

BOX & SHIP

*THE WRAP IT, PACK IT, SHIP IT,
ONE STOP SHOP!*

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About this Sample Entrepreneur Business Plan:

The following sample NxLevel™ Entrepreneur Business Plan was originally written by a class participant, and subsequently modified to protect proprietary information. As it is primarily a student's work, it is not represented to be a "perfect" business plan, although the presentation is in keeping with the NxLevel™ format and content. It can be used as a sample of what a business plan might contain, and as a model for constructing the various sections.

Your instructor may ask that you review certain sections and suggest improvements, modifications or additions. The purpose of each individual business plan may be different, with varied intended readers. You may also be asked to discuss what information might need to be included or deleted based on the purpose of the plan.

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Appendix Section

SECTION I. EXECUTIVE SUMMARY

Box & Ship has been in business for over twelve years. Box & Ship was started by Harry Alton, owner of Ansey Moving and Storage, and was located at 0003 Central Avenue. On August 12, 1996, Gregg and Linda Shadner purchased Box & Ship from Harry Alton and Ansey Moving and Storage. Box & Ship continued at 0003 Central Avenue until January 1, 1997 when it was moved to 3400 Central Avenue, Suite A, about one half block away and across the street. This move has proven to be very beneficial. Customers are much happier with the parking and looks of the new location and even though rent is about \$100 per month higher, utilities are less making the actual monthly expense about the same.

“Box & Ship” is the name of the business and the name of the corporation that Gregg and Linda started the day it was purchased. “Box & Ship” is also in the registered trade mark which is a partly opened box with the words “Box & Ship” inside (See example on cover page and in the appendix).

Box & Ship provides several services and sells many different products. As the name indicates, Box & Ship sells boxes including packing boxes, new and used moving boxes, pizza boxes, file boxes, specialty boxes, shipping boxes and even plastic boxes. Box & Ship keeps a large selection of boxes in stock, about 180 different sizes, and can order over a thousand more. To go along with the boxes, we also have packing paper, foam, packing peanuts, bubble wrap, paper pads tape, tape guns, envelopes, bubble bags banding kits and anything else our customers would need to pack their boxes. If the customers do not want to buy the material and pack themselves, Box & Ship will pack for them. This includes packing one item to an entire house to be packed at the customer’s home or at Box & Ship.

Box & Ship also offers a shipping service using United Parcel Service, Roadway Package Systems (owned by FedEx), FedEx, U.S. Postal Service, Yellow Freight Systems and several other international shippers. Customers can take advantage of Box & Ship’s shipping service whether they pack the boxes themselves or have Box & Ship pack the boxes.

Box & Ship also offers mailbox rentals to customers. These are what the post office calls “Private Mail Boxes” which have an advantage over renting mail boxes from the post office. Private mail boxes have a street address and presently can use a suite number making them more appealing to small businesses and home businesses. Private mail boxes can also receive packages from other carriers such as United Parcel Service and FedEx.

Box & Ship also provides services to the moving industry, which are called third party services. These services include assembly and disassembly of water beds, pool tables, wall units, crating and uncrating, appliance service including ice makers, washers and dryers.

As part of the business purchase, Box & Ship has two engravers that are used to engrave plastic and metal plates for trophies and awards. This has been a small part of Box & Ship's services and may have some potential to grow since there is currently only one other full service trophy and awards business in town. Box & Ship has been successful on several bids including three from the City of Cartville's Parks and Rec. Department and last year for the Cartville Girls Softball Association.

After doing research with the Associated Mail and Parcel Centers, I have found that Box & Ship is an average parcel center. Box & Ship's expenses and income all rank in the middle of other centers around the country. Box & Ship's gross sales in 1997 were just under \$200,000 which is in the high average incomes of parcel centers. Gross sales are up every month when compared to the same month a year earlier. This trend has continued since Box & Ship was purchased in August of 1996. Box & Ship has two peak seasons. The first peak season is December when customers are sending gifts to family and friends around the world. December sales are over double an average month with about a week in mid December where sales are about ten times normal. The second is late July and August when tourists are heading home from Cartville Western Days and want to ship their souvenirs home and students are heading away for college.

Box & Ship employs one full time employee and one part time employee. Gregg is the president of the corporation and is the full time employee who works from open at 7:30 AM until close at 5:30 P.M. Monday through Friday and Saturdays from 9:00 A.M. until 1:00 P.M. The part time employee works about twenty-five to thirty hours per week, during the busy times of the day. This schedule has been very effective to allow sales calls, pickups and deliveries. Linda is the vice-president of the corporation and works full time outside Box & Ship.

Box & Ship has several different types of clientele, but two main categories. The first is small businesses who like the free pickup and delivery service that Box & Ship offers to them. The second is the elderly female, who enjoys the services and convenience offered by Box & Ship.

Box & Ship plans to investigate several different areas of expansion including moving truck rentals and bulk rate mail service. Gregg and Linda also plan on purchasing a building to operate Box & Ship out of, which will ensure a permanent address for our customers to find us.

SECTION II. MISSION, GOALS AND OBJECTIVES

General Description of the Business

Box & Ship is a very versatile business that has been building a solid customer base for twelve years. As the name indicates, Box & Ship sells boxes for many different needs including packing, shipping, moving and storage. The boxes can be made of corrugated cardboard, chipboard (like cake and donut boxes), wood crates and even plastic.

Box & Ship sells packing and moving supplies to go with its boxes. This includes bubble wrap, foam, packing peanuts, packing paper, paper pads, tape, tape guns, shrink wrap and cell packs. We also offer complete packing systems for the commercial customer.

If a customer would rather let Box & Ship do the packing, we are more than willing to pack anything from one item up to an entire household. Our techniques for packing fragile items such as fine china and artwork are well proven and reliable.

Box & Ship offers mailing and shipping services that allow us to ship anything to anywhere in the world. It does not matter if we packaged the item or if our customers did, we will ship it. We have shipped solar power equipment to Siberia and western gear, a buffalo head and a long horn steer head to Holland to furnish a hotel. We ship utilizing United Parcel Service, United States Postal Service, Roadway Package Systems, Federal Express, Airborne, Yellow Freight Systems and many other international carriers.

In our shop, customers are offered the convenience of a self serve or full serve copy center, fax transmission and receiving service, mail boxes (with a suite number for an address), laminating, key duplicating and a folding/stuffing mailing service. Box & Ship also offers a full line of trophies, awards and engraving. We engrave nametags, dog tags, medals, and have several sources for unique trophy parts and supplies.

Box & Ship strives to have the best reputation in the business and the trust of our customers to want us to care for their possessions as if they were our own. Our customers know we like what we do and take pride in our work. We have a long list of established, loyal customers and that number is growing daily due to our good reputation in the community. Our customer base includes federal, state and local government agencies, businesses, and private parties who ship gifts to family members or return product to mail order companies. We also ship souvenirs home for visitors and tourists. We can ship personal belongings for people moving utilizing UPS or RPS hundred weight shipment, which is usually less expensive than a moving company for small moves.

Mission Statement

To provide a professional packaging service which earns us the trust of our customers by getting their possessions to their destination in their original condition.

Goals and Objectives

We currently offer free pickup and delivery for our customers and as our first goal we plan to add a personal courier service. For a small charge, we can pickup and deliver anything of any size, from an envelope or a gift-wrapped box to moving pianos and hot tubs.

Since Box & Ship already has everything it needs to accomplish this goal, the only objective we need is implementation and advertising which will be my responsibility to be done immediately.

Our second goal is to add bulk rate mailing services within the next year. I am responsible for this objective by finding the necessary funding to purchase the equipment needed for this service.

The first objective is to find out the cost of minimal mailing equipment needed to begin a bulk rate or re-sorted mail service. I have been in contact with an equipment manufacturer who has giving me an estimated equipment cost of \$11,000.

The next objective is to contact some prospective clients to see if they are willing to use the service. I will complete this task in June of 1998. The actual purchase and implementation of the bulk mail service will not occur until we have enough committed customers to pay all expenses of this service.

The next objective to be completed by me by August 1, 1998 will be to gain funding to purchase the needed equipment. The objective may include leasing the needed equipment from the vendor directly.

The final objective to be completed by September 1, 1998 will be to implement bulk rate mail service and to continue to gain customers to make the venture profitable.

Our third goal is to purchase a building within the next year. Our lease is up in December and I have already been told my rent will go up by at least \$100 per month.

I am responsible for the fist objective, which is to find a building in our same area with enough room for growth and parking. This may also include building on an empty lot. I have located a lot on Eighth Avenue which would be ideal however it is not zoned for business and the city engineers have stated there would be no way to change the zoning for my purposes. With no other available lots in our area, our two current options are the building we currently lease for \$250,000 or the Sinclair Service Station next door to our current location for \$175,000. Both of these would ensure the minimal disruption in

business.

By September of 1998, I will begin to inquire and find the best bank to pursue financing for the location we will have decided on. I have already been pledged \$15,000 by September by my father to aid in the purchase.

I plan to close on the new building by December of 1998 and then move into, or remain in our current location by January 1, 1998.

The forth goal is we plan to add rental truck service to our business and generate more cash flow and profit. This will also increase our moving box sales and take business from our box competitors by having this service.

Our first objective is for me to find a rental truck company that matches our high standard for customer service. From complaints I have heard from box customers, I feel Ryder and U-haul do not meet this standard. I will concentrate on Pensky and Budget, which only have one rental location in town for Pensky and none for Budget.

The second objective is to come to an agreement with a truck rental company and begin renting trucks.

Beyond 5 years a possible area of expansion for Box & Ship is manufacturing corrugated boxes. This will add to our main goal and enable us to better compete with the companies from Colorado who sell boxes locally at an untouchable rate.

SECTION III. BACKGROUND INFORMATION

The Industry

Background Industry Information

BOXES:

Box & Ship sells two types of industry boxes including corrugated & solid fiber boxes and the folding paperboard box, including stationary. All Packing and Shipping Centers sell boxes however most do not offer as many as Box & Ship.

The corrugated box and solid fiber box industry has been setting record highs in sales every year since 1994. The increase was 1.5% in 1996 over 1995. These types of boxes include moving, stock and shipping boxes.

The folding paperboard box industry has not seen the same increase. Folding paperboard boxes showed almost an 11% decrease in 1996, down from 1995's sales. This industry includes boxes used to package products such as Barbie Dolls. These boxes are not very strong but the benefit is that you can print graphics on them.

PACKAGE AND SHIPPING:

Box & Ship is part of the Packing and Crating industry. The mail and parcel centers portion of this industry is relatively young, and started in the late 1970's. The mail and parcel centers started with privately rented mail boxes in Southern California when the U.S. Postal Service did not have enough mail boxes available.

The businesses then expanded their services to include Parcel wrapping and shipping, overnight express, laminating, fax service, secretarial service, copying & printing, rubber stamps, notary service, postal services such as stamps, office supplies, shipping supplies, money transfer, money orders and key cutting.

The most current income figures for mail and parcel centers come from a survey in 1995 with 1994 figures. Most centers the size of Box & Ship grossed between \$100,000 and \$249,999 that year. Most of the business owners reported profits in the area of 10% to 19% which includes owner's salary, insurance auto's and other benefits to the owners. If owner's salary and benefits were not included in this figure, there would be little or no profits shown on the survey.

Current And Future Trends

Today there are about 5000 to 9000 Mail and Parcel Centers located throughout the country. Their customers include both consumers and businesses large and small. Incomes and profits remain about the same as 1994.

The Associated Mail & Parcel Centers did not have any information on future trends however MPC Magazine (Mail and Parcel Center) does have an article. The article talked about a mail and parcel center that added bulk rate mailing to its business which seems to be a new trend. The owner started out with used equipment but within a few months added new equipment due to his volume. The owner of the St. Louis, Missouri based Kwik Kopy store boasted a \$1400 per month, net profit from bulk rate mailing. Even though this mail and parcel center is in a large city, my preliminary information shows this service should work well here in Cartville as well.

Business “Fit” in the Industry

Box & Ship has been in business since 1985. It was started by Harry Alton, the owner of a local moving and storage company. Mr. Alton started the business partly to be an outlet for his new and used moving boxes. Harry had a friend in Wellsville, Colorado who also ran a moving company and started a pack and ship company. The friend was having good luck with his company so Harry felt it would do well here as well.

Harry started by having two full time managers. After about a year, one of the managers left leaving one manager working alone, full time. The owner's son would work at Box & Ship during his breaks from college. Box & Ship would occasionally get a bid with the state for a box order but overall they found it was very hard to compete with the Denver companies, which had full time salesmen making contacts in Cartville.

In 1995, the owner's son-in-law began working at Box & Ship. The owner felt with two full time employees, they could conduct more sales calls and increase box sales. They found little success and the added full time salary increased the business loss. By July 1996, Box & Ship was already showing a loss of more than \$13,000.

I purchased the company August 12, 1996 from the moving company. I found the company had an established clientele of both consumers and small businesses. I did not hire the former manager and kept the owner's son-in-law on as a part time employee. The year ended with a loss of about \$3,500.00, which wasn't bad considering I added a computer manifest system and crating tools.

In 1997, Box & Ship grossed \$189,000. Box & Ship is very strong and has increased clientele. Our accounts receivable and commercial accounts have doubled, and we have added a free pickup and delivery service, which made our services more desirable by commercial accounts.

SECTION IV. ORGANIZATIONAL MATTERS

A. Business Structure, Management & Personnel

Business Structure

Box & Ship is a regular corporation at present. Due to a loss in the business for 1996 we remained a C corporation for 1997, which showed a small profit and are able to take the \$3500 loss off of the 1997 taxes. By March 15, 1998, we will file for Sub-chapter S Corporation status for 1998 and beyond. This decision was made based on Box & Ship's accountant's recommendation due to the assumption that the business will be operating with a small profit in the next few years.

The shareholders for Box & Ship are Gregg W. Shadner and his wife, Linda L. Shadner. Gregg owns 51% of the business and Linda owns 49%.

Management

Gregg Shadner is the President/Secretary of the business and Linda Shadner serves as the Vice-president. Gregg works full time at Box & Ship and is the CEO. Linda, (see resume in Appendix), works outside Box & Ship and is not compensated at the present time.

Most of the day to day operating decisions are made by Gregg. Gregg has training in personnel management and dealing with the public, (see resume in Appendix). Gregg operated a firearms and police supply business called Cop Stuff from 1989 to 1994. During this period of time, Gregg learned how to deal with vendors and purchase firearms and supplies at the best prices possible. Gregg also learned customer relations, sales, inventory and accounting skills which he uses today at Box & Ship.

Gregg has worked a total of four years in the moving and storage industry, which gave Gregg the needed experience in crate building, packing and transportation. Gregg worked two years out of high school packing boxes and trucks with household goods. Gregg had an excellent record of having very low claim rates at the moving company which shows he knows how to pack items as needed to ensure the do not get damaged.

During his second time working in the moving and storage industry, Gregg worked as both the operations manager/dispatcher and as a salesman. Gregg showed he is very versatile which is a must for a small business with only one full time employee. Gregg and his wife Linda Shadner have a wonderful marriage with the needed communication to make it work. This proves most valuable to Box & Ship's management team. Gregg and Linda talk daily about Box & Ship and Linda has input on all major decisions before action is taken.

Linda is an excellent source for input into the business and gives a second prospective which is vital to making good choices. Linda and Gregg's unique relationship and mutual respect make the management of Box & Ship run very smoothly.

Personnel

Box & Ship has one part time employee year round. During the busy Christmas season, Box & Ship needs at least three full-time employees for most of the month of December and four full-time employees from mid December, to about December 20th to 22nd.

Family and Friends make up the part time employees of Box & Ship. Kevin Shadner and his girl friend Kathy worked this last season and so did Bill Olden, a retired state worker. There have not been any problems this last season with hiring family and friends and as a matter of fact we had fewer problems with family and friends than with strangers.

Training for new employees comes from seeing and then by doing. There is no way to teach every possible packing situation so you can only teach the basics and then the employee learns by doing. This can take several days because you start to train new people before the rush begins. You may only get about ten packages a day to pack so it takes long to get the experience needed. I prefer to do the initial training myself so I know that everyone packs items the same way and so that I feel comfortable with everyone's packing skills before they pack on their own.

Employees are all compensated by an hourly wage. Seasonal employees earn less than \$600 in the year and are paid contract labor. Our permanent part time employee is paid by the hour and also gets free medical insurance.

Outside Services/Advisors

Box & Ship uses only a certified public accountant as an outside service. Our accountant is Lou Hoffer who is a family friend and has done our taxes for about eight years. Lou is called on at tax time when she completes Box & Ship's federal income tax return and throughout the year to answer questions as needed.

The only other outside service Box & Ship has used is an attorney for a legal issue.

Box & Ship does not use an advisory board but we do ask the opinions of our accountant, family and friends about important issues. We will consider using a more formal advisory board in the future when we have a big issue to decide. At that time I would have myself as the expert on Box & Ship, our accountant as our financial expert, a good customer and friend as an outside advisor and Linda as the other board member who is aware of Box & Ship issues.

Risk Management

Box & Ship has a very good insurance plan that covers fire, theft loss and general liability. The policy even covers employees driving their own cars while working.

Box & Ship is enrolled in the Nevada Workers Compensation Program for its employees as well as for the myself as the owner.

Box & Ship has a group health insurance for my family and for Kathy which includes life insurance for Kathy, myself and for Linda. Kathy did not need family coverage since her children are covered on her ex-husband's insurance.

As the business grows, risk management will need to be continually addressed. If the purchase of the building becomes a reality, the entire insurance policy will be reviewed, including issues regarding the rights and responsibilities of tenants for their own insurance.

SECTION IV. ORGANIZATIONAL MATTERS—CONTINUED

B. Operating Controls

Record—Keeping Functions

I maintain total control of Box & Ship's Record keeping system. I do all of the accounting at the business using QuickBooks Accounting program. Each day, my point of sale program exports to QuickBooks, which saves me a lot of time. I do most of the accounting first thing in the morning before business picks up. I do all the accounting do to financial reasons more than because of a lack of trust. I also enjoy keeping the books and find I am always the best-informed person about Box & Ship. If I have any questions, I contact my accountant, Lou Hoffer, who also does all of my income tax return.

Other Operations Controls

Box & Ship does not have a need for extensive checks and balances since I work from open till close and only have one part time employee. I check out the cash drawer every night and find that the two of us are very good at giving back the right change with accurate daily cash counts. Box & Ship does not sell things that are in high demand or can be resold so employee theft and shop lifting are not problems.

SECTION V. THE MARKETING PLAN

A. The Products/Services

Products/Services Description

CORRUGATED BOXES:

Box & Ship sells shipping or stock boxes. These boxes are usually white but can also come in the same sizes in natural or brown cardboard. The white boxes are made by painting one side of the natural cardboard. All of these boxes are corrugated for strength. Corrugated means the box has two flat pieces of cardboard glued together with a piece of cardboard sandwiched between them, which looks like waves. The peaks of the wavy cardboard are all glued to the top flat piece of cardboard and the valleys are all glued to the bottom flat piece of cardboard. This makes a single walled piece of cardboard. There are different styles of this center wave cardboard which are called flutes, which are to increase the strength of the cardboard. Another way to increase the strength of the above single walled cardboard adding a second wall. This is done with another flat piece of cardboard and another wave cardboard glued to either side of the single walled cardboard. This makes a double walled box, which is much stronger and heavier.

Another use for the corrugated box in the moving boxes. Box & Ship can sell stock and shipping boxes as moving boxes but they are usually more expensive than the standard moving boxes. The moving boxes are less expensive because there are a select number of different sizes of these boxes and each size has its designed purpose. This means more of the boxes of each size are produced, lowering the cost.

Below are the standard moving box sizes and their most common use:

Volume Measurements in inches

1.5 cubic feet 16 5/8 x 12 5/8 x 12 5/8

3.1 cubic feet 18 x 18 x 16

4.5 cubic feet 24 x 18 x 18

6.0 cubic feet 24 x 18 x 24

Common name and use

Also called a book carton, this is used to pack heavy items such as books and record albums, Which is what it was originally designed to hold.

Also called a medium box is used for medium weight items like pots and pans.

Known as a medium large box and is used for light items like plastic toys and Tupperware.

Known as a large and sometimes extra large. This is rarely used due to its size. It should be used for very light items such as lamp shades.

Volume Measurements in inches

5.25 cubic feet 18 x 18 x 28

Common name and use

This is a dishpack and is used to pack glass, dishes and breakables. This is a very strong box and made of double walled cardboard.

These are the standard moving box sizes but not all of the moving boxes. In addition to the above sizes are several different sizes of wardrobe boxes which come with a metal bar to hang clothes on and two different types of mirror cartons which are used for pictures as well. There are also lamp cartons, gun cartons and mattress cartons. Moving boxes are always natural or brown which helps to keep the cost down.

The corrugated cardboard can also come in flat sheets to be used as a backing or cut into circles for pizza and cakes. Box & Ship stocks all of the common sizes of circles and square cardboard and can order any other size.

Box & Ship has many competitors for box sales including locally and from the region. The stock and shipping boxes are manufactured by a Dateville company called Thedco. Thedco is our vendor but also our competitor. Thedco has salesmen that come to Cartville and compete for the same customers. Other competition includes Shipper's Supply, Dixon Paper and a long list of Colorado companies. They all purchase the boxes from Thedco, most at a higher discount due to higher volume than that of Box & Ship. The advantage we have over these companies is that we are local and most people and companies want the boxes right away or they just prefer to buy from a Nevada company.

On a local scale, Box & Ship competes with moving companies and truck rental companies for moving boxes and with other mail and parcel centers for both stock and moving boxes. Box & Ship stocks the same moving boxes that the moving companies and truck rental companies stock but we sell them at a lower price. Box & Ship also buys and sells used moving boxes which puts us ahead of the truck rental companies who only sell new boxes. Moving companies do sell used boxes but at a higher price. Their main function is to pack the boxes they sell which means they do not advertise or push the selling of boxes.

Box & Ship has no competition when it comes to selection. With over 180 different sizes of boxes in stock, no other company comes close. Most other companies stock thirty to forty different sizes. This may sound like Box & Ship has a lot of money tied up in a large inventory but that is not the case. Box & Ship stocks the minimum quantity or one bundle of each size. One bundle is usually twenty-five boxes but on larger boxes, it drops to five boxes. Box & Ship's total box inventory is under \$10,000.

CHIPBOARD OR FOLDING BOXES:

These types of boxes are not as popular and include pizza boxes, shirt boxes, paper boxes, cake boxes and so on. This is a hard market to get into because most businesses that use this type of

thin cardboard box purchase them from their franchises directly. These boxes usually have the franchise logo and other graphics printed on them and come from one manufacture for the entire country, which makes them impossible to compete with.

If the company uses this type of box without logo's on them, they usually purchase them from their main vendor who sells them at a lower cost due to the high volume.

No other local company competes with Box & Ship in this market. Box & Ship's competition all comes from out of state including the franchise main offices.

ACCESSORIES:

Box & Ship sells many different kinds of packing supplies including foam packing peanuts, packing foam, bubble wrap, newsprint, tape, tape guns, banding kits, bubble bags and more.

Box & Ship also offers copy service, mail box rentals, faxing service, laminating and key making. Though these services do not bring in very much money, they are a service that brings people into the store to see what else we offer.

The local packing and mailing companies do sell these items but they do not keep the selection and choices in stock that Box & Ship does. Box & Ship's main competition in this area is also from Colorado. Box & Ship would be the first choice due to being local for most one time buyers but Box & Ship thrives to stay competitive with the Colorado companies for the business of the regular users of these items.

PACKING SERVICE:

Box & Ship will sell any of its packing supplies direct to the customer or we will use them ourselves and pack the customers property for them. Our packing service is not just limited to small single pieces to be packed for shipping but even includes packing up a person's entire house full of belongings when they are moving. We will pack as much or as little as the customer desires and will pack at our location or anywhere the customer likes.

Packing items for shipping is different than packing items to be moved. This is due to the level of care the handlers use when moving or shipping the item. Movers do not throw or drop boxes as often as shipping employees do. The high volume of boxes the shipping employees move leads to less care being exercised because of the need for speed to move the greater volume. Due to this, shipping companies have rules covering the packing of items they ship. The boxes must be corrugated and there must be at least two inches of padding between the breakable item and the box on all sides.

An example of the different types of packing would be dishes. Dishes packed for moving are wrapped in newsprint or large sheets of paper and stacked on their ends in a dishpack. If any extra filler is needed, the packer normally uses paper. When the same dishes are packed to ship,

no paper is used and the dishes are wrapped in plastic bubble wrap. We then place the dishes in a smaller box like a book carton and then into a larger box with at least the two inches of padding in the form of foam or peanuts around the inner box. We normally use a dishpack as our outer box due to its strength.

Box & Ship will also build a wood crate for valuable items such as paintings and artwork, which require more care. Only the moving companies offer this service but they cannot compete with our experience and different types of packing material to care for the items. Moving companies do not have the tools to build the quality crates that Box & Ship builds.

SHIPPING SERVICE:

Box & Ship will ship anything that needs shipped, to almost anywhere in the world. The only items we will not ship are hazardous materials due to the liability and regulations involved. Size is not a big concern because we can ship using a freight company if the items are too big for the U.S. Postal Service or United Parcel Service.

Box & Ship can ship items using United Parcel Service, Roadway Package Service, United States Postal Service, Federal Express, Airborne, Yellow Freight, Roadway Express, and many others.

No other company in town offers the variety of shipping options that Box & Ship offers. During the UPS strike last summer, the other mailing and packing stores had to use the U.S. Postal Service or FedEx exclusively. Box & Ship also had Roadway Package System or RPS and had been a customer of theirs for a year. RPS is very competitive with UPS and gave Box & Ship an edge for shipping. Companies who had UPS accounts and did not ship with RPS prior to the strike could not sign up for RPS service so some of them shipped items through Box & Ship to save money over FedEx and the U.S. Postal Service.

Features/Benefits

Box & Ship strives to be the best at what it does and make people want to come back. The Boxes and accessories that we sell are manufactured at the same place that our competitor boxes are manufactured so there is no difference in quality over our competitors. Our biggest feature to our box sales and to our entire business is service. We go to the extra expense to stock a large selection of different sizes of boxes to meet the customers need and if we do not have a box size or accessory in stock, we will have them for the customer by the end of the week. The benefit of this to our customer is that they do not need to buy a larger box than they need which cost them more for the box and more for the added packing and filler they need to fill the box.

Service is also the name with both our packing and shipping services. We treat every customer as a friend. We get to know our customers and offer little extras like taping up boxes that the customer brings in at no charge. We also act as a drop off point for UPS at no charge to our customers for prepaid packages. Another free service we offer is postage stamps, which we sell

at face value. Our best service for our customers is our free pickup and deliver service. If a customer purchases boxes and cannot transport them, we will deliver them at no charge. We also pickup packages to ship through our store at no extra charge. This has proved very successful in the past and gains Box & Ship regular customers who normally would ship directly through UPS. The expense is minimal compared to the extra business Box & Ship gains. UPS charges \$6.00 per week for a daily pickup, which would look very inviting if Box & Ship charged for its package pickups for each trip. Currently, Box & Ship makes up to 5 pickups a week for all of its customers. These pickups are made at the same time and with other errands to minimize the expenses.

The benefit to our customers is convenience and time savings. They do not have to send someone or go to UPS themselves and wait in line. We also benefit because we can complete the service when we have extra time and do not have more customers waiting in line for service, which makes those customers happy as well.

Our packing benefit is the quality packing we offer. This is a great value for our customers because for an extra one to two dollars over the cost of the box and packing material, we will professionally pack the customer's items. Many times a customer will come into buy a box and ask us how they should pack their very delicate item. We begin to describe the way we would pack the item and by the time we get done, they will not buy anything and return with the item for us to pack and send for them for the customer.

We do not have secrets about how we pack things, which is to our advantage. If we had a secret "recipe" for packing that we would not tell our customer about, they would not feel like our friend because we would not trust them and they then would not trust us. Open communication is the importance of any friendship, so that is how we do business.

We also offer our packing service separate from our shipping service. This benefits the customer if they are having an item packed to take on a plane with them, or if they do not want the pay our added service charge for shipping and just want something packaged for they to take directly to the post office or to UPS. We do recommend a form of shipping to the customer based on the weight and value of the item being shipped. There are strong points about any of the mailing and shipping companies which we point out to our customers so they can decide the best way to ship.

Another feature of shipping through Box & Ship is that we handle the problems for the customer. If a package is lost or damaged, we handle the problem completely for the customer. We track the packages and file all the claims. All the customer has to do is wait for a check. We also ship a replacement item at no charge including packing if we packed the original. This again saves the customer time, phone calls and frustrations. Even if the damaged item was not packed by Box & Ship, we still handle tracking the package and filing the claim for the customer. The only

difference is that if the shipping company denies the claim because it was improperly packed, Box & Ship does not pay the claim as we would if we had packed the item.

Box & Ship's reputation with the customer and with shipping companies is another feature we have built. Box & Ship has never had a claim that was not paid on a package packed by us. Our reputation is so strong with United Parcel Service that we are recommended over all of our competition as where someone should go to have items packed to be shipped. We have had people sent here from the counter at UPS where the clerk refused to ship something for a customer because it was not packed properly. Most of these people will bring the item in and we will pack and ship it for them and they find out how convenient we really are because they have already wasted time going to UPS, waiting in line and being sent to us. The next time the customer is more likely to come back to us to save time, trouble and the embarrassment of going directly to UPS.

Life Cycles/Seasonality

All of Box & Ship's products and services seem to be in the same life cycle, which is the maturity cycle. Box & Ship sales hold steady and unless we aggressively market a product, the sales stay the same or maybe increase a small percentage. We have decided to raise our prices a small amount on all of our products and services, but still keep them below the competition prices. I find a lot of our moving boxes sell because our price is less. Most people call in first to price our boxes and then when they find our prices more affordable.

When we price boxes to our commercial account customers, we tend to price slightly above our Colorado competition's prices. This does not seem to bother them since they like our convenience of being local and keeping their favorite boxes in stock at all times. This only means we are one pricing level above our Colorado competition which amounts to a few penny's a box. I do not think we could keep these customers if we were much more above that. The Colorado companies seem to promise next day service, which keeps the difference between price and convenience very close.

Box & Ship has two different seasons. The first season groups packing/shipping boxes with packing, shipping and accessories. This season is based largely on holidays or events. It starts lower in January, at about a low average then grows for February to a high average for Valentines Day. Shipping then drops some through March, staying average and picks back up for Easter to a high average. Shipping drops to average for then next few months until July where it picks up for Cartville Western Days to a high average. This volume continues through mid August when shipping drops back to average and then to a low average through September and October. We pick up to a high average for about a week before Halloween then drop again until late November. Business picks up to a high average for the last week of November and then to a Peak for about two and a half weeks in mid to late December. This one-week peak is about ten times our normal volume, with the biggest day on the Monday closest to the 15th of December.

The second seasonal products are associated with the peak moving times. People buy moving boxes and supplies about a month before they actually move. January starts the year out at the lowest level of average, almost zero sales. February picks up to average sales where they remain through April. Towards the end of April, sales increase to a high average and then the peak moving box season is May, which is about double the average sales. In June, July and August, sales stay at a high average and then drop September through December to about average.

Products/Services Growth Description

Our new service we plan to add is bulk rate mailing service, also called presorted mail. We hope to add this service within the next year. This service is ideal for businesses and government agencies that send regular large mailing of over 500 pieces and do not have the equipment process them. With this service, we will have a folder/insertor, addressing machine and postage machine, which are all automated requiring very little labor. These machines will be capable of meeting the postal requirements for a lower postage rate.

This service is the best new service to add to Box & Ship because it will fit into the package and mailing services we provide for packages now. Box & Ship will be able to perform the service and make enough money to pay the expenses and make a small profit and still save the customer money.

Currently there are no other companies with this service in town. Uniservice Corporation has the machines and do process some mailing but really do not have the time or desire to process very many. There are several groups who can use this service including the University of Nevada's Alumni Association and Nevada Game and Fish just to name a couple.

Many mailings are done quarterly and some are done monthly. This is a new service to packing and mailing centers like Box & Ship. It is a service that is in the growth cycle due to the already high price of postage and is still on the rise. The seasonality would be the first month of each quarter would be busier than the next two months of each quarter and then the monthly mailings will stay steady throughout the year.

Box & Ship will charge a service charge, which will come from the savings and not an additional fee to the mailing organization. Mailing organizations that would normally pay \$.32 for each piece, would save money at Box & Ship because the mail would now cost \$.18 a piece which Box & Ship could split the savings with the mailing organization.

Since the bulk mailing will be more regular and stable than packing and shipping, it is an excellent addition for Box & Ship. Bulk mailing will help keep employees busy during the slower periods and increase the cash flow for Box & Ship.

SECTION V. THE MARKETING PLAN—CONTINUED

B. The Market Analysis

Customer Analysis

Box & Ship has two distinct customer profiles. The first of these profiles is the small commercial businesses. These businesses are both mail and female owned and of all different ages. They are small enough businesses that they do not ship every day so they do not need a daily United Parcel Service pickup and do not want the hassle of maintaining a UPS account for as little as they need to ship. They ship packages once to three times a week. Most of the businesses drop their packages off at the box shop but some call and have Box & Ship pickup their items. They also purchase packing supplies and usually pack their own boxes rather than having Box & Ship pack them. Most of these customers are billed monthly by Box & Ship which makes it easy for them to ship by just dropping off the package(s) and then we ring them up when we have the time, taking care of our cash customers first. They use Box & Ship because it is easier and very convenient. They do not have to wait in line or have their employee wait in line as they would at UPS. We have much longer hours and can also ship using other services, finding the least expensive and best service for each package. It is also a benefit for the businesses that we can charge all the monthly packages and bill the company once a month saving the hassle of paying with petty cash or a check for every package.

The second customer profile is individuals who ship to family members, product returns or other places occasionally. They are primarily female, 40 years of age and older and in an income level of \$50,000 and up. They live in the 00001 zip code and in the avenues. They are usually married and have a family, usually grown children and are college graduates. They are predominantly white and like to mail order shop. Their family members live out of town either temporarily at college or permanently and are raising their own families. They ship during the day and usually not on weekends and are regular customers, shipping more at holidays.

Competitive Analysis

Our three main competitors are Mail Box Etc. on Delley Blvd., Mail Box Etc. in Cartville Plaza on East Linklane, and The Postal Center on East Perly Blvd. The first two are franchises, a factor which is both a strength and a weakness to their operations. The strength is they have a nationally recognized name and are readily known. They also can get financial assistance with local advertising and benefit from national advertising campaign done by the main franchise. The disadvantages are that they must pay part of their income to the franchise and pay a fee to be part of the franchise. These fees force them to raise their prices which are already higher than Box & Ship due to franchise requirements. Location is another difference between Box & Ship and all

three competitors. Because this business depends on being convenient to the customer, all businesses will draw on their own neighborhoods for the business in that area. The business with the best exposure is the Mail Box Etc. on Delley Blvd. Delley is the most traveled street in the state. This is also a disadvantage because it is so busy many customers do not want to deal with the traffic, especially the older customers.

Market Potential

Current Trade Area

Box & Ship's current trade area is in zip codes 00001 and 00009, west of Conover. This is due to customer income levels, which need to be hired for them to want to pay extra for the convenience of shipping packages and having them packed at Box & Ship. Since Box & Ship is located on Central Avenue, this allows Box & Ship to draw from the customer base in northern Cartville and north of town. Most of the customers and potential customers are professionals who work in downtown Cartville and Central Avenue is the main road leading to downtown Cartville.

Market Size and Trends

There are about 30,000 people in the market area. The area is on the increase because of building north of Cartville and in Western Hills. This building is for higher priced homes, which is just the customers Box & Ship wants to target.

Market Potential

Box & Ship is increasing in sales and it is expected to continue to grow. I estimate the sales to increase in 1998 by about five percent over the 1997 sales. This will increase to a gross sales figure of about \$210,000. The sales have been increasing which is due to moving the business to a more professional, cleaner and better building. Also our improved service has been recognized and spread to other customers in the trade area. We are also doing additional advertising in the yellow pages, which is helping promote our extra services like mail box rentals, faxing and copy service.

C. Market Strategies

Location/Distribution

Box & Ship is located at 3400 Central Avenue Suite A. This is one half of a block from its original location at 0003 Central Avenue where it was started in the middle 1980's. This new location is in a building that was built in 1992 and is a modern building with white with green trim steel siding. The building is a duplex with a shared, lighted sign in front. Eagle Travel is in the second part of the building and each business has its own entrance. Across the street is The Eagle Inn, which is almost seventy years old, is a well know land mark. Next door to the north is a Sinclair Service Station. North of the service station is a business complex with two additional stores. Across Central Avenue to the east are many more businesses including States Auto Parts, Wilhite Federal Credit Union, United Blood Services, Monate Electronics and Dial-A-Maid. Closer to the

Airport are Blue Cross and Blue Shield insurance, ERA Properties, Cartville Airmotive and a United States Post Office.

All of these businesses attract customers to our area. Wilhite Federal Credit Union is one of the busiest credit unions in town. The ERA Properties is a real estate agency which brings people who are moving to the area which helps with Box & Ship's moving box sales. The other businesses all increase traffic to the area but do not directly improve Box & Ship's business.

Price/Quality Relationship

Box & Ship is priced in different ways for different products. The shipping services we use are the same as all of our competitors except we offer more shipping choices. Since we give the customer more choices of companies including all that our competitors give, I would say we have a little better quality than our competitors. Otherwise, the quality of our shipping is the same as our competitors because we both ship primarily through United Parcel Service. I do go a few steps ahead of my competition and do extra to ensure that speedy deliver times are met. If a package comes in at night after United Parcel Service has already picked packages up from me for the day, I have arranged to be able to take the next day or second day packages to United Parcel Service and they will let me in the employee entrance to get the packages out that night. Pricing is very similar between myself and the competition except we make the extra efforts to save the customer money by cutting down large boxes if they ship as over sized which can save the customer half of what they would have paid.

Packing quality at Box & Ship is the best in town. We have Kathy and myself as packers and Kathy has worked for me from the second month of business. We also get a lot of donated used packing foam which is too expensive to purchase but it is the best packing material there is. Since we get it for free and only have to pick it up, we can use it when we pack for our customers at a fraction of the cost if it were new product. We do the same with used packing boxes and the customers are very happy to save money and send items using good quality used material. This is something my competition will not do because it is too much trouble. If we do have to use new material, I purchase boxes and packing products at a lower price because of my volume, which still allows us to keep our packing prices below our competitors for better quality.

Promotional Strategies

Packaging

Box & Ship portrays an image of a casual, hard working business. We want customers to see that we do work hard for them. Box & Ship is kept clean but casual. Box & Ship also portrays a professional business with its forms, which are all typed and not hand written. Box & Ship uses a word processor to produce its letterhead and uses professional purchase orders, invoices and sales receipts. Box & Ship's business cards and shipping forms are all professionally produced and have Box & Ship's registered trademark on them. Employees dress neatly but casually so that

they can pack and build crates without damaging their clothing. Customers expect Box & Ship to be efficient and not flashy so that is the image we present. Customers feel comfortable in our store and we make them feel like a place they would like to come back to.

Public Relations

The best source of networking and public relations in Cartville is the Chamber of Commerce. They have many functions which draw many of the business community to them. They have the business after hours and one of the best sources is the business to business showcase done twice a year. Box & Ship has been a member of the chamber since 1989 under the former management and for over a year, under my ownership.

Charity is also a good way to show a good business image. It is important to be very selective where and how much you give. Fortunately many of the charities realize that advertising and contributions go hand in hand. I recently contributed to the American Cancer Societies fund raiser walk and I will have a professional banner displayed during the walk for Box & Ship. Charities also run ads in the newspaper thanking their sponsors. I have also tried to contribute to schools in a way that saves them money but costs Box & Ship very little or nothing. Since Box & Ship also does trophies and engraving, this has been an excellent opportunity to do just that. This year, Carley Junior High School need some academic pens for their students. I ordered them for Carley at cost, saving the school almost three thousand dollars. During the award presentation, Carley honored us with a thank you in the program.

Advertising

Box & Ship's most important form of advertising has been in the US West Dex yellow pages and phone book. Box & Ship does such a variety of services and products that this has been expensive, using up most of the advertising budget but it is vital. Along this same line I have found that the Internet is also a place to keep a web site to catch customers that do not have a Cartville phone book or that make it a practice to look companies up on the Internet. Through experience, I have found that no matter how much advertising on the radio or in the newspaper, people do not want my services until they need them. If I run a special on an over stocked box, people will not rush right in to save money like they would a car, or clothing. The most I can hope for is to keep the name of Box & Ship in peoples minds so that when they need my services, they will think of us.

I made it a rule for advertising, based on past experience, that I do not advertise with anyone who contacts me cold without being solicited by me first. I find my advertising money is spent much more efficiently by following this practice.

SECTION VI. THE FINANCIAL PLAN

A. Financial Worksheets

See the following worksheets and assumptions:

Salaries/Wages & Benefits

Outside Services

Insurance

Advertising Budget

Occupancy Expense

Sales Forecast

Cost of Projected Product Units Sold

Existing Debt

Miscellaneous Expenses

(Please note that some amounts have been rounded and may not be exact.)

EMPLOYEE SALARY/WAGE & BENEFITS WORKSHEET-Annual

MONTHS EMPLOYEE TITLE	1	2	3	4	5	6	7	8	9	10	11	12	YEARLY TOTAL
1. PRESIDENT	2469	2469	2469	2469	2469	2469	2469	2469	2469	2469	2469	2469	29,628
2. PART TIME	842	842	842	842	842	842	842	842	842	842	842	842	10,104
3. CONTRACT		99				126						275	500
4. CONTRACT												539	539
5. CONTRACT												183	183
6. CONTRACT												55	55
MONTHLY TOTALS	3,31 1	3,41 0	3,31 1	3,31 1	3,31 1	3,43 7	3,31 1	3,31 1	3,31 1	3,31 1	3,31 1	4,36 3	41,009

EMPLOYEE SALARY/WAGE & BENEFITS WORKSHEET (Monthly)

TITLE: PRESIDENT		NOTES:	
WORK PERFORMED: CEO			
SALARY/WAGE PER MONTHLY: \$1875			
MANDATORY BENEFITS:		OPTIONAL BENEFITS:	
SOCIAL SECURITY	\$143.44	MEDICAL INSURANCE	\$333.60
FEDERAL UNEMPLOYMENT	\$37.50	DENTAL INSURANCE	
STATE UNEMPLOYMENT	\$28.44	VISION INSURANCE	
WORKERS COMPENSATION	\$51.00	LIFE INSURANCE	INCLUDED WITH HEALTH
OTHER		DISABILITY INSURANCE	
		PENSION PLAN	
		PROFIT-SHARING PLAN	
TOTAL MANDATORY	\$260.38	OTHER	
		GRAND TOTAL	\$2,468.98

EMPLOYEE SALARY/WAGE & BENEFITS WORKSHEET (Monthly)

TITLE: PERMANENT PART TIME		NOTES:	
WORK PERFORMED: PACKING, FRONT COUNTER			
SALARY/WAGE PER HOUR/MONTHLY: \$622.00			
MANDATORY BENEFITS:		OPTIONAL BENEFITS:	
SOCIAL SECURITY	\$47.54	MEDICAL INSURANCE	\$137.45
FEDERAL UNEMPLOYMENT	\$4.97	DENTAL INSURANCE	
STATE UNEMPLOYMENT	\$12.74	VISION INSURANCE	
WORKERS COMPENSATION	\$16.90	LIFE INSURANCE	INCLUDED WITH HEALTH
OTHER		DISABILITY INSURANCE	
		PENSION PLAN	
		PROFIT-SHARING PLAN	
TOTAL MANDATORY	\$82.15	OTHER	
		GRAND TOTAL	\$841.60

OUTSIDE SERVICES WORKSHEET

	WHO	COST per month	COST per year
Accountant	LOU HOFFER	41.67	\$500.00
Insurance Broker	CNA	41.67	\$500.00
TOTAL MONTHLY COST			
TOTAL ANNUAL COST			\$1,000.00

TYPE OF INSURANCE WORKSHEET

TYPES OF INSURANCE	REQUIRED	TYPE/COVERAGE	ANNUAL COST
Protecting Your Business			
General Liability	OPTIONAL	Two Million Dollars	PART OF \$500/YR POLICY
Errors/Omissions	REQUIRED	Notary Public	\$35.00
Automobile Liability	OPTIONAL	Full Coverage	PART OF \$500/YR POLICY
Fire and Theft	OPTIONAL	Full Coverage	PART OF \$500/YR POLICY
Protecting Yourself and Employees			
Workers' Compensation	OPTIONAL	MYSELF AND EMPLOYEES	\$347.33
Medical (Group Health)	OPTIONAL	FAMILY	\$5160.00
Life	OPTIONAL	MYSELF AND EMPLOYEE	PART OF GROUP HEALTH

ANNUAL ESTIMATED ADVERTISING BUDGET WORKSHEET

	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	ANNUA L TOTAL
YEAR ONE	493	293	543	293	293	293	493	293	493	293	393	493	4,666
YEAR TWO	518	293	293	293	293	293	493	293	493	293	393	493	4,441
YEAR THREE	518	293	293	293	293	293	493	293	493	293	393	493	4,441

OCCUPANCY EXPENSES

	Months	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	Yearly Total
1	Rent Payment	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	15,396
2	Property Taxes										193			193
3	Electric & Gas	110	93	89	70	67	76	97	88	88	92	112	125	1,107
4	Telephone	586	370	384	382	385	363	384	405	375	387	352	382	4,755
5	Snow Removal	100	100	75	75						25	25	50	450
	TOTALS	2,079	1,846	1,831	1,810	1,735	1,722	1,764	1,776	1,746	1,980	1,772	1,840	21,901

SALES FORECASTING WORKSHEET

Months	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	Yearly Total
FREIGHT AND SHIPPING SALES													
SALES	6,286	8,265	6,128	6,974	6,089	10,244	8,195	5,321	7,146	6,888	6,987	21,589	100,112
CUSTOM PACKING CHARGE													
SALES	442	570	539	603	361	1,285	922	296	376	443	329	1,625	7,791
CUSTOM PACKING MATERIAL													
SALES	1,020	1,169	934	1,426	865	1,539	1,891	727	950	942	998	3,865	16,326
INSURANCE													
SALES	353	337	467	630	366	377	425	367	428	427	358	761	5,296
MAILBOX RENTAL													
SALES	72	78	84	90	96	112	118	124	130	136	142	148	1,330
PACKING BOXES													
SALES	1,216	1,885	961	1,164	1,727	2,258	1,436	1,043	1,331	2,675	1,290	2,527	19,513
USED MOVING BOXES													
SALES	45	402	233	224	473	334	648	438	253	327	403	216	3,996
NEW MOVING BOXES													
SALES	716	1,011	571	1,246	464	1,016	435	710	686	662	373	358	8,248
FAXES													
SALES	85	77	99	75	48	81	63	41	107	92	61	68	897
COPIES													
SALES	116	60	170	115	125	50	50	150	175	189	156	196	1,552
ENGRAVING													
SALES	4	1	16	17	5	8	0	52	143	84	111	33	474
ACCESSORIES													
SALES	1,385	420	4,448	1,278	1,872	945	1,121	672	425	339	535	938	14,378
CRATING													
SALES	75	45	0	644	81	510	44	425	288	0	150	0	2,262
KEYS													
SALES	6	16	21	24	30	16	26	4	14	15	10	22	204
TAPE													
SALES	57	272	194	205	115	156	275	104	163	76	18	47	1,682
BUBBLE WRAP													
SALES	219	660	484	350	275	325	401	154	562	325	411	386	4,552
NEWS PRINT													
SALES	57	41	107	73	150	180	275	65	48	39	31	48	1,114
PEANUTS													
SALES	283	157	165	150	176	250	125	143	230	250	168	338	2,435
TROPHIES													
SALES	1,922	250	512	150	45	50	1,919	0	1,097	38	192	0	6,175
TOTAL MONTHLY SALES	14,359	15,716	16,133	15,438	13,363	19,736	18,369	10,836	14,552	13,947	12,723	33,165	198,337

COST OF PROJECTED PRODUCT UNITS SOLD

Months	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	Yearly Total
FREIGHT AND SHIPPING SALES													
COST	3,802	4,561	3,603	4,775	4,554	5,400	5,468	3,146	4,824	4,189	3,039	10,171	57,532
CUSTOM PACKING CHARGE													
COST	221	285	270	302	181	643	461	148	188	222	165	813	3,896
CUSTOM PACKING MATERIAL													
COST	510	510	510	510	510	510	510	510	510	510	510	510	6,120
INSURANCE													
COST	191	182	252	341	198	204	230	198	231	231	194	411	2,863
MAILBOX RENTAL													
COST	0	0	0	0	0	0	0	0	0	0	0	0	0
PACKING BOXES													
COST	608	943	481	582	864	1,129	718	522	666	1,338	645	1,264	9,757
USED MOVING BOXES													
COST	45	402	233	224	473	334	648	438	253	327	403	216	3,996
NEW MOVING BOXES													
COST	286	404	228	498	186	406	174	284	274	265	149	143	3,299
FAXES													
COST	18	15	20	15	10	18	13	9	25	21	14	14	192
COPIES													
COST	39	20	57	38	42	17	17	50	58	63	52	65	517
ENGRAVING													
COST	0	0	0	0	0	0	0	3	15	4	13	0	35
ACCESSORIES													
COST	693	210	2,224	639	936	473	561	336	213	170	268	469	7,189
CRATING													
COST	38	23	0	322	41	255	22	213	144	0	75	0	1,131
KEYS													
COST	1	2	3	3	4	2	3	0	2	2	1	3	24
TAPE													
COST	19	91	65	68	38	52	92	35	54	25	6	16	561
BUBBLE WRAP													
COST	125	377	277	200	157	186	229	88	321	186	235	221	2,601
NEWS PRINT													
COST	34	24	63	43	88	106	162	38	28	23	18	28	655
PEANUTS													
COST	134	74	78	71	83	118	59	68	109	118	80	160	1,153
TROPHIES													
COST	961	125	256	75	23	25	960	0	549	19	96	0	3,088
TOTAL MONTHLY SALES	7,723	8,248	8,618	8,706	8,386	9,877	10,325	6,085	8,464	7,711	5,962	14,503	104,609

EXISTING DEBT

Months	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	Yearly Total
PRINCIPLE PAYMENTS (Source of Debt)													
Community First Bank	200	200	200	200	200	200	200	200	200	200	200	200	2,400
INTEREST PAYMENTS (Source of Debt)													
Community First Bank	227	227	227	227	227	227	227	227	227	227	227	227	2,724
TOTAL MONTHLY PAYMENT	427	427	427	427	427	427	427	427	427	427	427	427	5,124

MISCELLANEOUS EXPENSES

Months	1 JAN	2 FEB	3 MAR	4 APR	5 MAY	6 JUN	7 JUL.	8 AUG	9 SEP	10 OCT	11 NOV	12 DEC	Yearly Total
Miscellaneous Expense Items													
1. Bad Debt	18	23	3	10	35	44	18	27	0	0	31	125	334
2. Car/Delivery	81	82	60	56	66	310	616	137	67	560	33	188	2,256
3. Supplies	1,186	450	340	288	118	174	130	192	522	230	641	763	5,034
MONTH TOTALS	1,285	555	403	354	219	528	764	356	589	790	705	1,076	7,624

SECTION VI. THE FINANCIAL PLAN—CONTINUED

B. Monthly Cash Flow Projection

Notes to the Cash Flow Projection 1998

CASH FLOW

LINE

- 1 Box & Ship is a corporation. There is \$8,170 in petty cash and two corporate checking accounts.
- 2 This is Box & Ship's second full year of operation under the current ownership. In 1997, Box & Ship purchased two new computers, crating tools, shelving, file cabinets as needed. There are no new purchases of fixed assets planned in the next three years.
- 12 Box & Ship is a mature business with an established clientele. Sales are anticipated increase at a rate of five percent per year for the next three years. This is consistent with the increase for each month in 1998 from the same month in 1997.
- 13 Vendor's are anticipated to increase the price of products and services to Box & Ship at a rate of five percent per year for the next three years. This would be consistent with the 1997 to 1998 increases of five to seven percent.
- 16 Yellow page advertising for U.S. West Dex will remain at \$212 per month for 1998. The next two years are anticipated to increase about five percent per year for the same number of adds. McLeod Publishing yellow pages are currently \$81 per month for 1998 and are anticipated to increase five percent a year for the next two years.
- 16 Box & Ship sponsors a mens volley ball team and a coed volley ball team for \$200 each in the Cartville Parks and Recreation leagues. This is anticipated to continue to help us maintain a relationship with the city for trophy bids and orders.
- 16 Box & Ship sponsors a Cartville Girls Softball Association softball team for \$250 a year and also does the trophies for this organization.
- 7 Miscellaneous purchases for supplies including copy paper, lumber for crating, yard work supplies, automobile Etc. are anticipated to continue in 1998 at a similar rate to 1997.
- 3 Professional services are to pay Box & Ship's accountant for yearly income tax returns

Monthly Cash Flow Projection-1998 Box & Ship

Months	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Yearly Total	Notes
Cash Balance	8,170	7,197	10,132	15,782	14,916	14,692	16,886	19,817	22,221	22,507	23,611	27,032	8,170	#1
Cash Receipts														
Cash Sales	9,149	11,808	12,304	8,812	9,199	10,708	9,735	7,981	9,868	9,451	8,824	28,438	136,277	
Other Income	5,803	4,817	6,040	4,760	4,010	6,775	5,595	6,817	4,486	4,072	6,740	4,933		
Total Cash Receipts	14,952	16,625	18,344	13,572	13,209	17,483	15,330	14,798	14,354	13,523	15,564	33,371	201,125	#12
Cash Disbursements														
Cash Purchases (PRODUCT)	2,513	2,396	1,728	2,541	2,753	3,506	1,385	1,948	2,068	2,299	1,751	2,229	27,117	#13
Salaries/Benefits	3,311	3,410	3,311	3,311	3,437	3,311	3,311	3,311	3,311	3,311	3,311	4,363	41,009	
Outside Services - SHIPPING COMPANIES	4,744	4,438	4,265	4,502	4,026	5,502	4,255	4,114	5,200	3,319	3,510	7,997	55,872	#15
Outside Services - Prof. Services				500									500	#3
Insurance					212						288		500	
Advertising	493	428	543	293	293	293	493	293	493	293	393	493	4,801	#16
Occupancy Expenses	2,079	1,846	1,831	1,810	1,735	1,722	1,764	1,776	1,980	1,980	1,758	1,740	22,021	
Miscellaneous Expenses	2,358	745	589	1,054	550	528	764	525	589	790	705	1,078	10,275	#7
Purchase of Fixed Assets														#2
Debt Payment - Old	427	427	427	427	427	427	427	427	427	427	427	427	5,124	
Total Cash Disbursement	15,925	13,690	12,694	14,438	13,433	15,289	12,399	12,394	14,068	12,419	12,143	18,327	167,219	
Net Cash Flow	-973	2,935	5,650	-866	-224	2,194	2,931	2,404	286	1,104	3,421	15,044	33,906	
Adjustments to Net Cash Flow														
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Owner Investment														
New Debt - Interest payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Debt- Principal payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Net Cash Flow	0	0												
Ending Cash Balance	7,197	10,132	15,782	14,916	14,692	16,886	19,817	22,221	22,507	23,611	27,032	42,076	42,076	

SECTION VI. THE FINANCIAL PLAN—CONTINUED

C. Break Even Analysis

Total Sales		\$201,125
Cost of Product Units Sold	(-)	\$82,989
Gross Margin	(=)	\$118,136
Variable Operating Expenses	(-)	\$19,016
Contribution Margin	(=)	\$99,120

Box & Ship has a calculated break-even point in Dollars of sales of \$110,728.

APPENDIX

(Note: all Appendix materials have been deleted from this copy of the business plan because of proprietary information.)

Gregg W. Shadner's Resume

Linda L. Shadner's Resume

Photographs of Box & Ship, Outside

Photograph of Box & Ship, Front Counter

Floor Plan of Box & Ship Building

Box & Ship's Business Card and Shipping Form

Box & Ship's Shipping Box Catalog

Three Years of Income Tax Returns for Box & Ship

Three Years of Owners' Personal Financial Statements

Three Years of Owners' Personal Income Tax Returns