Caldaria Sauna Spa

Business Plan

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1.0 Executive Summary

Caldaria Sauna Spa is conceived to be the ultimate holistic facility. It aims to be a modern and intelligent connection of spiritual and holistic proactive health care approach It is a pioneer project where proactive alternative health care meets with the ultimate pampering day spa experience in a pleasant atmosphere of soothing music, sounds of water fountains and aromatherapy to achieve body and mind purifying, healing and relaxation.

Caldaria Sauna Spa is currently in planning stage in an as-yet-to be-finalized location. This wellness facility will consist of five sauna rooms: Herbal Inhalation Room, Salt Inhalation Room, Dry Sauna Room, Infrared Sauna Room and Peppermint Inhalation Room. In addition to sauna rooms, Caldaria Sauna Spa will consist of Tepidarium, Caldarium, and Massage/Facial Treatment Room. Caldaria Sauna Spa will be solely owned and run by Client Fabianova, a certified esthetician and former owner of small esthetics business with 6 years experience in the industry.

The Problem

We live in a polluted world. In the last fifty years it has been estimated that 5 million new chemicals have been created by man, of which 75,000 are in regular everyday use. These chemicals are present in our environment - in the air we breathe, in the food we eat, in the cosmetics we use, in the houses where we live in. Thousands of chemicals have sneaked into our everyday lives - and our bodies. Worldwide, exposure to chemical pollutants continues to increase, resulting in increased contamination of our air, water and food supply. In our day-to-day life, we are exposed to toxins on numerous levels, some within our control, some totally outside it, and others somewhere in between. We absorb them through food, water, by inhalation and through our skins. They are then stored in our fat tissue and slowly released into the body.

What does it mean if these substances are in our bodies?

Many of the substances naturally found in the environment or released by modern, industrialized society are harmful to humans and other living creatures. Most of these chemicals are known toxins that are the root cause all sorts of diseases and ill health.

One of the easiest ways to visualize the impact on our own health is to see ourselves as a boat afloat in a sea of toxins. If a boat is trustworthy, it can carry a specified load without problem but no boat can keep afloat if it is simply overloaded. Similarly, even the strongest immune system can be swamped if overloaded with too many toxins.

The burden of over pollution may be linked to the following illnesses and complaints: cancer, vision and hearing problems, hormone system malfunction, and disorders in the stomach, intestines, kidney, brain, nervous system, reproductive system, lungs, skin, liver, cardiovascular system or immune system, male and female reproductive system.

We live in a sea of toxins. The inflow of toxins is not going to stop unless we make some drastic changes to the world we live in. This is unlikely to happen overnight.

Therefore, to maintain optimum health and enjoy good quality of life, we need to reduce overall level of toxic intake. The only real way to cure any chronic disease or

degenerative condition is to eliminate the root cause by ridding the body of toxins that pollute the blood and tissues, attract germs and weaken resistance and immunity.

Today, with more toxins in the environment than ever, it's very important to detoxify. Detoxification works because it addresses the needs of individual body cells.

Through detoxification, we can successfully assist the body to eliminate dangerous toxins, chemicals, metals, parasites and other unwanted substances. Our body detoxifies through the kidneys, intestines, lungs, lymph and skin.

Although our bodies do it naturally every day, the input is so great, we simply can't keep up.

By taking proactive approach and helping to lower the body toxic levels, we can help protect ourselves from disease and renew our ability to live a vital life. Wellness is self-responsibility. One of the most effective detoxifying methods to remove toxins from the body is sweat therapy. This method of detoxification helps body to eliminate harmful toxins through the largest human organ – skin

The Solution - Sauna

Sauna has existed in various forms for thousands of years as a mental, spiritual physical cleansing and relaxing habitation. Having originated from the traditional Finnish bath, the modern sauna is now a heated room which induces sweat. There are several types of saunas which include infrared, wet, smoke, dry and steam. Although there are different types of sauna, the concept is still the same. Regardless of the style, the desired effect is to heat the body. Saunas induce an "artificial fever" by heating up the body but without the pains of an illness. Due to the heat of a sauna, the core body temperature begins to rise. The blood vessels then dilate, causing increased blood flow. As heat from the blood begins to move toward the skin's surface, the body's nervous system then sends signals to the millions of sweat glands that cover the human body. As the sweat glands become stimulated, they produce sweat. Deep sweating in a sauna can help reduce levels of lead, copper, zinc, nickel, mercury - toxins commonly absorbed just from interacting with our daily environments. Sweat therapy is one of the best methods of body detoxification by eliminating harmful toxins through the largest human organ – skin. Heat Therapy stimulates the sweat glands allowing body to detoxify while strengthening the body's immune system to fight off everything from the common cold to serious life threatening diseases such as cancer. Sauna treatment stimulates body's own natural healing process.

While relaxing in sauna, body is doing hard work to:

- relieve stress
- relax muscles and soothe aches/pains in both muscles and joints
- flush toxins
- cleanse the skin
- improve respiratory performance
- improve cardiovascular performance
- burn calories
- help fight illness and boosts immune system

It is no secret that sauna has a very long and strong tradition in many European countries. Being born and raised in Europe, the sauna has always been a part of my life. I still remember days when my mom used take me along with her to her "once a week" sauna sessions with her girlfriends. Every time I revisit my home country and hometown I take an advantage of this relaxing experience. On one of my visits back in 2004 my friend was really excited to take me to a new local sauna-spa. It was amazing. Right there, in the peaceful atmosphere and luxury environment I started to dream about bringing this experience back to Canada with me. Since then every visit to the spa in both Canada and Europe has become not only a relaxing experience but also a source of knowledge and inspiration. I began observing positive and negative aspects and am now able to bring the best attributes to my business model.

Products and Services

Caldaria Sauna Spa offers a wide variety of mind and body healing services and products. The spa business is devoted to providing holistic methods of massage, facials, and body wraps in addition to the primary service – Sauna which will be provided in a variety of different options available (detailed listing under Products and Service Section)

Location

The location for Caldaria Sauna Spa will be consulted, carefully selected in cooperation with a commercial real estate agent to ensure easy access, attractiveness, sufficient size, hygiene, technical norms for as large spectrum and volume of clientele as possible.

Competitive Edge

Caldaria's competitive edge is their unique combination of services, location, and customer-centric focus. Both the extraordinary services and location has been detailed previously. Caldaria aims to provide quality, dependable services and an unprecedented level of customer service. All customers will leave Caldaria with a feeling that their needs were met well beyond any expectations that they previously had and far better than any competitor. This will ensure a high rate of return customers, allowing Caldaria to meet their ambitious goal of 80%.

Financials

Caldaria has forecasted conservative sales revenues for first five years. By the mid of first year the business will reach its breakeven point and profitability by the end of the first year. Caldaria is an exciting business that provides a combination of sought after services that are not currently offered by a direct competitor. Caldaria will provide a relaxing, serene setting for a variety of mind and body rejuvenation services for the booming Calgary population and the towns nearby.

Sales/ Gross Profit chart

1.1 Objectives

Caldaria's business plan has been developed to track progress prior to grand opening of Caldaria Sauna Spa and following through with a first five year projections. In addition, this plan has been written to secure a loan for the start-up funding necessary for Caldaria Sauna Spa successful kick-off. The objectives for Caldaria are outlined below:

- To increase the number of clients by at least 20% per month for the first year through superior performance and advertising
- Have a clientele return rate of 80% by end of first year
- Become an established community destination by end of first year
- Build a steady return clientele with average attendance of 400 clients a month. My ultimate goal is to reach 480 clients a month by end of second year

1.2 Mission

Caldaria will provide a comforting, yet stimulating, atmosphere in which customers will be able to relax both their body and mind, reconnecting their daily lives to their true purpose through a wide range of holistic methods including massage, body works, energy works, and hair styling. Caldaria will establish itself as a dependable destination to which they can always come to escape the stresses of life, and rejuvenate their energies, their souls, and their lives.

The idea of the wellness facility is to create ultimate relaxation experience. It will be aimed to impress. It will provide customers with a peaceful, rejuvenating atmosphere where all of their body and mind needs can be met. Caldaria Sauna Spa is devoted to providing comforting and yet stimulating atmosphere to achieve body and mind healing process. Caldaria Sauna Spa is committed to the highest standards of spa excellence. Our goal is to enhance the lives for those seeking natural means to strengthen and heal their bodies.

1.3 Keys to Success

Customers choose wellness services based on proximity to their daily commute, quality and an exceptional experience. Caldaria Sauna Spa will be very mindful about:

Location

The location for Caldaria Sauna Spa will be consulted, carefully selected in cooperation with a commercial real estate agent to ensure easy access, attractiveness, sufficient size, hygiene, technical norms for as large spectrum and volume of clientele as possible.

Effective advertising

To reach the targeted market, Caldaria Sauna Spa will utilize advertising in two promotional phases. The first phase of promotion will be before Caldaria Sauna Spa grand opening and approximately first six months of the operation and will focus on introducing the new business on the market to the wide public in a form of newspaper, media, inbound and alliance advertising. In second phase of promotions Caldaria Sauna Spa will continue with all the above forms of advertizing and routinely monitor and review the effectiveness of the marketing program, will note the changes that impact the marketing approach, discover the needs and wants of the customers and identify business opportunities to ensure marketing vitality and continuous improvement.

Unique Treatments

Caldaria Sauna Spa is a pioneer project in wellness industry devoted to deliver drug free, 100 % natural ultimate therapeutic treatments in upscale, luxury and caring environment for customers of specific medical profile, stressed people, people seeking socializing as well as these who take a proactive approach to improve their health and quality of life.

Professionalism and high quality service

Caldaria Spa will distinguish itself as a completely trustworthy and soothing setting where customers are treated in a friendly, courteous and helpful manner allowing them to escape stress of everyday life, enjoy being pampered and receive ultimate holistic treatment. To ensure keeping good customers, the best advertising is doing a fantastic job. When customers buy a service or product, they are not buying just that service or product. They are buying a solution to a problem. As the Caldaria Sauna Spa owner, I bring my big passion for holistic health care approach and 6 years experience in beauty industry as a former esthetician and owner of a small home based esthetics business, all to ensure client’s satisfaction and deliver healing services.

Establish trust within the community

Caldaria Sauna Spa will focus on strengthening the trust of the customer base by providing not only services, but information that will aid in the progression of obtaining a balanced and healthy lifestyle, giving the kind of service that brings people back for regular treatments, and encourages clients to recommend us to friends, and other health professionals to recommend their clients. Our goal is to tailor the client's experience based on initial interview information, as well as feedback after the sauna session, to ensure the client's comfort and satisfaction, and to increase repeat business.

2.0 Company Summary

Caldaria Spa will be the new destination offering customers the unique combination of sauna, massage, body and facial therapies, and specific complimentary product offerings all in one beautiful serene setting. The goal and promise of Caldaria can be summed up in our name and slogan: **Caldaria Sauna Spa.**

2.1 Company Ownership

Caldaria Sauna Spa is an Alberta corporation, owned by Client Fabianova.

2.2 Start-up Summary

In the following table, the start-up cash has been marked for the estimated amount needed to cover operational expenses.

Table: Start-up Funding

Startup Cost and Investment Requirements	
	Requirement
Project Blue Print	$9,500.00
Kniepp Bath	$14,600.00
Dry Sauna Room	$12,000.00
Peppermint inhalation Room	$23,500.00
Salt Inhalation Room	$32,000.00
Herbal Therapy Room	$24,500.00
Infrared Sauna Room	$12,400.00
Water Fountain	$1,500.00
Scottish Massage Shower	$13,800.00
Bucket Splash Shower	$8,000.00
Cooling Pool	$14,600.00
Tepidarium	$17,300.00
Caldarium	$10,000.00
Central Operational system	$23,000.00
Central Water Filtration System	$5,000.00
Common space	$21,200.00
Reception area	$15,000.00
Changing rooms	$15,000.00
Travel , accommodation cost	$20,000.00
Washer Dryer	$5,000.00
Signage	$5,000.00
Back Bar Supplies & Products	$7,000.00
Linens, Robes, Sheets	$7,000.00
Startup Requirements	*$316,900.00*

Accountant & Legal Fees	$3,000.00
Marketing & Advertisement	$8,000.00
Website	$2,000.00
Insurances	$7,000.00
Rent (3 Months Reserve)	$18,000.00
Misc	$7,000.00
	$45,000.00
Startup Funds Requirement	**$361,900.00**
Self funded Investment	**$70,000.00**
Startup Loan Required	**$291,900.00**

2.3 Company Locations and Facilities

Target sites for Caldaria include Downtown & NorthWest Calgary. Caldaria will need at least 2,000 square feet (sq.ft.) of space. Initial estimates put leasing between $20/sq. ft. to $27/sq. ft. (inclusive of GST and operating costs).

Caldaria Spa is aimed to be approximately 2000 square feet facility including 5 Sauna Rooms, 2 Relaxation Rooms, 1 Facial/Massage Treatment Room, 1 changing room for men and 1 changing room for women, both with 2 shower stalls and 1 washroom for each changing room, Reception area/Lounge with Refreshment Bar, with the total capacity of 15 clients in one batch of 3 hours treatment duration.

Contact has been made with realtor for 2000 sq. ft. in NW Calgary and we are in active search for the perfect location for Caldaria.

Contact has also been made with Vameli a Slovakian company that specializes in designing and building such facilities. Vameli has built several such facilities across Europe and has shown interest in coming to Canada for building our facility. Initial estimates and plans are attached at the end of this business plan.

Some design drafts are listed below to show what these facilities look like and that they are not a typical dayspa setting.

3.0 Products and Services

Caldaria will provide customers with sauna services and complimenting products. Explanations and/or consultations will be provided on all services and products, if needed.

3.1 Product and Service Description

Infrared Sauna Room

Far infrared saunas are recognized by health practitioners worldwide as perhaps the most effective method of removing both chemical and heavy metal toxins from the body.

Far Infrared energy is not only safe, pleasurable and relaxing, but it is highly beneficial for our bodies. Stress profoundly impacts our health as it weakens our immune system and accelerates heart disease. In just thirty minutes, infrared rays deeply penetrate skin and underlying tissues and relax every part of the body and mind×. Far infrared light waves gently but directly warm up the body. Through a gentle sweating process the infra red sauna creates an atmosphere of comfort and increases blood flow. It is a great treatment for people that have fibromyalgia, arthritis, muscle pain, joint pain, skin conditions, chronic ear infections, chronic stress as well as for clients just wanting to eliminate the accumulation of toxins for optimal health.

Procedure time: 10-20 minutes | Room Temperature: 38-60C

Dry Sauna Room

Dry sauna exposes body to high temperature. Intensive body heating melts away stress and strain of tired and stiff muscles. Heat relieves pain by expanding blood vessels and increasing circulation. Better circulation allows more oxygen to reach injured areas of the body and helps reduce pain and speed up the healing process. It is also great injury preventive therapy treatment. The Scandinavian style sauna is a conventional pine paneled room heated with stones, which in turn are heated by a wood stove to produce high temperature and low humidity air.

Procedure time: 10-20 minutes | Room Temperature: 80-100C | Air Humidity:50-60%

Peppermint inhalation Room

Menthol inhalation room is a classic steam room induced with 100% natural peppermint essential oil. In the enclosed space where the large amount of steam creates humid environment with positive effect on acute and chronic respiratory tract as well as a upper airway illness prevention treatment. Regular use helps to improve skin conditions, migraine headaches, speeds up the elimination of toxins. It is a great meditating and relaxing health procedure.

Procedure time: 10-20 minutes | Room Temperature: 45-50 C | Air Humidity: 100%

Herbal Therapy Room

Alternative inhalation of herbs vapors is a typical element of this therapy treatment. The room is aromatized with chamomile, rosemary and thyme, 100% natural herbs to purify and cleanse body organs and help to reduce stress and relax mind and body.

Procedure time: 15-20 minutes | Room Temperature: 42-47C | Air Humidity:50-60%

Salt Inhalation Room

Salt enriched air contains tiny salt particles easily inhaled with natural breathing. It is a procedure where low concentrations of salt are delivered to where it is most needed – deep in the lungs, where the salt then dissolves phlegm in the bronchial tubes and kills micro-organisms that cause infections. Salt Therapy is 100% natural, drug-free and non-invasive method that helps treat asthma, allergies, bronchitis, croup, chronic cough, snoring, ear infections, improvement breathing for ex-smokers and enhancement sport performance for athletes. Salt Therapy is the latest trend in professional sports training as it can dramatically enhance sports performance by improving lung function and increasing lung capacity and stamina.

Procedure time: 10-20 minutes | Temperature: 45-50C | Humidity: 100%

Kneipp Bath

Kneipp Bath is a set of small and shallow cold water pools alternating with warm water pools creating “water path”, an active feet massage ideal for swollen, tired, heavy legs. It has a positive effect on cold feet syndrome, improves blood circulation, helps to fight migraines and boosts natural immunity.

Procedure time: 2-5 minutes | Water temperature: 10-15C - 40-45C

Showers

Scottish Shower

A Scottish shower is a therapeutic water treatment where automated valve system alternates hot and cold water sprays. The hot and cold cycle continues for several

minutes in standing shower stall. There is a lot of health benefits associated with Scottish showers. Besides the benefits for the circulatory system, a Scottish shower also helps to increase immunity, helps to fight depression and studies also show that a Scottish shower can increase testosterone and fertility.

Bucket Splash

It is an ideal cooling off procedure for the “brave” customers, where the bucket filled with cold water is instantly dumped on body to improve blood circulation and general heat relieve between sauna treatments.

Tepidarium

Tepidarium is pleasantly warm aromatherapy room with electric body shaped heated lounge chairs. The feeling of constant radiant heat in the combination with soothing music and waterfalls is an optimal place for stress release and full body rejuvenation and final relax before cooling down the body temperature.

Procedure time: 10-20 min | Room Temperature: 25-30C

Caldarium

It is a cooler area where body can gently return back to normal temperatures after the rigors of sauna rooms. It is a dim lighted room with beds and soothing music for final relaxation after all sauna procedures.

Procedure time: 10-20 min | Room Temperature: 18-25C

VacuFit

Vacufit is a revolutionary device that combines infrared heating, under pressure and collagen lamps to wash out excess water, toxins and fat from body. The under pressure inside of hermetic Vacufit capsule increases blood circulation, improves skin firmness, and helps to fight cellulite of the lower body problem areas like waist, hips and tights. Infra radiation triggers thermal activities in organic tissue by increasing body temperature and level of perspiration. The blood vessels expand resulting in improved blood flow and better blood oxygenation. VacuFit strengthens and activates regenerative mechanisms in the human body with high effectiveness in reducing weight and fat burning. The burning calories during the training session in VacuFit unit are substantially higher than during the conventional tread mill training.

Rollen

Rollen is a massage reconditioning machine for lymphatic circulation activation. The application method is very simple and very pleasant and relaxing. Rollen massage is safe and has no side effects. It helps to supports lymphatic drainage, relieves stiff and tired muscles, increases blood circulation and improves cellulite.

Vibration Plate

Vibration exercise therapy accelerates the body's natural healing response, increases cellular oxygen circulation, stimulates cellular nutrient uptake, enhances cellular fluid movement and assists cellular waste removal. As a result, new cells are more resilient, vibrant, and function together as a healthier, longer lasting body.

OTHER PRODUCTS

Central Water filtration system

To ensure the best quality water going to the sauna generators, and in turn providing high quality service, it is important to remove unwanted substances, debris and potential toxins presented in water. High quality National Sanitation Foundation tested and certified central water filtration system will be installed in Caldaria Sauna Spa for water purification providing unlimited, ultra filtered water at every faucet.

Water fountain

Water is important healing tool. Any cell in the body is made up of water. Water transports oxygen to body cells and remove waste and toxins from body. In any activity that makes us sweat, we need to drink extra water to flush out the toxins that are being processed and also compensate for the fluid loss. Water fountain will be placed in the facility for the customer’s convenience to replenish body throughout sauna treatments, to ensure the best detoxifying results.

Central operational system

Central operating system is sophisticated computer operated module which allows operate wellness elements like sauna stoves, steam generators, light effects, security function and various attractions for enlivening of the masterpiece. It is advanced complex, controlled centrally to ensure the smooth facility operation. All functions are programmed to run automatically and the possibilities are wide.

Body and skin care product line

Caldaria Sauna Spa will carry holistic body and skin care line Yonka. It is premium skin care product line with French spirit of aromatherapy. The philosophy of the company goes beyond skin care. The care of the body as a whole is a guiding concept of Yonka skin care. To have optimally healthy skin, the body must be cared for and healthy as well. The product line is designed to care at some level for both body and skin. Yonka expresses this concept by promoting itself as "a world of fragrance, softness and harmony that combines pleasure and effectiveness for beauty and well-being." Natural ingredients such as vitamins, fruit acids and trace elements are designed to work synergistically to improve a variety of skin conditions and are suitable for virtually all skin types. Essential oils from the plants add the benefit of aromatherapy for healing and nurturing the body as well as the skin.

3.2 Competitive Comparison

There are many spas in Calgary area but no direct competitors. There are many places offering sauna, massage, and facials but there is no direct competition when it comes to a spa completely dedicated to sauna and built as a wellness sanctuary.

3.3 Sales Literature

- Services brochure
- Logo/slogan with advertising
- Website

3.4 Future Products and Services

Caldaria's owner has worked in the esthetics business for over 6 years and owned her own spa as well so she knows the industry in and out. The benefit to Caldaria is that we can add relevant esthetics services as we see demanded from our customers or needed to push revenue in the slow times.

4.0 Market Analysis Summary

There are no direct competitors and few related competitors in Calgary.

The Spa Owner, Client Fabianova, has built a client base of approximately 200 people in last few years of her working in the esthetics industry. We interviewed 64 people who accepted our request. We presented the business idea by using a photo gallery of similar projects and online promo material. For analysis purposes, we categorized the interviewees in to three groups – The Europeans living in Calgary, the Athletes and everyone else. Here's what we found:

The Europeans in Calgary

The next group of my potential clients I targeted for my market research is the Slovak and Russian ethnic group living in Calgary. Of the following, 10% of the interviewed potential clients have visited similar wellness facilities back in Europe and would be excited have this business model introduced in Calgary. All interviewed people have used some form of sauna treatments in the past, 35% are currently using sauna it in sport or aesthetics facilities and 5% have dry or infrared sauna set up in their houses.

In total 64 individuals were interviewed and nearly all of them responded positively to our business idea. Approximately 75% of interviewed people would absolutely partake in the of sauna treatments. The remaining 25% of interviewed were willing to try and when satisfied, use facility on a monthly or quarterly basis. When initially asked the reasonable price for 2.5 hours of a variety sauna treatment was $45-$50. When the detailed business idea was presented and supported with visual material, 70% of the interviewed people responded that $60 would be a very reasonable price point for 2.5 hour treatment in luxury environment of this kind.

This group is less willing to commute to receive the treatment, the commute and price seemed to be equally important to them. They like a convenience as most of the interviewed are employed or self employed and live a busy life style.

The Athletes:

The next interviewed group was a group of amateur athletes. I approached users of the YMCA sport facility in Eau Claire branch and a total of 25 people were interviewed. All people in this group were curious about my potential business model. 20% have been

using steam sauna at the local facility, 25% of all interviewed athletes have been using the infrared sauna in alternative medical offices or they have their own personal infrared sauna at home. Approximately 10% would like to own their own sauna but they do not have the appropriate space to set up a sauna unit in their house. They would be willing to use a full spectrum of sauna treatments on a 2- 4 weeks basis. 46% of interviewed people in this group have been practicing hot yoga. All of the interviewed clients have general knowledge about sauna benefits.

Everyone else:

For market research purposes we contacted 38 of her former clients, 23 over the phone and 15 in person. All of the interviewed clients responded very positively about her possible comeback to the industry. They are excited about the new business idea, and would attend sauna treatments on a 3-4 week basis.

According to the clients I surveyed the price point of $60 seemed to be very reasonable, and 34% of the people interviewed are currently using some form of sauna treatment. All of the interviewed clients have used a sauna at some point, found it an enjoyable experience, and are aware of the positive benefits of using a sauna. Of people interviewed, 5% own their own infrared sauna, but would still attend sauna spa regularly for the variety of sauna treatments, luxury, peaceful environment and social aspect. They would prefer NW location but wouldn't mind 20-30 minute commute if the facility is in an attractive area. 35% of my former clients who were interviewed are currently practicing hot yoga. Most of the clients in this group have a high disposable income and are curious about the new business model. The price point did not seem to be as important as the quality of the proposed treatment.

4.1 Market Segmentation

Individuals with high disposable income

This group of clients wants convenience, luxury and personal attention, preferably all in one package. Clients who have disposable income to indulge in body treatments for self pampering and relaxation are the core for long term repeat customers. These clients come once a week to once a month for treatment for years, and often refer other family members and friends. They often like to pamper their friends for birthdays, weddings and other special occasions in a form of gift certificate, which is another source of usually one-time spa visitors.

Baby-booming anti-aging market

The baby boomer market is an extremely desirable market because of its sheer size and it is almost a rule for small business success. It is a population with the desire and means to do what it takes to “stay forever young”. As a group, they were the wealthiest generation with peak levels of income, seeking to combat the effects of stress and aging. Buying power especially of the older baby boomer generation is considerable. Baby boomers spend a good portion of their large disposable income in areas of their concern in order to maintain and improve quality of life.

Alternative health care users

These are people who prefer to use naturopaths, herbalists, acupuncturists as a proactive approach to improve health, feeling better and preventing sickness from developing, enhancing quality of life and optimum levels of well-being. Health and wellness is a major life focus for them.

Amateur Athletes

They are a very loyal group, and they will readily give word-of-mouth, when the received treatment provides specific boost to their performance or helps faster recover from acute pain or injury. The sauna can play an important role in athletic training. It enhances muscle flexibility thus, aiding with injury prevention. FIR reduces lactic acid in the body. Lactic acid is the muscle metabolism by-product; it causes soreness and stiffness following exercise.

4.2 Target Market Segment Strategy

The members of these market segments have spending power and lead professional lives filled with stress at a consistent level. Most of these have insurance coverage for other wellness treatments and hence do not mind spending on the services that go above general care.

4.3 Market Needs, Trends & Growth

People love to pamper themselves, especially people who have achieved a decent level of professional success. Calgary has become a bastion for the successful, having consistently been named as one of the best cities in Canada to live and to do business in recent years. This has created a community of wealth, mobility, and growth.

4.4 Service Business Analysis

We are part of the retail health and beauty industry which has four major types:

1. **Salons**: Stores with only hair styling services and products.
2. **Day Spas**: Stores specializing in body health maintenance through a variety of services and products.
3. **Day Spa & Salon**: Stores combining the services of the two aforementioned.
4. **Health & Beauty Products**: Stores selling only merchandise products covering the wide range of products available but not inclusive of those sold by salons and spas.

4.5 Main Competitors

There are many day spas in Calgary offering wellness services but there is very little direct competition at this point.

The closest competitor for Caldaria Sauna Spa is Oak Leaf, first sauna club and unique social recreational facility in Calgary. The cedar steam sauna treatment and body massage are two main components of this business. It is the only facility in Western Canada offering sauna treatment as a main business product. This Wellness facility gained huge popularity among its members almost instantly after introducing it on the market. Oak Leaf is not opened to wide public. It runs in a form of wellness club and a

membership is required. The business idea of Oak Leaf is similar in some ways to the idea of Caldaria Sauna Spa but there are a number of fronts on which Caldaria Sauna Spa would gain a lead. The wider variety of offered sauna treatments, better booking system, accessible to general public and more professional environment are the greatest ones.

"Salt Room Therapy" wellness facility is in realization stage in NW community Dalhousie. At this point there is no detailed information accessible for this business unit.

Our indirect competitors are day spas, alternative health care providers and fitness facilities.

There are number of day spas, fitness facilities and alternative health care providers offering sauna sessions only as a complimentary or additional service to their main services but not as a full holistic healing experience. Their sauna sessions are usually only short 15-30 minutes sessions offering either steam or infrared type of treatment.

The closest indirect competitors in spa sector are Riverside Spa, Spa Ritual, Spa Europa, Inner Balance Spa, high end Calgary spas offering whole spectrum of esthetics and body treatments in luxury environment. These wellness centers offer sauna session in very limited way and mostly to add on attractiveness of their facility.

Among the alternative care providers, Calgary Naturopathic Clinic, Prema Sai, Medi Spa, NW Calgary Chiropractors, Spice Wellness are the most comprehensive, but similar as the day spas, they only offer limited sauna therapy treatments. Most of the holistic providers highly believe and support using sauna as a proactive healing method, but they simply can't accommodate sauna in their business practices.

We don't intend to compete with rather wish to offer treatment which will appeal, greatly complement and enhance options for those who are seeking natural ways of healing. Effective marketing can open whole new pool of potential customers on mutually beneficial arrangements.

The last group of our indirect competitors are fitness facilities and hot yoga studios. Infrared saunas and steam saunas are a part of the exercise program in many fitness facilities and health clubs like Fresh Fitness, YMCA, Gold's Gym, Women Only Fitness and World Health Club. Using the infrared sauna after a workout can relax tight and tired muscles, improving their flexibility and decreasing injury. Hot Yoga uses the same principles, but a different type of heat.

It's no secret that hot yoga has become hugely popular across North America.

Similar as saunas, hot yoga promotes sweating that helps flush toxins through the body's largest eliminating organ – skin. Hot environment produces heavy sweating and promotes detoxification, weight loss, arthritis pain relief, anti-aging preventive medicine, reduces stress and many other benefits.

In the environmentally conscious health environment Caldaria Sauna Spa can bring the best of spa, fitness and holistic health care world together to reach the goal for those concerned with physical beauty and also with mental well being. Caldaria Sauna Spa is a

new business model in Calgary and Canada but it is proven to thrive in lot of European countries.

4.5.1 Business Participants

Industry participants are those whose services include spa offerings. Spa services concern body relaxing and rejuvenating offerings such as massage, sauna, facials, & Body wraps.

4.5.2 Competition and Buying Patterns

Customers choose spa and salon services based on proximity to their daily travels from home and work, reputation for quality, and good pricing. With our unique services, we expect to compete mainly against other Spas that offer Sauna treatments.

5.0 Strategy and Implementation Summary

1. **Emphasize quality, originality, and dependability of service.** We will differentiate ourselves from our competitors by offering unique, quality, and reliable services in a beautiful and stress free atmosphere.

2. **We will provide a unique atmosphere.** From the name to the ambience of our spa, Caldaria will distinguish itself as a completely trustworthy and soothing setting where customers can enjoy being pampered and escape the stress of their everyday lives.

3. **Build a community relationship-oriented business.** We will focus on strengthening the trust of our customer base, and providing not only services, but information that will aid everyone in the progression of obtaining a balanced and healthy lifestyle.

5.1 Value Proposition

Our value proposition is that we will bring a unique mode of relaxation and fulfillment to our community. When people are relaxed, comfortable, and happy, they have the ability to work harder, concentrate better, feel physically, emotionally, and mentally balanced, and give that happiness back into their homes, workplaces, and community. Simply put, our value proposition is that we help our community become a better place to live and work.

5.2 Competitive Edge

Our competitive edge is a combination of our unique services, outstanding location, and our interaction with customers. By providing our customers a holistic and integrative spa experience, we build relationships of trust and satisfaction. Our customers will come to depend on our unique services and fulfilling environment. Caldaria Sauna Spa is an extraordinary combination of the ultimate spa environment and uniqueness of offered services, all to achieve optimal health of body and mind. Caldaria Sauna Spa has set out since its inception to provide high quality of services in a peaceful and professional environment to ensure a high rate of return customers. Through this unique combination, Caldaria Sauna Spa will quickly gain market share.

5.3 Marketing Strategy

Our marketing strategy is the key to our success:

1. Emphasize our name and unique services through advertising.
2. Focus on the convenience of our location.
3. Build community relationships through unique and quality service, friendly and caring atmosphere, and establishing absolute dependability of our services.

5.3.1 Promotion Strategy

Our promotional strategy will be two-fold: first phase promotion will deal with advertising before, during, and six months following our opening; the second phase advertising will deal with all long-term advertising.

FIRST PHASE PROMOTIONS

Magazine advertising

To reach the targeting market Caldaria Sauna Spa will utilize local newspaper, local social and health magazines in form of box ads as well as advertising inserts showcasing new business ideas

Vehicle advertising

Client will use magnetic signs on personal vehicle with the company's logo and telephone number.

Inbound advertising

Caldaria Sauna Spa will create a comprehensive website providing business general information like business name, address, hours of operation, full menu of offered services and their benefits.

Alliances

Caldaria Sauna Spa will place spa brochures within the offices of the alternative health care providers and we will do the same for them in return. This gives the chance to reach a whole new pool of potential customers.

Media advertising

Caldaria Sauna Spa will offer 1 free sauna session as a prize for a radio contest each week for first 2 months from the spa grand opening

SECOND PHASE PROMOTIONS

Caldaria Sauna Spa will continue to place ads in social and health magazines all year round about business, offered services and products, announcing new products or bringing news about the business.

Caldaria Sauna Spa will use every outgoing piece of paper, and every electronic document such as email bill payments, receipts business stationery as business promotion.

The website will have a full menu of services and eventually have the ability to schedule appointments on-line. The intention is to use the software which will allow a user to see the schedule and make an appointment without making a phone call.

Caldaria Sauna Spa will participate in local wellness related trade shows to be seen and get known.

Caldaria Sauna Spa will have a custom design graphic applied on the vehicle with the first six months of the grand opening of the spa

5.3.2 Marketing Programs

Owner Client Fabianova will be responsible for marketing Caldaria through the advertising channels. The general manager will be responsible for assisting with the implementation of alliance advertising partnerships. Our advertising budget is $10,000 for the first year. Advertising will begin one week prior to opening.

5.3.3 Positioning Statement

We will automatically position ourselves as one of the top wellness destinations in the greater Calgary area. Considering that none of the other competitors offer the unique services we will, or that their staffs will be trained like ours, and that there are not any spas of our type in Calgary, we will be able to provide services to entire Calgary populace not currently being tapped.

5.3.4 Pricing Strategy

Our pricing strategy will be different to that of our competitors. We will not charge over, nor substantially under, standard prices for our services however, we will have a access based fee system where people would enjoy a variety of treatment for set number of hours for a fixed fee. One session can accommodate up to 20 people who can enjoy the facilities at a time. We will be paying our employees a higher than average market rate wages and also a sales commission on their total individual customer sales which will allow us to hire the best employees and have a built-in motivational factor that will keep them working hard and happily.

5.4 Sales Strategy

1. Our umbrella sales strategy is to sell Caldaria to public consumers as a uniquely desirable destination that will enhance their lives.
2. We will sell our services through each employee's skill, courtesy, and warmth, creating a trusting impression on all customers, hence establishing loyalty and return. We will ensure each visit to Caldaria is a relaxing and memorable experience, so that customers can always depend on our brand of service when they arrive.

5.4.1 Sales Forecast

The important elements of the Sales Forecast are shown in the chart and table below. Initial sales forecasts indicate vigorous first year sales, almost tripling by the end of second year, then leveling out somewhat by the end of third year. These figures are based only on revenue from minimum average estimates from sauna treatments only.

Table: Sales Forecast

Caldaria Sauna Spa **5 Year Revenue Projections**					
	Year One	**Year Two**	**Year Three**	**Year Four**	**Year Five**
Revenue	**$244,903.13**	**$775,491.49**	**$833,653.35**	**$896,177.35**	**$963,390.65**
% of Capacity	**13%**	**42%**	**45%**	**49%**	**52%**
Potential	87%	58%	55%	51%	48%

Chart: Sales Yearly

5.4.2 Sales Programs

1. Our comprehensive brochure will explain the nature of our services and how they benefit our customers.
2. Our website will be comprehensively informative of our services and their benefits.

5.5 Strategic Alliances

We will form alliances with our referral practitioners, local restaurants, offices, and businesses that will be strategically beneficial for generating new customers; we will also form alliances with local certified massage schools and esthetics schools.

5.6 Milestones

The following table lists important store milestones, with dates, implementation duty, and budgets for each. The milestone schedule emphasizes the timeliness for implementation per the sales and marketing targets listed in detail in the previous topics.

Table: Milestones

Milestone	*Estimated Time*	*Estimated Budget*
Raise $245.000 for project realization, to purchase equipment, provide working capital for first six months		
Find location to lease		
Meeting with the supplier - meet with Mr. Liptak, the representative and project manager of Vameli Slovakia Ltd, discuss the project visualization and realization in detail, sign contract		
Upon the result of the meeting with Mr. Liptak, place an order an equipment and secure labor for the project realization		
Project realization		
Legal (*Property insurance and Liability insurance)*		
Successful grand opening		

6.0 Management Summary

The management philosophy of Caldaria is based on respect for each of our fellow employees, respect for every customer, and individual responsibility. Caldaria's success is dependent on the warmth and uniqueness of its atmosphere which is generated by a fun-loving and caring employee. The management team will consist of the owner, general manager, and assistant manager (if deemed necessary). We will hire only those whom demonstrate the qualities necessary for working in a nurturing environment, and the willingness to move forward in study of energetic principals if not already so trained. We will be hiring the ultimate "people persons."

6.1 Organizational Structure

Our initial team consists of 1 employee, and the owner will act as the general manager. The spa personnel will consist of three contract massage therapists and one receptionist. There will be room for expansion to five to seven massage therapists, and two to three energy therapists in future.

6.2 Management Team

Client – A certified esthetician with over 6 years of experience in esthetics. Client has multiple Diploma and Certificates in esthetics, Visual Design and Hotel management. Client has a pleasant personality and has successfully made hundreds of loyal clients in past few years of practicing as an esthetician. Client also has year of corporate experience in Accounting and Financial division.

6.3 Personnel Plan

We would start with one assistant employee and two or three massage therapists as contractors and additional hiring will be done as needed.

7.0 Financial Plan

The premier element in our financial plan is initiating, maintaining, and improving the factors that create, stabilize, and increase our cash flow:

1. We must create visibility so as to create and increase customer footfall.
2. We must maintain a dependable, happy employee force so as to minimize turnover.
3. Create a brisk turnaround on our retail products, always maintaining viable stock levels.

7.1 Important Assumptions

The key underlying assumptions of our financial plan shown in the following general assumptions table are:

1. We assume access to capital and financing to support our financial plan.
2. We assume our financial progress based on realistic sales to minimum sales against highest expenses.
3. We assume there will not be an economic crash that would greatly hinder our target market's access to their personal luxury funds.

Table: General Assumptions

Description		**Assumption**	
Average growth in Spa visitors 0-6months		20%	
Average growth in Spa visitors 6-12months		15%	
Average growth in Spa visitors 13 month onwards		8%	
Expense Rate after year 2		4%	
Income Tax		20%	
Owner's salary		$5,000	
Depreciation		30%	
Employee Salary		$15	/hr
CPP, EI & Benefits		25%	of base
Average Payroll(4hrs per day, 6 days a week)		$1,530.00	
Spa fee/ person/ visit		$60	
Massage rate/hr		$80	
Massage Revenue Split with RMT		30%	
Average Monthly visitor count		792	
Low		6	
High		60	
Capacity		60	/day
Capacity Monthly		1440	
Rent (with Utilities)		7500	
Business Days/ Month		24	
Business Loan Interest Rate		5%	
Business Loan Term (Months)		60	
Business Loan Principal		$291,900	
Services and Unit Prices	*Highest*	*Lowest*	*Average*
Massage (30% Share from RMT)	$24	24	24
Facials	165	135	150
Body Wraps	145	145	145
Retail product sales	100	80	90
Average Price/Service			106
(Sum of average price of service/number of services offered)			
Revenue Split of Service			
Massage		7.50%	of Revenue
Facials		3.75%	of Revenue
Body Wraps		3.75%	of Revenue
Retail product sales			of Revenue

7.3 Break-even Analysis

For our Break-even Analysis we assume estimated monthly operational costs which include payroll, rent, utilities, and other running costs.

The analysis shows what we need to generate in revenues per month to break even. This total is 14% of the monthly store gross revenue capacity. Considering our minimal assumptions show a monthly total customer average of 33%, we therefore believe our break-even figures can be readily maintained.

Chart: Break-even Analysis

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue to Break-even	$22114
Number of Services Needed to Breakeven (Monthly)	312
Number of Services Needed to Breakeven (Daily)	13

7.4 Projected Profit and Loss

Chart: Profit Yearly

Chart: Gross Margin Yearly

Gross profit
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
Year1
Year2
Year3
Year4
Year5
Gross profit

Table: Statement of Projected Earning

Year	*Year1*	*Year2*	*Year3*	*Year4*	*Year5*
Sales	**244,903**	**775,491**	**833,653**	**896,177**	**963,391**
Costs of Sales	**66,000**	**72,600**	**79,860**	**87,846**	**96,631**
Gross Margin	**$ 178,903**	**$702,891**	**$ 753,793**	**$ 808,331**	**$ 866,760**
Expenditures					
Rent	72,000	72,000	72,000	72,000	72,000
Utilities	18,000	19,800	21,780	23,958	26,354
Telephone & Cable	1,800	1,980	2,178	2,396	2,635
City license	300	330	363	399	439
City business tax	4,200	4,620	5,082	5,590	6,149
Liability insurance	6,000	6,600	7,260	7,986	8,785
Misc (washroom supply, cleaning, and laundry stuff)	1,200	1,320	1,452	1,597	1,757
Office Supplies	600	660	726	799	878
Marketing & Advertisement	10,000	6,000	6,600	7,260	7,986
Bookkeeping & Accounting	1,800	1,980	2,178	2,396	2,635
Employee	18,360	36,720	40,392	44,431	48,874
Total Expenditures	**134,260**	**152,010**	**160,011**	**168,812**	**178,493**
Interest Expenses *(Based on a $291900 loan @ 5% for 5 years. Source: Calculator at RBC Website)*	**7,722**	**7,722**	**7,722**	**7,722**	**7722.158**
Earnings from Operations	**36,921**	**543,159**	**586,060**	**631,797**	**680,545**
Provision for (recovery of) income taxes	**7,384**	**8,123**	**8,935**	**9,828**	**10,811**
Net Earnings (loss)	**29,537**	**535,037**	**577,125**	**621,969**	**669,733**
Deficit, beginning of year	**-**				
Retained earnings (deficit), end of year	**$ 29,537**	**$535,037**	**$ 577,125**	**$ 621,969**	**$ 669,733**

7.5 Projected Cash Flow

Considering our business is a luxury, retail-oriented business with customers who will pay primarily with credit cards, our cash flow is not dependant on the issuance of invoices and the vagaries of Accounts Payable. We will need a minimum of financing to cover the cash flows of the 8-12 months of operations. After that, the cash flow becomes continual.

Table: Cash Flow

				Caldaria Sauna Spa
				2 Year Cash Flow (Monthly Break down)
Revenue Sources (Itemized)	**Spa Visitors Daily**	**Cash In**	**Cash Out**	**Net Cash Flow**
Month 1	4	7,624.00	22,114.16	-14,490.16
Month 2	5	8,948.80	22,114.16	-13,165.36
Month 3	6	10,538.56	22,114.16	-11,575.60
Month 4	7	12,446.27	22,114.16	-9,667.89
Month 5	8	14,735.53	22,114.16	-7,378.63
Month 6	10	17,482.63	22,114.16	-4,631.53
Month 7	11	20,155.03	22,114.16	-1,959.13
Month 8	13	22,998.28	22,114.16	884.12
Month 9	15	26,268.02	22,114.16	4,153.86
Month 10	17	30,028.23	22,114.16	7,914.07
Month 11	20	34,352.46	22,114.16	12,238.30
Month 12	23	39,325.33	22,114.16	17,211.17
Month 13	25	42,684.73	22,114.16	20,570.57
Month 14	27	45,758.58	22,114.16	23,644.42
Month 15	29	49,062.98	22,114.16	26,948.82
Month 16	31	52,615.20	22,114.16	30,501.04
Month 17	33	56,433.84	22,114.16	34,319.68
Month 18	36	60,538.88	22,114.16	38,424.72
Month 19	38	64,951.79	22,114.16	42,837.63
Month 20	41	69,695.68	22,114.16	47,581.52
Month 21	44	74,795.35	22,114.16	52,681.19
Month 22	47	80,277.51	22,114.16	58,163.35
Month 23	51	86,170.82	22,114.16	64,056.66
Month 24	55	92,506.13	22,114.16	70,391.97
		1,020,394.62	**530,739.84**	**489,654.78**

Chart: Cash

$100,000.00
$90,000.00
$80,000.00
$70,000.00
$60,000.00
$50,000.00
$40,000.00
$30,000.00
$20,000.00
$10,000.00
$-
Month 1
Month 3
Month 5
Month 7
Month 9
Month 11
Month 13
Month 15
Month 17
Month 19
Month 21
Month 23
Cash In
Cash out

7.6 Projected Balance Sheet

Our Projected Balance Sheet shows we will not have any difficulty meeting our debt obligations as long as our revenue projections are met.

Table: Balance Sheet

Caldaria Spa

Projected Balance Sheet

ASSETS	Year1	Year2	LIABILITIES	Year1	Year2
Cash	($35,573)	$535,037	Bank Loan	$291,900	$239,196
Accounts Receivable -- Trade	$0	$0	Accounts Payable	$0	$0
Accounts Receivable -- Other	$0	$0	Accruals	$0	$0
Inventory	$2,500	$6,000	Current Portion of L.T.D.	$0	$0
Prepaid Expenses	$4,200	$4,200	Income Taxes Payable	$7,384	$8,123
Other			Other	$0	$0
Current Assets	*($28,873)*	*$545,237*	*Current Liabilities*	*$299,284*	*$247,319*
Land	$0	$0	Term Debt	$0	$0
Building	$0	$0	Shareholders' Advances	$0	$0
Furniture & Fixtures	$1,000	$700	Other	$0	$0
Equipment & Machinery	$296,900	$207,830	*Long-Term Liabilities*	*$0*	*$0*
Other					
Net Fixed Assets	*$297,900*	$208,530	Owner's Equity	($28,757)	$507,498
Other Assets1	$1,500	$1,050			
Other Assets2					
Other Assets	$1,500	$1,050			
TOTAL ASSETS	**$270,527**	**$754,817**	**LIABILITIES + OWNER'S EQUITY**	**$270,527**	**$754,817**

Table: Sales Forecast

					Caldaria Spa
					5 Year Revenue Projections
	Year One	**Year Two**	**Year Three**	**Year Four**	**Year Five**
Revenue	**$244,903.13**	**$775,491.49**	**$833,653.35**	**$896,177.35**	**$963,390.65**
% of Capacity	**13%**	**42%**	**45%**	**49%**	**52%**
Potential	87%	58%	55%	51%	48%

Table: General Assumptions

Description		Assumption	
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Depreciation		30%	
Employee Salary		$15	/hr
CPP, EI & Benefits		25%	of base
Average Payroll(4hrs per day, 6 days a week)		$1,530.00	
Spa fee/ person/ visit		$60	
Massage rate/hr		$80	
Massage Revenue Split with RMT		30%	
Average Monthly visitor count		792	
Low		6	
High		60	
Capacity		60	/day
Capacity Monthly		1440	
Rent (with utilities)		7500	
Business Days/ Month		24	
Business Loan Interest Rate		5%	
Business Loan Term (Months)		60	
Business Loan Principal		$291,900	
Services and Unit Prices	*Highest*	*Lowest*	*Average*
Massage (30% Share from RMT)	$24	24	24
Facials	165	135	150
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Retail product sales	100	80	90
Average Price/Service			106
(Sum of average price of service/number of services offered)			
Revenue Split of Service			
Massage		7.50%	of Revenue
Facials		3.75%	of Revenue
Body Wraps		3.75%	of Revenue
Retail product sales			of Revenue

Table: Cash Flow

									2 Year Cash Flow (Monthly Break down)
Revenue Sources (Itemized)	**Spa Visitors Daily**	**Spa entrance Fee**	**Massage**	**Facial**	**Body Wraps**	**Retail product sales**	**Cash In**	**Cash Out**	**Net Cash Flow**
Month 1	4	5,760.00	432.00	216.00	216.00	1,000.00	7,624.00	22,114.16	-14,490.16
Month 2	5	6,912.00	518.40	259.20	259.20	1,000.00	8,948.80	22,114.16	-13,165.36
Month 3	6	8,294.40	622.08	311.04	311.04	1,000.00	10,538.56	22,114.16	-11,575.60
Month 4	7	9,953.28	746.50	373.25	373.25	1,000.00	12,446.27	22,114.16	-9,667.89
Month 5	8	11,943.94	895.80	447.90	447.90	1,000.00	14,735.53	22,114.16	-7,378.63
Month 6	10	14,332.72	1,074.95	537.48	537.48	1,000.00	17,482.63	22,114.16	-4,631.53
Month 7	11	16,482.63	1,236.20	618.10	618.10	1,200.00	20,155.03	22,114.16	-1,959.13
Month 8	13	18,955.03	1,421.63	710.81	710.81	1,200.00	22,998.28	22,114.16	884.12
Month 9	15	21,798.28	1,634.87	817.44	817.44	1,200.00	26,268.02	22,114.16	4,153.86
Month 10	17	25,068.02	1,880.10	940.05	940.05	1,200.00	30,028.23	22,114.16	7,914.07
Month 11	20	28,828.23	2,162.12	1,081.06	1,081.06	1,200.00	34,352.46	22,114.16	12,238.30
Month 12	23	33,152.46	2,486.43	1,243.22	1,243.22	1,200.00	39,325.33	22,114.16	17,211.17
Month 13	25	35,638.89	2,672.92	1,336.46	1,336.46	1,700.00	42,684.73	22,114.16	20,570.57
Month 14	27	38,311.81	2,873.39	1,436.69	1,436.69	1,700.00	45,758.58	22,114.16	23,644.42
Month 15	29	41,185.20	3,088.89	1,544.44	1,544.44	1,700.00	49,062.98	22,114.16	26,948.82
Month 16	31	44,274.09	3,320.56	1,660.28	1,660.28	1,700.00	52,615.20	22,114.16	30,501.04
Month 17	33	47,594.64	3,569.60	1,784.80	1,784.80	1,700.00	56,433.84	22,114.16	34,319.68
Month 18	36	51,164.24	3,837.32	1,918.66	1,918.66	1,700.00	60,538.88	22,114.16	38,424.72
Month 19	38	55,001.56	4,125.12	2,062.56	2,062.56	1,700.00	64,951.79	22,114.16	42,837.63
Month 20	41	59,126.68	4,434.50	2,217.25	2,217.25	1,700.00	69,695.68	22,114.16	47,581.52
Month 21	44	63,561.18	4,767.09	2,383.54	2,383.54	1,700.00	74,795.35	22,114.16	52,681.19
Month 22	47	68,328.27	5,124.62	2,562.31	2,562.31	1,700.00	80,277.51	22,114.16	58,163.35
Month 23	51	73,452.89	5,508.97	2,754.48	2,754.48	1,700.00	86,170.82	22,114.16	64,056.66
Month 24	55	78,961.85	5,922.14	2,961.07	2,961.07	1,700.00	92,506.13	22,114.16	70,391.97
							1,020,394.62	**530,739.84**	**489,654.78**

Table: Balance Sheet

Caldaria Spa

Projected Balance Sheet

ASSETS	Year1	Year2	LIABILITIES	Year1	Year2
Cash	($35,573)	$535,037	Bank Loan	$291,900	$239,196
Accounts Receivable -- Trade	$0	$0	Accounts Payable	$0	$0
Accounts Receivable -- Other	$0	$0	Accruals	$0	$0
Inventory	$2,500	$6,000	Current Portion of L.T.D.	$0	$0
Prepaid Expenses	$4,200	$4,200	Income Taxes Payable	$7,384	$8,123
Other			Other	$0	$0
Current Assets	*($28,873)*	*$545,237*	*Current Liabilities*	*$299,284*	*$247,319*
Land	$0	$0	Term Debt	$0	$0
Building	$0	$0	Shareholders' Advances	$0	$0
Furniture & Fixtures	$1,000	$700	Other	$0	$0
Equipment & Machinery	$296,900	$207,830	*Long-Term Liabilities*	*$0*	*$0*
Other					
Net Fixed Assets	*$297,900*	$208,530	Owner's Equity	($28,757)	$507,498
Other Assets1	$1,500	$1,050			
Other Assets2					
Other Assets	$1,500	$1,050			
TOTAL ASSETS	**$270,527**	**$754,817**	**LIABILITIES + OWNER'S EQUITY**	**$270,527**	**$754,817**