

Revised PRH Projections for Years Two and Three (Sedgwick)

	Month	July 13	Aug 14	Sept 15	Oct 16	Nov 17	Dec 18	Jan 19	Feb 20	Mar 21	Apr 22	May 23	Jun 24	Yr 2 Total
SALES														
Direct Units - Avg. Sell Price:	\$7,500	5	6	6	6	7	7	8	9	10	10	12	12	98
Direct Sales Revenue	\$9,000	\$37,500	\$54,000	\$54,000	\$54,000	\$63,000	\$63,000	\$72,000	\$81,000	\$90,000	\$90,000	\$108,000	\$108,000	\$874,500
Internet Units - Avg Sell Price:	\$6,250	0	0	0	0	0	1	1	1	2	2	2	3	12
Internet Sales Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250	\$6,250	\$6,250	\$12,500	\$12,500	\$12,500	\$18,750	\$75,000
Total Revenue		\$37,500	\$54,000	\$54,000	\$54,000	\$63,000	\$69,250	\$78,250	\$87,250	\$102,500	\$102,500	\$120,500	\$126,750	\$949,500
COST OF GOODS (COGS)														
Direct														
Materials - x-Distributor	\$3,952	\$19,760	\$23,712	\$23,712										\$67,184
x-Manufacturer	\$3,240				\$19,440	\$22,680	\$22,680	\$25,920	\$29,160	\$32,400	\$32,400	\$38,880	\$38,880	\$262,440
Assembly labor	\$284	1,419	1,703	1,703	1,703	1,987	1,987	2,271	2,555	2,839	2,839	3,407	3,407	\$27,821
Installation Labor	\$1,189	5,943	7,131	7,131	7,131	8,320	8,320	9,509	10,697	11,886	11,886	14,263	14,263	\$116,480
Other (permits, subs, etc.)	\$493	2,466	2,960	2,960	2,960	3,453	3,453	3,946	4,440	4,933	4,933	5,919	5,919	\$48,342
Direct COGS	\$5,206	\$29,589	\$35,506	\$35,506	\$31,234	\$36,440	\$36,440	\$41,646	\$46,852	\$52,057	\$52,057	\$62,469	\$62,469	\$522,267
Internet														
Materials - x-Manufacturer	\$3,240	\$0	\$0	\$0	\$0	\$0	\$3,240	\$3,240	\$3,240	\$6,480	\$6,480	\$6,480	\$9,720	\$38,880
Assembly labor	\$284	0	0	0	0	0	284	284	284	568	568	568	852	\$3,407
Packaging, manuals	\$125	0	0	0	0	0	125	125	125	250	250	250	375	\$1,500
Internet COGS	\$3,649	\$0	\$0	\$0	\$0	\$0	\$3,649	\$3,649	\$3,649	\$7,298	\$7,298	\$7,298	\$10,947	\$43,787
Total COGS	\$8,855	\$29,589	\$35,506	\$35,506	\$31,234	\$36,440	\$40,089	\$45,295	\$50,501	\$59,355	\$59,355	\$69,767	\$73,416	\$566,053
GROSS PROFIT		\$7,911	\$18,494	\$18,494	\$22,766	\$26,560	\$29,161	\$32,955	\$36,749	\$43,145	\$43,145	\$50,733	\$53,334	\$383,447
Gross Margin %		21%	34%	34%	42%	42%	42%	42%	42%	42%	42%	42%	42%	40%
OPERATING EXPENSE														
Payroll														
Owner	\$48k/year	2,100	2,100	2,100	2,100	2,100	2,100	4,000	4,000	4,000	4,000	4,000	4,000	\$36,600
Office Manager	\$16k/year	\$700	\$700	\$700	\$700	\$700	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$12,950
Operations Manager	\$36k/year	800	800	800	800	800	800	1,600	1,600	1,600	1,600	1,600	1,600	\$14,400
Outside Sales 1	\$30k/year	0	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$21,000
Outside Sales 2	\$30k/year	0	0	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	\$14,000
Commissions	3.0%	0	0	0	0	270	270	540	1,080	1,350	1,350	1,890	1,890	\$8,640
Phone Sales/Support	\$32k/year	0	0	0	0	0	2,667	2,667	2,667	2,667	2,667	2,667	2,667	\$18,669
Shipping/Receiving Clerk	\$19k/year	0	0	0	0	0	0	1,600	1,600	1,600	1,600	1,600	1,600	\$9,600
Other Personnel		0	0	0	0	0	0	0	0	0	0	0	0	\$0
Payroll Taxes	10%	360	460	560	560	587	1,119	1,576	1,630	1,657	1,657	1,711	1,711	\$13,586
Employee Benefits	10%	0	0	0	560	587	1,119	1,576	1,630	1,657	1,657	1,711	1,711	\$12,206
Payroll Total		3,960	5,060	6,160	6,720	7,044	13,424	18,908	19,556	19,880	19,880	20,528	20,528	\$161,651
General and Administrative														
Rent & Utilities		\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$27,000
Communications		250	250	250	250	250	250	250	250	250	250	250	250	\$3,000
Insurance, Bond		600	600	600	600	600	600	600	600	600	600	600	600	\$7,200
Maintenance & Repairs		175	175	175	175	175	175	175	175	175	175	175	175	\$2,100
Professional Services	Sedgwick	3,000	3,000	3,000	3,000	3,000	3,000	2,000	1,000	1,000	1,000	1,000	1,350	\$25,350
Office Supplies		200	200	200	200	200	200	200	200	200	200	200	200	\$2,400
Equipment Rental		350	350	350	350	350	350	350	350	350	350	350	350	\$4,200
Business tax & licenses	0.5%	188	270	270	270	315	346	391	436	513	513	603	634	\$4,748
Bank/Merchant Charges	2.5%	0	0	0	0	0	156	156	156	313	313	313	469	\$1,875
Contingency	5.0%	0	0	0	0	0	0	0	0	0	0	0	0	\$0
G&A Total		7,013	7,095	7,095	7,095	7,140	7,328	6,373	5,418	5,650	5,650	5,740	6,278	\$77,873
Sales and Marketing														
Website		\$0	\$1,000	\$2,000	\$3,000	\$3,000	\$1,500	\$500	\$500	\$500	\$500	\$500	\$500	\$13,500
Advertising - Web		0	0	0	0	0	0	0	0	0	0	0	0	\$0
Advertising - Print		0	0	0	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	\$10,980
Advertising - Yellow Page		0	0	0	800	800	800	800	800	800	1,800	1,800	1,800	\$10,200
Tradeshows		0	0	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	\$10,800
Travel & Entertainment	1.5%	563	810	810	810	945	945	1,080	1,215	1,350	1,350	1,620	1,620	\$13,118
S&M Total		563	1,810	2,810	7,030	7,165	5,665	4,800	4,935	5,070	6,070	6,340	6,340	\$58,598
Debt Service														
Credit Cards/Line	2.0%	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	\$12,204
Total Expenses		\$12,552	\$14,982	\$17,082	\$21,862	\$22,366	\$27,434	\$31,098	\$30,926	\$31,617	\$32,617	\$33,625	\$34,163	\$310,325
PROFIT / (LOSS)		(\$4,641)	\$3,512	\$1,412	\$904	\$4,194	\$1,727	\$1,857	\$5,824	\$11,527	\$10,527	\$17,108	\$19,172	\$73,122
Cum Cash In / (Out)	(\$94,449)	(\$99,089)	(\$95,578)	(\$94,166)	(\$93,263)	(\$89,069)	(\$87,342)	(\$85,485)	(\$79,661)	(\$68,134)	(\$57,606)	(\$40,499)	(\$21,327)	0%
Unit Sales - Direct Sales Force														
Bill		5	6	6	6	6	6	6	5	5	5	5	5	66
Salesman 1		0	0	0	0	1	1	2	2	3	3	4	4	20
Salesman 2		0	0	0	0	0	0	0	2	2	2	3	3	12
Totals		5	6	6	6	7	7	8	9	10	10	12	12	98

Revised PRH Projections for Years Two and Three (Sedgwick)

	Month	July 25	August 26	September 27	October 28	November 29	December 30	January 31	February 32	March 33	April 34	May 35	June 36	Yr 3 Total
SALES														
Direct Units - Avg. Sell Price:	\$7,500	12	14	14	15	15	16	16	16	16	16	16	16	182
Direct Sales Revenue	\$9,000	\$108,000	\$126,000	\$126,000	\$135,000	\$135,000	\$144,000	\$144,000	\$144,000	\$144,000	\$144,000	\$144,000	\$144,000	\$1,638,000
Internet Units - Avg Sell Price:	\$6,250	3	3	4	4	4	5	5	5	6	6	6	7	58
Internet Sales Revenue	\$18,750	\$18,750	\$25,000	\$25,000	\$25,000	\$31,250	\$31,250	\$31,250	\$31,250	\$37,500	\$37,500	\$37,500	\$43,750	\$362,500
Total Revenue		\$126,750	\$144,750	\$151,000	\$160,000	\$160,000	\$175,250	\$175,250	\$175,250	\$181,500	\$181,500	\$181,500	\$187,750	\$2,000,500
COST OF GOODS (COGS)														
Direct														
Materials - x-Distributor	\$3,952													
x-Manufacturer	\$3,240	\$38,880	\$45,360	\$45,360	\$48,600	\$48,600	\$51,840	\$51,840	\$51,840	\$51,840	\$51,840	\$51,840	\$51,840	\$589,680
Assembly labor	\$284	3,407	3,974	3,974	4,258	4,258	4,542	4,542	4,542	4,542	4,542	4,542	4,542	\$51,667
Installation labor	\$1,189	14,263	16,640	16,640	17,829	17,829	19,017	19,017	19,017	19,017	19,017	19,017	19,017	\$216,320
Other (permits, subs, etc.)	\$493	5,919	6,906	6,906	7,399	7,399	7,893	7,893	7,893	7,893	7,893	7,893	7,893	\$89,778
Direct COGS	\$5,206	\$62,469	\$72,880	\$72,880	\$78,086	\$78,086	\$83,292	\$83,292	\$83,292	\$83,292	\$83,292	\$83,292	\$83,292	\$947,445
Internet														
Materials - x-Manufacturer	\$3,240	\$9,720	\$9,720	\$12,960	\$12,960	\$12,960	\$16,200	\$16,200	\$16,200	\$19,440	\$19,440	\$19,440	\$22,680	\$187,920
Assembly labor	\$284	852	852	1,136	1,136	1,136	1,419	1,419	1,419	1,703	1,703	1,703	1,987	\$16,465
Packaging, manuals	\$125	375	375	500	500	500	625	625	625	750	750	750	875	\$7,250
Internet COGS	\$3,649	\$10,947	\$10,947	\$14,596	\$14,596	\$14,596	\$18,244	\$18,244	\$18,244	\$21,893	\$21,893	\$21,893	\$25,542	\$211,635
Total COGS	42%	\$73,416	\$83,827	\$87,476	\$92,682	\$92,682	\$101,536	\$101,536	\$101,536	\$105,185	\$105,185	\$105,185	\$108,834	\$1,159,081
GROSS PROFIT		\$53,334	\$60,923	\$63,524	\$67,318	\$67,318	\$73,714	\$73,714	\$73,714	\$76,315	\$76,315	\$76,315	\$78,916	\$841,419
Gross Margin %		42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
OPERATING EXPENSE														
Payroll														
Owner	\$48k/year	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	\$60,000
Office Manager	\$16k/year	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$16,200
Operations Manager	\$36k/year	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	\$42,000
Outside Sales 1	\$30k/year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$30,000
Outside Sales 2	\$30k/year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$30,000
Commissions	3.0%	1,890	2,430	2,430	2,700	2,700	2,970	2,970	2,970	2,970	2,970	2,970	2,970	\$32,940
Phone Sales/Support	\$32k/year	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	\$32,004
Shipping/Receiving Clerk	\$19k/year	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	\$19,200
Other Personnel		5,000	5,000	5,000	7,500	7,500	7,500	10,000	10,000	10,000	10,000	10,000	10,000	\$97,500
Payroll Taxes	10%	2,601	2,655	2,655	2,932	2,932	2,959	3,209	3,209	3,209	3,209	3,209	3,209	\$35,984
Employee Benefits	10%	2,601	2,655	2,655	2,932	2,932	2,959	3,209	3,209	3,209	3,209	3,209	3,209	\$35,984
Payroll Total		31,208	31,856	31,856	35,180	35,180	35,504	38,504	38,504	38,504	38,504	38,504	38,504	\$431,813
General and Administrative														
Rent & Utilities		\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$28,200
Communications		300	300	300	300	300	300	300	300	300	300	300	300	\$3,600
Insurance, Bond		650	650	650	650	650	650	650	650	650	650	650	650	\$7,800
Maintenance & Repairs		175	175	175	175	175	175	175	175	175	175	175	175	\$2,100
Professional Services	Sedgwick	100	100	100	450	100	100	450	100	100	450	100	100	\$2,250
Office Supplies		250	250	250	250	250	250	250	250	250	250	250	250	\$3,000
Equipment Rental		350	350	350	350	350	350	350	350	350	350	350	350	\$4,200
Business tax & licenses	0.5%	634	724	755	800	800	876	876	876	908	908	908	939	\$10,003
Bank/Merchant Charges	2.5%	469	469	625	625	625	781	781	781	938	938	938	1,094	\$9,063
Contingency	5.0%	6,338	7,238	7,550	8,000	8,000	8,763	8,763	8,763	9,075	9,075	9,075	9,388	\$100,025
G&A Total		11,615	12,605	13,105	13,950	13,600	14,595	14,945	14,595	15,095	15,445	15,095	15,595	\$170,240
Sales and Marketing														
Website		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Advertising - Web		0	0	0	0	0	0	0	0	0	0	0	0	\$0
Advertising - Print		1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	1,220	\$14,640
Advertising - Yellow Page		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	\$21,600
Tradeshows		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	\$14,400
Travel & Entertainment	1.5%	1,620	1,890	1,890	2,025	2,025	2,160	2,160	2,160	2,160	2,160	2,160	2,160	\$24,570
S&M Total		6,340	6,610	6,610	6,745	6,745	6,880	6,880	6,880	6,880	6,880	6,880	6,880	\$81,210
Debt Service														
Credit Cards/Line	2.0%	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	\$12,204
Total Expenses		\$50,180	\$52,088	\$52,588	\$56,892	\$56,542	\$57,996	\$61,346	\$60,996	\$61,496	\$61,846	\$61,496	\$61,996	\$695,467
PROFIT / (LOSS)		\$3,154	\$8,835	\$10,936	\$10,426	\$10,776	\$15,717	\$12,367	\$12,717	\$14,818	\$14,468	\$14,818	\$16,920	\$145,953
Cum Cash In / (Out)	(\$94,449)	(\$18,173)	(\$9,338)	\$1,597	\$12,023	\$22,799	\$38,516	\$50,884	\$63,601	\$78,419	\$92,888	\$107,706	\$124,626	7%
Unit Sales - Direct Sales Force														
Bill		5	5	5	5	5	5	5	5	5	5	5	5	60
Salesman 1		4	5	5	6	6	6	6	6	6	6	6	6	68
Salesman 2		3	4	4	4	4	5	5	5	5	5	5	5	54
Totals		12	14	14	15	15	16	16	16	16	16	16	16	182