

Life Strategy Academy

Business Plan



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EXECUTIVE SUMMARY

Life Strategy Academy (LSA) is a life coaching service intended to empower young individuals early on via teaching them essential life skills and knowledge often left behind by formal education. LSA's primary target market are students aged from 20 to 24 years of age, and their parents, who are either in their final years of high school or in their first few years in post-secondary. Although LSA specific intent is to work with young millennials the company will welcome anyone who is looking to make a positive change in their life. LSA will differentiate its services from its competitors by not only aiding clients in solving their own problems but offering continuous touch points and ongoing support. The firm also gives its customers the knowledge, tools and empowerment to solve their problems themselves instead of relying on services to continuously solve their problems for them. The LSA team will consist of a group varied individuals who are experts in their fields. Experts will work on a contract-bases, who come from a variety of different backgrounds to ensure the company is best suited to meet client's diverse needs. These individuals will draw upon many different backgrounds, such as, Cognitive Behavioural Therapy "CBT", Neuro-Linguistic Programming "NLP", Life Coaching, Business, Mindfulness, and more. This team will be managed by Luke Barry who is an entrepreneurship major at the Northern Alberta Institute of Technology in the Bachelor of Administration program and has studied CBT and NLP intensively. LSA's service will be sold through an online learning database, small classes, and through one on one appointment schedules.

There is a unique opportunity in the Canadian life coaching industry, which is in its growth stage – consistently growing at an average of 4.7% over the last 5 years - for a new self-help service to gain a large portion of the market share. There is a need amongst Canadian youth

for a resource to increase their self-reliance and capability to deal with their own problems. The world is becoming more complex and guidance is needed for youth now more than ever. That is why LSA has chosen its target market to be millennials aged 20-24. Amongst this group, stress, depression, and anxiety are at the highest levels in history. There are currently guidance options for these millennials but the negative stigma around resources such as counselling and other related services has steered the youth away. Therefore, LSA intends to bring a new face to self-help via attracting attention from the individuals who likely need it most. Currently, LSA has a three-year plan to begin take advantages of these market trends and establishing a niche in the marketplace, resulting in an equity of \$50,438 at the end of the company's 3-year financial plan.

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BUSINESS OVERVIEW

Company History

LSA is founded by Luke Barry, who, for the past four years has been obsessed with discovering what drives human motivation. Originally inspired from Daniel H. Pink's book, *Drive: The Surprising Truth About What Motivates Us*, Mr. Barry more recently began studying Cognitive Behavioural Therapy, Neuro Linguistic Programming, Mindfulness, and Life Coaching. Having combined knowledge and techniques from these fields with expertise from business mentors he has encountered whilst studying Entrepreneurship & Innovation at NAIT, Mr. Barry is well-prepared to help others begin living fulfilling lives of their own. Mr. Barry's specific intention is to work with youth to instill this essential knowledge early on and working with individuals interested in starting their own business. However, it is unfortunately accurate to say that most of us are not living up to our full potential. Mr. Barry sincerely welcomes anyone who is looking to make positive change and/or find more fulfillment in life to be in contact with the LSA.

Current Situation and Legal Structure

Recently, Mr. Barry has begun to form a team to bring the need to help others with their lives into fruition. LSA is currently in the progress of moving into a physical location which LSA is going to provide services to its clients. LSA will be operating as an Incorporation. This decision was made based on the increased marketability and reputation of a company that has incorporated as well as the decreased personal liability for the founder that comes along with having the company be considered a separate legal entity.

Mission Statement

To provide youth in the Edmonton area with personalized guidance and strategies intended to achieve maximum fulfilment in their lives.

Vision Statement

A well-established company that is have the sources to assist all youth in the Edmonton area in living their lives to their full potential.

Goals and Objectives

Short-Term

Within 2 Weeks:

- Establish a physical location available for coaching and training purposes.
- Lay out all specific roles that need to be filled and look at options for filling them.
- Establish ground rules and core values that will promote employee's actions and attitudes to be aligned with company's mission, vision, and overall well-being.
- Determine which social media platforms will be used for promotion.

Within 1 Month:

- Decide most viable options for team members.
- Develop contract for coaches who will be paid by contract.
- Develop training plan designed to have all coaches operating with similar underlying values and intentions.
- Create and thoroughly review profiles on major social media platforms.
- Create website and email addresses attached to the website.

Medium-Term

Within 2 Months:

- Take on 50 new one on one clients.
- Perform one seminar to 20-30 new potential clients.
- Train 2 new coaches from different backgrounds (Mindfulness, Life Coaching, or Business success).

Within 6 Months:

- Take on 600 new clients.
- Gain over 5000 followers on social media platforms.
- Make over \$60,000 in revenue.

Within 1 Year:

- Develop platform for online coaching and training.
- Partner with the Northern Alberta Institute of Technology (NAIT).

Long-Term

Within 2 Years:

- Expand the business:
 - Larger central training facility.
 - Full sized classes.
 - Multiple partnerships.
 - Reputable online learning platform.

What Makes LSA Unique and Valuable

LSA intends to provide holistic support and services that are tailored to client's specific needs whilst still providing ongoing support to its clientele. The company can do that because, unlike competing self-help type resources, LSA coaches will have a diverse set of different backgrounds that enable us to a wide variety of options for clients, while still providing essential life strategies guaranteed to improve individual's control over their outcomes in life.

How LSA differentiates from competitors is in the amount of different resources and options clients can choose from. Additionally, unlike competitors, LSA operates under the assumption that no one is broken. The company does not focus on individuals that believe they

are need of help, although such clients will not be turned away, but people who are looking to maximize the effectiveness of their everyday life and habits and gain a better understanding of who they are, how their mind works and how they can strategically master their own lifestyle.

Major Business Risks

Figure 1: Risk Assessment of Various Factors

Risk Assessment of Various Factors			
	<u>Low</u>	<u>Medium</u>	<u>High</u>
<i>Service Liability</i>			X
<i>Seasonality of Business</i>		X	
<i>Substitutions</i>		X	
<i>Customers</i>		X	
<i>Suppliers and Personnel</i>		X	
<i>Cost Structure and Profit Margin</i>	X		
<i>Complementary Industries</i>	X		
<i>Management</i>	X		

RATING: LOW – Low probability of risk
HIGH – High probability of risk

MEDIUM – Moderate probability of risk

HIGH RISK

Service Liability

Risk: In this category, LSA is at high risk. It is important to distinguish life coaching from professional counselling services, such as psychiatrist or psychological services. LSA will

be offering services that are “meant to enhance normal functioning” versus “treat symptoms of an illness” that traditional therapy may focus on (Hillow, 2011, p.36). However, LSA will still be offering services that are considered to be a liability. For instance, during one-on-one sessions, the life coach is alone with his or her client. During these sessions, personal information is collected. As a result, there is a chance of having a breach of confidentiality or the life coach providing the wrong advice that may cause harm to the client. More so, during life coaching sessions, LSA is at risk of having claims made against the company relating to sexual misconduct or the like during a session. It is for this reason that LSA is at high risk for service liability.

Mitigation: LSA can reduce the risk associate with service liability via purchasing professional liability insurance and/or deciding to incorporate. To reduce the risk relating to breach of confidentiality, LSA must ensure that all life coaches abide to the Freedom of Information and Protection of Privacy Act.

Professional Liability Insurance: Professional liability insurance protects the practitioner against claims related to his or her “delivery of professional services” related to personal-care, such as life coaching services (Intact Insurance, n.d.). These claims relate to the concept of malpractice where there has been improper, illegal, or negligent professional activity or treatment conducted (Dictionary.com, n.d.). Via purchasing Professional Liability Insurance, LSA will mitigate the risk it may face towards any malpractice claim made against it.

Incorporation: LSA’s choice to incorporate will separate the founder’s, Mr. Barry’s, individual liability from that of the business. As a result, LSA becomes a separate legal entity.

This means that any claims made towards LSA will be made toward the organization itself versus the founder. This will further limit the risk Mr. Barry faces in relation to service liability.

Freedom of Information and Protection of Privacy Act: According to the *Purposes and Scope of the FOIP Act*, the Freedom of Information and Protection of Privacy Act (FOIP) ensures two things (2009, p.1):

1. That public bodies are open and accountable to the public by providing a right of access to records; and
2. The privacy of individuals [are protected] by controlling the manner in which public bodies collect, use and disclose personal information.

For LSA to act in accordance with the FOIP, its life coaches must ensure that all private information gathered from its clients (i.e. the individual's name, sexual orientation, marital status, etc.) remains confidential and only made public only with the proper documentation and reasons that are in line with FOIP. Therefore, LSA's service liability is further reduced if it takes measures to reduce the chance of having a breach of confidentiality via adhering to the policies of FOIP.

MEDIUM RISK

Seasonality of the Business

Risk: Seasonality of LSA poses to be a potential problem if not anticipated and manage correctly. As a result, LSA rates at a medium risk in the seasonality category. Since LSA is targeting millennials, who are of 20 – 24 years of age and are in their first few years of post-secondary, its revenue streams will be subjected to its target market's discretionary income. More specifically, our target market will have less discretionary income during times when

tuition and school fees are due. This is supported by a statistical report conducted by Statistic Canada (2017), that revealed that, “on average, tuition for undergraduate programs for Canadian full-time students rose 3.1% from the previous academic year to a total of \$6, 571”. As a result, during the times where students are paying for their tuition – mainly August for Fall semester, December for Winter semester, and April for Spring and Summer semester – LSA is expected to see a decrease in sales. More so, during midterms and finals, it is predicted that LSA’s target market will have limited discretionary time. As a result, LSA may also see a decline or stagnation in sales during these times.

Mitigation: To mitigate the risks associated above, LSA will ensure that it has a proper marketing and strategic plan in place to target 20 – 24-year-olds in the first few years of undergraduate studies during optimal times. The optimal time to increase sales would be the months of September, November, January, February and May. These months have been chosen to reflect time gaps between midterms and finals as well as predictions that LSA’s target market will have had the opportunity to replenish their discretionary income and, therefore, have the funds and time to purchase and enjoy services offered by LSA.

Substitution

Risk: Substitution has been deemed medium risk in relation to LSA’s operational intent. Secondary research conducted by LSA has revealed that there are currently no direct substitutions for its services. Although it should be noted that there are various life coaching services offered within the Edmonton area, there are less than 1500 life coaches that are employed that are currently serving a growing population of 899,447 (Edmonton Consensus, 2016) as indicated by Occupations in Alberta Life Coaching profile (2017). This means that there is only one life coach available for every 598 Edmontonians. This highlights that there is a

demand within the Edmonton population for life coaching services. Furthermore, there is expected to be “an above-average annual growth of 2.9% from 2016 to 2020” within the life coaching industry (Government of Alberta, 2017). As a result, the threat of substitution is placed at medium with the plausibility of rising to high risk by 2020.

Mitigation: In order to combat this risk, LSA must develop a competitive advantage that separates itself from competitors. Since life coaching certifications are not currently regulated, LSA may enjoy a competitive advantage via offering services that only provided by certified life coaches (Government of Alberta, 2017). Another competitive advantage that is available to LSA is for it to partner with highly specialized individuals that are certified in an array of fields. Via offering specialized, and perhaps unconventional, services, LSA is not only able to expand its offerings but also establish itself as an innovative leader within the life coaching industry. The type of specialized services LSA may provide are: mindfulness coaching, art and/or sound therapy, forest therapy, etc.

Customers

Risk: The customers of LSA pose to be at medium risk. This is due to the notion that there has been a stigma towards mental wellness and health. For instance, according to a survey conducted by the Centre for Addiction and Mental Health (2016), “40% of respondents agreed they have experienced feelings of anxiety or depression but never sought medical help for it”. This indicates that although individuals may benefit from the services that LSA provides, previously held beliefs that view receiving mental wellness aid as negative may prohibit potential consumers from being a client.

Mitigation: To mitigate the negative beliefs that potential customers have towards mental wellness, LSA will develop marketing campaigns to relay the benefits that its services will provide. More so, as a culture, LSA will openly talk about and support mental wellness and its client's decision to utilize its services to reach his or her goals. This will be done via hiring professionals that are not only able to provide top quality services but will also adhere to FOIP and create a great rapport with clients. This rapport will not only extend to current clients but will expand to reach any potential clients as well. This will further instill a culture within LSA that is personal, confidential and safe.

Suppliers and Personnel

Risk: Grouped together, suppliers and personnel of LSA is placed at medium risk. This category has been chosen as medium risk due to the chance that suppliers and employees of LSA may either benefit or hinder business. The probability of this category being beneficial or harmful is dependent on the executive team's ability to not only relay the company's mission and vision statement, but also hire and partner with the right individuals that match LSA's core values and culture.

Mitigation: As indicated above, this risk is directly correlated to the executive team's ability to adequately communicate LSA's vision and to ensure that individuals that are vetted to join its team are an appropriate match to the culture. From the onset, this will be Mr. Barry's task until LSA has grown and it is appropriate to expand and grow the executive team. In relation to hiring and partnering with the right individuals, LSA will hire people that exhibit traits that will enhance its personal, safe and confidential culture as well as match the position responsibilities as mentioned above.

LOW RISK

Cost structure, profit margin, complementary industries and the management team have all been placed under a low risk rating. As LSA is in the start-up stage of its business life cycle, these factors do not yet have a large impact on its operations. For instance, costs will be low from the onset as there are very few products and resources that LSA will need to be purchased in order to operate. On the same lines, overhead costs will also be low for expenses will currently only go towards life coaches/specialist's fees and rentals for space. Since costs will be low, any revenue that LSA receives can be reinvested back into the company. Reinvestment may go towards creating new seminars and workshops. As well, LSA may decide to contract a new specialist, in a field that is to be determined, which will further expand its services. As a result, complementary industries is at a low for LSA is able to partner with complementary industries and use it as a way to expand its services. Additionally, the management team currently only consists of Mr. Barry who is the founder of LSA. Appropriately, the management team is then rated as low risk as Mr. Barry fully understands the vision and direction of LSA.

It is important to note that although cost structure, profit margin, complementary industries and the management team of LSA is currently at a low risk rating, there is potential for any one, or all, of these risk factors to rise to a medium or high-risk rating. This is especially plausible as LSA begins to experience growth and expansion of its team and operational activities. Therefore, it is crucial that these factors be continuously assessed, and appropriate action be taken to mitigate any risk that may arise within each element.

OVERALL

Based off the table and supporting evidence above, LSA will be operating at a medium risk level. This is since the majority of the factors that have been assessed have been rated at a medium risk level. Consequently, LSA will have to act to mitigate the risks associated with each high and medium risk factor. As well, the low risk factors will need to be continuously monitored and immediate action will need to be taken if these risks grow to be categorized as medium or high risk.

INDUSTRY ANALYSIS

Industry Identification

The Life Coaching industry includes practitioners that primarily help clients set and achieve personal goals. Such goals can pertain to a client's job, personal life or interpersonal relationships. This industry does not include psychologists, mental health counselors or business analysts (IBISWorld, 2018).

Industry Outlook

Over the next five years, the Life Coaching industry is anticipated to continue expanding. The growing economy will lead to higher per capita disposable incomes and more secure career outlooks for North Americans. Although growth in the overall economy will lessen the need for industry services to a degree, continued struggles along numerous segments of the economy, coupled with higher disposable income will increase demand. Therefore, industry revenue is forecast to grow at about half the rate of the past five years, at an annualized rate of 1.8% over the five years to 2022. In 2018 alone, industry revenue is expected to grow 2.1%, totaling \$1.1 billion.

Industry growth will be hampered, however, by the declining US divorce rate, which is forecast to fall at an annualized rate of 2.2% in the five years to 2022. Although family and relationships account for only 3.0% of all industry revenue, coaching in this segment comprises a

large portion of a significant number of coaches' revenue; therefore, weakening demand from this service segment could signal distress for some players. This is advantageous to LSA, however, as LSA is not heavily reliant on family and relational issues as a mean of income.

Seasonality*

LSA will be subject to the seasonality of the average school year (September-April) and will likely experience a lull in business in the summer months.

**Refer to risk assessment section for more detail*

Trends

“With artificial intelligence expected to replace many humans in professions that rely on knowledge and linear thought, such as medicine and law, thousands are training for fields, such as coaching, where intuition, creativity, people skills, and communication tools are more difficult to replicate in machines (Stewart, J., 2017).” Online communication & training tools are improving, which means LSA will have more opportunity to incorporate online learning strategies into its business model.

There is a large amount of competition in the Life Coaching Industry, which will only increase as time goes on. The optimistic part of this trend is that lots of unqualified and lazy coaches are a part of this competition, which gives LSA the opportunity to stand out by being the most competent life coaching service in the market.

More and more scientific research is being done to back the success stories of life coaching and thus more and more higher- level institutions (universities, etc.) are offering success coaching. along with this, Neuroscience and neuroplasticity are being more heavily

researched than ever before. These trends provides LSA with better chances of partnering with a large scale University or other learning institute.

Positive psychology trends are also on the rise, which are great tools for life coaches. This is due to the rise of technology and patterns in lifestyle change which is causing people to go through more and transitions in life.

The result of all these trends is that life coaching and training is gaining positive momentum, slowly leaving behind negative attributes attached to it in the past. This gives LSA the opportunity to take a large portion of the market share, given that the company attains competent coaches that will provide a competitive advantage in the marketplace.

Industry Growth Rate

The Life Coaching Industry rate is in its quality growth phase. The industry is expected to maintain a consistent annual growth rate of 4.7% in coming years (IBIS World, 2018).

Barriers to Entry

The barriers to entry for Life Coaching are low. This is because certification is rather simple and not very costly. The largest barrier to entry is simply the ability to being and marketing oneself as a competent life coach.

Key Success Factors

Recruitment

- It is crucial with the services that LSA provides that it attracts and retains skilled and knowledgeable professionals is the key to the business's success.

Professional Development

- Not only is it important that the professionals be knowledgeable and skilled, it is important that professional development is mandatory. Ensuring the service providers are up to date on trends and skills needed to provide accurate and relevant support to the youth.
- This is what is beneficial for LSA services over others, is that we move forward and are relevant to the students. Many counsellors and psychologists are still using types of services they may have learnt in school that may not be relevant with the new generations.

Marketing

- Many professionals and services similar to the business have not utilized social media. It is important to differentiate LSA as working to support the youth, and, therefore, to seek out young new talent to manage marketing. It is important to engage on all social media forums.
- Reputation is important in such a sensitive coaching business like the LSA's. Therefore, LSA is only as good as company's reputation that precedes it. There will be clear expectations from management on the expected quality of service this business provides.

Strategic Planning

- Continuous research is pertinent to the sustainability of this service business. Engaging youth, parents, school boards and area exercise to create a strategic plan for 5 years and have it be a key part of the business.

Life coaching key success factors laid out by IBISWorld:

Having an Area of Specialization

- In order to differentiate from the competition, a life coach should specialize in an area of service such as career coaching or marital relationship coaching.

-

Having a Good Reputation

- The referrals of active and past clients help drive business for life coaches.

-

Having a Wealthy Client Base

- Life coaches can attract a wealthier client base through networking and being well known for their expertise in a certain area.

-

Highly Trained Workforce

- The life coaching industry is growing increasingly competitive, and coaches trained as psychologists, educational specialists or social workers have a higher chance of success.

Environmental Factors

Legal

- It is important for businesses in coaching industries to have professional insurance.
(Anthony, 2012) LSA will be focusing on the millennials generation, thus being a youth focused there could be more liability when giving advice.
- it is even more important to protect the business and the professional coaches by purchasing Professional Liability insurance from such insurance companies like Intact, where they suggest it for professionals in “health services or personal-care field” (Intact, 2018).

Technological

- Many millennials turn to technology when looking for inspiration or growth. With such forums like Ted Talks, podcasts and social media, millennials are getting flooded with lots of information at a little to no cost.

Cultural/ Social

- In recent years, society has shifted towards an acceptance of coaching and counselling.
- With an increase in stress and anxiety among the millennial generation it is recommended counsellors utilize Cognitive Behavior Therapy. (Rudow, 2013).
- At the Centre for Addiction and Mental Health based out of Toronto (2012), it is said that, “Cognitive behaviour therapy (CBT) is an empirically-validated treatment that has been demonstrated to be highly effective for clients experiencing mood and anxiety symptoms.”
- Millennials are having a difficult time finding jobs thus, students are seeking out life coaches as presented in one article published in the Toronto Sun. (Hennessey, 2015).

Economic

- According to the IBIS World market research report on life coaching showing that it generates revenue of \$1 Billion in the U.S., with a 3.6% growth rate since 2013. (IBIS World Canada, 2018) In Canada, the IBIS World market research report states that business coaching generates revenue of \$990 million and employs 6,865. (IBIS World, 2017)

Community Trends

- Bell Let's Talk Day is an initiative where people around the world post on social media and engage in conversation around mental health issues in an effort to decrease the stigma surrounding mental health. It is initiatives that has become widely talked about

and engages many generations which only creates a more normalized conversation surrounding this topic.

MARKET ANALYSIS

Primary Target Market:

It is LSA's specific intent to work with young millennials. More specifically, it will target individuals aged from 20 – 24 years of age who are in their first few years of post-secondary or are in a transitory stage of their life.

LSA has chosen to segment its target market based on the social values they possess (Norris, 2017, p.30). LSA has chosen to do this based on the information gathered from Environics Analytics survey on Canadian millennials conducted in the year 2017. Although the firm's primary target are individuals aged 20 – 24, this can be further segmented into the "underlying mental postures and worldviews by which one navigates life, and interacts with oneself and with others" (Norris, 2017, p.30). This has revealed three categories of millennials that LSA will segment. The first segment is named "Diverse Strivers." The Diverse Strivers constitute 20% of the Millennial population and value success, personal challenges and push forward in their goals (Norris, 2017, p.55). The second segment constitutes 17% of the Millennial generation and is labelled "Engage Idealists" (Norris, 2017, p.55). This group desires a "meaningful life and career" and is "focused on personal growth" (Norris, 2017, p.55). The third segment are "Critical Counter-Culturists". The Critical Counter-Culturists share the same values as Engaged Idealists and consists of 4% of the Millennial population (Norris, 2017, p.55). Together, these three groups constitute 41% of the Millennial population and will be the focus at LSA.

Market Size:

The available market size for LSA within Edmonton is 265,336 millennials. Based on LSA's market segmentation, the market size available is 108,788 individuals.

Here are the calculations to support the above claims:

- Age 20 – 24 years of age (StatCan, 2016)
 - Total – 92,345
 - Female – 45,255
 - Male – 47,090
- 29.5% of Edmontonians are Millennials (Mosleh, 2017)
- Edmonton Population in 2016 = 899,447 (Edmonton Consensus, 2016)
- #of Millennials in Edmonton = $899,447 \times .295$
 - = 265,336.865
- Target Market = 108,788 Individuals
 - = 41% (20% - Diverse Strivers + 17% - Engaged Idealists + 4% - Critical Counter-Culturists)
 - = $265,336.865 \times 0.41\%$
 - = 108,788.115
 - = 108,788 Individuals

As identified earlier within the target market segmentation of this document, LSA aims to target 41% of millennials within Edmonton. Based off calculations and supporting data found, LSA will be able to access 55,481 individuals online and 79,415 individuals through social media platforms.

Here are the supporting calculations:

- # of Millennials in Edmonton = 265,336,865
- 51% of millennials purchase goods or service on the internet, at least once a month (Norris, 2017, p.11)
 - Therefore, $108,788 \times .51$
 - = 55,481.93
 - = 55,481 Millennials are accessible via online in Edmonton
- 73% of Millennials access social networking daily (Norris, 2017, p.11)
 - Therefore, $108,788 \times .73$
 - = 79,415.24
 - = 79,415 Millennials are accessible via social media in Edmonton

Why Will Consumers Purchase LSA's Services?

Millennials differ in their spending habits when compared to previous generations. Unlike Generation X or Baby Boomers, Millennials spend 81% of their income

(Drum, 2017). This indicated that Millennials, as a whole, are more liberal in spending their discretionary income. Whether this is a gym membership, a Starbucks coffee or an Uber ride, Millennials typically purchase products that are related to convenience, status and technology over post-secondary services (Stinson, 2018). On another note, “prospective first-time Millennial home buyers are being forced to spend 25% of their monthly income on household debt compared to the 15% their parents paid” (Elster, 2017). This indicates that as Millennials transition into home-ownership, they will have less discretionary income to spend on convenience and novelty items. With that said, LSA is targeting the Diverse Strivers, Engaged Idealists and Critical Counter-Culturists segments within the Millennial population. As stated above, these groups value personal growth, overall success and goal accomplishments. LSA offers services that will aid these individuals in accomplish said values. It is for this reason that LSA’s consumers will purchase its services.

External Market Influences

LSA is affected by external market conditions. Since consumers will purchase LSA’s services via discretionary income, the most prevalent influence is economic. Canada is projected to have an economic growth of 2.2% in 2018 with Alberta’s economic conditions being an expected source of national growth (Cleroux, 2018). This proves to be favourable for LSA’s market as it increases the probability that its consumers will be able to afford its services. With that said, “heavily indebted households are expected to continue moderating their spending as interest rates rise” (Focus Economics, 2018). Therefore, it can be assumed that consumers will be attentive to where their money is going too. Due to these external conditions, it is vital for LSA to relay the value that its services will bring to its customers. Via focusing on the value added, LSA will increase the likelihood of converting consumers into customers.

COMPETITOR ANALYSIS

Existing Competitors

According to Canadian Industry Statistics, in 2016 the province of Alberta was in the top four provinces to have Educational Support Services. Educational Support Services is comprised of “providing non-instructional services that support educational processes or systems” (Government of Canada, 2018). In this industry across Canada, “57.6% of them were considered micro, employing less than five employees; small establishments accounted for 41.4%; and medium-sized establishments accounted for an additional 1% of the total number of establishments. Large employers, those with more than five hundred persons on payroll, accounted for 0% of the total establishments” (Government of Canada, 2018).

Figure 2: *Educational Support Services - 61171*

	Employment Type - Employer	Employment Type - Non- Employers/Indeterminate
Alberta	136	401
Canada	1038	3272

(Government of Canada, 2018)

Factors to consider when contemplating manoeuvring into the Educational Support Services field:

Political (provincial/municipal government will have a high impact on education, health and infrastructure)

- Collective agreements.
- Tuition/funding to schools

Budgets.

- Change in government policy.
- Infrastructure vs online capability.

Economics (availability of funds)

- Budgets, this can be controlled/uncontrolled by political/personal funding.

Social (health consciousness, career attitudes, age distribution and cultural attitudes)

- Attitude of the individual
- Perceived attitude of peers (cultural stigma)
- Maturity level of the individual.

Technological (technological/trending shifts could affect cost and quality)

- What is the current trend of the market.
- Availability of training and funds to adapt.

Figure 3: *LSA's Competitive Ranking*

Institution	Political	Economic	Social	Technology	Total
High School	2	1	3	4	10
Post-Secondary	2	1	3	4	10
Sojourn Wellness Group	4	3	5	4	16
LSA	4	3	3	4	14

Rating Scale: Low Risk (5), Medium Risk (3), High Risk (1)

**The lower number, the higher risk to the company/institution.*

Based on the above information, an established competitor would be more successful than the other three institutions; however, LSA has come in a close second. LSA does not have to worry about collective agreements or tenure. As outlined in the company's key success factors, LSA will be able to recruit the best and ensure relevance for clientele via:

- Recruitment - LSA is not locked into tenure or collective agreement and can access the best talent to offer the services to clientele.
- Professional Development - LSA can research the most up-to date talent by offering contracts to the experts in that field.

According to Inc. 5000, "Millennials don't trust 'Old School' Sources" (O'Donnell, 2015) they are looking for online and 24/7 access along with a subscription model for delivery of goods and services. They are looking for this type of service to be "created and delivered by successful peers" (O'Donnell, 2015). With Mr. Barry at the helm of the company, this vision is possible and accessible to the millennials. Millennials are looking for "free or inexpensive, usually a subscription model for budgeting purposes" (O'Donnell, 2015). Since most of the firm's services will be done online, the cost factor of infrastructure will help keep costs down which means greater savings for customers

Potential Competitors

Completing a City of Edmonton map search on life coaches was not conclusive whether companies are online or brick and mortar. The reason for the unsuccessful search is terminology used by companies. Terminology used by professionals is not consistent (life coach/career coach/business coach) or companies referred to themselves as life coaches (i.e. dietary/personal trainer). See Figure 4, Market Position and Business Image, for the various coaching styles

available. LSA's goal is help in the client's personal growth and their specific goals whether it is Skype, telephone or face to face.

Competitive Analysis Grid

Life coaching services are gaining a lot of popularity in larger Canadian cities such as Toronto and Montreal. It is likely that Edmonton will see a large influx of Life Coaches in the future.

Five Force Components:

Threat of Substitutes- Low

- There are businesses that provide career services, meditation classes and Cognitive Behavior Therapy. However, there is no one business on the market currently who provides all the services at one location.

Treat of New Entrants - High

- There is risk in this type of service be duplicated. It is a relatively low start up and overhead cost thus making it easier and more attractive to entrepreneurs.

Rivalry Among Existing Industry Firms and Bargaining Power of Buyers - High

- A buyer's power of these services can be large because most high school and post-secondary schools have some form of career services and counselling at no cost to students or parents. However, since the increase in use of these services in recent youth, the current areas where students would go to seek help are too busy. Therefore, students are seeking external means of support.

STRATEGIC ANALYSIS

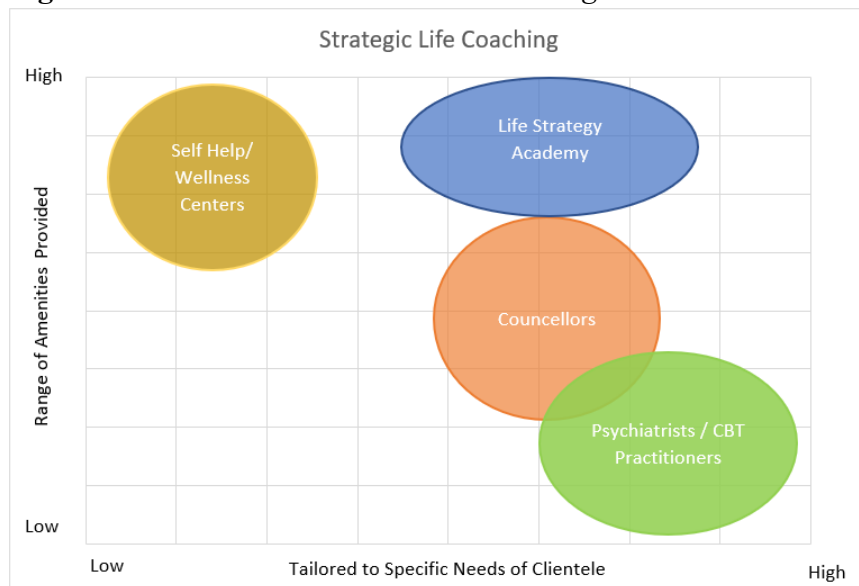
Competitive Advantage

LSA intends to provide a holistic support and services that are tailored to client's specific needs, while still providing continued support. LSA can do that because unlike completing self-

help type resources, LSA coaches will have a diverse set of different backgrounds, that enable LSA to offer a wide variety of options for the client, while still providing essential life strategies guaranteed to improve individual's control over their outcomes in life.

How LSA can differentiate from competitors is the amount of different resources and options LSA clients can choose from. Additionally, unlike competitors, LSA operate under the assumption that no one is broken. LSA does not focus on individuals that believe they need help (though LSA will not turn such individuals away) but people who are looking to maximize the effectiveness of their everyday life and habits and gain a better understanding of who they are, how their minds works, and how they strategically master their own lifestyle.

Figure 4: *Market Position and Business Image*



SWOT Analysis

Strengths. LSA's SWOT analysis revealed that some of their strengths are that since it is a service based business it is not expensive to start up, there is a range of services and prices depending on the customer's needs and that the founder has training in Cognitive Behavioural Therapy, Neuro Linguistic Programming, Mindfulness, and Life Coaching.

Weaknesses. Some of the weaknesses the SWOT analysis revealed is that it can be hard to become a certified life coach and to find them, and that there is a stigma around getting help with mental health issues.

Opportunities. There is an opportunity to use the vast background of the company's different coaches to capitalize on the lack of education being provided to millennials. There is also a great opportunity for the firm to expand vastly, especially given the fact that the life coaching industry is in its growth stage and getting help with mental health is becoming more accepted. If the company is to be successful, however, it will have to ensure it differentiates itself between already established self-help resources being provided to the company's target market. The company will also have to establish a great reputation by providing results to clients to to gain the interest of potential customers. LSA can consider offering different courses, like financial basics for example as many millennials lack financial education (Douwes & McIntosh, 2018). LSA can also change their target of millennials to the next generation going into post-secondary as time goes on.

Threats. Some of the threats LSA faces are school counselors, CALM classes and life coaches that offer similar services. Government regulations around certification rules can also be a threat and students may not be aware of the importance and therefore not be interested in LSA's services.

Business Strategy and Differentiation

LSA intends to provide holistic support and services that are tailored to client's specific needs, while still providing. We can do that because, unlike competing self-help type resources, LSA's coaches will have a diverse set of different backgrounds, that enable us to a wide variety

of options for clients, while still providing essential life strategies guaranteed to improve individual's control over their outcomes in life.

How LSA differentiates from competitors is in the amount of different resources and options clients can choose from. Additionally, unlike competitors, the firm operates under the assumption that no one is broken. LSA does not focus on individuals that believe they are need of help (though we don't turn such individuals away) but people who are looking to maximize the effectiveness of their everyday life and habits and gain a better understanding of who they are, how their mind works, and how they can strategically master their own lifestyle.

Details of Products and Services

Major categories of products and the % contribution to total sales:*

- Coaching Sessions (1 on 1)- 40%
- Online Course (6 hours)- 30%
- Workshops (3 hours)- 15%
- Seminars (16 hours)- 15%

**These are just projected numbers, once data from actual customers has been harvested, adjustments will be made accordingly.*

Core, Actual and Augmented Components of Major Products:

- Core- Gives customers much needed life strategies and skills.
- Actual-The coaching service itself
- Augmented- Follow ups with how clients are doing

Major Suppliers of Products, Terms and Delivery Policies:

- The knowledge for the services will be supplied by Mr. Barry and the professionals he hires.
- Books and supplies

- Online certificates and resources

Average Margins:

- Coaching Sessions (1 on 1)- 30%
- Online Course (6 hours)- 90%
- Workshops (3 hours)- 40%
- Seminars (16 hours)- 60%

Processes Involved in Getting the Product To The Customer

- The customer will need to contact LSA either online or by phone to book an appointment.

They will either meet with Mr. Barry or one of his contracted professionals in a one on one session, the longer workshops and seminars or can attend the online course from home.

Pricing Strategies

Value based pricing via estimating what consumers are willing to pay for a product and then backing off a bit to provide a cushion (Barringer, 2015, p.156). Therefore, LSA will adopt a value-based pricing strategy over cost-based pricing. We have chosen to forgo cost-based pricing because cost-based pricing is “based on what a company thinks it should receive rather than what the market” and consumers thinks a service is worth (pg. 155). As the company is service based, it is important to take into consideration what they deem as an appropriate price to convert a consumer into a customer. More so, prices will be rival to those of competitors. According to the Life Coaching website (2018), most one-on-one life coaches charge an average of \$50 to \$330 per session. As a result, we will be priced lower than the national average in order to be accessible to LSA’s target market: individuals of 20 - 24 years of age.

LSA will offer multiple pricing options based on the services the client is looking to have provided. The services and its corresponding fees that we will offer are:

- Initial consultation (one time fee) - \$20.00
- 6 Hour Online Course (with access to coaches via online chats, emails and call center) - \$280.00
- One-on-one session
 - 30 Min - \$45.00
 - 60 Min - \$90.00
- 3 Hour Workshop - \$150
- 16 Hour Seminar - \$800

LSA will offer clients the option to bundle different services together. The differing bundle options and corresponding fees are:

- Initial consultation and one . . .
 - 30 Min one-on-one session - \$40.00
 - 60 Min one-on-one session - \$70.00
- Initial consultation and 3-hour workshop - \$155.00
- Initial consultation, 6-hour online course and 2 . . .
 - 30 Min one-on-one session - \$350.00
 - 60 Min one-on-one session - \$400.00
- 5 Session Packages
 - 30 Min - \$125.00
 - 60 Min - \$275.00

Following each service, LSA will offer ongoing touch points to clients in the form of a monthly newsletter. This newsletter will contain LSA updates as well as tips and tricks regarding different matters, such as, finances and mindfulness. Furthermore, LSA will provide

clients access to coaches for quick questions and support after a service has been provided either through email, online chat or a call centre. The monthly newsletter and after-service supports will be free.

Distribution Strategy

LSA's distribution strategy will be through two avenues, E-Commerce and on location. In being a service business, LSA will have a website in which selling of the service will be located. The website will include the times in which a client can choose a one-on-one consultation with Mr. Barry that works best for their schedule. As well, the seminars and workshops will be inputted so that clients can take part in the ones that resonate with them. Online courses will be the main distribution of services through the website. The second means of distribution will be on location. This will be the primary service of one-on-one consultations.

Advertising and Promotional Strategies

LSA's promotional strategy will be in alignment with post-secondary school schedules. The goal is to gain clientele through the schools, it is important to target the students prior to and during high stress times through the school schedule. For instance, October, December, March and April tend to be large volumes of exams and project due dates, it is important for the business's promotions to be prior to and during these high stress times. Another high stress time where students are anxious is when they are preparing to leave school and look for a job in industry, therefore April will be a high time for promotions of the LSA's services.

LSA will be promoting its services through two main avenues. Since the target market is millennials, social media will be the primary promotional avenue. Specifically of the social media platforms, "Millennials make up 51% of the users on Instagram, making it the most millennial heavy social platform right now." (Mediakix, 2016). Social media platforms will all

be established through Instagram, Facebook and Twitter. The second avenue of promotions will be through on location promoting at schools when the students typically have high stress times. Many schools have locations on campus where services can come and to promote to students.

As mentioned in the company image portion, it is important to have a professional image. To keep a professional image and to establish a company brand recognition, various promotional materials are essential at the start upon business launch. Promotional materials that will be purchased are such as: jacket, business cards, coffee mugs and signage. Creating a positive brand is important for LSA. It is essential that there is a strategy about mitigating negative publicity. There is no plan to pay for advertisements through any media other than social media because there is not enough millennial readership.

Promotional Schedule

ORGANIZATIONAL AND MANAGEMENT TEAM

LSA is comprised of Mr. Barry as the President and Melissa Smith as an Executive Assistant. Mr. Barry, as President, will be the sole Lifestyle Coach and as the company gains traction and clientele, there is a plan to hire a lifestyle coach the summer of 2019 and the summer of 2020.

Mr. Barry is a self-driven entrepreneur, who has a Diploma from NAIT in Entrepreneurship and is pursuing a Bachelor of Business Administration degree. During school, he took initiative throughout campus, maintained a competitive GPA, all while keeping a balanced lifestyle. It is through school, that he realized not every student has the skills and knowledge to maintain a positive mental health. His passion for supporting peers and students in need of support has led to him taking various certification, all listed below:

- Completed over 20 hours of Neuro Linguistic Programming (NLP) training
- Completed over 40 hours of Cognitive Behavioural Therapy (CBT) training
- Completed over 30 hours of Life Coaching Training
- Became a certified NLP & CBT practitioner / Life Coach

Mr. Barry is a passionate and certified Lifestyle Coach who will be using his skills to provide a service to students. He values excellence in client service, which will be an asset in growing and retaining clientele. During the first year, prior to hiring Lifestyle Coaches, Mr. Barry will fulfill both the President and the Lifestyle responsibilities, which are laid out below. As the LSA team grows and upon hiring Lifestyle Coaches, Mr. Barry will then step back from coaching and lean into the management and operations of the business.

Responsibilities of each role are as follows:

President/ Founder:

- Accountable for the fiduciary of the organization; therefore, ensuring business is within legal limits and aligns with government regulations.
- Create and communicate the organization's vision, mission and strategic direction to staff.
- Managing the budgets and allocation of resources and staff.
- Training the Lifestyle Coaches.
- Develop culture that demonstrates a set of shared attitudes, goals, behaviors and values among the organization.
- Research trends in industry and align business goals with that of the demand.
- Lead and support staff towards their goals and that of align with the organization.

Lifestyle Coach:

(Commission based wages: 50% of client fees collected)

- Maintain a caseload of 6 to 8 formal clients, with who the coach will provide intentional therapeutic work to address complex issues.
- Promote services on post-secondary campuses.
- Maintaining a professional manner towards staff, clients and prospective clients.
- Communicate with clients, understood their situations, difficulties, confusions, and complexities, and provided guidance.
- Teach clients how to plan and establish priorities so that they have a better perspective and can take the right approach.
- Encourage clients to indulge in activities they like and help them relieve mental stress through mindfulness and physical activity.
- Provide Cognitive Behavior Therapy (CBT) to clients who are suffering with anxious tendencies.
- Help clients in adjusting and modifying goals for short-term and long-term personal growth.
- Providing resources, referral, and training to clients for learning new skills to assist in personal growth.
- Reaching out and building rapport with post-secondary administration.
- Working with a diverse client group (culturally, academically, mental health wise)
- Assisting in supporting the clients develop a sense of identity and cultural awareness.

- Provide tools to clients to establish and maintain healthy relationships by empowering and nurturing emotional attachments.
- Engage families to participate sessions to act as a support system to the client.
- Teach boundaries, healthy sexuality, social skills, academic skills, communication, problem solving, positive decision-making and anger management techniques.
- Support and promote healthy lifestyle choices.
- Connect youth to beneficial, affordable and sustainable community resources to increase their network of support.

Adapted from: (Best Job Descriptions, 2018)

Melissa Smith is the Operations Manager at LSA. This role is vital to the success of LSA. Melissa will be looking after the promotions, appointments and overall operations of LSA. She is a new graduate from NAIT with a certificate in Business Administration. See below the position responsibilities:

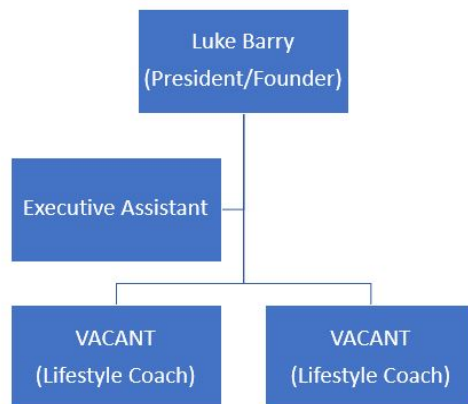
Executive Assistant:

- Providing professional client service.
- Leading promotions on Pots-secondary locations.
- Managing the President's and all Lifestyle Coach's schedules.
- Manage all content on social media accounts.
- Coordinate the promotions schedule.
- Coordinate the promotional video consultants.
- Complete all Criminal Record reference checks for hired Lifestyle Coaches.
- Complete all the academic record, criminal record and credentials of Lifestyle Coaches.
- Complete a First Aid Course
- Coordinate workshops

- Coordinating onboarding of new Lifestyle Coaches.

LSA will be a successful Lifestyle service for all post-secondary students with Mr. Barry's leadership and Ms. Smith's support. Once LSA's clientele grows one lifestyle coach will be hired the summer of 2019 and another the summer of 2020. They are included in the organization chart for clarity of the reporting structure for the future.

Figure 5: *LSA's Organizational Chat*



Staffing Requirements and Compensation Program

LSA has a lean business operational plan. It is important to put resources into the promotion of the services to gain clientele. Mr. Barry will not be taking a salary the first year. It is intended that all profit will be put back into growth initiatives. Upon building the clientele growing of the profit, Mr. Barry will take a modest salary of \$53,000.00 (Payscale, 2018).

The Operations Manager, is an essential role in the organization. Since Mr. Barry will be focusing on providing the service, Ms. Smith will be responsible for gaining clientele through assisting in the promotional strategy and overall operations of LSA. Taking this into account, this position's salary will start at \$42,000.00.

The Lifestyle Coaches which will be hired in the coming years will be on a contract bases. The plan is that they would receive 50% of the revenue gained from their services. As they will be on a contract bases, there is no other form of compensation or benefits.

OPERATIONAL PLAN

The operational hours of LSA will be from 10am-6pm, Tuesday- Saturday. This schedule was determined by the fact that students are in classes during the day, so it is important to cater to some evening hours and one weekend day.

Business Location

The City of Edmonton has many options of different types of office space for rental from leasing customized workspace. “Offices for lease by the day, by the week, or by the year. Fully serviced offices with everything included - high speed internet, office furniture and utilities – just show up and get to work” (Office Space for Rent, 2017). Pricing can include “all-inclusive pricing”, whether you want an office with a window “from \$10.60 per day person per day”; an interior office, “from \$8.50 per person per day”; or a co-working office (shared space) at “\$7.40 per person per day” (Office Space for Rent, 2017). These are things to consider along with location – do you want to be downtown Edmonton or in an older community that will affect the pricing. What type of traffic flow? Do you want all-inclusive or renting the bare minimum? These factors will all affect the type of clientele LSA will be seeking in the future. Office space in heart of downtown Edmonton with easy access to transit or underground parking will be enticing to the millennial. Especially those that are currently in post-secondary schooling such as NAIT can hop onto the LRT (*please refer to Appendix A*).

Manulife Place nestled in both “the financial district as well as the law district”, gym, spa, along with “premium shopping opportunities” (Office Space for Rent, 2017) will make this retail space and opportunity with the cost of \$12.80 per person per day which would include all utilities. This type of rental allows for growth within LSA when expanding with more Life Coaches.

For the cost of \$800.00 per month, image is everything. This rental property will show LSA clientele, that LSA cares about the customer, LSA want the best for them by giving them the best (*please refer to Appendix A*).

Equipment Needed

Most of the amenities will be supplied by Manulife Place that is included with the rental agreement. However, computer systems, printer/fax machine, cash register and basic classroom supplies will need to be purchased as outlined in LSA’s start-up cost. As coaches are hired, new computers and programs may need to be purchased at that time.

Communication System

WIFI is part of the agreement with Manulife Place, however, LSA would need to ensure that the company hired to develop, update and maintain the web page(s) is reputable. Mr. Barry, LSA’s President, would be using his cellular device and would need to set-up/arrange to have installed phone line in the office. When the coaches are hired in the future, they would be responsible for their own cellular devices and payments.

Inventory and Purchasing Plan

Currently, LSA will not have any inventory other than promotional items. As the company grows; books (i.e. cognitive behaviour therapy workbooks) and videos (i.e. self-help) may be purchased for resale to the consumer.

FINANCIAL PLAN

Income Statement

Assumptions:

- Sales - according to the Revenue Canada's Guide for Canadian Small Businesses: Income and Allowable Expenses are reported using the accrual method of accounting.
- Cost of Services - Contracted Coaches commission
- Payroll Deductions - paid monthly
- Miscellaneous - alterations/decorations/maintenance, machinery, equipment/parts, any unexpected expenditure subject to GST
- Assets Depreciation - 20% per year
- Total GST Out/In - the difference between GST payable and GST receivable
- Income Tax - 18%, paid annually (for taxable income under \$200,000: 12% federal plus 6% provincial)

Cash Flow Forecasts

Assumptions:

- Cash Sales - 100% of Total Sales, Clients pay before the appointment
- Cost of services (Contracted Coaches Commission) - 50% of Sales (Assuming Mr. Barry has 50% of the clients) x 50%
- Salaries and Wages - paid biweekly
- Payroll Tax - Based on max CPP & EI contributions
- WCB Coverage- Contribution Rate 0.18% on \$42000.00, paid monthly

- Rent, Telephone and Utilities - Rent paid monthly, utilities and main telephone line included in rent, cell phone paid monthly
- Loan interest and main payments - paid monthly
- GST - 5% filed and paid quarterly, in the first month after end of period, is applied to actual cash sales, cost of sales paid, some positions in the total administration expenses and to all start-up costs carrying GST

Balance Sheet

Assumptions:

- Accounts Receivable - the difference between total sales and cash sales
- Accounts Payable - the difference between total cost of sales and cost of sales paid
- Equity - the difference between assets and liabilities; closing equity is equal opening equity plus net profit after tax

General Assumptions

- Mental Health industry will continue to grow (IBISWorld)
- Life Strategy Coaching Industry will continue to grow (Sinclair, T.)
- The business will continue to operate into the foreseeable future.
- The Canadian economy will grow around 2.2% in 2018 and continue to grow further in following years (Cleroux, P.).
- The company will be profitable and able to pay back debts.

3 Year Growth Plan

- Hiring of an Executive Assistant August 2019.
- Hire 1 Lifestyle Coaches due to increase in clientele (1 in 2019 summer).
- Increase in Promotional ideas- to account for social media costs/YouTube ads.

- In May 2020, the growth of an extra Lifestyle coach will mean exploring other options for office space.
- July 2021, there will be a recruitment for a promotional marketing coordinator.
- Based on the mental health funding given to the post-secondary.
- Increase services and workshops in relevant areas.

3 Year Sales Projections

In the United States, the lifestyle coach industry has seen a 3.8% increase in sales from 2013-2018. (IBIS World Canada, 2018) Based on LSA's target market being millennials, and Edmonton having a large number of millennials, this service is seen as a lucrative venture. Based on the target market analysis in assignment 2, LSA is looking to target 108, 788 millennials in Edmonton, 55, 481 online and on social media 79,415. As well, given the fact that mental health and future insecurity has skyrocketed in millennials in recent years, with such demand for a growth in services is needed to support students. One journal mentions, "Demand for mental health assistance on college counseling centers, and that students are now demanding different types of counseling services than were provided in previous decades" (College Quarterly, 2013).

With this said, life coaching services are largely regarded as discretionary expenditures (IBIS World Canada, 2018). However, given that Edmonton's median total income for families is going up by 3 percentage from 2013-2015. (Median total income, 2017) And that, "More than one in three (34.7%) young adults aged 20 to 34 were living with at least one parent in 2016" (Statistics Canada, 2017). The increase in Mental Health stigma minimizing initiatives, such as Bell Let's Talk, as mentioned in an earlier assignment, will see a growth in millennials placing mental health as a priority and families seeing the need to financially support the millennials in their lives.

As mentioned, the United States has seen a growth in the life coaching industry. Looking at the chart below that indicates the steady increase in the united states disposable income.

Figure 6: *U.S. Disposable Income Forecast*



(Trading economics U.S., 2018)

Although Canada does not have a statistic to determine whether the lifestyle coaching industry is seeing an increase, it is determined below that Canada's disposable income is seeing a steady increase, much like the United States. The Canadian Disposable Personal Income in the long term is projected to trend around \$1,211,339.11 CAD Million in 2020, according to econometric models. (Trading Economic Canada, 2018). Furthermore, CPI average increase over the last 5 years was 1.4% (Statistics Canada, 2018).

Figure 6: Canadian. Disposable Income Forecast



(Trading Economic Canada, 2018)

Therefore, based on the projection of disposable incomes increasing partnered with targeted promotions, building relationships with the post-secondary industries and the seasonality of the industry; it is projected that LSA sales for the fiscal year be \$101,190.00 and 2% increase for 2020 (\$151,785.00) and 2021 (\$227,677.50).

Figure 7: LSA Projected Sales

Fiscal Year August 2018 - September 2019								
	30 min sessions	60 minute session	Workshop (max 20pp)	Online Course (max 30pp)	Seminar (Max 20pp)	Sales Projected(2019)	Sales (Projection 2020)	Sales (Projection 2021)
Cost	\$45	\$90	\$150	\$280	\$800			
Month								
Aug-18	0	0	0	0	0	0	\$ 3,250.00	\$ 4,875.00
Sep-18	5	10	5	2	0	\$ 2,435.00	\$ 3,652.50	\$ 5,478.75
Oct-18	10	10	0	5	0	\$ 1,350.00	\$ 2,025.00	\$ 3,037.50
Nov-18	5	10	20	7	20	\$ 22,085.00	\$ 33,127.50	\$ 49,691.25
Dec-18	30	20	0	3	0	\$ 3,990.00	\$ 5,985.00	\$ 8,977.50
Jan-19	10	10	10	10	0	\$ 5,650.00	\$ 8,475.00	\$ 12,712.50
Feb-19	10	15	0	10	20	\$ 20,600.00	\$ 30,900.00	\$ 46,350.00
Mar-19	14	12	10	5	0	\$ 4,610.00	\$ 6,915.00	\$ 10,372.50
Apr-19	15	10	0	15	0	\$ 5,775.00	\$ 8,662.50	\$ 12,993.75
May-19	10	15	0	10	10	\$ 12,600.00	\$ 18,900.00	\$ 28,350.00
Jun-19	2	2	0	10	10	\$ 11,070.00	\$ 16,605.00	\$ 24,907.50
Jul-19	1	2	0	10	10	\$ 11,025.00	\$ 16,537.50	\$ 24,806.25
Total Sales	\$ 5,040.00	\$ 10,440.00	\$ 6,750.00	\$ 24,360.00	\$ 56,000.00	\$ 101,190.00	\$ 151,785.00	\$ 227,677.50

FINANCIAL PROPOSAL

Financial Strategy

Based off the financial start-up costs found within the appendix. LSA will need to have enough funds to cover both the amount of \$17,184 and any additional costs that might arise within the first year of operations. As a result, LSA aims to have access to \$30,000.00 to pay for start-up costs as well as its first year of operations.

Currently, Mr. Barry has \$15,000.00 invested into a high-interest savings account that he will use to help fund LSA's initial start-up costs of \$17,184. More so, Mr. Barry has recently received a \$10,000.00 inheritance that he will add to his savings for a total of \$25,000.00. This amount will cover LSA's start-up costs as well as compensate for the loss that LSA will experience from August to December 2018. The loss LSA is due to the seasonality of its business and lack of clientele as it builds brand awareness. As well, Mr. Barry will not be taking a wage for the first four months of operations. Therefore, Mr. Barry's wage must be considered for the preceding years. As a result, LSA will need to accumulate additional funds as it works towards becoming self-sufficient.

The funds that LSA will need to acquire is \$65,000.00 in the form of debt financing. In order to accumulate \$65,000.00, Life Strategy has developed a two-step Financial Plan. This Financial Plan consists of attaining two loans from two separate financial institutions. The first financial institution that LSA will approach to gain funds will be Futurpreneur Canada for \$15,000.00. This loan will be acquired towards the end first year of operations to offset salary and operation costs for the second year of operations. As a result, this will be LSA's short-term financial objective. The details of this loan are provided below.

Futurpreneur Canada (Financing & Mentoring, 2018).

Loan Type: 5 Year Term Loan

Loan Amount: \$15,00.00

Interest Rate: 7.45% (3.45% (*CIBC prime rate*) + 4%)

Target Acquisition Time: Within the first year of operations

Conditions:

- Business owner must be between 18 - 39 years old
- Must agree to work with a mentor for up to two years
- Business must be fully operating for fewer than 12 months and not in the research and development stage

What Money Will Be Used For:

- Cover operational costs for the first and second year

Once LSA has attained the first loan, it will seek to gain funds from will be the Business Development Center (BDC) for an amount of \$50,000.00. To be in line with the BDC eligibility requirements, this loan must be attained once LSA has been generating revenues for at least 24 months (BDC, 2018). Although LSA is eligible for this loan after two years, it will aim to acquire this loan after the third year of operations. As a result, the BDC loan will be the second stage of LSA's financial plan and will constitute its long-term financial goal. This loan will be used to hire and train additional coaches as well as expand operations and purchase a permanent operating space. The details of this loan are provided below.

Business Development Center (Small Business Loans, 2018).

Loan Type: 5 Year Fixed-Rate Term Loan

Loan Amount: \$50,00.00

Amortization: 15 Years

Interest Rate: Floating Base rate of 5.55% with a variance ranging from 1% to 7%

Target Acquisition Time: After 3rd year of operations

Conditions:

- Personal guarantees may be required
- A capital postponement is offered for the first 6 months, and the initial six payments are interest only
- The interest rate is subject to change without notice
- Must be generating revenues for 24 months before eligible

What Money Will Be Used For:

- Hire and train 2 more certified coaches
- Purchase assets
 - First asset to be attained is a permanent space to perform services (i.e. one-on-one coaching sessions, workshops and seminars)
- Expand operations via offering 2 new workshops and 1 more seminar in the third year of operations

Based from the information provided within the Financial Plan, LSA will need to acquire a working capital of \$90,000.00. The first \$25,000.00 of this amount will come from Mr. Barry himself with \$15,000.00 being contributed by personal savings and \$10,000.00 from an inheritance. The second \$15,000.00 will be provided by Futurpreneur in the form a 5 Year Term Loan and the remaining \$50,000.00 will be supplied by BDC in the form of a 5 Year Fixed-Rate Term loan. In the end, LSA will have accumulated \$90,000.00.

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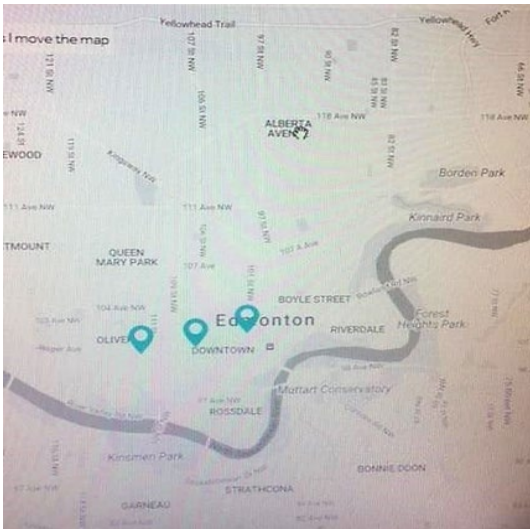
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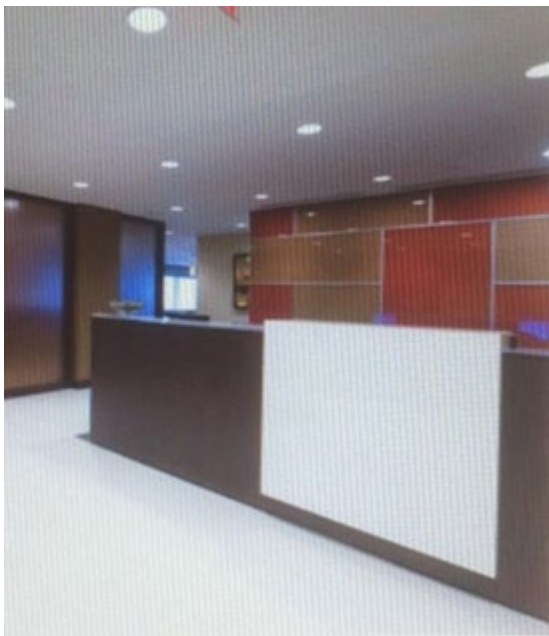
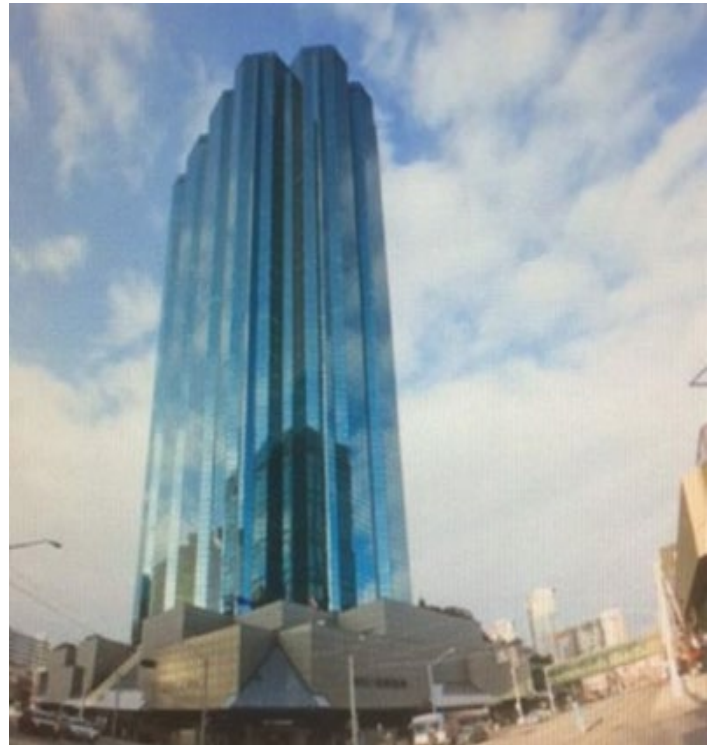
APPENDIX

Appendix A: Location

Manulife Place 10180-101 Street NW,
Suite 3400 Edmonton, Alberta
(Office Space for Rent, 2017)



(Office Space for Rent, 2017)



Reception Area - (Office Space for Rent, 2017)



Look at the View - 34th Floor - (Office
Space for Rent, 2017)



Inside Office Space -
(Office Space for Rent, 2017)



Shared Facilities -
(Office Space for Rent, 2017)

Appendix B: Millennial Social Values Survey

ESSENTIAL MARKERS OF ADULTHOOD

BY SOCIAL VALUES TRIBE

ENVIRONICS
RESEARCH

	Bros and Brittany's	Lone Wolves	Engaged Idealists	Diverse Strivers	New Traditionalists	Critical Counterculturalists
Having a full-time, steady job	75	61	51	78	65	47
Having good relations with parents and family	56	42	53	67	70	36
Owning a home	35	22	19	47	30	15
Being engaged in one's community	10	5	29	35	30	27
Having children	18	10	7	30	20	5
Getting married	13	8	5	26	21	3

High

Low

Source: Environics Institute 2016 Canadian Millennials Social Values Survey

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ENVIRONICS
RESEARCH

Source: Environics Research. 2017. Canadian Millennials Social Values Survey

Appendix C: Start-Up Costs

Item Description	Purpose/Comments	Cost per Unit	Units Consumed per Period	Operating Periods per Year	Start-Up Costs	Contributed Capital & Equipment	Remaining Start-Up Costs
Land and Building	Deposit and Rent	2,400	1	Start-Up	2,400	0	2,400
Equipment	N/A	0		Start-Up			0
Furniture and Fixtures	Included in rent	0		Start-Up			0
Leasehold Improvements	N/A	0		Start-Up			0
Computers	2 Laptops	786	1	Start-Up	786		786
Printer & Cash Register		500		Start-Up	500		500
				Start-Up			0
				Start-Up			0
				Start-Up			0
				Start-Up			0
				Start-Up			0
				Start-Up			0
Total Fixed Assets					3,686	0	3,686
Incorporation Fees	Estimate	500		Start-Up	500		500
Professional Fees	Lawyer (Retainer and 1 time fee)	5,000	1	Start-Up	5,000		5,000
Telephone Set-up Fee	Main Line included in rent, just cell for Lu	100	1	Start-Up	100		100
Deposits for Utilities	Included in Rent	0		Start-Up			0
Insurance	Business	100	1	Start-Up	100		100
Promotional Items	Video (\$1500) & Banner (\$500)	2,000	1	Start-Up	2,000		2,000
Promotional Items	Business Cards	37	1	Start-Up	37		37
Promotional Items	Jackets	272	1	Start-Up	272		272
Advertising	Post Secondary School	200	6	Start-Up	1,200		1,200
Advertising	Social Media	100	1	Start-Up	100		100
Banking Fees	Opening Account & Visa Activation	220	1	Start-Up	220		220
Criminal Check	For Luke & Assisant	150	1	Start-Up	150		150
Accounting	QuickBooks	19	1	Start-Up	19		19
Website	Wix	100	1	Start-Up	100		100
Supplies	Pens, Paper, Sticky notes	50	1	Start-Up	50		50
Assistant Salary		3,650	1	Start-Up	3,650		3,650
Total Current Assets					13,497	0	13,497
Total					17,184	0	17,184
Total Remaining Start-Up Costs carrying GST							859

Appendix D: Cash Flow Statements

CASH FLOW PROJECTION FOR YEAR 1 (2018)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Revenue													
Total Sales	0	0	0	0	0	0	0	0	2,435	1,350	22,085	3,990	29,860
Services									2,435	1,350	22,085	3,990	29,860
Products	0												0
Cash Sales	0								2,435	1,350	22,085	3,990	29,860
Accounts Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales GST	0	0	0	0	0	0	0	0	122	68	1,104	200	1,493
Direct Expenses													
Cost of Sales													0
Cash Paid													0
Acc. Payable Paid	0												0
Cost of Sales Paid GST	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Margin	0	0	0	0	0	0	0	0	2,435	1,350	22,085	3,990	29,860
Administrative Expenses													
CEO Salary													0
CEO payroll deductions	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Assistant Wages									3,220	3,220	3,220	3,220	16,099
Executive Assistant payroll deductions	0	0	0	0	0	0	0	415	415	415	415	415	2,076
WCB coverage	0	0	0	0	0	0	0	3	3	3	3	3	15
Rent									800	800	800	800	4,000
Visa/Interact Fee	0	0	0	0	0	0	0	0	92	64	593	132	881
Cellphone									100	100	100	100	500
Advertising and promotion									100	1,300	100	100	1,700
Maintenance and repairs									50	50	50	50	250
Interest on long term debt	0	0	0	0	0	0	0	0	93	92	91	89	453
Supplies and miscellaneous									25	25	25	25	125
Insurance									100	100	100	100	500
Bank charges									50	50	50	50	250
Taxes and licences													0
Total Adm. Exp. GST	0	0	0	0	0	0	0	54	114	54	54	54	329
Total Administrative Expenses	0	0	0	0	0	0	0	4,956	6,247	5,018	5,545	5,083	26,849
Income (or loss)	0	0	0	0	0	0	0	-4,956	-3,812	-3,668	16,540	-1,093	3,011
Add:													
Cash Investment		0	0	0	0	0	0	25,000	0	0	0	0	25,000
Bank loan advance	0	0	0	0	0	0	0	15,000	0	0	0	0	15,000
Contributed Capital & Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Start-Up Costs GST		0	0	0	0	0	0	859	0	0	0	0	859
Deduct:													
Bank loan principal payments	0	0	0	0	0	0	0	207	208	210	211	212	1,048
Start-Up Costs		0	0	0	0	0	0	17,184	0	0	0	0	17,184
Shareholder loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance GST	0	0	0	0	0	0	0	-913	8	14	1,051	146	305
Refund or Remittance of GST	0	0	0	0	0	0	0	0	0	-905	0	0	-905
Net Cash Flow (or Deficiency)	0	0	0	0	0	0	0	17,653	-4,020	-2,973	16,329	-1,305	25,684
Cash (or Overdraft), Begin, of Month	0	0	0	0	0	0	0	0	17,653	13,633	10,660	26,989	25,684
Cash (or Overdraft), End of Month	0	0	0	0	0	0	0	17,653	13,633	10,660	26,989	25,684	

CASH FLOW PROJECTION FOR YEAR 2 (2019)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Revenue													
Total Sales	5,650	20,600	4,610	5,775	12,600	11,070	11,025	3,250	3,653	2,025	33,128	5,985	119,371
Services	5,650	20,600	4,610	5,775	12,600	11,070	11,025	3,250	3,653	2,025	33,128	5,985	119,371
Products													0
Cash Sales	5,650	20,600	4,610	5,775	12,600	11,070	11,025	3,250	3,653	2,025	33,128	5,985	119,371
Account Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Sales GST	283	1,030	231	289	630	554	551	163	183	101	1,656	299	5,969
Direct Expenses													
Cost of Sales								813	913	506	8,282	1,496	12,010
Cost of Sales Paid													0
Acc. Payable Paid													0
Cost of Sales Paid GST	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Margin	5,650	20,600	4,610	5,775	12,600	11,070	11,025	3,250	3,653	2,025	33,128	5,985	119,371
Administrative Expenses													
CEO Salary	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	48,758
CEO payroll deductions	449	449	449	449	449	449	449	449	449	449	449	449	5,386
Executive Assistant salary	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	38,639
Executive assistant payroll deductions	415	415	415	415	415	415	415	415	415	415	415	415	4,981
WCB coverage	3	3	3	3	3	3	3	3	3	3	3	3	35
Rent	800	800	800	800	800	800	800	800	800	800	800	800	9,600
Visa/Mastercard Fee	174	555	148	177	351	312	311	113	123	82	875	183	3,404
Cellphone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Advertising and promotion	100	1,300	100	100	100	100	100	100	1,300	100	100	100	3,600
Maintenance and repairs	50	50	50	50	50	50	50	50	50	50	50	50	600
Interest on long term debt	87	85	84	83	81	80	79	77	76	74	73	72	950
Supplies and miscellaneous	25	25	25	25	25	25	25	25	25	25	25	25	300
Insurance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600
Taxes and licences													0
Total Adm. Exp. GST	54	114	54	54	54	54	54	54	114	54	54	54	765
Total Administrative Expenses	9,636	11,216	9,606	9,635	9,807	9,767	9,765	9,565	10,774	9,531	10,323	9,629	119,253
Income (or loss)	-3,986	9,384	-4,996	-3,860	2,793	1,303	1,260	-6,315	-7,121	-7,506	22,805	-3,644	118
Add:													
Cash Investment	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank loan advance	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributed Capital & Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributed Capital & Equipment GST	0	0	0	0	0	0	0	0	0	0	0	0	0
Deduct:													
Bank loan principal payments	214	215	216	218	219	220	222	223	224	226	227	229	2,653
Start-up costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholder loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance GST	229	916	177	235	576	500	498	109	69	48	1,603	246	5,204
Refund or Remittance of GST	1,210	0	0	1,322	0	0	1,311	0	0	675	0	0	4,518
Net Cash Flow (or Deficiency)	-5,409	9,170	-5,213	-5,399	2,574	1,083	-272	-6,538	-7,345	-8,407	22,578	-4,118	-7,298
Cash (or Overdraft), Begin. of Month	25,684	20,046	29,216	24,003	18,604	21,177	22,260	21,988	15,450	8,104	-302	22,276	18,157
Cash (or Overdraft), End of Month	20,046	29,216	24,003	18,604	21,177	22,260	21,988	15,450	8,104	-302	22,276	18,157	

CASH FLOW PROJECTION FOR YEAR 3 (2020)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Revenue													
Total Sales	8,475	30,900	6,915	8,663	18,900	16,605	16,537	4,875	5,479	3,038	49,691	8,998	179,076
Services	8,475	30,900	6,915	8,663	18,900	16,605	16,537	4,875	5,479	3,038	49,691	8,998	179,076
Products													0
Cash Sales	8,475	30,900	6,915	8,663	18,900	16,605	16,537	4,875	5,479	3,038	49,691	8,998	179,076
Account Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Sales GST	424	1,545	346	433	945	830	827	244	274	152	2,485	450	8,954
Direct Expenses													
Cost of Sales	2,119	7,725	1,729	2,166	4,725	4,151	4,134	1,219	1,370	760	12,423	2,250	44,769
Cost of Sales Paid													0
Acc. Payable Paid													
Cost of Sales Paid GST	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Margin	8,475	30,900	6,915	8,663	18,900	16,605	16,537	4,875	5,479	3,038	49,691	8,998	179,076
Administrative Expenses													
CEO Salary	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	4,063	48,758
CEO payroll deductions	449	449	449	449	449	449	449	449	449	449	449	449	5,386
Executive Assistant Salary	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	3,220	38,639
Executive Assistant payroll deductions	415	415	415	415	415	415	415	415	415	415	415	415	4,981
WCB coverage	3	3	3	3	3	3	3	3	3	3	3	3	35
Rent	800	800	800	800	800	800	800	800	800	800	800	800	9,600
Visa/Mastercard Fee	246	818	206	251	512	453	452	154	170	107	1,297	259	4,926
Cellphone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Advertising and promotion	100	1,300	100	100	100	100	100	100	1,300	100	100	100	3,600
Maintenance and repairs	50	50	50	50	50	50	50	50	50	50	50	50	600
Interest on long term debt	70	69	67	66	64	63	61	60	58	57	55	54	746
Supplies and miscellaneous	50	50	50	50	50	50	50	50	50	50	50	50	600
Insurance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Bank charges	50	50	50	50	50	50	50	50	50	50	50	50	600
Taxes and licences													0
Total Adm. Exp. GST	55	115	55	55	55	55	55	55	115	55	55	55	780
Total Administrative Expenses	9,716	11,487	9,674	9,717	9,976	9,916	9,913	9,614	10,828	9,564	10,753	9,713	120,871
Income (or loss)	-1,241	19,413	-2,759	-1,054	8,924	6,689	6,624	-4,739	-5,349	-8,526	38,938	-715	58,205
Add:													
Cash Investment	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank loan advance	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributed Capital & Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributed Capital & Equipment GST	0	0	0	0	0	0	0	0	0	0	0	0	0
Deduct:													
Bank loan principal payments	230	231	233	234	236	237	239	240	242	243	245	246	2,857
Start-up costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholder loan repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance GST	369	1,430	291	378	890	775	772	189	159	97	2,430	395	8,174
Refund or Remittance of GST	1,896	0	0	2,090	0	0	2,043	0	0	1,120	0	0	7,148
Net Cash Flow (or Deficiency)	-3,367	19,182	-2,991	-3,378	8,688	6,451	4,342	-4,979	-5,591	-7,889	38,694	-1,356	41,805
Cash (or Overdraft), Begin. of Month	18,157	14,790	33,972	30,981	27,603	36,291	42,743	47,085	42,105	36,514	28,625	67,319	65,962
Cash (or Overdraft), End of Month	14,790	33,972	30,981	27,603	36,291	42,743	47,085	42,105	36,514	28,625	67,319	65,962	

Appendix F: Balance Sheet

Life Strategy Academy Income Statement

	Year 1	%	Year 2	%	Year 3	%
Revenue						
Total Sales	29,860	100.00%	119,371	100.00%	179,076	100.00%
Total Sales GST	1,493	5.00%	5,969	5.00%	8,954	5.00%
Direct Expenses						
Cost of Total Sales	0	0.00%	12,010	10.06%	44,769	25.00%
Cost of Total Sales GST	0	0.00%	601	0.50%	2,238	1.25%
Gross Profit	28,367	95.00%	101,993	85.44%	127,592	71.25%
Administrative Expenses						
CEO Salary	0	0.00%	48,758	40.85%	48,758	27.23%
Management payroll deductions	0	0.00%	5,386	4.51%	5,386	3.01%
Staff Wages	16,099	53.92%	38,639	32.37%	38,639	21.58%
Staff payroll deductions	2,076	6.95%	4,981	4.17%	4,981	2.78%
WCB coverage	15	0.05%	35	0.03%	35	0.02%
Rent	4,000	13.40%	9,600	8.04%	9,600	5.36%
Visa/Mastercard fee	881	2.95%	3,404	2.85%	4,926	2.75%
Cellphone	500	1.67%	1,200	1.01%	1,200	0.67%
Advertising and promotion	1,700	5.69%	3,600	3.02%	3,600	2.01%
Maintenance and repairs	250	0.84%	600	0.50%	600	0.34%
Interest on long term debt	453	1.52%	950	0.80%	746	0.42%
Supplies and miscellaneous	125	0.42%	300	0.25%	600	0.34%
Insurance	500	1.67%	1,200	1.01%	1,200	0.67%
Bank charges	250	0.84%	600	0.50%	600	0.34%
Permits and licences	0	0.00%	0	0.00%	0	0.00%
Total Adm. Exp. GST	329	1.10%	765	0.64%	780	0.44%
Total Administrative Expense	26,849	89.91%	119,253	99.90%	120,871	67.50%
Assets Depreciation	737	2.47%	590	0.49%	472	0.26%
GST Refund or Remittance	1,164	3.90%	4,603	3.86%	5,935	3.31%
Net Profit Before Tax	781	2.62%	-17,850	-14.95%	6,249	3.49%
Income Tax	141	0.47%	-3,213	-2.69%	1,125	0.63%
Net Profit after Tax	640	2.14%	-14,637	-12.26%	5,124	2.86%

Appendix F: Balance Sheet

Life Strategy Academy Balance Sheet				
	Year 1		Year 2	Year 3
	Opening	Closing	Closing	Closing
Assets				
Cash/Bank Account	0	25,684	18,157	65,962
Accounts Receivable	0	0	0	0
Other Current Assets	13,497			
CURRENT ASSETS	13,497	25,684	18,157	65,962
Fixed Assets	1,286		-1,029	-206
Less Accum. Depreciation		1,029	-823	-165
FIXED ASSETS	1,286	-1,029	-206	-41
TOTAL ASSETS	14,783	24,655	17,952	65,921
Liabilities				
Accounts Payables	0	0	1,496	2,250
GST Payable	0	1,210	1,896	2,921
Income Tax Payable	0	141	-3,213	1,125
Current Portion L.T.D.	0	453	950	746
Current Liabilities	0	1,803	1,129	7,041
Long Term Debt	15,000	14,547	13,597	8,442
TOTAL LIABILITIES	15,000	16,351	14,726	15,483
Equity				
TOTAL EQUITY	-217	8,305	3,225	50,438