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The word "MIC'S" is rendered in a large, three-dimensional, gold-colored serif font. The letters have a metallic texture and are set against a soft, white shadow. The apostrophe is a simple black mark. The entire word is centered between two horizontal red lines.

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A U T O      B O D Y

## **Business Plan**

Prepared by:

**ROBERT SMITH**

February 2009

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**Executive Summary:****Company**

MIC's Auto Body Repair is a well known AC and auto repair mechanic shop in Central Florida. MIC's Auto Body has been providing quality service at low prices for numerous years. The company has built a reputation of trust through honest dealings, fast service, and top notch quality parts. MIC's Auto Body's repair staff is well trained and certified to keep your car running at optimum efficiency. Currently, the company leads the industry in recognizing that just having satisfied customers isn't good enough. The company strives to exceed its customers' expectations so that they leave feeling that we went the extra mile to make sure that their car does too. Our customer's automotive safety is our number one priority. The company believes that over the years, its efforts have formed a solid foundation that will result in many more successful years to come.

**Vision**

MIC's Auto Body always aims to offer high-quality auto repair and air conditioning services and a full range of auto parts. The company focuses on personalized service to its customers by offering convenience and rapid service. Additionally, the company is technologically savvy with computerized monitoring of all parts inventory, to ensure that parts are always in stock, while keeping a balanced level of inventory to maximize inventory turnover. MIC's Auto Body has strong vendor relationships with the most service conscious vendors who are capable of shipping major parts rapidly. MIC's Auto Body would like to see itself as a top rated auto mechanic in central

Florida and eventually all of Florida.

**Products & Services**

MIC's Auto Body offers a wide range of services and it is ultimately the goal of the company to offer a one-stop facility for all automobile servicing needs, including air conditioning, brakes, transmission, wheel alignment, etc. In this way the company can offer greater perceived value for the customer than many other shops which specialize in certain areas.

The industry is highly competitive with suppliers having a great deal of power in setting and negotiating the prices of their products and services to repair shops. In addition, because the customers see the service as undifferentiated with little value separation between competitors, buyer power is also very high. Lastly, the barriers to entry are moderately low, and the large number of competitors in this field, including substitutes means that the pricing for such services are very competitive. The only way to have an advantage in this industry is a low cost leadership principal applied aggressively or to create higher switching costs through the building of strong business to customer ties.

**Market Analysis**

MIC's Auto Body has a focus on meeting the demand of a regular local resident customer base, as well as towed vehicle drop-ins from local and freeway traffic traveling on nearby freeways. MIC's Auto Body will establish relationships with a few major local tow truck companies for referral business of stalled vehicles requiring a tow to an auto repair facility. The company estimates that about 80% of revenues will come from the established local clientele and

20% from the tow-ins local and freeway traffic.

**Market Strategy**

The marketing strategy is the core of this company's main strategy:

- Emphasize, and stress to the client, the importance of education and knowledge
- Build a relationship business that fosters client retention
- High yet efficient budget each year on marketing and advertising

MIC's Auto Body will market in local newspapers, automobile magazines and on the internet on a regular basis. In the beginning, postcards will be utilized to send to local residents within a 5-mile radius. The same postcard process will be done after 3 or 4 months but to a larger crowd, expanding to a 10 mile radius. The goal is to get our company name out there and offer our clients professional, friendly, and prompt service.

**Pricing Strategy:**

MIC's Auto Body exists in a purely competitive environment where each firm must be a price taker. In other words, the firm has no ability to affect the market price of its services, regardless of how many automobiles it repairs. In this case, therefore, marginal revenue (the revenue incurred by producing or servicing one more unit) is equal to the price charged. Furthermore, because the demand curve is essentially horizontal, the company can service automobiles at total capacity without affecting the price.

What all of this means for the company is that it must seek to charge its clients at the market price (or lower). Research has shown that the average price is

approximately \$400 per vehicle. As long as marginal costs do not exceed revenues, the method to maximize short run profits is to service automobiles at maximum capacity. This means that MIC's Auto Body can expect an ROA of approximately 4.5%

**Sales Strategy**

Since the automotive repair industry is, operationally, a job-shop environment, it is somewhat difficult to estimate sales. For job-shops, each individual product or service is tailored or unique to that job, and is only initiated once an order is made. However, the sales forecast reflects the professional opinions of Mr. Smith & Mr. Jones in how much sales they will make based on the following assumptions:

1. The number of clients the company can attract.
2. The effect of planned promotions and word-of-mouth marketing.
3. Current prices and costs of doing business.
4. The types of automobiles and jobs that will occur in every month.

**Competition and Buying Patterns:**

MIC's Auto Body faces over 150 AC and auto repair as well as auto parts competitors in the local area. Only a quarter of these competitors offer both auto repair services and auto parts inventories. Among these, only a few are major national chains. The remainders are small, privately-owned establishments. The company will compete well by focusing on convenience and offering a high level of customer service. Additionally, its honest reputation will be a major factor in repeat business and building a large base of regular, loyal

customers.

**Management Summary:**

The “four-horsemen” team is composed of Mr. Smith as Principal and Chief Consultant, Melissa Brooks Anderson as Chief Financial Official, Mr. William Flips as Sales Director, and Mr. Greg Jones as General and Service Manager.

Mr. Smith has many years of selling and managing experience. The managing experience goes back as far as the State Street Mills, the forerunner to the modern discount department store. All through high school and college there was always a State Street Mill nearby where Mr. Smith could work. That love affair lasted until 1973 when Mr. Smith joined with his father to open six costume jewelry kiosks in New York, Pennsylvania, and Ohio. That lasted until 1982 when he met the legendary JK MacDonald and was introduced to The Vacation Incentive Industry. From 1982 to 1997 Mr. Smith sold on commission only, the equivalent of 29.5 million in today's dollars worth of vacations. In 1997 the company MMS, Inc. was sold and Mr. Smith took the offer he couldn't refuse in Clearwater, Florida: National Vice President of Sales where he managed approximately 135 employees inside the house and around 65 salespeople located throughout the U.S. and Canada.

Melissa Brooks Andersen, M.S.-S.L.P: Melissa Brooks Andersen is a licensed speech pathologist. She works as an independent contractor in Pasco, Pinellas and Hillsborough Counties in Florida. As an independent contractor she is in a unique position to set her own hours thus giving herself ample time to act as the bookkeeper of the company. Since Melissa had previous experience with another company using

QuickBooks accounting software she is in perfect position as MIC's Auto Body is currently using that same system.

William “Bill” Flips: Bill's expertise in selling will greatly enhance the front end or counter section of the store. Mr. Flips brings five years of selling experience from Verizon Telecommunications where he won every single award offered in many sales contests. Mr. Flips was the top salesman in the Southeastern Region for three consecutive years. The Southeastern region covers Atlanta, Georgia to the Florida Keys and comprises hundreds perhaps thousands of salespeople.

Greg Jones: Greg rounds out the plan bringing to the table over 18 years of experience in Utica as General Manager of Mercurio's Automotive, where Mr. Jones managed 8 technicians. Mercurio's is an 8 bay service center. Mercurio's Automotive is located on French Road across the street from Chanatry's. The Mercurio operations generated revenues of approximately \$800k - \$950k under Mr. Jones leadership. Mr. Smith has known Mr. Jones for most of those 18 years and as Mr. Jones's in-laws live in Clearwater whenever he would come to visit they would always find time to get together. Mr. Smith, along with this wife, Audrey, would never have considered undertaking this kind of a business operation without the expertise that Mr. Jones brings to the company. Mr. Jones timing was impeccable and his knowledge of this industry from the ground up is staggering.

**Objectives:**

MIC's Auto Body's objectives for the first year of operation include(s):

- 1 To create a service based company whose #1 goal is exceeding customer's expectations.
- 2 To increase our number of clients served by 15% per month through superior service.
- 3 To develop a sustainable business, living off its own cash flow.
- 4 The utilization of the company on a regular basis by at least 30% of the leads that contact us regarding products, services, and information.

**Mission:**

MIC's Auto Body Auto Repair of Clearwater, Florida aims to offer high-quality auto repair and air conditioning services and a full range of auto parts. The company focuses on personalized service to its customers by offering convenience and rapid service. Additionally, the company is technologically savvy with computerized monitoring of all parts inventory, to ensure that parts are always in stock, while keeping a balanced level of inventory to maximize inventory turnover. Finally, MIC's Auto Body has strong vendor relationships with the most service conscious vendors who are capable of shipping major parts rapidly (on an overnight timeline in most cases).

**Vision:**

MIC's Auto Body would like to see itself as a top rated auto mechanic shop in the Tampa Bay Area when it comes to any related services dealing with automobiles. Not only that, we want to expand and open numerous offices throughout the area within 5-years.

**Key to Success:**

- Develop and maintain a state- of- the- art website that is user friendly.
- Maintain a good rapport with clients.
- Advertisement in local newspapers, internet, magazines, as well as mass mailers,

- postcards and flyers.
- Network with other mechanics, auto shows, towing companies, etc.
  - Rapid order and delivery of major auto part items.
  - Constant contact with clients so as to keep them informed about the state of their automobile and the repair job progress.
  - Knowledgeable mechanics who are friendly, customer oriented, and take the time to explain to customers the intricate nature of our business and our work.

**Company Overview:**

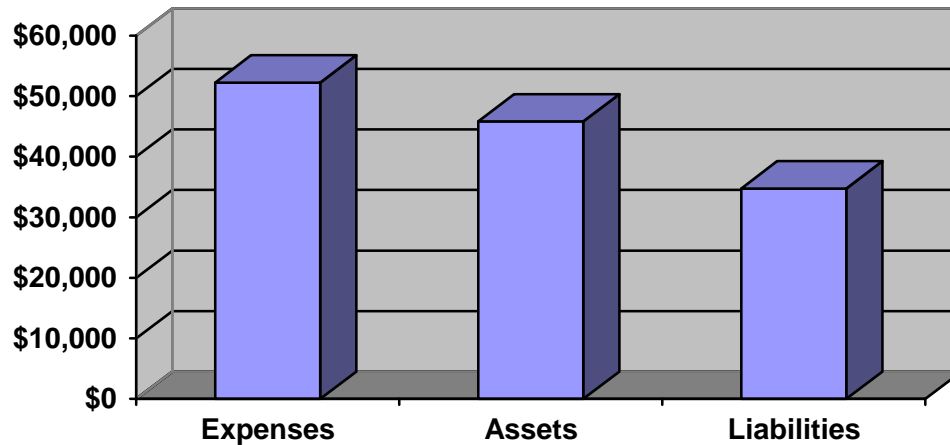
MIC's Auto Body has been providing quality service at low prices for many years. The company has built a reputation of trust through honest dealings, fast service, and top notch quality parts. The company's repair staff is trained and certified to keep cars running at optimum efficiency. We lead the industry in recognizing that just having satisfied customers isn't good enough. The company wants to exceed our customers' expectations so that they leave feeling that we went the extra mile to make sure that their car does too. Your automotive safety is our number one priority. The company believes that over the years, our efforts have formed a solid foundation that will result in many more successful years to come.

**Company Ownership:**

MIC's Auto Body Repair is located in Clearwater, Florida and plans to operate as a separate corporation structure with Melissa Brooks-Anderson as Principal and Chief Financial Officer and Robert Smith as principal and Chief Consultant. Currently the company is already established and operating. Upon receipt of funds, this will be a turn-key operation; where the current owners will hand over the keys to the shop as-is to Robert Smith and his principals.

The required investment for the proposed store project is moderate compared to other similar projects. In order for MIC's Auto Body Repair to be running an investment of \$500K is needed; 7.5% for 10 years.

**Finance Quick Reference:**



***Expenses Monthly***

Advertising	\$157.89
Auto Expense	\$337.98
Bank Fees	\$176.48
Credit Card Fees	\$1,421.03
Dump Fee	\$201.74
Education Expense	\$20.23
Franchise Fees	\$17,516.31
Insurance Expense	\$198.78
Interest Expense	\$0.02
License Expense	\$47.34
Maintenance/Repairs	\$160.25
Meals & Ent.	\$45.30
Meals-Employee	\$15.64
Office Supplies	\$807.81
Other-Expenses	\$311.72
Other-Taxes	\$54.46
Payroll Expense	\$107.22
Payroll Tax Expense	\$1,757.21
Professional/Legal	\$1,193.01
Rent	\$499.00
Security Expense	\$80.30
Telephone Expense	\$257.11
Temp. Distributions	\$1.51
Uniforms	\$0.79
Utilities	\$583.44
Wage Expense	\$24,972.75
Workers Compensation	\$1,312.21
<b>Total Operating Expenses</b>	<b>\$52,237.49</b>

***Assets***

Cash	\$45,813.72
Inventory	\$10,689.87
Short / Long Term Assets	\$0.00
Other Assets	\$0.00
Accumulated Depreciation	\$0.00
<b>Total Assets</b>	<b>\$56,503.59</b>

***Liabilities and Capital***

<u>Liabilities and Capital</u>	
Accounts Payable	\$28,284.52
Current Borrowing	\$0.00
Other Liabilities	\$3,188.00
<b>Long-term Liabilities</b>	<b>\$13,971.07</b>
<hr/>	
Paid-in Capital	4,167.00
Retained Earnings	\$6,893.00
Earnings	\$0.00
<b>Total Capital</b>	<b>\$11,060.00</b>
<hr/>	
<b>Total Liabilities &amp; Capitals</b>	<b>\$56,503.59</b>

**Products and/or Services:**

MIC's Auto Body offers a wide range of services as outlined in the detailed sections below. It is ultimately the goal of the company to offer a one-stop facility for all automobile servicing needs, including air conditioning, brakes, transmission, wheel alignment, etc. In this way the company can offer greater perceived value for the customer than many other shops which specialize in certain areas.

The industry is highly competitive with suppliers having a great deal of power in setting and negotiating the prices of their products and services to repair shops. In addition, because the customers see the service as undifferentiated and a "commodity" with little value separation between competitors, buyer power is also very high. Finally, the barriers to entry are moderately low, and the large number of competitors in this field, including substitutes (such as do-it-yourself work) means that the pricing for such services are very competitive. The only way to have an advantage in this industry is a low cost leadership principal applied aggressively or to create higher switching costs through the building of strong business to customer ties.

MIC's Auto Body will hire trained and certified mechanics that are able to prove they have superior customer awareness and interaction. It is the company's professional people who will fulfill the firm's contracts and goals. The largest part of the company's expenses will be in labor costs.

MIC's Auto Body provides a wide range of auto repair services. These include, but are not limited to:

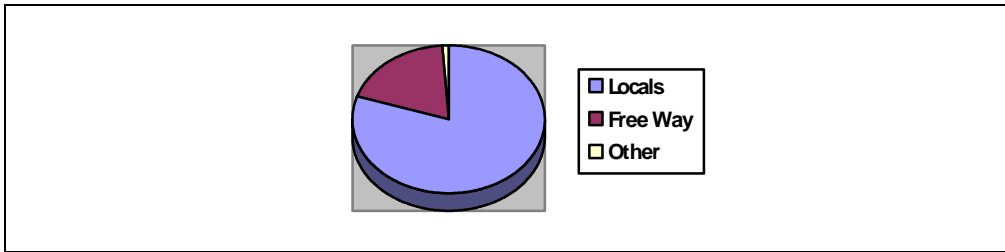
- AC repairs
- Scheduled maintenance.
- Wheel alignments, tires and rims.
- Brake repair.
- Comprehensive engine repair.
- Transmission.

MIC's Auto Body has the core competencies amongst its large crew to work on all makes and models of domestic and foreign vehicles. With trained and certified professionals, all of whom are focused on superior customer service and quick turnaround, MIC's Auto Body strives to be accurate and honest with customers in terms of quoting cost estimates and repair completion time estimates. MIC's Auto Body employees focus on delivering what they promise. This focus on building strong customer relationships based on trust and integrity will be the catalyst in establishing a strong regular customer base.

MIC's Auto Body utilizes the highest degree of technology in managing a full range of auto parts inventory. The goal is to never be out of a specific part, while maximizing inventory turnover. Strong vendor relationships have been established with the most reputable vendors in terms of shipping time of major parts.

**Market Analysis:**

MIC's Auto Body has a focus on meeting the demand of a regular local resident customer base, as well as towed vehicle drop-ins from local and freeway traffic traveling on nearby freeways. MIC's Auto Body will establish relationships with a few major local tow truck companies for referral business of stalled vehicles requiring a tow to an auto repair facility. The company estimates that about 80% of revenues will come from the established local clientele and 20% from the tow-ins local and freeway traffic. The table below further estimates the total market potential of type of services rendered by MIC's Auto Body in the Clearwater area.



Potential Customers	Growth	2007	2008	2009	2010	2011
Local Residents	15%	106,642	122,638	131,263	141,182	152,589
Freeway Traffic	10%	20,000	22,000	24,200	26,620	29,282
Other	0%	0	0	0	0	0
<b>Total</b>	<b>13.64%</b>	<b>126,642</b>	<b>144,638</b>	<b>155,463</b>	<b>167,802</b>	<b>181,871</b>

MIC's Auto Body focuses on the low and middle income markets. This market looks for high quality, rapid service with as much convenience as possible. Individuals in this market segment are willing to pay a decent price for auto repair services to avoid the common inconveniences of having a vehicle tied up in a repair shop.

*Local residents' regular customer base:* MIC's Auto Body wants to establish a significantly large regular customer base. This will establish a healthy, consistent revenue base to ensure stability of the business.

*Emergency towing local and freeway traffic:* Emergency towing of local and freeway traffic comprises approximately 20% of revenues. Convenience, regular referrals from tow truck companies, and high quality, rapid service are critical to capture this segment of the market.

**Marketing Strategy**

The marketing strategy is the core of this company's main strategy:

- Emphasize, and stress to the client, the importance of education and knowledge.
- Build a relationship business that fosters client retention.
- High yet efficient budget each year on marketing and advertising.

MIC's Auto Body will market in local newspapers, automobile magazines and on the internet on a regular basis. In the beginning, postcards will be utilized to send to local residents within a 5-mile radius of the Clearwater area. The same postcard process will be done after 3 or 4 months but to a larger crowd, and expanded to a 10 mile radius. The goal is to get our company name out there and offer our clients professional, friendly, and prompt service.

Local community events will be the target as well. We will utilize flyers and business cards at these events along with copies of our brochure for individuals to take home and browse. All of the above should be sufficient to get the name of the company out there. It will be the company's exceptional service, state of the art website, prompt delivery, professionalism, friendliness, and most important, knowledge of the automobile industry that will get clients interested and maintaining their business.

**Service Business Analysis:**

MIC's Auto Body will be a company within the automobile industry catering to the individuals who are in need of service or repair between the ages of 18-65. Services will be offered in multiple fashions:

1. Internet
2. Website
3. Magazines
4. Referral
5. Radio, TV, and News Papers
6. Flyers
7. Business Cards

The market of AC and auto repair services as well as parts sales is very fragmented. The majority of auto shops usually offer either repair services or parts inventory. The niche where MIC's Auto Body positions itself represents auto centers that offer both auto services and parts at one convenient location. Low and middle class customers to whom

the company will cater its services to, are less price sensitive as they value the convenience of a quick turnaround (on any model/make of car) and high quality of services.

**Risk Analysis**

The Company could fail to generate the profitability needed to provide a return on the investment predicted to be made by the Company for many reasons including without limitation the following reasons:

- The economics of the project are highly dependent on assumptions made by the Manager as to the prices. There can be no assurance that these revenue assumptions will be realized and if they are not realized, there is significant risk that Investors who invest could lose some or all of their investment.
- There are myriad reasons why the operating projections of the company may fail to be realized including without limitation the following reasons: competition and other factors affecting sales, cost overruns, and assumed revenue per service sector.

**Pricing Strategy:**

MIC's Auto Body exists in a purely competitive environment. A main advantage of the company is its per hour charge when compared to other local mechanics/auto repairs shops. The company fee structure charges \$59.99 per hour vs. \$89.99 - \$99.99 for other companies. Parts are also discounted; however the same quality can be expected for a fraction of the price charged at other shops.

**Sales Strategy:**

MIC's Auto Body will focus its sales strategy on effectively reaching the target customer segment of low and middle class customers. For this purpose, the company will employ direct sales staff. At the same time, the company will further strengthen its relationships with the tow truck companies, car leasing companies, as well as truck rental companies to capture auto repair needs of the local and highway traffic. Mr. Jones has extensive leasing and truck rental experience.

**Sales Forecast:**

Since the automotive repair industry is, operationally, a job-shop environment, it is somewhat difficult to estimate sales. For job-shops, each individual product or service is tailored or unique to that job, and is only initiated once an order is made. However, the sales forecast reflects the professional opinion of Mr. Smith & Mr. Jones as to the quantity of sales based on the following assumptions:

1. The number of clients the company can attract.
2. The number of vehicles that pass their location daily.
3. The types of automobiles and jobs that will occur in every month.

For the most part, sales for an automobile repair firm are steady year round and reflect little seasonality. Based on the numbers above and after the successful implementation of our marketing plan, MIC's Auto Body forecasts the following for the first three years:

<i>Year</i>	<i>Sales</i>
2009	\$1,133,906.34
2010	\$1,190,601.66
2011	\$1,250,131.74
2012	\$1,312,638.33
2013	\$1,378,270.24

**Competition and Buying Patterns:**

MIC's Auto Body faces over 150 AC and auto repair as well as auto parts competitors in the local area. Only a quarter of these competitors offer both auto repair services and auto parts inventories. Among these, only a few are major national chains. The remainders are small privately-owned establishments. The company will compete well by focusing on convenience and offering a high level of customer service at discounted prices. Additionally, its honest reputation will be a major factor in repeat business and building a large base of regular, loyal customers.

Primary competitors are engaged principally in the retail sale of automotive parts, tires

and accessories, automotive maintenance and service and the installation of parts. Larger competitors have adopted the "supercenter" store model, a freestanding, "one-stop" shopping automotive warehouse that features state-of-the-art service bays. These "supercenters" carry thousands of stock-keeping units and serve the automotive aftermarket needs of the "do-it-yourself," the "do-it-for-me" (automotive service), tire and "buy-for-resale" customer sectors.

Large competitors' stores typically carry the same basic product line, with variations based on the number and type of cars registered in the different markets. A full complement of inventory at a typical supercenter includes an average of approximately 25,000 items.

Automotive product lines usually include:

- Tires.
- Batteries.
- New and remanufactured parts for domestic and imported cars, including:
  - \* Suspension parts
  - \* Ignition parts
  - \* Exhaust systems
  - \* Engines and engine parts
  - \* Oil and air filters, belts, hoses, and air conditioning parts
  - \* Lighting
  - \* Wiper blades
  - \* Brake parts
- Chemicals, including oil, antifreeze, polishes, additives, cleansers and paints.
- Mobile electronics, including sound systems, alarms, and remote vehicle starters.
- Car accessories, including seat covers, floor mats, and exterior accessories.
- Hand tools, including sockets, wrenches, ratchets, paint and body tools, jacks and lift equipment, automotive specialty tools and test gauges.
- A selection of truck, van, and sport utility vehicle accessories.

Many competitors have adopted point-of-sale systems in their stores, which gather sales

and gross profit data by a stock-keeping unit from each store on a daily basis. This information is then used to help formulate pricing, marketing and merchandising strategies. Electronic parts catalogs are available in many competitor stores along electronic commercial invoicing systems that offer commercial parts delivery.

Additionally, a number of competitors have electronic work order systems available amongst their various service centers. This type of system creates a service history for each vehicle, provides customers with a comprehensive sales document, and enables the service center to maintain a service customer database.

**Competitive Edge:**

MIC's Auto Body's competitive edge lies in the vision of its partners, who understand better than many of their rivals that a service visit does not just include repairing a client's car, it includes the entire service experience from the first time a client talks to their mechanic until they decide to stop driving. A main advantage of MIC's Auto Body is it's per hour charge when compared to other local mechanics/auto repairs shops. The company fee structure charges \$59.99 per hour vs. \$89.99 - \$99.99 of other companies. Secondly where the company is currently situated, according to the Florida Department of Transportation, 81,000 cars pass that location daily.

The long-term profitability of a service firm of this type lies in the repeat customer that finds the company's services an excellent experience, despite the fact that they usually have suffered an inconvenient breakdown. The company will seek to examine all aspects of the service experience to seek ways to improve its customer satisfaction. In addition, all employees will be rigorously trained and retrained to think about customer satisfaction in order to create a self-sustaining company culture that revolves around this issue.

**Web Plan Summary:**

The website is the core of MIC's Auto Body success. The website is where our customers will be able to get information, sign up for car work reminders, view our services, and see our network of clients and members.

Our website is user friendly and helps us on the backend maintain our inventory database. Search and service options as well as online payments are key features that make it a pleasant experience for the end users to maneuver around and execute their trades and rentals. In addition to using standard word of mouth, direct sales and auto trade shows for pulling in clients, we will also be using our website as a sales tool.

**Website Marketing Strategy:**

MIC's Auto Body is open when it comes to promoting its services on the web. As mentioned, we have a very sophisticated developed, state of the art website, which has a user friendly interface. We will market our website on popular sites like [www.cars.com](http://www.cars.com) and [www.edmunds.com](http://www.edmunds.com). Not only that, we will buy advertisement space on websites like [www.motortrend.com](http://www.motortrend.com) and [www.floridacars.com](http://www.floridacars.com).

The beautiful thing about a website is your options are endless. MIC's Auto Body promotes its website in business and automobile magazines, catalogs and in local newspapers. Yes, our marketing costs are seemingly through the roof; however being a company that offers exceptional service, MIC's Auto Body knows that the reason the company is lucrative is because of the amount of money spent on marketing.

**Web Development Requirements:**

MIC's Auto Body knows how important it is to have a sophisticated, well developed and user friendly website. The company invests a good deal of money into its website, so maintaining our IT team is imperative.

**Timeline**

*One month before:* Formulate a business plan as a guideline, including staff strategies to accomplish their goal, the employee's handbook and bonus plan. As part of the marketing program, gather the different online and current leads that the company already has ready for the day when ownership is taken.

*30-60 days after the doors are open:* Take a minimum of two hours per day telemarketing to introduce the new ownership of the company and let potential customers know that we are the new prompt, professional, and trendy retail store in the area. Make sure that the company is following the marketing plan, sending the "*I'm in your neighborhood*" mass mail out post cards to a five mile radius. Start telemarketing two hours Monday through Thursday from 6:00pm to 8:00pm.

*90 days:* Everything should be operational as planned. Making sure the marketing plan is working with the telemarketers, local newspapers, magazines, and radio. Send another "*I'm in your neighborhood*" mass mail out post cards to a 10 mile radius.

*1<sup>st</sup> year:* Be a well recognized company in the automobile repair industry. The company will have a goal of a minimum of six staff (1 Office Manager, 3 mechanics, 1 assistant mechanic, and 1 secretary).

*2<sup>nd</sup> year:* MIC's Auto Body wants to double the monthly goals, include more mechanics, and have a high retention rate of clients for this year. By this time the company wants to have a good feeling of the company and invest money into whatever marketing method(s) has/have worked in the past. We'd like to touch upon a market outside of the Clearwater area and spread throughout Tampa Bay.

*3<sup>rd</sup> year:* MIC's Auto Body wants to make sure our company is producing high results and still obliging by prompt, professional, and courteous service. We want to see a retention rate of 65% or higher.

**Milestones:**

**Table: Milestones (Planned)**

<i>Milestone</i>	<i>Start Date</i>	<i>End Date</i>	<i>Manager</i>	<i>Department</i>
Business Plan Completion	September 2008	January 2009	Robert	Management
Office Set-up	January 2009	January 2009	Robert	Management
Suppliers	January 2009	January 2009	Robert	Management
Website Launch	January 2009	January 2009	Robert	Management

**Management Summary:**

**Robert Smith:** Most of you who have known Robert over the past 50-60 years probably realize that Robert Smith doesn't know the difference between a hammer and a chain saw. So why would he be such a staunch advocate of a franchised auto repair shop? The answer is what he calls the "four-horsemen". Four people so well versed in their own areas of expertise that owning an auto repair franchise makes perfect sense.

Mr. Smith has many years of selling and managing experience. The managing experience goes back as far as the State Street Mills, the forerunner to the modern discount department store. All through high school and college there was always a State Street Mill nearby where Mr. Smith could work. That love affair lasted until 1973 when Mr. Smith joined with his father to open six costume jewelry kiosks in New York, Pennsylvania, and Ohio. That lasted until 1982 when he met the legendary JK MacDonald who introduced him to The Vacation Incentive Industry. From 1982 to 1997 Mr. Smith sold on commission only, the equivalent of 29.5 million in today's dollars worth of vacations. In 1997 the company MMS, Inc. was sold and Mr. Smith took the offer he couldn't refuse in Clearwater, Florida: National Vice President of Sales where he managed approximately 135 employees inside the house and around 65 salespeople located throughout the U.S. and Canada. That lasted until 2001 when a serious back injury while working in Colorado closed down his traveling career and placed him on and off disability for the next several years.

Looking for a business that would allow him to manage without having to travel was ideal and so in 2002 Mr. Smith and his wife, Audrey Kamin, founded their own vacation incentive company. Started at the kitchen table, the business soon grew to a 1.3M in sales, employing 21 on the inside and 20 on the outside. The business was poised to move to another level when the bottom fell out of the banking and mortgage business. Over 60% of their business collapsed in early 2007 and a forced close occurred, Thanksgiving of 2007. Now on total disability because of his back, Mr. Smith is forced to look for something that will allow him the freedom of managing and selling on a part time basis as health permits.

The “four-horsemen” in this case is composed of Mr. Smith as Principal and Chief Consultant, Melissa Brooks Andersen as Chief Financial Official, Mr. Nicholas Andersen as Sales Director, and Mr. Greg Jones as General and Service Manager.

Melissa Brooks, M.S.-S.L.P.: Melissa Brooks Andersen is a licensed speech pathologist. She works as an independent contractor in Pasco, Pinellas and Hillsborough Counties. As an independent contractor she is in a unique position to set her own hours thus giving herself ample time to act as the bookkeeper of the company. Since Melissa had previous experience with another company using QuickBooks accounting software she is in perfect position as MIC's Auto Body is currently using that same system. Melissa will also act as President of the corporation which then puts the corporation in a unique position to apply for government grants that are offered to companies that are run by women or minorities. The corporation expects to fully avail itself of such grants as they are available and many of them go unused. These will be used to retire debt.

Nicholas “Nick” Andersen: Nick's expertise in selling will greatly enhance the front end or counter section of the store. Mr. Andersen brings five years of selling experience from Verizon Telecommunications where he won every single award offered in many sales contests. Mr. Andersen was the top salesman in the Southeastern Region for three consecutive years. The Southeastern region covers Atlanta, Georgia to the Florida Keys

and is comprised of hundreds perhaps thousands of salespeople. Mr. Andersen's duties would be very similar to Mr. Smith's, except that he would be in full control of the service center. Mr. Andersen will determine customer needs and direct sales. Most importantly, Mr. Andersen will prepare all associated reports, stock inventory, and prepare all cash register functions. With Mr. Andersen in the front end the company should be able to see a marked improvement in allied products, an area where the present owner has not concentrated. Mr. Andersen balances out our "four-horsemen" extremely well as suggestive selling has never been used at this location. Mr. Andersen is also married to Melissa Brooks so we now have "family" in highly visible spots within the organization.

Greg Jones: Greg Jones rounds out the plan bringing to the table over 18 years of experience in Utica as General Manager of Mercurio's Automotive, where Mr. Jones managed eight technicians. Mercurio's is an 8 bay service center which means that they have the capability of servicing eight cars all at the same time. Mercurio's Automotive is located on French Road across the street from Chanatry's. The Mercurio operations generated revenues of approximately \$800k - \$950k under Mr. Jones leadership. Mr. Smith has known Mr. Jones for most of those 18 years and as Mr. Jones's in-laws live in Clearwater whenever he would come to visit they would always find time to get together. Mr. Smith, along with this daughter and son-in-law, would never have undertaken this kind of a business operation without the expertise that Mr. Jones brings to the company. Mr. Jones' timing was impeccable and his knowledge of this industry from the ground up is staggering. Mr. Smith had asked Mr. Jones what it would take to start one of these from scratch and within 24 hours he had a complete equipment inventory with prices and a vendor in Miami ready to deliver them. Taking over the Service operation while also acting as General Manager puts the power in the hands of someone who can "grow" this business, which is exactly what is planned. Mr. Jones is an ASE Master Technician and that alone adds much validity from a sales and service standpoint. Mr. Jones will help educate both Robert and Nick on what goes on in the back end of the shop as well as the sales end. Mr. Jones will also be a stockholder in the corporation so his success is the success of the franchise.

**Team Development / Involvement**

MIC's Auto Body will personally recruit, screen and hire candidates. Depending on the position the company needs to fill, educated, experienced and licensed (if applicable) personnel will be sought-after. Not only that, the company will seek individuals with intangible attributes such as personable, professional, and charismatic qualities. It will be MIC's Auto Bodys responsibility to train the staff. The company wants potential employees to be prepared for any difficult situation, respect the client when they are coming with their concerns and follow procedures to accomplish the sale and to provide the best possible service.

Once selected, each employee will go through constant training to ensure they are on top of their game with the products as well as their own skills to keep the company afloat and ahead of its competitors. The company will encourage and equip the team to integrate their work, faith, and values into the daily conduct of the team.

**Advertising Samples:**

**BEE-ZEE BODY SHOP INC**



**Complete Auto Body Repair  
For Over 21 Years!**

- Collision Specialists
- Expert Color Matching
- Paintless Dent Removal
- Expert Framework and Fiberglass Repair
- FREE ESTIMATES

**847-673-2400**

3205 Howard St Skokie

**Mark Forrest  
Autobody Ltd.**

- Major Collision Repair
- Spot Repair Specialist
- Expert Color Matching

Phone  
**539-8533**

Cell  
**578-8171** *Same Day Service*



1043 Alexandra St., Sydney, N.S.

**COLLISION AUTO BODY REPAIR INC.**

**"AUTO COLLISION SPECIALISTS"**

Collision Repair and Painting  
Precision Frame Straightening  
Plastic Repairs  
Domestic, Foreign and R.V.

**Your Car Will Look Brand New!**

All Insurances Accepted  
Free Estimates

**255-3487**

7950 South State Street, Midvale



**Bay New 9:**

**Saturday, October 4, 2008 - Slow economy helping auto repair business.**

**PINELLAS COUNTY (Bay News 9) - While many companies are looking to cut costs, a local auto repair shop is adding more workers. Robin Hughes, president of MIC's Auto Body repair, says with tough economic times more people are fixing their cars instead of trading them in.**

**"Between the gas prices being so high and not being able to get credit to buy a new car, people are taking care of their cars longer and keeping them and getting them repaired -- taking good care of them," Hughes said.**

**Motorist Tracy Roberts is following Hughes theory and plans to keep driving his car.**

**"I'm not going to buy a new car right now," Roberts said. "It's like too unstable, and I'd rather repair mine and, you know, drive it as long as I can."**

**However with fewer people buying new vehicles, many automotive dealerships are feeling the pinch.**

**Bill Heard Chevrolet recently announced it was going out of business, and the shutdown of 14 dealerships affects almost 3,000 employees.**

**But with 17 shops across the Bay area, MIC's Auto Body may be able to help. More repairs mean more jobs, and the company says it's willing to hire people from businesses that are failing.**

**"I do believe that there are industries more recession proof like us where we can help take care of people in a time when they need us the most, and we're here for them," Hughes said.**

**Financial Plan:**

The following subtopics will provide more financial information.

**Important Assumptions:**

See following table for MIC's Auto Body general assumptions.

**Table: General Assumptions**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%
Tax Rate %	12.00%	12.00%	12.00%
Expenses in Cash %	10.00%	10.00%	10.00%
Personnel Burden %	15.00%	15.00%	15.00%

**Break-even Analysis:**

The break-even analysis is based on the figure of \$65.00 for the average billing. On the worst case scenario, we are looking at a breakeven of approximately 8-9 months.



Break-even point - where line intersects with 0

**Business Plan****Profit & Loss (5-Years)**

	2007	2009	2010	2011	2012	2013
<b>Sales:</b>						
Sales	\$1,079,910.80	\$1,133,906.34	\$1,190,601.66	\$1,250,131.74	\$1,312,638.33	\$1,492,321.20
Cost of Sales	\$300,633.58	\$315,665.26	\$325,135.22	\$351,146.03	\$355,043.76	\$390,228.59
Gross Profit Margins	\$779,277.22	\$818,241.08	\$865,466.44	\$898,985.71	\$957,594.57	\$1,102,092.61
Gross Margins %	72.16%	72.16%	72.69%	71.91%	72.95%	73.85%
<b>Operating Expenses:</b>						
Advertising	\$1,797.65	\$1,821.02	\$1,844.69	\$1,868.67	\$1,892.97	\$1,917.58
Auto Expense	\$3,926.57	\$3,977.62	\$4,029.32	\$4,081.71	\$4,134.77	\$4,188.52
Bank Fees	\$2,050.30	\$2,076.95	\$2,103.95	\$2,131.31	\$2,159.01	\$2,187.08
Credit Card Fees	\$16,509.07	\$16,723.69	\$16,941.10	\$17,161.33	\$17,384.43	\$17,610.42
Dump Fee	\$2,343.78	\$2,374.25	\$2,405.11	\$2,436.38	\$2,468.05	\$2,500.14
Education Expense	\$235.00	\$238.06	\$241.15	\$244.28	\$247.46	\$250.68
Franchise Fees	\$229,953.91	\$232,943.31	\$235,971.57	\$239,039.20	\$242,146.71	\$245,294.62
Insurance Expense	\$2,309.35	\$2,339.37	\$2,369.78	\$2,400.59	\$2,431.80	\$2,463.41
Interest Expense	\$0.21	\$0.21	\$0.22	\$0.22	\$0.22	\$0.22
License Expense	\$550.00	\$557.15	\$564.39	\$571.73	\$579.16	\$586.69
Maintenance/Repairs	\$1,861.72	\$1,885.92	\$1,910.44	\$1,935.28	\$1,960.43	\$1,985.92
Meals & Ent.	\$526.30	\$533.14	\$540.07	\$547.09	\$554.21	\$561.41
Meals-Employee	\$181.65	\$184.01	\$186.40	\$188.83	\$191.28	\$193.77
Office Supplies	\$9,384.84	\$9,506.84	\$9,630.43	\$9,755.63	\$9,882.45	\$10,010.92
Other-Expenses	\$3,621.45	\$3,668.53	\$3,716.22	\$3,764.53	\$3,813.47	\$3,863.04
Other-Taxes	\$632.66	\$640.88	\$649.22	\$657.66	\$666.21	\$674.87
Payroll Expense	\$1,245.65	\$1,261.84	\$1,278.25	\$1,294.86	\$1,311.70	\$1,328.75
Payroll Tax Expense	\$20,414.75	\$20,680.14	\$20,948.98	\$21,221.32	\$21,497.20	\$21,776.66
Professional/Legal	\$13,860.00	\$14,040.18	\$14,222.70	\$14,407.60	\$14,594.90	\$14,784.63
Rent	\$5,797.22	\$5,872.58	\$5,948.93	\$6,026.26	\$6,104.60	\$6,183.96
Security Expense	\$932.86	\$944.99	\$957.27	\$969.72	\$982.32	\$995.09
Telephone Expense	\$2,986.98	\$3,025.81	\$3,065.15	\$3,104.99	\$3,145.36	\$3,186.25
Temp. Distributions	\$17.50	\$17.73	\$17.96	\$18.19	\$18.43	\$18.67
Uniforms	\$9.17	\$9.29	\$9.41	\$9.53	\$9.66	\$9.78
Utilities	\$6,778.21	\$6,866.33	\$6,955.59	\$7,046.01	\$7,137.61	\$7,230.40
Wage Expense	\$290,125.65	\$293,897.28	\$297,717.95	\$301,588.28	\$305,508.93	\$309,480.55
Workers Compensation	\$15,244.84	\$15,443.02	\$15,643.78	\$15,847.15	\$16,053.16	\$16,261.86
Total Operating Expenses	\$633,297.29	\$641,530.15	\$649,870.05	\$658,318.36	\$666,876.50	\$675,545.89
Profit less Interest and Taxes	\$212,595.70	\$282,752.28	\$376,060.53	\$500,160.50	\$665,213.47	\$884,733.91
Interest Expense Short-term	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Add Backs	\$70,002.23	\$70,002.23	\$70,002.23	\$70,002.23	\$70,002.23	\$70,002.23
Taxes Incurred	\$70,002.23	\$793,734.44	\$833,421.16	\$875,092.22	\$918,846.83	\$1,044,624.84
Extraordinary Items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Profit	\$145,979.93	\$176,710.93	\$215,596.39	\$240,667.35	\$290,718.08	\$426,546.72

**Cash Flow (5-Years)**

	2007	2009	2010	2011	2012	2013
<u>Cash Receipts</u>						
Cash / Credit Sales	\$1,079,910.80	\$1,133,906.34	\$1,190,601.66	\$1,250,131.74	\$1,312,638.33	\$1,492,321.20
Bank Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash from Receivables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Receipts</b>	<b>\$1,079,910.80</b>	<b>\$1,133,906.34</b>	<b>\$1,190,601.66</b>	<b>\$1,250,131.74</b>	<b>\$1,312,638.33</b>	<b>\$1,492,321.20</b>
<u>Additional Cash Received</u>						
New Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Other Liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales of Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Investment Received	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Received</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Cash</b>	<b>\$1,079,910.80</b>	<b>\$1,133,906.34</b>	<b>\$1,190,601.66</b>	<b>\$1,250,131.74</b>	<b>\$1,312,638.33</b>	<b>\$1,492,321.20</b>
<u>Expenditures</u>						
Cash Spending	\$18,165.79	\$24,160.50	\$32,133.47	\$42,737.51	\$56,840.89	\$87,729.22
Payment of Accounts Payable	\$344,215.85	\$355,574.97	\$367,308.94	\$379,430.14	\$391,951.33	\$404,885.73
<b>Total of Cash Spending</b>	<b>\$362,381.64</b>	<b>\$379,735.47</b>	<b>\$399,442.41</b>	<b>\$422,167.65</b>	<b>\$448,792.22</b>	<b>\$492,614.95</b>
<u>Additional Cash Spent</u>						
Non Operating Expenses	\$31,165.68	\$41,450.36	\$55,128.98	\$73,321.54	\$97,517.65	\$129,698.48
Principal Repayment of Borrowing	\$27,000.00	\$35,910.00	\$47,760.30	\$63,521.20	\$84,483.19	\$112,362.65
Interest Only	\$4,444.26	\$4,622.04	\$4,806.92	\$4,999.19	\$5,199.16	\$5,407.13
Purchase other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Additional Cash Spent</b>	<b>\$62,609.95</b>	<b>\$81,982.40</b>	<b>\$107,696.20</b>	<b>\$141,841.93</b>	<b>\$187,200.01</b>	<b>\$247,468.25</b>
<b>Total Cash Spent</b>	<b>\$424,991.58</b>	<b>\$461,717.86</b>	<b>\$507,138.60</b>	<b>\$564,009.58</b>	<b>\$635,992.23</b>	<b>\$740,083.20</b>
<b>Net Cash Flow</b>	<b>\$654,919.22</b>	<b>\$672,188.48</b>	<b>\$683,463.05</b>	<b>\$686,122.16</b>	<b>\$676,646.10</b>	<b>\$752,238.00</b>
<b>Cumulative Cash Flow</b>	<b>\$1,515,021.48</b>	<b>\$2,187,209.96</b>	<b>\$2,870,673.01</b>	<b>\$3,556,795.17</b>	<b>\$4,233,441.27</b>	<b>\$4,985,679.27</b>

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**Balance Sheet (5-Years)**

	2007	2009	2010	2011	2012	2013
<u>Assets</u>						
Cash	\$654,919.22	\$672,188.48	\$683,463.05	\$686,122.16	\$676,646.10	\$752,238.00
Inventory	\$128,338.78	\$131,918.15	\$135,597.35	\$139,379.16	\$143,266.44	\$147,262.14
Short / Long Term Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accumulated Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Assets</b>	<b>\$783,258.00</b>	<b>\$804,106.62</b>	<b>\$819,060.40</b>	<b>\$825,501.31</b>	<b>\$819,912.54</b>	<b>\$899,500.14</b>
<u>Liabilities and Capital</u>						
Accounts Payable	\$398,977.47	\$391,154.39	\$383,484.69	\$375,965.39	\$368,593.52	\$397,652.00
Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities	\$39,456.56	\$41,429.39	\$43,500.86	\$45,675.90	\$47,959.69	\$55,123.44
Long-term Liabilities	\$168,948.84	\$177,046.07	\$185,745.75	\$195,106.57	\$205,193.53	\$228,021.31
<b>Total Liabilities</b>	<b>\$607,382.87</b>	<b>\$609,629.85</b>	<b>\$612,731.30</b>	<b>\$616,747.86</b>	<b>\$621,746.74</b>	<b>\$680,796.75</b>
Paid-in Capital	76,365.40	\$79,133.64	\$82,002.24	\$84,974.82	\$88,055.15	\$103,311.39
Retained Earnings	\$99,509.73	\$115,343.13	\$124,326.86	\$123,778.64	\$110,110.64	\$115,392.00
Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Capital</b>	<b>\$175,875.12</b>	<b>\$194,476.78</b>	<b>\$206,329.10</b>	<b>\$208,753.45</b>	<b>\$198,165.80</b>	<b>\$218,703.39</b>
<b>Total Liabilities and Capital</b>	<b>\$783,258.00</b>	<b>\$804,106.62</b>	<b>\$819,060.40</b>	<b>\$825,501.31</b>	<b>\$819,912.54</b>	<b>\$899,500.14</b>

**Profit & Loss (Months)**

	Jan	Feb	Mar	Apr	May	Jun
<b>Sales:</b>						
Sales	\$76,034.72	\$80,011.34	\$84,195.93	\$88,599.38	\$93,233.12	\$98,109.21
Cost of Sales	\$22,850.25	\$24,273.82	\$25,057.86	\$27,370.70	\$27,707.36	\$28,879.38
Gross Profit Margins	\$53,184.47	\$55,737.52	\$59,138.07	\$61,228.67	\$65,525.76	\$69,229.83
Gross Margins %	69.95%	69.66%	70.24%	69.11%	70.28%	70.56%
<b>Operating Expenses:</b>						
Advertising	\$133.00	\$136.86	\$140.83	\$144.91	\$149.11	\$153.44
Auto Expense	\$284.71	\$292.97	\$301.46	\$310.20	\$319.20	\$328.46
Bank Fees	\$148.66	\$152.98	\$157.41	\$161.98	\$166.67	\$171.51
Credit Card Fees	\$1,197.05	\$1,231.76	\$1,267.48	\$1,304.24	\$1,342.06	\$1,380.98
Dump Fee	\$169.94	\$174.87	\$179.94	\$185.16	\$190.53	\$196.06
Education Expense	\$17.04	\$17.53	\$18.04	\$18.57	\$19.10	\$19.66
Franchise Fees	\$14,755.38	\$15,183.28	\$15,623.60	\$16,076.68	\$16,542.91	\$17,022.65
Insurance Expense	\$167.45	\$172.30	\$177.30	\$182.44	\$187.73	\$193.18
Interest Expense	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
License Expense	\$39.88	\$41.04	\$42.23	\$43.45	\$44.71	\$46.01
Maintenance/Repairs	\$134.99	\$138.90	\$142.93	\$147.08	\$151.34	\$155.73
Meals & Ent.	\$38.16	\$39.27	\$40.41	\$41.58	\$42.78	\$44.02
Meals-Employee	\$13.17	\$13.55	\$13.95	\$14.35	\$14.77	\$15.19
Office Supplies	\$680.48	\$700.21	\$720.52	\$741.41	\$762.92	\$785.04
Other-Expenses	\$262.59	\$270.20	\$278.04	\$286.10	\$294.40	\$302.93
Other-Taxes	\$45.87	\$47.20	\$48.57	\$49.98	\$51.43	\$52.92
Payroll Expense	\$90.32	\$92.94	\$95.63	\$98.41	\$101.26	\$104.20
Payroll Tax Expense	\$1,480.24	\$1,523.17	\$1,567.34	\$1,612.79	\$1,659.56	\$1,707.69
Professional/Legal	\$1,004.97	\$1,034.11	\$1,064.10	\$1,094.96	\$1,126.71	\$1,159.39
Rent	\$420.35	\$432.54	\$445.08	\$457.99	\$471.27	\$484.94
Security Expense	\$67.64	\$69.60	\$71.62	\$73.70	\$75.83	\$78.03
Telephone Expense	\$216.58	\$222.86	\$229.32	\$235.98	\$242.82	\$249.86
Temp. Distributions	\$1.27	\$1.31	\$1.34	\$1.38	\$1.42	\$1.46
Uniforms	\$0.66	\$0.68	\$0.70	\$0.72	\$0.75	\$0.77
Utilities	\$491.48	\$505.73	\$520.40	\$535.49	\$551.02	\$567.00
Wage Expense	\$21,036.53	\$21,646.59	\$22,274.34	\$22,920.29	\$23,584.98	\$24,268.95
Workers Compensation	\$1,105.38	\$1,137.43	\$1,170.42	\$1,204.36	\$1,239.29	\$1,275.23
Total Operating Expenses	\$44,003.79	\$45,279.90	\$46,593.01	\$47,944.21	\$49,334.59	\$50,765.30
Profit less Interest and Taxes	\$9,180.69	\$10,457.62	\$12,545.05	\$13,284.46	\$16,191.17	\$18,464.54
Interest Expense Short-term	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Add Backs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Taxes Incurred	\$6,653.04	\$7,000.99	\$7,367.14	\$7,752.45	\$8,157.90	\$8,584.56
Extraordinary Items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Profit	\$2,527.65	\$3,456.63	\$5,177.91	\$5,532.02	\$8,033.27	\$9,879.98

# *MIC's Auto Body*

## Business Plan

**Profit & Loss (Months) cont.**

	Jul	Aug	Sep	Oct	Nov	Dec
<u>Sales:</u>						
Sales	\$103,240.33	\$120,360.22	\$126,042.08	\$132,021.10	\$138,312.83	\$144,933.61
Cost of Sales	\$31,256.15	\$33,828.54	\$36,612.62	\$39,625.84	\$42,887.05	\$46,416.65
Gross Profit Margins	\$71,984.17	\$86,531.68	\$89,429.45	\$92,395.26	\$95,425.78	\$98,516.95
Gross Margins %	69.72%	71.89%	70.95%	69.99%	68.99%	67.97%
<u>Operating Expenses:</u>						
Advertising	\$157.89	\$162.46	\$167.18	\$223.52	\$228.51	\$233.64
Auto Expense	\$337.98	\$347.78	\$357.87	\$508.02	\$518.69	\$529.68
Bank Fees	\$176.48	\$181.60	\$186.87	\$265.27	\$270.84	\$276.58
Credit Card Fees	\$1,421.03	\$1,462.24	\$1,504.64	\$2,135.92	\$2,180.82	\$2,227.03
Dump Fee	\$201.74	\$207.59	\$213.61	\$303.24	\$309.61	\$316.17
Education Expense	\$20.23	\$20.81	\$21.42	\$30.40	\$31.04	\$31.70
Franchise Fees	\$17,516.31	\$18,024.28	\$18,546.98	\$26,328.47	\$26,881.93	\$27,451.44
Insurance Expense	\$198.78	\$204.54	\$210.48	\$298.78	\$305.06	\$311.52
Interest Expense	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03
License Expense	\$47.34	\$48.71	\$50.13	\$71.16	\$72.65	\$74.19
Maintenance/Repairs	\$160.25	\$164.90	\$169.68	\$240.87	\$245.93	\$251.14
Meals & Ent.	\$45.30	\$46.62	\$47.97	\$68.09	\$69.52	\$71.00
Meals-Employee	\$15.64	\$16.09	\$16.56	\$23.50	\$24.00	\$24.50
Office Supplies	\$807.81	\$831.23	\$855.34	\$1,214.20	\$1,239.72	\$1,265.99
Other-Expenses	\$311.72	\$320.76	\$330.06	\$468.54	\$478.39	\$488.52
Other-Taxes	\$54.46	\$56.04	\$57.66	\$81.85	\$83.57	\$85.34
Payroll Expense	\$107.22	\$110.33	\$113.53	\$161.16	\$164.55	\$168.03
Payroll Tax Expense	\$1,757.21	\$1,808.17	\$1,860.61	\$2,641.24	\$2,696.76	\$2,753.89
Professional/Legal	\$1,193.01	\$1,227.61	\$1,263.21	\$1,793.19	\$1,830.89	\$1,869.67
Rent	\$499.00	\$513.47	\$528.36	\$750.04	\$765.80	\$782.03
Security Expense	\$80.30	\$82.63	\$85.02	\$120.69	\$123.23	\$125.84
Telephone Expense	\$257.11	\$264.56	\$272.23	\$386.45	\$394.58	\$402.94
Temp. Distributions	\$1.51	\$1.55	\$1.59	\$2.26	\$2.31	\$2.36
Uniforms	\$0.79	\$0.81	\$0.84	\$1.19	\$1.21	\$1.24
Utilities	\$583.44	\$600.36	\$617.77	\$876.96	\$895.39	\$914.36
Wage Expense	\$24,972.75	\$25,696.96	\$26,442.17	\$37,536.13	\$38,325.19	\$39,137.13
Workers Compensation	\$1,312.21	\$1,350.26	\$1,389.42	\$1,972.36	\$2,013.82	\$2,056.49
Total Operating Expenses	\$52,237.49	\$53,752.38	\$55,311.20	\$78,503.52	\$80,154.07	\$81,852.47
Profit less Interest and Taxes	\$19,746.68	\$32,779.30	\$34,118.26	\$13,891.73	\$15,271.71	\$16,664.48
Interest Expense Short-term	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Add Backs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Taxes Incurred	\$9,033.53	\$10,531.52	\$11,028.68	\$11,551.85	\$12,102.37	\$12,681.69
Extraordinary Items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Profit	\$10,713.15	\$22,247.78	\$23,089.57	\$2,339.89	\$3,169.34	\$3,982.79

# *MIC's Auto Body*

## Business Plan

**Cash Flow (months)**

	Jan	Feb	Mar	Apr	May	Jun
<u>Cash Receipts</u>						
Cash / Credit Sales	\$76,034.72	\$80,011.34	\$84,195.93	\$88,599.38	\$93,233.12	\$98,109.21
Bank Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash from Receivables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Receipts</b>	<b>\$76,034.72</b>	<b>\$80,011.34</b>	<b>\$84,195.93</b>	<b>\$88,599.38</b>	<b>\$93,233.12</b>	<b>\$98,109.21</b>
<u>Additional Cash Received</u>						
New Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Other Liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales of Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Investment Received	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Received</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Cash</b>	<b>\$76,034.72</b>	<b>\$80,011.34</b>	<b>\$84,195.93</b>	<b>\$88,599.38</b>	<b>\$93,233.12</b>	<b>\$98,109.21</b>
<u>Expenditures</u>						
Cash Spending	\$1,489.00	\$1,493.47	\$1,497.95	\$1,502.44	\$1,506.95	\$1,511.47
Payment of Accounts Payable	\$28,732.00	\$28,723.38	\$28,714.77	\$28,706.16	\$28,697.55	\$28,688.94
<b>Total of Cash Spending</b>	<b>\$30,221.00</b>	<b>\$30,216.85</b>	<b>\$30,212.72</b>	<b>\$30,208.60</b>	<b>\$30,204.50</b>	<b>\$30,200.41</b>
<u>Additional Cash Spent</u>						
Non Operating Expenses	\$0.00	\$2,791.00	\$2,799.37	\$2,807.77	\$2,816.19	\$2,824.64
Principal Repayment of Borrowing	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$3,000.00
Interest Only	\$0.00	\$398.00	\$399.19	\$400.39	\$401.59	\$402.80
Purchase other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Additional Cash Spent</b>	<b>\$0.00</b>	<b>\$3,189.00</b>	<b>\$3,198.57</b>	<b>\$6,208.16</b>	<b>\$6,217.79</b>	<b>\$6,227.44</b>
<b>Total Cash Spent</b>	<b>\$30,221.00</b>	<b>\$33,405.85</b>	<b>\$33,411.28</b>	<b>\$36,416.76</b>	<b>\$36,422.28</b>	<b>\$36,427.85</b>
<b>Net Cash Flow</b>	<b>\$45,813.72</b>	<b>\$46,605.49</b>	<b>\$50,784.65</b>	<b>\$52,182.61</b>	<b>\$56,810.84</b>	<b>\$61,681.36</b>
<b>Cumulative Cash Flow</b>	<b>\$45,813.72</b>	<b>\$92,419.21</b>	<b>\$143,203.85</b>	<b>\$195,386.46</b>	<b>\$252,197.30</b>	<b>\$313,878.67</b>

**Business Plan****Cash Flow (months) cont.**

	Jul	Aug	Sep	Oct	Nov	Dec
<u>Cash Receipts</u>						
Cash / Credit Sales	\$103,240.33	\$120,360.22	\$126,042.08	\$132,021.10	\$138,312.83	\$144,933.61
Bank Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash from Receivables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Receipts</b>	<b>\$103,240.33</b>	<b>\$120,360.22</b>	<b>\$126,042.08</b>	<b>\$132,021.10</b>	<b>\$138,312.83</b>	<b>\$144,933.61</b>
<u>Additional Cash Received</u>						
New Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Other Liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales of Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
New Investment Received	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cash Received</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL Cash</b>	<b>\$103,240.33</b>	<b>\$120,360.22</b>	<b>\$126,042.08</b>	<b>\$132,021.10</b>	<b>\$138,312.83</b>	<b>\$144,933.61</b>
<u>Expenditures</u>						
Cash Spending	\$1,516.00	\$1,520.55	\$1,525.11	\$1,529.69	\$1,534.28	\$1,538.88
Payment of Accounts Payable	\$28,680.34	\$28,671.74	\$28,663.14	\$28,654.54	\$28,645.95	\$28,637.35
<b>Total of Cash Spending</b>	<b>\$30,196.34</b>	<b>\$30,192.29</b>	<b>\$30,188.25</b>	<b>\$30,184.23</b>	<b>\$30,180.22</b>	<b>\$30,176.24</b>
<u>Additional Cash Spent</u>						
Non Operating Expenses	\$2,833.12	\$2,841.62	\$2,850.14	\$2,858.69	\$2,867.27	\$2,875.87
Principal Repayment of Borrowing	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Interest Only	\$404.01	\$405.22	\$406.43	\$407.65	\$408.88	\$410.10
Purchase other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Additional Cash Spent</b>	<b>\$6,237.12</b>	<b>\$6,246.83</b>	<b>\$6,256.57</b>	<b>\$6,266.34</b>	<b>\$6,276.14</b>	<b>\$6,285.97</b>
<b>Total Cash Spent</b>	<b>\$36,433.46</b>	<b>\$36,439.12</b>	<b>\$36,444.82</b>	<b>\$36,450.57</b>	<b>\$36,456.37</b>	<b>\$36,462.21</b>
<b>Net Cash Flow</b>	<b>\$66,806.86</b>	<b>\$83,921.10</b>	<b>\$89,597.25</b>	<b>\$95,570.53</b>	<b>\$101,856.46</b>	<b>\$108,471.40</b>
<b>Cumulative Cash Flow</b>	<b>\$380,685.53</b>	<b>\$464,606.63</b>	<b>\$554,203.88</b>	<b>\$649,774.41</b>	<b>\$751,630.87</b>	<b>\$860,102.27</b>

***MIC's Auto Body***  
Business Plan

**Balance Sheet (months)**

	Jan	Feb	Mar	Apr	May	Jun
<b>Assets</b>						
Cash	\$45,813.72	\$46,605.49	\$50,784.65	\$52,182.61	\$56,810.84	\$61,681.36
Inventory	\$10,689.87	\$10,690.78	\$10,691.70	\$10,692.61	\$10,693.53	\$10,694.44
Short / Long Term Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accumulated Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Assets</b>	<b>\$56,503.59</b>	<b>\$57,296.27</b>	<b>\$61,476.34</b>	<b>\$62,875.23</b>	<b>\$67,504.37</b>	<b>\$72,375.80</b>
<b>Liabilities and Capital</b>						
Accounts Payable	\$28,284.52	\$27,437.48	\$31,160.68	\$32,088.59	\$36,232.19	\$40,603.04
Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities	\$3,188.00	\$3,205.85	\$3,223.81	\$3,241.86	\$3,260.01	\$3,278.27
Long-term Liabilities	\$13,971.07	\$13,990.36	\$14,009.75	\$14,029.25	\$14,048.84	\$14,068.55
<b>Total Liabilities</b>	<b>\$45,443.59</b>	<b>\$44,633.69</b>	<b>\$48,394.24</b>	<b>\$49,359.69</b>	<b>\$53,541.04</b>	<b>\$57,949.86</b>
Paid-in Capital	4,167.00	5,542.11	5,726.66	5,917.36	6,114.41	6,318.02
Retained Earnings	\$6,893.00	7,120.47	7,355.44	7,598.17	7,848.91	8,107.93
Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Capital</b>	<b>\$11,060.00</b>	<b>\$12,662.58</b>	<b>\$13,082.11</b>	<b>\$13,515.53</b>	<b>\$13,963.32</b>	<b>\$14,425.95</b>
<b>Total Liabilities and Capital</b>	<b>\$56,503.59</b>	<b>\$57,296.27</b>	<b>\$61,476.34</b>	<b>\$62,875.23</b>	<b>\$67,504.37</b>	<b>\$72,375.80</b>

**Cash Flow (months) cont.**

	Jul	Aug	Sep	Oct	Nov	Dec
<b><u>Assets</u></b>						
Cash	\$66,806.86	\$83,921.10	\$89,597.25	\$95,570.53	\$101,856.46	\$108,471.40
Inventory	\$10,695.36	\$10,696.27	\$10,697.18	\$10,698.10	\$10,699.01	\$10,699.93
Short / Long Term Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accumulated Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Assets</b>	<b>\$77,502.22</b>	<b>\$94,617.36</b>	<b>\$100,294.44</b>	<b>\$106,268.63</b>	<b>\$112,555.47</b>	<b>\$119,171.33</b>
<b><u>Liabilities and Capital</u></b>						
Accounts Payable	\$45,213.33	\$57,793.65	\$62,147.02	\$66,731.92	\$71,560.54	\$76,645.75
Current Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities	\$3,296.63	\$7,317.75	\$8,111.29	\$8,953.40	\$9,846.88	\$10,794.63
Long-term Liabilities	\$14,088.36	\$14,108.27	\$14,128.30	\$14,148.42	\$14,168.66	\$14,189.01
<b>Total Liabilities</b>	<b>\$62,598.32</b>	<b>\$79,219.68</b>	<b>\$84,386.61</b>	<b>\$89,833.74</b>	<b>\$95,576.08</b>	<b>\$101,629.38</b>
Paid-in Capital	6,528.41	6,745.80	6,970.44	7,202.55	7,442.40	7,690.23
Retained Earnings	8,375.49	8,651.88	8,937.39	9,232.33	9,536.99	9,851.71
Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Capital</b>	<b>\$14,903.90</b>	<b>\$15,397.68</b>	<b>\$15,907.83</b>	<b>\$16,434.88</b>	<b>\$16,979.39</b>	<b>\$17,541.95</b>
<b>Total Liabilities and Capital</b>	<b>\$77,502.22</b>	<b>\$94,617.36</b>	<b>\$100,294.44</b>	<b>\$106,268.63</b>	<b>\$112,555.47</b>	<b>\$119,171.33</b>