Business Plan
Adlai Stevenson High School
Illinois
2017-18
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Executive Summary

Trampolines are one of the most exhilarating activities for children and adults alike. However, high prices and maintenance for trampolines discourage some consumers from purchasing one and few areas offer trampoline facilities for the public to use and enjoy. Trampoline Planet seeks to solve this problem by providing a high quality, state of the art trampoline space, featuring numerous activities for people of varying ages to have fun.

Trampoline Planet will offer four main attractions for customers to experience: an open trampoline space, an obstacle course, slamball courts, and volleyball courts. Additionally, Trampoline Planet will offer a food court and merchandise store where customers can enjoy our delicious and healthy food options and purchase their own Trampoline Planet apparel and equipment. The park preserves the core ideas of a family entertainment facility while also implementing new games and activities. Since we offer such unique sports-based attractions, we believe it is important to capitalize on this opportunity by implementing a competitive aspect to our sports courts and obstacle course. Trampoline Planet will be offering league membership in our facility, allowing customers to compete as well as raising additional revenue. Party packages are also an important contributor to revenue, which is why Trampoline Planet will offer varying price points for party plans and specials to attract a wider customer base.

As owners of Trampoline Planet, Ayush Bodige, Mrigank Dayal, and Christopher Varghese each bring a unique set of skills to ensure the company’s success. With experience in finance, marketing, accounting, and management, the owners have the necessary caliber to make Trampoline Planet prosper. Ayush, Mrigank, and Christopher are also focused on giving back to the community through sponsorships, donations, and fundraisers for various causes.

Trampoline Planet will release a set of merchandise featured in a specialized store at the facility and online to raise additional revenue. Shirts, hoodies, and other clothing will be available for birthday parties and in the shop for purchase. Jerseys will be provided for the official slam ball tournaments and leagues with a variety of colors and custom team logos.

Sales were projected using thorough analysis of the industry and our best competitors. These estimates were created honestly and conservatively to give Trampoline Planet
realistic projections. Pricing was fair and relative to competitors and offers good margins for the services. In the future, Trampoline Planet has visions to expand and create more locations in the state of Illinois and in the United States.

**Company Profile**

**Legal Form of Business**
The company will file as a Limited Liability Company to gain both legal and economic advantages. Legally, the owners’ assets will be protected from any lawsuit brought through the LLC. In case of injury or death in our facility, we require our customers to sign a liability waiver for additional legal support. Financially, we do not have to file a corporate tax return by using a LLC, so we can avoid double taxation and end the calendar year with additional net income.

**Facility Location**
Trampoline Planet will be located at 450 East Bunker Court, Vernon Hills, IL 60061. This is an ideal location for attracting our target market because the Vernon Hills area is close to more than twenty different elementary, middle, and high schools. Additionally, Vernon Hills does not yet have a trampoline park, thus isolating us from competitors and enabling us to earn more revenue. Trampoline Planet intends to use approximately 40,000 square feet of the facility’s 66,000 square feet during initial startup. The remaining space will initially be used for storage and be expanded into in the future when we add new attractions to the facility. We will make sure that Trampoline Planet is legally safe to open by obtaining a Certificate of Occupancy from the landlord.

**Company Governance**
The owners, Ayush, Mrigank, Christopher, will manage Trampoline Planet. Our employees will also serve an influential role in determining governance issues. Employees and owners will meet monthly to discuss topics concerning day-to-day operations. Consequently, this will facilitate addressing any problems our employees or customers may have. Ultimately, the owners seek to create a positive environment at Trampoline Planet that accommodates the needs of every individual: customer or employee. The three owners have the final say when voting over new suggestions, needing a majority two votes to settle a matter.
Effective Date of Business
With the concept created in December, 2017, by Ayush Bodige, Mrigank Dayal, and Christopher Varghese, Trampoline Planet will begin construction in January 2019 and facility will be open for daily operations on April 1, 2019.

Company Vision & Mission Statement
Trampoline Planet’s vision is a branded franchise that extends across the US for its ability to break the age barrier by providing limitless enjoyment for children, teens, and adults. We envision a brand that is trusted by loyal customers who remember Trampoline Planet as a memorable experience in their childhood, a get together place in their teenage years, and something they can still relish as adults and even share with children of their own.

Trampoline Planet’s mission is to create a unique entertainment facility for people of all ages to enjoy. With our many attractions that are suitable for a wide range of ages, people of all demographics can find something interesting to do at Trampoline Planet.

Financial Overview
The amount necessary to establish Trampoline Planet is approximately $990,000. This consists of construction and itemized expenditures. Most of these itemized expenditures will be paid through the cash contributions made by the owners. The remaining expenses will be covered by a construction loan of $1,000,000. This type of loan allows immediate access into capital whenever needed.

Sales were projected by analyzing nearby competitors and assessing the disposable income of our area. Sales were calculated conservatively, evidencing the loss in the first year. However, within the next four years, we expect a profit large enough to recuperate the losses from our first year of operation.

Immediate Objectives
To provide a trampoline park that offers activities that appeal to families, children, teens, adults, and competitive athletes, Trampoline World must meet the immediate goals:

- Remodel the existing space to create an open space for trampolines while creating color-coded sections for each activity of the trampoline park
- Expand the parking lot from the existing capacity (66) to accommodate the anticipated customer peak (250)
• Train employees in basic first aid and simulations of possible dangerous scenarios to maintain the safest environment possible at our facility
• Develop merchandise to make the experience more fulfilling for families such as hats and t-shirts, as well as more competitive for athletes such as custom sports equipment and jerseys

Industry Analysis

Industry Description

The trampoline park industry is a relatively new industry compared to other forms of family entertainment. The first trampoline park, Sky Zone, opened for operations in 2004. This 13-year-old industry is miniscule compared to other entertainment giants such as bowling; the first bowling alley opened in 1840. However, this seemingly small industry provides abundant room for growth, and puts Trampoline Planet at a healthy position for opening and operating within the coming years.

Almost all 400 registered trampoline parks follow guidelines for their facilities known as the ASTM F2970-15. This is a member-sponsored document which contains information regarding operations and finances for franchises or businesses wishing to go into the trampoline park industry. It also includes common safety standards, such as roof size, trampoline size, and waiver information. While it is only required in Michigan and Arizona, we will still enforce the ASTM F2970-15 in Illinois due to our high valuation of customer safety. In addition, the International Association of Trampoline Parks serves to advise trampoline park businesses and franchises in building a successful park. It was created in 2012 by trampoline park businesses as an open reference for mutual success in the industry. Trampoline Planet will become a part of the association to gain access to additional services needed for operating a new park.

Industry Size

In 2016, TechNavio, a market research company, valued the global trampoline market at 2.248 billion dollars. This is expected to see an impressive growth of 555 million dollars by 2021. This trend clearly indicates that trampoline parks are growing in popularity, which is why the current market sets Trampoline Planet up for success.

To take advantage of low competition in our area and the current growing industry, it is essential that Trampoline Planet should begin operations as soon as possible.
**Nature of Competition**

Trampoline parks are categorized as a form of family entertainment. The other competitors in this family entertainment industry can include bowling and arcades. However, as consumers become bored of these traditional forms of entertainment, they will look for alternatives. Trampoline parks provide fulfillment of fun for the family while also being a unique form of entertainment which can sustain an industry. The bowling industry is on a clear decline. According to Brandongaille, from 1998-2013, the number of bowling alleys in the U.S. fell from 5,400 to 3,976, or by about 26%. This indicates that bowling alleys are incurring increasingly more losses as consumers have become disinterested in bowling, resulting in the discontinuation of more than a thousand facilities. This provides for a more open and broad customer base for Trampoline Planet as the competing industries decline.

**Growth Trends**

According to Activity Quest, there are approximately 400 trampoline parks worldwide as of 2017. The global interest in trampoline parks comes from what they have to offer: dodgeball is a growing interest for competitive players and appeals to casual jumpers as well. Slam ball, which is a variation on basketball enhanced by trampolines, also attracts attention for both viewers and players. As the bowling and arcade industries decline, trampoline jumping will rise as consumers seek new forms of family entertainment.

**Target Market**

**Size**

Vernon Hills is in the Northwest suburbs of Chicago in Lake County. The total population of Lake County, Illinois is 703,462 with 383,887 people being in our targeted age range of 5-39 years old, according to the 2010 U.S. Census Bureau. The breakdown of this demographic is children (5-12), teens (13-19), and young to middle-aged adults (20-39). With 54.5 percent of the population in Lake County meeting our target market, the Vernon Hills area serves as the perfect location for Trampoline Planet.

**Growth Potential**

Lake County school districts have experienced an increase in student enrollment, showing that more students are coming to this area. Additionally, the U.S. Census Bureau projected that the percentage of the Lake County population within our target market will increase from 54.5% to
61.7% in 2016, showing that our target market is growing within the Lake County area. This places Trampoline Planet in the position to grow immensely in Lake County.

**Needs**
As traditional methods of entertainment have become mundane, people often find themselves looking for unique ways to have fun. With no trampoline park in the area, Trampoline Planet provides the perfect place for families to spend time together at an affordable price.

**Analysis of Market**
To maximize returns for investors and guarantee consistent growth for our business, we have extensively researched and analyzed statistics identifying prospective customers concerning our immediate area. Based off research on the respective primary age ranges of the wide variety of attractions offered in our entertainment center, the optimal target age range for Trampoline Planet is the 5-39 years within Lake County.

**Competitive Analysis**

**Key Competitors**

Sky Zone: First trampoline park business with locations in United States, Mexico, Saudi Arabia, and Canada. Offers activities such as dodgeball, dunking, foam pits, and warrior courses.

**Strengths**
1. Has a reputation as founder of the trampoline park industry. Because Sky Zone has been in the industry the longest out of any of our competitors, it has the most locations worldwide and built up brand loyalty over its years of operation.
2. One of the activities includes a toddler zone, which appeals to both parents and toddlers. This expands Sky Zone’s target market and allows them to earn additional revenue from increased customer traffic.
3. The fun atmosphere and ambience of Sky Zone makes it an attractive location for trampoline jumping. Sky Zone also changes their activities to make them seem unique to consumers.

**Weaknesses**

1. With a large number of facilities worldwide also comes a need for increased maintenance and upkeep, especially with employee quality. Customers report that employees at some Sky Zone locations are unsatisfactory due to absence of a manager, rude employees, etc.
2. Sky Zone requires that customers purchase special socks to jump in the facility. This disappoints Sky Zone’s customers because the socks become an additional price they have to pay every time they come to the location.
3. Certain areas have age restrictions. This means that when a child or adult pays to get into the facility, they will not be able to use some parts of the place. Because of this, families are dissatisfied they cannot jump with each other.

Sky High Sports: Relatively small but still growing business with 15 locations currently in the United States. Offers most of the activities other competitors do, with the addition of a “wipeout” activity as well as aerobic classes.

**Strengths**

1. Variety and openness of the facility appeals to customers as they can use any part of the facility when they want to as long as they pay the acceptable rates.
2. General outlook on staff problem solving is positive, as they assist customers with problems they may have and deal with them immediately. Atmosphere of locations is friendly and outgoing.
3. Sky High Sports maintains their facilities quite well according to customer reviews. Machines and trampolines are always updated and working.
Weaknesses
1. Adults are somewhat excluded from the jumping experience, as the facility only primarily markets to children.
2. Sky High Sports does not have its customers sign a waiver. This means that employees are required to monitor parents and kids alike, which can ruin the experience for some people.
3. Situations regarding money often go unsolved. Some locations are involved in scandals over not providing services for the allotted time customers paid for.

Dave and Buster’s: An expansive arcade and bar with multiple locations throughout the United States.

Strengths
1. Attracts adults because they have an alcohol bar, which expands their target market.
2. Offers a variety of arcade games for kids to play, making it a large attraction for customers interested in arcade gaming.
3. With the introduction of VR arcades, Dave and Busters has the potential to grow vastly and improve their capital.

Weaknesses
1. Kids are restricted from entering facilities if they are not accompanied by someone aged 18 and over. This limits how many people Dave and Buster’s can serve, which also limits the revenues they earn.
2. The prices they offer are expensive for most consumers. The input for gaming cards used in the arcade transfer to a much lower output. While this may seem like a good thing for business, it attracts less customers in the long run.
3. Maintaining such a large number of arcade machines can become an issue for the company, as IT costs greatly increase as customer base increases. This limits the amount of growth potential for Dave and Busters.

Trampoline Planet will be located in Vernon Hills, Illinois because the area does not have competitors close to it and covers a range of many schools. However, this does not completely save Trampoline Planet from potential competitive threats. Competitors will enjoy advantages such as brand loyalty and locations across the country. However, Trampoline Planet will cover this deficit by providing better customer service, unique activities, and competitive sports in an area which trampoline parks are farther away than consumers are willing to drive.

The company is also dedicated to helping the community by hosting charity events and donation services. By doing this, we hope to build Trampoline Planet’s reputation over the coming years. Christopher will plan and host these events to raise money for both the business and local charities.

**Marketing Plan and Sales Strategy**

**Key Message**

In an age of technology, Trampoline Planet promotes people spending time together while also being active. Trampoline Planet plans to deliver this message throughout the Lake County area in order to grow the company as well as its customer base.

**Message Delivery**

Prior to the opening of Trampoline Planet, flyers and advertisements will be posted throughout the Lake County area in order to create buzz for the business. Developing a strong online presence is essential for the success of Trampoline Planet which is why we will also establish several social media accounts on various social media platforms. During operations we will expand Trampoline Planet’s online presence by creating a mobile friendly website and pay for ads in various apps.
Trampoline Planet is located at 450 East Bunker Court, Vernon Hills, IL 60061. The popularity of nearby businesses, such as Portillo’s and Corner Bakery, will help contribute to the growth of Trampoline Planet and will help develop Trampoline Planet’s presence in the Vernon Hills area. Since our facility is located near many high schools, such as Vernon Hills High School and Adlai E Stevenson High School, we will provide sponsorships to these schools in the future in order to build our brand. Trampoline Planet is also in the vicinity of several malls such as Hawthorn Mall, which has over 6 million visitors annually, and Woodfield Mall, which has over 27 million visitors annually. We will take advantage of our business’ location by raising awareness through flyers and signs at these malls and schools.

As seen in our income statement on pg. 27, $6000 will go towards marketing before the opening of Trampoline Planet. Part of this amount will be used to print and distribute flyers throughout Lake County. The flyer will raise awareness of Trampoline Planet. It will include all the attractions inside the facility as well as tell our customers the date we open. Our social media presence will also grow through this flyer as it includes the platforms that our company has accounts on.

Additionally, a website will be created in order to make it easy for our customers to find us online as well as find more information on our

![Figure 1: Trampoline Planet Flyer](image1)

![Figure 2: Trampoline Planet Website](image2)
business. As seen in Figure 2, the website is extremely simple, making it easy to use for many customers. It also is an effective way for people to learn more about Trampoline Planet and allows them to purchase tickets online.

A Trampoline Planet League app will also be created by Christopher Varghese, in order to engage the league community. The app will notify league players when they have games as well as the scores of league games in slamball and volleyball. It will also include ranked racing times for runners participating in the obstacle course league. Players can also make necessary purchases for their sport, such as jerseys, within the league app. The app will also have a community board for league players to engage with each other and provide feedback on their league experience. This will be an effective way to unify the league community within Trampoline Planet, as it provides a platform for league members to remain engaged.

To build our online presence and engage the community, Trampoline Planet will be extremely active on social media and will use it to advertise. Trampoline Planet will use Instagram, Twitter, Facebook, Snapchat, and YouTube to notify the customers of new attractions and upcoming events. On the Instagram page, a weekly photo will be uploaded, showing off our various attractions. On the Twitter page, customers will be notified of the upcoming events and deals that Trampoline Planet will have. Trampoline Planet will also use Facebook to stream live events, such as league games, to the community. The Trampoline Planet YouTube channel will also be used to stream league games as well as have videos of game highlights. Mrigank will primarily handle the social media accounts to directly convey our key message to customers.

**Operations**

**Business Facilities**

The facility which will house Trampoline Planet will be around 64,000 square feet in size, with around 90 parking spaces in the parking lot. This size is appropriate for future expansion; however, we do not plan on using the entire facility during startup. Around 40,000 square feet will be used for the facility. Around 36% of this space will be dedicated to slamball and volleyball courts, free jump including dodgeball, ball pits, and regular trampolines, as well as the obstacle course will be around 37.5%, food courts will be 10% of the facility, and the remaining 16.5% will be used for party rooms, reception areas, and storage.
The store’s theme is astronomy, particularly because our company’s name is Trampoline Planet. Sections and activities that we offer will be named after planets or astronomical terms. For example, the dodgeball space will be called “Meteorite Mayhem” and the obstacle course will be called “The Black Hole”. This is to help enforce a family-friendly environment without being too boring or dull. The following floor plan will describe the allotted space for each activity in our facility in square footage.

![Figure 3: Trampoline Planet’s Floor Plan](image)

**Production Process**

There will be three main types of employees serving this company: owners, managers, and trained employees. All three of these employees will work together and focus on similar objectives, such as successful day-to-day operations and excellent customer service. However, each will have their own job to contribute to the company. The owners primarily handle operations, financials, marketing, and other aspects of the business. Managers maintain the facility and ensure that employees are doing their job, while also satisfying any issues a customer may have. Employees will be tasked with maintaining a safe environment for jumpers and making sure no one gets hurt. In the case that an injury occurs, all employees will be trained in first aid in order to ensure they can help the injured jumper in this situation.
Upon entry to our facility, customers will be greeted with two receptionists. The receptionists will be selling tickets and also will collect tickets that have been printed and bought online. They will also be able to provide information for those interested in joining our various sports leagues and will give waivers to first time visitors. Customers will then be taken to our video room to view the safety video in order to ensure jumpers remain safe. This video will be 1 minute in length and upon its completion, jumpers will be handed socks for jumping and will be allowed into the facility. Inside the facility there will be several employees to ensure that jumpers follow the safety rules of Trampoline Planet in order to prevent serious injuries from occurring. There will also be several boards throughout the facility that state the safety rules of Trampoline Planet in order to prevent violations of these rules.

For those who’ve come for weekend league play, they will also go through a similar process. Upon showing their league membership to the receptionist, league players will be allowed to directly enter the facility. However, if it is the first week of the season league players will watch a 1 minute league safety video for the various sports leagues in our facility. After entering the facility league players will be able to view which court their game is on and will play on that respective court. Each league game will include a referee in order to ensure the game is played fairly.

**Workforce Plan**

One of the owners, Ayush, Mrigank, or Chris, will always be at the store on weekends and will develop a schedule with managers for the employees to follow. With one of the owners present, it will ensure that our managers and employees are on task and are doing their respective jobs while also increasing productivity by having a passionate manager, rather than a hired one. In the situation that no owner is available to be at the facility, the hired manager will be tasked with ensuring nothing goes wrong within the facility.

Typically, employees tasked with opening will come to the facility at 7:30 a.m. and set up the facility for opening at 8:00 a.m. Those tasked with closing at 10 p.m. will be asked to clean the facility before leaving and making sure it’s ready for opening the next day. The manager will set up the schedule for the month in order to make sure employees can make their shifts. League referees will be given the day of league games and their shifts will be during these games.
League Structure
Trampoline Planet will have various sports leagues for people to participate in. Our slamball league will include 8 teams that consist of 6:9 players. There will be 4 seasons which consist of 12 games and the winner of the league during each season will get the prize for that season. Official slamball games will be 3 on 3 and each player will need to buy the necessary equipment to play. Players interested in slamball can make a team with their friends and participate in our Teen or Adult League depending on their age. Players can buy the equipment necessary to play from the Trampoline Planet website or from a third party. Jerseys will also be bought from Trampoline Planet website. Our volleyball league will have a similar structure to our slamball league. There will be 8 teams that consist of 5:7 players and this league will also include similar games and seasons as well as prizes. Our obstacle course league will have monthly seasons and people with the fastest times of the month will win prizes. All league play will be streamed on our Facebook page and highlights will be posted onto the Trampoline Planet YouTube channel.

Merchandise
Trampoline Planet will release a line of merchandise available at a specialized store in the facility and also online to generate additional revenue. Shirts, hoodies, and other accessories will be sold at this shop. Jerseys will be provided for the official slam ball tournaments and leagues with a variety of colors and custom team logos. Trampoline-specific gear will also be sold for the enhancement of the customer’s experience and for a competitive edge in league play. Below you will see concept merchandise that we plan to sell at the facility.

Pricing & Packages
Below is the pricing for tickets and other various other things Trampoline Planet sells, including food and merchandise. We’ve also included the party packages offered and their prices.
Impact of Technology

Technology will be implemented within the business, especially through the marketing aspect of the company as Trampoline Planet attempts to grow its online presence. Trampoline Planet will have a customer friendly website as well as an app for League players.

Management and Organization

Trampoline Planet is owned and operated by Ayush Bodige, Mrigank Dayal, and Chris Varghese, as a limited liability company. Ayush acts as the company’s manager and will assist in customer service as well as conduct interviews for hiring employees. Mrigank is the company’s financial manager and will produce financial statements such as balance sheets, income statements, and general journals to prove revenue and, eventually, profit. Chris primarily handles the marketing aspect of the company, supervising the social media pages and YouTube channel in order to build Trampoline Planet’s brand. Together, the three owners’ skillset will contribute to the success of Trampoline Planet.
Key Employees

Owners
Ayush, Mrigank, and Christopher will be responsible for the entire facility and making sure it runs smoothly. Ayush will help managers create work schedules as well as manage inventory and ensure the facility remains in good condition. He will also handle booking big events and will plan the various charity events at the facility. Mrigank will handle the financials of the business by communicating with our local bank and other financial institutions to ensure we are stable. Christopher will handle marketing by using communication mediums to build Trampoline Planet’s brand.

Manager
The managers of Trampoline Planet will primarily work with employees to create work schedules and will manage the facility when the owners aren’t present. They will also be tasked with training new employees as well as handling customer service during their respective shifts. The managers will also engage with regular employees to get feedback on the work environment and will also help with event planning. Additionally, the manager is tasked with party planning for birthday parties that take place at the facility.

Receptionist
The business will have two receptionists who will sell tickets as well as collect pre-bought tickets. They will also help those interested in signing up for any of our classes or events and will also be selling the merchandise that Trampoline Planet offers. The receptionists are also tasked with showing the safety videos to those who come in and making sure all jumpers have signed a waiver.

Cooks
The cooks will primarily work at the food court and will prepare the meals that are served at the park. Along with cooking the food in the facility, the cooks will work the food court counter and sell the food to customers.

Supervisors
The most common type of employee in the facility will be the supervisors, who will be trained in first aid, and will ensure the safety of jumpers by enforcing the safety rules of the facility.
**Referees**
The referees will be used during league games in order to follow the rules of the various sports that are played at Trampoline Planet.

**Advisory Committee**
The Advisory Committee of Trampoline Planet will consist of all the employees of the facility. Every month, a meeting will be held for this committee to meet. The purpose of this monthly meeting is to update financials, evaluate the status of the business, and plan for the next month. Additionally, this meeting will allow all parties to voice their opinion about the business and give the owners guidance.

**Employee Process**
All employees will go through a similar application process. In order to apply for a position at Trampoline Planet, potential employees will fill out the online application available on our website. After filling out the application, Ayush will go through the applications and select several people for interviews. Upon interviewing the potential employee, Ayush will decide whether the applicant will be hired. This will ensure that the employees at Trampoline Planet are fun and responsible people. Hiring these types of people will ensure the future success of our company.

**Compensation and Incentives**
Trampoline Planet will provide employees with a fun and vibrant work environment and free food during every shift. Additionally, Trampoline Planet will have an employee of the month system with the employee of the month receiving a bonus for that month. The employee of the month will be determined by Ayush and will reward the employees who went above and beyond for that month. This will incentivize employees to commit themselves to working hard at Trampoline Planet and will ensure that all employees are productive.

Owners salaries will be paid on a weekly basis and will start at $35,000. This salary is expected to increase by Year 5 to $70,000; however, by this time Ayush, Mrigank, and Chris will evaluate whether this is the appropriate pay increase for the owners. The owners want to leave as much capital open for the business as possible, so they will minimize their salaries in order to achieve this goal.

Below are the salary distributions for each role in the business. Salaries were calculated based on expected tasks of each employee as well as the importance of their role to the business.
**Long Term Development**

**Future Goals**

By the third year of the business, Trampoline Planet strives to meet three objectives. First and foremost, the business owners are focused on creating a strong presence with nearby school districts. By offering group discounts to schools, we will be able to generate interest among students. As many customers who come for recreational jumping typically come in some kind of group event such as a youth group or birthday party, it makes sense to activity approach schools and possibly other such youth organizations with enough discounts to maintain a minimum profit while heavily generating interest. Our second objective is to create a league structure of trampoline sports. Implementing a sport league aspect to the various sports based attractions in Trampoline Planet, such as the slamball courts, obstacle course, and volleyball courts, will help generate consistent revenue for our business. Slamball is essentially trampoline integrated with basketball, and provides a profitable opportunity to sell or rent out the variety of equipment which is needed to play the game. The obstacle course can also be used competitively with the course being altered each month in order to provide a new challenge for our customers. With a new leaderboard for each month, the obstacle course league will remain competitive as Finally, volleyball will have its own league for competitive play. The volleyball at Trampoline Planet will incorporate trampolines into the game. We also plan to be able to record and stream the best of the sports such as an official slamball game, an exceptionally fast obstacle course run, or an official volleyball game to the Trampoline Planet YouTube Channel.

Our third and final objective is to expand our social media presence. Unlike most trampoline parks or entertainment venues such as bowling or arcades, Trampoline Planet plans to grow in terms of social media. Through common platforms such as Instagram, Snapchat, Facebook, Twitter, and YouTube, the company plans to generate interest and create an online identity. By posting pictures weekly on these platforms, the company hopes to create an image that projects
the park as live and vibrant.

By the fifth year of the business, Trampoline Planet plans to expand. With a strong online identity, the establishment of a facility in a different location will be greatly facilitated. Research shows that Huntley, Illinois; Aurora, Illinois; and Kenosha, Wisconsin are three growing areas with an abundance of potential. With no high-end entertainment centers in the area, these locations provide the perfect opportunity for Trampoline Planet to expand. Ayush, Mrigank, and Chris will each manage one facility, but still uphold their co-owner duties. Additionally, Ayush, Mrigank, and Chris will evaluate Trampoline Planet’s mission, strategies, goals, objectives, and vision to keep up with technology and society to make any necessary changes to the structure of the business. This will allow Ayush, Mrigank, and Chris to align their vision for the future of the company and ensure Trampoline Planet is in the best shape to successfully expand in the future.

By the tenth year of the business, Trampoline Planet plans to create structure for franchise. With three locations established, Ayush, Mrigank, and Chris will develop a management system for these franchises to operate successfully. The main social media identity will be outsourced to a third party which will be responsible for the entire brand of Trampoline Planet while individual parks will be encouraged to maintain individual social media identities through various social media platforms. By this point, Trampoline Planet will have established a broader league system which allows players to go to other facilities and compete in those areas.

**Risks and Potential Adverse Results**

Trampoline Parks, while not new, do not have the same familiarity to it when compared to entertainment venues such as bowling. Thus, Trampoline Planet will have a somewhat difficult task establishing the company as a prominent venue to host birthday parties, youth group, and school events. However, with adequate media promotion, Trampoline Planet can use this uniqueness to its advantage and create a brand that offers a truly unique entertainment experience. At the same time, this will help distinguish Trampoline Planet from competitors such as Sky-High Jump and Rockin’ Jump. While the facilities of both these locations are inferior to those of Trampoline Planet, these companies carry a high advantage simply due to the time exposure they have in the market. Even while trying something new, customers are still likely to choose known parks such as Rockin’ Jump. The company hopes to overcome this primarily through the outreach towards the community through charity events and various school districts.
Financials

Trampoline Planet will use an accrual-based accounting method in order to calculate expenses and revenues more precisely. Revenue will be recorded as it is earned, and expenses will be recorded when they are expended. Financial statements will be available online once they are recorded. All financial statements will correspond with the Generally Accepted Accounting Principles.

Balance Sheet

The balance sheet shows the starting assets, liabilities, and owner’s equity. Assets were calculated after factoring expenses seen in the Startup Analysis. The beginning date of the balance sheet is listed as April 1, 2019 because it is our first day of operation. Because the accrual-basis accounting is being used for financial statements, expenses and liabilities are immediately recorded upon the first day of operation.

Start-up Analysis

In order to successfully operate, Trampoline Planet will need to raise $1,150,000 in capital. Funds for this amount come from cash contributions by the owner and a construction loan taken from Wells Fargo. Wells Fargo is the desired bank for the construction loan because of the competitive rates they offer, and their reliability based on their successful history. Each owner will invest approximately $50,000 into the business.

Beginning inventory was calculated based on the itemized expenditures of $99,360. This includes tangible assets such as chairs, tables, and assorted toys. The remaining starting cash balance will be used mainly for day-to-day expenses such as repairs or replacements for broken items.

Loan Amortization

We plan to take a loan of $1,000,000 out from Wells Fargo in order to help pay for construction of the interior space of the facility. This will mainly go to constructing square footage of trampolines as well as installing wood surfaces for food courts. The loan will be paid back with a 5.5% interest rate, which is an additional $55,000. Through payment calculations, we determined that monthly payments will be $17,583.33 and yearly payments will be $211,000.00. We plan to pay Wells Fargo back in 5 years, 60 periods with a period indicating a month. Mrigank will communicate with the bank so that the company can make payments and build a strong relationship with Wells Fargo and participate in their fundraising activities to help the community.
Cash Flow for Year 1

Trampoline Planet is expected to begin construction in mid-January and extend to first day of operations in April of 2018. Starting capital after expenses are paid is $148,015.00. Because the first three months are all about construction expenses and acquiring assets for the facility, we expect to see a large cash outflow. These outflows, however, will be recouped within the following months which eventually result in a net inflow towards the end of the year.
Cost of Goods Sold is the account which models the expenses involved in selling items. For Trampoline Planet, these items will be merchandise and food. Since we expect these two to be a small portion of our revenues, we estimated the cost of goods sold to be based off of 8% of our revenue.

Operating expense is projected much higher in the first month than in any other month of the year, mainly because it includes the itemized expenditures included. After that, the expense will level off and steadily increase from $40,000.00 because of increasing need for repairs and services.

Projections of the cash flow statement follow the GAAP and these statements are available on our website. The accrual-based accounting method allows us to accurately track cash inflows and outflows and see trends for us to improve on in the future. Cash inflows decrease in the summer as more customers go to outdoor activities. However, this is averaged by the winter season where we expect a higher customer acquisition rate.

**Income Statement for Year 1**

Trampoline Planet’s revenues were calculated using a slightly upward trending customer base, starting from approximately 60 customers per day to 120 customers per day by the end of the year. Average amount spent by each customer was recorded as $20-$25, which is accurate considering the variety of payments we receive, such as merchandise purchases, food purchases, and jump time purchases. One of our main competitors, Rockin’ Jump, averages 220 customers per day, and as a start-up business, we expect much less than that in our first year. Typically, lots of firms in the entertainment center industry spend essential money on advertising. Trampoline Planet will limit these costs, however, by spending about 0.3% of monthly revenues on advertising. This will be done by mainly advertising using social media such as Facebook and Twitter, as well as flyers printed out and given to pedestrians.

Expenses were calculated either directly from a supplier’s website or through analysis of competitors in the industry. Fixed costs include rent, insurance, utilities, salaries, and loan repayments. Variable costs are Supplies and Repairs & Maintenance. Fixed costs hold the bulk of the % of sales mainly because of the salaries paid to all employees. Trampoline parks tend to have high salary expenses because they require high maintenance and constant supervision, which is why our facility houses 20 employees.
In summary, Trampoline Planet is expected to incur a net loss of $249,616.95 in the first year of operation. This is an expected output for a trampoline park in the first year because of itemized expenditures purchased in the beginning of the year, which is a one-time purchase. With an increasing customer base as our popularity grows, we expect to cover expenses with additional net income in the future.
Yearly Income Statements for Years 1, 3, and 5

Mentioned earlier, we do incur a large net loss over the course of the first year of operation. However, through years 3 and 5, that is projected to be covered with additional profit. The increase in sales results from increased customer base as well as increasing league popularity for slam ball.

These projections were calculated using the pricing strategies discussed earlier. Revenues shown are honest and conservative, according to information obtained from our competitors such as Sky Zone and Sky High Sports.

Licenses to play music and display television were obtained to provide more customer satisfaction. The annual loan expense of $211,000 will be paid back with interest. Finally, repairs and maintenance are high costs because we are operating a trampoline park. As an LLC, we are subject to income taxes as well as rent expense from our lease, which accounts for the expenses of $33,750.00 and $87,000.00, respectively.

<table>
<thead>
<tr>
<th>Projected Yearly Income Statements</th>
<th>For Year Ended December 31, 2019</th>
<th>For Year Ended December 31, 2021</th>
<th>For Year Ended December 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>$1,080,000.00</td>
<td>$1,485,000.00</td>
<td>$1,845,000.00</td>
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<tr>
<td>Cost of Goods Sold</td>
<td>$86,400.00</td>
<td>$118,800.00</td>
<td>$147,000.00</td>
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<tr>
<td>Gross Sales</td>
<td>$993,600.00</td>
<td>$1,366,200.00</td>
<td>$1,697,400.00</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Expense-Managerial</td>
<td>$135,000.00</td>
<td>$135,000.00</td>
<td>$135,000.00</td>
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<tr>
<td>Salaries Expense-Employee</td>
<td>$576,000.00</td>
<td>$576,000.00</td>
<td>$576,000.00</td>
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<tr>
<td>Supplies Expense (food, materials, etc.)</td>
<td>$130,660.00</td>
<td>$43,300.00</td>
<td>$47,600.00</td>
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<tr>
<td>Advertising Expense</td>
<td>$27,000.00</td>
<td>$27,000.00</td>
<td>$27,000.00</td>
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<tr>
<td>Licenses</td>
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<td>$2,000.00</td>
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<tr>
<td>Rent Expense</td>
<td>$87,000.00</td>
<td>$87,000.00</td>
<td>$87,000.00</td>
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<tr>
<td>Repairs and Maintenance</td>
<td>$119,232.00</td>
<td>$163,944.00</td>
<td>$203,688.00</td>
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<tr>
<td>Utilities Expense</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
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<tr>
<td>Insurance Expense</td>
<td>$2,100.00</td>
<td>$2,400.00</td>
<td>$2,700.00</td>
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<tr>
<td>Loan Expense</td>
<td>$211,000.00</td>
<td>$211,000.00</td>
<td>$211,000.00</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$1,050,831.95</td>
<td>$1,250,644.00</td>
<td>$1,294,988.00</td>
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<tr>
<td>Profit (Loss) Before Taxes</td>
<td>$(283,366.95)</td>
<td>$115,556.00</td>
<td>$402,412.00</td>
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<tr>
<td>Estimated Income Tax</td>
<td>33750</td>
<td>33750</td>
<td>33750</td>
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<tr>
<td>Net Operating Profit (Loss)</td>
<td>$(249,516.95)</td>
<td>$81,806.00</td>
<td>$368,662.00</td>
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</tbody>
</table>
Appendix


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