	Year 1	Year 2	Year 3	Sheet1								

Most likely revenue forecast - Excel															
Joey Ward															
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30															
31	Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-
32	Transportation		-	-	-	-	-	-	-	-	-	-	-	-	-
33	Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-
34	Legal & Accounting		150	150	150	150	150	150	150	150	150	150	150	150	1,800
35															
36	Marketing		30	30	30	30	-	-	-	30	30	30	30	30	270
37	Office supplies		-	-	-	-	-	-	-	-	-	-	-	-	-
38	Equipment leases		-	-	-	-	-	-	-	-	-	-	-	-	-
39	Depreciation- Building		-	-	-	-	-	-	-	-	-	-	-	-	-
40	Depreciation- Equipment		67	73	80	87	94	101	108	115	122	129	136	143	1,253
41															
42	TOTAL G&A		484	728	735	742	244	251	258	1,007	1,014	546	553	560	7,120
43															
44	EBIT		3,209	7,527	7,521	7,514	(1,014)	(1,021)	(1,028)	2,212	2,205	(53)	(60)	(68)	12,943
45															
46	Interest Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
47															
48															
49	EARNINGS BEFORE TAXES		3,209	7,527	7,521	7,514	(1,014)	(1,021)	(1,028)	2,212	2,205	(53)	(60)	(68)	12,943
50															
51	BALANCE SHEET - Year 1	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
52	Cash	-	4,000	4,000	9,477	17,078	16,158	15,238	14,318	16,644	18,970	19,046	19,121	19,196	
53	Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	
54															
55	Total Current Assets	-	4,000	4,000	9,477	17,078	16,158	15,238	14,318	16,644	18,970	19,046	19,121	19,196	
56															
57	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
58	Building	-	-	-	-	-	-	-	-	-	-	-	-	-	
59	Equipment	-	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	
60	-LESS Accum. Depreciation	-	(67)	(140)	(220)	(307)	(401)	(502)	(609)	(724)	(845)	(974)	(1,110)	(1,253)	
61	Net Fixed Assets	-	9,933	10,860	11,780	12,693	13,599	14,498	15,391	16,276	17,155	18,026	18,890	19,747	
62															
63	TOTAL ASSETS	-	13,933	14,860	21,257	29,771	29,757	29,736	29,709	32,920	36,125	37,071	38,011	38,943	
64															
Model Information Assumps Input Year 1 Year 2 Year 3 Sheet1															

Most likely revenue forecast - Excel															
Joey Ward															
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62															
63	TOTAL ASSETS	-	13,933	14,860	21,257	29,771	29,757	29,736	29,709	32,920	36,125	37,071	38,011	38,943	
64															
65	LIABILITIES														
66	Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	Short-term loan inc. interest	-	9,725	2,124	-	-	-	-	-	-	-	-	-	-	
68	Interest on long-term	-	9,725	2,124	-	-	-	-	-	-	-	-	-	-	
69	TOTAL CURRENT	-	9,725	2,124	-	-	-	-	-	-	-	-	-	-	
70															
71	Long-term loans	-	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	11,000	12,000	
72															
73	Total liabilities	-	10,725	4,124	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	11,000	12,000	
74															
75	OWNERS' EQUITY														
76	Investment by owner	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Retained earnings(loss)	-	3,209	10,736	18,257	25,771	24,757	23,736	22,709	24,920	27,125	27,071	27,011	26,943	
78	Net equity	-	3,209	10,736	18,257	25,771	24,757	23,736	22,709	24,920	27,125	27,071	27,011	26,943	
79															
80	TOTAL LIAB AND OWNERS	-	13,933	14,860	21,257	29,771	29,757	29,736	29,709	32,920	36,125	37,071	38,011	38,943	
81															
82															
83															
84	CASH FLOW - Year 1		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
85	Cash flow from operations														
86	Receipts														
87	Cash sales		6,000	12,000	12,000	12,000	-	-	-	6,000	6,000	2,000	2,000	2,000	60,000
88	Accounts Receivable collections														
89	Total receipts		6,000	12,000	12,000	12,000	-	-	-	6,000	6,000	2,000	2,000	2,000	60,000
90															
91	Disbursements														
92	Direct expenses except bad debt		2,307	3,745	3,745	3,745	770	770	770	2,782	2,782	1,507	1,507	1,507	25,937
93															
94	G&A except depreciation		417	655	655	655	150	150	150	892	892	417	417	417	5,867
95															
96	Interest on long-term		-	-	-	-	-	-	-	-	-	-	-	-	
Model Information Assumps Input Year 1 Year 2 Year 3 Sheet1															



Most likely revenue forecast - Excel															
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
36	Marketing		30	30	30	30	-	-	-	30	30	30	30	30	270
37	Office supplies		-	-	-	-	-	-	-	-	-	-	-	-	-
38	Equipment leases		-	-	-	-	-	-	-	-	-	-	-	-	-
39	Depreciation- Building		-	-	-	-	-	-	-	-	-	-	-	-	-
40	Depreciation- Equipment		150	158	165	172	180	187	195	203	210	218	226	234	2,298
41															
42	TOTAL G&A		805	812	820	827	330	337	345	1,094	1,102	873	643	651	8,639
43															
44	EBIT		7,450	7,443	7,436	2,628	(1,100)	(1,107)	(1,115)	2,124	2,116	983	(150)	(158)	26,549
45															
46	Interest Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
47															
48	EARNINGS BEFORE TAXES		7,450	7,443	7,436	2,628	(1,100)	(1,107)	(1,115)	2,124	2,116	983	(150)	(158)	26,549
49															
50															
51	BALANCE SHEET - Year 2	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
52	Cash	19,196	26,797	34,398	41,999	44,800	43,880	42,960	42,040	44,366	46,692	47,893	47,968	48,044	
53	Accounts Receivable														
54															
55	Total Current Assets	19,196	26,797	34,398	41,999	44,800	43,880	42,960	42,040	44,366	46,692	47,893	47,968	48,044	
56															
57	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
58	Building	-	-	-	-	-	-	-	-	-	-	-	-	-	
59	Equipment	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	
60	-LESS Accum. Depreciation	(1,253)	(1,404)	(1,561)	(1,726)	(1,899)	(2,078)	(2,266)	(2,461)	(2,663)	(2,874)	(3,092)	(3,318)	(3,551)	
61	Net Fixed Assets	19,747	20,596	21,439	22,274	23,101	23,922	24,734	25,539	26,337	27,126	27,908	28,682	29,449	
62															
63	TOTAL ASSETS	38,943	47,394	55,837	64,273	67,901	67,801	67,694	67,579	70,702	73,818	75,801	76,651	77,492	
64															
65	LIABILITIES														
66	Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
68	Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-	
69	TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-	
70															
71															

Most likely revenue forecast - Excel															
Joey Waid															
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
71	Long-term loans	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	
72															
73	Total liabilities	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000	24,000	
74															
75	OWNERS' EQUITY														
76	Investment by owner	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Retained earnings(loss)	26,943	34,394	41,837	49,273	51,901	50,801	49,694	48,579	50,702	52,818	53,801	53,651	53,492	
78	Net equity	26,943	34,394	41,837	49,273	51,901	50,801	49,694	48,579	50,702	52,818	53,801	53,651	53,492	
79															
80	TOTAL LIAB AND OWNERS	38,943	47,394	55,837	64,273	67,901	67,801	67,694	67,579	70,702	73,818	75,801	76,651	77,492	
81															
82															
83															
84	CASH FLOW - Year 2	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL	
85	Cash flow from operations														
86	Receipts														
87	Cash sales	12,000	12,000	12,000	6,000	-	-	-	6,000	6,000	4,000	2,000	2,000	62,000	
88	Accounts Receivable collections	-	-	-	-	-	-	-	-	-	-	-	-	-	
89	Total receipts	12,000	12,000	12,000	6,000	-	-	-	6,000	6,000	4,000	2,000	2,000	62,000	
90															
91	Disbursements														
92	Direct expenses except bad debt	3,745	3,745	3,745	2,545	770	770	770	2,782	2,782	2,145	1,507	1,507	26,811	
93															
94	G&A except depreciation	655	655	655	655	150	150	150	892	892	655	417	417	6,341	
95															
96	Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-	
97	Total disbursements	4,399	4,399	4,399	3,199	920	920	920	3,674	3,674	2,799	1,925	1,925	33,153	
98	Net cash flow from operations	7,601	7,601	7,601	2,801	(920)	(920)	(920)	2,326	2,326	1,201	75	75	28,847	
99															
100	Cash flow from investing activities														
101	Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
102	Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-	
103	Purchase of Equipment	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)	
104	Net cash flow from investing activities	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)	
105															
106															

Most likely revenue forecast - Excel															
Joey Waid															
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82															
83															
84	<b>CASH FLOW - Year 2</b>		<b>Month 13</b>	<b>Month 14</b>	<b>Month 15</b>	<b>Month 16</b>	<b>Month 17</b>	<b>Month 18</b>	<b>Month 19</b>	<b>Month 20</b>	<b>Month 21</b>	<b>Month 22</b>	<b>Month 23</b>	<b>Month 24</b>	<b>TOTAL</b>
85	<b>Cash flow from operations</b>														
86	Receipts														
87	Cash sales		12,000	12,000	12,000	6,000	-	-	-	6,000	6,000	4,000	2,000	2,000	62,000
88	Accounts Receivable collections		-	-	-	-	-	-	-	-	-	-	-	-	-
89	<b>Total receipts</b>		12,000	12,000	12,000	6,000	-	-	-	6,000	6,000	4,000	2,000	2,000	62,000
90															
91	Disbursements														
92	Direct expenses except bad debt		3,745	3,745	3,745	2,545	770	770	770	2,782	2,782	2,145	1,507	1,507	26,811
93															
94	G&A except depreciation		655	655	655	655	150	150	150	892	892	655	417	417	6,341
95															
96	Interest on long-term		-	-	-	-	-	-	-	-	-	-	-	-	-
97	<b>Total disbursements</b>		4,399	4,399	4,399	3,199	920	920	920	3,674	3,674	2,799	1,925	1,925	33,153
98	<b>Net cash flow from operations</b>		7,601	7,601	7,601	2,801	(920)	(920)	(920)	2,326	2,326	1,201	75	75	28,847
99															
100	<b>Cash flow from investing activities</b>														
101	Purchase of Land		-	-	-	-	-	-	-	-	-	-	-	-	-
102	Purchase of Building		-	-	-	-	-	-	-	-	-	-	-	-	-
103	Purchase of Equipment		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
104	<b>Net cash flow from investing activities</b>		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
105															
106	<b>Cash flow from financing activities</b>														
107	Investment by owners		-	-	-	-	-	-	-	-	-	-	-	-	-
108	Long-term loan additions/payments		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
109	<b>Net cash flow from long-term financing activities</b>		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
110															
111	<b>Net cash increase(decrease)</b>		7,601	7,601	7,601	2,801	(920)	(920)	(920)	2,326	2,326	1,201	75	75	28,847
112	Short-term Loan increase(decrease)		-	-	-	-	-	-	-	-	-	-	-	-	-
113															
114	<b>Beginning cash</b>		19,196	26,797	34,398	41,999	44,800	43,880	42,960	42,040	44,366	46,692	47,893	47,968	19,196
115	<b>Ending cash</b>		26,797	34,398	41,999	44,800	43,880	42,960	42,040	44,366	46,692	47,893	47,968	48,044	48,044
116															
Model Information		Assumps Input	Year 1	Year 2	Year 3	Sheet1									

Most likely revenue forecast - Excel															
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1	<b>YEAR 3</b>														
2	<b>Income Statement</b>														
3	<b>Accrual Basis</b>														
4															
5	<b>REVENUES</b>		<b>Month 25</b>	<b>Month 26</b>	<b>Month 27</b>	<b>Month 28</b>	<b>Month 29</b>	<b>Month 30</b>	<b>Month 31</b>	<b>Month 32</b>	<b>Month 33</b>	<b>Month 34</b>	<b>Month 35</b>	<b>Month 36</b>	<b>TOTAL</b>
6	Cash sales		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
7	Charge sales		-	-	-	-	-	-	-	-	-	-	-	-	-
8	<b>TOTAL SALES</b>		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
9															
10	<b>DIRECT EXPENSES</b>														
11	Direct Costs		1,600	2,400	2,400	2,400	-	-	-	1,200	1,200	800	400	400	12,800
12	Salaries		200	400	400	400	-	-	-	600	600	400	200	200	3,400
13	Benefits		37	75	75	75	-	-	-	112	112	75	37	37	634
14	Rent		20	20	20	20	20	20	20	20	20	20	20	20	240
15	Utilities		-	-	-	-	-	-	-	-	-	-	-	-	-
16															
17	Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-
18	Transportation		100	100	100	100	-	-	-	100	100	100	100	100	900
19	Insurance		750	750	750	750	750	750	750	750	750	750	750	750	9,000
20	Bad debt expense		-	-	-	-	-	-	-	-	-	-	-	-	-
21															
22	<b>TOTAL DIRECT EXPENSES</b>		2,707	3,745	3,745	3,745	770	770	770	2,782	2,782	2,145	1,507	1,507	26,974
23	<b>OPERATING MARGIN</b>		5,293	8,255	8,255	8,255	(770)	(770)	(770)	3,218	3,218	1,855	493	493	37,026
24															
25	<b>General &amp; Admin. Expenses</b>														
26	Salaries		200	400	400	400	-	-	-	600	600	400	200	200	3,400
27	Benefits		37	75	75	75	-	-	-	112	112	75	37	37	634
28	Rent		-	-	-	-	-	-	-	-	-	-	-	-	-
29	Utilities		-	-	-	-	-	-	-	-	-	-	-	-	-
30															
31	Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-
32	Transportation		-	-	-	-	-	-	-	-	-	-	-	-	-
33	Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-
34	<b>Legal &amp; Accounting</b>		150	150	150	150	150	150	150	150	150	150	150	150	1,800
Model Information		Assumps Input	Year 1	Year 2	Year 3	Sheet1									



Most likely revenue forecast - Excel															
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A1 YEAR 3															
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
35															
36	Marketing		30	30	30	30	-	-	-	30	30	30	30	30	270
37	Office supplies		-	-	-	-	-	-	-	-	-	-	-	-	-
38	Equipment leases		-	-	-	-	-	-	-	-	-	-	-	-	-
39	Depreciation- Building		-	-	-	-	-	-	-	-	-	-	-	-	-
40	Depreciation- Equipment		242	250	258	266	274	282	291	299	308	316	325	333	3,443
41															
42	TOTAL G&A		659	904	912	920	424	432	441	1,191	1,199	971	742	751	9,547
43															
44	EBIT		4,634	7,351	7,343	7,335	(1,194)	(1,202)	(1,211)	2,027	2,019	885	(249)	(258)	27,479
45															
46	Interest Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
47															
48	EARNINGS BEFORE TAXES		4,634	7,351	7,343	7,335	(1,194)	(1,202)	(1,211)	2,027	2,019	885	(249)	(258)	27,479
49															
50															
51	BALANCE SHEET - Year 3	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
52	Cash	48,044	52,919	60,520	68,121	75,721	74,801	73,881	72,961	75,288	77,614	78,815	78,890	78,965	
53	Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	
54															
55	Total Current Assets	48,044	52,919	60,520	68,121	75,721	74,801	73,881	72,961	75,288	77,614	78,815	78,890	78,965	
56															
57	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
58	Building	-	-	-	-	-	-	-	-	-	-	-	-	-	
59	Equipment	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000	
60	-LESS Accum. Depreciation	(3,551)	(3,793)	(4,043)	(4,300)	(4,566)	(4,840)	(5,123)	(5,413)	(5,712)	(6,020)	(6,336)	(6,661)	(6,994)	
61	Net Fixed Assets	29,449	30,207	30,957	31,700	32,434	33,160	33,877	34,587	35,288	35,980	36,664	37,339	38,006	
62															
63	TOTAL ASSETS	77,492	83,126	91,477	99,820	108,155	107,961	107,759	107,548	110,575	113,594	115,479	116,229	116,972	
64															
65	LIABILITIES														
66	Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
68	Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-	
69	TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-	
70															
71	Long-term loans	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
72															
73	Total liabilities	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
74															
75	OWNERS' EQUITY														
76	Investment by owner	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Retained earnings(loss)	53,492	58,126	65,477	72,820	80,155	78,961	77,759	76,548	78,575	80,594	81,479	81,229	80,972	
78	Net equity	53,492	58,126	65,477	72,820	80,155	78,961	77,759	76,548	78,575	80,594	81,479	81,229	80,972	
79															
80	TOTAL LIAB AND OWNERS	77,492	83,126	91,477	99,820	108,155	107,961	107,759	107,548	110,575	113,594	115,479	116,229	116,972	
81															
82															
83	CASH FLOW - Year 3	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL	
84	Cash flow from operations														
85	Receipts														
86	Cash sales		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
87	Accounts Receivable collections														
88	Total receipts		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
89															
90	Disbursements														
91	Direct expenses except bad debt		2,707	3,745	3,745	3,745	770	770	770	2,782	2,782	2,145	1,507	1,507	26,974
92															
93															

Most likely revenue forecast - Excel															
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59	Equipment	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000	
60	-LESS Accum. Depreciation	(3,551)	(3,793)	(4,043)	(4,300)	(4,566)	(4,840)	(5,123)	(5,413)	(5,712)	(6,020)	(6,336)	(6,661)	(6,994)	
61	Net Fixed Assets	29,449	30,207	30,957	31,700	32,434	33,160	33,877	34,587	35,288	35,980	36,664	37,339	38,006	
62															
63	TOTAL ASSETS	77,492	83,126	91,477	99,820	108,155	107,961	107,759	107,548	110,575	113,594	115,479	116,229	116,972	
64															
65	LIABILITIES														
66	Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	-	
68	Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-	
69	TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-	
70															
71	Long-term loans	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
72															
73	Total liabilities	24,000	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	36,000	
74															
75	OWNERS' EQUITY														
76	Investment by owner	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Retained earnings(loss)	53,492	58,126	65,477	72,820	80,155	78,961	77,759	76,548	78,575	80,594	81,479	81,229	80,972	
78	Net equity	53,492	58,126	65,477	72,820	80,155	78,961	77,759	76,548	78,575	80,594	81,479	81,229	80,972	
79															
80	TOTAL LIAB AND OWNERS	77,492	83,126	91,477	99,820	108,155	107,961	107,759	107,548	110,575	113,594	115,479	116,229	116,972	
81															
82															
83	CASH FLOW - Year 3	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL	
84	Cash flow from operations														
85	Receipts														
86	Cash sales		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
87	Accounts Receivable collections														
88	Total receipts		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
89															
90	Disbursements														
91	Direct expenses except bad debt		2,707	3,745	3,745	3,745	770	770	770	2,782	2,782	2,145	1,507	1,507	26,974
92															
93															

Most likely revenue forecast - Excel															
Joey Waid															
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82															
83															
84	<b>CASH FLOW - Year 3</b>		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
85	<b>Cash flow from operations</b>														
86	Receipts														
87	Cash sales		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
88	Accounts Receivable collections		-	-	-	-	-	-	-	-	-	-	-	-	-
89	Total receipts		8,000	12,000	12,000	12,000	-	-	-	6,000	6,000	4,000	2,000	2,000	64,000
90															
91	Disbursements														
92	Direct expenses except bad debt		2,707	3,745	3,745	3,745	770	770	770	2,782	2,782	2,145	1,507	1,507	26,974
93															
94	G&A except depreciation		417	655	655	655	150	150	150	892	892	655	417	417	6,104
95															
96	Interest on long-term		-	-	-	-	-	-	-	-	-	-	-	-	-
97	Total disbursements		3,125	4,399	4,399	4,399	920	920	920	3,674	3,674	2,799	1,925	1,925	33,078
98	<b>Net cash flow from operations</b>		4,875	7,601	7,601	7,601	(920)	(920)	(920)	2,326	2,326	1,201	75	75	30,922
99															
100	<b>Cash flow from investing activities</b>														
101	Purchase of Land		-	-	-	-	-	-	-	-	-	-	-	-	-
102	Purchase of Building		-	-	-	-	-	-	-	-	-	-	-	-	-
103	Purchase of Equipment		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
104	<b>Net cash flow from investing activities</b>		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
105															
106	<b>Cash flow from financing activities</b>														
107	Investment by owners		-	-	-	-	-	-	-	-	-	-	-	-	-
108	Long-term loan additions (payments)		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
109	<b>Net cash flow from long-term financing activities</b>		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
110															
111	Net cash increase (decrease)		4,875	7,601	7,601	7,601	(920)	(920)	(920)	2,326	2,326	1,201	75	75	30,922
112	Short-term Loan increase (decrease)		-	-	-	-	-	-	-	-	-	-	-	-	-
113															
114	Beginning cash		48,044	52,919	60,520	68,121	75,721	74,801	73,881	72,961	75,288	77,614	78,815	78,890	48,044
115	Ending cash		52,919	60,520	68,121	75,721	74,801	73,881	72,961	75,288	77,614	78,815	78,890	78,965	78,965
116															



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