

COVER SHEET

**TROPICAL FIRE HOT SAUCE COMPANY  
XXXX NW SOUTH RIVER DRIVE  
MEDLEY, FL 33166**

Tropical Fire Hot Sauce Company

*Plan prepared February 1999 by the Corporate Officers*

## **The Executive Summary**

**Name of Business is:**

### **Tropical Heat Hot Sauce Inc.**

A larger population today desires hot sauce. Our community alone is a melting pot of all races and nationalities. People have brought along with them not only their customs, but also their food preferences and ways of cooking and eating. Most people have been exposed to new foods and have found that the new and different foods are very tasty, exotic, and spicy. As the different cultures interact so have the foods of different nations began to mutate and form Novae cuisine with a tropical flavor, that is more spicy and shocking to the palette. Caribbean people, Latin, Japanese, Chinese, Mexicans, Central and South Americans and even some of the Indian and Middle Eastern countries that are spicy food eaters will all be able to use Tropical Hot Sauce in their dishes. To give it a new flavor, while it will be hot and tasty it will not overpower the dish, but in effect will compliment the meal. The popular restaurants today in South Florida serve dishes with such things as mango sauce, papaya slices, mango jullien, jicama slices that give the meal a tropical taste and appearance. We believe that Tropical Hot Sauce will be a natural accompaniment to such dishes.

Tropical Fire Hot Sauce Company will be a hot sauce that will be distributed initially in South Florida. After checking with the State of Florida Department

of Corporations the name is not currently being used by any other firm. The name Tropical Hot Sauce was chosen because we want people to know that our product is hot and also has a tropical flavor to it. They will like the fact that this hot sauce is made of all natural ingredients such as papaya, carrots, onions garlic, cilantro and oregano no artificial preservatives will be used, making this the ideal accompaniment to most foods that we eat on a day to day basis.

We will let people taste the hot sauce by putting stands at Festivals such as the Caribbean Carnival in October , where we will target the island people that are hot sauce eaters and are familiar with Matouks hot sauce that is the most popular hot sauce with the Caribbean people. Matouks will be our competition in the Caribbean sector , not only is it well known , but it also has a nice flavor to it . It is only sold in one size and some of the weakness in Matouks is that the taste is not consistent , it does not do a lot of marketing their market is limited to word of mouth advertising , making Tropical Hot Sauce their competition . The Caribbean people are known for spicy foods such as Curry meats and Jerk meats that are spicy and most of them eat hot sauce , so that that segment of the population is a natural target market.

We will also put hot sauce food tasting stands at Calle Ocho for the Latin population . These stands will have a variety of meats that have been cooked and diced and will have hot sauce sprinkled on it and given to all adults to taste. Together with that they will be given free half ounce pouches of hot sauce free to take home . Our biggest promotion will take place in Chicago

where we plan to attend the National Restaurant Association that is held every May , where our main target will be the Restaurant chains .

This hot sauce is made of hot scotch bonnet peppers with a carrot and papaya base and will be made to our specifications by the Marie Sharp Foods and as an alternate we are also getting quotations from Baumer Foods in New Orleans . They manufacture a hot sauce with various types of Pimento & Cheyenne Peppers. However we are in consultation with them as to making it with our recipe and putting our label on the bottles.

Our SIC # IS 2035

Business location We will rent a warehouse in the Medley area , the warehouse is of 1,500 square feet and has office area and is of dock height for easy loading and unloading of merchandise. The reason this location was chosen is because it has easy access to the main highways and the warehouses in that area are the most modern and moderately priced. The rental per year is \$12,341.25 or \$1028.43 per month . The initial amount needed is First month, last month and one month security deposit that is a total of \$3,085.29. In the event that our business outgrows the space there are many adjacent buildings available for rental .

More details plans on how we will market this product will be discussed in the Marketing Section of this plan. We will incorporate our company in October 1999 so that we can start doing business by January of the year 2000.

Marie Sharp Foods and Baumer Foods have both assured us that they will have no problem in filling our order, in the quantities that we are forecasting.

## Personnel

The total number of employees to be hired initially will be three. Interviews have been conducted for each position, and all are tentatively filled. All corporate officers will be on the premises during all business hours for both receiving and shipping of merchandise. It will be the President and Vice Presidents duties to hire additional employees as needed.

1. President - full-time \$ 20,000.00 annually.
2. Vice President - full-time \$20,000.00 annually.
3. Vice President/Marketing - full-time \$20,000.00 annually.
4. Secretary - full-time \$20,000.00 annually.
5. Treasurer - full-time \$20,000.00 annually.
6. Receptionists - full-time \$8.00 per hour.
7. Warehouse Worker - part-time \$6.50 per hour.
8. Warehouse/Delivery - full-time \$7.75 per hour.

### Training

All employees will be cross-trained in the following areas:

- a. Knowledge of product line.
- b. Familiarity with key supplies.
- c. Company policy regarding customer relations.

### Personnel Duties: Major Duties

1. President:
  - a. Open and Close Warehouse Daily
  - b. Write work schedule
  - c. Verify previous days sales figures
  - d. Follows up on any problems of previous day
  - e. Head bi-weekly wall-to-wall inventory
  - f. Have access to safe
2. Vice President:
  - a. Open Warehouse
  - b. Familiar with all the duties of President
  - c. Has access to safe
  - d. Manages all aspects of warehouse operations
  - e. Supervises two employees

3. Vice President/Marketing:
  - a. Loads sales forecast into monthly operating plans
  - b. Scheduling customer sales orders with commitment to meet on time delivery and shipping performance requirements.
  - c. Prepares spreadsheets for daily performance tracking if receiving, packing and shipping.
  - d. Conducts thorough analysis of customer survey data.
  - e. Prepared orders, budgets and inventories.
  
4. Secretary:
  - a. Keeps track of all receipts/invoices.
  - b. Prepares and produces correspondences.
  - c. Purchases all office furniture and supplies.
  - d. Organized files, paperwork and electronic documents.
  
5. Treasurer:
  - a. Perform office functions
    - 1) Daily Sales Reconciliation Report
    - 2) Accounts Receivable
    - 3) Accounts Payable
    - 4) Payroll
    - 5) General Ledger
    - 6) Computer - MS Word, Excel, Powerpoint, Quicken 99
    - 7) 10-Key Add Machine
  - b. Create quarterly profit and taxation reports.
  - c. Directed billing and application of payments.
  - d. Followed up on pass due accounts.
  
6. Receptionists:
  - a. Answers in coming calls and takes messages.
  - b. Sorts incoming and outgoing mail.
  - c. Familiar with all duties of Secretary.
  - d. Basic Computer Knowledge - MS Word, Excel, Powerpoint, Quicken 99.
  - e. Assist Secretary when needed.
  
7. Warehouse Worker:
  - a. Helps with bi-weekly inventory.
  - b. Prepares orders for delivery.
  - c. Verifies invoice with number of boxes to be delivered.
  - d. Loads truck for next day delivery.
  - e. Able to lift at least 50lbs.

8. Warehouse Worker/Delivery:
  - a. Helps with bi-weekly inventory.
  - b. Verifies orders from manufacturer.
  - c. Verifies number of boxes shipped at time of delivery.
  - d. Receives payment for items delivered.
  - e. Able to lift at least 50lbs.

## **Methods of Recordkeeping**

All bookkeeping activities shall be done by the Treasurer. Financial Reports will be filed by *McClain CPA Firm*. *McClain CPA firm* has been in business for more than 25 years. The hourly rate is very reasonable.

We would like to point out the key areas of recordkeeping required in the business and explain the software to be used and why.

Accounting: **Quicken 99 Software**. This program automatically updates all accounts, customers, payroll, inventory, and ledgers in one step. Windows graphics, fonts, and integration make it easy to use.

Administrative: **Microsoft Works**. This program automatically updates and keeps track of employee profiles and time sheets. This program also has the ability to request a password to retrieve certain documents for security reasons.

Office/Clerical: **Microsoft Word**. This program is used to type memos, letters, and envelopes in addition to any other correspondences to better serve our clients.

## **Security**

### **PROBLEM SITUATION TO BE CONSIDERED AND PROTECTIVE MEASURES TO BE USED:**

1. Internal Theft: Employee Dishonesty
  - a. Shoplifting of store merchandise: two closed circuit monitoring cameras recording warehouse activities each business day.
  - b. Cash theft: \$400.00 limit of cash on hand. Timely safe drops and daily maintenance of Daily Sales Reconciliation Report with balance cash with receipts.
  - c. Falsifying receipts: Daily Sales Report will detect discrepancies.
  - d. Employee Orientation Program: will stress security procedures and employee integrity.
  - e. Bi-weekly wall-to-wall inventory: will reveal any losses.
  
2. External Theft: Robbery
  - a. Break-in theft: monitored alarm system plus closed circuit monitoring cameras.
  
3. Administration: Personnel documents
  - a. Employee personal information can only be accessed by authorized personnel who will be given a password to retrieve information from their files. Also a hard copy of each employee will be kept in a file cabinet that will have a lock. Employee file will contain necessary employment data, all memos, conduct discussions, salary history and evaluations.

## **Employee Profile**

1. Personable, outgoing, reliable, in good health
2. High school/College background with computer proficiency
3. High integrity and dedication
4. Neat in appearance
5. Able to take on responsibilities
6. Able to follow directives
7. Demonstrates leadership qualities
8. Previous warehouse or office experience
9. Basic office skills
10. Team worker

## **Benefits**

1. Paid Holidays for full and part time employees.
2. Vacation - 1 week paid first year and 2 weeks paid there after.
3. Sick leave 40 hours after first year.

## **HOURS OF OPERATION**

The office will be open during normal business hours. All employees including all corporate officers will work during these hours.

<b>SUNDAY</b>	<b>CLOSED</b>
<b>MONDAY</b>	<b>9:00 AM - 5:00 PM</b>
<b>TUESDAY</b>	<b>9:00 AM - 5:00 PM</b>
<b>WEDNESDAY</b>	<b>9:00 AM - 5:00 PM</b>
<b>THURSDAY</b>	<b>9:00 AM - 5:00 PM</b>
<b>FRIDAY</b>	<b>9:00 AM - 5:00 PM</b>
<b>SATURDAY</b>	<b>CLOSED</b>

## **Insurance**

Prospective Carrier: Allstate Insurance Co.  
1200 NE 163<sup>rd</sup> Street  
North Miami Beach, Fl 33162  
(305) 944-3600

Agent: Fred B. Ramdan

Premium: \$1,258.34

### Premium Breakdown:

Premium:	\$1,070.00
Policy Fee:	\$ 125.00
Surplus Tax:	\$ 63.34
Total Premium:	\$1,258.34

Liability: \$500,000/\$500,000

Deductible:	\$500.00 BI & PD
Medical Payment:	\$1000.00
Fire Legal:	\$50,000.00

**Excluded:** Products and completed operations, personal and advertising injury.

Building: N/A

Contents: \$50,000.00

ACV: 80% Co-Insurance \$500 Deductible

Wind/Hail Included: 5% Deductible

### Workman's Compensation Coverage

Premium: \$5,836.00/ 8 employees

Down Payment:

25% down

Payments:

9 payments and \$5.00 monthly fee

### **Dispersal of Loan Funds Statement**

The executives of the Tropical Fire Hot Sauce will apply for a loan of \$175,000.00 to a local bank at the rate of 10% per year . We propose to spend this money mainly to start up the business and buy the 5 truckloads of the 32oz size of the hot sauce and 5 truckloads of the one gallon bottles which will cost us \$112,731.05 and other start cost will come up to a total need of \$158,378.04 . Please refer to our projected start up sheet for all the details . That will leave us a balance of 16,621.96 that we will put in the bank in a checking account. We will use the remaining as a backup .

#### Back Up Statement

Hot Sauce Purchase	\$ 112731.05
Equipment Cost	\$ 16,254.00
Other Expenses	\$ 28392.99

**TROPICAL HEAT HOT SAUCE COMPANY  
PROJECTED START UP**

	<b>1 MONTH</b>
<b>INVENTORY</b>	
Shipments of hot sauce	
Small size (32oz)	\$58,990.25
Large size (1gal)	\$53,740.80
<b>TOTAL INVENTORY</b>	<b><u>\$112,731.05</u></b>
<b>EQUIPMENT</b>	
Used fork lift	\$12,000.00
Copier Machine	\$700.00
Computer software	\$500.00
Office supplies	\$500.00
Fax machine (Cannon)	\$400.00
Office desks	\$537.00
Office chairs	\$417.00
4 Telephones with 6 lines and equipment	\$1,200.00
<b>TOTAL EQUIPMENT</b>	<b><u>\$16,254.00</u></b>
<b>FIXED EXPENSE</b>	
Rent expense ( first, deposit, last)	\$3,085.29
Loan Repayment	\$3,718.00
Occupational license	\$250.00
Monthly News Letter	
Workman's Compensation	\$1,459.00
Licenses	\$328.00
Insurance expense ( one year)	\$1,258.34
Outdoor sign	\$150.00
Articles of incorporation	\$78.75
Banking Services	\$12.00
One months rent	\$1,028.43
<b>Variable Expenses</b>	
Utilities	\$365.35
Professional Services	\$1,000.00
One weeks payroll	\$11,636.90
Weeks payroll taxes	
Fica	\$890.22
Futa	\$0.00
Suta	\$285.10
Trucking Expense	\$2,254.61
Miscellaneous expense	\$750.00
<b>Total Expenses</b>	<b><u>\$28,550.00</u></b>
<b>TOTAL</b>	<b><u>\$157,535.05</u></b>

**TROPICAL FIRE HOT SAUCE COMPANY  
CASH TO BE PAID OUT WORKSHEET**

**1)Startup Costs**

Business License	\$250.00
Corporate Filing	\$78.75
Legal Fees	\$1,000.00
Equipment	\$16,254.00
<b>Total Startup</b>	<b><u>\$17,582.75</u></b>

**2) Inventory Purchases**

Cost of Goods Sold	\$112,731.05
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**3) Variable Expenses**

Advertising/Marketing	\$3,877.90
Miscellaneous	\$750.00
<b>Total Variable Expenses</b>	<b><u>\$4,627.90</u></b>

**4) Fixed Expenses**

Insurance	\$1,258.34
Pay Roll	\$11,636.90
Rent Expense	\$3,085.29
Loan Repayment	\$3,718.00
Utilities	\$365.35

<b>Total Fixed Expenses</b>	<b><u>\$20,063.88</u></b>
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<b>Total Cash To Be Paid Out</b>	<b><u>\$155,005.58</u></b>
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**TROPICAL FIRE HOT SAUCE COMPANY  
36 MONTH INCOME STATEMENT**

<b>Year 2000</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>6 Month</b>
<b>Income</b>							
1) Sales/Revenue	\$138,219.54	\$138,219.54	\$138,219.54	\$138,219.54	\$138,219.54	\$165,863.45	\$856,961.15
2) Cost of Good Sold	\$112,731.05	\$112,731.05	\$112,731.05	\$112,731.05	\$112,731.05	\$135,277.26	\$698,932.51
b) Purchases	\$112,731.05	\$112,731.05	\$112,731.05	\$112,731.05	\$112,731.05	\$135,277.26	\$698,932.51
3) <b>Gross Profit</b>	<b><u>\$25,488.49</u></b>	<b><u>\$25,488.49</u></b>	<b><u>\$25,488.49</u></b>	<b><u>\$25,488.49</u></b>	<b><u>\$25,488.49</u></b>	<b><u>\$30,586.19</u></b>	<b><u>\$158,028.64</u></b>
<b>Expenses</b>							
1) <b>Variable Expense</b>							
a)Utilities	\$365.00	\$375.00	\$367.00	\$389.00	\$412.00	\$425.00	\$2,333.00
b)Payroll	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$69,816.00
c)Payroll Taxes							
Fica	\$890.15	\$890.15	\$890.15	\$890.15	\$890.15	\$890.15	\$5,340.92
Fuda	\$93.09	\$93.09	\$93.09	\$93.09	\$93.09	\$93.09	\$558.53
Suda	\$285.08	\$285.08	\$285.08	\$285.08	\$285.08	\$285.08	\$1,710.49
Taxes Payable	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$7,609.94
d)Workman's Comp.	\$1,459.00	\$0.00	\$491.33	\$491.33	\$491.33	\$491.33	\$3,424.32
e)Office Supply	\$500.00	\$450.00	\$395.00	\$490.00	\$550.00	\$350.00	\$2,735.00
f)Advertising	\$4,177.90	\$150.00	\$150.00	\$150.00	\$1,804.00	\$150.00	\$6,581.90
g)Trucking Expense	2254.61	\$2,254.61	\$2,254.61	\$2,254.61	\$2,254.61	\$2,254.61	\$13,527.66
h)Miscellaneous Expenses	\$750.00	\$500.00	\$450.00	\$495.00	\$675.00	\$615.00	\$3,485.00
<b>Total variable expenses</b>	<b><u>\$22,929.16</u></b>	<b><u>\$17,402.26</u></b>	<b><u>\$17,830.59</u></b>	<b><u>\$17,947.59</u></b>	<b><u>\$19,684.59</u></b>	<b><u>\$17,843.59</u></b>	<b><u>\$113,637.77</u></b>
2) <b>Fixed Expense</b>							
a)Rent	\$3,098.00	\$1,028.44	\$1,028.44	\$1,028.44	\$1,028.44	\$1,028.44	\$8,240.20
c)Licenses	\$328.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$328.00
d)Banking Fees	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$72.00
e)Insurance	\$1,258.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,258.00
f)Loan Repayment	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$22,308.00
g)Equipment	\$16,254.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,254.00
<b>Total Fixed Expenses</b>	<b><u>\$24,668.00</u></b>	<b><u>\$4,758.44</u></b>	<b><u>\$4,758.44</u></b>	<b><u>\$4,758.44</u></b>	<b><u>\$4,758.44</u></b>	<b><u>\$4,758.44</u></b>	<b><u>\$48,460.20</u></b>
<b>Total Expenses</b>	<b><u>\$47,597.16</u></b>	<b><u>\$22,160.70</u></b>	<b><u>\$22,589.03</u></b>	<b><u>\$22,706.03</u></b>	<b><u>\$24,443.03</u></b>	<b><u>\$22,602.03</u></b>	<b><u>\$162,097.97</u></b>
<b>NI From Operations</b>	<b><u>-\$22,108.67</u></b>	<b><u>\$3,327.79</u></b>	<b><u>\$2,899.46</u></b>	<b><u>\$2,782.46</u></b>	<b><u>\$1,045.46</u></b>	<b><u>\$7,984.16</u></b>	<b><u>-\$4,069.33</u></b>

**TROPICAL FIRE HOT SAUCE COMPANY**  
**36MONTHINCOMESTATEMENT**

Year 2000	Jul	Aug	Sep	Oct	Nov	Dec	1 Year
<b>Income</b>							
1) Sales/Revenue	\$182,449.79	\$200,694.77	\$220,764.25	\$198,687.82	\$198,687.82	\$198,687.82	\$2,056,933.44
2) Cost of Good Sold	\$148,804.99	\$163,685.48	\$180,054.03	\$162,048.63	\$162,048.63	\$162,048.63	\$1,677,622.90
b) Purchases	\$148,804.99	\$163,685.48	\$180,054.03	\$162,048.63	\$162,048.63	\$162,048.63	\$1,677,622.90
3) Gross Profit	<u>\$33,644.81</u>	<u>\$37,009.29</u>	<u>\$40,710.22</u>	<u>\$36,639.20</u>	<u>\$36,639.20</u>	<u>\$36,639.20</u>	<u>\$379,310.54</u>
<b>Expenses</b>							
1) Variable Expense							
a)Utilities	\$515.00	\$510.00	\$495.00	\$475.00	\$480.00	\$450.00	\$5,258.00
b)Payroll	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$11,636.00	\$139,632.00
c)Payroll Taxes							
Fica	\$890.15	\$890.15	\$890.15	\$890.15	\$890.15	\$890.15	\$10,681.85
Futa	\$93.09	\$93.09	\$93.09	\$93.09	\$93.09	\$93.09	\$1,117.06
Suta	\$285.08	\$285.08	\$285.08	\$285.08	\$285.08	\$285.08	\$3,420.98
Taxes Payable	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$1,268.32	\$15,219.89
d)Workman's Comp.	\$491.33	\$491.33	\$491.33	\$491.33	\$0.00	\$0.00	\$5,389.64
e)Office Supply	\$450.00	\$395.00	\$380.00	\$415.00	\$425.00	\$375.00	\$5,175.00
f)Advertising	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$7,481.90
g)Trucking Expense	2254.61	\$0.00	\$2,254.61	\$2,254.61	\$2,254.61	\$2,254.61	\$24,800.71
h)Miscellaneous Expenses	\$425.00	\$455.00	\$482.00	\$513.00	\$345.00	\$354.00	\$6,059.00
<b>Total variable expenses</b>	<u>\$18,033.59</u>	<u>\$15,718.98</u>	<u>\$17,943.59</u>	<u>\$17,958.59</u>	<u>\$17,482.26</u>	<u>\$17,402.26</u>	<u>\$218,177.03</u>
2) Fixed Expense							
a)Rent	\$1,028.44	\$1,028.44	\$1,028.44	\$1,028.44	\$1,028.44	\$1,028.44	\$14,410.84
c)Licenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$328.00
d)Banking Fees	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$144.00
e)Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,258.00
f)Loan Repayment	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$44,616.00
g)Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,254.00
<b>Total Fixed Expenses</b>	<u>\$4,758.44</u>	<u>\$4,758.44</u>	<u>\$4,758.44</u>	<u>\$4,758.44</u>	<u>\$4,758.44</u>	<u>\$4,758.44</u>	<u>\$77,010.84</u>
<b>Total Expenses</b>	<u>\$22,792.03</u>	<u>\$20,477.42</u>	<u>\$22,702.03</u>	<u>\$22,717.03</u>	<u>\$22,240.70</u>	<u>\$22,160.70</u>	<u>\$295,187.87</u>
<b>NI From Operations</b>	<u>\$10,852.78</u>	<u>\$16,531.87</u>	<u>\$18,008.19</u>	<u>\$13,922.17</u>	<u>\$14,398.50</u>	<u>\$14,478.50</u>	<u>\$84,122.67</u>

**TROPICAL FIRE HOT SAUCE COMPANY**  
**36 MONTH INCOME STATEMENT**

<b>Year 2002</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>6 Month</b>
<b>Income</b>							
1) <b>Sales/Revenue</b>	\$130,521.31	\$143,573.44	\$143,573.44	\$143,573.44	\$157,930.78	\$189,516.94	\$908,689.34
2) <b>Cost of Good Sold</b>	\$106,452.42	\$117,097.66	\$117,097.66	\$117,097.66	\$128,807.42	\$154,568.91	\$741,121.72
b) Purchases	\$106,452.42	\$117,097.66	\$117,097.66	\$117,097.66	\$128,807.42	\$154,568.91	\$741,121.72
3) <b>Gross Profit</b>	<u>\$24,068.89</u>	<u>\$26,475.78</u>	<u>\$26,475.78</u>	<u>\$26,475.78</u>	<u>\$29,123.36</u>	<u>\$34,948.03</u>	<u>\$167,567.62</u>
<b>Expenses</b>							
1) <b>Variable Expense</b>							
a)Utilities	\$395.00	\$405.00	\$415.00	\$435.00	\$450.00	\$480.00	\$2,580.00
b)Payroll	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$78,332.89
c)Payroll Taxes							
Fica	\$998.74	\$998.74	\$998.74	\$998.74	\$998.74	\$998.74	\$5,992.47
Futa	\$104.44	\$104.44	\$104.44	\$104.44	\$104.44	\$104.44	\$626.66
Suta	\$319.86	\$319.86	\$319.86	\$319.86	\$319.86	\$319.86	\$1,919.16
d)Workman's Comp.	\$1,459.00	\$491.33	\$491.33	\$491.33	\$491.33	\$491.33	\$3,915.65
e)Office Supply	\$325.00	\$315.00	\$350.00	\$395.00	\$380.00	\$350.00	\$2,115.00
f)Trucking Expenses	2254.61	2254.61	2254.61	2254.61	2254.61	2254.61	\$13,527.66
g)Advertising	\$150.00	\$150.00	\$150.00	\$150.00	\$1,804.00	\$150.00	\$2,554.00
h)Miscellaneous	\$465.00	\$486.00	\$492.00	\$526.00	\$587.00	\$568.00	\$3,124.00
Expenses							
<b>Total variable expenses</b>	<u>\$16,657.53</u>	<u>\$15,689.86</u>	<u>\$15,734.86</u>	<u>\$15,799.86</u>	<u>\$15,799.86</u>	<u>\$15,799.86</u>	<u>\$95,481.83</u>
2) <b>Fixed Expense</b>							
a)Rent	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$6,615.00
b)Licenses	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00
d)Banking Fees	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$72.00
c)Insurance	\$1,321.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,321.65
d)Loan Repayment	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$22,308.00
e)Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Fixed Expenses</b>	<u>\$6,404.15</u>	<u>\$4,832.50</u>	<u>\$4,832.50</u>	<u>\$4,832.50</u>	<u>\$4,832.50</u>	<u>\$4,832.50</u>	<u>\$30,566.65</u>
<b>Total Expenses</b>	<u>\$23,061.68</u>	<u>\$20,522.36</u>	<u>\$20,567.36</u>	<u>\$20,632.36</u>	<u>\$20,632.36</u>	<u>\$20,632.36</u>	<u>\$126,048.48</u>
<b>NI From Operations</b>	<u>\$1,007.21</u>	<u>\$5,953.42</u>	<u>\$5,908.42</u>	<u>\$5,843.42</u>	<u>\$8,491.00</u>	<u>\$14,315.67</u>	<u>\$41,519.14</u>

**TROPICAL FIRE HOT SAUCE COMPANY**  
**36 MONTH INCOME STATEMENT**

Year 2001	Jan	Feb	Mar	Apr	May	Jun	6 Month
<b>Income</b>							
1) Sales/Revenue	\$158,950.26	\$143,055.23	\$171,666.28	\$171,666.28	\$154,499.65	\$185,399.58	\$985,237.29
2) Cost of Good Sold	\$129,638.90	\$116,675.01	\$140,010.02	\$140,010.02	\$126,009.01	\$151,210.82	\$803,553.78
b) Purchases	\$129,638.90	\$116,675.01	\$140,010.02	\$140,010.02	\$126,009.01	\$151,210.82	\$803,553.78
3) Gross Profit	<u>\$29,311.36</u>	<u>\$26,380.22</u>	<u>\$31,656.26</u>	<u>\$31,656.26</u>	<u>\$28,490.64</u>	<u>\$34,188.77</u>	<u>\$181,683.51</u>
<b>Expenses</b>							
1) Variable Expense							
a)Utilities	\$350.00	\$382.00	\$375.00	\$415.00	\$450.00	\$473.00	\$2,445.00
b)Payroll	\$11,868.62	\$11,868.62	\$11,868.62	\$11,868.62	\$11,868.62	\$11,868.62	\$71,211.72
c)Payroll Taxes							
Fica	\$907.95	\$907.95	\$907.95	\$907.95	\$907.95	\$907.95	\$5,447.70
Futa	\$94.95	\$94.95	\$94.95	\$94.95	\$94.95	\$94.95	\$569.69
Suta	\$290.78	\$290.78	\$290.78	\$290.78	\$290.78	\$290.78	\$1,744.69
Taxes Payable	\$1,293.68	\$1,293.68	\$1,293.68	\$1,293.68	\$1,293.68	\$1,293.68	\$7,762.08
d)Workman's Comp.	\$1,459.00	\$491.33	\$491.33	\$491.33	\$491.33	\$491.33	\$3,915.65
e)Office Supply	\$315.00	\$325.00	\$375.00	\$350.00	\$395.00	\$415.00	\$2,175.00
f)Trucking Expense	2254.61	2254.61	2254.61	2254.61	2254.61	2254.61	\$13,527.66
g)Advertising	\$150.00	\$150.00	\$150.00	\$150.00	\$1,804.00	\$150.00	\$2,554.00
h)Miscellaneous Expenses	\$426.00	\$530.00	\$514.00	\$484.00	\$568.00	\$553.00	<u>\$3,075.00</u>
<b>Total variable expenses</b>	<u>\$16,579.98</u>	<u>\$15,654.31</u>	<u>\$15,697.31</u>	<u>\$15,712.31</u>	<u>\$15,792.31</u>	<u>\$15,835.31</u>	<u>\$95,271.52</u>
2) Fixed Expense							
a)Rent	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$1,050.00	\$6,300.00
b)Licenses	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00
c)Banking Fees	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$72.00
d)Insurance	\$1,283.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,283.16
e)Loan Repayment	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$22,308.00
f)Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,000.00	\$12,000.00
<b>Total Fixed Expenses</b>	<u>\$6,313.16</u>	<u>\$4,780.00</u>	<u>\$4,780.00</u>	<u>\$4,780.00</u>	<u>\$4,780.00</u>	<u>\$16,780.00</u>	<u>\$42,213.16</u>
<b>Total Expenses</b>	<u>\$22,893.14</u>	<u>\$20,434.31</u>	<u>\$20,477.31</u>	<u>\$20,492.31</u>	<u>\$20,572.31</u>	<u>\$32,615.31</u>	<u>\$137,484.68</u>
<b>NI From Operations</b>	<u>\$6,418.22</u>	<u>\$5,945.91</u>	<u>\$11,178.96</u>	<u>\$11,163.96</u>	<u>\$7,918.33</u>	<u>\$1,573.46</u>	<u>\$44,198.82</u>

**TROPICAL FIRE HOT SAUCE COMPANY**  
**36 MONTH INCOME STATEMENT**

Year 2002	Jul	Aug	Sep	Oct	Nov	Dec	1 Year
<b>Income</b>							
1) Sales/Revenue	\$208,468.63	\$229,315.49	\$229,315.49	\$229,315.49	\$206,383.94	\$206,383.94	\$1,323,541.91
2) Cost of Good Sold	\$170,025.80	\$187,028.38	\$187,028.38	\$187,028.38	\$168,325.54	\$168,325.54	\$1,079,473.05
b) Purchases	\$170,025.80	\$187,028.38	\$187,028.38	\$187,028.38	\$168,325.54	\$168,325.54	\$1,079,473.05
3) Gross Profit	<b><u>\$38,442.83</u></b>	<b><u>\$42,287.12</u></b>	<b><u>\$42,287.12</u></b>	<b><u>\$42,287.12</u></b>	<b><u>\$38,058.40</u></b>	<b><u>\$38,058.40</u></b>	<b><u>\$244,068.86</u></b>
<b>Expenses</b>							
1) Variable Expense							
a)Utilities	\$515.00	\$505.00	\$521.00	\$490.00	\$450.00	\$415.00	\$3,510.00
b)Payroll	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$13,055.48	\$104,443.86
c)Payroll Taxes							\$0.00
Fica	\$998.74	\$998.74	\$998.74	\$998.74	\$998.74	\$998.74	\$7,989.95
Futa	\$104.44	\$104.44	\$104.44	\$104.44	\$104.44	\$104.44	\$835.55
Suta	\$319.86	\$319.86	\$319.86	\$319.86	\$319.86	\$319.86	\$2,558.87
d)Workman's Comp.	\$491.33	\$491.33	\$491.33	\$491.33	\$0.00	\$0.00	\$4,406.98
e)Office Supply	\$415.00	\$420.00	\$405.00	\$355.00	\$315.00	\$305.00	\$2,835.00
f)Trucking Expenses	2254.61	2254.61	2254.61	2254.61	2254.61	2254.61	\$18,036.88
g)Advertising	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$2,854.00
h)Miscellaneous Expenses	\$537.00	\$528.00	\$484.00	\$467.00	\$413.00	\$425.00	\$4,086.00
<b>Total variable expenses</b>	<b><u>\$15,899.86</u></b>	<b><u>\$15,894.86</u></b>	<b><u>\$15,895.86</u></b>	<b><u>\$15,814.86</u></b>	<b><u>\$15,243.53</u></b>	<b><u>\$15,198.53</u></b>	<b><u>\$126,580.22</u></b>
2) Fixed Expense							
a)Rent	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$1,102.50	\$8,820.00
b)Licenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00
c)Banking Fees	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$96.00
c)Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,321.65
d)Loan Repayment	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$3,718.00	\$29,744.00
e)Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Fixed Expenses</b>	<b><u>\$4,832.50</u></b>	<b><u>\$4,832.50</u></b>	<b><u>\$4,832.50</u></b>	<b><u>\$4,832.50</u></b>	<b><u>\$4,832.50</u></b>	<b><u>\$4,832.50</u></b>	<b><u>\$40,231.65</u></b>
<b>Total Expenses</b>	<b><u>\$20,732.36</u></b>	<b><u>\$20,727.36</u></b>	<b><u>\$20,728.36</u></b>	<b><u>\$20,647.36</u></b>	<b><u>\$20,076.03</u></b>	<b><u>\$20,031.03</u></b>	<b><u>\$166,811.87</u></b>
<b>NI From Operations</b>	<b><u>\$17,710.47</u></b>	<b><u>\$21,559.76</u></b>	<b><u>\$21,558.76</u></b>	<b><u>\$21,639.76</u></b>	<b><u>\$17,982.38</u></b>	<b><u>\$18,027.38</u></b>	<b><u>\$77,256.99</u></b>

## **Tropical Fire Hot Sauce**

### **Break Even Analysis**

<b>Fixed Cost</b>	<b>\$77,010.84</b>
<b>Variable Cost</b>	<b>\$1,871,490.50</b>
<b>Estimated Revenues</b>	<b>\$ 2,056,933.44</b>

$$\text{Sales} = \$77,010.84 + [ (\$1,871,490.50 / \$2,056,933.44) * \text{Sales} ]$$

$$\text{Sales} = 77,010.84 + (.91 * \text{Sales})$$

$$\text{Sales} = \$77,010.84 / .09$$

$$\text{Sales} = \$855,676.00$$

**Break Even Point**  
**\$855,676.00**

**In conclusion it is estimated that Tropical Fire Hot Sauce must sell a**

**79.61 truckloads of the one gallon hot sauce**

**or**

**72.5 truckloads of the 32 oz hot sauce**

**or**

**38 truckloads of both sizes of the hot sauce**

## **Conclusion**

**After reading the business plan prepared by the group , I believe that more research is needed to make a final determination if the plan is feasible or not .**

**The initial plan to buy the hot sauce from Marie Sharp Foods in Belize Central America would have made us not as competitive in the market. Baumer Foods in New Orleans will manufacture the hot sauce to our recipe however we will be constantly monitoring it for consistency in flavor and quality. Our alternative plan if Baumer Foods does not deliver in quality is to manufacture the product ourselves in the future . We do not anticipate this taking place until after a year in business.**

**We the officers of Tropical Fire Hot Sauce would like to make an attempt to make this a feasible plan , however with all the demands in the lives of the group , more time for research and study of the plan is needed.**

**The areas where more study and fine tuning is needed is financial , additional market survey and plans to set up manufacturing versus sub contracting .**

**I personally believe in this product. The vehicle to deliver it successfully is what I need.**

**President**