****

9B18M086

backyard pub: inflatable ideas

Jessica Welsh wrote this case under the supervision of Professor Ian Dunn solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

*This publication may not be transmitted, photocopied, digitized or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e)* [*cases@ivey.ca*](mailto:cases@ivey.ca)*;* [*www.iveycases.com*](http://www.iveycases.com)*.*

Copyright © 2018, Ivey Business School Foundation Version: 2019-10-29

In April 2017, Ryan Thompson was trying to decide whether he would start a new business, Backyard Pub (BYP)—a company that would rent inflatable pubs and party supplies for individuals planning outdoor summer gatherings across Southwestern Ontario. To help make his decision, Thompson wanted to assess the business environment, evaluate the product and marketing strategy, and project the new venture’s financial performance for the first three years of operations.

THE VENTURE

Thompson was a third-year student in Management and Organizational Studies at Western University (Western) in London, Ontario. As the school year was coming to a close, he was considering his summer employment opportunities. Since graduating from high school, Thompson had spent his summers working as a camp counsellor at a day camp in his hometown of Kilworth, Ontario.He was able to return to the camp that summer, but Thompson was reluctant. Since he would be graduating from Western in April 2018, he hoped to find an opportunity that would provide him with the experience he needed to secure full-time employment upon graduation.

Thompson had aspirations of pursuing a career in party and event planning and had been researching potential job opportunities in the industry when he came across a website selling inflatable Irish pubs (see Exhibit 1). Before investing in this venture, Thompson wanted to ensure the venture was worthwhile and would allow him enough time to complete his studies from September to April. To start the business, Thompson intended to use his personal savings, but he expected to see at least a 20 per cent annual return by the end of the first year. In order for Thompson to consider this a full-time position after graduation, he needed to be able to draw a salary of at least $4,000 per month by the second year of operations.

THE party SUPPLY rental industry

Prior to investing his savings into the venture, Thompson wanted to assess the risks and opportunities that entering the party supply rental industry entailed. Data was available about the industry in the United States but not for the industry in Canada. Although the Canadian market was substantially smaller than the American market, Thompson believed the findings would be comparable for the Canadian market.

In 2016, the party supply rental industry had 10,453 companies that had generated US$5.2 billion[[1]](#footnote-1) in revenue.[[2]](#footnote-2) While companies varied in size, the industry did not have any major players and had low barriers to entry. Between 2011 and 2016, the industry had experienced an annual growth rate of 4.3 per cent; however, it was expected to continue growing at a lower annual growth rate of 0.9 per cent between 2016 and 2021.[[3]](#footnote-3)

Consumers had become more price conscious, and many were turning to the Internet to compare competitors’ pricing prior to renting party supplies. As a result, companies began to have difficulty competing based on price and had shifted their business focus to incorporate a larger array of value-added services. Large companies in the industry had begun to offer comprehensive event-planning packages while smaller companies had developed partnerships with catering and planning companies to allow a wider range of services to be offered to their clients.[[4]](#footnote-4)

competition

Thompson identified two distinct categories of competitors in the party supply rental market in Southwestern Ontario: traditional party supply rental companies and inflatable party supply rental companies specializing in activity-based rentals.

Party Supply Rental Companies

A&B Party and Tent Rental[[5]](#footnote-5)

A&B Party and Tent Rental (A&B) was established in London, Ontario, in 1960 with only 20 six-foot tables and 200 chairs available for rent. Since then, the company had become London’s leading rental supplier and was able to accommodate events with over 3,000 people. The company had been family owned and operated for three generations. A&B had partnerships with over 27 event vendors across London and Southwestern Ontario, including Great Hall Catering and The Wave at Western; several golf and country clubs, including West Haven and Sunningdale; and a number of wedding planners.

A&B tried to service all rental needs for parties between Kitchener-Waterloo and Windsor. It offered a wide array of rentals including tables, chairs, tents, serving equipment, food machines, decorations, carnival games, lighting, and stages. Depending on their size, shape, and type, tables could be rented for $7 to $16 each, and chairs could be rented for $1.40 to $12.95 each. Tents ranged in size from 90 square feet to 4,800 square feet and were large enough to accommodate up to 480 standing guests or 340 seated guests. A 20-by-20-foot tent that accommodated approximately 40 standing guests could be rented from A&B for a weekend rate of $550. For a weekend event, A&B set the tent up on a Friday afternoon and disassembled it the following Monday morning. On top of the tent rental, customers could also rent a dance floor. Dance floors were 12 square feet and cost $18 per piece.

Signature Event Rentals and Linen Service[[6]](#footnote-6)

Signature Event Rentals and Linen Service (SE) was located in Hyde Park, a neighbourhood in northwest London. The company was established in 2002 and mainly focused on renting items for formal events like weddings. The company rented tables for $6.00–$8.50 each and chairs for $1.50–$7.75 each. Prices were based on the size, type, and quality of the items. As well, SE rented linens, centrepieces, decorations, and dinnerware including cutlery, glassware, dishware, and serving items.

In 2013, SE was subject to an unfortunate and highly publicized accident at one of its client’s homes. A 22‑year-old employee was killed while setting up a tent for a wedding. The worker had accidentally struck an overhanging power line with one of the tent poles, causing several employees and himself, to be electrocuted. As a result, SE was fined $100,000 and discontinued its tent rental business stream.[[7]](#footnote-7)

Big Top Tent Rentals[[8]](#footnote-8)

Big Top Tent Rentals (BTTR) had served London and area for over 24 years. Its product offerings included tables, chairs, linens, lighting, dinnerware, flooring, stages, heating and cooling equipment, washrooms, and tents. BTTR offered one type of table and chair that could be rented for $9.50 and $1.25 each, respectively. BTTR offered tents that could seat 10 to 4,000 people. A 20 by 20-foot tent could be rented from the company for $600 for a weekend. All weekend rentals were set up on Friday afternoon and taken down the following Monday morning.

Raymond Brothers Limited[[9]](#footnote-9)

Raymond Brothers Limited (RBL) was established in London, Ontario, in 1903 and by 1998 had grown into a company with over 40 employees. RBL offered all of the standard rental options that customers expected when planning a wedding, and it had begun selling residential and commercial awnings and screens as well. Tables and chairs were rented for $7.50–$16.00 and $1.80–$7.50 each, respectively.

RBL offered several different options when it came to customer tent needs. A customer-set-up canopy rented for $75–$200 per day. The smallest available canopy was 100 square feet, and the largest was 600 square feet. If a canopy was not sufficient for a customer’s needs, a pole or frame tent, which was set up by RBL’s employees, could also be rented. These tents ranged in size from 1,600 to 10,000 square feet. A 15-by-30-foot frame tent that was large enough to accommodate 37 standing guests cost $450 per weekend. Pole and frame tents required for a weekend event were set up on Friday and picked up on the following Monday morning. Dance floors for these tents cost $16 per section and were nine square feet each.

Inflatable Party Supply Rental Companies

I-Fast Parties Ltd.[[10]](#footnote-10)

I-Fast Parties Ltd. (I-Fast) was established in 1986 as a family-owned and operated business in London and serviced the activity-based party supply rental market across Southwestern Ontario. I-Fast’s rentals included interactive challenges, bouncy castles, mazes, ball pits, obstacle courses, and slides. Inflatables suitable for a backyard birthday party rented for $250 for four hours. I-Fast offered free delivery, set-up, and take-down within the city of London. While a wide variety of inflatables were offered, I-Fast did not have any inflatables in place of a tent. It offered canopies for rent but only in a 10-by-10-foot option.

Aside from inflatables and canopies, the company offered large games like Twister, mini golf, dunk tanks, photo booths, and casino games. Food machines were available for rent and allowed customers to make their own snow cones, popcorn, hot dogs, cotton candy, and candy apples. I-Fast did not offer table rentals; however, plain black or white folding chairs were available for rent.

Redline Inflatables[[11]](#footnote-11)

Redline Inflatables (RI) was established in 2009 in Windsor, Ontario, but serviced areas across Southwestern Ontario, including London. RI offered the largest activity-based party supply rental inventory in the region. Some of the more popular inflatable rentals included bouncy castles, Velcro walls, gladiator joust, giant slides, and obstacle courses. Depending on the type and size, inflatables rented for $179 to $740 per day. If a larger inflatable was rented or if the inflatables were rented for a corporate event, an attendant was required to be on site at all times. Deliveries to customers outside of Windsor were subject to a delivery fee based on the distance and type of item.

RI offered a wide range of other rentals to meet customer needs, including costumes, dunk tanks, lawn letters, golf games, food machines, movie screens, and basic tables and chairs for $11.00 and $1.50 each, respectively. RI did not offer any tent rentals or any inflatable rentals to use in place of a tent.

**coNSUMERS**

The party supply rental industry was made up of wedding rentals (34.8 per cent), birthday rentals (15.2 per cent), corporate event rentals (31.3 per cent), and other event rentals (18.7 per cent). For these events, the most common items rented included inflatable equipment, gazebos, tents, carnival games, decorations, tables, chairs, silverware, plates, bowls, linens, and food service equipment.[[12]](#footnote-12) Since the industry had such a wide range of party supply needs, Thompson analyzed his different consumer groups based on their age range. Thompson wanted to ensure that he was selecting consumers from the target market that could afford BYP’s rental offerings, had enough space in their backyard to accommodate rentals, and planned events that needed this type of product.

Consumers under 25

Demand for party and event rentals with consumers under the age of 25 was the lowest, at 10.7 per cent of the overall industry. In this age group, individuals were likely looking for rentals for a birthday party but were not likely to be throwing lavish parties. Because of their limited disposable income, this age group was not likely to be planning weddings or hosting corporate events.[[13]](#footnote-13) In London, Ontario, there were approximately 40,215 individuals between the ages of 18 and 24.[[14]](#footnote-14)

Thompson wondered if it made sense to target students despite their low disposable income compared to other age groups. During the school year, Western had approximately 35,180 full-time undergraduate students enrolled,[[15]](#footnote-15) and Fanshawe College had 21,000 full-time students enrolled.[[16]](#footnote-16) A rental like this might be popular with this demographic for larger gatherings such as homecoming, Halloween, and sorority and fraternity events. If the rental were for an event with ticket sales, he wondered if these consumers’ lower disposable income in comparison to older demographics would still be an issue.

Consumers 25 to 44

Consumers aged 25 to 44 represented 40.7 per cent of the party and event rental industry’s total revenue,[[17]](#footnote-17) and represented approximately 101,600 individuals in London, Ontario.[[18]](#footnote-18) Recent trends showed that the average age to wed was 29 for women and 31 for men. Thompson did not think many couples in this group wanted the pub at their wedding reception. However, targeting engaged couples was still a lucrative market since these couples typically planned engagement parties, bridal showers, bachelor and bachelorette parties, stag and doe events, and rehearsal dinners. These types of events made an ideal setting for BYP’s rental offerings.[[19]](#footnote-19)

Individuals within this age group tended to have strong buying power due to their higher disposable income compared to the younger age group. Aside from weddings, this age group also tended to need party and event rentals to help celebrate their children’s birthdays, baptisms, bar and bat mitzvahs, and their own milestone anniversaries and birthdays.[[20]](#footnote-20)

Consumers 45 to 64

Individuals aged 45 to 64 represented 35.2 per cent of industry revenues, making this segment the second-largest consumer-spending group in the industry. London had 103,725 individuals between the ages of 45 and 64.[[21]](#footnote-21) Typically, this group had the largest amount of disposable income and rented party supplies for milestone birthdays, wedding anniversaries, corporate events, and their children’s weddings. This age group was likely not looking into rentals for their own weddings. While they might have been getting married for the second or third time, consumers usually spent more on rentals for their first wedding than for subsequent weddings.[[22]](#footnote-22)

Consumers 65 and over

Consumers aged 65 and over made up 13.3 per cent of industry revenue. This group tended to require event rental options for milestone birthdays, wedding anniversaries, and retirement parties.[[23]](#footnote-23) This age group represented 63,755 individuals in London, with 35,280 of them being between the ages of 65 and 79.[[24]](#footnote-24)

MARKETING PLAN

Product and Price

Backyard Pub offered three different rental options: Package 1, Package 2, and Package 3. Each rental option was available for rent for a 24-hour period. Customers also had the option to purchase an add-on convenience package containing additional party supplies when renting from BYP. Packages 1, 2, and 3 were rented for $475, $650, and $700, respectively, per 24-hour period; the add-on convenience package was purchased for $75 (see Exhibit 2).

It took one individual 10 minutes to set up and take down the inflatable pub. Delivery and set-up were scheduled for the day of the event, and take-down was scheduled for later that same day or the following morning, depending on consumer preference. Thompson rented to customers in the city of London and surrounding area within a radius of 30 kilometres.

Promotion

Thompson debated the best way to promote BYP’s rental offerings. Online marketing was lucrative, but could be expensive, especially for a new business.

Thompson considered Facebook and Instagram advertising. BYP could use either a cost-per-click (CPC) method of advertising that charged BYP every time a user clicked on an advertisement, or it could use a cost-per-thousand-impressions (CPM) method of advertising that charged BYP for each user to whom an advertisement was displayed. Since Facebook owned Instagram, any advertising done on Instagram could also be seen on Facebook and vice versa. Thompson had learned that he would pay between $1.30 and $3.00 per click for CPC advertising versus $4.00 per 1,000 impressions for CPM advertising. If he used Facebook and Instagram for advertising, Thompson could select the audience for these advertisements using Facebook users’ demographic information. This information was submitted by users upon signing up for the social media sites and was based on the users’ activity while using the sites.[[25]](#footnote-25)

Thompson also considered advertising with Google AdWords using a CPC method. Instead of using the demographic information associated with Facebook and Instagram advertising, Google AdWords identified consumers by their Google search terms. Thompson needed to identify some keywords that he believed related to users looking for rentals for their outdoor gatherings. Google would charge Thompson an average of $3.25 per click.[[26]](#footnote-26)

Additionally, Thompson could advertise using Canada Post’s Smartmail Marketing option. This option allowed Thompson to target individuals who lived in higher income neighbourhoods by sending flyers to specific postal codes. At a cost of $0.33 per piece of mail, Canada Post would print and deliver on BYP’s behalf.[[27]](#footnote-27) BYP selected only those postal codes where the average household income was above $100,000. Anyone planning to rent an inflatable for a backyard gathering would need to have adequate space. As a result, Thompson thought it would not be a valuable use of marketing dollars to send advertisements to individuals who did not have large backyards, even if the neighbourhood had a high average household income. While Canada Post had a tool available to small businesses to ensure their mail was sent only to detached dwellings, Thompson was still concerned that some detached dwellings within the city of London would not have large enough backyards to comfortably accommodate an inflatable pub. If Thompson went ahead with this marketing campaign, he intended to target only those postal codes outside the city limits in Middlesex Centre,[[28]](#footnote-28) where property sizes were more likely to be large enough to easily accommodate these rentals. Middlesex Centre had 7,219 detached dwellings with a household income above $100,000.[[29]](#footnote-29) All of these homes would be within Thompson’s desired delivery radius for BYP.

THE FIRST THREE YEARS

Thompson knew start-up companies usually took a few years to gain traction, so he wanted to project a statement of earnings, a cash budget, and a statement of financial position for each of the venture’s first three years using April 30 as BYP’s fiscal year end.

Revenues

Thompson estimated that BYP would have between 60 and 92 rentals during the first year but would be subject to seasonality (see Exhibit 3). Thompson felt that 50 per cent of rentals would be for Package 2 and 25 per cent of rentals would be for Package 1 and Package 3. Thompson also estimated that his add-on convenience package would be purchased by 25 per cent of all customers regardless of the initial package purchased. Thompson planned to have five of these packages on hand in his inventory at all times.

BYP planned to use a third-party, e-commerce application to accept payments for its website sales. The company would deposit the money into BYP’s bank account immediately following the transaction. Each transaction cost BYP 2.65 per cent of the sale amount. Customers paid a 50 per cent deposit upon reserving the rental, with the remainder due on delivery of the rental. Because April and May were slower months, Thompson did not anticipate any rentals being reserved and not completed by fiscal year end. BYP’s website was built and hosted at an annual cost of $250 paid in May each year.

Costs

Thompson wanted to limit his personal liability related to BYP and decided he would incorporate the business. The cost to incorporate BYP was $2,500, and all fees were paid in June. Incorporating in Canada required BYP to complete a newly updated automated name search (NUANS) for $40, due in May. This search identified whether any existing companies had the same name as the company filing for incorporation. If the name “Backyard Pub” was too similar to an existing company name, Thompson would have to change the company’s name before incorporating. These start-up costs were expensed in BYP’s first fiscal year. Business insurance was required and cost $200 per month.

To complete deliveries, Thompson needed to purchase a $36,000 pickup truck.[[30]](#footnote-30) The purchase of the truck would be financed with a bank loan requiring monthly payments over the next six years with an annual interest rate of 4 per cent. The truck would be purchased on May 1, with the first loan payment due on June 1, 2017 (see Exhibit 4). The pickup truck’s average fuel consumption was 13.2 litres per 100 kilometres, and fuel prices averaged $1.06 per litre. Thompson planned to invest $2,500 in a vehicle wrap that would display his company logo and contact information on the truck. The wrap was scheduled to be installed May 1, 2017. During the first three years, Thompson anticipated that the average trip to deliver the rental items would be 15 kilometres each way. Insurance on the vehicle cost $1,800 per year and was paid in equal monthly instalments.

Thompson planned to complete all deliveries himself during the first year of operations, but in years two and three, he wanted to hire a part-time employee to help with deliveries. The part-time employee would be paid $15 per hour and work approximately 24 hours per month during his anticipated peak season of June to September. Since BYP did not require two vehicles year round, Thompson planned to rent a pickup truck on an as-needed basis whenever his employee was working. The truck cost $60 per day to rent for 16 days per year, plus the cost of fuel.

Thompson planned set up a business account at TD Canada Trust for $10 per month. He budgeted $2,400 to be spent on advertising in year one and planned to increase this budget by $1,200 each year. Advertising expenditures were incurred evenly between March and August each year.

Rental Equipment

To start operations, Thompson planned to purchase enough rental equipment in May to accommodate two complete rentals of Package 3 concurrently. In year two, Thompson planned to purchase additional rental equipment to accommodate five complete rentals of Package 3 concurrently and eight complete rentals in year three. Purchases made in years two and three would be made at the beginning of June. All rental equipment was depreciated using the straight-line method with no residual value. Thompson estimated that the inflatable pubs had a useful life of three years, while all other rental equipment had a useful life of 10 years.

With the extra available equipment, Thompson expected sales to grow to between 128 and 192 rentals in year two and 176 and 272 rentals in year three.

All rental equipment would be kept in storage at a cost of $240 per month. Thompson would have access to the stored equipment 24 hours a day, seven days a week.

Decision

First, Thompson wanted to evaluate BYP’s marketing options. He did not feel that any changes or decisions related to the selected marketing strategy materially influenced his financial statements, but they helped BYP reach its high sales estimates each year. Thompson wanted to project three years of statements of earnings, cash budgets, and statements of financial position. He wanted to withdraw a salary of $10,000 in October during the first fiscal year. In subsequent years, he wanted to be compensated with a monthly salary of $4,000. The small-business tax rate in Canada was 10.5 per cent of pre-tax earnings and was payable in June of the following year. Thompson invested his personal savings to fund all investments aside from the truck required to launch Backyard Pub.

Thompson started right away to determine if this venture was feasible. If Thompson could not take a salary of $10,000 during the first fiscal year, he would need to look at an alternate summer employment opportunity.

Exhibit 1: inflatable backyard pub

****

Source: Company files.

Exhibit 2: Backyard Pub Package Contents and BYP’s Cost to purchase

|  |  |  |
| --- | --- | --- |
| **Package 1:** | **Quantity Required** | **BYP’s Unit Cost to Purchase ($)** |
| Inflatable Pub | 1 | 2,000 |
| Extension Cord | 1 | 25 |
|  |  |  |
| **Package 2:** | **Quantity Required** | **BYP’s Unit Cost to Purchase ($)** |
| Inflatable Pub | 1 | 2,000 |
| Extension Cord | 2 | 25 |
| Kegerator\* | 1 | 500 |
| Mini-Fridge | 1 | 200 |
| Chairs | 12 | 22 |
| Rectangular Tables | 2 | 90 |
|  |  |  |
| **Package 3:** | **Quantity Required** | **BYP’s Unit Cost to Purchase ($)** |
| Inflatable Pub | 1 | 2,000 |
| Extension Cord | 2 | 25 |
| Kegerator | 1 | 500 |
| Mini-Fridge | 1 | 200 |
| Chairs | 24 | 22 |
| Rectangular Tables | 2 | 90 |
| Circular Tables | 2 | 140 |
| Bluetooth Outdoor Party Speaker | 1 | 275 |
|  |  |  |
| **Add-on Convenience Package:** | **Quantity Required** | **BYP’s Unit Cost to Purchase ($)** |
| Plastic Cups | 100 | 9.17 |
| Ping Pong Balls | 10 | 3.75 |
| Napkins | 1 package | 2.88 |
| Paper Plates | 50 | 8.00 |
| Cutlery | 1 package (167 pieces) | 13.19 |

Note: \* A kegerator was a specialty refrigerator used to store and dispense beer from a keg.

Source: Company files.

Exhibit 3: Monthly sales projections for BYP (units)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Year 1 Low** | **Year 1 High** | **Year 2 Low** | **Year 2 High** | **Year 3 Low** | **Year 3 High** |
| May | 4 | 4 | 8 | 8 | 8 | 8 |
| June | 12 | 20 | 24 | 40 | 36 | 60 |
| July | 12 | 20 | 24 | 40 | 36 | 60 |
| August | 12 | 20 | 24 | 40 | 36 | 60 |
| September | 12 | 20 | 24 | 40 | 36 | 60 |
| October | 4 | 4 | 8 | 8 | 8 | 8 |
| November | 0 | 0 | 0 | 0 | 0 | 0 |
| December | 0 | 0 | 0 | 0 | 0 | 0 |
| January | 0 | 0 | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 | 0 | 0 |
| March | 0 | 0 | 8 | 8 | 8 | 8 |
| April | 4 | 4 | 8 | 8 | 8 | 8 |
| **Total** | **60** | **92** | **128** | **192** | **176** | **272** |

Source: Company files.

Exhibit 4: partial Bank Loan repayment Schedule for BYP (CA$)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Opening Balance** | **Interest Payment** | **Principal Payment** | **Ending Balance** |
| May 1, 2017 | 36,000 | 0 | 0 | 36,000 |
| June 1, 2017 | 36,000 | 120 | 500 | 35,500 |
| July 1, 2017 | 35,500 | 118 | 500 | 35,000 |
| August 1, 2017 | 35,000 | 117 | 500 | 34,500 |
| September 1, 2017 | 34,500 | 115 | 500 | 34,000 |
| October 1, 2017 | 34,000 | 113 | 500 | 33,500 |
| November 1, 2017 | 33,500 | 112 | 500 | 33,000 |
| December 1, 2017 | 33,000 | 110 | 500 | 32,500 |
| January 1, 2018 | 32,500 | 108 | 500 | 32,000 |
| February 1, 2018 | 32,000 | 107 | 500 | 31,500 |
| March 1, 2018 | 31,500 | 105 | 500 | 31,000 |
| April 1, 2018 | 31,000 | 103 | 500 | 30,500 |
| May 1, 2018 | 30,500 | 102 | 500 | 30,000 |
| June 1, 2018 | 30,000 | 100 | 500 | 29,500 |
| July 1, 2018 | 29,500 | 98 | 500 | 29,000 |
| August 1, 2018 | 29,000 | 97 | 500 | 28,500 |
| September 1, 2018 | 28,500 | 95 | 500 | 28,000 |
| October 1, 2018 | 28,000 | 93 | 500 | 27,500 |
| November 1, 2018 | 27,500 | 92 | 500 | 27,000 |
| December 1, 2018 | 27,000 | 90 | 500 | 26,500 |
| January 1, 2019 | 26,500 | 88 | 500 | 26,000 |
| February 1, 2019 | 26,000 | 87 | 500 | 25,500 |
| March 1, 2019 | 25,500 | 85 | 500 | 25,000 |
| April 1, 2019 | 25,000 | 83 | 500 | 24,500 |
| May 1, 2019 | 24,500 | 82 | 500 | 24,000 |
| June 1, 2019 | 24,000 | 80 | 500 | 23,500 |
| July 1, 2019 | 23,500 | 78 | 500 | 23,000 |
| August 1, 2019 | 23,000 | 77 | 500 | 22,500 |
| September 1, 2019 | 22,500 | 75 | 500 | 22,000 |
| October 1, 2019 | 22,000 | 73 | 500 | 21,500 |
| November 1, 2019 | 21,500 | 72 | 500 | 21,000 |
| December 1, 2019 | 21,000 | 70 | 500 | 20,500 |
| January 1, 2020 | 20,500 | 68 | 500 | 20,000 |
| February 1, 2020 | 20,000 | 67 | 500 | 19,500 |
| March 1, 2020 | 19,500 | 65 | 500 | 19,000 |
| April 1, 2020 | 19,000 | 63 | 500 | 18,500 |
| May 1, 2020 | 18,500 | 62 | 500 | 18,000 |

Source: Company files.

1. All currency amounts are in Canadian dollars unless specified otherwise. [↑](#footnote-ref-1)
2. “Party Supply Rental in the US,” IBISWorld, accessed July 12, 2017, https://www.ibisworld.com/. [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. Ibid. [↑](#footnote-ref-4)
5. “Party Tents,” A&B Party and Tent Rental, accessed July 12, 2017, www.a-bpartyrental.com/product-category/party-wedding-tents-rentals/party-tents/. [↑](#footnote-ref-5)
6. “Our Company,” Signature Event: Rentals & Linen Service, accessed July 12, 2017, www.signatureevents.ca. [↑](#footnote-ref-6)
7. Kate Dubinski, “Electrocution: Signature Events Rental Shoppe of London Has Been Fined $100,000 in Death of Worker,” lfpress.com: News Local, February 4, 2015, accessed July 12, 2017, www.lfpress.com/2015/02/03/signature-events-rental-shoppe-of-london-has-been-fined-100000-in-death-of-worker. [↑](#footnote-ref-7)
8. “Weddings,” Big Top Tent Rentals: Your Event Specialist, accessed July 12, 2017, www.bigtoptents.com. [↑](#footnote-ref-8)
9. Raymond Brothers Limited, accessed July 12, 2017, www.raymondbrothers.ca. [↑](#footnote-ref-9)
10. “The Magic of Party & Event Inflatables,” I-Fast Parties Ltd., accessed July 12, 2017, www.ifastparties.com. [↑](#footnote-ref-10)
11. “We Bring the Really Really Fun Stuff!” Redline Inflatables: Windsors Favourite Event Rentals, accessed July 12, 2017, www.redlineinflatables.com/home. [↑](#footnote-ref-11)
12. “Part Supply Rental in the US,” IBIS World, op. cit. [↑](#footnote-ref-12)
13. Ibid. [↑](#footnote-ref-13)
14. “Data Tables, 2016 Census: Age and Average Age and Sex for the Population of Canada, Provinces and Territories, Census Divisions, and Census Subdivisions and Dissemination Areas, 2016 Census – 100% Data,” accessed July 15, 2017, www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?TABID=2&LANG=E&APATH=3&DETAIL=0&DIM=

    0&FL=A&FREE=0&GC=0&GK=0&GRP=1&PID=109525&PRID=35&PTYPE=109445&S=0&SHOWALL=0&SUB=0&Temporal=2016&THEME=115&VID=0&VNAMEE=&VNAMEF=. [↑](#footnote-ref-14)
15. “Enrolment by University: 2017 Full-time and Part-time Fall Enrolment at Canadian Universities,” Universities Canada, accessed July 15, 2017, www.univcan.ca/universities/facts-and-stats/enrolment-by-university/. [↑](#footnote-ref-15)
16. Fanshawe College website, accessed July 15, 2017, www.fanshawec.ca/about-fanshawe/campus/london-campus [↑](#footnote-ref-16)
17. “Part Supply Rental in the US,” IBIS World, op. cit. [↑](#footnote-ref-17)
18. Statistics Canada, op. cit. [↑](#footnote-ref-18)
19. “Part Supply Rental in the US,” IBIS World, op. cit. [↑](#footnote-ref-19)
20. Ibid. [↑](#footnote-ref-20)
21. Statistics Canada, op. cit. [↑](#footnote-ref-21)
22. “Part Supply Rental in the US,” IBIS World, op. cit. [↑](#footnote-ref-22)
23. Ibid. [↑](#footnote-ref-23)
24. Statistics Canada, op. cit. [↑](#footnote-ref-24)
25. “Make Meaningful Connections with People to Grow Your Business,” Facebook Business, accessed July 12, 2017, https://www.facebook.com/business/. [↑](#footnote-ref-25)
26. “Overview: Choose How You Want to Reach your Customers,” Google AdWords, accessed July 12, 2017, www.google.com/adwords/how-it-works. [↑](#footnote-ref-26)
27. “Precision Targeter,” Canada Post, accessed July 17, 2017, https://www.canadapost.ca/cpotools/mc/app/tpo/pym/target

    ing.jsf?LOCALE=en. [↑](#footnote-ref-27)
28. Middlesex Centre was a township in Southwestern Ontario, Canada, to the north and west of the City of London. Kilworth was a neighbourhood within Middlesex Centre. [↑](#footnote-ref-28)
29. “Precision Targeter,” Canada Post, op. cit. [↑](#footnote-ref-29)
30. The truck would be depreciated using the straight-line method over a useful life of 12 years with a residual value of $3,000. [↑](#footnote-ref-30)