

# **Bike Shop, Inc.**

## A Bicycle Sales & Repair Shop

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## **Executive Summary**

### *Description of Business Plan*

Bike Shop, Inc. will provide “family oriented” sales of quality bicycles, technical and mechanical services, and related after-market accessories such as helmets, clothing, and tools. In order to broaden the sales base, the company will also offer indoor fitness equipment, exercise bikes, and all associated accessories. This will allow the company to appeal more effectively to total fitness lifestyles and will therefore increase both sales and profits.

### *Company Introduction*

Bike Shop, Inc. has an expected Grand Opening date of January 10, 2000. Bike Shop, Inc. will be located at 1st Street and Main and will provide a convenient location for customers in the Metropolitan area. Bike Shop, Inc. will focus on quality and personal attention that stresses personal service. The funding for this venture will be provided by the owner through the sale of personal stocks and bonds.

### *Brief Description of the Marketing Program*

Cycling participation is growing. Recreational and commuter riders alike are increasing the point where their numbers are over 100 million cyclists in the U.S. today. The largest share of recreational riders live in the Midwest, 31 percent compared to 24 percent of Americans across the U.S. This number is so high comparatively speaking because of the huge following of RAGBRAI (Registers Annual Great Bike Ride Across Iowa) and other recreational events scheduled during the summer months.

The bicycle is not only the least expensive realistic transportation available, but it also allows one to cover great distances in a short period of time. This tied with health, vitality, and fun has a positive affect on people. In addition, it contributes to the betterment of the environment and can lower traffic congestion.

It is the aim of Bike Shop, Inc. to promote bicycling, not only as a sport, but also as a transportation alternative. These tactics, coupled with the sponsorship of a variety of clinics will increase shop visits and provide more opportunities for after market sales. These clinics will include a variety of areas, including safety clinics and bicycle repair clinics, which will offer free help with minor adjustments and repairs.

Bike Shop, Inc.  
ProForma Income Statement  
December 31, 2002

		January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Sales</b>		9,680	11,737	15,730	21,780	24,200	24,200	22,990	19,360	14,520	14,278	15,125	24,200	217,800
Total Revenue		\$ 9,680	\$ 11,737	\$ 15,730	\$ 21,780	\$ 24,200	\$ 24,200	\$ 22,990	\$ 19,360	\$ 14,520	\$ 14,278	\$ 15,125	\$ 24,200	\$ 217,800
<b>Expenses</b>														
Cost of Goods Sold	\$ 0.65	\$ 6,292	\$ 7,629	\$ 10,225	\$ 14,157	\$ 15,730	\$ 15,730	\$ 14,944	\$ 12,584	\$ 9,438	\$ 9,281	\$ 9,831	\$ 15,730	\$ 141,570
Cost of Services Sold		\$ 6,292	\$ 7,629	\$ 10,225	\$ 14,157	\$ 15,730	\$ 15,730	\$ 14,944	\$ 12,584	\$ 9,438	\$ 9,281	\$ 9,831	\$ 15,730	\$ 141,570
Gross Profit		\$ 3,388	\$ 4,108	\$ 5,506	\$ 7,623	\$ 8,470	\$ 8,470	\$ 8,047	\$ 6,776	\$ 5,082	\$ 4,997	\$ 5,294	\$ 8,470	\$ 76,230
Operating expenses	1.04	\$ 3,684	\$ 2,992	\$ 3,143	\$ 3,370	\$ 3,461	\$ 3,407	\$ 3,362	\$ 3,225	\$ 3,044	\$ 3,033	\$ 3,119	\$ 3,407	\$ 39,247
All other expenses	1.10%	\$ 106	\$ 129	\$ 173	\$ 240	\$ 266	\$ 266	\$ 253	\$ 213	\$ 160	\$ 157	\$ 166	\$ 266	\$ 2,396
EBIT		\$ (402)	\$ 987	\$ 2,189	\$ 4,013	\$ 4,743	\$ 4,797	\$ 4,432	\$ 3,338	\$ 1,879	\$ 1,807	\$ 2,008	\$ 4,797	\$ 34,587
Interest	10%													
		\$ -	\$ 99	\$ 219	\$ 401	\$ 474	\$ 480	\$ 443	\$ 334	\$ 188	\$ 181	\$ 201	\$ 480	\$ 3,499
Taxes	25%	\$ (101)	\$ 247	\$ 547	\$ 1,003	\$ 1,186	\$ 1,199	\$ 1,108	\$ 834	\$ 470	\$ 452	\$ 502	\$ 1,199	\$ 8,647
After tax profit		\$ (302)	\$ 642	\$ 1,423	\$ 2,609	\$ 3,083	\$ 3,118	\$ 2,881	\$ 2,170	\$ 1,221	\$ 1,175	\$ 1,305	\$ 3,118	\$ 22,441

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## **The Business Plan Generator**

SmallBusinessPoint.com was created as a result of introspective realization of skills, experiences, and dreams. These three collective entities, combined with a heavy dose of entrepreneurship, are the motivation behind 'The Business Plan Generator'. Many people dream of owning their own business or doing what they want to do. However, few people follow their dreams to success. Whatever the reason, adequate direction should not be one. The purpose of 'The Business Plan Generator' is to give you the direction needed to identify your skills, exercises to generate ideas, resources to evaluate the venture, questions to ask in the business plan, and key indicators to measure implementation.

The SmallBusinessPoint.com concept was not born in a day, but over time. Today, the concept continues to evolve as we incorporate more of our skills and bring in new ideas daily. We at SmallBusinessPoint.com, currently combine the experiences, knowledge and education of: engineering, marketing, finance, banking, supply chain management, venture capital, MBA, business ownership, professor of entrepreneurship, logistics, writer, and publisher (just to name a few), and a healthy dose of enthusiasm. This enthusiasm is the product of setting our dreams in motion and helping others find the road to their dreams.

SmallBusinessPoint.com appreciates the opportunity to help you, and wishes you the best of success.

**We believe in your dreams!**