

3.2 Technology

Over time, as working capital increases, we'll incorporate technology for online ordering and order management. Utilizing technology to automate the order and delivery process will allow us to increase our margins and run our business more efficiently.

3.3 Future Products

We'll continually update our product catalog to include the most current home furnishing trends, remaining focused on small, high-volume products. Products that have a low volume of orders will be removed and replaced with new products. Additionally, we'll test other types of products outside of the house wares categories.

4.0 Market Analysis Summary

Our market is the international import and export industry. According to the U.S.-China Business Council, the U.S. imported \$321 billion of goods from China in 2007 (<http://www.uschina.org/statistics/tradetable.html>).

The U.S. Department of Agriculture reports that China has steadily increased the amount of goods imported into the U.S. over the past decade. As of December 2007, China ranked fourth in the amount of goods imported into the U.S. (<http://www.ers.usda.gov/data/fatus/DATA/Mfytop15.xls>).

4.1 Industry Analysis

We define industry participants as our target retail companies. These companies are known as Home Furnishings & House wares Retailers, primarily selling retail household furniture, kitchenware, tableware, collectibles and other consumer products for the home. According to KMC Global (2006), the house wares industry is a \$301 billion industry worldwide. Of the \$301 billion global house wares market, 28.5 percent of sales were in North America in 2005 with sales of \$76.2 billion in the U.S. and \$9.7 billion in Canada. The average U.S. household spends \$578 annually on house wares.

In 2005, Wal-Mart dominated house wares with \$16.25 billion in sales; followed by Costco with \$6.61 billion in house wares sales; Target with \$5.54 billion; and Sears (with combined sales for Sears and Kmart) with \$4.7 billion in house wares sales. Rounding out the top 10 were Sam's Club (\$4.13 billion); Williams-Sonoma (\$2.75 billion); Bed Bath & Beyond (\$2.59 billion); Home Depot (\$2.45 billion); Walgreen (\$1.45 billion); and Dollar General (\$1.23 billion). On the product side, kitchen tools and accessories along with tabletop products showed the highest category gains in 2005. Over half of the companies represented in the study have participated in the sector for over twenty years, suggesting that these companies have existing supplier relationships. Gaining access to these buyers may prove difficult. This presents a challenging barrier to entry for most new import/export companies.