



## **Escape Rooms Opportunity: \$300,000**

**Boggled** is a Los Angeles based LLC whose mission is to create the most uniquely-themed escape rooms anywhere.

Escape rooms are a relatively new form of entertainment that's experiencing explosive growth around the world.

Essentially, an escape room is a room thematically designed to provide a background to a story where groups of people are locked in the room and must work together to discover clues and solve puzzles in order to escape from the room in under 60 minutes.

The first escape room began in 2012 in Japan and now, there are nearly three thousand escape room attractions globally, yet the market is far from saturated and there is plenty of room for unique, high-quality versions.

Due to their unique form of interactive entertainment and options for teamwork, family bonding, improving communication skills, and creative problem solving, escape rooms have not only captured the public's imagination, but have become "test beds" for many corporations looking for ways to create team-building opportunities for their employees and determine who among them has the skills to advance most successfully within the company.

The Boggled escape rooms will be created by a team of professionals with extensive experience in the entertainment industry in building attractions, film production, set construction, storytelling and visual effects.

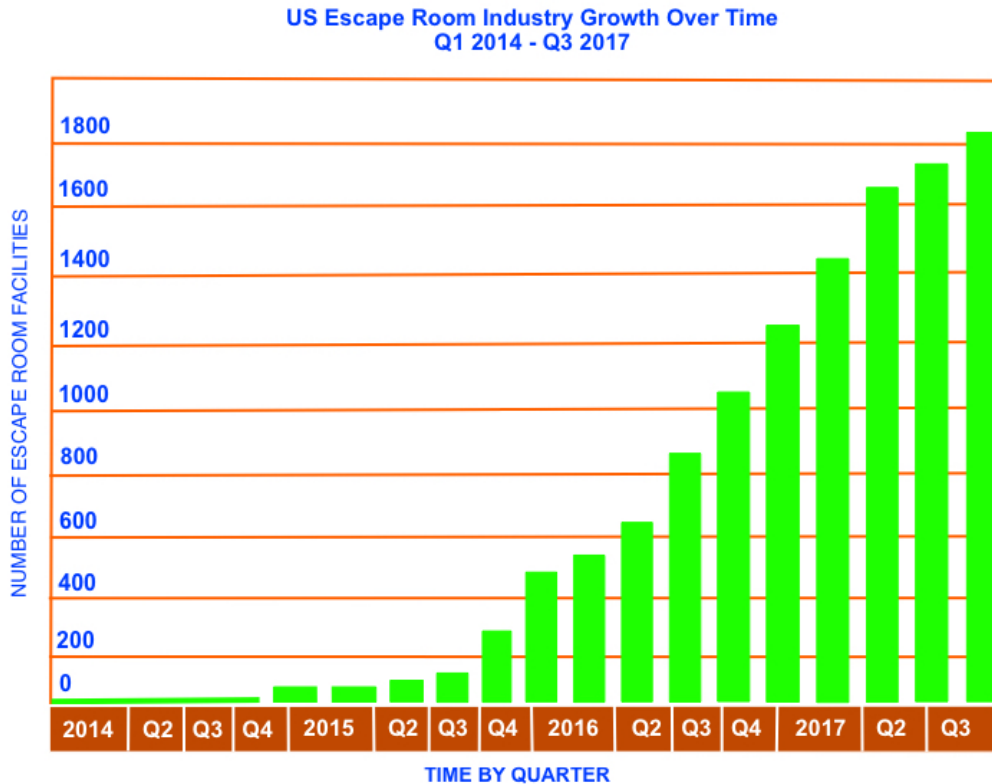
Our goal is to create unique, amazing, fun experiences that will boggle people's minds and make them want to return again and again!

# THE MARKET

Although nearly 3,000 escape room venues have been created globally since the first one in 2012, the market is still far from saturated, especially in terms of quality and uniqueness, and the public’s hunger for this form of interactive entertainment is growing every day.

The escape room concept began as online video games, so the attractiveness and popularity of live escape rooms stems directly from the desire of dedicated gamers to experience being “in” the game instead of simply playing on a computer screen.

In addition, the advent of multiple escape rooms in various cities and countries has created a growing community of enthusiasts and even reviewers dedicated solely to the business of informing the public about the latest venues around the world. The escape room market is quickly becoming its own unique culture within our global society.



# OUR ADVANTAGE

One result of this rapidly-growing market has been the creation of franchises and turn-key operations, where people who wish to operate an escape room attraction can simply purchase puzzle concepts, or even entire physical sets and props, from already-established companies.

The downside to this approach is that many lower-budget escape rooms will be copies of each other, although they might publicize themselves under different names. Thus, a visitor who buys a ticket to a “new” escape room may not know they already had the same experience in another venue. This can lead to bad word of mouth and can hurt the business.

Boggled plans to take advantage of this trend and expand our business by constantly creating new, unique, high-quality escape rooms found nowhere else that will keep the experiences fresh, help the global business grow, and establish Boggled as a leader in the industry.

## ESCAPE ROOM BUDGET

### DESIGN PHASE

Item	Cost
Production Management	\$40,000
Production Design	\$20,000

### CONSTRUCTION MATERIALS & CREW

Number	Item	
3	Construction workers @ \$800 per week ea.	\$14,400 (6 wks)
300	2" X 4" X 8' studs @ \$3.00 ea.	\$ 900
100	4' x 8' flat wall panels @\$12.61 ea.	\$ 1,261
40	4' x 8' Vacuum form panels	\$ 3,000
	MDF Vacuum form bucks	\$ 3,000
12	Gallons Fireguard E-84 paint	\$ 760
	Boxes of screws & nails	\$ 1,000
2	Electrical crew @ \$ 800 per week ea.	\$ 6,400 (4 wks)
	Wiring & electrical equipment	\$ 5,000

	Lighting (regular & emergency)	\$ 5,000
	Master Lighting control panel	\$ 3,000
	Attraction Facade Dressing	\$ 8,000
3	Game Master Rooms	\$ 3,000
	Storage Room	\$ 1,000
	Office Buildout & Furniture	\$ 3,000
	Employee Lounge/Locker Room	\$ 3,000
	General Supplies	\$ 5,000

#### EQUIPMENT

20	Security cams @ \$400 per kit of 4	\$ 2,000
1	Security Alarm System	\$ 2,500
	Monitors	\$ 5,000
	PA speaker system	\$ 2,000
	Security Equipment	\$ 3,000
	Fire Extinguishers	\$ 500
1	Emergency Tool Kit	\$ 400
2	Emergency Medical Kits	\$ 250
20	Flashlights & Batteries	\$ 300
2	Emergency Power Batteries	\$ 2,000
2	Office Computers	\$ 3,600

#### LICENSES, FEES, RENT & PERMITS

	LLC Filing Fees	\$ 1,000
	Business License	\$ 100
	Inspection Costs	\$ 2,000
	Insurance	\$ 3,000
	Rent & Utilities during build	\$30,000
	Permits	\$ 5,000

#### EFFECTS & SIGNAGE

	Stock Video FX	\$ 3,000
	Monitor Graphics	\$ 3,000
	Interior & Exterior Signage	\$ 5,000
	Stock Music & Sound FX	\$ 2,500
	Alien Attack Puzzles	\$ 8,000
	Puzzle Box Puzzles	\$ 8,000
	Nautilus Puzzles	\$ 8,000
	Specialty Lighting	\$ 5,000

## STAFF AMENITIES

Water	\$ 1,500
Coffee & Tea	\$ 500
Vending Machines, Drinks & Snacks	\$ 3,000

## MARKETING & PROMOTION

Advertising	\$30,000
Website	\$ 3,000

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Pre-Opening Startup Costs (for staff starting early)	\$10,000
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SUBTOTAL START UP COSTS	\$239,471
Contingency	\$ 20,000

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SUBTOTAL WITH CONTINGENCY	\$299,471
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<b>TOTAL COSTS (Rounded Up):</b>	<b>\$300,000</b>
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## ANNUAL OPERATING EXPENSES

General Managers	\$ 96,000
Operations Manager	\$ 36,000
Operations Staff	\$ 30,000
Game Masters	\$ 70,000
Accounting & Bookkeeping	\$ 6,000
Payroll Company	\$ 5,000
Legal Fees	\$ 5,000
Office Equipment & Supplies	\$ 10,000
Advertising & Promotion	\$ 50,000
Annual Rent	\$ 70,000 *
Utilities	\$ 10,000
Insurance	\$ 5,000
Annual LLC Fees	\$ 1,000
Security Personnel & Monitoring	\$ 10,000
Repair, Maintenance & Sanitation	\$ 10,000
Workman's Comp	\$ 5,000
Postage/Shipping	\$ 3,000
First Aid Kits/Medic/Extinguishers	\$ 5,000
Game Master Costumes & Laundry	\$ 5,000
Snacks & Drinks	\$ 3,000
General Supplies	\$ 10,000
Transportation/Gas	\$ 3,000
<b>Total Operating Expenses</b>	<b>\$ 448,000</b>

\* Based on a 5,000 square foot building @ \$1.10 to \$1.15 per square foot.

**NOTE: All costs & income are best estimates and may change based on actual attendance and operation requirements.**

## PROJECTED INCOME

Based on 3 escape rooms and an average of 800 visitors per week at \$30 per person = \$24,000 per week.

\$24,000 per week = \$96,000 per month which = **\$1,152,000 gross per year.**

\$1,152,000 gross annual income minus \$448,000 annual operating expenses = \$704,000 adjusted gross profit per year.

Full return on \$300,000 investment in 1st year, plus 50% of \$404,000 net profit = \$202,000 profit in first year.

50% profit split of \$704,000 annual net profit thereafter = \$352,000 per year.

## HOURS OF OPERATION

MONDAY	Closed
TUESDAY	9:30am to 10pm: 8 turnovers
WEDNESDAY	9:30am to 10pm: 8 turnovers
THURSDAY	9:30am to 10pm: 8 turnovers
FRIDAY	9:30am to midnight: 10 turnovers
SATURDAY	9:30am to midnight: 10 turnovers
SUNDAY	9:30am to 10pm: 8 turnovers

**Booking Times: Tuesday, Wednesday, Thursday & Sunday: 8 turnovers.**

10am to 11am  
11:30am to 12:30pm  
1pm to 2pm  
2:30pm to 3:30pm  
4pm to 5pm  
5:30pm to 6:30pm  
7pm to 8pm  
8:30pm to 9:30pm

**Friday & Saturday – 10 turnovers**

10pm to 11pm  
11:30pm to 12:30am

**Minimum Booking Prices:**

2 People: \$50 each  
3 People: \$40 each  
4 People: \$30 each  
5 People: \$30 each  
6 People: \$30 each  
7 People: \$30 each  
8 People: \$30 each

**Guest Process:**

Guests book online.  
Guests arrive 30 minutes prior to booking.  
Guests sign waivers.  
Guests use restrooms & buy water.  
Guests put non-permitted items in lockers.  
Guests are briefed.  
Guests are in escape room (1 hour).  
Guests are debriefed.  
Guests have winner photos taken if successful.  
Guests gather belongings from lockers.  
Guests leave.

**Boggled LLC Info:**

California Limited Liability Company  
EIN: 82-2276616  
Filed: 7-14-2017



## Procedures

### MONTH 1

- Funding arrives
- Semi-final designs & puzzles
- Visit other escape rooms for research
- Budget meeting with Timberwolf
- Make any design adjustments

### MONTH 2

- Finalize designs & Build models

### MONTH 3

- Search for location
- Meet with Timberwolf & do final construction budget
- Secure location
- Plan layout & begin construction

### MONTH 4

- Set up website & booking program
- Design publicity campaign
- Begin publicity campaign
- Find music & create signage

### MONTH 5

- Create procedure binders
- Interview for staff\*
- Hire & train staff\*
- Finalize construction

### MONTH 6

- Hold safety inspection
- Test escape rooms & adjust if necessary
- Begin bookings online
- Grand opening
- Send reviewer invitations

### Continuing:

- Ongoing operation, publicity & investor reports
- Return investment & profit after expenses
- Expand attraction as income allows

\* Staff: Manager, 6 Game Masters, 2 Reception, Phones, 3 Game Assistants, Maintenance.



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