

River Roots

An Exciting Canoeing/Kayaking Business Venture



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Agenda



- ❧ History & Background
- ❧ Mission Statement
- ❧ Company Overview
- ❧ How to Market the Business
- ❧ What it takes to Operate
- ❧ Financial Projections
- ❧ Summary

History & Background

Center for Lakes & Streams Initiative



Mission Statement

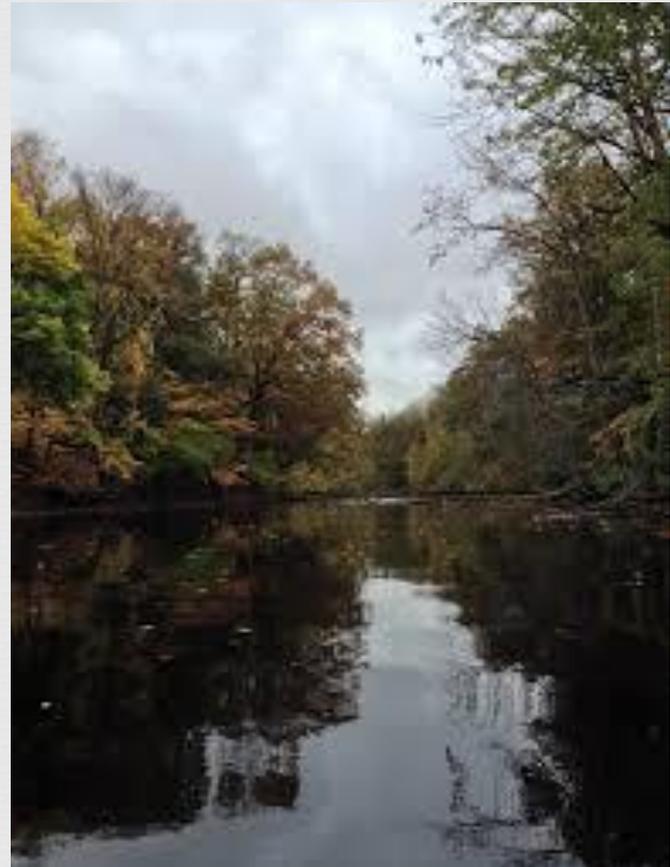


River Roots Canoe Livery
and Recreation provides
outdoor fun through
canoe and kayak rentals
on the Tippecanoe River.

Company Overview



- ☞ Canoe & Kayak rentals with drop/off, pick-up services
- ☞ Chinworth Bridge & Route 19 on Tippy River
- ☞ Seasonal Business
 - ☞ April-October



Marketing the Business

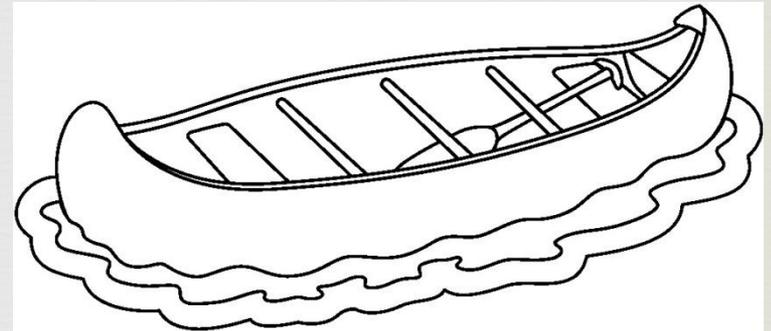


Features & Benefits

∞ Outdoor fun

∞ No hassles

∞ Nature



Marketing the Business



Economics

- ∞ Locals & Lakers
- ∞ Exclusive section
- ∞ Start up costs



Marketing the Business



Target Market

∞ Families

∞ Friends

∞ Groups



Marketing the Business



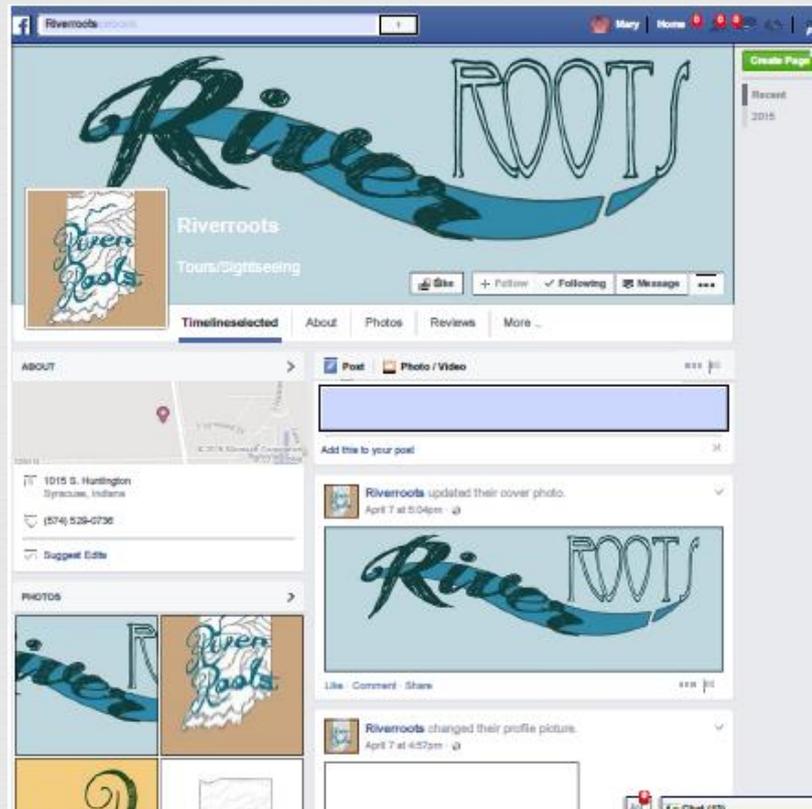
Basic Materials

☞ Logo

☞ Promotional Materials

☞ Support Materials

Marketing the Business



Operating the Business



Hours of Operation/Seasonal Schedule

Hours of Operation

Season	Days of Week	Hours
Preseason	Weekends Only	As Needed
Peak Season	Monday-Tuesday	Closed
	Wednesday-Thursday	10am-4pm
	Friday-Sunday	8am-6pm
Post Season	Weekends Only	As Needed

Hours of Operation

The Help

Safety Regulations/Equipment & Licensing

Off-Season Needs

Operations Detail



Initial Investment Detail

Item	Capital Investment
Vehicle/Trailer	\$15,000
Canoes/Kayaks	\$24,000
Canoe/Kayak Equipment	\$10,000
Other Startup Expenses	\$7,000
Total	\$46,000

Financial Summary



- ❧ Is this business financially viable?
 - ❧ Yes, but understand the assumptions in the model and proceed with caution and care

- ❧ What kind of business is this?
 - ❧ Small owner-operated business
 - ❧ Model does not work well as manager-run business

Financial Metrics



œ Owner's Salary

œ Around \$22,000 for 7 months of work

œ 5 Year Net Present Value of Business (Less Owner's Salary)

œ Around \$40,000 at 10% Discount Rate

œ 5 Year Internal Rate of Return

œ Around 5%

Financial Assumptions



- ☞ Canoe Rental is \$40/unit, Kayak Rental is \$30/unit
- ☞ Cost of Capital (Commercial Loan Rate) is 10%
- ☞ Owner's Salary is \$1,800/month
- ☞ Rent for Building is \$1,000/month
- ☞ Wages are \$10/hour
- ☞ 52-hour work week during peak season means 12 hours of overtime pay

Year 1 Profit / Loss Summary

Year 1 - Total Profit / (Loss)			
Income			Amount
Canoe Rentals			\$ 64,000
Kayak Rentals			\$ 48,000
Total Income			\$ 112,000
Expenses			
Salaries and Wages			\$ (57,247)
Operating Expense			\$ (31,001)
Finance Expense			\$ (19,015)
Capital Expense			\$ (52,280)
Total Expense			\$ (159,543)
Total Profit / (Loss)			\$ (47,543)
Owner's Salary			\$ 21,600
Total Profit/Loss Less Owner's Salary			\$ (25,943)

Year 2 Profit / Loss Summary

Year 2 - Total Profit / (Loss)		
Income		Amount
	Canoe Rentals	\$ 64,000
	Kayak Rentals	\$ 48,000
	Total Income	\$ 112,000
Expenses		
	Salaries and Wages	\$ (57,247)
	Operating Expense	\$ (31,001)
	Finance Expense	\$ (19,015)
	Capital Expense	\$ -
	Total Expense	\$ (107,263)
	Total Profit / (Loss)	\$ 4,737
		\$ 21,600
	Total Profit/Loss Less Owner's Salary	\$ 26,337



River Roots

An Adventure in your own
backyard!