

BUSINESS PLAN FOR:

Sample Venture

Prepared by:

Prepared date:

Legal Name of the Business: Sample Venture Tribe Inc.

Trading Name: Sample Venture Tribe Inc.

Address of the Business: 123 Main Street South

City, Postal Code: Streetsville ON L5X 3Z3

Telephone: 905-320-9588

Email: jane@sampleventures.ca

Web Site:

Form of the business:

Industry Sector

% Sales for export: Pending in future years, subject to regional adaptation and translation.

Year business started: 2018

Mission Statement:

Our mission is defined as: Sample Venture Tribe Inc. helps businesses that need to train new staff, and/or to provide training refreshers for all other staff, achieve training objectives by creating and delivering custom web-accessible training programs, produced by means of animations, in order to meet their goals even in a multi-location / multi-shift operation, so that they can deliver consistent methodology and standards of service that represents their brand.

1 **Our ideal customers are:** Businesses that have a need to regularly train new staff, and refresh training for staff, that is dispersed over multiple locations. We focus on the top 40% of corporate training needs that focus on soft skills (ethics, safety, policy, customer service, etc.).

2 **Primary benefits for customers:** Once the training programs are developed and animated, they can be hosted in a learning management system (LMS) for on-demand access 24/7, which gives businesses flexibility to accommodate part-time staff training needs even with shift rotations.

3 **Our products/services are:** We produce animated presentations that educate in an entertaining fashion, using short formats that are preferred by younger employees. We provide hosting support that makes these short training videos available on-demand to continuously reinforce the messages.

4 **How you provide products/services:** We either take generic "soft skill" guidelines that we transform into educational messages or we can generate custom educational messages using a client's policies and procedures to make sure all employees are regularly reminded of what company expectations are.

5 **Primary benefits for customers:** Delivering the training through traditional training tends to be a costly, and disruptive, effort

This improves life for customers by:

that can be ineffective when there is regular turnover and/or employees work in shifts. Our short videos can be viewed during breaks and recycled so that the message is reinforced.
 The client obtains an easy vehicle for delivering their messages about corporate standards, procedures, methods, and compliance with laws and regulations, and has incontrovertible proof that they have delivered that information to employees as required.

Executive Summary:

- Objectives of the plan:** The purpose of this plan is to formalize the creation of Sample Venture, and to establish the vision and expectations for the company and its products and services.
- Description of the project:** Sample Venture creates both custom and “off the shelf” animated corporate training videos in any language.
- Business History:** Sample Venture was created in 2018 to capitalize on an emerging market for customized training videos.
- Nature of Operations:** Sample Venture creates cartoon-like videos with a clear learning objective.
- Products and/or Services:** Sample Venture delivers video based on different training objectives, so that the client can deliver needed training without service interruptions. We can deliver and host videos for clients, allow clients to host delivered videos on their own site, and provide on-demand access to "standard" video files that clients can request on a subscription basis (future years).
- Management:** Jane Doe Creative Director, Storyboarding, Sales and Marketing
Bsc in Psychology, 30 years of HR/Training and Development.
- Principal:** Frank Vale Editor-Animator
Television Broadcasting degree/Editing/Customer Service
- Principal:** Lou Sapper Graphic Designer/Animator
Addictions Counselor, BA Psychology, Customer Service, Graphic Designer
- Projects:** Sample Venture completed a major project for a "beta-test" client that provided us with lessons learned about the best ways to create and deliver these services.

Financial Projection:

(Details provided in the Financial Analysis following)

	2018	2019	2020	2021	2022
Sales:	\$ 82,510.00	\$ 192,766.30	\$ 292,675.33	\$ 414,455.70	\$ 561,006.89
Net Profit:	\$ 1,011.16	\$ (8,259.45)	\$ (3,953.01)	\$ (5,444.24)	\$ 20,448.15
Cash Flow / Payments:	\$ 4,044.63	\$ (33,037.79)	\$ (15,812.04)	\$ (21,776.94)	\$ 81,792.61
Working Capital:	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Net Worth:	\$ 16,307.03	\$ 34,584.26	\$ 36,908.15	\$ 53,210.50	\$ 70,391.74

Ratios

Current Ratio		6611%	100%	100%	100%	100%
Quick Ratio		6611%	10462%	1105%	1755%	1766%
Term Debt to Equity		2%	1%	10%	6%	6%
Return on Investment		19%	-72%	-32%	-31%	87%
Return on Assets	N/A	N/A	N/A	N/A	N/A	
Age of Receivables		0.05	0.05	0.05	0.05	0.05
Inventory Turnover	N/A	N/A	N/A	N/A	N/A	
Asset Turnover		4.98	5.52	7.21	7.35	7.52
Interest Coverage		81.89	-245.26	-3.55	-6.22	21.31
Cash Flow Coverage		49.63	75.75	7.06	11.11	11.02

Reflection on these ratios:

Risk Assessment: This is a fairly conservative estimate based on a relatively slow growth model. The intent of obtaining capital is to allow the company to grow more rapidly rather than to depend on the assumed organic growth.

Contingency Plan: There are several alternative organic growth strategies, such as sub-contracting or using a joint venture approach where we provide the technical know-how to deliver training videos.

Business Environment:

Nature of Operations:

Demographic Factors: Aging populations are apparent throughout the developed world as people are now living longer, healthier lives and that will have a direct impact on organizational training needs. Workplace Issues such as intergenerational conflicts can increase as the older generation is perceived as blocking paths to progression for their younger colleagues. Training and Development is the most coveted job benefit that millennials seek.

Economic Factors: The face of learning and development is changing globally. Economic as well as social changes tend to associate directly with technological innovation; and training is no different. The size of the e-learning market has been estimated to be over USD165B in 2015 and expected to grow 5% annually to exceed USD240B by 2023.

Social Factors: There is an increased awareness that social knowledge within an organization is paramount in retaining knowledge and ultimately giving a great learning experience for their employees.

Cultural Factors: Another big trend is a more Globalized workforce that is leading to increased cultural diversity and reduced cultural homogeneity within most national workforces.

Major Industry Forces:

Product/Service Reference

	<p>Major suppliers are 3rd party service providers:</p> <p>Suppliers: Animax An animated video platform Leartrak LMS (Learning Management System) platform</p> <p>Distributors: N/A </p> <p>Clients: Surex. Our first major client was Supercorp. The project took what was an 8 hour in house training session and condensed it into 1.5 hours of video presentations complete with testing on each of the 28 modules.</p> <p>Other: N/A </p>
Industry Attributes:	
	<p>Nature of Industry: This is an emerging industry that benefits from (1) the rising cost of traditional training, and (2) the increased demand for employee training for different compliance programs.</p> <p>Trends in the Industry: According to different sources (referenced in additional documents) in presence training is still dominant in the corporate training market, but distance learning in all the present forms is gaining field with the introduction of more innovative learning platforms.</p>
Market Attributes:	
	<p>Market Segments: According to HR Dive, elearning industry experts, and various publications we reviewed while doing research into our market segment is that the training and development industry is booming in general.</p> <p>Products and/or Services: Sample Venture Tribe is in the business of creating custom training videos that enable clients to deliver required staff training in short sessions rather than to assemble staff for a comprehensive training program.</p> <p>Pricing and Distribution: Detailed pricing information is provided in the analysis. The video modules can be hosted on a public service, or on the company website for their internal staff only.</p>
Market Trends:	
	<p>Major Trends: With the level of change going on inside every organization, popular theory has been that training organizations must be able to adapt with the times. Learners' needs are changing, technology is evolving, skills are different, automation is altering processes, and globalization is expanding our reach. Our ability to adapt to change often defines our success. But we are learning that speed is now the factor of success.</p> <p><u>Mass Customization is Driving Learner Experience</u> Blanket, one-size-fits-all training is no longer adequate to meet the unique needs of learners. They expect and require training that is customized to fit into the context of their workflow and meets the specific needs of their job role and function.</p>

Closing the Digital Skills Gap

The shelf life of digital skills is shrinking. As new technology becomes available, old skills quickly become outdated.

Growing Emphasis on People Skills

Living in a technologically-driven world has led to a breakdown in basic communication skills. There is less and less human interaction occurring in business today.

Improvisation in Instructional Design

Improvisation is the act of spontaneously creating something from whatever is available.

Artificial Intelligence

Through the help of artificial intelligence and machine learning, L&D can better understand learner behaviors and predict needs by recommending and positioning content based on past behavior.

Leveraging Training as an Employee Benefit

Training is quickly becoming a key differentiator between companies competing for talent. Personal and professional development is an important focus area for modern employees when seeking employment, as well as for deciding to stay with their current employer. They want accessible training to refine and grow their skills.

The Instructor as a Coach

As the classroom size continues to shrink, the role of the instructor is changing from a facilitator for a large audience to a personal coach or tutor.

Deliberate Practice Becoming Strategy for Reinforcement

Transforming the training function from event managers to performance consultants is paramount to next generation training organizations.

Training Spend Increasing

Overall global budgets appear to be on the rise – we expect a 2 to 5 percent increase globally.

Regulations: Not Applicable

Implications: Not Applicable

Risk Factors: Our biggest risk factor is that we currently use two 3rd party service providers for our videos.

Planned Response: Our response is to continue to use the two 3rd-party service providers while we develop an animation platform of our own. This would allow us to create, customize and eventually sell the platform along with access to our library of assets, so that others can use our platform to create animated videos.

Competition:

Type of Competitors: There are no barriers to entry: with the use of generally available tools other players can see our initiative and duplicate what we do. Despite this, there has been no influx of players into the market, that is dominated by 4 major competitors.

Direct Competitors: There are 4 major players in the animated video space. Yet none offer exactly what we do nor do they focus on a target market per say, rather they provide different platforms (white board animation, live action, etc.) for whatever service requires sales and marketing video.

Popular focused entirely on whiteboard animations about social causes with

SWOT Analysis:

- Potential Strengths:** Unlike all but one of our competitors, we do not have a bricks and mortar location with multiple disciplines on staff-graphic, marketing, sales, animation, motion graphics, etc.
- Potential Weaknesses:** Currently we only have the 3 principals, but we have the option to ramp up quite easily, because of our connections within the contract community.
- Potential Opportunities:** Our website and marketing plan (as explained further on) is very targeted.
- Potential Threats:** What makes us unique is our combined talent, but there are no barriers to entry should a major player opt to use our "copyright" protected model to compete on an even footing.
- Our Competitive Advantage:** In the next 10 years, research points to millions of dollars that corporations will have to invest in training, so they remain competitive, not to mention the increased liabilities that organizations face for lack of or improper training.

animations a quick turnaround. and a quick turnaround.

e3Marketing Facebook ads, video marketing and explainer videos-short marketing ads

Bwhite Whiteboard, motion graphic, hybrid, corporate (live action), and tutorial training-computer shots

Key Notes Video production, corporate photography, post production services, video production studio, acting and video production workshops.

Video

In-House Corporate training departments that utilize the same platforms that we do to create their own customized videos in house.

All but one of the competitors focus entirely on what are called "explainer videos" that are short "marketing ads".

Based on extensive research, we have discovered that this combination of services, and our unique approach to training, is what gives us our competitive advantage.

Sales and Marketing Plan:

Potential Vendors:

Product/Service	Reference
Leartrak	Yearly subscription \$1500/user LMS platform
Animax	Monthly subscription \$430/Cdn Animation platform
Itwiz	Website Development/Back end solutions and customized software development.
eDitor	\$35-\$50/hr Suppliers of editing and graphic work
VDO	\$20/month
Adobe	
	Legal Costs --> key man insurance

Potential Customers:

Product/Service	Reference
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We are currently starting our efforts to attract new customers now that we have successfully completed our beta-project

Sales and Marketing Details:

Advertising and Promotion: We are currently working on "demo videos" that we can use to explain our concepts so that these can be used to attract new customers. This will strictly be a direct-mail B2B campaign.

Pricing and Distribution: We have two types of videos and two distribution methods.

The first is customized per our Corporate client requirements and are used exclusively in house and deliverable anywhere, anytime.

Next, we have a library of videos available for purchase on line: each video deals with important/crucial soft skill training.

Distribution will be done through our website. Different portals will be set up for each of our clients that will take them to their specific training page and their videos.

Customer Service Policy: We always treat everyone we meet both personally and professionally with dignity and respect without distinction of any kind, such as race, colour, sex, language, religion, etc.

External Customers We will always greet our customers in a courteous and professional manner.

Internal Customers We will interact with each other in a courteous and professional manner.

Operating Plan:

Summary:

Location: Presently we operate out of our personal home. Located at 123 Main Street South, Streetsville. Located strategically off the highway, we are easily accessible for business meetings which we host in our home offices.

Size and Capacity: Since we plan to grow our company virtually (with contractors) we don't intend on requiring a bigger a bigger space or an office.

Location Advantages: We feel that our agility in having staff in various parts of the world on different time zones is a huge advantage for us.

Location Disadvantages: We currently lease our property personally and run the business out of our home.

Ownership:

Equipment: Currently we have 3 computers and screens and printers that are reaching 3 years in age and are now considered relics in the animation and graphic world and need to be updated.

Furniture & Fixtures: Aside from that we use desks that we have all had personally and our business does not require any fixtures.

Future Expenditures: We have no plans to commit to future expenditures until our volume of work requires more investment. To improve our ability to deliver quality videos, we are planning to upgrade our computers as outlined below.

Technology Requirements: Currently we are working with what is considered outdated equipment.

Research & Development: As a company we are committed to creating an environment where we continue to learn and develop our skills. We regularly commit to spending half of Fridays learning various programs either through Lynda.com or through a personal tutor that we have on call.

Environmental Compliance: Our videos are produced electronically and consequently would not be subject to environmental compliance issues. The only other item that may fall into this would be the proper disposal of our computer equipment.

Additional Information:

Human Resources Plan

Employees:

There are 3 principals in the company.

Managing Principal: Jane Doe Creative Director, Storyboarding, Sales and Marketing
Bsc in Psychology, 30 years of HR/Training and Development

Principal: Frank Vale Editor-Animator
Television Broadcasting degree/Editing/Customer Service

Principal: Lou Sapper Graphic Designer/Animator
Addictions Counselor, BA Psychology, Customer Service, Graphics Designer

Policies & Procedures:

Sample Venture operates Monday through Friday from 9-4pm.

Other Human Resources planning:

Vacation Program: Each principal is entitled to 3 weeks of paid vacation per year.

Performance Criteria: Each week we regularly meet face to face on Mondays to follow up on what we have learned and any issues we are experiencing.

Training and Development: Every Friday afternoon is scheduled for training.

Remuneration: All 3 of the co-owners will be paid 50K per year-along with a yearly bonus. As the company revenues increase then the salaries drawn will increase in proportion.

Benefits Policies: We have not yet investigated the potential for benefits.

Advisors:

Business Advisor: Frits Bos Business Planning and Strategy Advisor
Director 1: TBD
Director 2: TBD
Financial Institution: RBC-Royal Bank 2460 Winston Churchill Blvd, Oakville

Action Plan

Description:	Target Year:	Action Details:
	2018-10-?? 2018-10-31	Contract our next customer Have capital funding secured to build the products for this customer.

Description of products/services:

Concept development (service/hour)	The purpose of this service is to work with the client to create the vision and objectives of any specific training video they want us to produce.
Base Video Production (minutes)	The base video production includes the work effort (and cost) associated with creating the custom video presentation. These videos are reusable (see customization below).
Video Customization (minutes)	We are working on the technology to customize standard videos to appear as branded for corporate training programs. This is a future target, not yet currently offered as a service. It will enable us to capitalize on previously developed non-branded video to make it more attractive for clients to use our ready-made programs.
Corporate branded video (not reusable by us)	Corporations may want unique policies, procedures, and techniques reflected in their training videos that are uniquely theirs, that they obtain at a premium for exclusive use.
LMS Hosting Service / customer account / month	Corporate clients that do not want to have their own LMS (Learning Management System) will have the option to use a hosting service that we then manage for them at a service markup.
Video Library Customer Access	Smaller clients may prefer to use an LMS library that we will make available by subscription based on annual fees and usage fees.
Service Other (reserved)	

Service Other

(reserved)

Service Other

(reserved)

Assumptions and Parameters:

Annual Rate Increase:	6.00%	Per hour annual unit \$ rate increase for Salary Costs
Annual Expenses Escalation:	10.00%	Increase over starting estimates
Accounts Receivable	5.00%	Estimated % of sales
Accounts Payable	5.00%	Estimated % of purchases
Bad-debt allowance on gross sales	0.50%	Estimated % delinquency
Operating Line of Credit Arrangement:	8.00%	APR financing
Production Output that is reusable	30.00%	Generated product valued at cost
Working hours/day (averaged)	6.50	Average number of production hours/day that are chargeable
Profit Margin Objective	85.00%	Over cost for staff and production facilities usage

Salaries Estimate:

	\$/Annum	Growth:	Number of staff in-house vs. contracted		
Management/Principals Salaries:	\$ 50,000.00	9.00%	(fully loaded)	3	(Owners' Draw)
Professional Support Salaries:	\$ 50,000.00	6.00%	(fully loaded)	0	0
Administrative Support Salaries:	\$ 30,000.00	5.00%	(fully loaded)	0	0
Management/Principals Staffing Level:	3	3	3	3	3
Professional Support Staffing Level:	0	0	1	2	2
Administrative Support Staffing Level:	0	1	1	2	2
Management/Principals Salaries/Month:	\$ 12,500.00	\$ 13,625.00	\$ 14,851.25	\$ 16,187.86	\$ 17,644.77
Professional Support Salaries/Month:	\$ -	\$ -	\$ 4,681.67	\$ 9,925.13	\$ 10,520.64
Administrative Support Salaries/Month:	\$ -	\$ 2,625.00	\$ 2,756.25	\$ 5,788.13	\$ 6,077.53
Monthly Staffing Cost:	\$ 12,500.00	\$ 16,250.00	\$ 22,289.17	\$ 31,901.12	\$ 34,242.94
Hourly Service Cost p.p.:	\$ 30.77	\$ 30.00	\$ 32.92	\$ 33.65	\$ 36.12

Revenue of Goods / Services Units Sold

	Charged Rates Per Average Project (Unit)	Default Demand Growth %	Allocation of Staff involved/ Project	Allocation of Effort per unit of output	Charge Unit Conversion Factor
1 Concept development (service/hour)	\$ 170.77	5.00%	2.0	1.50	1.00
2 Base Video Production (minutes)	\$ 39.85	5.00%	2.8	15.00	60.00
2 Video Customization (minutes)	\$ 42.69	3.00%	3.0	15.00	60.00
2 Corporate branded video (not reusable by us)	\$ 39.85	2.00%	2.8	15.00	60.00
LMS Hosting Service / customer account / month	\$ 56.92	2.00%	1.0	1.00	1.00
Video Library Customer Access	\$ 56.92	2.00%	1.0	1.00	1.00
Service Other	\$ -	2.00%	0.0	0.00	1.00

Service Other	\$ -	2.00%	0.0	0.00	1.00
Service Other	\$ -	2.00%	0.0	0.00	1.00
Insert additional Products / Services above this row		Margin x Avg.Cost / Hours x Staff / Conversion * Effort			

Franchise fee/year flat amount: Franchise fee/year flat amount: \$ -

Cost of Goods / Services Sold (COGS)

	Fixed/Month:	Annual growth%	Variable Costs	Franchise Fee%
Concept development (service/hour)	\$ 50.00	2.00%	\$ 10.00	
Base Video Production (minutes)	\$ 50.00	2.00%	\$ 0.25	
Video Customization (minutes)	\$ 50.00	2.00%	\$ 0.25	
Corporate branded video (not reusable by us)	\$ 50.00	2.00%	\$ 0.25	
LMS Hosting Service / customer account / month	\$ 150.00	2.00%	\$ -	
Video Library Customer Access	\$ 150.00	2.00%	\$ -	
Service Other	\$ -	2.00%	\$ -	
Service Other	\$ -	2.00%	\$ -	
Service Other	\$ -	2.00%	\$ -	
Monthly fixed costs (production):	<u>\$ 500.00</u>		<u>\$ 10.75</u>	

Other	LMS Hosting Service for development staff	\$ 375.00
	Vyond Animation Software	\$ 430.00
	VDO Graphics	\$ 50.00
	Hootsuite Social Media	\$ 25.00
	Costs Other	
	Costs Other	
	Monthly other costs:	<u>\$ 880.00</u>

Escalation factors

Annual Rate Increase:	\$ 1.00	\$ 1.06	\$ 1.12	\$ 1.19	\$ 1.26
Annual Expenses Escalation:	\$ 1.00	\$ 1.10	\$ 1.21	\$ 1.33	\$ 1.46
Concept development (service/hour)	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Base Video Production (minutes)	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Video Customization (minutes)	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Corporate branded video (not reusable by us)	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
LMS Hosting Service / customer account / month	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Video Library Customer Access	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Service Other	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Service Other	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08
Service Other	\$ 1.00	\$ 1.02	\$ 1.04	\$ 1.06	\$ 1.08

Production Months/year	5.00	12.00	12.00	12.00	12.00
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Projected Production Levels (contracts):

	2018	2019	2020	2021	2022
Concept development (service/hour)	16.00	32.00	40.00	48.00	56.00
Base Video Production (minutes)	160.00	240.00	240.00	320.00	400.00

Video Customization (minutes)	20.00	30.00	40.00	50.00	60.00
Corporate branded video (not reusable by us)	0.00	80.00	160.00	160.00	160.00
LMS Hosting Service / customer account / month	48.00	144.00	264.00	408.00	576.00
Video Library Customer Access	0.00	5.00	10.00	15.00	20.00
Service Other					
Service Other					
Service Other					

The above assumptions are used to generate the pro-forma financial statements that are produced in the next section of this business plan.

Projected Production Sales (contracts):

	2018	2019	2020	2021	2022
Concept development (service/hour)	\$ 17,760.00	\$ 37,651.20	\$ 49,887.84	\$ 63,457.33	\$ 78,475.57
Base Video Production (minutes)	\$ 41,440.00	\$ 65,889.60	\$ 69,842.98	\$ 98,711.41	\$ 130,792.61
Video Customization (minutes)	\$ 5,550.00	\$ 8,824.50	\$ 12,471.96	\$ 16,525.35	\$ 21,020.24
Corporate branded video (not reusable by us)	\$ -	\$ 21,963.20	\$ 46,561.98	\$ 49,355.70	\$ 52,317.05
LMS Hosting Service / customer account / month	\$ 17,760.00	\$ 56,476.80	\$ 109,753.25	\$ 179,795.78	\$ 269,059.09
Video Library Customer Access	\$ -	\$ 1,961.00	\$ 4,157.32	\$ 6,610.14	\$ 9,342.33
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total Production Sales:	\$ 82,510.00	\$ 192,766.30	\$ 292,675.33	\$ 414,455.70	\$ 561,006.89

Production * unit-cost * hours * escalation

Projected Production Costs (contracts):

	2018	2019	2020	2021	2022
Concept development (service/hour)	\$ 410.00	\$ 938.40	\$ 1,040.40	\$ 1,146.10	\$ 1,255.62
Base Video Production (minutes)	\$ 290.00	\$ 673.20	\$ 686.66	\$ 721.62	\$ 757.70
Video Customization (minutes)	\$ 255.00	\$ 619.65	\$ 634.64	\$ 649.99	\$ 665.70
Corporate branded video (not reusable by us)	\$ 250.00	\$ 632.40	\$ 665.86	\$ 679.17	\$ 692.76
LMS Hosting Service / customer account / month	\$ 750.00	\$ 1,836.00	\$ 1,872.72	\$ 1,910.17	\$ 1,948.38
Video Library Customer Access	\$ 750.00	\$ 1,836.00	\$ 1,872.72	\$ 1,910.17	\$ 1,948.38
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,705.00	\$ 6,535.65	\$ 6,773.00	\$ 7,017.24	\$ 7,268.53

Months * fixed-cost * escalation + Production * variable-cost * escalation

Pro-Forma Financial Statements

Projected Balance Sheet:

<i>Enter first year:</i>	2018	2019	2020	2021	2022
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Assets - Current										
Cash	\$	-	\$	5,512.82	\$	4,995.45	\$	6,089.02	\$	7,327.56
Accounts Receivable	\$	4,125.50	\$	9,638.32	\$	14,633.77	\$	20,722.79	\$	28,050.34
Inventory (Reusable Product)	\$	12,432.00	\$	19,766.88	\$	20,952.89	\$	29,613.42	\$	39,237.78
Inventory (Supplies)	\$	-	\$	-	\$	-	\$	-	\$	-
Prepaid Expenses	\$	-	\$	-	\$	-	\$	-	\$	-
Total Current Assets	\$	16,557.50	\$	34,918.01	\$	40,582.11	\$	56,425.23	\$	74,615.69
Assets - Long Term										
Land & Buildings	\$	-	\$	-	\$	-	\$	-	\$	-
Less: Accumulated Depreciation	\$	-	\$	-	\$	-	\$	-	\$	-
Furniture & Fixtures	\$	-	\$	-	\$	-	\$	-	\$	-
Less: Accumulated Depreciation	\$	-	\$	-	\$	-	\$	-	\$	-
Equipment & Machinery	\$	-	\$	-	\$	-	\$	-	\$	-
Less: Accumulated Depreciation	\$	-	\$	-	\$	-	\$	-	\$	-
Total Fixed Assets	\$	-	\$	-	\$	-	\$	-	\$	-
Research & Development	\$	-	\$	-	\$	-	\$	-	\$	-
Goodwill	\$	-	\$	-	\$	-	\$	-	\$	-
Total Assets - Other	\$	-	\$	-	\$	-	\$	-	\$	-
Total Long Term Assets	\$	-	\$	-	\$	-	\$	-	\$	-
Total Assets	\$	16,557.50	\$	34,918.01	\$	40,582.11	\$	56,425.23	\$	74,615.69
Liabilities - Current										
Bank Loans - Line of Credit	\$	-	\$	84.16	\$	3,425.12	\$	2,966.91	\$	3,977.46
Accounts Payable	\$	250.47	\$	249.59	\$	248.84	\$	247.82	\$	246.49
Accruals + Current LTD	\$	-	\$	-	\$	-	\$	-	\$	-
Taxes Payable	\$	-	\$	-	\$	-	\$	-	\$	-
Total Current Liabilities	\$	250.47	\$	333.75	\$	3,673.96	\$	3,214.73	\$	4,223.95
Liabilities - Long Term										
Long Term Debt (Asset Purchases)	\$	-	\$	-	\$	-	\$	-	\$	-
Long Term Debt (Realty Mortgage Financing)	\$	-	\$	-	\$	-	\$	-	\$	-
Total Long Term Liabilities	\$	-	\$	-	\$	-	\$	-	\$	-
Owner's Equity										
Data Entry for initial capital:										
Beginning Capital	\$	50,000.00	\$	16,307.03	\$	34,584.26	\$	36,908.15	\$	53,210.50
Contributions	\$	(33,692.97)	\$	18,277.23	\$	2,323.88	\$	16,302.35	\$	17,181.24
Draws (if the owner is not on the payroll)	\$	-	\$	-	\$	-	\$	-	\$	-
Total Equity	\$	16,307.03	\$	34,584.26	\$	36,908.15	\$	53,210.50	\$	70,391.74
Total Liabilities	\$	16,557.50	\$	34,918.01	\$	40,582.11	\$	56,425.23	\$	74,615.69
Balance Check:	\$	-	\$	-	\$	-	\$	-	\$	-

Ratios and Performance Metrics:

Current Ratio		6611%	100%	100%	100%	100%
Quick Ratio		6611%	10462%	1105%	1755%	1766%
Term Debt to Equity		2%	1%	10%	6%	6%
Return on Investment		19%	-72%	-32%	-31%	87%
Return on Assets	N/A	N/A	N/A	N/A	N/A	
Age of Receivables		0.05	0.05	0.05	0.05	0.05
Inventory Turnover	N/A	N/A	N/A	N/A	N/A	
Asset Turnover		4.98	5.52	7.21	7.35	7.52
Interest Coverage		81.89	-245.26	-3.55	-6.22	21.31
Cash Flow Coverage		49.63	75.75	7.06	11.11	11.02

		Annualized results				
Estimates for products/services delivered:		2018	2019	2020	2021	2022
Concept development (service/hour)		\$ 17,760.00	\$ 37,651.20	\$ 49,887.84	\$ 63,457.33	\$ 78,475.57
Base Video Production (minutes)		\$ 41,440.00	\$ 65,889.60	\$ 69,842.98	\$ 98,711.41	\$ 130,792.61
Video Customization (minutes)		\$ 5,550.00	\$ 8,824.50	\$ 12,471.96	\$ 16,525.35	\$ 21,020.24
Corporate branded video (not reusable by us)		\$ -	\$ 21,963.20	\$ 46,561.98	\$ 49,355.70	\$ 52,317.05
LMS Hosting Service / customer account / month		\$ 17,760.00	\$ 56,476.80	\$ 109,753.25	\$ 179,795.78	\$ 269,059.09
Video Library Customer Access		\$ -	\$ 1,961.00	\$ 4,157.32	\$ 6,610.14	\$ 9,342.33
Service Other		\$ -	\$ -	\$ -	\$ -	\$ -
Service Other		\$ -	\$ -	\$ -	\$ -	\$ -
Service Other		\$ -	\$ -	\$ -	\$ -	\$ -
Insert additional Franchised Products / Services above this row						
Gross Revenue:		\$ 82,510.00	\$ 192,766.30	\$ 292,675.33	\$ 414,455.70	\$ 561,006.89
		2018	2019	2020	2021	2022
Franchised:		\$ -	\$ -	\$ -	\$ -	\$ -
Fixed fee:		\$ -	\$ -	\$ -	\$ -	\$ -
Ratio:		0.0%	0.0%	0.0%	0.0%	0.0%
Franchise Fee:		\$ -	\$ -	\$ -	\$ -	\$ -
Gross Expenses:		\$ 8,251.00	\$ 19,276.63	\$ 29,267.53	\$ 41,445.57	\$ 56,100.69
Annual staffing cost estimate:		\$ 62,500.00	\$ 195,000.00	\$ 267,470.00	\$ 382,813.45	\$ 410,915.31
Operating Leases:		\$ -	\$ -	\$ -	\$ -	\$ -
Office Space Rental / Lease:		\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:		\$ 5,009.37	\$ 4,991.81	\$ 4,976.83	\$ 4,956.39	\$ 4,929.75
COGS:		\$ 2,705.00	\$ 6,535.65	\$ 6,773.00	\$ 7,017.24	\$ 7,268.53

	Interest Expenses:	\$	50.00	\$	134.16	\$	3,475.12	\$	3,016.91	\$	4,027.46
	Cost:	\$	78,465.37	\$	225,804.09	\$	308,487.37	\$	436,232.64	\$	479,214.28
	Gross Profit:	\$	4,044.63	\$	(33,037.79)	\$	(15,812.04)	\$	(21,776.94)	\$	81,792.61
Non-Cash Expenses:	Depreciation:	\$	-	\$	-	\$	-	\$	-	\$	-
	Deferred Taxes:	\$	-	\$	-	\$	-	\$	-	\$	-
	Non-Operating Items:	\$	-	\$	-	\$	-	\$	-	\$	-
	Non-Cash Items	\$	-	\$	-	\$	-	\$	-	\$	-
	Cash Flow from Operations:	\$	4,044.63	\$	(33,037.79)	\$	(15,812.04)	\$	(21,776.94)	\$	81,792.61
25%	Estimated taxation	\$	1,011.16	\$	(8,259.45)	\$	(3,953.01)	\$	(5,444.24)	\$	20,448.15
	Net Profit:	\$	3,033.47	\$	(24,778.34)	\$	(11,859.03)	\$	(16,332.71)	\$	61,344.45
	Depreciation:	\$	-	\$	-	\$	-	\$	-	\$	-
	Deferred Taxes:	\$	-	\$	-	\$	-	\$	-	\$	-
	Non-Operating Items:	\$	-	\$	-	\$	-	\$	-	\$	-
Plus:	Non-Cash Items	\$	-	\$	-	\$	-	\$	-	\$	-
Less:	Accounts Receivable:	\$	(4,125.50)	\$	(9,638.32)	\$	(14,633.77)	\$	(20,722.79)	\$	(28,050.34)
Plus:	Accounts Payable:	\$	250.47	\$	249.59	\$	248.84	\$	247.82	\$	246.49
Less:	Long-term Debt Repayment:	\$	-	\$	-	\$	-	\$	-	\$	-
	Net Cash Flow:	\$	(841.56)	\$	(34,167.07)	\$	(26,243.95)	\$	(36,807.67)	\$	33,540.60
	Operating Line of Credit Arrangement:	\$	-	\$	841.56	\$	34,251.22	\$	29,669.08	\$	39,774.58
10.00%	Operating Line of Credit Interest:	\$	-	\$	84.16	\$	3,425.12	\$	2,966.91	\$	3,977.46
	Net Cash Flow after Line of Credit:	\$	(841.56)	\$	(35,092.78)	\$	(63,920.30)	\$	(69,443.66)	\$	(10,211.44)
	Cash Flow Deficiency:	\$	841.56	\$	34,251.22	\$	29,669.08	\$	39,774.58	\$	-
	(Operating Line of Credit Draw Down)										
	Working Capital Objective										
2	Months billing / collections cycle (1, 2, or 3)	\$	827.75	\$	858.70	\$	890.98	\$	924.65	\$	959.79
	Working Capital Financing	\$	1,000.00	\$	1,000.00	\$	1,000.00	\$	1,000.00	\$	1,000.00
5.00%	Interest on financing	\$	50.00	\$	50.00	\$	50.00	\$	50.00	\$	50.00

Cost of Goods/Services Sold (COGS)

Estimates:	Annualized results				
	2018	2019	2020	2021	2022
Fixed development costs:					
Concept development (service/hour)	\$ -	\$ -	\$ -	\$ -	\$ -
Base Video Production (minutes)	\$ -	\$ -	\$ -	\$ -	\$ -
Video Customization (minutes)	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate branded video (not reusable by us)	\$ -	\$ -	\$ -	\$ -	\$ -
LMS Hosting Service / customer account / month	\$ -	\$ -	\$ -	\$ -	\$ -
Video Library Customer Access	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Variable development costs:					
Concept development (service/hour)	\$ -	\$ -	\$ -	\$ -	\$ -
Base Video Production (minutes)	\$ -	\$ -	\$ -	\$ -	\$ -
Video Customization (minutes)	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate branded video (not reusable by us)	\$ -	\$ -	\$ -	\$ -	\$ -
LMS Hosting Service / customer account / month	\$ -	\$ -	\$ -	\$ -	\$ -
Video Library Customer Access	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Service Other	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly other costs:	\$ -	\$ -	\$ -	\$ -	\$ -
COGS brought forward from estimates:	\$ 2,705.00	\$ 6,535.65	\$ 6,773.00	\$ 7,017.24	\$ 7,268.53
COGS:	\$ 2,705.00	\$ 6,535.65	\$ 6,773.00	\$ 7,017.24	\$ 7,268.53

Operating Expenses:

###% Enter percentage of Gross Revenue as the estimate.

0.00%	Sales Commission	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	Other direct selling expenses	\$ -	\$ -	\$ -	\$ -	\$ -
	Enter Estimate:	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	Traveling Costs	\$ -	\$ -	\$ -	\$ -	\$ -
	Enter Estimate:	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
	Enter Estimate:	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	Utilities & Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
	Enter Estimate:	\$ -	\$ -	\$ -	\$ -	\$ -

0.00%	Advertising Costs	\$	-	\$	-	\$	-	\$	-	\$	-
	Enter Estimate:	\$	-	\$	-	\$	-	\$	-	\$	-
0.00%	Shipping & Delivery Costs	\$	-	\$	-	\$	-	\$	-	\$	-
	Enter Estimate:	\$	-	\$	-	\$	-	\$	-	\$	-
(insert additional categories above this line if required)											
	Sales Expenses:	\$	-	\$	-	\$	-	\$	-	\$	-
Enter estimated amounts in table at right:											
	Professional Fees:	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00
	Telecommunications:	\$	1,600.00	\$	1,600.00	\$	1,600.00	\$	1,600.00	\$	1,600.00
	Office Expenses (rent, etc.):	\$	2,400.00	\$	2,400.00	\$	2,400.00	\$	2,400.00	\$	2,400.00
	Insurance & Taxes (non-income):	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00
	Bank Charges:	\$	30.00	\$	40.00	\$	50.00	\$	60.00	\$	70.00
	Bad Debt:	\$	(20.63)	\$	(48.19)	\$	(73.17)	\$	(103.61)	\$	(140.25)
	Other Expenses total:	\$	5,009.37	\$	4,991.81	\$	4,976.83	\$	4,956.39	\$	4,929.75
	Total Operating Expenses:	\$	5,009.37	\$	4,991.81	\$	4,976.83	\$	4,956.39	\$	4,929.75

Operating Equipment CCA:

		2018	2019	2020	2021	2022	
Enter amounts for each year of equipment purchases:							
	Computer Equipment & Software	\$	-	\$	-	\$	-
	LCD Projector	\$	-	\$	-	\$	-
3.00	years for Capital Cost Allowance = Minor Assets	\$	-	\$	-	\$	-
	Automobile	\$	-	\$	-	\$	-
		\$	-	\$	-	\$	-
5.00	years for Capital Cost Allowance = Major Assets	\$	-	\$	-	\$	-
	New desks, chairs, lighting	\$	-	\$	-	\$	-
		\$	-	\$	-	\$	-
5.00	years for Capital Cost Allowance = Furn. & Fixtures	\$	-	\$	-	\$	-
		\$	-	\$	-	\$	-
		\$	-	\$	-	\$	-
25.00	years for Capital Cost Allowance = Real Estate	\$	-	\$	-	\$	-

Operating Equipment depreciation

CRA Class Code for rates:

1	CRA Class: Minor Equipment Assets	\$	-	\$	-	\$	-	\$	-
2	CRA Class: Major Equipment Assets	\$	-	\$	-	\$	-	\$	-
3	CRA Class: Furniture/Fixture Assets	\$	-	\$	-	\$	-	\$	-

4 CRA Class: Building & Land Assets	\$	-	\$	-	\$	-	\$	-	\$	-
Total Depreciation:	\$	-	\$	-	\$	-	\$	-	\$	-
Total Assets Purchased:	\$	-	\$	-	\$	-	\$	-	\$	-
Balance Carry-Forward:	\$	-	\$	-	\$	-	\$	-	\$	-
8.00% APR financing for capital equipment	\$	-	\$	-	\$	-	\$	-	\$	-
5.00 years amortization for long-term debt repayment	\$	-	\$	-	\$	-	\$	-	\$	-
	\$	-	\$	-	\$	-	\$	-	\$	-