

Business Plan Sample Sample Ltd.

Executive Summary

Sample Ltd will be a consulting company specializing in marketing of high-technology products in international markets. The company offers high-tech manufacturers a reliable, high-quality alternative to in-house resources for business development, market development, and channel development.

Sample Ltd will be created as a Olympus A corporation based in Neverland County, owned by its principal investors and principal operators. The initial office will be established in A-quality office space in the Neverland County "Kings Valley" area of Olympus, the heart of the Western Civilization high tech industry.

Within the US and European high tech firms that Acme plans to target, we will focus on large manufacturer corporations such as HP, IBM & Microsoft. Our secondary target will be the medium-sized companies in high growth areas such as multimedia and software. One of Acme's challenges will be establishing itself as a real consulting company, positioned as a relatively risk-free corporate purchase.

Industry competition comes in several forms, the most significant being companies that choose to do business development and market research in-house. There are also large, well known management consulting firms such as Arthur Anderson, Boston Consulting Group, etc. These companies are generalist in nature and do not focus on a niche market. Furthermore, they are often hampered by a flawed organizational structure that does not provide the most experienced people for the client's projects. Another competitor is the various market research companies, such as Dataquest and Stanford Research Institute. Sample Ltd's advantage over such companies as these is that Acme provides high level consulting to help integrate market research data with the companies goals.

Sample Ltd will be priced at the upper edge of what the market will bear, competing with the name-brand consultants. The pricing fits with the general positioning of Acme as providing high-level expertise.

The company's founders are former marketers of consulting services, personal computers, and market research, all in international markets. They are founding Acme to formalize the consulting services they offer. Acme should be managed by working partners, in a structure taken mainly from Smith Partners. In the beginning we assume 3-5 partners.

The firm estimates profits of approximately \$65,000 by Year 3 with a net profit margin of 6%. The company plans on taking on approximately \$130,000 in current debt and raise an additional \$50,000 in long-term debt to invest in long-term assets. The company does not anticipate any cash flow problems arising.

1.1 Objectives

1. Sales of \$550,000 in Year 1 and \$1 million by Year 3.
2. Gross margin higher than 70%.

3. Net income more than 5% of sales by Year 3.

1.2 Mission

Sample Ltd offers high-tech manufacturers a reliable, high-quality alternative to in-house resources for business development, market development, and channel development on an international scale. A true alternative to in-house resources offers a very high level of practical experience, know-how, contacts, and confidentiality. Clients must know that working with Acme is a more professional, less risky way to develop new areas even than working completely in-house with their own people. Acme must also be able to maintain financial balance, charging a high value for its services, and delivering an even higher value to its clients. Initial focus will be development in the European and Latin American markets, or for European clients in the United States market.

1.3 Keys to Success

1. Excellence in fulfilling the promise--completely confidential, reliable, trustworthy expertise and information.
2. Developing visibility to generate new business leads.
3. Leveraging from a single pool of expertise into multiple revenue generation opportunities: retainer consulting, project consulting, market research, and market research published reports.

Company Summary

Sample Ltd is a new company providing high-level expertise in international high-tech business development, channel development, distribution strategies, and marketing of high-tech products. It will focus initially on providing two kinds of international triangles:

- * Providing United States clients with development for European and Latin American markets.
- * Providing European clients with development for the United States and Latin American markets.

As it grows it will take on people and consulting work in related markets, such as the rest of Latin America, the Far East, and similar markets. It will also look for additional leverage by taking brokerage positions and representation positions to create percentage holdings in product results.

2.1 Start-up Summary

Total start-up expense (including legal costs, logo design, stationery and related expenses) comes to \$18,350. Start-up assets required include \$7,000 in short-term assets (office furniture, etc.) and \$25,000 in initial cash to handle the first few months of consulting operations as sales and accounts receivable play through the cash flow. The details are included below.

Start-up Funding

Start-up Expenses to Fund	\$0
Start-up Assets to Fund	\$0
Total Funding Required	\$0

Assets

Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$0

Additional Cash Raised	\$50,350
Cash Balance on Starting Date	\$50,350
Total Assets	\$50,350

Liabilities and Capital

Liabilities

Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$350
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$350

Capital

Planned Investment

Investor 1	\$20,000
Investor 2	\$20,000
Other	\$10,000
Additional Investment Requirement	\$0
Total Planned Investment	\$50,000

Loss at Start-up (Start-up Expenses)	\$0
Total Capital	\$50,000

Total Capital and Liabilities	\$50,350
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Total Funding	\$50,350
Start-up	

Requirements

Start-up Expenses

Legal	\$0
Stationery etc.	\$0
Brochures	\$0
Consultants	\$0
Insurance	\$0
Expensed equipment	\$0
Other	\$0
Total Start-up Expenses	\$0

Start-up Assets

Cash Required	\$0
Other Current Assets	\$0
Long-term Assets	\$0
Total Assets	\$0

Total Requirements	\$0
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2.2 Company Locations and Facilities

The initial office will be established in A-quality office space in the Neverland County "Kings Valley" area of Olympus, the heart of the Western Civilization high tech industry.

2.3 Company Ownership

Sample Ltd will be created as a Olympus A corporation based in Neverland County, owned by its principal investors and principal operators. As of this writing, it has not been chartered yet and is still considering alternatives of legal formation.

Services

Acme offers the expertise a high-technology company needs to develop new product distribution and new market segments in new markets. This can be taken as high-level retainer consulting, market research reports, or project-based consulting.

3.1 Service Description

1. Retainer consulting: We represent a client company as an extension of its business development and market development functions. This begins with complete understanding of the client company's situation, objectives, and constraints. We then represent the client company quietly and confidentially, sifting through new market developments and new opportunities as is appropriate to the client, representing the client in initial talks with possible allies, vendors, and channels.
2. Project consulting: Proposed and billed on a per-project and per-milestone basis, project consulting offers a client company a way to harness our specific qualities and use our expertise to solve specific problems, develop and/or implement plans, and develop specific information.
3. Market research: Group studies available to selected clients at \$5,000 per unit. A group study is a packaged and published complete study of a specific market, channel, or topic. Examples might be studies of developing consumer channels in Japan or Mexico, or implications of changing margins in software.

3.2 Competitive Comparison

The competition comes in several forms:

1. The most significant competition is no consulting at all, companies choosing to do business development, channel development and market research in-house. Their own managers do this on their own, as part of their regular business functions. Our key advantage in competition with in-house development is that managers are already overloaded with responsibilities, they don't have time for additional responsibilities in new market development or new channel development. Also, Acme can approach alliances, vendors, and channels on a confidential basis, gathering information and making initial contacts in ways that the corporate managers can't.
2. The high-level prestige management consulting: McKinsey, Bain, Arthur Anderson, Boston Consulting Group, etc. These are essentially generalists who take their name-brand management consulting into specialty areas. Their other very important weakness is the management structure that has the partners selling new jobs, and inexperienced associates delivering the work. We compete against them as experts in our specific fields, and with the guarantee that our clients will

have the top-level people doing the actual work.

3. The third general kind of competitor is the international market research company: International Data Corporation (IDC), Dataquest, Stanford Research Institute, etc. These companies are formidable competitors for published market research and market forums, but cannot provide the kind of high-level consulting that Acme will provide.

4. The fourth kind of competition is the market-specific smaller house. For example: Nomura Research in Japan, Select S.A. de C.V. in Mexico (now affiliated with IDC).

5. Sales representation, brokering, and deal catalysts are an ad-hoc business form that will be defined in detail by the specific nature of each individual case.

3.3 Sales Literature

The business will begin with a general corporate brochure establishing the positioning. This brochure will be developed as part of the start-up expenses.

Literature and mailings for the initial market forums will be very important.

3.4 Fulfillment

1. The key fulfillment and delivery will be provided by the principals of the business. The real core value is professional expertise, provided by a combination of experience, hard work, and education (in that order).

2. We will turn to qualified professionals for freelance back-up in market research and presentation and report development, which are areas that we can afford to sub-contract without risking the core values provided to the clients.

3.5 Technology

Sample Ltd will maintain the latest Windows and Macintosh capabilities including:

1. Complete e-mail facilities on the Internet, CompuServe, America-Online, and Applelink, for working with clients directly through e-mail delivery of drafts and information.

2. Complete presentation facilities for preparation and delivery of multimedia presentations on Macintosh or Windows machines, in formats including on-disk presentation, live presentation, or video presentation.

3. Complete desktop publishing facilities for delivery of regular retainer reports, project output reports, marketing materials, and market research reports.

3.6 Future Services

In the future, Acme will broaden the coverage by expanding into coverage of additional markets (e.g., all of Latin America, Far East, Western Europe) and additional product areas (e.g., telecommunications and technology integration).

We are also studying the possibility of newsletter or electronic newsletter services, or perhaps special on-topic reports.

Market Analysis Summary

Acme will be focusing on high-technology manufacturers of computer hardware and software, services, and networking, who want to sell into markets in the United States, Europe, and Latin America. These are mostly larger companies, and occasionally medium-sized companies.

Our most important group of potential customers are executives in larger corporations. These are marketing managers, general managers, sales managers, sometimes charged with international focus and sometimes charged with market or even specific channel focus. They do not want to waste their time or risk their money looking for bargain information or questionable expertise. As they go into markets looking at new opportunities, they are very sensitive to risking their company's name and reputation.

4.1 Market Segmentation

Large manufacturer corporations: Our most important market segment is the large manufacturer of high-technology products, such as Apple, Hewlett-Packard, IBM, Microsoft, Siemens, or Olivetti. These companies will be calling on Acme for development functions that are better spun off than managed in-house, for market research, and for market forums.

Medium-sized growth companies: particularly in software, multimedia, and some related high-growth fields, Acme will offer an attractive development alternative to the company that is management constrained and unable to address opportunities in new markets and new market segments.

Market Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5
Western Civilization	10%	5,000	5,500	6,050	6,655	7,321
European High Tech	15%	1,000	1,150	1,323	1,521	1,749
Latin America	35%	250	338	456	616	832
Other	2%	10,000	10,200	10,404	10,612	10,824
Total	6.27%	16,250	17,188	18,233	19,404	20,726

4.2 Target Market Segment Strategy

As indicated by the previous table and Illustration, we must focus on a few thousand well-chosen potential customers in the United States, Europe, and Latin America. These few thousand high-tech manufacturing companies are the key customers for Acme.

4.3 Service Business Analysis

The consulting "industry" is pulverized and disorganized, with thousands of smaller consulting organizations and individual consultants for every one of the few dozen well-known companies.

Consulting participants range from major international name-brand consultants to tens of thousands of individuals. One of Acme's challenges will be establishing itself as a real consulting company, positioned as a relatively risk-free corporate purchase.

4.3.1 Competition and Buying Patterns

The key element in purchase decisions made at the Acme client level is trust in the professional reputation and reliability of the consulting firm.

4.3.2 Main Competitors

1. The high-level prestige management consulting:

Strengths: International locations managed by owner-partners with a high level of presentation and understanding of general business. Envidable reputations which make purchase of consulting an easy decision for a manager, despite the very high prices.

Weaknesses: General business knowledge doesn't substitute for the specific market, channel, and distribution expertise of Acme, focusing on high-technology markets and products only. Also, fees are extremely expensive, and work is generally done by very junior-level consultants, even though sold by high-level partners.

2. The international market research company:

Strengths: International offices, specific market knowledge, permanent staff developing market research information on permanent basis, good relationships with potential client companies.

Weaknesses: Market numbers are not marketing, not channel development nor market development. Although these companies compete for some of the business Acme is after, they cannot really offer the same level of business understanding at a high level.

3. Market specific or function specific experts:

Strengths: Expertise in market or functional areas. Acme should not try to compete with Nomura or Select in their markets with market research, or with ChannelCorp in channel management.

Weaknesses: The inability to spread beyond a specific focus, or to rise above a specific focus, to provide actual management expertise, experience, and wisdom beyond the specifics.

4. Companies do in-house research and development:

Strengths: No incremental cost except travel; also, the general work is done by the people who are entirely responsible, the planning is done by those who will implement it.

Weaknesses: Most managers are terribly overburdened already, unable to find incremental resources in time and people to apply to incremental opportunities. Also, there is a lot of additional risk in market and channel development done in-house from the ground up. Finally, retainer-based antenna consultants can greatly enhance a company's reach and extend its position into conversations that might otherwise never have taken place.

4.3.3 Business Participants

At the highest level are the few well-established major names in management consulting. Most of these are organized as partnerships established in major markets around the world, linked together by interconnecting directors and sharing the name and corporate wisdom. Some evolved from accounting companies (e.g. Arthur Andersen, Touche Ross) and some from management consulting

(McKinsey, Bain). These companies charge very high rates for consulting, and maintain relatively high overhead structures and fulfillment structures based on partners selling and junior associates fulfilling.

At the intermediate level are some function-specific or market-specific consultants, such as the market research firms (IDC, Dataquest) or channel development firms (ChannelCorp, Channel Strategies, ChannelMark).

Some kinds of consulting are little more than contract expertise provided by somebody who, while temporarily out of work, offers consulting services.

4.3.4 Distributing a Service

Consulting is sold and purchased mainly on a word-of-mouth basis, with relationships and previous experience being, by far, the most important factor.

The major name-brand houses have locations in major cities and major markets, and executive-level managers or partners develop new business through industry associations, business associations, chambers of commerce and industry, etc., and in some cases social associations such as country clubs.

The medium-level houses are generally area specific or function specific, and are not easily able to leverage their business through distribution.

Strategy and Implementation Summary

Acme will focus on three geographical markets, the United States, Europe, and Latin America, and in limited product segments: personal computers, software, networks, telecommunications, personal organizers, and technology integration products.

The target customer is usually a manager in a larger corporation, and occasionally an owner or president of a medium-sized corporation in a high-growth period.

5.1 Pricing Strategy

Sample Ltd will be priced at the upper edge of what the market will bear, competing with the name-brand consultants. The pricing fits with the general positioning of Acme as providing high-level expertise.

Consulting should be based on \$5,000 per day for project consulting, \$2,000 per day for market research, and \$10,000 per month and up for retainer consulting. Market research reports should be priced at \$5,000 per report, which will, of course, require that reports be very well planned, focused on very important topics, and very well presented.

5.2 Sales Strategy

The sales forecast monthly summary is included in the appendix. The annual sales projections are included here in Table 5.2.

Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Retainer Consulting	\$200,000	\$350,000	\$425,000
Project Consulting	\$270,000	\$325,000	\$350,000
Market Research	\$122,000	\$150,000	\$200,000
Strategic Reports	\$0	\$50,000	\$125,000
Total Sales	\$592,000	\$875,000	\$1,100,000
Direct Cost of Sales	Year 1	Year 2	Year 3
Retainer Consulting	\$30,000	\$38,000	\$48,000
Project Consulting	\$45,000	\$56,000	\$70,000
Market Research	\$84,000	\$105,000	\$131,000
Strategic Reports	\$0	\$20,000	\$40,000
Subtotal Direct Cost	\$159,000	\$219,000	\$289,000

5.3 Milestones

Our detailed milestones are shown in the following table and chart. The related budgets are included with the expenses shown in the projected Profit and Loss statement, which is in the financial analysis that comes in Chapter 7 of this plan.

Milestones

Milestone	Start Date	End Date	Budget	Manager	Department
Business plan	10/1/1995	11/19/1995	\$5,000	HM	Devpt
Logo design	1/1/1996	2/1/1996	\$2,000	TAJ	Marketing
Retainer contracts	2/1/1996	12/31/1996	\$10,000	HM	Sales
Stationary	3/1/1996	4/15/1996	\$500	JD	G&A
Brochures	3/1/1996	4/15/1996	\$2,500	TAJ	Marketing
Financial backing	4/1/1996	9/15/1996	\$10,000	HM	Devpt
Initial mailing	6/1/1996	7/1/1996	\$5,000	HM	Sales
Office location	1/15/1996	2/9/1996	\$5,000	JD	G&A
Office equipment	1/15/1996	2/19/1996	\$12,500	JD	G&A
Other	1/1/1996	12/31/1996	\$10,000	ABC	Department
Totals			\$62,500		

5.4 Strategic Alliances

At this writing, strategic alliances with Smith and Jones are possibilities, given the content of existing discussions. Given the background of prospective partners, we might also be talking to European companies including Siemens, Olivetti, and others, and to United States companies related to Apple Computer. In Latin America we would be looking at the key local high-technology vendors, beginning with Printaform.

Management Summary

The initial management team depends on the founders themselves, with little back-up. As we grow, we will take on additional consulting help, plus graphic/editorial, sales, and marketing.

6.1 Organizational Structure

Acme should be managed by working partners, in a structure taken mainly from Smith Partners. In the beginning we assume 3-5 partners:

- * Ralph Sampson.
- * At least one, probably two, partners from Smith and Jones.
- * One strong European partner, based in Paris.
- * The organization has to be very flat in the beginning, with each of the founders responsible for his or her own work and management.
- * One other strong partner.

6.2 Management Team

The Acme business requires a very high level of international experience and expertise, which means that it will not be easily leverageable in the common consulting company mode in which partners run the business and make sales, while associates fulfill. Partners will necessarily be involved in the fulfillment of the core business proposition, providing the expertise to the clients. The initial personnel plan is still tentative. It should involve 3-5 partners, 1-3 consultants, one strong editorial/graphic person with good staff support, one strong marketing person, an office manager, and a secretary. Later, we add more partners, consultants, and sales staff. Founders' resumes are included as an attachment to this plan.

6.3 Personnel Plan

The detailed monthly personnel plan for the first year is included in the appendix. The annual personnel estimates are included here.

Personnel Plan

	Year 1	Year 2	Year 3
Partners	\$144,000	\$175,000	\$200,000
Consultants	\$0	\$50,000	\$63,000
Editorial/graphic	\$18,000	\$22,000	\$26,000
VP Marketing	\$20,000	\$50,000	\$55,000
Sales people	\$0	\$30,000	\$33,000
Office Manager	\$7,500	\$30,000	\$33,000
Secretarial	\$5,250	\$20,000	\$22,000
Total People	7	14	20
Total Payroll	\$194,750	\$377,000	\$432,000

Financial Plan

Our financial plan is based on conservative estimates and assumptions. We will need to plan on initial investment to make the financials work.

7.1 Key Financial Indicators

The following benchmark chart indicates our key financial indicators for the first three years. We foresee major growth in sales and operating expenses, and a bump in our collection days as we spread the business during expansion.

7.2 Important Assumptions

Table 7.1 summarizes key financial assumptions. In addition, we plan for 45-day average collection days, sales entirely on invoice basis, expenses mainly on net 30 basis, and present-day interest rates.

General Assumptions

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0

7.3 Break-even Analysis

Table 7.3 summarizes the break-even analysis, including monthly sales break-even points.

Break-even Analysis

Monthly Revenue Break-even \$45,158

Assumptions:

Average Percent Variable Cost 27%
Estimated Monthly Fixed Cost \$33,029

7.4 Projected Profit and Loss

The detailed monthly pro-forma income statement for the first year is included in the appendix. The annual estimates are included here.

Pro Forma Profit and Loss

	Year 1	Year 2	Year 3
Sales	\$592,000	\$875,000	\$1,100,000
Direct Cost of Sales	\$159,000	\$219,000	\$289,000
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$159,000	\$219,000	\$289,000
Gross Margin	\$433,000	\$656,000	\$811,000
Gross Margin %	73.14%	74.97%	73.73%

Expenses			
Payroll	\$194,750	\$377,000	\$432,000
Marketing/Promotion	\$162,000	\$137,000	\$195,000
Depreciation	\$0	\$0	\$0
Leased Equipment	\$6,000	\$7,000	\$7,000
Utilities	\$12,000	\$12,000	\$12,000
Insurance	\$3,600	\$2,000	\$2,000
Rent	\$18,000	\$52,780	\$60,480
Payroll Taxes	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total Operating Expenses	\$396,350	\$587,780	\$708,480
Profit Before Interest/Taxes	\$36,650	\$68,220	\$102,520
EBITDA	\$36,650	\$68,220	\$102,520
Interest Expense	\$7,222	\$10,940	\$10,940
Taxes Incurred	\$8,828	\$17,184	\$27,474
Net Profit	\$20,600	\$40,096	\$64,106
Net Profit/Sales	3.48%	4.58%	5.83%

7.5 Projected Cash Flow

Cash flow projections are critical to our success. The monthly cash flow is shown in the illustration, with one bar representing the cash flow per month and the other representing the monthly balance. The annual cash flow figures are included here as Table 7.5. Detailed monthly numbers are included in the appendix.

Pro Forma Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$0	\$0	\$0
Cash from Receivables	\$495,000	\$828,630	\$1,063,133
Subtotal Cash Operations	\$495,000	\$828,630	\$1,063,133
Additional Cash Received			
Sales Tax, VAT, Received	\$0	\$0	\$0
New Current Borrowing	\$30,000	\$100,000	\$0
New Other Liabilities	\$0	\$0	\$0
New Long-term Liabilities	\$50,000	\$0	\$0
Sales of Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$8,000	\$0	\$0
Subtotal Cash Received	\$583,000	\$928,630	\$1,063,133
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$194,750	\$377,000	\$432,000
Bill Payments	\$344,281	\$452,988	\$591,895

Subtotal Spent on Operations	\$539,031	\$829,988	\$1,023,895
Additional Cash Spent			
Sales Tax, VAT, Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$30,000	\$50,000
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$600	\$10,000	\$10,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$539,631	\$869,988	\$1,083,895
Net Cash Flow	\$43,369	\$58,642	(\$20,761)
Cash Balance	\$93,719	\$152,362	\$131,600

7.6 Projected Balance Sheet

The balance sheet shows healthy growth of net worth, and strong financial position. The monthly estimates are included in the appendix.

Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$93,719	\$152,362	\$131,600
Accounts Receivable	\$97,000	\$143,370	\$180,236
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$190,719	\$295,731	\$311,837
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$190,719	\$295,731	\$311,837
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$32,720	\$37,636	\$49,635
Current Borrowing	\$30,000	\$100,000	\$50,000
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$62,720	\$137,636	\$99,635
Long-term Liabilities	\$49,400	\$39,400	\$29,400
Total Liabilities	\$112,120	\$177,036	\$129,035
Capital			
Paid-in Capital	\$58,000	\$58,000	\$58,000
Retained Earnings	\$0	\$20,600	\$60,696
Earnings	\$20,600	\$40,096	\$64,106
Total Capital	\$78,600	\$118,696	\$182,802
Total Liabilities and Capital	\$190,719	\$295,731	\$311,837

Net Worth	\$78,600	\$118,696	\$182,802
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7.7 Business Ratios

The following table shows the projected business ratios. We expect to maintain healthy ratios for profitability, risk, and return. The industry comparisons are for SIC 8742, management consulting services.

Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	47.80%	25.71%	6.98%	

Percent of Total Assets

Accounts Receivable	50.86%	48.48%	57.80%	26.80%
Other Current Assets	0.00%	0.00%	0.00%	48.96%
Total Current Assets	100.00%	100.00%	100.00%	75.76%
Long-term Assets	0.00%	0.00%	0.00%	24.24%
Total Assets	100.00%	100.00%	100.00%	100.00%

Current Liabilities	32.89%	46.54%	31.95%	31.78%
Long-term Liabilities	25.90%	13.32%	9.43%	17.26%
Total Liabilities	58.79%	59.86%	41.38%	49.04%
Net Worth	41.21%	40.14%	58.62%	50.96%

Percent of Sales

Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	73.14%	74.97%	73.73%	100.00%
Selling, G/A Expenses	69.66%	70.39%	67.90%	85.31%
Advertising Expenses	0.00%	0.00%	0.00%	1.02%
Profit BIT	6.19%	7.80%	9.32%	1.90%

Main Ratios

Current	3.04	2.15	3.13	1.88
Quick	3.04	2.15	3.13	1.48
Total Debt to Total Assets	58.79%	59.86%	41.38%	3.41%
Pre-tax Return on Net Worth	37.44%	48.26%	50.10%	55.78%
Pre-tax Return on Assets	15.43%	19.37%	29.37%	7.72%

Additional Ratios

Net Profit Margin	3.48%	4.58%	5.83%	n.a
Return on Equity	26.21%	33.78%	35.07%	n.a

Activity Ratios

Accounts Turnover	6.10	6.10	6.10	n.a
Collection Days	43	50	54	n.a
Accounts Payable Turnover	11.51	12.17	12.17	n.a
Payment Days	27	28	26	n.a
Total Asset Turnover	3.10	2.96	3.53	n.a

Debt Ratios

Debt to Net Worth	1.43	1.49	0.71	n.a
Current Liab. to Liab.	0.56	0.78	0.77	n.a

Liquidity Ratios				
Net Working Capital	\$128,000	\$158,096	\$212,202	n.a
Interest Coverage	5.07	6.24	9.37	n.a
Additional Ratios				
Assets to Sales	0.32	0.34	0.28	n.a
Current Debt/Total Assets	33%	47%	32%	n.a
Acid Test	1.49	1.11	1.32	n.a
Sales/Net Worth	7.53	7.37	6.02	n.a
Dividend Payout	0.00	0.00	0.00	n.a