

# Business Plan



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**Hoot Studio, LLC**

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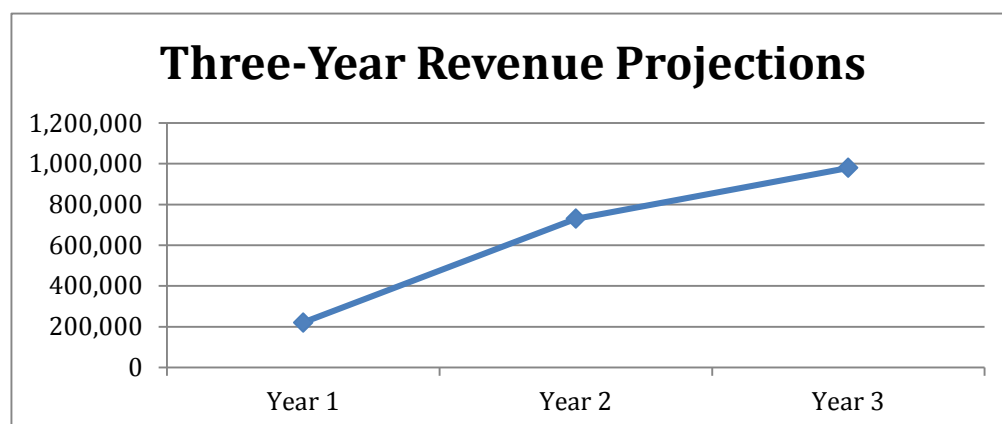
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## II. Executive Summary

Hoot Studio, LLC is an inclusive indoor play center providing a variety of services including open gym play, art classes, music classes, yoga classes, and party rentals. The startup's mission is to create a compassionate community through inclusive, interactive play. Owners, Chris and Anna Brown, are passionate and dedicated to this mission. The space, located at 6365 Shier Rings Road, is catered to serve children with special needs as well as their typical peers boasting adaptive play equipment and materials. This business plan serves as a tool to create the startup, to secure investment, and to secure a small business loan of \$125,000.

No direct competition currently exists. The demand for a play space that fits the needs of children with disabilities is extremely high and currently unmet in Ohio. The market is large and very promising. Roughly 23,000 children with special needs reside in central Ohio. With multiple streams of revenue, the company's revenue projections for the first three years are displayed below; year one - \$220,000; year two - \$730,000; year 3 - \$980,000. Included in calculating these projections are: memberships, classes, party rentals, Speech Therapy services, Behavior Analysis services, and staff-facilitated gym circuits.



The \$125,000 SBA Loan will be used in the following ways:

- \$30,000 Gym and Dark Room Equipment
- \$10,000 Furniture and Tech Equipment
- \$7,000 Padded Flooring for Gym
- \$1,000 Inventory (t-shirts, bumper stickers, etc.)
- \$5,500 Lease Deposit
- \$71,500 Operating Capital

The equipment purchased with these resources will set our space apart from other indoor play facilities and allow more patrons to enjoy our space. The company's large location permits 1,000 memberships, thus increasing revenue potential. Additionally, the operating capital allows the company to cover any overhead expenses that profit does not meet for the first several months.

Hoot Studio is a one-of-a-kind-facility that the community of central Ohio desperately needs. Hundreds of families with children with special needs are ecstatic about the company and are already showing their support through social media and by pre-ordering memberships. The future is very promising.

### III. General Company Description

Hoot Studio, LLC is a multi-sensory activity center designed specifically for children with special needs. The company provides inclusive play-based services including open gym time, art classes, music classes, and fitness classes. Hoot Studio will be a gathering place for families of children with special needs. The business is not exclusive to children with special needs; ALL children are invited to come play at Hoot Studio, as the company's goal is to build stronger children, families, and stronger communities.

#### Mission Statement

To create a compassionate community through inclusive, interactive play for ALL children.

#### Vision Statement

Where all kids are free to be themselves as they play, learn, connect, and grow.

#### Company Goals and Objectives

Goal #1: To be a thriving business that sets the new standard for sensory gyms and recreational activities for children in central Ohio.

- Objectives:
  - Design a space that is full of high-tech features, engaging equipment, and has a streamline aesthetic.
  - Annual sales targets:
    - Year 1: \$220,000; Year 2: \$730,000; Year 3: \$980,000
  - Quarterly customer satisfaction inquiries.
  - Quarterly staff financial assessments.

Goal #2: To have a recognized and trusted brand across the state of Ohio.

- Objectives:
  - Create a brand representative of Hoot Studio, LLC.
  - Increase followers on social media platforms by 50/month.
  - Extend marketing to all families in the central Ohio region.

Goal #3: To have multiple locations around central Ohio.

- Objectives:
  - Open flagship location in Dublin, Ohio.
  - 3-4 years after initial location has been opened, select location for second Hoot Studio, LLC.
  - 5-6 years after initial location has opened, select location for third Hoot Studio, LLC.
  - Semi-annual expansion meetings between co-owners, investors, office manager, and financial advisors.

#### Business Philosophy

Hoot Studio provides high-caliber services to all children and families in our community. The company strives to provide a competitively priced rate for all services. They believe it is important to not undervalue services so that the business model is sustainable. Customer satisfaction is paramount as the company is promising patrons a positive, inclusive experience.

Hoot Studio's services will be marketed to parents of children with special needs (and children in general), professionals who work with children with special needs, schools in the central Ohio area, as well as individuals interested in contributing financial gifts.

## **The Industry**

The indoor recreational facility industry is experiencing significant growth. Currently, no gyms for children with special needs exist in the central Ohio area. Many children with special needs are overweight. Our nation as a whole is prioritizing our health, particularly when it comes to that of our children.

According to data from the National Health and Nutrition Examination Survey (NHANES), 23% of girls with disabilities (2-17 years of age) are obese, while only 14% of their typical peers are. For boys, 21% of those with disabilities are obese compared to 17% of their typical peers (AbilityPath.org). 30-50% of children with Down syndrome are obese. Children with autism are 40% more likely than their typical peers to be obese (AbilityPath.org).

(Source: <http://www.abilitypath.org/health-daily-care/health/growth-and-nutrition/articles/obesity/pdfs/obesity-report.pdf>)

## **Company Strengths & Competencies**

Co-founder and Chief Executive Officer (CEO), Anna Brown, has worked with children with special needs for over seven years. She has experience with children of varying abilities and knows how to adapt equipment and activities to promote inclusion. Anna is extremely patient and personable. She will be the face of the company, interacting with members on a daily basis. Anna is an experienced Behavior Analyst and will provide those services at Hoot Studio. Her excellent reputation in the community is a major competitive strength.

Co-founder and Chief Creative Officer (CCO), Chris Brown, is an experienced industrial designer. He and his colleagues have and will continue to design one-of-a-kind equipment for Hoot Studio. These features distinguish the company from other indoor recreational facilities in the area. Chris is presently the President of Trident Design, LLC where he will continue to work full-time. His management skills have been utilized when designing Hoot Studio's hiring and management strategies.

## **Legal Form of Ownership**

Hoot Studio is a registered LLC in the state of Ohio. Co-owners include Chris and Anna Brown. This business structure was selected due to the number of owners and their protection from liability.

## IV. Products and Services

### 1. **Monthly Membership/Parent-facilitated Open Gym**

Hoot Studio is a membership facility not pay-per visit. The company selected this model to promote sustainability as well as to ensure that patrons understand the company's mission and to cultivate a positive atmosphere. The open gym includes play in the large gym featuring gross-motor equipment, art area, music area, and our dark sensory room. While playing in the open gym, parents/guardians are responsible for supervision of their children. Hoot Studio offers two membership levels:

- a. **Green Membership:** This membership level is \$35 per month and includes 5 hours of play in the open gym per month and a 15% discount on all Hoot classes/services. The hours can be used for one child or divided among a family. Guardians' admittance is included.
- b. **Gold Membership:** This membership level is \$95 per month (for one child) and includes unlimited play in the open gym and a 30% discount on all Hoot classes/services. Additional children can be added to this membership for an additional \$30/child/month. Guardians' admittance is included.

### 2. **Art Classes**

Hoot Studio will offer several art classes. Classes are arranged by student's level (not age specific) and typically last 45 min. Classes are open to members and non-members.

### 3. **Music Classes**

Hoot Studio will offer several music/movement classes. Classes are arranged by student's level (not by age) and typically last 45 min. Classes are open to members and non-members.

### 4. **Kids Yoga**

Hoot Studio will offer several yoga classes for children. These classes are arranged by the student's ability level (not by age) and last 30-60 minutes (depending on class). Classes are open to members and non-members.

### 5. **Fitness Classes**

Hoot Studio will offer fitness classes to help create healthier children. Classes are arranged by child's ability level (not by age) and typically last 30 minutes. Classes are open to members and non-members.

### 6. **Staff-facilitated gym circuit**

This service is available to members and non-members by appointment only. The child is lead through a gym circuit by a Hoot staff member (1:1). Parents can observe their child or they can relax in our parent haven (members only).

### 7. **Social Play Group-Preschool Ages**

Parents who would like their child to have more socialization are invited to enroll their child in our social playgroup. These groups are lead by our co-founder and behavior analyst, Anna Brown. Groups will last 1.5 hours. Children will learn a variety of social skills (taking turns, greeting, handling conflict), school readiness skills (following a classroom schedule, circle time, learning how to learn) and academic skills including shapes, colors, letters, and numbers, among others. Each week will have a different lesson plan, focusing on a specific letter and number combination. Parents must make a commitment for their child to attend playgroup for the entire 4-week session. There is a maximum of 5 children per group, first-come, first-served. Parents must remain onsite during playgroup. This service is open to members and non-members.

### 8. **Teen Night**

This service is charged at an hourly rate. Two Friday evenings a month, Hoot Studio will be open for Teen Night. During this time (5-8pm) children from 12-18 years of age can visit the space and enjoy all of the equipment. Most equipment is graded for up to 250 pounds. Guardians are responsible for supervision during Teen Night. Organized activities and games will be available to those interested. Guardians are admitted free of charge.

### 9. **Adult Night**

This service is charged at an hourly rate. Two Friday evenings a month, Hoot Studio will be open for Adult Night. During this time (5-8pm) adults with disabilities can visit the space and enjoy the equipment. Most equipment is graded for up to 250 pounds. Guardians are responsible for supervision during Adult Night. Organized activities and games will be available to those interested. Guardians are admitted free of charge.

### 10. **Party Rentals**

This service is available to members and non-members.

- a. **Have a Hoot:** Base party package that includes private use of our entire space (large gym, dark room, art area, and music area) for up to 10 kids for 1.5 hours. \$15/each additional child. One staff member is

present to assist with setup, play, and clean up, however parents are responsible for supervising children during the party. Table and chairs for meal are provided but no décor, food, or drinks.

- b. Hootastic: The mid-level party package includes private use of our entire space (large gym, dark room, art area, and music area) for up to 12 kids for 2 hours. \$15/each additional child. Two staff members to assist with setup, play, and clean up. Guardians are responsible for supervising children during the party. Includes: table, chairs, two-staff members, and balloon sculptor.
- c. Hoot & Holler: The biggest party package includes private use of our entire space (large room, dark room, art area, and music area) for up to 15 kids for 2 hours. \$15/each additional child. Two staff members to assist with setup, play, and clean up. Package includes: tables, chairs, two-staff members, balloon sculptor or face painter, and themed décor. Guardians are responsible for supervising children during the party. Outside food and drink options provided (pizza, fruit, veggies, candy bar, water, lemonade, pop).

#### **11. Parent Support Group**

Parent support groups are invited to convene in Hoot Studio's parent haven room. Non-member parents are welcome to attend the meetings free of charge.

#### **12. School Field Trips**

The company is open Mondays for field trips solely. Hourly play is available to these patrons but a reservation must be made prior to attendance.

### **Competitive Advantages**

Hoot Studio, LLC is the first facility of its kind in the state of Ohio. The company is providing a space that currently does not exist, which is a significant advantage. Patrons have access to high-quality therapeutic and play-based equipment that they otherwise would only have access to during scheduled therapy sessions typically for an hour or less per week. At Hoot Studio, children can generalize skills learned in therapy during the open gym time, open roughly 8-10 hours, Tuesday-Saturday.

Hoot Studio is tailored to fit the needs of children with disabilities. Not only is the equipment inclusive, the environment is as well. At Hoot Studio lights are diffused, sound is dampened, music volume is lowered, and calming colors adorn the walls.

In addition to being the only facility in the state of its kind, the equipment and features in the calming dark room are unique features of Hoot Studio. The company will have several store-bought pieces, but will also employ contractors at Trident Design, LLC to design and construct one-of-a-kind pieces. It is important to note that the equipment in the dark room is expensive, often too expensive for families to purchase for their own private use.

### **Competitive Disadvantages**

A membership structure will require more work to acquire patrons. With being a new business, patrons are more likely to visit pay-per-play centers. Additionally, facilities catering to children incur higher cleaning expenses.



## Pricing Structure

Hoot Studio is a membership facility. The company offers two membership levels:

1. Green Membership: \$35/month (5 hours/month)
2. Gold Membership: \$95/month; \$30/each additional child (unlimited hours)

Services:

1. Art classes: Non-members pay \$25 per class while Green Members pay \$21.25/class and Gold Members pay \$17.50/class.
2. Music classes: Non-members pay \$20/class while Green Members pay \$17/class and Gold Members pay \$14/class.
3. Kids Yoga: Non-members pay \$20/class while Green Members pay \$17/class and Gold Members pay \$14/class.  
Kids Fitness: Non-members pay \$20/class while Green Members pay \$17 and Gold Members pay \$14/class.
4. Staff-facilitated Gym Circuit: Non-members pay \$48/hr (\$30/haf-hour). Green Members pay \$40/hr (\$25/half-hour) and Gold Members pay \$25/hr (\$15/half-hour).
5. Social Play Group: Non-members pay \$50/session (1.5 hours), Green Members pay \$42/session, and Gold Members pay \$35/session.
6. Teen Night: \$10/child/hour.
7. Adult Night: \$10/individual/hour.
8. Party Rentals:
  - a. Have a Hoot: \$299
  - b. Hootastic: \$499
  - c. Hoot & Holler: \$649
9. School Field Trips: \$150/hr (or \$10/child/hour)

## V. Marketing Plan

### Economics

Hoot Studio's target market is children with disabilities in central Ohio. As the company is the only one of its kind in the State, it is expected that families will travel longer distances than typical to use Hoot Studio's services. The facility is located in Dublin, Ohio, which is in Franklin County. The median household income in Dublin is \$113,000 (<http://quickfacts.census.gov/qfd/states/39/3922694.html>). The statewide average percentage for children with disabilities is 6.5% of the total population (kidscount.org). Using this statistic the following figures obtained online (<http://quickfacts.census.gov/qfd/states.html>) list our specialized market:

• Franklin County, Ohio:	287,000 children total	=	18,655 children with disabilities
• Delaware County, Ohio:	51,000 total children	=	3,315 children with disabilities
• Union County, Ohio:	14,000 total children	=	910 children with disabilities
• Madison County, Ohio:	9,000 total children	=	585 children with disabilities
TOTAL		=	23,465 children with disabilities

While the company is tailored to fit the needs of children with disabilities they also cater to typical children. Since more indoor recreational facilities are available to this larger market the company assumes that only families in the cities of Dublin, Hilliard, Powell will be willing to travel to our facility. The statistics for these cities are as follows:

• Dublin, Ohio:	12,565 children total
• Hilliard, Ohio:	8,470 children total
• Powell, Ohio:	3,910 children total
TOTAL=	24,945 children

With one location, Hoot Studio will be at full capacity with a 4% share of the special needs market in central Ohio (Franklin, Delaware, Union, and Madison counties). Maximum number of members for location one is 1,000.

### Trends in Target Market:

The increasing prevalence of autism, currently 1 in 68, will create a heightened need for our services (<http://www.cdc.gov/ncbddd/autism/data.html>). Additionally, more children now survive birth complications due to medical advances. These complications can result in disability (e.g. feeding tub, paralysis, cerebral palsy). Parents of neuro-typical children are starting to show preference in exposing their child to diversity including children with special needs. Hoot Studio's inclusive atmosphere allows these parents to do just that.

As stated earlier, the company only needs to capture 4% of the special needs population to reach maximum capacity for membership. Ample opportunity is available for multiple Hoot Studio locations. The company plans to open the second location on the east side of Columbus to target that underserved region.

### Business Barriers:

There are several barriers to entry Hoot Studio will face as a new company in this market. These barriers include: high capital costs, high equipment costs, consumer acceptance and brand recognition, and staff training.

To cover the high capital and equipment costs the company will acquire total investment of \$25,000 and a bank loan of \$125,000. To overcome the barrier of consumer acceptance and brand recognition the company will be marketed and advertised through social media, flyers, and Facebook ads. The company will target their following on social media platforms, as the response thus far has been significant. The CEO, Anna Brown, will lead staff training, ensuring that all gym staff understand the underlying principles of applied behavior analysis and are sensitive to the needs of Hoot Studio's members.

## Product

### Features and Benefits

1. Monthly Membership/Parent-facilitated open gym
  - a. Features: minimum of 5 hours of play/month; convenient hours for open gym; discount on all classes/services.
  - b. Benefits: inclusion in Hoot Studio's community; the ability to fit play into families' busy schedules; a place to make new friendships; membership to a group with similar experiences; access to a space where the entire family can play together.
2. Art, Music, Yoga, and Fitness Classes
  - a. Features: 30 min-1 hour in length; low teacher-child ratio; goals specific to each child's abilities; inclusive instruction; children with special needs and typical peers are welcome to participate; parents can observe or wait in lobby; parent members can relax in the parent haven.
  - b. Benefits: child is a member of an inclusive group; parents have access to those with shared experiences.
3. Staff-facilitated gym circuit
  - a. Features: 30 min and 1 hour options; made by appointment only; available during evening hours; 1:1 ratio; parents can observe in the gym or wait in the lobby; parent members can relax in the parent haven.
  - b. Benefits: child is accepted and encouraged to reach for new goals; parent has access to those with shared experiences.
4. Social Play Group
  - a. Features: 1.5 hours in length; for children from 3-5 years of age.
  - b. Benefits: child is accepted and encouraged to reach new goals; parent has access to those with shared experiences.
5. Teen & Adult Night
  - a. Features: Offered one Friday evening per month, for 3 hours. Teens/adults have access to Hoot Studio's space and equipment and can socialize with others.
  - b. Benefits: inclusion in Hoot Studio's community; the ability to fit play into your busy schedule; a place to make new friendships; membership to a group with similar experiences; access to a space where your entire family can play together.
6. Party Rentals
  - a. Features: Exclusive access to our entire space (gym, art room, music room, and dark room) with tables and chairs provided. Add-ons include: staff, décor, additional attendees, and food and drink.
  - b. Benefits: Children are accepted and celebrated; parents can control who their child comes in contact with during the celebration (guests only); parents can socialize with friends.
7. Parent Support Group
  - a. Features: Hoot Studio provides space for Support Groups to convene as schedule and space permit in our parent haven room; coffee and seating provided.
  - b. Benefits: parents have support and can socialize with those with shared experiences.

### After-Sale Services

Service Contract: All patrons of Hoot Studio, LLC will be required to sign a membership or specific service (class, camp, party rental) contract, which will remain on file at the facility. See appendices for form.

Customer support: Hoot Studio's patrons can forward all inquiries to the office manager. If additional support is needed, the CEO will amend the issue.

Refund/Cancellation Policy: The buyer may cancel his membership agreement at any time prior to midnight of the fifth (5<sup>th</sup>) business day after the date of this agreement, excluding Sundays & Holidays. To cancel this agreement, fax or deliver a signed & dated notice, which states that you, the buyer, are canceling this agreement, or words of similar effect. The notice shall be sent to Hoot Studio, LLC, 6365 Shier Rings Road, Dublin, Ohio 43016.

## Customers

There are four main groups of customers of Hoot Studio:

1. Parents of children (both typical and those with special needs):
  - Age: 20-50 year old
  - Gender: Male and Female
  - Location: Central Ohio area: Columbus, Dublin, Hilliard, Worthington, Upper Arlington, Grandview, Westerville, Gahanna, Grove City, New Albany, Powell
  - Income Level: \$60,000-\$150,000/year
  - Social class and occupation: Middle Class -Upper Middle Class
  - Education: post-secondary-graduate
2. Professionals purchasing hourly pass:
  - Age: 25-60 years old
  - Gender: Male and Female
  - Location: Central Ohio area
  - Income Level: \$60,000-\$150,000/year
  - Social class and occupation: Middle Class-Upper Middle Class; Speech-Language Pathologist, Occupational Therapist, Physical Therapist, Tutor, Teacher, Psychologist, Behavior Analyst
  - Education: Bachelor's Degree-Graduate Degree
3. Local Schools (for field trips):
  - Location: Central Ohio
4. Individuals interested in giving financial gifts:
  - Age: 30-80
  - Gender: Male or Female
  - Location: Any
  - Income Level: \$100,000+
  - Social class and occupation: Upper Middle Class-Upper Class
  - Education: Bachelor's Degree-Doctorate Degree

## Competition

1. Little Gym: 8645 Sancus Boulevard, Columbus, OH 43240  
 The Little Gym is a gym designed specifically for children. They offer staff-led classes, parents' night out, and party rentals. Hoot Studio will not compete with this competitor across the board, however the company will compete for patrons located in the city of Columbus interested in fitness classes and party rentals. Although this gym is geared towards children, it is not inclusive for children with disabilities and special needs. Their staff is not adequately trained and their space and equipment is not specifically tailored for children with special needs. In addition, Hoot Studio's open gym service sets Hoot Studio apart from the Little Gym as they do not offer this service.
2. Gymboree: 1364 Cherry Bottom Road, Columbus, OH 43230  
 Gymboree caters to children from 0-5 years of age. They offer music and movement classes involving the child and parent. Hoot Studio will not compete with this competitor across the board, however the company will compete for patrons, from 2-5 years of age, located in the Gahanna area with regards to music classes. Hoot Studio will also compete with this company over birthday rentals. Hoot Studio's facility is located in a more affluent area and caters to a wider range of children both in age and in ability. In addition, Hoot Studio is designed for children with special needs while Gymboree is not. Although Gymboree offers open playtime, it is only offered a few hours per week. Open Gym at Hoot Studio is available Tuesday-Friday from 10am-8pm. Drop-off care is not offered at Gymboree.
3. Buckeye Bounce: 3967 Presidential Parkway, Powell, OH 43065

Buckeye Bounce is located north of Dublin in Powell, Ohio. They are an indoor trampoline center that offers hourly-priced jumping. The hourly rate ranges from \$10-\$12/hour, depending on the time of day. They also offer party rentals (does not include exclusive access to the space). Trampoline-based fitness classes are available for children and adults. Services that Hoot Studio will compete with them over include: party rentals, fitness classes, and mommy and me classes. They do offer one hour of open jump geared towards children with special needs once per week.

Rather than include the special needs population in one class per week, Hoot Studio does so full-time. Hoot Studio's party rentals differ from those at Buckeye Bounce as Hoot Studio only has one party per slot and party rental includes exclusive access to the space. In addition, the variety of equipment at Hoot Studio allows patrons to engage in many different activities, targeting different skills.

4. Lattes & Lollipops: 337 West Olentangy Street, Powell, Ohio 43065

This facility is a play café in Powell. They offer hourly-supervised play (\$10 for one hour, \$15 for two hours) and serve drinks and food. Party rentals are also available. While their children play, parents can sit in the lounge, have a cup of coffee or snack, and have some free time. They also provide party rentals on Sundays. Hoot Studio will not compete with this competitor across the board, however the company will compete for patrons located in the cities of Dublin and Powell in regards to supervised-play services and party rentals.

Lattes & Lollipops is not designed for children with special needs. Not all children would be accepted for supervised-play as they may require more dedicated supervision due to their needs. Lattes & Lollipops has limited hours, only open from 9-3 during weekdays. This is limiting to families, especially those who work during the day. Hoot Studio is open from 10-8 daily, providing ample flexibility for families. Our parent haven will be set apart from their lounge due to free wifi, ample comfortable seating, massage chairs, soothing lighting and sounds, and access to parent activities including yoga, fitness classes, and massages.

## Niche

Hoot Studio's niche is play-based services for children with special needs in central Ohio and Ohio at large. The company's one-of-a-kind facility and adaptive equipment allow children of all abilities to explore their senses through play. In addition, the facility's streamlined aesthetic appeals to parents as well as children.

## Strategy

### Promotion

The company will utilize a variety of social medial platforms to spread word about Hoot Studio. These platforms include Facebook, Twitter, and Instagram. At present, Hoot Studio has over 1400 Facebook followers, over 1800 Twitter followers, and over 4300 Instagram followers. In addition, promotion for Hoot Studio will be circulated through our email newsletter. At present we have over 300 active subscribers.

The owners, Chris and Anna Brown, will attend several small business events and events related to the special needs population in the Central Ohio area. Vendor booths will be secured.

In the month of April, Columbus Parent Magazine runs an edition for families of children with special needs. The company will secure an ad to promote exposure to the large audience that reads this resource. This is the only planned print ad at this time.

### Promotional Budget

The company's promotional budget before startup is \$2,500. This includes \$1125 for the print ad in Parent Magazine, Facebook ads, and vendor events.

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## **VI. Operational Plan**

### **Production**

All Hoot Studio services will be provided on-site at 6365 Shier Rings Road, Dublin, Ohio 43016.

### **Location**

Hoot Studio will be located at 6365 Shier Rings Road, Dublin, Ohio 43016. The space is 7,800 square feet total. The large 6,000 square foot warehouse will house Hoot Studio's gym, art center, music center, CEO office, café, and restrooms. In order to house the company's variety of equipment, a space with high ceilings, and flexible layout was desired. The city of Dublin Zoning Committee informed the company that the tech-flex corridor along Shier Rings Road was the best location for the business. The zoning department approved the Conditional Use Permit submitted by Hoot Studio earlier this year. Since the company is providing services to children ample power to run heating, cooling, and lighting systems is required.

### **Access**

As many of the company's patrons have impaired mobility, easy walk-in access including a wheelchair ramp and entry is required. The city of Dublin Zoning Committee requires 4 parking spaces per 1,000 square feet of building space. This results in a requirement of 32 total parking spaces. The selected location meets this parking requirement.

### **Cost**

Rent for the company's location will be \$5,321/month. A monthly budget of \$100 for maintenance has been included in the expenses projection. Monthly utilities have been estimated at \$3 per square foot totaling approximately \$2000. Insurance has been estimated to cost \$1000 per month. The building landlord has agreed to front the cost of construction and amortize that expense into rent.

### **Business Hours**

The business will be open to the public Tuesday- Friday from 10a.m.-8p.m. and Saturday from 10a.m.-4p.m. (until 8 for party rentals). The business will be open Mondays solely for scheduled school field trips.

## **Legal Environment**

### **Licensing Requirements**

In order to provide drop-off care and summer camps in the future, the company will need to secure a daycare license through the state of Ohio.

### **Permits**

The city of Dublin requires that the company secure a Conditional Use Permit to conduct their services at the location. **This permit has been acquired.**

### **Health, Workplace, or Environmental Regulations**

The company will adhere to all government regulations regarding workplace procedures.

### **Zoning or Building Code Requirements**

Current zoning and building codes are adequate and appropriate for Hoot Studio's purposes.

### **Insurance Coverage**

Due to the company serving children and the type of equipment accessible in the space, the company will secure ample insurance coverage including liability for all employees, patrons, and equipment at the location. Insurance has been estimated to be \$1,000/month.

### **Trademarks and Copyrights**

The company will secure a copyright for the Hoot Studio, LLC logo and branding. At this point in time a trademark will not be pursued due to not being a nationwide company.

### **Personnel**

Initial staff will include the CEO, Anna Brown, office manager, and 1-3 part-time gym staff. The office manager has already been hired and is an experienced manager and acquaintance of the company owners. Additional staff, the gym supervisors, will be secured via Facebook ads, website promotion, and Craigslist posts.

The office manager will start at a rate of \$16/hour and at year one review will have the opportunity of a raise to \$18/hr. The gym supervisors will start at a rate of \$11/hour and at each yearly review will have the opportunity of a raise of \$1.00-2.00/hour. CEO, Anna Brown, will provide staff training regarding company regulations and ABA principles. Additionally, staff will receive CPR and First-Aid training by an outside source. Schedules and written procedures regarding company policies will be prepared. The company has drafted job descriptions for all positions.

Contract workers will be used for leading all Hoot Studio classes (apart from social skills) and for marketing.

### **Credit Policies**

The company will not sell on credit. All payments are due upon time of service.



## VII. Management and Organization

CEO, Anna Brown, will manage the business on a day-to-day basis. Anna has many years experience training and evaluating therapists. She has worked with children with special needs for over seven years and is skilled at adapting environments to nurture inclusion. She holds a Master's Degree in Special Education and is presently pursuing board certification to become a Board Certified Behavior Analyst. In the event that Anna is incapacitated, a Site Manager would be hired to fill her position and carry out her responsibilities.

### **Professional and Advisory Support**

**Board of directors:** Chris Brown, Anna Brown

**Investor:** Wava Hawker

**Management advisory board:** Financial Advisor (not yet hired)

**Attorney:** Shamus Cassidy, Esq.

**Accountant:** Nicole Cassidy, CPA

**Insurance agent:** TBD

**Banker:** Huntington Bank

**Consultant or consultants:** Ariana Ulloa-Olavarrieta (Business Advisor)

**Mentors and key advisors:** Robert Dorsey, Chris Hawker

## VIII. Startup Expenses and Capitalization

The following sources and uses table summarizes the company's startup expenses and capitalization. Two separate investing parties will provide total capital of \$25,000 to provide required funds for SBA loan.

<b>Sources of funds:</b>		
Business Loan (Chris & Anna Brown, guarantors)	\$125,000	
Investor #1: Chris and Anna	\$10,000	
Investor #2: Wava Hawker	\$15,000	
<b>Total Sources</b>	<b>\$125,000</b>	
<b>Uses of Funds:</b>		
Cash Reserve/ Operating Capital	\$71,500	
Inventory	\$1,000	
Rent Deposit	\$5,500	
Gym Equipment	\$30,000	
Furniture and Tech Equipment (3 computers)	\$10,000	
Build-out/Renovations	(Amortized in rent)	
Flooring	\$7,000	
<b>Total Uses:</b>	<b>\$125,000</b>	

## IX. Financial Plan

### 12-Month Profit and Loss Projection

2016	Pre Start-Up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Net Sales (less returns & allowances)		9,243	10,099	11,519	12,631	14,410	15,858	18,096	19,982	22,810	25,269	28,855	32,065	220,837
Cost of Goods Sold		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin		9,243	10,099	11,519	12,631	14,410	15,858	18,096	19,982	22,810	25,269	28,855	32,065	220,837
Operating Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	1,800	350	350	350	350	350	350	350	350	350	350	350	5,650
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	-	30	30	30	30	30	30	30	30	30	30	30	30	360
Depreciation & Amortization	-	-	-	-	-	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	9,048
Dues & Subscriptions	-	320	320	320	320	320	320	320	320	320	320	320	320	3,840
Insurance	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	-	780	780	780	780	780	780	780	780	780	780	780	780	9,360
Meals & Entertainment	-	1,000	50	50	50	50	50	50	50	50	50	50	50	2,550
Miscellaneous	-	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Office Expense	-	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Office Supplies	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages	-	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	77,856
Payroll Taxes	-	552	552	552	552	552	552	552	552	552	552	552	552	6,624
Benefits	-	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	17,964
Professional Fees	-	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	63,852
Repairs & Maintenance	-	-	-	-	100	100	100	100	100	100	100	100	100	900
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	-	22,113	19,713	19,713	19,813	20,944	20,944	20,944	20,944	20,944	21,444	20,944	21,444	249,904
Operating Income	-	(12,870)	(9,614)	(8,194)	(7,182)	(6,534)	(5,086)	(2,848)	(962)	1,866	3,825	7,911	10,621	(29,067)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	375	369	744
Other Income (for example, interest)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	-	(12,870)	(9,614)	(8,194)	(7,182)	(6,534)	(5,086)	(2,848)	(962)	1,866	3,825	7,536	10,252	(29,811)

### Three-Year Profit Projection

	2016		2017		2018	
Net Sales (less returns & allowances)		220,837	100.0%		733,229	100.0%
Cost of Goods Sold		-	0.0%		-	0.0%
Gross Margin	\$	220,837	100.0%	\$	733,229	100.0%
Operating Expenses						
Advertising		5,650	2.6%		4,200	0.6%
Bad Debt Expense		-	0.0%		-	0.0%
Bank Charges		360	0.2%		360	0.0%
Depreciation & Amortization		9,048	4.1%		13,571	1.9%
Dues & Subscriptions		3,840	1.7%		3,840	0.5%
Insurance		18,000	8.2%		18,000	2.5%
Licenses & Fees		-	0.0%		-	0.0%
Marketing & Promotion		9,360	4.2%		9,360	1.3%
Meals & Entertainment		2,550	1.2%		1,500	0.2%
Miscellaneous		2,400	1.1%		2,400	0.3%
Office Expense		2,700	1.2%		2,700	0.4%
Office Supplies		1,200	0.5%		1,200	0.2%
Outside Services		-	0.0%		-	0.0%
Payroll Expenses		-	0.0%		-	0.0%
Salaries & Wages		77,856	35.3%		116,736	15.9%
Payroll Taxes		6,624	3.0%		9,924	1.4%
Benefits		17,964	8.1%		20,940	2.9%
Professional Fees		1,800	0.8%		1,800	0.2%
Property Taxes		-	0.0%		-	0.0%
Rent		63,852	28.9%		63,852	8.7%
Repairs & Maintenance		900	0.4%		1,200	0.2%
Shipping & Delivery		-	0.0%		-	0.0%
Telephone		1,800	0.8%		1,800	0.2%
Training & Development		-	0.0%		-	0.0%
Travel		-	0.0%		-	0.0%
Utilities		24,000	10.9%		24,000	3.3%
Vehicle		-	0.0%		-	0.0%
Other	0	-	0.0%		-	0.0%
Other	-	-	0.0%		-	0.0%
Other	-	-	0.0%		-	0.0%
Total Operating Expenses	\$	249,904	113.2%	\$	297,383	40.6%
Operating Income	\$	(29,067)	-13.2%	\$	435,846	59.4%
Interest Expense		744	0.3%		3,990	0.5%
Other Income (for example, interest)		-	0.0%		-	0.0%
Income Before Taxes	\$	(29,811)	-13.5%	\$	431,856	58.9%
Income Taxes (if C Corp)		-	0.0%		-	0.0%
Net Income	\$	(29,811)	-13.5%	\$	431,856	58.9%

## Projected Cash Flow

2016	Pre-Start-Up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>Cash In</b>														
Cash Sales		9,243	10,099	11,519	12,631	14,410	15,858	18,096	19,962	22,810	25,209	28,855	32,065	220,837
Collections from Accounts Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Received		-	-	-	-	-	-	-	-	-	-	25,000	-	25,000
Loans Received		-	-	-	-	-	-	-	-	-	-	100,000	-	100,000
Other Cash In (receipts from other assets)		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (for example, interest, royalties)		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash In</b>		9,243	10,099	11,519	12,631	14,410	15,858	18,096	19,962	22,810	25,209	153,855	32,065	345,837
<b>Total Cash Available</b>		9,243	(2,771)	(10,965)	(18,047)	(23,450)	(102,405)	(104,122)	(103,953)	(100,956)	(95,500)	38,942	48,430	345,837
<b>Cash Out</b>														
Inventory Expenditures		-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory-Raw Material (Cash)		-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory-Raw Material (Paid on Account)		-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising		1,500	350	350	350	350	350	350	350	350	350	350	350	5,650
Bank Charges		30	30	30	30	30	30	30	30	30	30	30	30	360
Dues & Subscriptions		320	320	320	320	320	320	320	320	320	320	320	320	3,840
Insurance		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Licenses & Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion		780	780	780	780	780	780	780	780	780	780	780	780	9,360
Meals & Entertainment		1,000	50	50	50	50	50	50	50	50	50	50	50	2,550
Miscellaneous		200	200	200	200	200	200	200	200	200	200	200	200	2,400
Office Expense		225	225	225	225	225	225	225	225	225	225	225	225	2,700
Office Supplies		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Outside Services		-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages		6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	6,488	77,856
Payroll Taxes		552	552	552	552	552	552	552	552	552	552	552	552	6,624
Benefits		1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	1,497	17,964
Professional Fees		150	150	150	150	150	150	150	150	150	150	150	150	1,800
Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-
Rent		5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	5,321	63,852
Repairs & Maintenance		-	-	-	100	100	100	100	100	100	100	100	100	900
Shipping & Delivery		-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone		150	150	150	150	150	150	150	150	150	150	150	150	1,800
Training & Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Travel		-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Vehicle		-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Purchases		-	-	-	-	75,000	-	-	-	-	-	-	-	75,000
Estimated Income Tax Payments		-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments		-	-	-	-	-	-	-	-	-	-	375	369	744
Loan Principal Payments		-	-	-	-	-	-	-	-	-	-	1,489	1,495	2,984
Owner's Draw		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Out		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Out</b>		22,113	19,713	19,713	19,813	94,813	19,813	19,813	19,813	19,813	20,313	21,677	22,177	319,584
<b>Monthly Cash Flow (Cash In - Cash Out)</b>		(12,870)	(9,614)	(8,194)	(7,182)	(80,403)	(3,955)	(1,717)	169	2,907	4,896	132,178	9,688	26,253
<b>Beginning Cash Balance</b>		(12,870)	(22,484)	(30,678)	(37,860)	(118,263)	(122,218)	(123,935)	(123,766)	(120,769)	(115,813)	16,365	-	-
<b>Ending Cash Balance</b>		(12,870)	(22,484)	(30,678)	(37,860)	(118,263)	(122,218)	(123,935)	(123,766)	(120,769)	(115,813)	16,365	26,253	26,253

## Opening Day Balance Sheet

	2016	2017	2018
<b>Assets</b>			
Current Assets			
Cash & Equivalents		26,253	323,741
Accounts Receivable		-	-
Inventory		-	-
Security Deposits		-	-
Other Current Assets		-	-
<b>Total Current Assets</b>	\$ 26,253	\$ 323,741	\$ 782,942
Fixed Assets			
Property, Plant & Equipment	75,000	75,000	75,000
Less: Accumulated Depreciation	(9,048)	(22,619)	(36,190)
<b>Net Fixed Assets</b>	65,952	52,381	38,810
Other Non-Current Assets	-	-	-
<b>Total Non-Current Assets</b>	\$ 65,952	\$ 52,381	\$ 38,810
<b>Total Assets</b>	\$ 92,205	\$ 376,122	\$ 821,752
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	-	-	-
Line of Credit	-	-	-
Other Current Liabilities	-	-	-
<b>Total Current Liabilities</b>	\$ -	\$ -	\$ -
Long-term Liabilities			
Loans	97,016	78,634	59,410
Mortgages	-	-	-
Other Non-Current Liabilities	-	-	-
<b>Total Non-Current Liabilities</b>	\$ 97,016	\$ 78,634	\$ 59,410
<b>Total Liabilities</b>	\$ 97,016	\$ 78,634	\$ 59,410
<b>Equity</b>			
Equity Investments	25,000	25,000	25,000
Retained Earnings	(29,811)	402,045	936,565
Less: Owner's & Investor's Draws	-	(129,557)	(199,223)
<b>Total Equity</b>	\$ (4,811)	\$ 297,488	\$ 762,342
<b>Total Liabilities and Equity</b>	\$ 92,205	\$ 376,122	\$ 821,752