

# BUSINESS SUMMARY

Profile No. DD-0535

**TYPE:** Northern Colorado Party Supply Retailer

**LOCATION:** Northern, Colorado

**OVERVIEW:** This business is part of the #1 Party Store Franchise in the nation. Recent changes in the franchise make this a unique opportunity since new franchises are required to invest in the neighborhood of \$500,000 to \$650,000 to open a brand new store. The party business continues to be year-round businesses with annual revenues in the billions as people celebrate birthdays, graduations, weddings, anniversaries, Christmas, New Year's, Halloween, picnics, 4th of July and many more special occasions. This business is designed to meet all those party needs from tableware, decorations, cards, balloons, novelty items, food & snacks, to costumes. Through the franchisor they are able to purchase items at substantial discount direct from vendors.

**HISTORY:** Established in 1999, the business is operated from a 6,200 square foot leased space in a strip shopping center with other national tenants such as Office Max. The store is located in a very desirable area in Northern Colorado and as the area population increases so do the demand for these products.

**EMPLOYEES:** 2 full-time, 6 part-time

**REASON FOR SALE:** The owner has recently had some health problems and is looking to reduce his business operations.

**FINANCIAL DATA:**

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Annual Gross Sales	\$515,529	\$533,830	\$535,000

An Owner/Operator should expect to make \$75,000 annually.

**ASKING PRICE:** ~~\$250,000~~ **\$180,000**

**ASSETS INCLUDED:**

Inventory	\$80,000 (cost plus freight-in)
Furniture, Fixtures & Equipment	\$50,000 estimated FMV
Computers & Software	\$30,000 – almost brand new
Franchise value	<u>\$30,000</u>
Total	\$190,000

**TERMS:** Cash, Cash to Loan

**FUTURE POTENTIAL:** This business is a "fun" business to be in, customers are usually happy when planning special events in their lives or celebrating holidays. The products do not require a high degree of "technical knowledge" to sell nor do they require "after the sale" servicing or repair. The savings on product costs far outweigh the franchise costs making this a win/win arrangement between franchisee and franchisor. Because of the current lease, the seller believes there is an excellent opportunity to lower the monthly rent which would increase the overall profitability.