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| P & L by Year | | | | | | | | | | | |
|-------------------------|------------|---------------------|-------|----------------------|------|---------------------|------|--------------|------|--|--|
| | Source | Year 1 | | Year 2 | | Year 3 | | Year 4 | | | |
| Revenue | | | | | | | | | | | |
| Product Revenue | P&L By Qtr | \$ 1,700,000 | 95% | ##### | 93% | ##### | 92% | ##### | 90% | | |
| Support Revenue | P&L By Qtr | \$ 87,656 | 5% | \$ 910,649 | 7% | \$ 3,037,887 | 8% | \$ 6,431,460 | 10% | | |
| Total Revenue | | \$ 1,787,656 | 100% | ##### | 100% | ##### | 100% | ##### | 100% | | |
| COGS | | | | | | | | | | | |
| Product COGS | P&L By Qtr | \$ 598,063 | 33% | \$ 3,009,288 | 23% | \$ 9,366,100 | 25% | ##### | 24% | | |
| Support COGS | P&L By Qtr | \$ 326,975 | 18% | \$ 754,040 | 6% | \$ 1,355,383 | 4% | \$ 2,294,416 | 3% | | |
| Total COGS | | \$ 925,038 | 52% | \$ 3,763,327 | 29% | ##### | 28% | ##### | 28% | | |
| Gross Margin | | \$ 862,619 | 48% | \$ 9,327,322 | 71% | ##### | 72% | ##### | 72% | | |
| Expenses | | | | | | | | | | | |
| Engineering | P&L By Qtr | \$ 1,746,688 | 98% | \$ 3,824,863 | 29% | \$ 6,685,350 | 18% | ##### | 17% | | |
| Marketing | P&L By Qtr | \$ 811,375 | 45% | \$ 2,076,000 | 16% | \$ 3,448,350 | 9% | \$ 5,268,750 | 8% | | |
| Sales | P&L By Qtr | \$ 1,316,500 | 74% | \$ 3,370,650 | 26% | \$ 6,016,050 | 16% | ##### | 15% | | |
| G&A | P&L By Qtr | \$ 1,091,625 | 61% | \$ 2,161,100 | 17% | \$ 3,593,250 | 9% | \$ 5,138,250 | 8% | | |
| Operating Exp. | | \$ 4,966,188 | 278% | ##### | 87% | ##### | 52% | ##### | 48% | | |
| Operating Profit | | ##### | -230% | \$(2,105,291) | -16% | \$ 7,383,404 | 20% | ##### | 24% | | |

| P & L by Quarter | | Source | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|-------------------------|------------|--------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-------------------|
| | | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 |
| Revenue | | | | | | | | | | |
| Product Revenue | Sales Plan | | \$ - | \$ 200,000 | \$ 500,000 | ##### | ##### | ##### | ##### | ##### |
| Support Revenue | Sales Plan | | \$ - | \$ 7,500 | \$ 24,375 | \$ 55,781 | \$ 107,086 | \$ 178,189 | \$ 264,142 | \$ 361,232 |
| Total Revenue | | | \$ - | \$ 207,500 | \$ 524,375 | ##### | ##### | ##### | ##### | ##### |
| COGS | | | | | | | | | | |
| Product COGS | COGS | | \$ 84,000 | \$ 114,000 | \$ 146,500 | \$ 253,563 | \$ 492,575 | \$ 698,538 | \$ 828,800 | \$ 989,375 |
| Support COGS | COGS | | \$ 75,900 | \$ 77,900 | \$ 82,400 | \$ 90,775 | \$ 153,161 | \$ 174,252 | \$ 199,303 | \$ 227,323 |
| Total COGS | | | \$ 159,900 | \$ 191,900 | \$ 228,900 | \$ 344,338 | \$ 645,736 | \$ 872,790 | ##### | ##### |
| Gross Margin | | | \$ (84,000) | \$ 93,500 | \$ 377,875 | \$ 802,219 | ##### | ##### | ##### | ##### |
| Expenses | | | | | | | | | | |
| Engineering | Expenses | | \$ 230,000 | \$ 426,938 | \$ 497,813 | \$ 591,938 | \$ 731,363 | \$ 914,250 | ##### | ##### |
| Marketing | Expenses | | \$ 132,813 | \$ 157,813 | \$ 213,875 | \$ 306,875 | \$ 367,163 | \$ 496,388 | \$ 506,113 | \$ 706,338 |
| Sales | Expenses | | \$ 160,563 | \$ 240,250 | \$ 411,000 | \$ 504,688 | \$ 623,450 | \$ 809,925 | \$ 871,900 | ##### |
| G&A | Expenses | | \$ 213,013 | \$ 243,538 | \$ 313,238 | \$ 321,838 | \$ 505,863 | \$ 516,088 | \$ 564,438 | \$ 574,713 |
| Operating Exp. | | | \$ 736,388 | ##### | \$ 1,435,925 | ##### | ##### | ##### | ##### | ##### |
| Operating Profit | | | \$(820,388) | \$(975,038) | ##### | \$ (923,119) | \$ (873,327) | \$ (646,998) | \$ (36,283) | \$ 205,357 |

| P & L by Quarter | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|-------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Year 3 | Year 3 | Year 3 | Year 3 | Year 4 | Year 4 | Year 4 | Year 4 |
| Revenue | | | | | | | | |
| Product Revenue | ##### | ##### | \$ 9,800,000 | ##### | ##### | ##### | ##### | ##### |
| Support Revenue | \$ 473,799 | \$ 632,849 | \$ 842,137 | \$ 1,089,103 | \$ 1,278,077 | \$ 1,491,058 | \$ 1,707,043 | \$ 1,955,282 |
| Total Revenue | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| COGS | | | | | | | | |
| Product COGS | ##### | ##### | \$ 2,613,063 | \$ 3,225,588 | \$ 3,676,488 | \$ 4,013,375 | \$ 4,052,213 | \$ 4,474,325 |
| Support COGS | \$ 259,471 | \$ 304,015 | \$ 361,955 | \$ 429,942 | \$ 482,466 | \$ 541,390 | \$ 601,117 | \$ 669,444 |
| Total COGS | ##### | ##### | \$ 2,975,017 | \$ 3,655,530 | \$ 4,158,953 | \$ 4,554,765 | \$ 4,653,329 | \$ 5,143,769 |
| Gross Margin | ##### | ##### | \$ 8,029,074 | ##### | \$ 9,901,589 | ##### | ##### | ##### |
| Expenses | | | | | | | | |
| Engineering | ##### | ##### | \$ 1,861,150 | \$ 1,797,200 | \$ 2,400,163 | \$ 2,663,938 | \$ 2,979,925 | \$ 3,371,638 |
| Marketing | \$ 667,500 | \$ 924,100 | \$ 799,888 | \$ 1,056,863 | \$ 975,275 | \$ 1,339,625 | \$ 1,279,463 | \$ 1,674,388 |
| Sales | ##### | ##### | \$ 1,637,125 | \$ 1,892,750 | \$ 2,110,500 | \$ 2,360,375 | \$ 2,629,875 | \$ 2,901,000 |
| G&A | \$ 834,888 | \$ 846,763 | \$ 926,138 | \$ 985,463 | \$ 1,128,138 | \$ 1,233,063 | \$ 1,322,138 | \$ 1,454,913 |
| Operating Exp. | ##### | ##### | \$ 5,224,300 | \$ 5,732,275 | \$ 6,614,075 | \$ 7,597,000 | \$ 8,211,400 | \$ 9,401,938 |
| Operating Profit | \$ 327,111 | ##### | \$ 2,804,774 | \$ 4,331,240 | \$ 3,287,514 | \$ 4,080,683 | \$ 5,143,431 | \$ 6,079,020 |
| | | | | | | | | \$ 2,861,337 |

| Sales Plan | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|------------------------|------------------------------|--------|-----------|-----------|-----------|------------|------------|------------|--------------|
| | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 |
| Unit Sales | | | | | | | | | |
| | Model 1 | - | 20 | 50 | 100 | 200 | 300 | 400 | 500 |
| | Model 2 | - | - | - | - | 20 | 30 | 40 | 50 |
| | Model 3 | - | - | - | - | - | - | - | - |
| | Total Units | - | 20 | 50 | 100 | 220 | 330 | 440 | 550 |
| Sales Price | | | | | | | | | |
| | Model 1 | | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 |
| | Model 2 | | | | | \$ 12,000 | \$ 12,000 | \$ 12,000 | \$ 12,000 |
| | Model 3 | | | | | | | | |
| Product Revenue | | | | | | | | | |
| | Model 1 | \$ - | ##### | ##### | ##### | ##### | ##### | ##### | \$ 3,750,000 |
| | Model 2 | \$ - | \$ - | \$ - | \$ - | \$ 240,000 | \$ 360,000 | \$ 480,000 | \$ 600,000 |
| | Model 3 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | Total Product Revenue | \$ - | ##### | ##### | ##### | ##### | ##### | ##### | \$ 4,350,000 |
| Support Revenue | | | | | | | | | |
| | Installed Base | \$ - | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| | Supported Base (retention) | \$ - | ##### | ##### | ##### | ##### | ##### | ##### | \$ 9,632,842 |
| | Support Revenue | \$ - | \$ 7,500 | \$ 24,375 | \$ 55,781 | \$ 107,086 | \$ 178,189 | \$ 264,142 | \$ 361,232 |
| Revenue | | | | | | | | | |
| | Sales Revenue | \$ - | ##### | ##### | ##### | ##### | ##### | ##### | \$ 4,350,000 |
| | Support Revenue | \$ - | \$ 7,500 | \$ 24,375 | \$ 55,781 | \$ 107,086 | \$ 178,189 | \$ 264,142 | \$ 361,232 |

| Sales Plan | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|------------------------|------------------------------|---------------------|---------------------|---------------------|--------------|--------------|--------------|--------------|----------------------|
| | | Year 3 | Year 3 | Year 3 | Year 3 | Year 4 | Year 4 | Year 4 | Year 4 |
| Unit Sales | | | | | | | | | |
| | Model 1 | 750 | 1,000 | 1,250 | 1,500 | 1,500 | 1,400 | 1,300 | 1,200 |
| | Model 2 | 75 | 100 | 150 | 200 | 400 | 600 | 750 | 1,000 |
| | Model 3 | 10 | 25 | 50 | 75 | 100 | 150 | 200 | 250 |
| | Total Units | 835 | 1,125 | 1,450 | 1,775 | 2,000 | 2,150 | 2,250 | 2,450 |
| Sales Price | | | | | | | | | |
| | Model 1 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| | Model 2 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 |
| | Model 3 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 |
| Product Revenue | | | | | | | | | |
| | Model 1 | \$ 4,500,000 | \$ 6,000,000 | \$ 7,500,000 | \$ 9,000,000 | \$ 7,500,000 | \$ 7,000,000 | \$ 6,500,000 | \$ 6,000,000 |
| | Model 2 | \$ 750,000 | \$ 1,000,000 | \$ 1,500,000 | \$ 2,000,000 | \$ 3,200,000 | \$ 4,800,000 | \$ 6,000,000 | \$ 8,000,000 |
| | Model 3 | \$ 160,000 | \$ 400,000 | \$ 800,000 | \$ 1,200,000 | \$ 1,600,000 | \$ 2,400,000 | \$ 3,200,000 | \$ 4,000,000 |
| | Total Product Revenue | \$ 5,410,000 | \$ 7,400,000 | \$ 9,800,000 | ##### | ##### | ##### | ##### | \$ 18,000,000 |
| Support Revenue | | | | | | | | | |
| | Installed Base | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| | Supported Base (retention) | ##### | ##### | ##### | ##### | ##### | ##### | ##### | \$ 52,140,865 |
| | Support Revenue | \$ 473,799 | \$ 632,849 | \$ 842,137 | \$ 1,089,103 | \$ 1,278,077 | \$ 1,491,058 | \$ 1,707,043 | \$ 1,955,282 |
| Revenue | | | | | | | | | |
| | Sales Revenue | \$ 5,410,000 | \$ 7,400,000 | \$ 9,800,000 | ##### | ##### | ##### | ##### | \$ 18,000,000 |
| | Support Revenue | \$ 473,799 | \$ 632,849 | \$ 842,137 | \$ 1,089,103 | \$ 1,278,077 | \$ 1,491,058 | \$ 1,707,043 | \$ 1,955,282 |

| Cost of Goods Sold | | Source | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
|-------------------------------|-----------------------|------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|--------------|
| | | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 | Year 3 |
| Unit Sales | | | | | | | | | | | |
| | Model 1 | Sales Plan | | 20 | 50 | 100 | 200 | 300 | 400 | 500 | 750 |
| | Model 2 | Sales Plan | | | | | 20 | 30 | 40 | 50 | 75 |
| | Model 3 | Sales Plan | | | | | | | | | 10 |
| | Total Units | | - | 20 | 50 | 100 | 220 | 330 | 440 | 550 | 835 |
| | Total Installed Units | | - | 20 | 70 | 170 | 390 | 720 | 1,160 | 1,710 | 2,545 |
| | Total Supported Base | | \$0 | \$200,000 | \$650,000 | \$1,487,500 | \$2,855,625 | \$4,751,719 | \$7,043,789 | \$9,632,842 | \$12,634,631 |
| Product COGS | | Source | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| | | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 | Year 3 |
| Mfg Staffing Plan | | | | | | | | | | | |
| | VP Mfg | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Supervisor | 1 per 10 | | | | 1 | 1 | 1 | 2 | 2 | 3 |
| | Technician | 1 unit/day | 1 | 1 | 1 | 2 | 5 | 8 | 11 | 13 | 20 |
| | Other/Admin | | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 3 |
| | Total MFG Staff | | 3 | 3 | 3 | 5 | 8 | 11 | 16 | 18 | 27 |
| Variable COGS per Unit | | | | | | | | | | | |
| | Model 1 | | \$ 1,500 | \$ 1,500 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| | Model 2 | | | | | | \$ 2,000 | \$ 2,000 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| | Model 3 | | | | | | | | | | \$ 2,500 |
| | Model 1 | | \$ - | \$ 30,000 | \$ 62,500 | \$ 125,000 | \$ 250,000 | \$ 375,000 | \$ 400,000 | \$ 500,000 | \$ 750,000 |
| | Model 2 | | \$ - | \$ - | \$ - | \$ - | \$ 40,000 | \$ 60,000 | \$ 60,000 | \$ 75,000 | \$ 112,500 |
| | Model 3 | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| | Total Variable Costs | | \$ - | \$ 30,000 | \$ 62,500 | \$ 125,000 | \$ 290,000 | \$ 435,000 | \$ 460,000 | \$ 575,000 | \$ 887,500 |
| Product COGS | | | | | | | | | | | |
| | Salaries & Benefits | | \$ 69,000 | \$ 69,000 | \$ 69,000 | \$ 113,563 | \$ 172,575 | \$ 233,538 | \$ 338,800 | \$ 384,375 | \$ 576,563 |
| | Variable Costs | from above | \$ - | \$ 30,000 | \$ 62,500 | \$ 125,000 | \$ 290,000 | \$ 435,000 | \$ 460,000 | \$ 575,000 | \$ 887,500 |
| | Facilities | | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 50,000 |
| | Total Product COGS | | \$ 84,000 | ##### | ##### | \$ 253,563 | \$ 492,575 | \$ 698,538 | \$ 828,800 | \$ 989,375 | ##### |

| Support COGS | Source | Q1 Year 1 | Q2 Year 1 | Q3 Year 1 | Q4 Year 1 | Q1 Year 2 | Q2 Year 2 | Q3 Year 2 | Q4 Year 2 | Q1 Year 3 |
|------------------------------|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Support Staffing Plan | | | | | | | | | | |
| VP Support | | | | | | 1 | 1 | 1 | 1 | 1 |
| Manager | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Support Staff | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other/Admin | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Support Staff | | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Support COGS | | | | | | | | | | |
| Salaries & Benefits | | \$ 63,250 | \$ 63,250 | \$ 63,250 | \$ 63,250 | \$ 103,838 | \$ 105,613 | \$ 107,388 | \$ 109,163 | \$ 110,938 |
| Warranty Costs per year | 4.00% | \$ - | \$ 2,000 | \$ 6,500 | \$ 14,875 | \$ 28,556 | \$ 47,517 | \$ 70,438 | \$ 96,328 | \$ 126,346 |
| Other | | \$ 12,650 | \$ 12,650 | \$ 12,650 | \$ 12,650 | \$ 20,768 | \$ 21,123 | \$ 21,478 | \$ 21,833 | \$ 22,188 |
| Total Support COGS | | \$ 75,900 | \$ 77,900 | \$ 82,400 | \$ 90,775 | \$ 153,161 | \$ 174,252 | \$ 199,303 | \$ 227,323 | \$ 259,471 |
| Cost of Goods Sold | | | | | | | | | | |
| Product COGS | | \$84,000 | \$114,000 | \$146,500 | \$253,563 | \$492,575 | \$698,538 | \$828,800 | \$989,375 | \$1,514,063 |
| Support COGS | | \$75,900 | \$77,900 | \$82,400 | \$90,775 | \$153,161 | \$174,252 | \$199,303 | \$227,323 | \$259,471 |
| Total COGS | | ##### | ##### | ##### | \$ 344,338 | \$ 645,736 | \$ 872,790 | ##### | ##### | ##### |

| | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 | Year 3 | Year 3 | Year 3 | Year 3 |
|-----------|---------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| \$ | 35,938 | \$ 35,938 | \$ 35,938 | \$ 36,563 | \$ 37,188 | \$ 37,813 | \$ 38,438 | \$ 39,063 | \$ 39,688 | \$ 40,313 | \$ 40,938 |
| \$ | - | \$ - | \$ 25,875 | \$ 26,325 | \$ 26,775 | \$ 54,450 | \$ 55,350 | \$ 84,375 | \$ 85,725 | \$ 116,100 | \$ 147,375 |
| \$ | 18,688 | \$ 18,688 | \$ 37,375 | \$ 95,063 | \$ 154,700 | \$ 216,288 | \$ 259,838 | \$ 406,250 | \$ 577,850 | \$ 754,650 | \$ 936,650 |
| \$ | 14,375 | \$ 14,375 | \$ 14,375 | \$ 14,625 | \$ 14,875 | \$ 30,250 | \$ 30,750 | \$ 46,875 | \$ 47,625 | \$ 64,500 | \$ 81,875 |
| \$ | 69,000 | \$ 69,000 | \$ 113,563 | \$ 172,575 | \$ 233,538 | \$ 338,800 | \$ 384,375 | \$ 576,563 | \$ 750,888 | \$ 975,563 | \$ 1,206,838 |

| | | | | | | | | | | |
|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ - | \$ - | \$ - | \$ 39,488 | \$ 40,163 | \$ 40,838 | \$ 41,513 | \$ 42,188 | \$ 42,863 | \$ 43,538 | \$ 44,213 |
| \$ 28,750 | \$ 28,750 | \$ 28,750 | \$ 29,250 | \$ 29,750 | \$ 30,250 | \$ 30,750 | \$ 31,250 | \$ 31,750 | \$ 32,250 | \$ 32,750 |
| \$ 23,000 | \$ 23,000 | \$ 23,000 | \$ 23,400 | \$ 23,800 | \$ 24,200 | \$ 24,600 | \$ 25,000 | \$ 25,400 | \$ 25,800 | \$ 26,200 |
| \$ 11,500 | \$ 11,500 | \$ 11,500 | \$ 11,700 | \$ 11,900 | \$ 12,100 | \$ 12,300 | \$ 12,500 | \$ 12,700 | \$ 12,900 | \$ 13,100 |
| <u>\$ 63,250</u> | <u>\$ 63,250</u> | <u>\$ 63,250</u> | <u>\$ 103,838</u> | <u>\$ 105,613</u> | <u>\$ 107,388</u> | <u>\$ 109,163</u> | <u>\$ 110,938</u> | <u>\$ 112,713</u> | <u>\$ 114,488</u> | <u>\$ 116,263</u> |

| Year 4 | Year 4 | Year 4 | Year 4 |
|---------------------|---------------------|---------------------|---------------------|
| \$ 41,563 | \$ 42,188 | \$ 42,813 | \$ 43,438 |
| \$ 179,550 | \$ 182,250 | \$ 184,950 | \$ 218,925 |
| \$ 1,080,625 | \$ 1,162,688 | \$ 1,246,700 | \$ 1,377,838 |
| \$ 99,750 | \$ 101,250 | \$ 102,750 | \$ 121,625 |
| <u>\$ 1,401,488</u> | <u>\$ 1,488,375</u> | <u>\$ 1,577,213</u> | <u>\$ 1,761,825</u> |

| | | | |
|-------------------|-------------------|-------------------|-------------------|
| \$ 44,888 | \$ 45,563 | \$ 46,238 | \$ 46,913 |
| \$ 33,250 | \$ 33,750 | \$ 34,250 | \$ 34,750 |
| \$ 26,600 | \$ 27,000 | \$ 27,400 | \$ 27,800 |
| \$ 13,300 | \$ 13,500 | \$ 13,700 | \$ 13,900 |
| <u>\$ 118,038</u> | <u>\$ 119,813</u> | <u>\$ 121,588</u> | <u>\$ 123,363</u> |

| Staffing Plan | | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff | Staff |
|------------------------------------|-------|------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 | Year 3 | Year 3 | Year 3 | Year 3 | Year 4 | Year 4 | Year 4 | Year 4 |
| Engineering | | | | | | | | | | | | | | | | | |
| CTO | Input | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| VP Engineering | Input | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Project Manager | Input | 1 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 5 | 5 | 6 | 6 | 7 | 8 |
| Programmer | Input | 4 | 8 | 10 | 12 | 14 | 16 | 18 | 22 | 26 | 30 | 34 | 38 | 42 | 46 | 50 | 56 |
| Tech Writer | Input | - | 1 | 1 | 2 | 2 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Other | Input | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Eng | | 6 | 12 | 14 | 17 | 20 | 25 | 27 | 31 | 37 | 41 | 46 | 50 | 56 | 60 | 65 | 72 |
| Marketing | | | | | | | | | | | | | | | | | |
| VP Marketing | Input | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Product Manager | Input | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 5 | 5 | 5 | 6 | 8 | 10 | 12 |
| Mar-Com | Input | - | - | 1 | 1 | 2 | 2 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 5 | 6 | 6 |
| Other | Input | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 6 | 6 |
| Total Mktg | | 3 | 3 | 5 | 6 | 8 | 8 | 10 | 10 | 12 | 13 | 14 | 14 | 17 | 19 | 23 | 25 |
| Sales | | | | | | | | | | | | | | | | | |
| VP Sales | Input | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Regional Sales | Input | 1 | 2 | 4 | 5 | 6 | 8 | 8 | 10 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 |
| Sales Support | Input | 1 | 2 | 4 | 5 | 6 | 8 | 8 | 10 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 |
| Sales Admin | Input | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 8 | 8 |
| Total Sales | | 4 | 6 | 11 | 13 | 16 | 20 | 21 | 25 | 26 | 30 | 35 | 39 | 44 | 48 | 53 | 57 |
| General & Admin | | | | | | | | | | | | | | | | | |
| CEO | Input | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| VP Finance | Input | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Accounting | Input | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 6 | 6 | 6 | 8 | 8 | 10 | 12 | 12 |
| MIS | Input | 1 | 2 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 6 | 6 | 6 | 6 | 8 | 8 |
| Other | Input | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 5 | 5 | 6 | 6 | 8 | 10 | 12 | 14 |
| Total G&A | | 4 | 5 | 8 | 8 | 12 | 12 | 14 | 14 | 17 | 17 | 20 | 22 | 24 | 28 | 34 | 36 |
| TOTAL EMPLOYEES | | 17 | 26 | 38 | 44 | 56 | 65 | 72 | 80 | 92 | 101 | 115 | 125 | 141 | 155 | 175 | 190 |
| Annual Rev/Emp (Calculated) | | \$0 | \$32 | \$55 | \$96 | \$132 | \$172 | \$208 | \$236 | \$256 | \$318 | \$370 | \$425 | \$385 | \$405 | \$398 | \$420 |

| Departmental Expenses | | Source | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|--------------------------------|--------------------------|------------------------|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 |
| Engineering | | | | | | | | | | |
| | Salaries & Benefits | Staffing Plan | ##### | \$ 334,938 | \$ 383,813 | \$ 449,938 | \$ 551,363 | \$ 684,250 | \$ 747,175 | \$ 864,075 |
| | Tech Supplies (PP/PM) | \$ 2,000 input/formula | \$ 36,000 | \$ 72,000 | \$ 84,000 | \$ 102,000 | \$ 120,000 | \$ 150,000 | \$ 162,000 | \$ 186,000 |
| | Misc / Other | input | \$ 10,000 | \$ 20,000 | \$ 30,000 | \$ 40,000 | \$ 60,000 | \$ 80,000 | \$ 100,000 | \$ 120,000 |
| | Total Engineering | To P&L | ##### | \$ 426,938 | \$ 497,813 | \$ 591,938 | \$ 731,363 | \$ 914,250 | ##### | ##### |
| Marketing | | | | | | | | | | |
| | Salaries & Benefits | Staffing Plan | ##### | \$ 107,813 | \$ 163,875 | \$ 186,875 | \$ 247,163 | \$ 251,388 | \$ 316,113 | \$ 321,338 |
| | Literature / PR | input | \$ 5,000 | \$ 5,000 | \$ 10,000 | \$ 10,000 | \$ 20,000 | \$ 20,000 | \$ 40,000 | \$ 60,000 |
| | Trade Shows | input | \$ - | \$ 25,000 | \$ - | \$ 50,000 | \$ - | \$ 100,000 | \$ - | \$ 150,000 |
| | Misc / Other | input | \$ 20,000 | \$ 20,000 | \$ 40,000 | \$ 60,000 | \$ 100,000 | \$ 125,000 | \$ 150,000 | \$ 175,000 |
| | Total Marketing | To P&L | ##### | \$ 157,813 | \$ 213,875 | \$ 306,875 | \$ 367,163 | \$ 496,388 | \$ 506,113 | \$ 706,338 |
| Sales | | | | | | | | | | |
| | Salaries & Benefits | Staffing Plan | ##### | \$ 201,250 | \$ 345,000 | \$ 409,688 | \$ 497,250 | \$ 639,625 | \$ 665,500 | \$ 814,875 |
| | Travel (PP/PM) | \$ 3,000 input/formula | \$ 9,000 | \$ 18,000 | \$ 36,000 | \$ 45,000 | \$ 54,000 | \$ 72,000 | \$ 72,000 | \$ 90,000 |
| | Commission (% Rev) | 3.00% input/formula | \$ - | \$ 6,000 | \$ 15,000 | \$ 30,000 | \$ 52,200 | \$ 78,300 | \$ 104,400 | \$ 130,500 |
| | Misc / Other | input | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 30,000 | \$ 30,000 |
| | Total Sales | To P&L | ##### | \$ 240,250 | \$ 411,000 | \$ 504,688 | \$ 623,450 | \$ 809,925 | \$ 871,900 | ##### |
| General & Admin | | | | | | | | | | |
| | Salaries & Benefits | Staffing Plan | ##### | \$ 127,938 | \$ 185,438 | \$ 185,438 | \$ 282,263 | \$ 287,088 | \$ 331,238 | \$ 336,713 |
| | Legal / Audit | | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| | Rent | See Below | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| | Tel & Internet (PP/PM) | \$ 200 input/formula | \$ 10,200 | \$ 15,600 | \$ 22,800 | \$ 26,400 | \$ 33,600 | \$ 39,000 | \$ 43,200 | \$ 48,000 |
| | Misc / Other | input | \$ 15,000 | \$ 20,000 | \$ 25,000 | \$ 30,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| | Total G&A | To P&L | ##### | \$ 243,538 | \$ 313,238 | \$ 321,838 | \$ 505,863 | \$ 516,088 | \$ 564,438 | \$ 574,713 |
| Total Operating Expense | | | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |

| Departmental Expense | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|-------------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Year 3 | Year 3 | Year 3 | Year 3 | Year 4 | Year 4 | Year 4 | Year 4 |
| Engineering | | | | | | | | | |
| Salaries & Benefits | | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Tech Supplies (PP/PM) | | \$ 222,000 | \$ 246,000 | \$ 276,000 | \$ 300,000 | \$ 336,000 | \$ 360,000 | \$ 390,000 | \$ 432,000 |
| Misc / Other | | \$ 150,000 | \$ 200,000 | \$ 250,000 | \$ 30,000 | \$ 400,000 | \$ 500,000 | \$ 600,000 | \$ 700,000 |
| Total Engineering | | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Marketing | | | | | | | | | |
| Salaries & Benefits | | \$ 387,500 | \$ 419,100 | \$ 449,888 | \$ 456,863 | \$ 555,275 | \$ 644,625 | \$ 789,463 | \$ 884,388 |
| Literature / PR | | \$ 80,000 | \$ 80,000 | \$ 100,000 | \$ 100,000 | \$ 120,000 | \$ 120,000 | \$ 140,000 | \$ 140,000 |
| Trade Shows | | \$ - | \$ 200,000 | \$ - | \$ 225,000 | \$ - | \$ 250,000 | \$ - | \$ 300,000 |
| Misc / Other | | \$ 200,000 | \$ 225,000 | \$ 250,000 | \$ 275,000 | \$ 300,000 | \$ 325,000 | \$ 350,000 | \$ 350,000 |
| Total Marketing | | \$ 667,500 | \$ 924,100 | \$ 799,888 | ##### | \$ 975,275 | ##### | ##### | ##### |
| Sales | | | | | | | | | |
| Salaries & Benefits | | \$ 843,750 | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Travel (PP/PM) | | \$ 90,000 | \$ 108,000 | \$ 126,000 | \$ 144,000 | \$ 162,000 | \$ 180,000 | \$ 198,000 | \$ 216,000 |
| Commission (% Rev) | | \$ 162,300 | \$ 222,000 | \$ 294,000 | \$ 366,000 | \$ 369,000 | \$ 426,000 | \$ 471,000 | \$ 540,000 |
| Misc / Other | | \$ 30,000 | \$ 30,000 | \$ 40,000 | \$ 40,000 | \$ 50,000 | \$ 50,000 | \$ 60,000 | \$ 60,000 |
| Total Sales | | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| General & Admin | | | | | | | | | |
| Salaries & Benefits | | \$ 404,688 | \$ 411,163 | \$ 482,138 | \$ 535,463 | \$ 583,538 | \$ 680,063 | \$ 827,138 | \$ 880,913 |
| Legal / Audit | | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| Rent | | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| Tel & Internet (PP/PM) | | \$ 55,200 | \$ 60,600 | \$ 69,000 | \$ 75,000 | \$ 84,600 | \$ 93,000 | \$ 35,000 | \$ 114,000 |
| Misc / Other | | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 |
| Total G&A | | \$ 834,888 | \$ 846,763 | \$ 926,138 | \$ 985,463 | ##### | ##### | ##### | ##### |
| Total Operating Expens | | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |

| Cash Flow | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|-----------------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|
| | Year 1 | Year 1 | Year 1 | Year 1 | Year 2 | Year 2 | Year 2 | Year 2 |
| Beginning Cash | \$ - | \$ 4,019,713 | \$ 2,607,275 | \$ 923,950 | ##### | \$ 8,960,858 | \$ 6,868,504 | \$ 5,332,965 |
| Investment | ##### | \$ - | \$ - | ##### | | \$ - | \$ - | \$ - |
| Total Revenue | \$ - | \$ - | \$ 207,500 | \$ 524,375 | \$ 1,055,781 | \$ 1,847,086 | \$ 2,788,189 | \$ 3,744,142 |
| COGS Expenses | \$ (159,900) | \$ (191,900) | \$ (228,900) | \$ (344,338) | \$ (645,736) | \$ (872,790) | ##### | ##### |
| Departmental Expenses | \$ (736,388) | ##### | ##### | \$ (1,725,338) | ##### | ##### | ##### | ##### |
| Capital Expense | \$ (84,000) | \$ (152,000) | \$ (226,000) | \$ (288,000) | \$ (312,000) | \$ (330,000) | \$ (344,000) | \$ (360,000) |
| Change in Cash | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Ending Balance | ##### | \$ 2,607,275 | \$ 923,950 | ##### | \$ 8,960,858 | \$ 6,868,504 | \$ 5,332,965 | \$ 3,983,909 |

| Cash Flow | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
|-----------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| | Year 3 | Year 3 | Year 3 | Year 3 | Year 4 | Year 4 | Year 4 | Year 4 |
| Beginning Cash | \$ 3,983,909 | \$ 2,494,982 | \$ 915,578 | \$ 319,110 | \$ 1,123,442 | \$ 3,157,516 | \$ 4,073,828 | \$ 6,350,157 |
| Investment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 4,711,232 | \$ 5,883,799 | \$ 8,032,849 | ##### | ##### | ##### | ##### | ##### |
| COGS Expenses | ##### | ##### | ##### | \$ (3,655,530) | \$ (4,158,953) | \$ (4,554,765) | \$ (4,653,329) | \$ (5,143,769) |
| Departmental Expenses | ##### | ##### | ##### | \$ (5,732,275) | \$ (6,614,075) | \$ (7,597,000) | \$ (8,211,400) | \$ (9,401,938) |
| Capital Expense | \$ (384,000) | \$ (402,000) | \$ (430,000) | \$ (450,000) | \$ (482,000) | \$ (510,000) | \$ (550,000) | \$ (580,000) |
| Change in Cash | ##### | ##### | \$ (596,468) | \$ 804,332 | \$ 2,034,075 | \$ 916,312 | \$ 2,276,329 | \$ 2,281,337 |
| Ending Balance | \$ 2,494,982 | \$ 915,578 | \$ 319,110 | \$ 1,123,442 | \$ 3,157,516 | \$ 4,073,828 | \$ 6,350,157 | \$ 8,631,494 |

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