

**Tanning Salon, Inc.
S-Corporation**

A Tanning Salon Business Plan

<i>Executive Summary</i> _____	4
<i>Company Analysis</i> _____	5
Name _____	5
Mission _____	5
Company History _____	5
Current Situation _____	5
Company Location and facilities _____	5
Company Goals _____	6
Legal Form of Ownership _____	6
Profile of the Management Team _____	6
Insurance _____	6
<i>Market Analysis</i> _____	8
Services _____	8
Price _____	8
Distribution _____	9
Promotion _____	9
Advertising _____	9
Industry Trends/Influential Factors _____	9
Supply/Demand _____	10
Target Market and Customer Base _____	10
Customer Identification _____	10
Barriers to Entry _____	10
Intellectual Property _____	10
Company Revenues _____	10
Growth Opportunities _____	10
Vendor/Supplier Relationships _____	11
Exit Strategy _____	11
Inventory _____	12
Start-up Cost Estimates _____	12
Budgets _____	12
Income Statement _____	12
Balance Sheet _____	12

Break-even analysis	12
Financial Ratios	12
Intellectual Property Documents	12
Company Documents	12
Conservative & Aggressive Financials	12
Intellectual Property	13
Legal Documents	13

Executive Summary

Tanning Salon, Inc. is a start-up company seeking financing. Tanning Salon has an experienced management team, excellent location, and sound business strategy. This business plan will highlight tanning salon's strengths, weaknesses, opportunities and threats.

Tanning Salon is a start-up located just outside Metropolitan. This is a market area of over 160,000 individuals. The location is in a high traffic strip mall with national chains. The business' main service is offering tanning booths for individuals. Tanning Salon will offer eight stand-up booths and limited retail sales of lotions, swimwear, and sunglasses.

Current management has a combined over 40 years experience in tanning and hair salons. Edgar Pekin is the majority owner and a successful entrepreneur, currently owns a car wash. Gadda Mooga and Jeff Minor have extensive careers operating and managing hair salons. These owners have \$50,000 to invest in the business.

Tanning Salon, Inc. is looking to finance \$78,000 for the build out and start-up of their salon. The funds will be used to finance start-up costs, remodeling of the location, purchase equipment, and initial inventory. The funds will be repaid through earnings. Estimated first year revenues are \$267,000, with an estimated after tax profit of \$61,000.

Overall, Tanning Salon, Inc. is a sound business with limited risk to the bank. The principals are investing \$50,000 of the overall start-up costs of \$128,000.

Company Analysis

Name

Tanning Salon, Inc. was chosen to be descriptive to existing and potential customers. Because most of Tanning Salon's customers will locate them through the phone book, the name describes exactly what services are offered.

Mission

Tanning Salon is in business to provide a safe, reliable tanning experience, with a sincere concern for customer's health and well being.

Company History

Tanning Salon is a start-up salon located just outside Metropolitan's city limits. The business was started after Jeff Minor contacted Edgar Pekin about investing in a tanning salon. Mr. Pekin, a successful entrepreneur was looking for a business investment, while Mr. Minor was looking to secure equity in a tanning salon. After searching for a location and business model, the two decided to start from zero and build their own tanning salon.

In the fall of 2000, a site was chosen and lease negotiations began.

Current Situation

Today, Tanning Salon is in need of additional financing to assist with the site build-out and purchase of equipment. Tanning Salon has a lease close date of January 1, 2001 with a grand opening slated for March 16, 2001.

Tanning Salon has a database of 300 potential clients, all of which were served by Mr. Minor in his prior employment.

Company Location and facilities

Tanning Salon is located in a suburban strip mall just outside Metropolitan's city limits. The L-shaped strip mall opens to the fourth busiest road (Lincoln) in the metropolitan area, and has three entrances, two facing Lincoln, and another facing 200th. Within the mall is an assortment of retail shops including a ladies dress shop, hair salon, insurance office, art gallery, coffee shop, golf store, Mexican restaurant, and anchored by a large, regional, grocery store. The parking lot contains three National restaurants.

Retail strip malls surround tanning Salon's location on each corner. Directly south and across Lincoln Street is another strip mall anchored by a regional discount retailer. Within the strip mall are similar retail shops, restaurants, and a bank. Southwest of Tanning Salon on the opposite corner sites the second largest enclosed mall within the Metropolitan area. National stores such as; Sears, Dillard's, JCPenney's, and Younkers anchor it. The frontage road contains other National retailers like Old Navy, Barnes & Noble, Kohls, and Toys R Us. Directly east of Tanning Salon is a two-story strip mall which contains a hair salon, restaurant, hardware store, and an adjacent auto repair shop. This is an excellent location not only for the retail exposure, but also because of the afternoon commuter traffic.

Demographics of the area and potential customers indicate Tanning Salon is a good fit for the area. More than 136,000 people live within five miles of the store; two-thirds of households within a mile have annual incomes of more than \$50,000; and nearly two-thirds of the residents are younger than 40.

According to the city planner's office, there is no construction in the immediate area and none planned for the next three years.

Appendix C

Tanning Salon, Inc.
Monthly Budget 2002

Description	April	May	June	July	August	September	October	November	December	January	February	March	Annual
Rent	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	\$ 18,000
Telephone	300	300	300	300	300	300	300	300	300	300	300	300	\$ 3,600
Electric/Gas/Water	600	600	600	600	600	600	600	600	600	600	600	600	\$ 7,200
Accounting/Bookkeeping	50	50	50	50	50	50	50	50	50	50	50	50	\$ 600
Health Insurance	50	50	50	50	50	50	50	50	50	50	50	50	\$ 600
Payroll	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	\$ 48,000
Inventory replenishment	1000	1000	1500	1750	2000	2000	2000	2000	2000	2000	2000	2000	\$ 21,250
Advertising	400	400	400	400	400	400	400	400	400	400	400	400	\$ 4,800
Loan on Equipment	529	529	529	529	529	529	529	529	529	529	529	529	\$ 6,348
Business Insurance	70	70	70	70	70	70	70	70	70	70	70	70	\$ 840
Social Security	50	50	50	50	50	50	50	50	50	50	50	50	\$ 600
Travel, airfare, car rental, lodging	0	0	0	0	0	0	0	0	0	0	0	0	\$ -
Bank service charge	25	25	25	25	25	25	25	25	25	25	25	25	\$ 300
Shipping and postage	0	0	0	0	0	0	0	0	0	0	0	0	\$ -
Dues and subscriptions	20	20	20	20	20	20	20	20	20	20	20	20	\$ 240
Credit card processing	15	15	15	15	15	15	15	15	15	15	15	15	\$ 180
Office supplies	50	50	50	50	50	50	50	50	50	50	50	50	\$ 600
Maintenance, lights, rugs, etc	200	200	200	200	200	200	200	200	200	200	200	200	\$ 2,400
Office misc. expense	150	150	150	150	150	150	150	150	150	150	150	150	\$ 1,800
Total	\$ 9,009	\$ 9,009	\$ 9,509	\$ 9,759	\$ 10,009	\$ 10,009	\$ 10,009	\$ 10,009	\$ 10,009	\$ 10,009	\$ 10,009	\$ 10,009	\$ 117,358

Appendix D-03

Tanning Salon, Inc.
ProForma Income Statement
January 31, 2003

		February	March	April	May	June	July	August	September	October	November	December	January	Total
Sales Revenue														
Sessions		2,835	2,892	2,950	3,009	3,069	3,130	3,193	3,257	3,322	3,388	3,456	3,525	38,023
Tanning	\$ 9.00	\$ 25,515	\$ 26,025	\$ 26,546	\$ 27,077	\$ 27,618	\$ 28,171	\$ 28,734	\$ 29,309	\$ 29,895	\$ 30,493	\$ 31,103	\$ 31,725	\$ 342,209
Lotions	\$ 3.00	\$ 8,505	\$ 8,675	\$ 8,849	\$ 9,026	\$ 9,206	\$ 9,390	\$ 9,578	\$ 9,770	\$ 9,965	\$ 10,164	\$ 10,368	\$ 10,575	\$ 114,070
Total Revenue		\$ 34,020	\$ 34,700	\$ 35,394	\$ 36,102	\$ 36,824	\$ 37,561	\$ 38,312	\$ 39,078	\$ 39,860	\$ 40,657	\$ 41,470	\$ 42,300	\$ 456,279
Expenses														
Cost of Tanning	\$ 1.00	\$ 2,835	\$ 2,892	\$ 2,950	\$ 3,009	\$ 3,069	\$ 3,130	\$ 3,193	\$ 3,257	\$ 3,322	\$ 3,388	\$ 3,456	\$ 3,525	\$ 38,023
Cost of Lotions	\$ 1.50	\$ 4,253	\$ 4,338	\$ 4,424	\$ 4,513	\$ 4,603	\$ 4,695	\$ 4,789	\$ 4,885	\$ 4,982	\$ 5,082	\$ 5,184	\$ 5,287	\$ 57,035
Cost of Sales		\$ 7,088	\$ 7,229	\$ 7,374	\$ 7,521	\$ 7,672	\$ 7,825	\$ 7,982	\$ 8,141	\$ 8,304	\$ 8,470	\$ 8,640	\$ 8,812	\$ 95,058
Gross Profit		\$ 26,933	\$ 27,471	\$ 28,021	\$ 28,581	\$ 29,153	\$ 29,736	\$ 30,330	\$ 30,937	\$ 31,556	\$ 32,187	\$ 32,831	\$ 33,487	\$ 361,221
Operating expenses		\$ 9,459	\$ 9,459	\$ 9,984	\$ 10,247	\$ 10,509	\$ 10,509	\$ 10,509	\$ 10,509	\$ 10,509	\$ 10,509	\$ 10,509	\$ 10,509	\$ 123,226
All other expenses	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBIT		\$ 17,473	\$ 18,012	\$ 18,036	\$ 18,334	\$ 18,643	\$ 19,226	\$ 19,821	\$ 20,428	\$ 21,046	\$ 21,677	\$ 22,321	\$ 22,978	\$ 237,995
Interest	10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	34%	\$ 5,941	\$ 6,124	\$ 6,132	\$ 6,234	\$ 6,339	\$ 6,537	\$ 6,739	\$ 6,945	\$ 7,156	\$ 7,370	\$ 7,589	\$ 7,812	\$ 80,918
After tax profit		\$ 11,532	\$ 11,888	\$ 11,904	\$ 12,100	\$ 12,304	\$ 12,689	\$ 13,082	\$ 13,482	\$ 13,891	\$ 14,307	\$ 14,732	\$ 15,165	\$ 157,077

Tanning Salon, Inc.
ProForma Balance Sheet
January 31, 2003

Cash	70.7%	101,790	Notes Payable	16.4%	4,500
Accounts Receivable	1.8%	2,567	Accounts Payable	16.9%	4,500
Inventory	5.4%	7,713	Income Taxes Payable	1.9%	3,317
Inventory	0.0%	-	Current Maturity of Long-term debt	2.8%	3,000
			All other Current Liabilities	15.7%	-
Total Current Assets	77.8%	112,069	Total Current Liabilities		15,317
Net Fixed Assets	22.2%	32,000	Long-term Debt	13.9%	34,000
All other Non-Current & Intangibles	0.0%	-	Deferred Taxes	0.0%	-
			All other Non-Current	10.9%	-
Total Long-term Assets	22.2%	32,000	Total Long-term Liabilities		34,000
			Net worth	21.6%	94,753
Total Assets	100.0%	\$ 144,069	Total Liabilities & Net Worth		\$ 144,069

SMALLBUSINESSPOINT.COM

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!