

Time for some monkey business



You and a partner have decided to start a business that provides trained chimpanzees to movie producers.

In order to get started, you need to borrow money from a bank. The bank wants to see a business plan, which is a plan that shows how your business will work and how you will make enough money to pay back the loan.

To start creating your business plan, you collect as much information as you can, by talking to other people who have had similar businesses. That information is shown on the next page.

Next, you meet with your partner to write your business plan. You will do this in three steps:

- 1) Calculate how much money you will spend each month.
- 2) Decide how much you will charge movie producers to rent your chimpanzees.
- 3) Write the business plan, with these parts:
 - a. What your business will do,
 - b. How much money you need to borrow, and what you will use it for, and
 - c. How much money your business will make, and how much you will be able to pay back each month.

Monkey Business Data

- An adult chimpanzee weighs around 35 pounds.
- Chimpanzees require 3 ounces of food per week for every pound of their own weight.
- Chimpanzee food costs \$32 per pound.
- You plan to own 10 chimpanzees.
- The property and buildings that you will need to house your chimpanzees will cost you \$7,500 per month in rent.
- Based on your research with movie producers, you expect that you will be able to rent out each of your ten chimpanzees for 8 days out of every month.
- You will need to two chimpanzee trainers, at a salary of \$72,000 per year each.
- You will need one administrator to answer the phone, order supplies, and keep track of expenses and income, at a salary of \$45,000 per year.
- You will also want three more general assistants, each working 40 hours per week, to maintain the property and feed the chimpanzees during the days, evenings and weekends. They will be paid \$22.50 per hour.
- You will want to have a veterinarian visit your facility one day a month, at a rate of \$750 per visit.
- You will want to pay yourself and partner each \$7,500 per month.
- You will need to pay taxes, a total of 30% of your expenses.
- You want to borrow enough money from the bank to pay for the first 6 months of operations to get your business started.

How much money will you charge per day per monkey? How much will be left over each month to pay back your loan?

Use this data to help you write your business plan for a 12 month period.