



Apple Addicts Consulting Business Plan

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Confidentiality and Recognition of Risks

Confidentiality Clause

The information included in this business plan is strictly confidential and is provided on the understanding that it will not be disclosed to third parties without the expressed written consent of Joshua Pinter or Apple Addicts.

Recognition of Risk

This business plan represents the best estimate of the future potential of our business venture. It should be recognized that not all major risks can be accurately predicted or otherwise avoided and that few business plans are free of errors of omission or commission. Therefore investors should be aware that this business has inherent risks that should be evaluated prior to any investment.

Executive Summary

Apple Addicts Consulting (referred to as Apple Addicts) is a sole-proprietorship that will be dedicated to the premium support of the Mac (formerly known as Macintosh) operating system and to assist in the conversion of Microsoft Windows users to the Mac. Recent trends indicate that market share of Mac computers is rising quickly with recent Apple Inc. developments aimed to accelerate this growth. Currently, there is no company with a strong market presence in Calgary that exclusively support Macs or advertises support for switching users over to the Mac. The opportunity is promising for Apple Addicts to enter the market and establish itself as the name to know when switching from Windows to Mac, as well as the ultimate Mac support resource amongst current Mac users.

Apple Addicts will be targeting two distinct markets: (1) those that are looking to switch from the Windows system to the Mac system, and (2) home users and small businesses that are already using Macs. An aggressive marketing strategy has been planned to penetrate both of these markets and to establish Apple Addicts as the *first* premier Mac support company in Calgary. This will allow Apple Addicts to capture the majority of Windows users when they decide to convert to Mac. In addition, Mac users currently bringing their Macs in-store to have them serviced will be inclined to try our in-house service.

For new Mac users, Apple Addicts will continue to provide exceptional on-site and online training and support. The goal of our service will be to allow the customer to focus on using the computer in their personal and business endeavours without the inefficiencies, heavy IT costs and frustrations that are associated with typical computer experiences. This will be accomplished through routine visits that aim to prevent potential problems from occurring and offering instant online help that allows smaller issues to be solved within minutes as opposed to within hours or days.

Apple Addicts is currently in its infancy stage. After the acquisition of funding, immediate efforts will be made to initiate the start-up. The principal owner and operator, Mr. Pinter, has recently graduated with a Bachelor of Science and will pursuing this opportunity full-time. Retaining a diverse range of IT and business operation experience over the past five years, he will be expected to operate all facets of the business during the initial start-up. As the company grows, he will have to react appropriately to attain additional employees to fill key roles of the business, including contracted technicians.

Apple Addicts is a service-based company and thus requires minimal overhead and admin costs for start-up purposes. An initial investment of \$15,000 would be sufficient to cover the vehicle and marketing costs while maintaining a healthy cash flow. Specifically, the initial investment will be used to procure a company vehicle, a vehicle advertisement wrap, a 'smart' mobile phone, a basic software and hardware inventory, Apple certification for Mr. Pinter, website domain, business license and trade name and the initial advertising campaign. This loan will sufficiently pay for ongoing monthly expenses such as rent, utilities, mobile phone charges, website hosting, automotive maintenance, gas, continued marketing efforts and a proprietor's draw. An application to the Canadian Youth Business Foundation (CYBF) is currently underway in order to obtain a \$15,000 business loan to cover this initial investment and also to provide mentoring support and counselling.

Mr. Pinter, through Apple Addicts, will be solely responsible for repayment of CYBF loan and, therefore, will retain 100% ownership of the company. To maintain a positive cash flow, Mr. Pinter will act as the sole technician until sufficient clients permits the contracting of additional technicians. He will not collect a wage during the first two years of the company and will only make a proprietor's draw of \$1,000 per month until the end of the second year.

The purpose of this business plan is to show the viability of Apple Addicts as a profitable enterprise; provide a structured development plan to implement operations; grow the business in a sustainable manner, from start-up mode to profitability; and to provide support for the procurement of funding from the CYBF.

Fact Sheet in support of the Executive Summary

Business Details

Name: Apple Addicts Consulting

Location: Calgary, AB

Industry: Mac IT Consulting, Specializing in Switching from Windows to Mac

Business Form: Sole-Proprietorship

Business Owner: Mr. Pinter (100%)

Commencement of Business (Expected Date):
2nd Quarter 2008

Service Details

- Seamless transition for Windows users to the Mac operating system
- Training and tutorials for new Mac users
- Ongoing support for Mac users
 - Telephone, Email, Chat, Screen Sharing
 - On-site
- Regular maintenance programs and packages to ensure non-problematic computer use
- Business-catered services to increase business efficiency and functionality
 - Integrated software and hardware solutions
 - Training and material for business staff
 - Customized data backup solutions

Target Market - Calgary, AB

- Current Mac users
 - 9,219 - 14,750 current Mac users
- New Mac users
 - 2,765 - 4,425 new Mac users this year
 - Increasing by 30% steadily per year

Potential Competitors

- Direct competitors
 - SNAP Technology Solutions
 - MacAid Consulting
 - Procter Consulting
- Indirect competitors
 - WestWorld Computers
 - My Mac Dealer

Financing

Total Capital Required: \$15,000

Source of Finance: Business loan from the CYBF

1 | The Company and Industry

1.1 Apple Addicts at Present

Apple Addicts Consulting is a service company dedicated exclusively to the premium support of Apple Mac (Mac) computers and their users. It will be geared towards streamlining Microsoft Windows users switching to the Mac computer system and the continual support of those users as they use their new systems. Support for small to mid-sized companies will also be marketed towards at a later date.

Conceptually, Apple Addicts began in September of 2007 in Calgary, Alberta, Canada by Mr. Pinter during an entrepreneurship course at the University of Calgary. It arose out of the recent switch of Mr. Pinter to the Mac platform. Realizing the advantages of using the Mac system and having the passion to enlighten others of the alternative to Windows seemed like a viable business opportunity. Mr. Pinter will have 100% ownership of the company and be the initial technician.

Apple Addicts is currently in its infancy stage with plans of launching in the second quarter of the 2008 year. Prior to our official launch date, all procedures that outline the services offered will be in place, the accounting will be prepared, the marketing strategy will be awaiting the launch date, the company vehicle will be purchased and 'wrapped' with advertisement and Mr. Pinter will have completed all the necessary training and evaluation to be certified as an Apple Certified Consultant.

The changes in the market that may take place in the near future months before the official launch date of Apple Addicts may be both positive and negative. Based on primary research from a number of IT consulting companies and market share reports over the past year¹, current trends show that the market share of Mac users has been increasing and will continue to increase. Apple's continual introduction of revolutionary new devices will continue to increase the 'buzz' around Apple. This will further enhance the opportunity of establishing a Mac support company. However, it may also provide a window of opportunity for another competitive company to enter this market. It is critical for Apple Addicts to stay flexible and adaptable based on the current situation. This business plan serves as a means to structure the engagement of the company, with a caveat that reassessment at the time of start-up will be necessary based on current competition and pressures.

1.2 Apple Addicts in the Future

Apple Addicts will emerge in the market as the foremost Mac support company. This establishment will allow us to capture new customers as the Mac market expands due to the buzz Apple is creating around its core products.

As Windows users are gradually switched to Mac, Apple Addicts will increase its focus on maintaining current Mac users. This will require us to develop additional methods to maintaining a high level of customer support and to continually provide Mac customers innovative ways to use their computers.

¹ Net Applications, 2008

With a large network of loyal customers that require routine maintenance, occasional upgrades and training, we should be able to establish a positive net income that is very profitable due to little overhead. However, there is a potential risk that should be considered. Mac users may not require a significant amount of service once they are switched over from the Windows system due to the general stability and ease of use of the Mac system. This would result in a decrease of income from ongoing support of individuals already switched over to Mac. This would be an opportune time to enter the small and mid-sized business market. By this point the Apple Addicts name and service will carry with it a strong reputation from assisting home users and a small number of businesses.

1.3 The Computer and IT Industry

Computers are ubiquitous. They are a requirement by nearly every household and even more so with all types of businesses; more importantly, this demand will only increase with time as business owners are always on the lookout for productivity improvements. The current market for computers is distinctly divided up. There are two main market shares that currently exist, computers users that operate Microsoft Windows and those that operate Apple Macs. According to Net Applications that monitors the percentages of operating systems that browse the internet, Mac computers currently only make up approximately 8% of the computer user market². However, the current trends predict an increase in this low market share. By increasing the buzz associated with Apple and by offering a better product than Microsoft Windows they are continually shifting customers from the Windows market share to the Mac market share.

The opportunity exists due to the lack of Mac support companies in the Calgary market. There are a plethora of computer support companies but only a few support Mac computers. There are none that offer the services that Apple Addicts will provide. In Calgary, specifically, there are two major competitors that will offer similar services but their business focus is on being a Mac reseller, not for switching users over from Windows or on-site maintenance of Mac systems. Apple Addicts stands out from the crowd due to their commitment to superior customer service and their dedication to getting Mac users operating their computers as efficiently as possible. Our services will cover everything from switching over from Windows, becoming comfortable with the Mac system, and continued support as they require more advanced utilization of their computers.

The industry is currently dominated by Microsoft Windows, both in the home and the business sectors. However, the potential for the shifting of this market share has never been so high. Apple's strong marketing strategy over the past couple of years, including those well-known commercials everyone likes, has increased brand-recognition tremendously according to the Phoenix Business Journal who awarded Apple a spot in the top five for business branding in 2007³. In addition, Apple's business practices have helped them

² Net Applications, 2008

³ Phoenix Business Journal, 2008

rank 7th on Fortune's most admired companies list⁴. They are now one of the most recognized companies in the world and are continuing to grow their business.

With the domination of their iPod line-up in the mp3 player market and the recent emergence of one of the best mobile phones ever made, the iPhone, people are quickly becoming aware of how easy to use and functional Apple products are. They are naturally extending this expectation on to the computers in Apple's line-up.

Apple has also made an important migration to the more common Intel platform for its CPU hardware. This has now nullified the old misconception that Macs cost more money than PCs. In addition, this has given Mac users the ability to run Windows on their Macs. With this highly competitive pricing and increased functionality, the excuses for not using a Mac are dwindling. Educating potential customers has now become a paramount issue for Apple to encourage users to make the switch.

Furthermore, Microsoft's latest instalment of their operating system, Vista, has been a major disappointment for the majority of users. It is well-known that a large percentage of individuals that have updated to the new Vista operating system have actually downgraded back to XP due to ongoing issues. As well, Windows Vista users are finding that there is a learning curve to use the new Vista similar to what would be required to switch to Mac. Instead of customers 'upgrading' to Windows Vista, which will be expensive for the customer in both time and money, an actual upgrade to the Mac operating system seems even more favourable, especially if a similar learning curve is required for both.

All of these market trends are leading to a major shift in the market share of Mac computers. Essentially, Apple Addicts is aimed to emerge as the foremost company that Windows users will turn to for help making the switch to Mac. By establishing an early presence in the market as the premiere Apple consulting company, Apple Addicts will make profits from billable hours for switching users over to Mac and secure a future customer base by retaining those switched customers.

Although Mac computers are inherently more stable and less prone to the errors that make Windows consulting companies wealthy, they still require regular maintenance and upgrades. By establishing a 'switch to Mac' company, we will be able to capture the majority of 'switchers' as they are convinced to go for a Mac. With a large customer base, these routine maintenance and upgrades, although few and far between, will be profitable and sustainable.

The Mac system offers a very powerful platform to operate in a business environment as well. Businesses that are in a position to switch to Mac may prove to be a large source of revenue for Apple Addicts in the future. Their support needs far exceed those of the average home user and usually involves numerous computers and complex networking systems. Apple Addicts will be poised to offer small and mid-sized enterprises (SMEs) support should they decide to switch to the Mac systems. There are a number of very attractive benefits that businesses running Macs are privileged to, including a decrease in the cost of

⁴ CNN Money Watch, 2007

computer support and an overall increase in ease, functionality and stability. With some businesses contemplating 'upgrading' to Vista, Apple Addicts may be able to present a strong case to switch to Macs instead.

2 | The Apple Addicts Service

2.1 Description of the Services

The various services that we will provide to customers is based on two distinct service needs:

1) Switching Users from Windows to the Mac

- Transfer of all documents including photos, videos, email, documents, bookmarks, etc.
- Installation of virtualization software that allows Windows to be run on their Mac for their Windows-only programs
- Basic training of the Mac OS X operating system
- Reference material that illustrates step-by-step procedures for key tasks
- Access to online reference material on Apple Addicts website that includes custom videos and tips and tricks.

2) Support for Current Mac Users

- Assistance via email requests and phone calls for customers with a service contract or those who have agreed to the rates of service
- Instant screen sharing for users of the new Leopard operating system
- On-site support and training
- Pre-paid hours for maximum billing convenience
- Small to mid-sized network setup
- Scheduled backup setup and routine maintenance
- Hardware upgrades (including memory, hard-drive, peripherals, etc.)
- Hardware repair (or at least facilitate repairs through Apple or an authorized Apple reseller) by acting as a third party or Value Added Reseller (VAR)

The services described have all been tested in a variety of situations but a fine-tuned and documented process that can be followed systematically with customers has been established and properly tested. Development of this business model and best practices will be continued as more customers are serviced.

These services are geared towards helping the customer use computers in an effective way without being consumed by concerns of viruses, malfunctions, speed issues, and data backup. In turn, the customer's experience with their Mac computers will positively affect other areas of their lives in a variety of ways. The customer will benefit with decreased costs in IT support as well as less time wasted. Time on their Mac will be more efficient and enjoyable. Customers will see a direct benefit in the number of ways that they can entertain themselves with their Mac. A variety of leisure activities such as managing and creating photo memorabilia, creating and editing music and capturing and sharing home movies are done effortlessly. In addition, business activities are greatly enhanced by the use of the stable Mac operating system and the extremely intuitive programs available for the Mac. Basic concerns of most businesses such as up-time, functionality and data backup are handled with great ease on the Mac system, leaving the business operator to focus on more important tasks.

In order to achieve the greatest results from their Mac, customers will require initial training and ongoing support by Apple Addicts. This includes instant support where customers can request an Apple Addicts Support Consultant to 'take over' their screen temporarily over the internet and fix an issue that the customer is having instantly, all within minutes of first contacting the Apple Addicts Support Line. This service will be paid at an hourly rate delimited by 15 minutes. Customers that already have pre-paid service hours will have their balance of hours reduced by the time spent by the consultant while those customers without pre-paid hours will be invoiced. Apple Addicts is dedicated to providing a reliable and useful support system for the customer, their Mac, and the incredible things they can accomplish with it. The cost of Apple Addicts' support will be negligible when compared with the numerous advantages the customer receives in using their computer without boundaries or headaches.

2.2 Future Development Plans

There is a lot of growth potential in the current market simply by continuing to offer the services described above. As users become more and more familiar with their Macs, the amount of basic support required by current Apple Addicts customers will decline. In order to maintain these customers, Apple Addicts has to provide diverse services that will capture customers' needs as they become more advanced.

A key focus for the future is to target small and mid-sized businesses. Business customers will provide Apple Addicts with a new market to obtain customers from that will have larger contracts and increased ongoing support needs than the home user. By entering this market, Apple Addicts can assure their sustainability with ongoing support needs.

Another future consideration involves Apple's ever-expanding product line. They continue to enter into new markets that provide new opportunities for customers to take advantage of the ease and functionality of Apple's products. These new products introduce avenues of customer support that Apple Addicts can

provide customers. For example, Apple has released the Apple TV that connects to a user's high definition TV and allows them to download and watch TV shows, movies and photos from the Apple store and their iTunes library on their computers to their high-definition TVs. This would be an opportunity for Apple Addicts to introduce awareness of the product to the customer and then provide setup and support for the customer's use of the technology. The Apple iPhone, which is soon to be released into the Canadian mobile phone market provides another possible avenue for additional customer awareness and support as well as another revenue stream for Apple Addicts.

3 | Market Analysis

3.1 Target Market and Characteristics

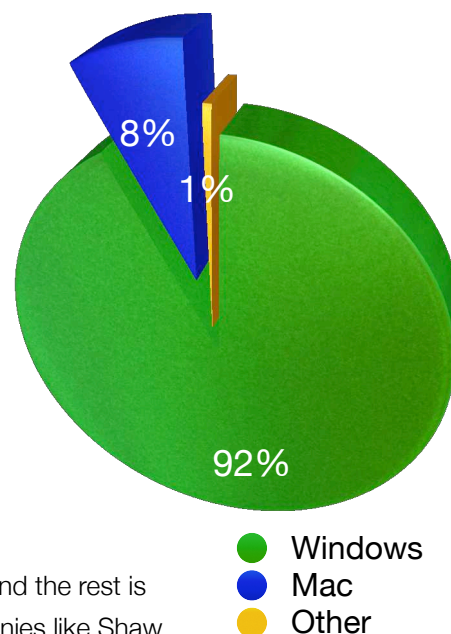
Home PC Users

Apple Addicts' primary target market is current home PC users. Specifically, we are targeting PC users that are tired of using the problem-prone Windows and are interested in switching to an alternative. A large percentage of PC users are already considering the Mac as an alternative platform. Based on surveys we delivered⁵ and common conception from a number of PC consultants in the industry, current PC users are hesitant to switch to Mac for two main reasons: one, they do not know how to transfer their files and programs over from their Windows PC, and two, they are not familiar with the Mac operating system. To alleviate these concerns, Apple Addicts will be implementing two marketing strategies about our services:

- **We look after the details:** The customer does not have to worry about all the technical details of the transfer. The customer only has to indicate what they want transferred, and the rest is looked after by the Apple Addicts Consultant. Large companies like Shaw and Telus have used this marketing tactic with great success, reassuring customers' concerns with the simple marketing concepts of: "We will look after the details and it will just work".
- **We show you how to use it:** Many people are already convinced that the Mac platform is superior and that it is easier to use and saves time. However, an initial time investment is required by new users to become acquainted with their Mac and to become proficient. Customers are concerned about making this initial investment but with the help of Apple Addicts training and tutorials, this learning curve can be shortened.

Based on recent estimates, the number of PC user households between the age of 25 and 59 that switch to Mac per year is between 2,765 and 4,425. This number represents users who have decided to take the plunge without any assistance. With the emergence of our seamless switching service, we expect this number to grow significantly.

Operating System Market Share for January '08
Source: Net Applications, 2008



⁵ See Appendix 1 for a copy of the survey distributed

Home Mac Users

Apple Addicts' secondary target market is home Mac users. This market consists of home users that have already adopted the Mac system. Even though the Mac is a very simple and intuitive platform, there are some major differences and some key areas of potential problems that can be encountered. A demand for our services can be broken into three main categories:

- **Transferring data:** Transferring old data such as work documents and pictures to a new Mac can be a tricky task for the average computer user. Apple Addicts will help the customer seamlessly transfer all their information and ensure that no data is lost in the process. This can also include a complimentary backup.
- **Training:** Many new Mac users are not familiar with the different features and operation of their new system. Apple Addicts will be able to assist with providing training to show the customer all the powerful and time saving features of the new system. General training can be provided, as well as customized training tailored to the customer's needs.
- **Installing Windows:** Although Macs have a very feature-rich system, some industry standards require the Windows platform. Many home Mac users are forced to use a Windows system at work and when they need to work from home, some of these applications are not compatible with the Mac system. Apple Addicts can easily install a virtual Windows operating system within the Mac system, allowing the customer to run the required Windows applications at home. This will provide the customer with the ultimate convenience, compatibility and functionality.

The estimated size of Mac users in Calgary aged 25 and 59 is between 9,219 to 14,750 households ^{6 7}. This is a considerable base of users that will grow with PC users switching.

Small Businesses

Our third target market is represented by small businesses throughout the Calgary region. For the initial growth phase of the company we will not concentrate on appealing to this market. We expect to make contacts in small business through our home users first. After firmly establishing our presence in the residential market, we will make the leap to businesses.

3.2 Market Share, Trends and Growth Potential

Our primary target markets, namely home computer users are growing every year. Although it is difficult to find exact details on market growth for Mac, many estimates place Mac's market share to be growing by 30% per annum. This is tremendous growth, and we expect our market share to follow a similar trend because of the complementary nature of our service.

⁶ Net Applications, 2008

⁷ Statistics Canada, 2006

The turn-around of Apple in the past decade can be attributed to the introduction of the iPod. The iPod has established its dominance in the mp3 player market and continues to be Apple's largest income source. The more recent growth of Mac computers can be attributed to the use of Intel's processor in current Mac computers. This marked a turning point for the platform because it allowed Macs to be more cost effective, run windows and operate extremely fast.

The switch in processor technology has also allowed Mac users to emulate the Windows operating system on their computers. This has proven to be a very important factor when considering the switch. In the past, many PC users avoided switching because of one or two old Windows applications that were not available on the Mac. This is no longer an issue, because any Windows program can be run on your Mac and we can see this being reflected in the massive growth of the Mac market share.

With the continued growth of Apple products, such as the Mac, iPod, and iPhone, we are confident in the growth of the market. With the availability of a whole Apple suite (computer, music player, and phone), many users will be more inclined to use the Apple technology.

3.3 Sales, Distribution and Profits by Service

Apple Addicts will offer a variety of services, with each providing a similar level of profitability. The distribution of our services will be four-fold:

1. **Switching:** Switching users from the PC to the Mac. This will be done in the customer's home and will be offered as a flat rate package in order to lower the cost to the user and attract initial customers. On average, this will take 4.0 hours to complete.

Costs directly associated with switching users are the technician's time and the vehicle's operation costs. The switching service will be sold as a package at a reduced price (instead of an hourly rate) in order to encourage customers to take advantage of our service. The price of the package (approximately \$200) will be sufficient to cover the costs of the technician and vehicle while still providing 25% gross profit margin.

2. **Regular Service and Support:** This covers minor service calls or training sessions that are approximately 0.5 hours. This service will be completed through either the telephone or by sharing the user's screen over the internet using 'Screen Sharing' technology. This technology is built into all current Macs and allows the technician to control the user's screen while having a two-way conversation with them. For billing, each customer will ideally have a small maintenance balance of pre-paid hours that will be withdrawn from. This eliminates much of the complexity of billing only 0.5 hours at a time. If not, billing will be done through credit card or on-line debit. Payment for service is due when service is rendered. Apple Addicts will convey this information before getting to work on the users' issue.

Regular service and support will provide Apple Addicts with regular cash flow and the largest profit margins. Since this service will be operated via the telephone or through the internet with 'Screen

Sharing' and will require no driving, the costs will be minimized, directly including only the technician's time. We estimate each service request will take approximately 30 minutes. This service is very efficient and will be a sustainable income source as Apple Addicts grows. To facilitate prompt service and ease of billing, customers will be encouraged to purchase pre-paid maintenance hours that will be used as needed when they use this service. The use of a maintenance balance will also provide Apple Addicts with better retention as well as positive cash flow. As an incentive for customers to purchase these pre-paid hours, a small discount will be awarded that would work on a sliding scale fashion, similar to cell phone top-up models such as Virgin Mobile. See Appendix 2 for a simple demonstration.

- 3. Higher Needs Support:** This is similar to the Regular Service and Support, only with higher needs. This may include setup or issues of hardware, networking, backup or advanced software. This type of support cannot be completed over the phone or through 'Screen Sharing.' It will require an on-site visit from a technician that will take, on average, 2.0 hours to complete. Since this is a more substantial piece of time it will be invoiced on a per visit basis at a rate of \$100 per hour. In order to cover the cost of the visit, a minimum of 1 hour will be invoiced.

High needs service will be similar to the switching service except that this service will be billed at an hourly rate, not at a package price. The customer will be billed per incident at the full hourly rate.

- 4. Training:** The costs of training are similar to the switching service for in-house training. This may be offered at a reduced rate to encourage customers to take advantage of it. In addition to in-person training, online training material will be found on Apple Addicts' website and will be free to existing customers (requiring an account number to log on). The online material will operate more as a weekly how-to with videos, tips and tricks as well as suggested downloads. Group training will be considered, especially for workplaces with multiple employees, and friends and families. These will be offered at a discounted rate.

The direct costs of in-person training will be the technician's time as well as the vehicle operation costs. The website training material costs include the technician's time to produce the content as well as the hosting charges for the website. These costs are justified if it aids in Apple Addicts' reputation, retention rate and benefit to the customer.

Indirect costs of operation to consider include costs associated with telecommunications, marketing and general overhead costs. As long as we achieve a very conservative number of service hours per month, the overall profitability of the company will be sufficient for growth.

3.4 Service Policies

Our service policy will be quite similar to industry standards already established. First off, our company will not be held liable for any data loss. This will be handled with a non-liability disclaimer that is provided on the customer work order. This is a standard practice in the industry, as nobody can guarantee against random data loss. Secondly, we guarantee that a customer will get a cost estimate within the first hour of work. This

alleviates much of the risk from the customer, and ensures that they will not incur large unforeseen costs. Once the estimate is given, the customer may choose to go ahead with the work, or decline the work for the time being.

Billing will be handled by the service technician. The technician will produce a “carbon-copy” invoice for the customer, at which point the customer can pay by cash, cheque, credit card, or PayPal (online payment with debit).

Attainment of qualified and ethical technicians will be achieved through a rigorous interview process and background checks with previous employers. Additionally, technician’s work will be frequently monitored through video tracking and random job shadowing to ensure quality of service remains at a high level.

4 | Competitive Analysis

4.1 SWOT Analysis

Strengths

- Exclusively Mac specialists
- Apple Certified / Apple Consultancy Network (ACN)
- Good brand association ("Apple Addicts")
- Remote instant support: highly efficient and cost-effective for both the customer and Apple Addicts
- Website access for complimentary on-line training, knowledge base and community
- On-Site service and support
- Previous customer base from Mr. Pinter's past experience (i.e. Oxygen Webs' customers)
- Ease of billing and paying (online, retainer option available for discounts and ease of billing)
- Relationship with prominent Mac resellers (e.g. My Mac Dealer)
- No commercial office space and little overhead means low operating costs
- Little capital being tied up from inventory

Weaknesses

- Not a unique product or service (relatively easy to enter the market)
- Single-person operation means little capacity for growth without hiring another individual
- No commercial office space means less exposure and little inventory
- No direct affiliation and exposure with a reseller, such as that seen with Geek Squad and Best Buy

Opportunities

- Rapidly increasing Mac market share
- New products constantly being introduced by Apple creating a buzz around the company and their product line
 - iPhone
 - Apple TV

- A number of small businesses and key large businesses (e.g. IBM) have converted to the Mac recently
 - Growth into the business sector seems promising
- Nobody else focuses their top priority to switching people from Windows to Mac
 - By being the first person (or maybe the second person if they purchase their Mac independently at a reseller) they see when dealing with Mac, we can establish a relationship and continue to service the customer in the future through good customer service and earned customer loyalty
- Mac and Apple products tend to be such a word-of-mouth community, by being one of the first big names for Mac service in Calgary, we can be first in the words of people's mouth

Threats

- Entrance of another major competing company into the same niche - switching people from Windows to Mac
- Alteration of the services of an already established company, such as Geek Squad, to incorporate conversions from Windows to Mac more prominently
- The market does not grow like predicted
 - Without growth in the current market of Mac users, Apple Addicts' growth cannot be sustained
- Changes with Apple Inc. that may be detrimental to Apple Addicts since the two are so closely aligned
 - Apple products take a turn for the worse in quality or usability
 - Viruses, Spam and crashes increase in the Mac system
 - Apple offers similar on-site support services and training
 - Their marketing decreases or becomes less effective

4.2 Competitive Analysis

Company	Strengths	Weaknesses	Reaction
Apple Inc.	<p>Direct association with company</p> <p>Most services are free or relatively inexpensive</p>	<p>No store or service in Calgary</p> <p>Telephone and web only</p>	<p>Most likely support Apple Addicts since it is beneficial to them</p> <p>Open an Apple Store in Calgary</p>
GeekSquad	<p>Very well known</p> <p>Associated with Best Buy</p> <p>Apple Certified Technicians available</p>	<p>Not a strong support for Mac products or services</p> <p>Long wait times for Mac service in Calgary (up to a week)</p>	<p>Increase their support of the Mac through advertisements</p> <p>Hire more Mac technicians to decrease wait times</p>
Nerds On Site	<p>Very well known</p> <p>Associated with Future Shop</p> <p>Apple Certified Technicians available</p>	<p>Not a strong support for Mac products or services</p> <p>Long wait times for Mac service in Calgary (up to a week)</p>	<p>Increase their support of the Mac through advertisements</p> <p>Hire more Mac technicians to decrease wait times</p>
MyMacDealer	<p>Good customer loyalty</p> <p>A whole suite of products and services</p> <p>Excellent location</p> <p>Commercial offices in both Calgary and Edmonton</p>	<p>No specific on-site service, especially for residential services</p>	<p>Either form a relationship with Apple Addicts, including contracting us out for on-site service or establishing a commission-based sales relationship for Apple Addicts referrals, or offer similar services to Apple Addicts</p>

Company	Strengths	Weaknesses	Reaction
WestWorld Computers	<p>Good customer loyalty</p> <p>A whole suite of products and services</p> <p>Excellent location</p> <p>Commercial offices in Calgary, Edmonton, Vancouver and Victoria</p> <p>Offer group training and tutorial sessions on a weekly basis, including 2 free with the purchase of a new computer</p>	<p>No specific on-site service, especially for residential services</p>	<p>Either form a relationship with Apple Addicts, including contracting us out for on-site service or establishing a commission-based sales relationship for Apple Addicts referrals, or offer similar services to Apple Addicts</p>
MacXperts	<p>Low cost operation (home-based)</p>	<p>Poor exposure and branding</p>	<p>Continue with existing clients and/or join Apple Addicts as a contract technician</p>
London Drugs	<p>Recognized and trusted store</p> <p>In-store sales and service of Mac</p>	<p>Not Mac specialists</p> <p>Limited, if any, Apple Certified Technicians</p>	<p>Most likely no change - not their main focus</p>
SNAP Technology Solutions	<p>Highly qualified owner/operator</p> <p>On the Apple Consultants Network</p>	<p>Simple Mac converts and support is not a primary focus</p>	<p>Most likely no change - not their main focus</p>
Mitchell & Company	<p>Highly qualified employees</p> <p>On the Apple Consultants Network</p>	<p>Simple Mac converts and support is not a primary focus</p>	<p>Most likely no change - not their main focus</p>
Proctor Consulting	<p>Highly qualified owner/operator</p> <p>On the Apple Consultants Network</p>	<p>One man operation, Ian Proctor</p> <p>Simple Mac converts and support is not a primary focus</p>	<p>Most likely no change - not their main focus</p>

4.3 The (Major) Apple Authorized Resellers

There are two major Apple Authorized Resellers in Calgary, MyMacDealer and WestWorld Computers. Both of these shops are accredited by Apple Canada to sell and service Apple hardware and software. They both have a well established following in Calgary and high customer loyalty. Their hardware range is complete, including accessories, and their services cover nearly everything to some degree.

Where both of these stores lack is in the on-site service and support area where a technician will visit the customer's home. Instead, they both rely on the customer bringing in their hardware. If that is not possible, a long wait time is required before a technician can be scheduled to meet with a customer in their home or business.

Instead of looking at these two stores as competitors of Apple Addicts, Mr. Pinter is attempting to setup a strong working relationship with each of these companies that would aid in exposure and clientele for Apple Addicts, while increasing the service range of the two resellers. These two relationships are just budding but the initial interaction seems promising. Both Cameron, the Sales Manager at WestWorld Computers, and Curtis, the Owner of MyMacDealer, were quite clear that there is definitely a market for that and were optimistic of a positive relationship between Apple Addicts and their respective stores. Further meetings are taking place to establish this more concretely.

5 | Marketing Analysis

5.1 Marketing Overview

Apple Addicts Consulting offers services directed at customers who are wanting to convert from Windows PCs to Mac computers. This idea is a fully new concept, as other businesses are only targeting those who already have a Mac computer. The idea of transitioning customers from a Windows PC to the Mac based platform comes at a time when Mac computers are acquiring a significant market share in North America. By launching new products, such as the iPod and iPhone, Apple has differentiated itself as a unique, cutting edge company with a full product line. Apple Addicts will take advantage of this momentum in order to launch itself to aid those who want to switch to the reliable and powerful Mac platform, but are unsure how to do it.

Our idea is centred at the niche of computer owners who have adequate income and the need for a reliable and high quality computer system. This includes individuals as well as small businesses who are looking for a reliable system to make their computing more efficient.

In order to penetrate the market initially, Apple Addicts will perform a number of steps that will allow the Apple Addicts name and services to permeate through our market. Our main marketing focus will be door-to-door flyers, community association newsletters and websites, the Apple Consultancy Network, Co-operation with Apple Resellers in Calgary, Apple Addicts' website, previous Oxygen Webs' customers and referrals (word-of-mouth) given by previous customers.

Apple Addicts would like to achieve three main goals within the first year: a) establish a number of reference customers and testimonials, b) achieve awareness in the market through marketing campaigns, and c) gain contacts in the small business sector for growth in year 2. Throughout this section, the strategy for achieving these goals will be elaborated on.

5.2 Initial Marketing Strategy

A critical requirement for the success of Apple Addicts is to establish itself as the go-to company for users switching from Windows to Mac. In order to do this a variety of marketing methods must be used to flood the target market with our brand, message and service.

It is important, especially during start-up, that the marketing strategy is cost-effective and efficient. To that end, the target market must be focused on and monies cannot be spent frivolously outside of the target market. To recap, the target market are middle-class and above, middle-aged and above Windows users that have recently switch to Mac from Windows or are seriously considering it. For more information on the target market, see Section 3.

To best focus on our target market, it is best to go where customers purchase Mac hardware, namely, the resellers. This primarily includes WestWorld Computers and MyMacDealer but also includes Best Buy, Future Shop and London Drugs. Relationships have already begun with WestWorld and MyMacDealer. The other

three already have a dedicated service company (e.g. Geek Squad for Best Buy) or cannot form such relationships due to policy. Apple Inc. is another major reseller, of course, and inquiries into a better relationship with Apple Canada are underway with the Western Rep, Richard Catinus.

The following are key approaches that will be used by Apple Addicts to penetrate the market and establish strong exposure and brand presence very quickly. Once again, it is important to aggressively and efficiently attack the market in a diverse manner at multiple fronts.

Reference customers: The establishment of satisfied, talkative customers is the best source of not only repeat sales, but new customers. We anticipate a high level of word-of-mouth as an advertising as a strategy to successfully enter and grow in the market.

Time line: Launch

Apple Certified Consultant / Apple Consultants Network (ACN): Mr. Pinter will be obtaining his certificate as an Apple Certified Consultant very soon, which requires becoming professionally comfortable with the Mac OS X operating system and completing a Apple certified test to prove competency. Once Mr. Pinter becomes an Apple Certified Consultant, Apple Addicts will become applicable for listing on the Apple Consultancy Network. This is an advertising network on the Apple website for certified consultants that displays certified consultants based on your postal code or City. When potential customers browse this network list, they will be able to see what services Apple Addicts specializes in and contact us directly. This list is looked at most by businesses interested in local support as well as Apple Customer Care specialists that are aiding customers who have called in looking for additional support. Currently, this network only lists three companies in Calgary. The cost to be a member of this network is \$700 per year but also comes with a variety of other benefits, including discounted software and marketing material from Apple.

Time line: Launch

Co-Operation With Resellers: Apple Addicts is currently pursuing co-operative relationships with both of the major Mac resellers in Calgary, MyMacDealer and WestWorld Computers. This will be an excellent way to receive additional customers and exposure, as well as commission-based income from bringing hardware needs to their store.

Time line: Launch

Apple User Group: Apple Addicts will become an active member in the Apple User Group in Calgary, which formed to educate others on a volunteer basis of the benefits of using a Mac. This is largely operated and utilized by senior citizens; participation and volunteering in this group would help develop credibility, exposure and important contacts.

Time line: Launch and ongoing

Vehicle vinyl wrap: In order to achieve high levels of exposure in Calgary, we will advertise our services on the company vehicle by using a full colour graphic vinyl wrap. Since we will be providing on-site services, we

will utilize the travel time to advertise. The cost of this advertisement is \$2,670 that will be financed into 10 monthly payments. The vinyl wrap will last between 3 to 5 years.

Time line: First year

Search Engine Sponsored Links: by using keywords such as 'Apple', 'Mac', 'Switching', 'consulting' and 'Calgary' throughout Apple Addicts' website, its ranking will be increased on search engines such as Google,. In addition, sponsored links may be purchased so that Apple Addicts is highlighted amongst the displayed results.

Time line: Launch

Community Association Advertising: Apple Addicts will focus its media advertisement resources towards the community associations in the Calgary area, including door hangers, door-to-door, website, newsletters, bulletin boards and presentations. This will focus on the target market and keep the cost minimal compared with more commercial advertisements.

Time line: Launch

Business Magazine Advertisements (e.g. Business Edge): In the future, advertisement in prominent Calgary business magazines, for example the Business Edge, Business in Calgary and Calgary Inc. This will take place in the second year after Apple Addicts is well established with our residential market penetration and growth into the business sector is promising. The cost of one 1/4 page advertisement is approximately \$1,000 per monthly publication but the viewer-ship is highly viable. (For an example of viewer ship and costs, refer to Appendix 4).

Time line: Year 2

Apple Addicts Website: AppleAddicts.ca will feature an array of tutorials, tips, tricks, video podcasts, newsletters, blogs and news regarding Apple and Mac. It will be created to be useful to everyone that features and will be routinely maintained and updated to ensure fresh content and repeat visits. This complimentary content will be used to funnel non-customers into the business side of the website where more advanced issues will require contact with a consultant at Apple Addicts. Alongside this complimentary content, there will be a members-only section that is free for existing customers, and will provide even more useful information and a method to keep track of account history, pay invoices online and monitor a retainer balance.

Time line: Launch and ongoing

5.3 Pricing and positioning

We are positioning ourselves as a high-quality, yet affordable service provider. Our basic charging price is \$100 per hour. We have established this price based on the market prices of our competition (please refer to the conceptual map in Appendix 3). This will provide Apple Addicts with large profits margins while remaining competitive. In addition, flat-rate package prices will be used for switching users and future promotions. This will attract customers due to its simplicity and fixed, lower cost.

One of Apple Addicts' pricing strategies is to offer a wide variety of payment methods, which differentiates us from our competitors. Our methods of payment will reflect how we provide our services: easy and convenient. As Apple Addicts is providing on-site services to its customers, the company will accept the following payment methods:

Cheques: Due to convention in the computer consulting industry, Apple Addicts will accept cheques as a form of payment.

Cash/money order: the customer also has the option to pay cash after the service has been provided. Our technician will carry a float with him when performing on-site work, in order to be able to produce change for the customer.

Internet payment: Our business will be registered with PayPal. PayPal works by taking a small percentage (1.9 – 2.9% + \$.30) of each transaction performed by the business. There are no monthly, set-up or cancellation fees. Customers that have their own account with PayPal can pay through Interac, directly from their bank account. PayPal guarantees high-grade security for both the customer and Apple Addicts.

Credit card: using PayPal, as mentioned above, Apple Addicts will accept all the major credit cards. If the customer prefers an off-line credit card approach, an imprint will be taken and their payment will be processed later.

Projected Marketing Expenses

The first year of marketing is broken down as follows (for further information refer to the financial appendices):

Community Newsletters/Websites	\$ 300 / Month	\$ 3,600 / Year
Door Hangers and Door-To-Door	\$ 300 / Month	\$ 3,600 / Year
Apple Consultancy Network		\$ 700 / Year
Vehicle Vinyl Wrap		\$ 2,667 (Financed for 12 months; Appendix 5)
TOTAL MARKETING (First Year):		\$ 10,570

6 | Processes and Operations

6.1 Location

For the initial growth phase of the company, Apple Addicts will operate out of an office in Mr. Pinter's residence. This will not negatively impact the professionalism of the company because all of our services are provided on-site, eliminating the need for a public office.

As the company grows and additional technicians are hired, the need for an office will be realized. At that point, we will scout out a location to run the business from, providing a central management and organization centre. When this location is opened, we expect operating costs to increase significantly. This will be outweighed by the increase in income from increased capacity. Based on our estimates, a commercial office space will not be required until after the first two years.

6.2 Service Process and Operations

The operation of Apple Addicts can be broken down into a number of key areas:

6.2.1 Client Scheduling

Clients' primary method of contact with Apple Addicts will be by telephone. There will be a toll-free number to call for service and a Calgary number that will get routed through a telephone menu system. Once the needs of the caller is understood through the use of an automated menu system, they will be forwarded to the proper contact. Initially there will be three options: 1) Talk to a consultant, which will get forwarded to Mr. Pinter's smart phone; 2) Leave a message to request a consultant visit, which will get forwarded to voicemail; and 3) Company information, which will provide the caller with a pre-recorded message with basic company information, including the website address, hours of operation, services provided and the mailing address. This method of call routing will maintain high professionalism while allowing Mr. Pinter to work out of the office and minimize reception costs.

In the future when Apple Addicts expands, customers will contact a call centre contracted out where a customer service representative will determine the caller's needs and schedule appointments, if necessary.

Service requests sent via email will be monitored frequently throughout the day and responded to promptly by Mr. Pinter. While out of the office, Mr. Pinter will use his smart phone to receive and respond to new customer emails.

6.2.2 Customer Contact

The service technician will keep track of his appointments through his digital calendar. This allows quick changes to easily be made, as well as allowing us to effectively track trends in customer demand. The process that technicians will follow is as follows:

1. At the beginning of the day, the technician will go through his appointments for the day in his digital calendar.

2.He will phone each customer to confirm the appointment for the day. Any changes that need to be made will be updated in the calendar at that time.

3.The technician will visit each customer, and keep track of results through his calendar program. If any changes in schedule are expected, the technician will contact the remaining appointments for the day to inform them of the delays.

6.2.3 Customer Consulting

When the technician visits the customers' home, he will follow the following process:

1.First, he will determine the nature of the call. This involves talking to the customer, and determining what needs to be done.

2.The customer will sign an industry standard waiver that limits the liability of Apple Addicts with regards to loss of information.

3.The technician proceeds to work on the problem and develop an estimate for the customer. The technician is expected to produce an estimate of time and cost within the first hour of service.

4.If the customer agrees to the estimate, the technician either carries out the service right away, or schedules it for a later date (depending on time constraints).

6.2.4 Billing

After the technician provides the service, the technician will produce an invoice for the services rendered. This is recorded using a carbon copy pad, which allows us to keep a copy and also leave a copy with the customer.

The customer will be able to pay right away using cash, cheque, credit card, or PayPal. Otherwise, they can mail their payment in within 7 days.

For any unpaid accounts, the customer will be contacted by the 10th day.

After 30 days, all unpaid accounts will be written off for accounting purposes. After 60 days, we will sell the debt to a third party collection agency.

6.2.5 Follow Up

After a customer has been visited, a follow up call will be made within 48 hours to ensure the customer is satisfied with the service. The process will be as follows:

1.The customer will be contacted by phone within two days after they were visited by the service technician.

2.They will be asked if all their issues were resolved and if there are any outstanding issues.

3.They will be asked to comment on the technician's performance and service. This allows us to monitor performance of the technicians. Any negative feedback will be dealt with immediately.

4.If there is positive feedback, ask if they would like to put it in writing as a testimonial for our website. If yes, send an email with the form.

6.2.6 Monitoring Business Trends

A key factor to remaining competitive in this industry requires us to constantly monitor business trends. This process will be conducted on a monthly basis. Based on data records of client calls, feedback, and service calls, all business trends will be quantified and analysed. Advertising and marketing strategies will be analysed against actual results, allowing Apple Addicts to determine the most effective methods of conducting business. After key issues and beneficial factors have been identified, steps will be taken to take advantage of positive trends or correct negative ones. By staying on top of industry trends, Apple Addicts will ensure its survival in an ever-changing market.

6.3 Labour

For the initial phase of the company, the majority of labour will be incurred by Mr. Pinter, while the rest will be contracted out as needed. Mr. Pinter will handle all scheduling, customer contact, and consulting. As the company grows and additional technicians are hired, the following new-hire process will be followed:

- 1.Orient the new technician with the company and policies.
- 2.New hire will study for his Apple Certification exam. This time will be unpaid but training material will be provided and access to company experts for questions, guidance and assistance will be available.
- 3.Once ready for testing, the new technician will take their certification exam. All costs associated with certification will be covered by Apple Addicts.

In order to avoid the loss of staff after such an investment, new hires will be required to sign a non-competition agreement. This will ensure that they work for Apple Addicts, and don't leave the company to work for a competitor within a certain time range. The typical length of a non-competition agreement is between 1 to 3 years.

Technicians will be compensated using an hourly structure. This ensures that the technician is being productive, and will only be paid for hours that are being spent with a customer. This alleviates the risk of losing money due to unproductive work. In order to retain technicians, a minimum amount of hours per week will be guaranteed.

In addition, the technician will be compensated for vehicle costs during driving time to visit the customer. The compensation will be based on industry standards, which is approximately \$0.40 per kilometre.

6.4 Growth Strategy

In addition to planning for current processes, we have prepared a process to foster smooth company growth. As demand for our service increases, the growth of the company will be inevitable. In order to grow the company, an effective process must be implemented.

6.4.1 Labour Demands

Based on the average number of consulting calls per day, the company will hire additional technicians and office staff. Once our central office location is opened, it will be manned by Mr. Pinter, as well as additional office personnel. We will hire relatively inexpensive office personnel to look after office activities, allowing the technicians to be out servicing customers throughout the day. The demand for additional office staff and technicians will be gauged on a regular basis, and new staff will be hired as needed.

6.4.2 Management Demands

For the initial growth of the company, all management tasks will be handled by Mr. Pinter. Key areas of management will include marketing, operations, human resources, and finance. As the company grows, additional management will be recruited to take on these key areas. A simple model will be used initially in order to keep management efficient cost-effective.

6.4.3 Location Demands

The location needs of the company will be assessed as the company grows. While the company is a single person operation, there will be no need for a commercial location. All operations can be conducted out of Mr. Pinter's residence. As more technicians are hired on and service demands increase, an office location will be scouted. This will provide the company with a place to meet, schedule appointments, and facilitate communication between technicians.

7 | Management and Ownership

During the initial start-up, Apple Addicts will be owned and operated solely by Mr. Pinter. Mr. Pinter has a unique insight in the computer industry through his experience as a Windows IT consultant for the past five years. In the last year, he has made the switch to the Mac computer and is currently developing his expertise and passion for the new platform. He has recently graduated with a Bachelor of Science from the University of Calgary and will be aggressively pursuing Apple Certification in the subsequent months to cultivate and validate his professional abilities (see Appendix 6 for Mr. Pinter's resume)

Mr. Pinter also brings to the table considerable small-business experience from being responsible for the successful start-up, management and operation of Oxygen Webs, a website design and hosting company he started in 2002. Over the past five years he has serviced over 40 customers and continues to maintain over a dozen websites for various individuals, small-businesses and community associations in and around the Calgary area. Although Mr. Pinter has now stepped down from an active role in Oxygen Webs in order to pursue a new start-up with Apple Addicts, the knowledge he has gained throughout the start-up and growth of the company is invaluable and remains a beneficial asset in his repertoire.

Since Apple Addicts will be solely owned and operated initially, all roles required for the business to flourish, including management, marketing, finance, customer relations and technical work will be completed by Mr. Pinter. Additional support for these tasks will be gained through the assistance of a Board of Advisors and a network of contacts.

The Board of Advisors will expand as needed but currently sits a small number of very well respected individuals. Included is Leo Donlevy, an MBA instructor at the University of Calgary, Mike Broadfoot, Chairman of Solium Capital, Pete Pinter, owner and operator of P² Consulting that specializes in software development, Armen Shimoon, a business and computer science student and entrepreneur at the University of Calgary and Vadim Iablokov, an Apple and industry expert.

Mr. Pinter will not be accepting a wage or salary but instead will be making a proprietor's draw of \$1,000 monthly until the end of the second year. This will eliminate unnecessary expenditures and promote Mr. Pinter's personal investment in the success of the company.

8 | Administration, Organization and Personnel

8.1 Organizational structure

Apple Addicts will be operated by Mr. Pinter from the launch of the business until additional staff are required, estimated to be in the second year of operation.

As the company evolves, Mr. Pinter will replace his position as a technician by hiring computer consultants to perform the services. This will allow him to concentrate on the growth of the company.

Mr. Pinter will continue to replace himself from other positions as the company grows so that he will eventually concentrate on only management decisions.

Mr. Pinter will use a Mac based bookkeeping software system in order to keep track of financials and bookkeeping. Mr. Pinter has previous experience in this area from his other business, Oxygen Webs.

In the future, certain key positions in the company will be filled as needed in order to maintain proper business function and to maintain a high growth rate. The positions to be filled will be based on demand during time of growth. Key areas to be filled in the future include finance, operations and human resources and marketing.

8.2 Administrative procedures and controls

Procedures and policies towards management reporting will not be relevant during the beginning stage of the company, as Mr. Pinter will be the sole employee. However, as the company expands, these procedures will become necessary.

The first computer technician to be hired by Apple Addicts will be hired on a contractual part-time basis. This employee will be hired and managed by Mr. Pinter. Apple Addicts will cover the cost of the Apple Certification program and upon his certification, the employee will commence work with the company

Since this employee will be required to do on-site work they will need to provide their own vehicle and they will be reimbursed for their travel time at a rate of approximately \$0.40 per km. However, their vehicle will need to meet a set of standards to maintain an appropriate level of professionalism and aesthetics. If they need assistance in procuring a vehicle an arrangement may be considered where Apple Addicts would assist in leasing or financing a vehicle for business use.

In order to properly monitor and report travel expenses a travel log will be required by all technicians to record the details of their travels, including the kilometres travelled, location of service, travel time and servicing time. This will be verified on a regular basis.

Also, as technicians will be travelling between customer locations, they will be required to own and be available on a mobile phone. Business calls will be reimbursed at a reasonable rate, provided that a call report is used to record all business calls. This will be monitored and verified frequently.

Apple Addicts will provide the employee with advertising material for the technician's vehicle as well as a basic uniform and all necessary stationary and supplies.

8.3 Management Philosophy

We will create a positive work environment by using Theory Y motivation techniques. This includes appealing to higher level needs, such as social factors, self improvement, self actualization, and goal setting.

Many studies have found that employees tend to work better and are more satisfied with their jobs when they are treated with respect and their higher needs are appealed to.

Mr. Pinter will be regularly setting new goals that are in line with his personal objectives, as well as the company's objectives. This will help Mr. Pinter focus on what needs to be done for the business, as well as helping him to achieve personal goals.

As new staff members are hired, they will be encouraged to implement a system of setting personal goals. This will ensure that employees are consistently working towards self improvement and helping the company achieve organizational goals.

Employee contributions will always be encouraged. Anything from process improvement suggestions to ideas for new market development will be encouraged. By making employees a part of the business development process, they will feel closer aligned with the organizational objectives. This will also help foster commitment and loyalty because it creates a more involved position in the company for the employee.

Based on the response of our customer follow-up calls, employees will receive a quarterly bonus for excellence of service provided, based on standards and goals established ahead of time.

8.4 Recruitment

Our primary recruitment strategy will be to post ads and classifieds online, in the local newspapers and at the University in the Computer Science Faculty.

In addition, in our advertisements to the general public, we will also announce that Apple Addicts is hiring.

Apple Addicts will hire technicians who are just as passionate about Macs as Mr. Pinter is. This person should also be knowledgeable about computers and Mac technology. Preferably, this person should own a Mac of their own so that they already have a basic knowledge on the specifics of the Mac operating system.

8.5 Forecasted Personnel Needs

For the first year Apple Addicts will require only one staff member, Mr. Pinter. He will be responsible for all areas of the business, including management and operations.

1st Year: By the end of the first year, the human resource needs will be reassessed. If the demand exists, Apple Addicts will recruit more technicians to help with the workload. The requirements for these technicians will be the same as stated above.

We will also look to recruit more management personnel as is needed. This will allow Apple Addicts to expand while having all the necessary labour to ensure effective growth. The added management force will help with recruitment, training, marketing, and operations.

2nd Year: By the second year we expect to contract new technicians (up to 3 technicians by years end) and contract a call centre service to manage calls and scheduling. This will allow the company to increase its output, and allow Mr. Pinter to concentrate more on the management of the company. The first technician should have a fairly strong background in Mac computers and Apple technologies. We will train them according to the company needs, and also pay for their Apple certification

3rd Year: By the third year, we expect to have contracted a sizeable technical force. The main objective is to have a qualified team to run the company and allow for growth.

9 | Milestones and Scheduling

9.1 Key Milestones

Date	Task
April 2008	Certification - Apple Certified Consultant
May 2008	CYBF Start-Up Financing in Place Branding - Logo, Website, Business Cards, Invoices Vehicle Purchase with Vinyl Advertisement
June 2008	Official launch First, Non-Reference Client 1st Round of Marketing Push
January 2009	Break-Even Point. Monthly Cash Flow Is Positive
September 2009	Second Technician Contracted
Fourth Quarter 2009	Positive Net Worth - Assets Exceed Liabilities

10 | Critical Risks and Problems

Too Small A Market

We are attempting to gain market share in the computer service and support industry. There already exists a number of well established Apple resellers who service Apple computers. Our advantage in this niche, however, is that we are targeting those customers who are currently PC owners that want to switch to a Mac, but are unsure about how to make the switch. We will provide consulting services for these customers, namely individuals and small businesses. After successfully converting them we will have gained their trust and loyalty, and we expect them to return to us when they have problems with their new system, or if they would like training on the new platform

Mac computers are designed to be easy to use, even to the most computer illiterate user. With this in mind, our customers may not require our assistance with the use of their Mac. We need to diversify what we offer and we could possibly focus on other target markets such as the education industry, where Apple is targeting and there is a need for training staff and faculty. Institutions could contract Apple Addicts to provide tutorials and training sessions about the Mac operating system.

Single Person Business

Apple Addicts Consulting will be solely operated by Mr. Pinter. He has proven to have a very diverse skill set and background required to properly grow a start-up company. Mr. Pinter has experience in running his own business with Oxygen Webs, which will help him in all aspects of the business, including customer service and management. To overcome this challenge, Mr. Pinter is preparing to learn about all aspects of the business. By implementing procedures in all areas of the business, including billing, payroll and customer relations, it will assist Mr. Pinter in running the business, as he will have a guide that he can use to help him streamline processes and minimize errors and inconsistencies.

Liability issues

As we are servicing customers' computers, there exists the possibility of making an error that could damage our customer's data or hardware. In order to avoid this situation Mr. Pinter will become a Certified Apple Consultant, and he will receive adequate training through Apple Computers Inc.

In addition, before performing on any equipment, the technician will always assess the problem prior to doing any work and provide an Agreement to Proceed contract that will include a liability clause. By explaining the issues with the machine to the customer, the customer can make their decision on whether or not to allow our technician to provide the service. We will state in our Agreement to Proceed contract that we will not be held responsible for any damage that the computer may already be present. This will clear Apple Addicts from responsibility of any damages not caused by our services.

11 | Financials

In order to finance consulting services and necessary capital assets to set up Apple Addicts Inc. for operations in the second quarter of 2008 we will require an investment of \$15,000.00. We are optimistic that we will receive this initial investment from the Canadian Youth Business Foundation (CYBF). The initial monetary injection will be used to acquire a company vehicle, fund start-up costs of business licensing, construction, initial marketing and maintain a positive cash flow. The company vehicle will be given a vinyl wrap advertising Apple Addicts' services and logo.

Refer to Appendix 7 for a complete cash flow breakdown in the first two years.

Mr. Pinter will be the sole-proprietor of Apple Addicts and will be completing all of the bookkeeping for the initial growth of the company. The financials will be closely monitored in order to minimize expenses. Cash flow is of primary concern and unnecessary cash outlays will be limited to prevent depletion of funds. For example, the company vehicle will be financed at a low monthly rate instead of submitting a large down payment.

11.1 Projections

We have received some critical market information as well as valuable business operating procedures from a number of IT consulting companies, including Oxygen Webs. Providing this support to their customers has given them an opportunity to observe the past and current trends of the market. The trends observed indicate an increasing interest in Mac computers and the potential to capitalize on this under-exploited niche. These IT companies indicate that the interest in Apple products is inhibited by their lack of knowledge of the system and what is required to make the switch. Apple Addicts has taken this valuable knowledge and has focused their services in order to directly help these groups of customers with these specific needs.

Additionally, market share analyses have been used to warrant many of our projections. In general, these show a steady increase of Mac market share and steady decrease in Windows market share. With the continued addition of new products of Apple, this trend should see an exponential rate of increase of Mac market share.

Through our financial projections, located in Appendices 5, we have identified that in the eighth month of the first year, Apple Addicts will reach its break even point where there is a positive monthly cash flow. In the third quarter of the second year we will reach a positive net worth where our assets exceed our liabilities.

11.2 Financial Assumptions

Client Projections

- **Switching Customers**
 - 5 customers switching from Window to Mac in the first month; these will be reference customers or referrals
 - 10% growth of switchers every month (e.g. If in the previous month there was 10 switchers, the following month will have 11 switchers)
 - Each switch will require 4.0 hours of service and 0.5 hours of driving time
 - A switch will be priced in at a flat rate of \$200.00, not an hourly rate
- **Regular Customers**
 - 75% of customers that switched will be retained as regular, ongoing support customers
 - Each regular customer will require, on average, 0.5 hours of service every month
 - This service will be completed via telephone or 'Screen Sharing' and will not require any driving
 - This service will be billed at an hourly rate of \$100.00 / hour, so each regular customer will be billed, on average \$50.00 per month
- **High Needs Customers**
 - 10% of regular customers will require 'high needs' service every month
 - High needs service must be completed on-site and will require driving time
 - Each high needs customer will require, on average, 2.0 hours of service every month with 0.5 hours of driving time
 - High needs service will be billed on a hourly rate of \$100.00 / hour

Cash Flow

- **Start-Up Loan**
 - Pre-start-up injection of \$15,000
 - Provided by Canadian Youth Business Foundation (CYBF)
 - 1st Year: Interest payments only at \$80 / month

- 2nd Year: Interest and Principal payments totalling \$400 / month
- **Labour**
 - One of the technicians will be Mr. Pinter until the end of year 2 and will not be collecting a wage, therefore no technician wage is paid until an additional technician is contracted
 - Additional technicians will be contracted at \$30 / hour estimated to be working full-time at 8 hours / day, 5 days / week, 4 weeks / month, totalling \$4,800 / month
 - Technicians will be responsible for providing and maintaining their own vehicle. Travel expenses will be paid at \$0.40 / km for business travels
 - A call centre service will be required with the addition of a second technician in order to maintain efficiency with answering phone calls and scheduling service requests
- **Proprietor's Draw**
 - Mr. Pinter will not be collecting a wage but will be making a monthly proprietor's draw of \$1,000 in order to cover personal living expenses
- **Company Vehicle Financing**
 - The company vehicle will be approximately \$16,000
 - \$2,000 down payment
 - Financed at 6.0% interest over a 36 month term
 - Principal: \$388.89 / month
 - Interest: \$37.02 / month
- **Automotive Expenses**
 - Gas costs: 30 km per customer (round trip), 500 km per tank of gas, 15 customers (Switchers and High Needs only) per tank of gas, \$60 tank of gas
 - This gas calculation only applies to the company vehicle that will be financed, not the technicians' vehicle costs
 - Gas costs will be capped at \$100 after the first technician is contracted, which will cover all business driving costs of the company vehicle
 - Contracted technicians will be reimbursed for their travel expenses at a rate of \$0.40 / km of business travel

- Monthly estimates are calculated as: (# High Needs Customers + # Switchers) * 30 km * \$0.40 / km

- **Vehicle Wrap**

- Total costs is \$2,667.01
- Financed for 12 months
 - \$209.75 / month
 - Principle: \$182.40 / month
 - Interest: \$27.35 / month
 - Deposit includes first and last payments and a \$150 admin fee: \$569.51
- See Appendix 5 for an estimate from the vendor

- **Sales**

- All sales will be completed as cash sales
- We will be accepting a variety of payment methods, including credit card and cheque, however, payments will be due within 7 days of the invoice date so for simplicity sake accounts receivable has been omitted

- **Office Space**

- A home office will be used at Mr. Pinter's residence
- Rent will not be charged but utilities for additional internet access, etc will total \$50 / month
- Will be sufficient for two years at estimated growth before a commercial office may be required

- **Business Services**

- Mobile phone includes a large sum of monthly minutes and a data plan for responding to email while out of the office on the smart phone
- 1-800 number service comes with an auto attendant service that facilitates a professional greeting and an automated menu system that will direct the caller to appropriately
- A call centre service will only be required after the 2nd technician is hired in the fourth quarter of year 2

- **Apple Certification and Uniform**

- Required for Mr. Pinter at start-up
- Required for each technician contracted

Income Statement

- Income tax is not shown as it will be filed along with Mr. Pinter's personal income tax submission

Appendices

Appendix 1 - Survey used for Primary Research

University of Calgary
 Class: ENIT 403
 Page 2 of 2

Windows User Survey

What do you use your PC for (e.g. School, Business, Photos, Videos, Other)?

What issues do you have with your PC? Any you couldn't fix yourself?

Would you attend a classroom for a MAC tutorial from an Apple Certified Consultant?

YES
 How much would you pay for a 2-hour session that covers the basics and provides reference material?
 \$20 \$30 \$40 \$50 \$60 \$80 \$100 \$120 \$140 \$160 more

NO
 Why not?

Would you watch online videos of MAC tutorials made by an Apple Certified Consultant?

Thank you for completing this. We truly appreciate your time in helping us with our research. Enjoy the rest of your day....

University of Calgary
 Class: ENIT 403
 Page 1 of 2

Windows User Survey

GENDER Male Female

AGE <14 14-16 17-20 21-23 24-28
 31-40 41-50 51-60 >60

OCCUPATION Student
 Creative (specific: _____)
 Other: _____

Have you ever used a MAC?

Why don't you use a MAC?

Have you ever thought about switching?

YES
 Reason for switching?
 What prevented you (e.g. Cost, Time, Issues, Worth it, Software etc.)?
 Would you get help in switching?
 none \$50 \$75 \$100 \$125 \$150 \$175 \$200 \$225 \$250 more

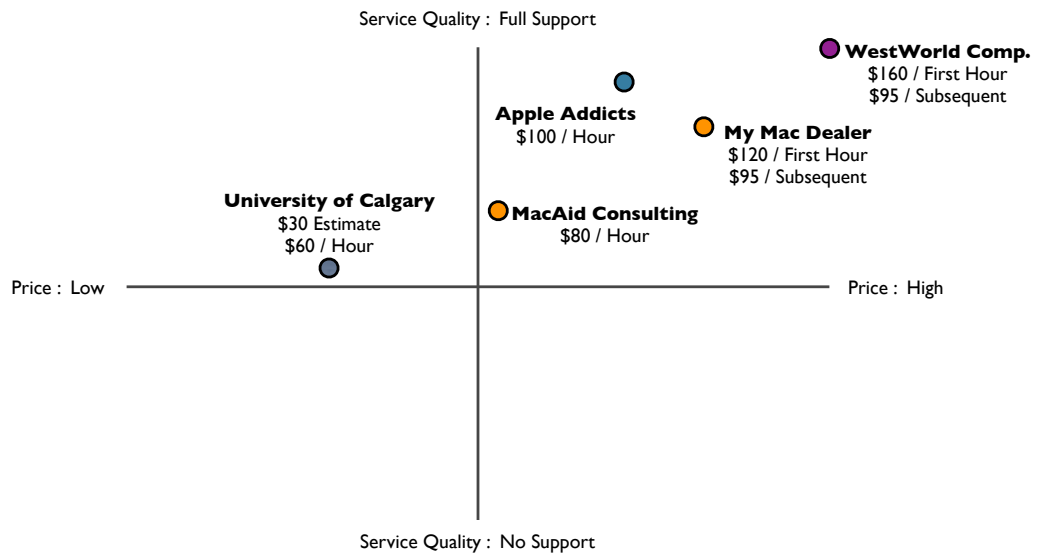
Do you have friends with MAC computers?

Thank you for completing this. We truly appreciate your time in helping us with our research. Enjoy the rest of your day....

Appendix 2 - Sliding Discount Scale for Pre-Paid Service Hours

Pre-Paid Hours	Free Hours Given	Discount	Hourly Rate
1	0.0	0%	\$100.00
5	0.5	10%	\$90.91
10	1.5	15%	\$86.96
20	4.0	20%	\$83.33

Appendix 3 - Competition Conceptual Map



Appendix 4 - Business Magazine Advertising Rates

Business in Calgary Magazine

- Publication reaches 30,735 registered business in Calgary.
- Number one read business magazine in Calgary.
- Their readers are very similar to our target market
 - Age of readers 31% 35 to 44 years old and 27% 45 to 54 years old.
 - 49% completed college or university degree
 - 48% household income of readers are in between \$100,000 to \$200,000

Cost of Advertisement ⁸:

Full Colour	1X	3X	6X	12X
Double Spread*	5620	5385	5180	4800
Half Double Spread*	4160	3850	3550	3225
Full Page	3340	3160	3020	2860
2/3 Page	2805	2665	2540	2420
1/2 Page	2020	1920	1820	1735
1/3 Page	1550	1480	1400	1335
1/4 Page	1150	1095	1040	985

COVERS	1X	3X	6X	12X
Outside Back	4010	3805	3615	3435
Inside Front/Back	3785	3600	3415	3240

⁸ Business in Calgary, 2008

Appendix 5 - Vehicle Wrap Estimate

Estimate

Page 1 of 1



Image Digital Printing Inc. / VehicleWraps.ca
 1097 Boundary Road Unit F1
 Oshawa, ON L1J 8P8
 Ph: (888) 290-7776
 FAX: (905) 571-1606

Estimate #: 10273

Estimate Date: 11/7/2007 12:29:50PM
 Entered By: Jen Loverock
 Salesperson: Jen Loverock
 Email: jen@idpgraphics.com

Prepared For: **Apple Addicts** Ph. (403) 874-7499 Email: joshuapinter@gmail.com

Contact: Joshua Pinter Fax. (403) -

Vehiclewraps/IDP appreciates the opportunity to provide this quotation. We hope this meets your approval and look forward to working together.

2001 VW Jetta - Wrap Options

Option: Variation 1

Item #	Product	Quantity	Regular Price	Unit Price	Subtotal
1	Wrap	1	\$1,920.00	\$0.00	\$1,920.00

Description:

- 1 1/2 Wrap on 2001 Volkswagen Jetta
- Printed on 3M IJ180C-10 with SemiGloss Liquid Lam
- Premask; SCPM-44X
- **Additional Wrap Details:**
- **Window Details:** Apply Perf to 1 Driver Side Window(s), 1 Passenger Side Window(s), and 1 Rear Window(s).
- **Installation Location:**

Option: Variation 1

Item #	Product	Quantity	Regular Price	Unit Price	Subtotal
2	Financing	1	\$0.00	\$0.00	\$0.00

Description:

- **12 month Financing Option:** \$209.75 per month
- **Deposit Required** - First and Last Monthly Payments Required as Deposit of: \$419.51 + \$150.00 Admin Fee = \$569.51

NOTES:

Estimate Includes: Graphic Design & File Set Up, Materials (3M Controlltac w/Liquid Laminate), Production and Installation
 *Shipping Additional

Check for Approval Option: Variation 1

Subtotal	\$1,920.00
Taxes:	\$268.80
Total:	\$2,188.80

ATTN: Joshua Pinter
Apple Addicts
 712 34th ST. NE
 Calgary, AB

Estimate Accepted As Is. Please proceed with Order.
 Changes required, please contact me.

Accepted By: _____

/ /

(Today's Date)

Print Date: 11/7/2007 12:30:20PM

Tax ID: 86995 6904 RT0001

\\SERVER\Cyrious\Control\Reports\Estimate 3.rpt

Appendix 6 - Mr. Pinter's Resume

Joshua Pinter

163 Signal Ridge Link SW
Calgary, AB T3H 2J9
T 403.874.7499
F 403.770.8757
E joshua@oxygenwebs.com

Objective

After completing my academic training in the Sciences and running a sole-proprietorship for the past six years I am interested in using the experiences in business and IT that I have gained in order to pursue a business-directed career. I hope to obtain a position where I can continue to learn, develop and contribute while gaining invaluable business experience.

Education

Bachelors of Science in Biological Sciences, December 2008
University of Calgary

- Including a six month study at the University of Aberdeen, Scotland
- Relevant business and IT courses (GPA = 4.0 / 4.0):
 - Senior Entrepreneurship: New Venture Planning
 - Computer Science: Intro to Computer Science
 - Medical Science: Bioinformatics
- Core science courses (GPA = 3.8 / 4.0):
 - Calculus
 - Linear Algebra
 - Formal Logic
 - General Chemistry
 - Introduction to Biology
 - Physics: Electromagnet, Thermal, Mechanics

Business and Technical Skills

- Highly proficient in both Windows and Macintosh computers, including the Microsoft Office Suite, the iLife Suite, small-business networking and more advanced computer usage
- Small business finance knowledge gained through the management of small business accounts
- Small business marketing techniques that are both cost effective and pervasive
- Business writing and communication skills: proposals, estimates, invoices, general correspondence

Additional Skills

- Leadership skills gained through multiple group projects at school and the management of contractors required for business projects
- Determined, focused and self-motivated - displayed through the start-up and development of a small business
- Effective time management gained through working part-time while pursuing my University degree
- Strong ability to troubleshoot, resolve issues and apply good judgement shown consistently when dealing with computer and small business issues

Joshua Pinter

Work Experience

Owner **2002-Present**
Oxygen Webs 20 hours / week

- Small business that offers services for website development, wireless networking and miscellaneous computer repair and setup
- Personally complete all aspects of the business including marketing the company, pursuing prospects with proposals and estimates, customer negotiations, completing the creative and technical work, invoicing and on-going support and customer management
- Over forty clients in the past five years and currently maintaining seven websites
- Awards many valuable skills, including the fundamentals of small business ownership, self-sufficiency and the confidence to create a functioning business from a germ idea

Customer Care Specialist **2006-2007**
McKesson Canada 16 hours / week

- Operated in the customer service division aiding pharmacies in obtaining their required prescription drugs and narcotics
- Received accelerated training for their online pharmacy ordering system, PharmaClik, and provided key support to customers throughout their transition period from traditional ordering methods to the online ordering system
- A key resource to technical staff during the on-going development of PharmaClik providing critical feedback on issues and enhancements
- Presented an iCARE award in recognition of demonstrating business-wide principles of Integrity, Customer First, Accountability, Respect, and Excellence

Records Technician **Summer 2003, 2005**
ENMAX Power Corporation 40 hours / week

- The fifth member of the Records Management Team, whom ENMAX entrusted with the organization and security of their records. Records include blueprints, online databases and microfilms
- Trusted with the responsibilities of entering the details of new blueprints into the online database, labeling and filing of new blueprints, creation and assignment of new transformer tags and duplication of blueprints and microfilms
- Completed a variety of specialized tasks to assist the Records Manager

Volunteering Experience

Emergency Room Monitor **2005 - 2007**
Rockyview General Hospital 5 hours / week

- Assisted ER Nurses with maintaining a healthy and efficient Emergency Room by monitoring the health of patients waiting in the emergency room and guiding patients to their rooms

Student Volunteer **2005 - 2007**
Into The Streets (University of Calgary Volunteer Program) 15 hours / semester

- Volunteered for a variety of organizations performing many different tasks that contributed to events and projects coordinated by the volunteer center at the University of Calgary

Page 2 of 3

Joshua Pinter

- Events included the Special Olympics at COP, the Calgary Drop-In Center, Lions Club Festival of Lights and various others

Membership Manager

Signal Hill Community Association (SHCA)

2001 - 2006

4 hours / week

- Maintained active records of current Signal Hill Community Members and created reports using current database software and methods

Writer

The Gauntlet (University of Calgary's Student Newspaper)

2005 - 2006

4 hours / week

- Wrote a variety of music reviews and opinion articles for the weekly student paper

Awards

- **Dean's List**, University of Calgary
- **Jason Lang Scholarship**, University of Calgary
- **Alberta Heritage Fund Scholarship**, University of Calgary
- **Alexander Rutherford Scholarship**, St. Mary's High School

Appendix 7 - Client Projections

Apple Addicts Client Projections | Years 1 and 2

Monthly Estimates	Hourly
New Switchers in First Month	5
Growth of New Switchers From Previous Month	1.1
Hours Required Per Switch (including driving time)	4.5
Income Per Switch	\$200.00
Switchers that Become Regular Customers	75%
Hours Required Per Regular Customer	0.5
Income Per Regular Customer	\$50.00
Regular Customers Requiring High Needs	10%
Hours Required Per High Needs (including driving time)	2.5
Income Per High Needs	\$200.00
Proprietor's Draw - Joshua Phter	\$1,000.00
Wage Per Contracted Technician (less driving costs)	\$4,800.00
	\$30.00

Notes on Client Projections

5 new customers switching from Windows to Mac for starting month
 10% growth in switchers every month
 One switch requires 4.0 hours to complete
 Cost of one switch will be approx. \$200 (Priced as a flat rate package)
 75% of new customers switching will be retained as regular, on-going support customers
 Every regular, on-going support customer will need approx. 30 minutes of service per month
 This service is done either over the phone or via Screen Sharing and so does not require driving
 10% of on-going customers will require 'High Needs' service every month, which is approximately 2 hours of work with 0.5 hours of additional driving time per customer
 Average on-site rate: \$100 / hour
 See Financial Assumptions for further details.

Year 1 - Month

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
New Switchers	5	6	6	7	7	8	9	10	11	12	13	14	107
Switch Hours	22.5	24.8	27.2	29.9	32.9	36.2	39.9	43.8	48.2	53.1	58.4	64.2	481
Regular Customers	0	3	7	11	15	20	26	32	39	47	55	64	319
Regular Hours	0.0	1.5	3.5	6.5	10.0	13.0	16.0	19.5	23.5	28.5	32.0	37.0	160
High Need Customers	0.0	0.3	0.7	1.1	1.5	2.0	2.6	3.2	3.9	4.7	5.5	6.4	32
High Need Hours	0.0	0.8	1.8	2.8	3.8	5.0	6.5	8.0	9.8	11.8	13.8	16.0	80
Total Hours	22.5	27.0	32.5	38.2	44.2	51.2	59.4	67.8	77.5	88.3	99.6	112.2	

Number of Technicians	1	1	1	1	1	1	1	1	1	1	1	1	1	12
Daily Hours Per Technician	1.1	1.4	1.6	1.9	2.2	2.6	3.0	3.4	3.9	4.4	5.0	5.6	6.3	7.0
Income from Switchers	\$1,000.00	\$1,100.00	\$1,210.00	\$1,331.00	\$1,464.10	\$1,610.51	\$1,771.56	\$1,948.72	\$2,143.59	\$2,357.95	\$2,593.74	\$2,853.12	\$3,134.28	\$3,438.28
Income from Regular Customers	\$0.00	\$150.00	\$350.00	\$650.00	\$950.00	\$1,300.00	\$1,700.00	\$2,150.00	\$2,700.00	\$3,250.00	\$3,800.00	\$4,350.00	\$4,900.00	\$5,450.00
Total Income	\$1,000.00	\$1,250.00	\$1,560.00	\$1,881.00	\$2,214.10	\$2,610.51	\$3,071.56	\$3,548.72	\$4,093.59	\$4,707.95	\$5,343.74	\$6,053.12	\$6,834.28	\$7,638.28

Year 2 - Month

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
New Switchers	16	17	19	21	23	25	28	31	34	37	41	45	336
Switch Hours	70.6	77.7	85.4	94.0	103.4	113.7	125.1	137.6	151.4	166.5	183.2	201.5	1,510
Regular Customers	75	86	98	112	127	144	162	182	204	229	256	286	1,961
Regular Hours	37.3	43.0	49.0	56.0	63.5	72.0	81.0	91.0	102.0	114.5	128.0	143.0	980
High Need Customers	7.5	8.6	9.8	11.2	12.7	14.4	16.2	18.2	20.4	22.9	25.6	28.6	196
High Need Hours	18.7	21.5	24.5	28.0	31.8	36.0	40.5	45.5	51.0	57.3	64.0	71.5	490
Total Hours	126.6	142.2	158.9	178.0	198.6	221.7	246.6	274.1	304.4	336.3	375.2	416.0	

Number of Technicians	1	1	1	2	2	2	2	2	2	2	3	3	24
Daily Hours Per Technician	6.3	7.1	7.9	4.4	5.0	5.5	6.2	6.9	7.6	8.3	9.0	9.9	76
Income from Switchers	\$3,138.43	\$3,452.27	\$3,787.50	\$4,177.25	\$4,694.97	\$5,054.47	\$5,559.92	\$6,115.91	\$6,727.50	\$7,400.25	\$8,140.27	\$8,954.30	\$67,113.04
Income from Regular Customers	\$3,734.96	\$4,300.00	\$4,900.00	\$5,600.00	\$6,350.00	\$7,200.00	\$8,100.00	\$9,100.00	\$10,200.00	\$11,450.00	\$12,800.00	\$14,300.00	\$98,094.96
Total Income	\$6,873.39	\$7,752.27	\$8,687.50	\$9,777.25	\$10,944.97	\$12,254.47	\$13,659.92	\$15,215.91	\$16,927.50	\$18,850.25	\$20,940.27	\$23,254.30	\$165,148.00

Appendix 8 - Cash Flow Projections

Apple Addicts Cash Flow Projections | Year 1

	Year 1 - Month												Totals	
	Pre-Start Up	1	2	3	4	5	6	7	8	9	10	11		12
Sources of Cash														
Balance Forward	\$0.00	\$9,782.99	\$7,664.58	\$5,990.22	\$4,913.91	\$4,143.37	\$4,011.17	\$4,044.66	\$4,525.51	\$5,787.28	\$7,355.21	\$9,519.23	\$73,734.75	
Cash Sales	\$0.00	\$1,000.00	\$1,250.00	\$1,560.00	\$1,881.00	\$2,214.10	\$3,071.56	\$3,548.72	\$4,093.59	\$4,707.95	\$5,343.74	\$6,053.12	\$37,334.28	
Input Tax Credit				\$1,330.08		\$266.69			\$269.99			\$283.93	\$2,190.69	
Loan Proceeds													\$15,000.00	
CYBF Loan													\$14,000.00	
Vehicle Financing													\$2,670.00	
Vehicle Wrap Financing													\$2,670.00	
Total In	\$31,670.00	\$10,782.99	\$8,914.58	\$8,940.30	\$7,877.64	\$7,128.01	\$7,082.73	\$7,583.38	\$8,889.09	\$10,495.22	\$12,698.95	\$15,836.27	\$144,929.73	
Disbursement of Cash														
Asset Purchases														
Phone	\$400.00												\$400.00	
Vehicle	\$16,000.00												\$16,000.00	
Vehicle Wrap	\$2,667.01												\$2,667.01	
Total Asset Purchases	\$19,067.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,067.01	
Operating Costs														
Inventory	\$500.00												\$500.00	
Uniform	\$200.00												\$200.00	
Apple Certification	\$200.00												\$200.00	
Office Space													\$0.00	
Rent		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00	
Utilities													\$0.00	
Business Services													\$0.00	
Mobile Phone	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00	
1-800 Number and Services	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00	
Call Centre Service		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00	
Website Hosting													\$20.00	
Website Domain													\$155.00	
Business Licence		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$500.00	
Trade Name		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$500.00	
Legal Fees		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$500.00	
Bank Fees		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$500.00	
Office Supplies		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$500.00	
Advertising													\$700.00	
Apple Consultants Network		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00	
Community Newsletters		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00	
Door-to-Door		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00	
Business in Calgary Magazine		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$120.00	
Automotive		\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$240.00	
Oil Change		\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$240.00	
Maintenance		\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$23.20	\$278.24	
Gas		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00	
Insurance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Technician Vehicle Costs		\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00	
Proprietor's Draw		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Wages		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Contracted Technician(s)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Operating Costs	\$2,820.00	\$2,115.00	\$2,118.20	\$2,122.00	\$2,126.02	\$2,130.28	\$2,140.83	\$2,146.77	\$2,153.47	\$2,160.96	\$2,168.87	\$2,177.66	\$28,515.29	

Apple Addicts Cash Flow Projections | Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Pre-Start Up													
Financing Costs													
Principle													
CYBF Loan	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$0.00
Vehicle Loan	\$384.80	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$182.40	\$4,666.68
Vehicle Wrap	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$2,188.80
Interest													
CYBF Loan	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$1,296.00
Vehicle Loan	\$54.70	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$444.24
Vehicle Wrap	\$65.41	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$328.20
Total Financing Costs	\$0.00	\$953.41	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$533.91	\$9,523.92
GST Owning													
GST Payment to Government	\$0.00	\$62.50	\$75.00	\$94.05	\$110.71	\$130.53	\$153.58	\$177.44	\$204.68	\$235.40	\$267.19	\$302.66	\$1,866.71
Total GST Owning	\$0.00	\$62.50	\$75.00	\$94.05	\$110.71	\$130.53	\$153.58	\$177.44	\$204.68	\$235.40	\$267.19	\$302.66	\$1,866.71
Total Out	\$21,887.01	\$3,118.41	\$2,924.36	\$2,943.66	\$2,963.73	\$2,984.65	\$3,008.40	\$3,038.07	\$3,067.87	\$3,101.81	\$3,140.02	\$3,179.72	\$58,372.93
Ending Cash	\$9,782.99	\$7,664.58	\$5,990.22	\$4,913.91	\$4,143.37	\$4,011.17	\$4,044.66	\$4,525.51	\$5,787.28	\$7,355.21	\$9,519.23	\$12,822.05	

Apple Addicts Cash Flow Projections | Year 2

	Year 2 - Month												Totals		
	Annual	1	2	3	4	5	6	7	8	9	10	11		12	
Sources of Cash															
Balance Forward		\$12,822.05	\$10,747.05	\$13,256.21	\$16,587.51	\$21,308.69	\$20,983.13	\$21,123.85	\$24,943.21	\$29,663.23	\$35,604.08	\$43,544.07	\$46,454.08	\$51,672.82	\$349,606.99
Cash Sales		\$6,873.39	\$7,752.27	\$8,697.50	\$9,777.25	\$10,944.97	\$12,254.47	\$13,659.92	\$15,215.91	\$16,927.50	\$18,850.25	\$20,940.27	\$23,254.30	\$25,925.38	\$165,148.00
Input Tax Credit				\$502.62							\$336.23		\$575.38	\$1,896.82	
Loan Proceeds								\$482.60							
CYBF Loan														\$0.00	
Vehicle Loan														\$0.00	
Vehicle Wrap														\$0.00	
Total In		\$12,822.05	\$17,620.43	\$21,007.48	\$25,787.63	\$31,085.94	\$31,928.11	\$34,860.92	\$38,603.13	\$44,779.14	\$52,867.81	\$62,394.32	\$67,394.36	\$75,502.50	\$516,653.81
Disbursement of Cash															
Asset Purchases															
Phone															\$0.00
Vehicle Loan															\$0.00
Vehicle Wrap															\$0.00
Total Asset Purchases		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Costs															
Inventory		\$500.00													\$500.00
Uniform		\$200.00													\$200.00
Apple Certification		\$200.00													\$200.00
Office Space															\$0.00
Rent															\$0.00
Utilities		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Business Services															\$0.00
Mobile Phone		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
1-800 Number and Services		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Call Centre Service		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00
Website Hosting		\$20.00													\$20.00
Website Domain		\$155.00													\$155.00
Business Licence		\$500.00													\$500.00
Legal Fees		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Trade Name		\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Bank Fees		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Office Supplies		\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Advertising		\$700.00													\$700.00
Apple Consultants Network		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Community Newsletters		\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Door-to-Door		\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
Automotive		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$120.00
Oil Change		\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$240.00
Maintenance		\$92.85	\$103.45	\$115.15	\$130.00	\$150.00	\$170.00	\$190.00	\$210.00	\$230.00	\$250.00	\$270.00	\$290.00	\$310.00	\$2,211.24
Gas		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Insurance		\$0.00	\$0.00	\$0.00	\$385.03	\$428.10	\$476.07	\$528.00	\$584.45	\$648.45	\$718.81	\$795.62	\$880.46	\$965.89	\$5,445.89
Technician(s) Vehicle Costs		\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Proprietor's Draw		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wages		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contracted Technician(s)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Costs		\$2,075.00	\$3,187.65	\$3,198.45	\$3,210.15	\$6,780.03	\$6,423.10	\$6,471.07	\$7,523.00	\$7,580.35	\$7,643.45	\$14,163.81	\$13,840.62	\$13,925.46	\$102,022.13

Apple Addicts Cash Flow Projections | Year 2

	Annual												Totals	
	1	2	3	4	5	6	7	8	9	10	11	12		
Financing Costs														
Principle														
CYBF Loan	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$3,744.00	
Vehicle Loan	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$4,666.68	
Vehicle Wrap													\$0.00	
Interest														
CYBF Loan	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$1,152.00	
Vehicle Loan	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$444.24	
Vehicle Wrap													\$0.00	
Total Financing Costs	\$0.00	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$833.91	\$10,006.92	
GST Owning														
GST Payment to Government	\$343.67	\$387.61	\$434.57	\$488.86	\$547.25	\$612.72	\$683.00	\$760.80	\$846.37	\$942.51	\$1,047.01	\$1,162.72	\$8,257.40	
Total GST Owning	\$0.00	\$343.67	\$387.61	\$434.57	\$488.86	\$547.25	\$612.72	\$683.00	\$760.80	\$846.37	\$942.51	\$1,047.01	\$8,257.40	
Total Out	\$2,075.00	\$4,365.23	\$4,419.97	\$4,478.93	\$10,102.81	\$9,804.26	\$9,917.70	\$9,039.90	\$9,175.06	\$9,323.73	\$15,940.24	\$15,721.54	\$15,922.08	\$120,286.45
Ending Cash	\$10,747.05	\$13,255.21	\$16,587.51	\$21,308.69	\$20,983.13	\$22,123.85	\$24,943.21	\$29,563.23	\$35,604.08	\$43,544.07	\$46,454.08	\$51,672.82	\$59,580.42	

Appendix 9 - Income Statements

Apple Addicts Income Statement | Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Sources of Cash													
Cash Sales	\$1,000.00	\$1,250.00	\$1,550.00	\$1,881.00	\$2,214.10	\$2,610.51	\$3,071.56	\$3,546.72	\$4,093.59	\$4,707.95	\$5,343.74	\$6,053.12	\$6,834.28
Input Tax Credit			\$1,330.08			\$266.69			\$269.99			\$263.93	\$2,190.69
Loan Proceeds													\$0.00
CYBF Loan													\$0.00
Vehicle Financing													\$0.00
Vehicle Wrap Financing													\$0.00
Total In	\$1,000.00	\$1,250.00	\$2,950.08	\$1,881.00	\$2,214.10	\$2,877.20	\$3,071.56	\$3,546.72	\$4,363.58	\$4,707.95	\$5,343.74	\$6,317.05	\$39,524.98
Disbursement of Cash													
Asset Purchases													
Phone													\$0.00
Vehicle Financing													\$0.00
Vehicle Wrap Financing													\$0.00
Total Asset Purchases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Costs													
Inventory													\$0.00
Uniform													\$0.00
Apple Certification													\$0.00
Office Space													\$0.00
Rent													\$0.00
Utilities	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Business Services													\$0.00
Mobile Phone	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
1-800 Number and Services	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Call Centre Service													\$0.00
Website Hosting	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00
Website Domain													\$0.00
Business Licence													\$0.00
Trade Name													\$0.00
Legal Fees	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Bank Fees	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Office Supplies													\$0.00
Advertising													\$0.00
Apple Consultants Network	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Community Newsletters	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Door-to-Door													\$0.00
Business in Calgary Magazine													\$0.00
Automotive													\$0.00
Oil Change	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$120.00
Maintenance	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$240.00
Gas	\$20.00	\$23.20	\$27.00	\$31.02	\$35.28	\$40.21	\$45.83	\$51.77	\$58.47	\$65.96	\$73.87	\$82.66	\$655.29
Insurance	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Technician Vehicle Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proprietor's Draw													\$0.00
Wages	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Contracted Technician(s)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Costs	\$2,115.00	\$2,118.20	\$2,122.00	\$2,126.02	\$2,130.28	\$2,135.21	\$2,140.83	\$2,146.77	\$2,153.47	\$2,160.96	\$2,168.87	\$2,177.66	\$25,695.29

Apple Addicts Income Statement | Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Financing Costs													
Principle													\$0.00
CYBF Loan	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$368.89	\$4,666.68
Vehicle Loan	\$394.60	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$162.40	\$2,168.00
Vehicle Wrap													
Interest													
CYBF Loan	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$1,296.00
Vehicle Loan	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$444.24
Vehicle Wrap	\$54.70	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$27.35	\$328.20
Total Financing Costs	\$953.41	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$743.66	\$533.91	\$8,923.92
GST Owning													
GST Payment to Government	\$50.00	\$62.50	\$78.00	\$94.05	\$110.71	\$130.53	\$153.58	\$177.44	\$204.68	\$235.40	\$267.19	\$302.66	\$1,866.71
Total GST Owning	\$50.00	\$62.50	\$78.00	\$94.05	\$110.71	\$130.53	\$153.58	\$177.44	\$204.68	\$235.40	\$267.19	\$302.66	\$1,866.71
Total Out	\$3,118.41	\$2,924.36	\$2,943.66	\$2,963.73	\$2,984.65	\$3,009.40	\$3,038.07	\$3,067.87	\$3,101.81	\$3,140.02	\$3,179.72	\$3,014.23	\$36,485.92
Gross Income	\$1,000.00	\$1,250.00	\$2,950.08	\$1,881.00	\$2,214.10	\$2,877.20	\$3,071.56	\$3,548.72	\$4,363.58	\$4,707.95	\$5,343.74	\$6,317.05	
Total Expenses	\$3,118.41	\$2,924.36	\$2,943.66	\$2,963.73	\$2,984.65	\$3,009.40	\$3,038.07	\$3,067.87	\$3,101.81	\$3,140.02	\$3,179.72	\$3,014.23	
Net Income	-\$2,118.41	-\$1,674.36	\$6.42	-\$1,082.73	-\$770.55	-\$132.20	\$33.49	\$480.85	\$1,261.77	\$1,567.93	\$2,164.02	\$3,302.82	

Break Even Point



Apple Addicts Income Statement | Year 2

	Year 2 - Month												Totals
	1	2	3	4	5	6	7	8	9	10	11	12	
Sources of Cash													
Cash Sales	\$6,873.39	\$7,752.27	\$8,697.50	\$5,777.25	\$10,944.97	\$12,254.47	\$13,659.92	\$15,215.91	\$16,927.50	\$18,850.25	\$20,940.27	\$23,254.30	\$165,148.00
Input Tax Credit			\$502.62		\$482.60			\$336.23				\$575.38	\$1,886.82
Loan Proceeds													\$0.00
CVBF Loan													\$0.00
Vehicle Loan													\$0.00
Vehicle Wrap													\$0.00
Total In	\$6,873.39	\$7,752.27	\$9,200.12	\$9,777.25	\$10,944.97	\$12,737.07	\$13,659.92	\$15,215.91	\$17,263.73	\$18,850.25	\$20,940.27	\$23,829.68	\$167,044.83
Disbursement of Cash													
Asset Purchases													
Phone													\$0.00
Vehicle Loan													\$0.00
Vehicle Wrap													\$0.00
Total Asset Purchases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Costs													
Inventory													\$0.00
Uniform	\$200.00												\$400.00
Apple Certification	\$200.00												\$400.00
Office Space													\$0.00
Rent	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Utilities													\$0.00
Business Services													\$0.00
Mobile Phone	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
1-800 Number and Services	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Call Centre Service	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00
Website Hosting													\$0.00
Website Domain													\$0.00
Business Licence													\$0.00
Trade Name													\$0.00
Legal Fees	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Bank Fees	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$600.00
Office Supplies													\$0.00
Advertising													\$0.00
Apple Consultants Network	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Community Newsletters	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Door-to-Door	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Business in Calgary Magazine													\$0.00
Automotive													\$0.00
Oil Change	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$120.00
Maintenance	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$240.00
Gas	\$92.65	\$103.45	\$115.15	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,211.24
Insurance	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
Technician(s) Vehicle Costs	\$0.00	\$0.00	\$385.03	\$438.10	\$476.07	\$528.00	\$585.35	\$648.45	\$718.81	\$795.62	\$880.46	\$980.46	\$5,445.89
Proprietor's Draw													\$0.00
Wages	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
Contracted Technician(s)	\$0.00	\$0.00	\$0.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$4,800.00	\$9,600.00	\$57,600.00
Total Operating Costs	\$3,197.65	\$5,198.45	\$5,210.15	\$6,780.03	\$6,423.10	\$6,471.07	\$7,623.00	\$7,990.35	\$7,643.45	\$14,163.81	\$13,840.62	\$19,925.46	\$99,947.13

Apple Addicts Income Statement | Year 2

	1	2	3	4	5	6	7	8	9	10	11	12	Totals	
Financing Costs														
Principle														
CYBF Loan	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$312.00	\$3,744.00
Vehicle Loan	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$388.89	\$4,666.68
Vehicle Wrap														\$0.00
Interest														
CYBF Loan	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$96.00	\$1,152.00
Vehicle Loan	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$444.24
Vehicle Wrap														\$0.00
Total Financing Costs	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$633.91	\$10,006.92
GST Owning														
GST Collected	\$343.67	\$387.61	\$434.67	\$488.86	\$547.25	\$612.72	\$683.00	\$760.80	\$846.37	\$942.51	\$1,047.01	\$1,162.72	\$1,297.40	\$8,257.40
Total GST Owning	\$343.67	\$387.61	\$434.67	\$488.86	\$547.25	\$612.72	\$683.00	\$760.80	\$846.37	\$942.51	\$1,047.01	\$1,162.72	\$1,297.40	\$8,257.40
Total Out	\$4,365.23	\$4,419.97	\$4,478.93	\$4,541.12	\$4,604.26	\$4,670.45	\$4,739.80	\$4,812.60	\$4,889.73	\$4,971.24	\$5,057.25	\$5,147.76	\$5,241.88	\$18,211.45
Gross Income	\$6,873.39	\$7,752.27	\$9,200.12	\$9,777.25	\$10,944.97	\$12,737.07	\$13,659.92	\$15,215.91	\$17,263.73	\$18,850.25	\$20,940.27	\$23,829.68	\$27,907.60	\$182,111.45
Total Expenses	\$4,365.23	\$4,419.97	\$4,478.93	\$4,541.12	\$4,604.26	\$4,670.45	\$4,739.80	\$4,812.60	\$4,889.73	\$4,971.24	\$5,057.25	\$5,147.76	\$5,241.88	\$182,111.45
Net Income	\$2,508.16	\$3,332.30	\$4,721.18	\$5,236.13	\$6,340.71	\$8,066.62	\$8,919.12	\$10,403.31	\$12,374.00	\$13,879.01	\$15,889.02	\$18,672.92	\$22,665.72	\$159,999.99

Appendix 10 - Balance Sheet

Apple Addicts Balance Sheet | Years 1 and 2

	End Year 1		End Year 2
Assets			
Cash		\$12,822.05	\$59,580.42
Vehicle Worth	\$16,000.00		\$12,800.00
Accumulated Depreciation (20%)	<u>-\$3,200.00</u>		<u>-\$2,560.00</u>
		<u>\$12,800.00</u>	<u>\$10,240.00</u>
Total Assets		\$25,622.05	\$69,820.42
Liabilities			
Loan - CYBF	\$15,000.00		\$15,000.00
Principle Payments	<u>\$0.00</u>		<u>-\$3,744.00</u>
		<u>\$15,000.00</u>	<u>\$11,256.00</u>
Vehicle Loan	\$14,000.00		\$9,333.32
Principle Payments	<u>-\$4,666.68</u>		<u>-\$4,666.68</u>
		<u>\$9,333.32</u>	<u>\$4,666.64</u>
Total Liabilities		\$24,333.32	\$15,922.64

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