

Convenience Store

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Reids Convenience Store

Business Plan

April 2003

Ben Reid
Reid's Convenience Store
1035 Whenun Road
Prince George, BC, V2K 5G5
Phone: (250) 555-5555
Fax: (250) 555-5555
E-Mail: reid@aol.com

Executive Summary:

Applicant/Company Information

- a. Business Name: Reid's Convenience Store
- b. Address: 1035 Whenun Road,
Prince George, BC, V2K 5G5
- c. Phone: (250) 555-5555
- d. Contact Person: Johnathan Reid

- e. Business Structure: Sole Proprietorship

- f. Banking Information:
 - Bank: Royal Bank
 - Address: Royal Bank - Main Branch
550 Victoria Street, Prince George, BC V2L 2K1
 - Phone: (250) 555-5555 Fax:(250) 555-5555
 - Contact: Mr. V. Happy
 - Title: Loans Officer

- g. Anticipated Start Date:

Reid's Convenience store is prepared to purchase the equipment and inventory necessary to begin operations immediately, upon approval of funding.

- h. Business concept:

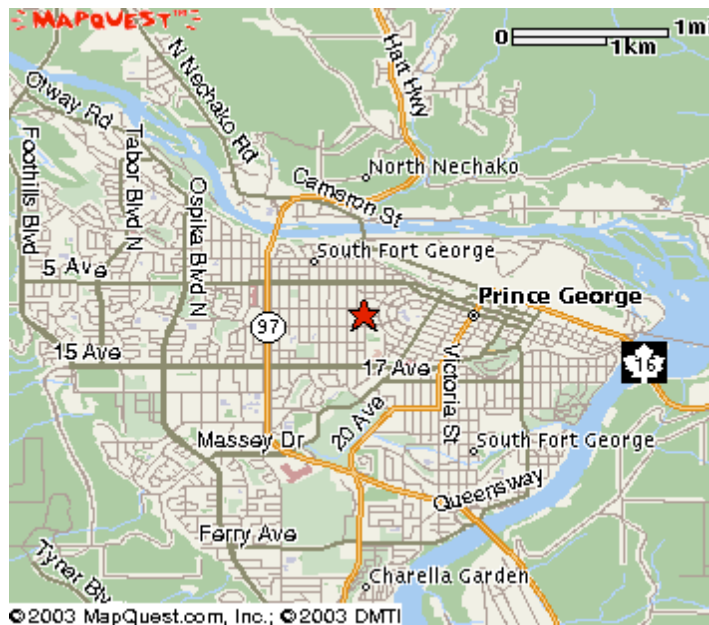
Mr. Reid recognized a need for a store in the area after a neighbouring store closed. Mr. Reid conducted a resident's survey asking about the need for a corner store and support was the community overwhelmingly supported the concept. There are no such stores within a 8-block radius, and the target market will include local residents both on and off reserve.

Mr. Reid has extensive retail experience in both grocery and sundry sales and has identified four primary categories of product; pop/chips; toys; taxable cigarettes and food products.

The Principal, Mr. Reid will, upon approval of funding, renovate the building, and purchase the necessary equipment and inventory.

i. Business operations (facility, equipment, etc.)

The store will be open 7 days a week, 9:00 a.m.-10:00 p.m. Reid's Convenience Store will be a convenience store located at 1035 Whenun Road, Prince George, BC, V2K 5G5. This is centrally located in the heart of Prince George on reserve land, on the residential property of the Principal. The Lheidli T'enneh Chief and Council has offered their full support and await a copy of this plan to in order to provide a Band Council Resolution to allow Mr. Reid to operate.



The store will be situated in a 1400 square foot building that is owned by the principal, it will be renovated with the appropriate shelving, refrigeration and cash counters required for operation. The building will consist of 3 rooms, an office, a washroom and the main store area.

j. Number of employees:

Reid's Convenience Store will have two employees, one full-time and one part-time. Mr. Reid will be the sole owner and primary operator for Reid's Convenience Store. Mr. Reid has extensive retail experience in the retail grocery business as a supervisor for a local supermarket and has worked at a high volume hardware-store and also a government liquor store.

Mrs. Reid will assist in daily operations of the store, and will handle

bookkeeping and financial reporting. Within five years it is anticipated that the company would analyse the viability of hiring another part-time employee for 4 hours per day however at this time there are no plans to hire any more employees within the first three years of business.

k. Management team background and experiences:

Mr. Reid has extensive retail experience that is crucial to the type of business he is opening. Mr. Reid's experience includes work at a retail grocery store, a high volume hardware store (sundry) sales, and liquor store sales. He has worked in retail sales for 15 years and is experienced with all aspects of daily operations including ordering, receiving, budgeting, merchandising, and daily banking. Mr. Reid is particularly skilled in public relations, is very organized, is able to work independently, is reliable, dependable and hardworking.

A resume and 2 letters of reference are attached in the appendices of this document.

l. Market Niche:

Local Need: The customers that the store will target are the local residents and the Lheidli T'enneh First Nation members. The area has no other such convenience store in a 8 block radius, local residents grocery needs being filled by Overwaita Foods, Safeway, or PGA Food Market, all in the town of Prince George.

Proven Market: A small convenience store, The Little Valley Food Market located 6 blocks away, did exist until 6 months ago, when it was forced to close due to the high rent/lease costs. This business had a proven market that Reid's Convenience Store will capitalize upon.

Management Experience: The experience that Mr. Reid brings to the endeavour is invaluable, he has product knowledge, is familiar with large chain pricing and techniques, and their sales strategies. While working for the local grocery store Mr. Reid established valuable wholesale contacts he will utilize in the new business.

Community Support: Mr. Reid conducted a survey within the Lheidli T'enneh First Nation (35 households) and the results indicated that a small convenience store with overwhelming support for the concept. A copy of the survey is attached in the appendices of this business plan.

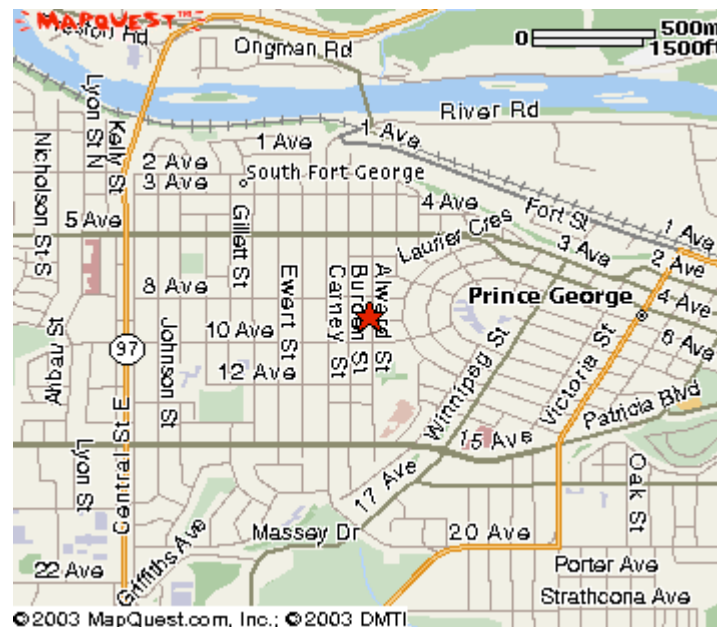
m. Client Base:

Reid's Convenience Store has a potential target market, as follows:

- 800 local residents within the 10-block radius
- 108 on-reserve residents (304 registered to band, 196 off reserve)
- Lheidli T'enneh Band Office, 15 employees, numerous visitors
- 250 students from Central Fort George Elementary School, parents & staff
- 430 students from John McInnis Junior Secondary School, parents & staff
- 200 local Bingo, held 4 times per week at the community hall next door
- 30 Warehouse employees (1/2 block away)

Client demographics include local residents from all age groups and socio-economic ranges, consisting primarily of families. A large secondary target group will be children and teens that regularly purchase candy, soft drinks and other fast-grab foods.

The client base covers the area as listed on the map below:



n. Factors for Success:

The business will succeed due to a variety of factors.

- There in no competition in the targeted neighbourhood
- Strong management work ethic; currently holds 2 jobs, and has excellent references from both.
- Mr. Reid's experience in retail grocery sales
- Mr. Reid's wholesale contacts.
- Proven Market.
- Local need.
- Proven community support.

Financial information for this Operation

	Item	Cost
Business Start Up Costs		
1	Renovations	\$5,500.00
2	Inventory	\$8,100.00
3	Shelving	\$1,231.00
4	Cooler Lease Deposit	\$280.00
5	Air Conditioner	\$1,000.00
6	Signage	\$500.00
7	Cash Counter	\$500.00
8	Operating Capital	\$2,889.00
	Total	\$ 20,000.00

TACC Loan:	\$17,000.00
Equity Contribution:	\$ 3,000.00
Total Project Cost:	\$ 20,000.00

c. Expected sales from the first three years of operations:

	Year 1	Year 2	Year 3
	\$ 100,000	\$ 115,000	\$ 132,250

Table of Contents

Page

Section A **Business Plan:**

1. Business Description
2. Business and Industry Market Analysis
3. Operational Plan
4. Organizational Plan: Management and Staffing
5. Marketing Plan & Competition
6. Business Feasibility & SWOT Analysis

Section B **Financial Projections:**

- 12 month cash flow projections
- 3 year cash flow projections
- 3 year projected income statement and balance sheet

Section C **Supporting Documents:**

- A. Résumé's
- B. Letters of Reference
- C. Renovations Quote
- D. Store Floor Plan
- E. Area Map
- F. Prince George Area Statistics/ Community Profile
- G. Shelving Quote
- H. Cooler Rental Agreement
- I. Air Conditioning Quote
- J. Signage Quote
- K. Cash Counter Quote
- L. Inventory Sheets & Spreadsheets
- M. BCR, to follow
- N. Community Survey Results

Business Plan

1. Business Description

a. Type of business: Grocery/Convenience store

Business Structure: Sole Proprietorship

Owner Johnathan Reid

Percentage of Aboriginal ownership: 100 %

a. Type of business:

Business Structure: Sole Proprietorship

	<i>Name</i>	<i>% ownership</i>
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1.	Johnathan Reid	100 %
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Percentage of Aboriginal ownership: 100 %

b. Products or services the business will provide:

Reid's Convenience Store will be a full-time convenience store operating 7 days a week, from 9:00 a.m.-10:00 p.m. selling; pop/chips; toys; taxable cigarettes; and food products.

The store will offer friendly and personalised service, reasonably priced merchandise, tax exemption for status customers and a convenient location.

A detailed inventory list is in attached in the appendices to this document.

Business logo: No

Mission Statement:

Reid's Convenience Store will strive to provide superior customer service and the highest quality groceries at an affordable price, while operating as a profit and growth oriented business.

2. Business and Industry Market Analysis

- a. Industry Sector: Retail
- b. History of the industry:

Over the last century, convenience stores have provided a thriving service to local neighbourhoods. Typically, corner stores are defined as neighbourhood retail shops that specialise in a limited selection of merchandise, such as milk, bread and other household necessities. Convenience stores are largely a cash-based business conveniently located for quick in and out shopping, and can be operated by one clerk. The consumer usually requires the services and products that the corner store offers on a daily, weekly or bi-weekly basis. Corner stores provide quick checkout times, extended hours of business and convenient locations. Considered a mature industry, convenience stores are a powerful retailing group in Canada.

Within the industry U.S. Economic trends are similar to Canadian trends. A leading expert stated "That the convenience store industry grew in 2000 in spite of high interest rates, a stagnant stock market, and signs of an economic slowdown is a testament to the overall strength of the industry," said Teri Richman, North American Convenience Store' senior vice president of strategic alliances and initiatives. "It shows that the value that consumers place on the industry remains at an all-time high, and that the industry is delivering," Richman added. "No matter what the size of the convenience store - whether it is a one-store operation or a company of several thousand, there is one consistent element: A convenience store is an anchor business to the neighbourhoods of America," said Richman. "With approximately 120,000 convenience stores nationwide, people have convenient and immediate access to food products, beverages, cash, petroleum, and any necessity item. The convenience store has become the gas station, quick-service restaurant, bank, and water cooler of a mobile, time-hungry society."

Current size & demand:

Mr. Reid conducted a survey among 108 Lheidli T'enneh First Nation members. The question asked was "Would you be in favour and buy at a store located on the reserve?" The response was extremely favourable. This community support is crucial when the primary target customers are 108 Lheidli T'enneh First Nation members. There are 108 on-reserve residents in the vicinity. According to Statistics Canada (2001) there are 7,155 First Nations persons that live in the Prince George area (on and off reserve).

The businesses secondary target client group are local residents within a 8 block radius, or approximately 1,000 people.

The average household (according to The Prince George Community Profile, Prince George Library) spends per year:

Food	\$ 5,408.00
Health and personal hygiene	\$ 1,731.00
Other	\$ 7,733.00
Total	\$14,872.00

Currently there are 35 households on the Lheidli T'enneh reserve(s), and an additional 160-200 households within a 8-block radius and approximately 29,345 households in the Prince George District Municipality. Resulting in a total household client base of 195-235 homes within a eight-block radius.

According to the Prince George Community Profile 2001, Prince George residents spend \$40.6 million dollars per year on grocery store and other food products. Based upon the number of households and the average spending Prince George residents spend \$14,872.00 per year on grocery store and other food products. Calculating the average spending based upon 235 homes in the local area at 5% of average spending it is estimated that Reid's Convenience Store could conservatively gross \$100,000.00 per year.

c. The Target Customers

The average customer that the business will target will be from all age groups, with an average household income of approximately \$ 45,514 (2001-Statistics Canada). Many households have both parents in the work force, 63.6% of Canadian women with children younger than six worked outside the home (Statistics Canada, 1990).

Based upon an average pooling of clients it is estimated that Reid's Convenience Store client breakdown based upon per 1200 clients, will be as follows:

- 800 local residents within the 10-block radius
- 108 on-reserve residents (304 registered to band, 196 off reserve)
- Lheidli T'enneh Band Office, 15 employees, numerous visitors
- 250 students from Central Fort George Elementary School, parents & staff
- 430 students from John McInnis Junior Secondary School, parents & staff
- 200 local Bingo, held 4 times per week at the community hall next door
- 30 Warehouse employees (1/2 block away)

Mr. Reid recently conducted a survey and asked: "Would You Support a Small Convenience Store on reserve?" The results were unanimously in favor of such a business endeavor. The results are attached in the appendices of this document.

Potential market growth:

Reid's Convenience Store anticipates growth to be based upon two primary client groups, Lheidli T'enneh Reserve residents and local (non-aboriginal residents) in an 8 block radius. Local business will be generated through an aggressive marketing campaign to local residents, the band office, and the local bingo hall, and local pre-schools.

It is anticipated that the market penetration will increase over the next five years from 5% of local residents spending to 10%, and the client market area will increase to a 15-block radius.

d. Direct and Indirect Competition:

The direct competition in for Reid's Convenience Store consists of one company:

1. 7-Eleven
 - Address 1234 14th Avenue, Prince George, BC
 - Years in Business 10 years
 - Market Share 10%
 - Price/Strategy Same
 - Product/Service Same product, lower levels of client service.
 - Advantages longer hours, greater purchasing power, variety of products, gas-bar, lottery license.
 - Disadvantages Distance

Reid's Convenience Store's indirect competition is 2 large grocery retailers, as listed below:

1. Canada Safeway
 - Address 9299 Main Street
 - Years in Business 30 years
 - Market Share 10%
 - Price/Strategy Same
 - Product/Service Greater buying power and variety of products
 - Advantages longer hours, more products, large promotional sales and industry name.
 - Disadvantage Distance

2. Overwaitea Foods

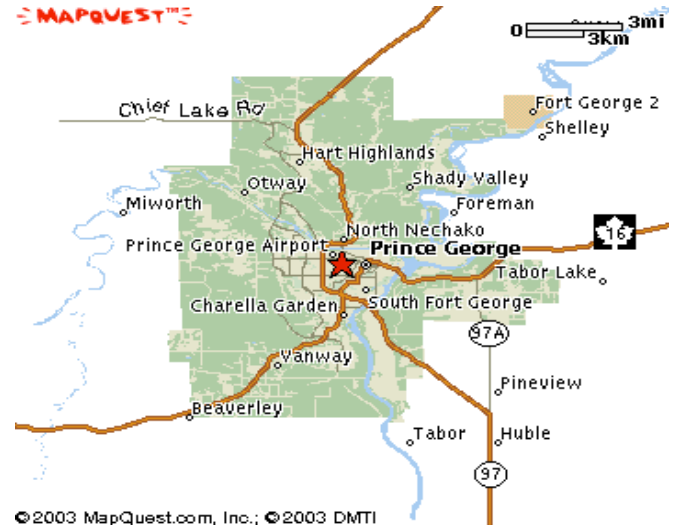
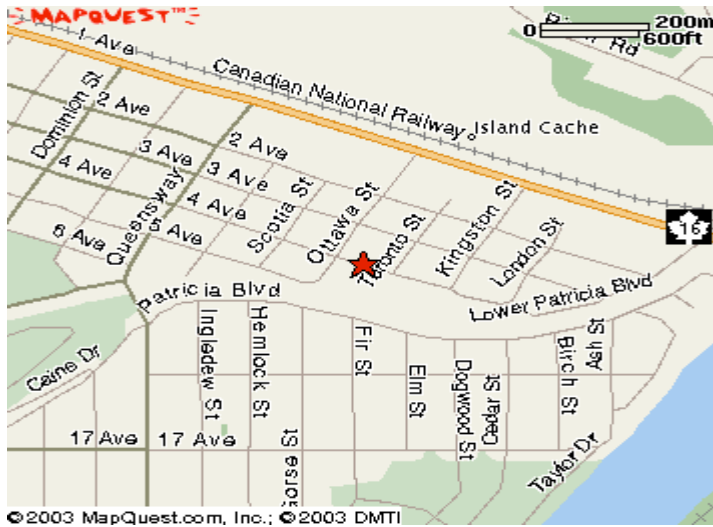
- Address 3885 Austin Road West, Prince George, BC V2K 2H7
- Years in Business 14 years
- Market Share 10%
- Price/Strategy Same
- Product/Service Greater buying power and variety of products
- Advantages longer hours, more products, large promotional sales and industry name.
- Disadvantage Distance

3. Operational Plan

a. Location & Facilities:

Reid's Convenience Store will be located 1035 Whenun Road, Prince George, BC, V2K 5G5, on the Lheidli T'enneh First Reserve, The service area will be the Lheidli T'enneh First Nation, and the 8-block radius surrounding the store.

Reid's Convenience Store will provide service to are shown below:



The store will be located in a building that will be renovated and equipped with the necessary furnishings, shelving and plumbing. The approximate square footage of the unit is 1,400 square feet. The unit will have 3 rooms, consisting of an office, washroom and the retail store area. A floor plan is attached in the appendices of this document.

The building was leased out by Mr. Reid to a pizza company that relocated, and is fully wired for electrical, security and phones, and is on the residential property of the Mr. Reid. The Lheidli T'enneh Chief and Council have provided their full support and verbally agreed to support this venture. A formal BCR will be issued upon review of this business plan.

Description of facility requirements:

Electronic Equipment:

Existing Equipment	Value	Required Equipment	Budget Cost
Computer	\$ 2,400.00	Air Conditioner	\$ 1,000.00
Printer	\$ 300.00		
Automobile	\$ 7,000.00		
Software	\$ 1,000.00		
Total:	\$ 10,700.00	Total:	\$1,000.00

Furniture/ Fixtures:

Required Furniture/ Fixtures	Budget Cost
Shelving	\$1,231.00
Signage	\$ 500.00
Cash Counter	\$ 500.00
Total:	\$2,231.00

b. Production Process:

Daily retail operations will consist of the following:

- Open store, disarm alarm
- Cash count, turn on necessary machinery, debit machine, etc.
- Do books from previous day, check inventory, order as necessary
- Handle sales
- Close out cash and balance
- Close store, arm alarm

e. Action Plan:

Business will commence operations based on the following work plan:

- i) Secure BCR. Gut /renovate building.
- ii) Installation of equipment necessary for business operations:
 - Store shelving
 - Cash counter
 - Cash register
 - Debit machine

- 2 door cooler
 - 1 door cooler
 - Freezer
- iii) Stocking merchandise for retail sales
- iv) Marketing/ Promotion:
 -Hand deliver promotional flyers to prospective customers
 -Fax grand opening specials, flyers to local bank offices, businesses
- f. Is an environmental audit required for your business? If so by who?

An environmental audit is not required for this business.

- g. Will your company hire a bookkeeper or accountant? If so who?

Mrs. Reid will handle bookkeeping, and an accountant will be hired to handle yearly financials and taxes.

- h. Major Suppliers

Supplier	Location	Products	Terms
<i>Good Humour</i>	<i>Prince George</i>	<i>Ice cream bars, Popsicles</i>	C.O.D.
<i>Costco</i>	<i>Prince George</i>	<i>Canned & dry goods</i>	C.O.D.
<i>HY Louie</i>	<i>Prince George</i>	<i>Canned goods, dry goods, frozen</i>	C.O.D.
<i>Core-Mark International Inc</i>	<i>Prince George (250)563-2133</i>	<i>Cigarettes, tobacco products</i>	C.O.D.
<i>Coca Cola Bottling Co.</i>	<i>Prince George</i>	<i>Soft Drinks</i>	C.O.D.

Many suppliers demand C.O.D., until credit checks are completed and terms are established.

- i. Licences, Permits, and Insurance
 - 1. Business Licence
 - 2. Business Insurance
 - 3. BCR

Organizational Plan: Management and Staffing

a. Management and Personnel:

Johnathan Reid will be sole owner and primary operator of the business. He will be responsible all aspects of operations. Mr. Reid's experience includes work at a retail grocery sales, a high volume hardware store (sundry) sales, and liquor store sales. He has worked in retail sales for 15 years and is experienced with all aspects of daily operations including ordering, receiving, budgeting, merchandising, and daily banking. Mr. Reid is particularly skilled in public relations, is very organised, is able to work independently, is reliable, dependable and hardworking. A resume and 2 letters of reference are attached in the appendices of this document.

Mrs. Reid will assist in daily operations of the store as needed. Mrs. Reid can assist with bookkeeping and financial reporting, but is not anticipated to draw a wage for this casual work within the first five years of operation.

5. **The Marketing Plan and Competition**

a. Overall market:

The average household (according to The Prince George Community Profile, Prince George Library) spends per year:

Food	\$ 5,408.00
Health and personal hygiene	\$ 1,731.00
Other	<u>\$ 7,733.00</u>
Total	\$14,872.00

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b. The Target Customers

The average customer that the business will target will be from all age groups, with an average household income of approximately \$45,514 (2001-Statistics Canada). Many households have both parents in the work force, 63.6% of Canadian women with children younger than six worked outside the home (Statistics Canada, 1990).

Based upon an average pooling of clients it is estimated that Reid's Convenience Store client breakdown based upon per 1200 clients, will be as follows:

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- 200 local Bingo, held 4 times per week at the community hall next door
- 30 Warehouse employees (1/2 block away)

Mr. Reid recently conducted a survey and asked: "Would You Support a Small Convenience Store on the Reserve?" The results were unanimously in favor of such a business endeavor. The results are attached in the appendices of this document.

c. Marketing Strategy

Reid's Convenience Store will attract local clients and foster loyalty with competitive pricing, convenient location, and friendly service. In addition, the store will offer tax exemption to status first nations customers, offer monthly specials, draws, and promotions.

Mr. Reid may join an industry association such Retail Council of Canada (for a nominal annual fee), who provides the business with cost-saving services (such as low merchant rates on credit cards) and practical advice through newsletters and workshops.

Local Advertising:

Flyer distribution: flyers will be distributed in the local area on a monthly basis advertising specials, draws and promotions.

Sandwich Boards: Mr. Reid will display 2 sandwich boards, one for either store end.

f. Pricing Strategy and Target Sales

Pricing will be set at 30%-100% mark-up, dependant upon the following categories:

- ❑ Pop/ Chips 30% mark up
- ❑ Toys 100% mark up
- ❑ Cigarettes 110% mark up
- ❑ Food Products 40% mark up

No credit will be offered to customers. Sales will be cash, Interac or credit card.

Suppliers will be on a C.O.D. basis, until 30 net terms can be established.

Purpose of Loan

Mr. Reid seeks a \$17,000.00 FCF Loan to establish a convenience store. In addition Mr. Reid will contribute \$3,000.00 equity for a total project cost of \$20,000.00, for which Mr. Reid will renovate his building, install shelving, a cooler, air conditioner, cash counter, install signage and purchase inventory.

	Item	Cost
Business Start Up Costs		
1	Renovations	\$5,500.00
2	Inventory	\$8,100.00
3	Shelving	\$1,231.00
4	Cooler Lease Deposit	\$280.00
5	Air Conditioner	\$1,000.00
6	Signage	\$500.00
7	Cash Counter	\$500.00
8	Operating Capital	\$2,889.00
	Total	\$ 20,000.00

6. **Business feasibility and SWOT Analysis**

a. S.W.O.T. Analysis.

Strengths:

The advantage that Reid's Convenience Store has is that there is no competition within a 8-block radius. The Little Valley Food Market was located in the area until 6 months ago when it went out of business, due to high lease rates at that location. Mr. Reid has the advantage of being a business based on reserve, where rent is not a factor in operations.

In addition, Mr. Reid, his strong work ethic and his ability to deal with the public in a friendly and courteous manner.

Weaknesses:

One weakness is the location. Due to the fact that the business will be located on reserve, suppliers may be hesitant to give terms.

Opportunities:

There is the opportunity to expand the product line(s) that the store carries. My Reid's Convenience Store anticipates that within the first two years of

operation that it may qualify for a tax-exempt tobacco license and lottery goods. There is also the potential that the business may be able to employ local people part time.

Other services being considered are:

- ❑ ATM (Automated teller machine)
- ❑ Flower sales
- ❑ Local crafts
- ❑ Fresh coffee

Threats:

The major threat is the possibility that another corner store will open in the vicinity. Mr. Reid will establish a loyal customer base to alleviate transfer of customers to another business.

b. Risk Assessment

Mr. Reid will maintain one of his jobs to ensure financial obligations are met. He is considering giving terms to the band office and other First Nations organizations to ensure a positive cash flow.

c. Viability and Long Range Plans:

Reid's Convenience Store will succeed due to a variety of factors.

Local Need: The customers that the store will target are the local residents and Lheidli T'enneh First Nation members. The area has no other such convenience store in a 8 block radius, with local residents grocery needs being filled by Overwaita Foods, Safeway, or 7-11.

Proven Market: A small convenience store, The Little Valley market located at 1234 8th Avenue , did exist in the neighbourhood until 6 months ago, when it was forced to close due to the high rent/lease costs. This business had a proven market that Reid's Convenience Store will capitalize upon.

Management Experience: The experience that Mr. Reid brings to the endeavour is invaluable, he has product knowledge, is familiar with large chain pricing and techniques, and their sales strategies. While working for the local grocery hardware store Mr. Reid has established valuable wholesale contacts

he will utilize in the new business. In addition, Mr. Reid has an excellent work ethic, having held down two jobs that provide his excellent references. Finally, with regard to management experience Mr. Reid has an excellent relationship established with the necessary suppliers for this venture.

Community Support: Mr. Reid conducted a survey within the Lheidli T'enneh First Nation members (35 households) and the results indicated that a small convenience store with overwhelming support for the concept. A copy of the survey is attached in the appendices of this business plan.

Long-range plans include the acquisition of a tax-exempt cigarette licence for the reserve, and a lottery licence (keno) from the provincial government. These are time-consuming processes, but these product lines will be applied for in the first quarter.

12 MONTH CASH FLOW PROJECTIONS

	Month 1 2-Sep	Month 2 2-Oct	Month 3 2-Nov	Month 4 2-Dec	Month 5 3-Jan	Month 6 3-Feb	Month 7 3-Mar	Month 8 3-Apr	Month 9 3-May	Month 10 3-Jun	Month 11 3-Jul	Month 12 3-Aug	Totals
Cash Receipts:													
Opening Cash Balance		\$17,340	\$1,532	\$1,356	\$1,612	\$1,885	\$2,469	\$2,953	\$3,755	\$4,498	\$5,541	\$6,855	
TACC FCF Loan		\$17,340											
Owners Equity		\$3,000											
Revenue:													
Pop/ Chips	\$1,500	\$2,000	\$2,000	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,500	\$3,500	\$3,500	\$3,500	\$33,500
Toys	\$125	\$125	\$150	\$150	\$200	\$200	\$200	\$250	\$250	\$250	\$300	\$300	\$2,500
Cigarettes	\$900	\$1,750	\$1,750	\$2,000	\$2,000	\$2,000	\$2,250	\$2,250	\$2,250	\$2,500	\$3,000	\$3,000	\$17,000
Inventory	\$1,000	\$2,500	\$2,500	\$3,000	\$3,000	\$3,500	\$3,500	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$39,000
Total Revenue:	\$3,125	\$6,375	\$6,400	\$7,650	\$7,700	\$8,700	\$8,700	\$9,500	\$10,000	\$10,250	\$10,800	\$10,800	\$100,000
Total Cash Receipts (a):	\$23,465	\$8,091	\$7,932	\$9,006	\$9,312	\$10,585	\$11,169	\$12,453	\$13,755	\$14,738	\$16,341	\$17,655	
Cash Expenditures:													
Start-up costs:													
Renovations	\$5,500												
Inventory	\$8,100												
Shelving	\$1,231												
Cooler	\$260												
Air Conditioner	\$1,000												
Signage	\$900												
Cash Counter	\$900												
Borrowers Fee (2%)	\$340												
Total Start up costs:	\$17,451												
Operating Costs:													
TACC FCF Loan	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$386	\$4,246
Pop/ Chip Inventory	\$1,050	\$1,400	\$1,400	\$1,750	\$1,750	\$2,100	\$2,100	\$2,100	\$2,450	\$2,450	\$2,450	\$2,450	\$23,450
Inventory Bags	\$675	\$1,575	\$1,590	\$1,890	\$1,920	\$2,220	\$2,220	\$2,590	\$2,590	\$2,950	\$2,980	\$2,980	\$24,900
Cigarettes	\$238	\$633	\$633	\$952	\$952	\$952	\$952	\$1,071	\$1,071	\$1,190	\$1,429	\$1,429	\$11,905
Merchant Fees: Interac, Visa, MC, Amex	\$125	\$255	\$255	\$296	\$308	\$348	\$348	\$380	\$400	\$410	\$432	\$432	\$4,000
Cooler Lease Fee	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$1,140
Communications: phone, fax, internet	\$400	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$950
Utilities	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$300	\$300	\$300	\$300	\$3,000
Security Monitoring	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$360
Business Insurance	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Equipment Repairs and Maintenance	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Bank Fees	\$130	\$30	\$30	\$30	\$30	\$30	\$30	\$25	\$25	\$25	\$30	\$30	\$300
Bookkeeping/ Accounting	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$200	\$30	\$30	\$30	\$460
Office Supplies	\$250	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$820
Marketing/ Advertising	\$250	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,350
Total Operating Costs:	\$3,298	\$5,059	\$5,075	\$5,894	\$5,926	\$6,616	\$6,716	\$7,197	\$7,767	\$7,696	\$7,987	\$7,987	\$77,221
Total Cash Expenditures (b):	\$20,749	\$5,059	\$5,075	\$5,894	\$5,926	\$6,616	\$6,716	\$7,197	\$7,767	\$7,696	\$7,987	\$7,987	\$94,672
End of Month Cash Balance (a-b):	\$2,716	\$3,032	\$2,856	\$3,112	\$3,385	\$3,969	\$4,453	\$5,255	\$5,988	\$7,041	\$8,355	\$9,688	\$17,500
Less owner's drawings:	\$1,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$17,500
Closing Balance:	\$1,716	\$1,532	\$1,356	\$1,612	\$1,885	\$2,469	\$2,953	\$3,755	\$4,489	\$5,541	\$6,855	\$8,188	

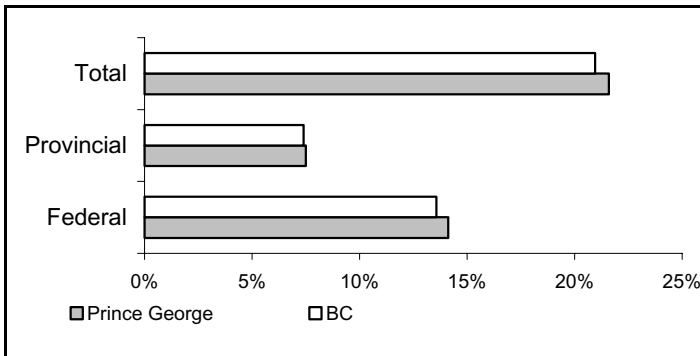
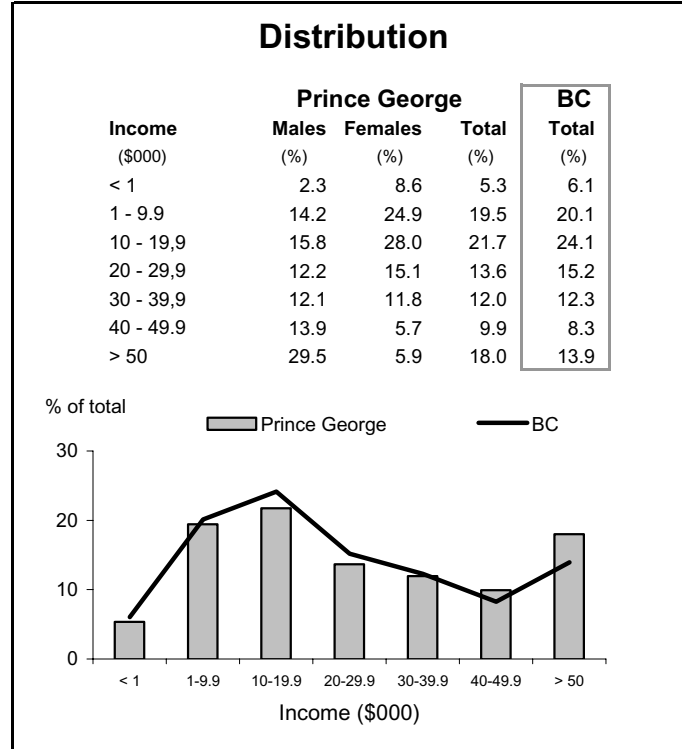
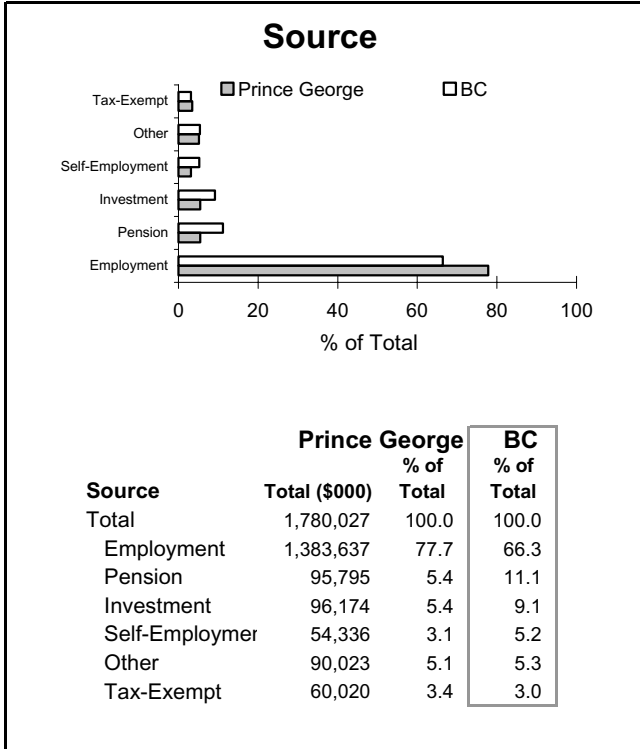
*Assumptions:
Pop/ Chip Inventory costs calculated at 70% of gross sales
Inventory costs and toys calculated at 60% of gross sales
Merchant fees calculated at 4% of gross.*

Operating Capital \$2,889.00
4/30/03 \$20,000.00

Prince George

City

Page 1



Income Paid in Tax

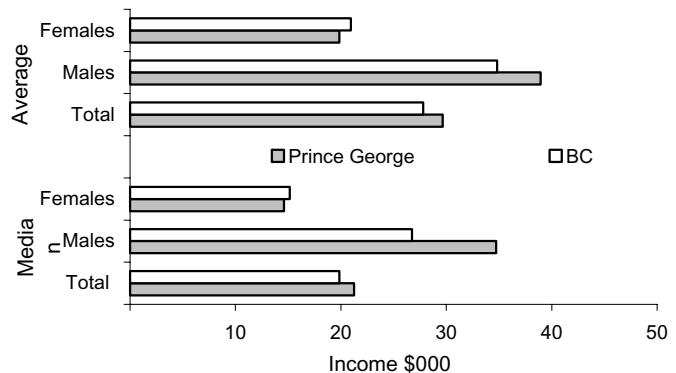
	Prince George Total (\$000)	Prince George % of Income	BC % of Income
Total	360,493	21.6	20.9
Federal	235,564	14.1	13.6
Provincial	124,930	7.5	7.4

Average (Mean) Income (\$)

	Prince George	BC
All Returns	29,642	27,767
Male	38,929	34,793
Female	19,824	20,921
All Taxable Returns	38,618	36,961

Median Income (\$)*

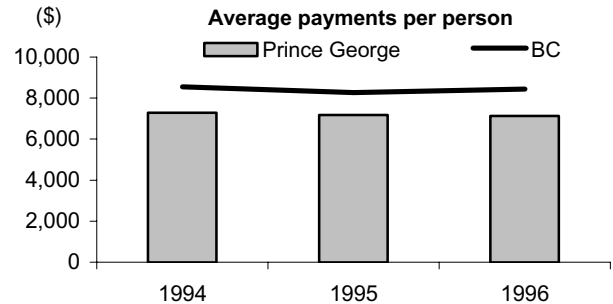
	Prince George	BC
All Returns	21,223	19,834
Male	34,696	26,720
Female	14,585	15,122



* Where half of the population earns more & half earns less

Dependence on Transfer Payments

Transfer Payments	Total	Prince George		British Columbia		
		Male	Female	Total	Male	Female
Number reporting						
Total	29,300	15,070	14,230	1,456,020	718,460	737,560
EI	9,200	5,270	3,920	319,180	168,350	150,820
OAS	4,960	2,500	2,460	443,900	206,340	237,550
CPP	7,170	3,620	3,550	511,870	252,360	259,510
Other Pen.	3,630	2,260	1,370	318,060	182,000	136,070
Prov. Tx. Credit	18,700	9,280	9,420	891,380	432,100	459,280



Relative Income Ratios

	Provincial Index			Canadian Index		
	1994	1995	1996	1994	1995	1996
Prince George						
Total	1.13	1.13	1.18	1.26	1.18	1.21
Male	1.26	1.27	1.32	1.44	1.35	1.37
Female	0.97	0.97	1.04	1.06	1.02	1.05
BC						
Total	1.00	1.00	1.00	1.11	1.04	1.02
Male	1.00	1.00	1.00	1.13	1.06	1.04
Female	1.00	1.00	1.00	1.09	1.04	1.01

Economic Dependency Ratio

	1994	1995	1996
Prince George			
Total	15.00	15.11	14.30
Male	12.09	12.35	11.86
Female	22.03	21.56	19.88
BC			
Total	23.19	23.00	22.51
Male	20.45	20.21	19.91
Female	28.44	28.26	27.36

Provincial Index: The median income for the area is expressed as a % of the median income for BC.

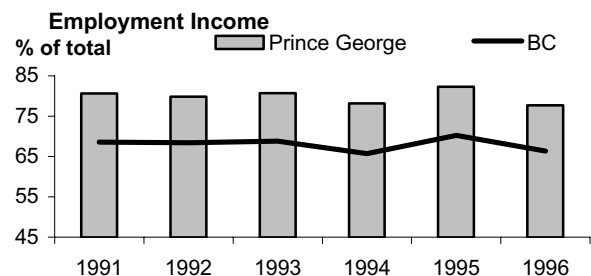
Canadian Index: The median income for the area is expressed as a % of the median income for Canada.

Economic Dependency Ratio: Aggregate transfer payments expressed as a % of total employment income.

For a given area, EDR is amount of transfer payment dollars for every \$100 of total employment income.

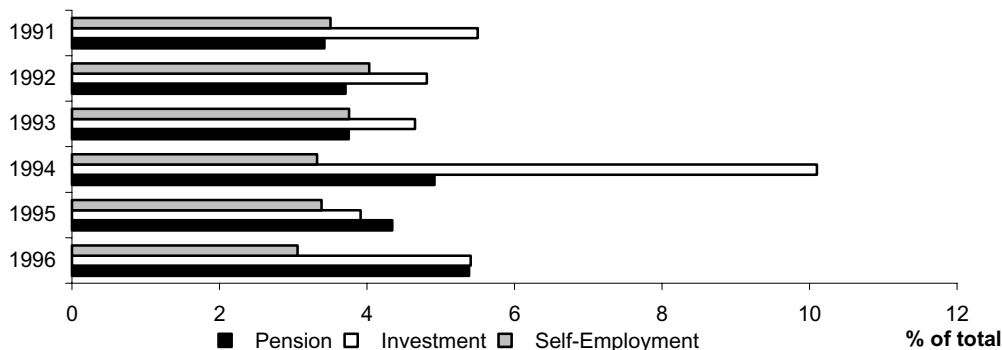
Trends in Income Sources

Source	1991	1992	1993	1994	1995	1996
Employment	80.6	79.8	80.7	78.1	82.3	77.7
Pension	3.4	3.7	3.7	4.9	4.3	5.4
Investment	5.5	4.8	4.6	10.1	3.9	5.4
Self-Employment	3.5	4.0	3.8	3.3	3.4	3.1
Other	6.9	6.8	5.8	5.4	5.1	5.1
Tax-Exempt	n/a	0.7	0.9	4.0	1.0	3.4



Total Income (\$000)

1991	1,335
1992	1,398
1993	1,514
1994	1,647
1995	1,604
1996	1,780





Community Profile

Prince George, BC



Overview

This profile provides information to assist companies in making location-related decisions.

Prepared by:
Prince George Development Corporation,
#201– 1399 Sixth Ave,
Prince George, BC, V2N 5L6
Phone: (250) 564-0282
Fax: (250) 563-6398

Location

Strategically located near the geographic centre of British Columbia, Prince George is the major educational, transportation, distribution, industrial and commercial centre for northern and central British Columbia. Four airlines provide daily flights to Vancouver, Calgary, Kamloops, Kelowna and Victoria.



Population

The population of Prince George is culturally diverse, with almost 50 different ethnic origins represented. Over 65% of people in Prince George over the age of 15 have attained a high school diploma or a higher level of education. Based on 2000 estimates, the population of Prince George is just over 80,000 with a population within a 30 minute commute of 90,000. The average annual growth rate is 1.1% (last five years).

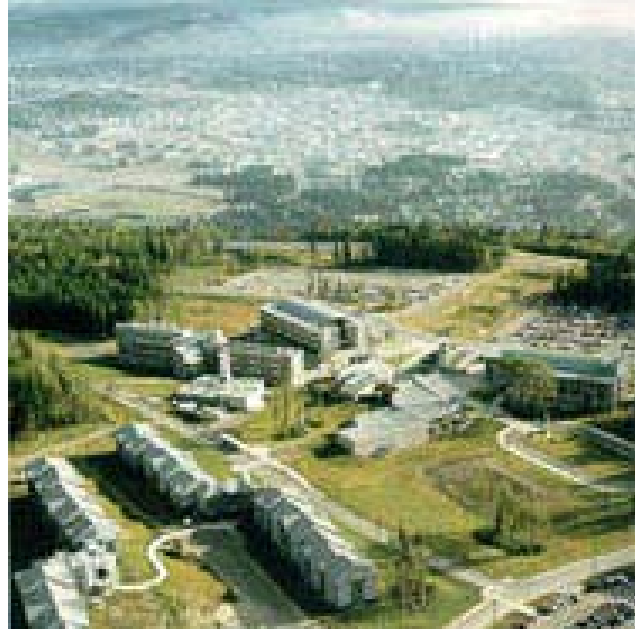
Age Distribution				
Age and Gender– 1996 Census				
	Prince George		% Distribution	
	Male	Female	P. G.	B.C.
All Ages	37,980	37,170	100.0	100.0
0-14	9,295	8,735	24.0	19.7
15-24	5,965	5,850	15.7	13.0
25-44	12,970	13,095	34.7	32.7
45-64	7,655	7,035	19.5	21.8
65+	2,100	2,450	6.1	12.8



Education

Canada's newest university, the University of Northern British Columbia, opened in Prince George in 1994. Over 3,200 students are enrolled at UNBC, which is already rated as one of Canada's top small universities. UNBC has recently announced that it will be building a Research and Development Park.

The College of New Caledonia (CNC) offers a variety of technical and university transfer options and has an enrolment of 2700. The college has been aggressive in designing specialized training programs for various industries and is interested in designing training for the call centre industry.



CNC Technology programmes include:

- Drafting Technician Certificate
- Electronics Technician Common Core Certificate
- Electronics Engineering Bridge Programme
- Electronic Computer/Network Technician
- Electronic Engineering Technology Diploma
- Engineering Design Technology Diploma
- Forest Resource Technology Diploma
- GIS Technology Advanced Diploma
- Wood Processing Technician Certificate
- Wood Processing and Engineering Technology Diploma
- Writing and New Media Technologies Diploma

Level of Education	Percentage of Population
Some high school only	27.5
High school graduation only	13.6
Some college	30.2
Associate Degrees	20.6
Bachelor Degree or higher	8.5



Local Economy

The economy of Prince George is in transition. The local economy has traditionally been supported primarily by forestry which is currently in decline. Because of the attraction of UNBC and the desire to stay in the area, people have taken lower level jobs that results in a high level of underemployment.

Top Ten Employers

Employer	# of Employees
School District #57	3,194
Canadian Forest Products	3,073
Prince George Regional Hospital	1,800
City of Prince George	768
Ministry of Forests	700
College of New Caledonia	700
BC Rail	514
University of Northern British Columbia	417
CN Rail	451
Telus	436



Labour Force

The total number in the labour force is 42,600. Labour force employed is 38,300 with a unemployed labour force of 4,400. The number of people not in the labour force is 18,900 which gives Prince George a participation rate of 69.3% The unemployment rate in Prince George has averaged around 13.5% in the past year. Because of our excellent educational facilities, Prince George has a highly skilled unemployed workforce.

Cost of Labour (Wages– average starting in Canadian dollars)

Occupation	Wage
Customer Service Representative	\$12.00/hour
Clerical	\$14.00/hour
Fast Food Worker	\$9.00/hour
Retail Sales Clerk	\$8.00/hour
Minimum Wage	\$7.60/hour

Mandatory Benefits

Canada Pension Plan: 3.9% of earnings. Annual maximum of \$1,329.90/employee

Employment Insurance: 3.36% of earnings. Annual maximum of \$1,310.40/employee

Workers Compensation: \$0.38 per \$100 payroll (customer contact centre).

Vacation Pay: 4.0% of earnings (2 weeks, 3 weeks after 5 years).

Length of Standard work week: 40 hours.

Paid Statutory Holidays: 9 per year.

Call Centre Saturation

Present saturation: 0.6%

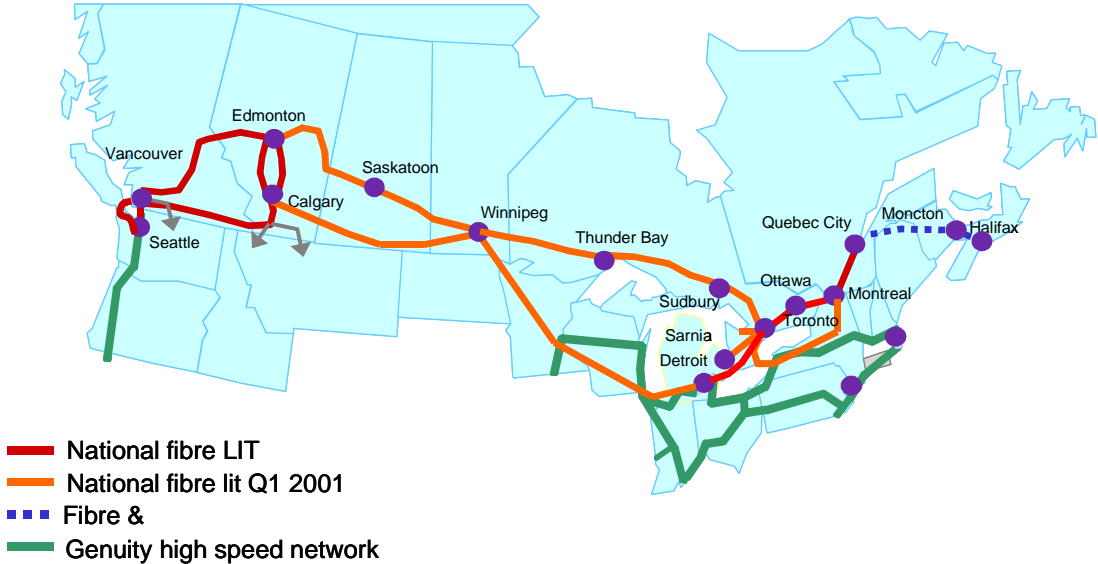
Available labour at 2% saturation: 710

Available labour at 3% saturation: 1200



Telecommunications Infrastructure– British Columbia

Network Redundancy:
Over 99 percent of all Central Office capacity is serviced by diverse fiber optic networks (SONET network) in British Columbia and connects to the national backbone and international networks.



Telecommunications Infrastructure

As the major centre in northern British Columbia, the city of Prince George has a robust telecommunications infrastructure. This state-of-the-art technology allows for a sophisticated and seamless linking of voice and data networks throughout Canada and the United States.



Community	Fibre Redundancy?	TELUS local fibre ring?	Telecom Network Services
Prince George	Yes	Yes	<p>Same services available in all these communities including:</p> <ul style="list-style-type: none"> • Local access- (PRI, Centrex, T1, T) • Toll free, long distance • High speed data and Internet services • Frame relay, ATM • DSL • Communication systems • Certified Technicians (local)
Chilliwack	Yes	Yes	
Kamloops	Yes	Yes	
Kelowna	Yes	Yes	
Penticton	Yes	Yes	
Nanaimo	Yes	Yes	



Quality of Life

Prince George is a great place to live. Its natural beauty, outdoor recreational opportunities and its cultural and recreational facilities make Prince George one of the best places to work, live, and play. Residents will tell you that one of the most desirable features of living in Prince George is the friendliness of the people!

A major attraction for Prince George residents is the lifestyle. With natural wilderness so close by, it is little wonder that outdoor recreation is so popular. Prince George has 50 tennis courts, 36 outdoor skating rinks, three 18 hole and one nine hole golf course, 110 baseball diamonds and five lacrosse boxes.

Prince George has over 120 parks. Most are open year-around and offer numerous recreational opportunities. Take the Heritage River trail system that leads you along the Fraser and Nechako rivers, through natural parks where you can enjoy wildlife. Trails can also be used for mountain biking and hiking in the summer and cross country skiing in the winter. Prince George has two local ski hills and within a two hour drive, you can ski the Rocky mountains at Powder King Ski Village. Being on the confluence of two rivers affords ample opportunities for fishing and water sports. Forests for the World is just minutes from the city centre and is a favorite hiking, biking, and picnic destination. This park alone has 15 km of easy to navigate trails.



Cultural amenities abound in Prince George. Pictured left is the new Two Rivers Art Gallery. Prince George also boasts a new aquatic centre and Multi-Plex that seats over 6,000 people. This allows Prince George to host events such as the Scott Tournament of Hearts and is home to the Prince George Cougars.



Prince George's summers are usually warm and dry and outdoor public markets are popular. Local produce, organic meats and cheeses, home-made soaps and crafts are just a few of the items available May through September at the Prince George Farmer's market.



Located in the heart of Prince George, the Civic Centre and the Prince George Public Library are a popular focal point for community activities. Outdoor concerts, events and the annual Summerfest in July are just a few of the summer activities that go on in our downtown area.





firstbusiness.ca provides interactive business information and services to the growing number of Aboriginal entrepreneurs in British Columbia.

Although this Business Plan is based on a fictitious Aboriginal business, it has been modelled to be as “real-world” as possible. Other sample business plans in this series, as well as an interactive tool to create your own business plan, can be found at:

> **[firstbusiness.ca / guides](http://firstbusiness.ca/guides)**