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# FOURTEEN PLUS

**Small Business Management Plan  
California Phi Beta Lambda  
2018-2019**

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YEAH EDUCATION

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Biyue Wang



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## Executive Summary

According to research, the most problem that American women encountered in search for their clothing especially in shopping malls is that they could not find the right fit for their size that would suit their fashion standard, and the available items are only those that are considered as lesser fashionable clothes. Taking this into consideration, Fourteen Plus would want to fill in the gap between the demand for clothing lines and the supply of these items. The company will design stylish and comfortable clothes for women of every size in lower prices than what have been present in the market, targeting most especially plus-size women, and at the same time, it will reflect the fashion sense and beauty of every woman wearing these clothes produced.

The size range for the clothes to be offered will be from 14 to 28, and in anywhere of the company's store, all the clothes will have plus sizes. Also, every size in every type of clothes will have an exact measurement including chest, waist, hip, and material elasticity. Each product will also be marked with its body type. These were formulated in order for every woman show off their body shape and give them confidence as they wear the products of Fourteen Plus.

### The average American woman...



<https://www.racked.com>

Moreover, the target market segment of this proposed venture are College students and young adults, considering that this market niche value the most on how they look and flaunt their

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body figure confidently with the clothing they wear. Specifically, women at the ages of 18 to 34 can find personalized plus-size clothes that would suit them. It is the company's aim to change the perception that fashion clothes were only designed for fashion models with graceful body. To achieve such, this proposed project will primarily establish its brand online in America to capture a large customer base. Fourteen Plus will put its dedication and utmost excellence in production in terms of quality and quantity to become the largest online-plus-size clothing retailer in the United States. The projected timeline to attain such goal will be within the first five years of operations by consolidating its competition and expanding its location count to reach the maximum number of clients.

As per statistics of Internet Retailer's analysis, US e-commerce sales grow by 15.0% in 2018 in which it was represented by 14.3% of total retail sales, and Amazon accounts for 40% of US online retail. With that growth, Fourteen Plus can confidently enter the online retailers.

On its first year of operations, the company shall generate its Sales from online retailers. After the cost of material, design fee, delivery, and other expenses will be considered, profits will then be accounted for. As the business scales, larger revenue streams will be anticipated, with costs that are relative to each location and yielding bigger profit margins.

With this business model, it will make fashion more suitable among all women and can flaunt their body figures with utmost confidence and trend.

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**FOURTEEN PLUS**

**Make Fashion More Suitable**

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## **Company Description**

### **General Description**

Fourteen Plus was conceptualized out of the founders' desire to cater trendy fashion clothes for plus size women with convenience and satisfaction. While Fourteen Plus is a company that sells products as its source of income, the true focus is to establish the value that fashion should belong to every person. It will have its physical office at Pleasant Hill that will be open at least three days a week, from 9AM to 5PM. It will have eight employees who will receive compensation on a monthly basis and their salaries will be projected to increase by 10% per annum.

### **Legal Form of Business**

Fourteen Plus will be an Limited Liability Corporation (LLC) business that is founded by Biyue Wang and Zeyu Wang, who will all have equal equity structure.

### **Effective Date of Business**

Further, its permits and licenses are on the process and will be completed prior to its opening. The company will launch its proposed business on March, at Pleasant Hill.

### **Objectives: Company Mission and Vision**

Fourteen Plus's mission is to provide affordable, comfortable, and fashion clothes for the young plus size women. It will pioneer the people's fashion value shift to vogue belongs to every woman but not just supermodels.

### **Immediate Development Goals**

As the business operation will commence, the company shall continually do a research and development that will ensure that the set mission and vision has been achieved, and to ensure that the produced clothing lines will effectively compete with the existing brands. The certain level of sales volume will be closely monitored to assess the company's products if these would certainly suit the market niche. Also, part of the immediate development goal is to strengthen the system of the company especially that it is offering online. Well-developed website that can

accommodate large amount of traffic, and the payment system, and the shipping process will be looked into to ensure quality service will be delivered to the customers.

### Overview of Company's Financial Status

Fourteen Plus is a start-up company that will initially be relying its resources to the investment that will be provided by the Founders and as well as pitch this business to prospect investors. Certain margin of profits will be set to ensure the business profitability, and it will be agreed that the Founders will not draw yet their business investment until the business can already cope up with its operation through the resources that it can generate through profits.

### Pricing

Item	Cost to Produce	Retail Price	Markup%
Tops	\$ 8-12	\$ 20-26	% 1.1-1.5
Pants	10-15	22-35	1.2-1.3
Skirts	9-13	20-30	1.2-1.3
Dresses	12-20	28-50	1.3-1.6
Jackets	15-23	34-60	1.3-1.6
Jeans	10-15	22-35	1.2-1.3
Coats	100-125	220-300	1.2-1.4
Accessories	3-7	7-15	1.1-1.3

## Industry Analysis

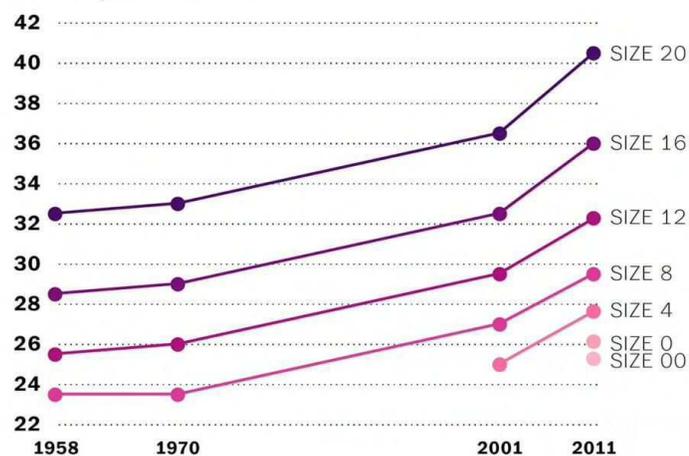
### Clothing Industry Landscape

Clothing brands offering plus-size clothes are already existing in the market, but such brands are unfashionable that will not present well the beauty of every woman wearing it. According to research entitled, “Is Retail Finally Getting Serious About Plus-size Fashion?”, it showed that many parts of the fashion industry exhibited both overt and unconscious bias against women but did not conform to their unrealistic and often unhealthy ‘ideals’ of feminine beauty. Moreover, this also reflects the lack of vogue clothes for plus-size women.

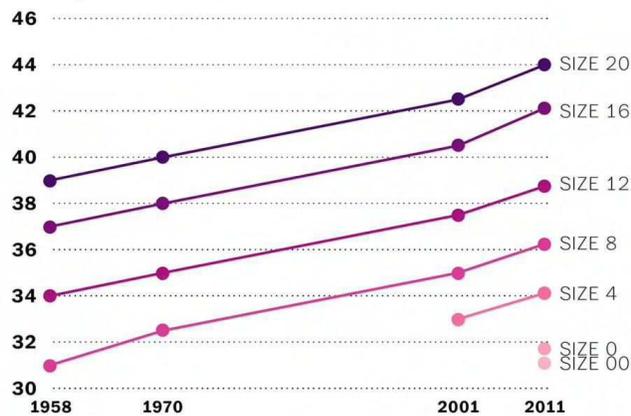
### Trends and Strategic Opportunities

Most of the clothes sold like in Walmart and Target are mostly sportswear, basic T-shirt, and jeans, which plus-sizes are not even readily available, and also these kinds of clothes cannot satisfy the women’s

**Waist, in inches**



**Bust, in inches**

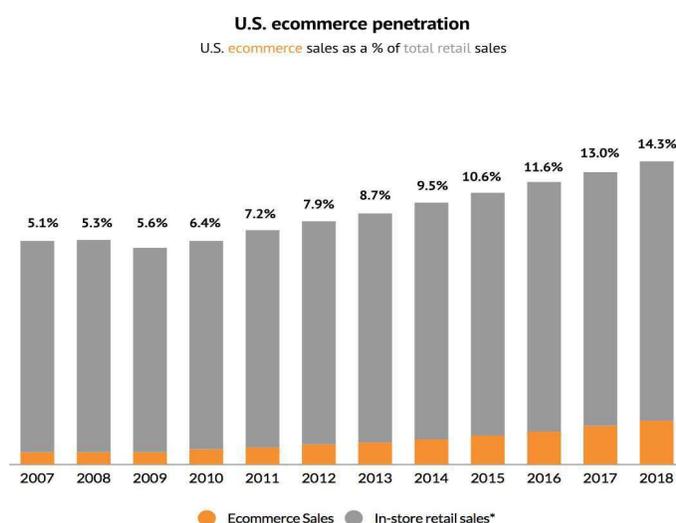


fashion demand. The lack of fashion plus size clothes is the big gap of the American clothing industry. With that, it gives Fourteen Plus the good condition to enter in the plus-size women clothing industry.

The data from some reports indicates the strongly need of plus size clothes for American women. The two charts

about women's waist and Bust show that the demand of plus sizes women clothes has been increasing rapidly in the last several years. In the future, it is forecasted that the demand of these type of clothes will be larger than any time before. From the average number, it has been found that the demand of size 16 and 18 should be the biggest in American women's apparel market. However, when it was searched, the clothing sizes of most of the American clothing brands, there is a breakdown at the size of 16. These factors indicate that company's brand will have great market potential in affordable plus size women clothing.

The chart on the right side about commerce of American retailers lists the market share of American e-commerce of recent years. Based on the report of Retail Dive's Consumer Survey, most customers would more likely to shop for almost types of products online instead of in stores. Having said that, the online shoppers are going to increase rapidly. The increasing population of online shoppers indicates that this proposed venture will have huge potential market in the future. Thus, this business model would fill the market vacancy and conform the public aesthetic trend. Moreover, all the factors indicate the current apparel market is beneficial for Fourteen Plus to start its own.



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## Target Market

The company's target market is the young millennials who love fashion and need plus-size clothes. These ideal customers will be fashionistas who appreciate high quality clothing and loves to follow trends. Below is the demographics of Fourteen Plus's market segment:

- Age: 18-30
- Gender Females
- Education: High School or College Graduate
- Occupation: Blue Collar or White Collar
- Income: Middle to Upper-Middle Class (\$32,000-\$68,000 annual income).
- Ethnicity: All

## Competitive Analysis

### **Key Competitors**

#### **Direct Competition:**

- Forever 21 is an American fast fashion brand with a new line of plus-size women's wear called plus+ curve. The Los Angeles-based company, which has been around for more than 30 years, generated \$3.4 billion in sales in 2018 through its online and retail stores.
- MANGO was founded in 1984 and is today one of the leading fashion groups in the world and has a plus-size women's clothing line called Violeta. Based in its city of origin, Barcelona, the company has an extensive store network of 2,200 stores (over 800,000 m<sup>2</sup>) in 109 countries and raised its turnover to euros \$2194million in 2017.
- Torrid LLC is an American women's retail chain formerly owned by Hot Topic. The store offers plus-size clothing and accessories for women size 10-30. Torrid brand net sales growth to \$629.7 million in fiscal year 2016. The first location opened in the Brea Mall in Brea, California. As of 2016, Torrid has over 400 stores in operation across 36 states in the United States. Torrid opened its first store location in Canada (Toronto) in August 2015.

**Indirect Competition:**

- Target Corporation is the eighth-largest retailer in the United States, with a total revenue of \$75,356 million in 2018. Target expanded its plus-size women's line in 2018 and is selling online and in more than 300 stores.
- Nike is an American multinational company specializing in sports footwear and apparel. The company is headquartered in the Portland metropolitan area near beaverton, Oregon. Nike's revenue grew 6% to \$36.4 billion in FY 2018. Nike has a collection of plus-size women's wear which sells plus-size women's casual and sportswear, so it is our indirect competitor.

**SWOT Analysis of Competitors Strengths/Weaknesses**

Strengths	Weaknesses
<p style="text-align: center;"><b>Forever 21</b></p> <ul style="list-style-type: none"> <li>• Strong brand recognition</li> <li>• Low price</li> <li>• Large Social Media presence (10 million followers on Instagram)</li> <li>• Strong market share (over 600 profitable stores)</li> </ul>	<p style="text-align: center;"><b>Forever 21</b></p> <ul style="list-style-type: none"> <li>• Low-quality clothing material</li> <li>• The style is monotonous and only suitable for young people</li> <li>• Only orders over \$50 get free shipping</li> </ul>
<p style="text-align: center;"><b>MANGO</b></p> <ul style="list-style-type: none"> <li>• Support a charitable foundation</li> <li>• Large Social Media presence (9.94 million followers on Instagram)</li> <li>• High quality clothing</li> <li>• Trendy clothing options</li> </ul>	<p style="text-align: center;"><b>MANGO</b></p> <ul style="list-style-type: none"> <li>• Expensive clothing prices</li> <li>• The large size clothing style is obviously less than the ordinary size clothing style</li> <li>• Only orders over \$49 get free shipping</li> </ul>

Torrid	Torrid
<ul style="list-style-type: none"> <li>• Large variety of options</li> <li>• Right price</li> </ul>	<ul style="list-style-type: none"> <li>• No free shipping (standard \$6.00 flat rate shipping)</li> <li>• Outdated clothing styles</li> </ul>

Opportunities	Threats
<p style="text-align: center;"><b>Forever 21</b></p> <ul style="list-style-type: none"> <li>• Better product quality</li> <li>• More styles can meet leisure, work, party and other needs</li> <li>• Wider age range</li> <li>• Free shipping for all orders</li> </ul>	<p style="text-align: center;"><b>Forever 21</b></p> <ul style="list-style-type: none"> <li>• Well known to the public and has many stores</li> <li>• Low-cost competitors undercutting prices</li> <li>• Competition from similar brands is becoming more widespread</li> </ul>
<p style="text-align: center;"><b>MANGO</b></p> <ul style="list-style-type: none"> <li>• Cheaper prices same quality</li> <li>• Free shipping for all orders</li> </ul>	<p style="text-align: center;"><b>MANGO</b></p> <ul style="list-style-type: none"> <li>• Well known to the public</li> </ul>
<p style="text-align: center;"><b>Torrid</b></p> <ul style="list-style-type: none"> <li>• More fashionable design</li> <li>• Free shipping for all orders</li> </ul>	<p style="text-align: center;"><b>Torrid</b></p> <ul style="list-style-type: none"> <li>• Low-cost competitors undercutting prices</li> <li>• A more well-known brand name</li> </ul>

### Key Competitive Advantage

Considering that the company will be aiming for lower costs manufacturers for its product lines, the selling prices will be affordable and will compete well in the market. Despite the lesser costs that will be projected to incur for the production, the quality of the clothing will certainly be ensured and will provide comfort to every user of the products. Quality and

affordability, and the wide range of product lines with availability of sizes for plus-size women will be the company's key competitive advantages.

### **Strengths (Internal)**

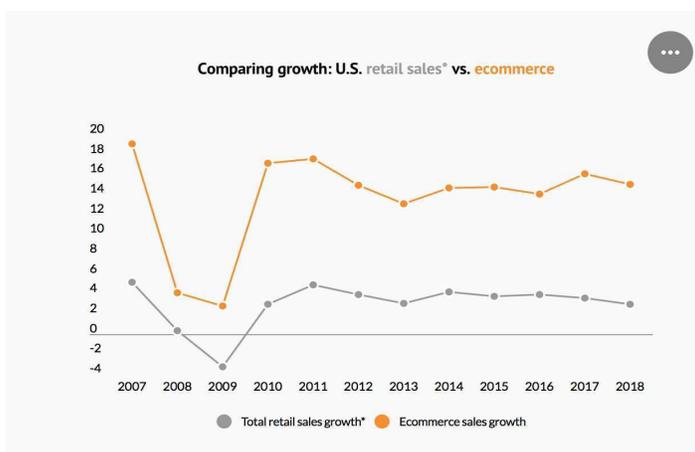
- **Better price:** The company brand which only sells online, which would save a lot of costs and can offer a lower price. At the same time, factories in China are its target for clothing production. Company stakeholders don't have language barriers; therefore, they can communicate well with factories, which can also provide them with lower costs.
- **More product categories:** The product line will include various types to meet customer needs, whether they would go to work or go on a date, they can find clothes that they like.
- **Good customer service:** Company will be providing free shipping and free exchange within 7 days to provide our customers with a better shopping experience. In the detailed information of the product, information will be provided such as height, weight and dress size of the model to help customers choose the size.
- **Ethical:** By emphasizing brand ethics to establish a good brand image, which is those large enterprises cannot do.

### **Weaknesses (Internal)**

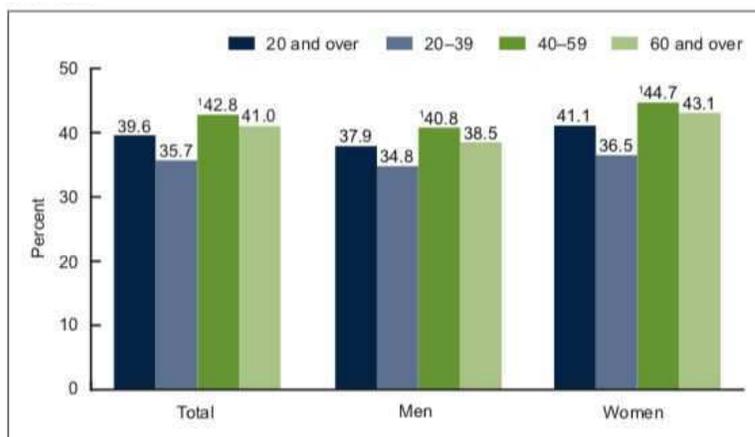
As a new small company, everything is still in its infancy. The lack of understanding of market requirement and relevant operational experiences will be a crucial factor in the business operations. The beginning of the business will be tough, so the founders and the key personnel will spend more time than our experienced competitors. Time is of the essence in the fashion industry. Whether it's the change of seasons or the change of fashion trends, Fourteen Plus would need to catch up. As an unknown brand, there would be a need for lot of marketing to attract customers' attention.

## Opportunities (External)

- Plus size market growth: Plus size women's clothing is the fastest growing segment under the women's apparel. Marketdata analysts estimate that in 2015, the plus size market in the U.S. was worth \$21.5 billion. Sales are expected to grow by 4.1% annually, reaching just under \$26 billion by 2020. Fully 95% of sales now are related to clothing.
- The development of e-commerce: With the development of the Internet, online shopping is more and more popular. E-commerce requires much less capital for a company than the traditional retail industry, which is a good opportunity for us, a small company without much start-up capital. The chart on the right shows the development of e-commerce far more than the development of retailers. That means people are increasingly willing to do shopping online.



- Market trend: Millennials are more receptive to new companies with less name recognition. They don't mind trying new brands. They're more focused on the product itself than the brand.
- Number of potential customers: Based on official CDC obesity



\*Significantly different from those aged 20-39.  
 NOTES: Estimates for adults aged 20 and over were age adjusted by the direct method to the 2000 U.S. census population using the age groups 20-39, 40-59, and 60 and over. Crude estimates are 39.6% for total, 38.0% for men, and 41.5% for women.  
 Access data table for Figure 1 at: [https://www.cdc.gov/nchs/data/databriefs/db286\\_table.pdf#1](https://www.cdc.gov/nchs/data/databriefs/db286_table.pdf#1).  
 SOURCE: NCHS, National Health and Nutrition Examination Survey, 2015-2016.

data, the number of potential customers for “plus sized” products and services are at least 54 million Americans. The chart below shows the market potential of plus-size garments.

### **Potential Future Competitors**

In the future, because of the big market gap, more and more businesses will enter into Plus Size women clothes market. For example, some indirect competitors such as Target may change their design style into following fashion trends. Some apparel brands who do not produce Plus Size women clothes may produce Plus Size clothes in the future.

### **Barriers To Entry For New Competitors Identified**

Because Plus Size clothes need more material to produce, so the variable costs of the companies who want to enter into Plus Size clothes market will increase, and that cause the increase of clothes selling prices.

Another key barrier is that Plus Size clothes always have more specific sizes numbers. As a result, the companies which want to enter into fashion Plus Size clothes market need professional and experienced designers such as Target. But the cost of hiring professional and experienced designers is always high.

## **Marketing Plan and Sales Strategy**

### **Value Proposition**

Designed for large sizes rather than the traditional 0-32. Because a piece of clothing looks good in a small size doesn't mean it looks good in a large size. When a designer designs a size 0-32 dress, it is based on a model with a perfect body shape, which is why most clothes look good on thin people. At the beginning of the design, products will be designed with a large size model as the template instead of simply make a piece of clothing bigger.

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## Social Media



- **Instagram:** Fourteen Plus's Instagram account will be its primary way to showcase the beauty and style of big men and women. Part of the customer engagement will be encouraging customers to upload photos of themselves wearing our brand on Instagram with a hashtag. At the same time, find the popular big size people online and connect with them and let them wear the company's clothes, and mark the clothing brand on the picture, as well as the consultation column.



- **Twitter:** The main function of twitter is to serve as a communication channel between brands and customers. Company's social media manager and owners will answer questions on twitter and also publish photos and activity information regularly.



- **Pinterest:** Pinterest is a platform that attracts a large number of art lovers. It is projected that the pictures of clothes with artistic ornamental value to attract customers will be posted. Also, people can pin the company's photos to make more people see or click on the link to the corresponding product page. It is very important for customers to enter the corresponding product page directly through the link instead of the home page. Otherwise, customers may choose to quit the page because they cannot find the information they want to see. More photos of similar products will be placed at the bottom of the page to provide customers with more choices.

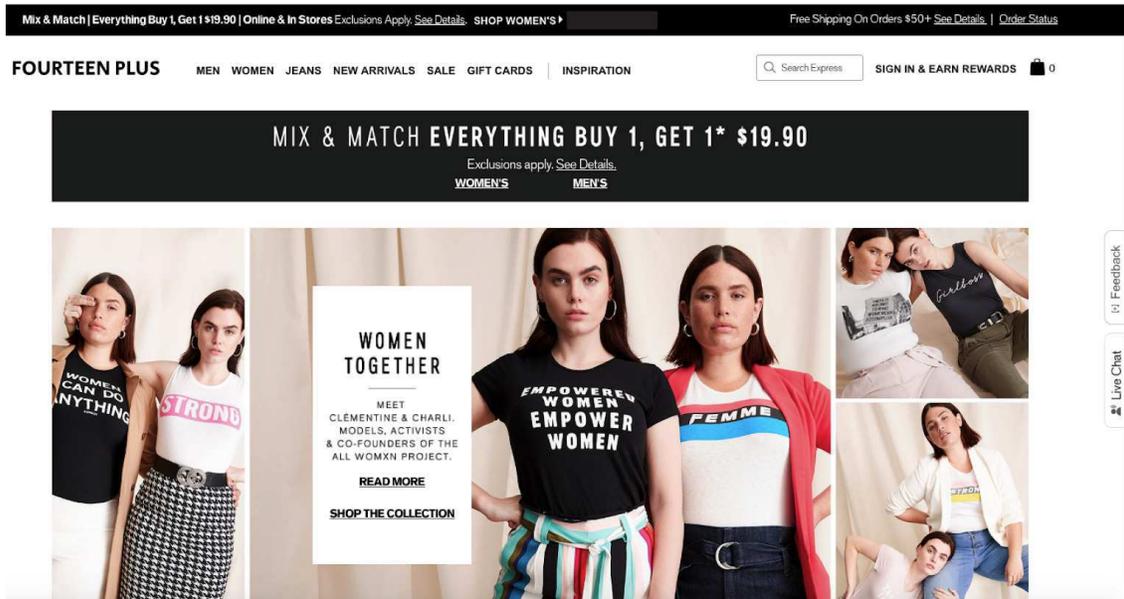
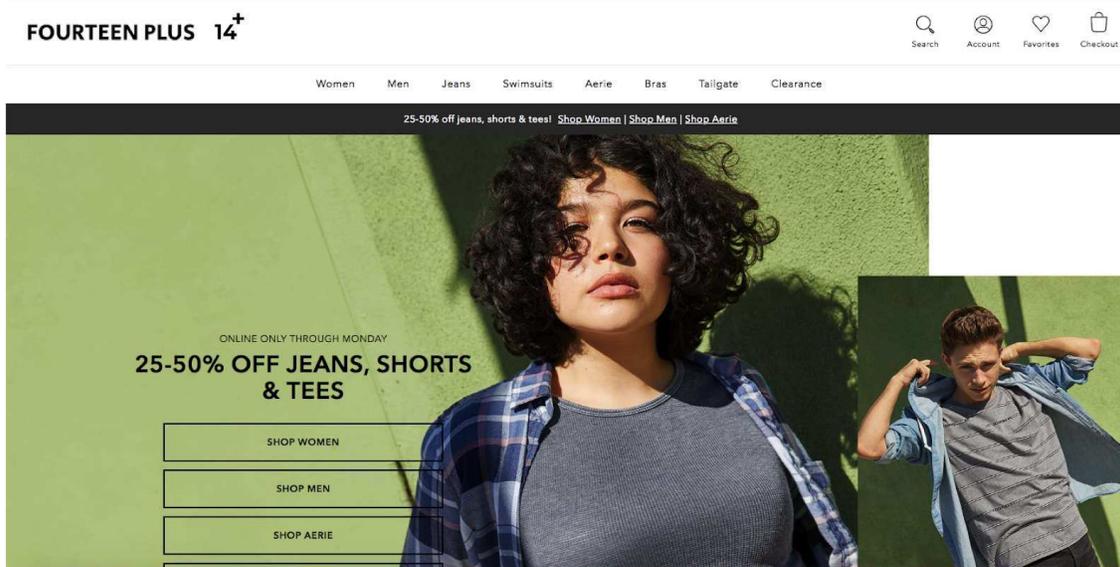


- **Snapchat:** This is the newest of the social media platforms and is primarily used by the younger generation (ages 13-30) for quick updates throughout the day and sharing some of life's random moments with others. Fourteen Plus shall use this software to publish some of the stories behind the design.

## Website

The company will let customers see pictures of people of similar size to them wearing our clothes at first sight when they enter the site. Plus-size models are used in all product demonstrations on the site. It is very important to collect the email addresses of customers and

potential customers for promotion, so customers will be asked to register their accounts with email addresses. As an encouragement, the company shall send them a 10% discount code. Below are some examples of what our website will look like.



**Email**

Email has always been an important channel for shopping website to promote. The company will regularly send promotional emails to publicize new product launches and discount activities.

**Co-branding**

By co-branding with famous plus-size bloggers to attract their plus-size fans to buy the company's clothes or follow them.

**Branding Strategy**

Millennials place more value on a brand's values and the stories behind it. They believe that if a brand shows integrity in business transactions, its products are of higher quality and worth buying. Fourteen Plus will be ethical in several ways: First, the company shall declare its commitment to the environment and pay attention to being environmentally friendly. Second, to ensure that the workers who produce the products are well paid and treated. Third, by offering the proposed products at lower-price-point than existing competition, without the upcharge that a familiar brand name would charge. Through the above three principles, the company can present our brand as an organization providing public services rather than a company purely making profits.

**Sales Strategy**

The company shall display its products online through an e-commerce platform that will showcase the wide range of product lines, with Customer Support for inquiries and as well as detailed information about the shipping and refund requirements. Discounts codes will also be used as a sales strategy to attract customers. Fourteen Plus will be mindful as well with the major events that will promote various products relating to it. Sales discounts will be applied if customers will reach a certain level of sales volume and will automatically be deducted upon checking out.

## Operations

### Operation Flow Chart



### Production Plan

After researching the level and price of textile industry in various countries, stakeholders decided to cooperate with Chinese clothing suppliers. They will cooperate with the textile factory in Shaoxing, Zhejiang, China's largest textile factory. They will hand over the design drawings to the docking staff in China, who will connect with the manufacturer to control the quantity and quality of the clothing store.

### Workforce Plan

The company will openly recruit our employees to local universities and inspire them to seek young people who share our passion and the same worldview and values. And through the huge upside and the giving of shares, employees have a strong sense of belonging, participation and enthusiasm.

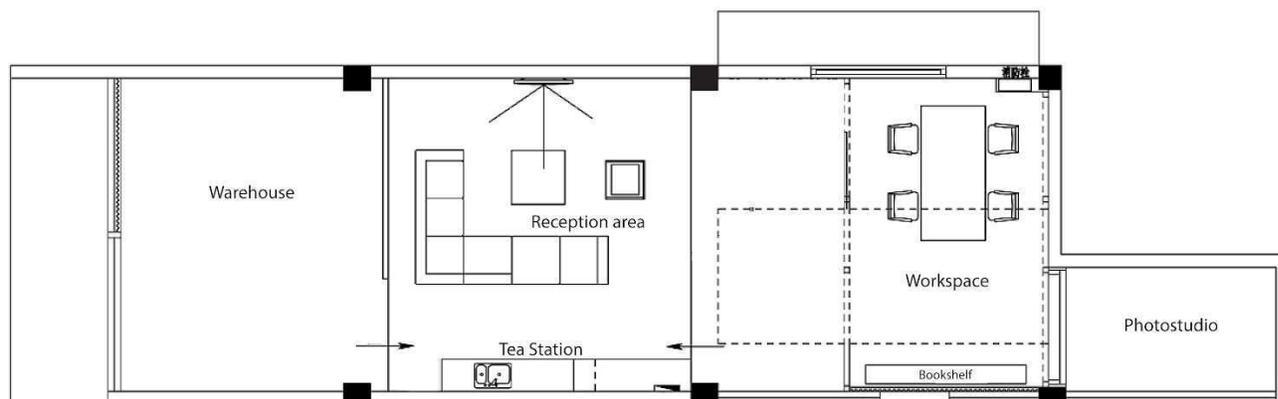
## Overseas Shipping

The company shall send its garments to the United States through the overseas shipping department of Alibaba, China's largest platform, to have better connect with China and US.

Country	Forwarder	Local Courier	First KG (RMB)	Next 0.5KG (RMB)	Size Limit	Weight Limit
USA	JCEX Jiacheng International	UPS	110	26	Size limit $\leq$ 80cm Total $\leq$ 150cm	32KG
USA	JCEX Jiacheng International	USPS	82	22	Single Side $\leq$ 152cm Total $\leq$ 274cm	30KG
USA	Zhongshan courier	EMS/DH L	105	25	Single Side $\leq$ 120cm Total $\leq$ 200cm	30KG

## Warehouse

Fourteen Plus warehouse is located directly in its studio so that key personnel can quickly organize and pack the clothes.



## Domestic Transport

Once online order will be received, clothes will be packed and hand these to the ups office for delivery to the customer's house.

## Adoption of Technology

Fourteen Plus shall place a purchase link on the website and pay by PayPal or credit card. After the checkout, the purchase information will automatically and instantly be sent to the employee so that the garment can be packaged and shipped in the first place. At the same time, the background will automatically send a thank you note, order information and recipe. When the goods are delivered, the customer will receive another logistics information. Strive to give customers the best shopping experience. Here's an example of a Fashion Plus's payment page.

### Payment Method

PayPal 

You will be directed to the PayPal site to complete payment after reviewing your order details.

Please note that PayPal orders cannot be updated after checkout.

Credit Card / Debit Card



## Management and Organization

### Founders

Biyue Wang will become the chief designer of our company. The major of Biyue is jewelry design, and she has more than 14 years of painting experiences.

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Zeyu Wang is econ major and has the experiences of selling. She will be the company's CFO who manages the company's finances and has the right to determine the budget for each department.

Through the communication between these two people and the understanding of the company's philosophy, they are determined to make large-size clothing with artistic sense and design.

### **Key Employee**

Fourteen Plus will be a small business that will comprise of six (6) employees: two large size models and a photographer (part time employees). A programmer responsible for the operation and management of the online storefront. An online storefront customer service and an employee who is responsible for connecting with the network red and the manufacturer, also a logistics personnel in China and docking, (including supervision of factory clothing quality and logistics operations).

### **Equity Structure**

Biyue Wang(CEO): 45%

Zeyu Wang (CFO): 45%

2% of the remaining five employees each

If the company has major core idea changes or structural adjustments, it requires at least 67 percent of the participants to approve.

### **Compensation and Incentives**

- **Work Check-In**

Based on the company's direction of development, employees have flexible workplaces, but work in the office at least three days a week.

- **Time**

The studio time of three days a week is from 9am to 5pm. Employees who do not arrive on time or leave early will have a certain salary reduction. Employees will have a schedule to

complete their tasks within a certain period of time. Warnings will be dealt with after the deadline and will be dismissed after three warnings.

- **Dress code**

The company has no specific requirements for wearing, as long as it will be comfortable, and they like it.

- **Reward**

Through quarterly reports, for employees with outstanding results (including the number of weekly visits to the company, the completion time and quality of the work plan, and additional contributions), 3 to 5 percent cash bonus is distributed based on quarterly earnings.

## Long Term Development

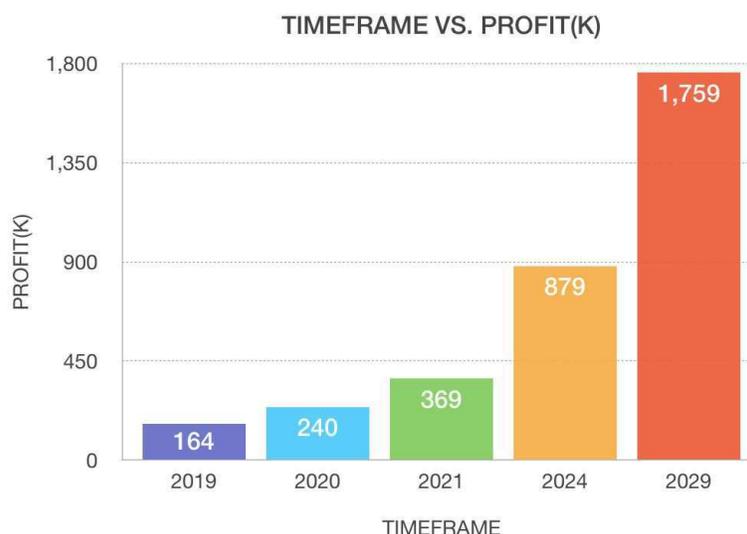
### Long Term Goals

Timeframe	Key Focus	Growth Areas	Milestone	Number Of Clients
2019	Business Development	Online Store	Online Selling	5K
2020	Customer Growth	Social Media	People Cooperation	10K
2021	Customer Growth	Other Brand	Brand Cooperation	50K
2024	Customer Growth	Global Shipping	Global Shipping	200K
2029	Customer Growth	Diversification	Physical Store	1MM

## Opportunities and Risks

According to research, the plus-size clothing is a \$21 Billion market that has been ignored by most of the fashion clothing brands. With this great demand for such product lines, it is certainly a great opportunity for companies who would want to launch such products. The next challenge will be the quality of the products to be distributed in the market. Quality products would require comfort to the users considering that plus-size women would not just want to display their beautiful body figure, but as well as they would want to feel comfortable to what they are wearing. With that, chosen type of linen will be considered in this aspect that will soothe the skin of the women wearing the products. Looking for suppliers that will meet such standard will be a risk that this company shall face but will be innovative in achieving the type of products it would offer to the market that will withstand the test of time and would create a position in the market.

## Long Term Strategies



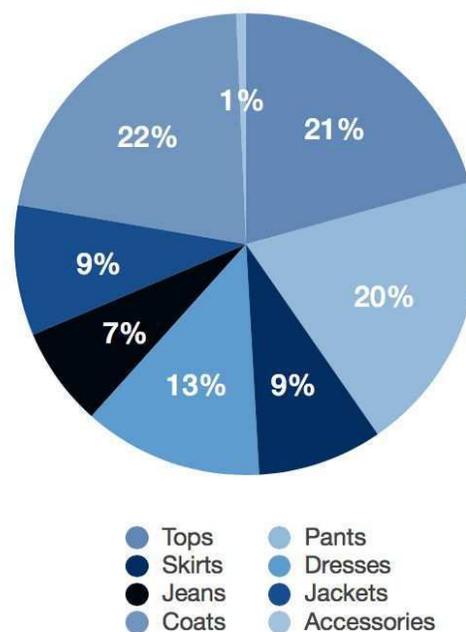
Distributorship to the brand that this company will be establishing is a long-term strategy to reach out more market from one country to the other. With this, it will not just gain sales volume but also the company brand will be known and be the talk of the town especially for plus-size women. Various type of clothing that will match the trends will be a never-ending goal of the company, and will even offer other fashion products that will still cater plus-size women.

In order to reach a huge amount of demand in the future, we planned to have long-term agreements with logistics companies in order to have lower prices, quicker speed, and larger numbers on delivery. We will also rent new storage to store our goods. Firstly, we will rent a storage in China to store clothes that have just been produced. Then, the clothes will ship to the American storage that we rent. In China, we planned to rent storage in Shenzhen, which has many developed commercial harbors. When we did our research in the location of our storage in America, we found that San Francisco has developed the overseas commercial system, and it closes to our company which is in Pleasant Hill. So we decided to rent storage in San Francisco. Once the customers buy our products, we can deliver our goods from the storage in San Francisco to customers' location directly.

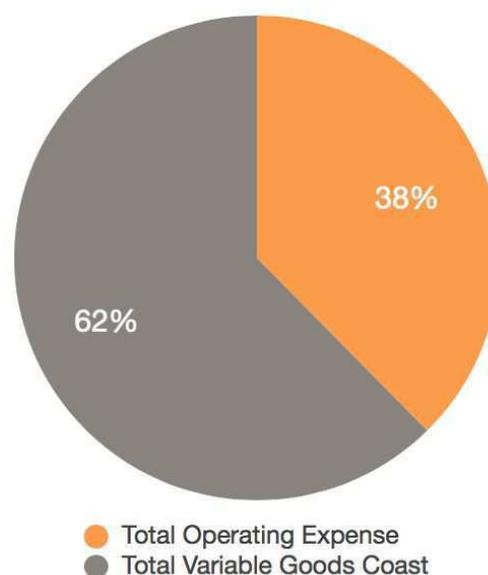
With the increase of the qualities of goods, we decided to hire an employee who will be responsible for the goods delivery. We will give him/her 2% share, 1% is from Biyue Wang, and the rest of 1% is from Zeyu Wang.

## Financial

Income(\$)	
Tops	US\$ 335,570
Pants	US\$ 319,620
Skirts	US\$ 141,625
Dresses	US\$ 203,385
Jackets	US\$ 148,285
Jeans	US\$ 112,920
Coats	US\$ 350,480
Accessories	US\$ 11,088
<b>Total Income</b>	<b>US\$ 1,622,973</b>



Expenses(\$)	
Operating Expenses(\$)	
Accounting and Legal	9,000
Advertising	25,400
Depreciation	1,200
Dues and Subscriptions	1,200
Insurance	24,000
Interest Expense	24,000
Maintenance and Repairs	1,208
Office Supplies	913
Payroll Expenses	144,000
Postage	15,361
Rent	36,000
Research and Development	14,470
Salaries and Wages	96,000
Taxes and Licenses	9,888
Telephone	600
Travel	4,000
Utilities	1,766
Web Hosting and Domains	1,200
<b>Total Operating Expense</b>	<b>410,206</b>
<b>Total Variable Goods Cost</b>	<b>680,649</b>
Net Income Before Taxes	568,131
Income Tax Expense	58,518
<b>NET INCOME</b>	<b>US\$ 509,614.00</b>



## Appendices

### Appendix 1.1 Start up Costs

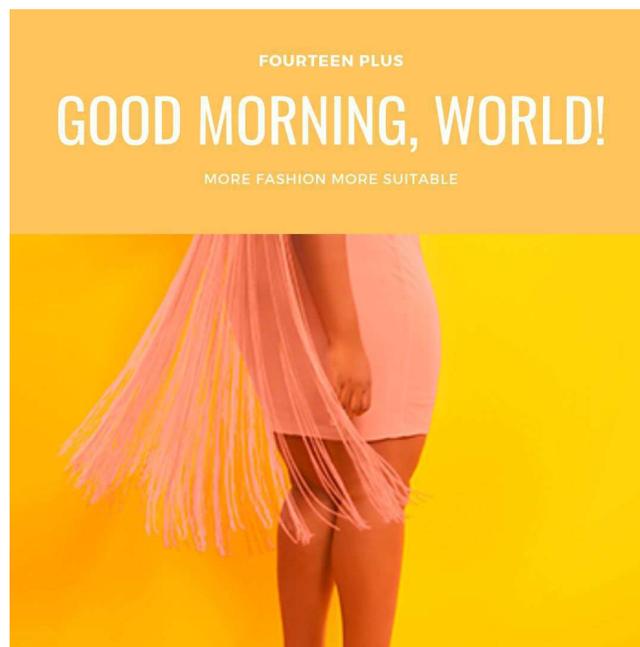
<b>COSTS</b>	<b>Estimated</b>
<b>Fixed Costs(\$)</b>	
Advertising for Opening	4,500.00
Basic Website	2,000.00
Brand Development	0.00
Building Down Payment	0.00
Building Improvements/Remodeling	5,000.00
Business Cards/Stationery	249.00
Business Entity	200.00
Business Licenses/Permits	800.00
Computer Hardware/Software	2,000.00
Decorating	1,000.00
Franchise Start Up Fees	0.00
Internet Setup Deposit	1,000.00
Lease Security Deposit	5,000.00
Legal/Professional Fees	0.00
Machines & Equipment	525.00
Office Furniture/Fixtures	1,000.00
Operating Cash (Working Capital)	0.00
Point of Sale Hardware/Software	250.00
Prepaid Insurance	2,128.00
Public Utilities Deposits	400.00
Reserve for Contingencies	10,000.00
Security System Installation	2,000.00
Setup, installation and consulting fees	1,000.00
Signage	2,000.00
Starting Inventory	100,000.00
Telephone	578.00
Tools & Supplies	0.00
Travel	0.00
Truck & Vehicle	4,000.00
Other	0.00
<b>Total Fixed Costs</b>	<b>145,630.00</b>



### Appendix 2.1 Instagram Cover



### Appendix 2.2 Facebook Cover



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