

Bespoken Designs



BUSINESS PLAN

Business Plan Prepared By:

Alex Turano
Owner/ Store Manager
500 Jackson Avenue
Oxford, Mississippi
832-606-3849
Alex.Turano@yahoo.com
BespokenDesigns.com

Date Prepared:

December, 2011

Table of Contents

EXECUTIVE SUMMARY4

- Venture History 4
- Venture Description 4
- Venture Organization 5
- Venture Market 6
- Venture Operations 9
- Venture Finance 9

MANAGEMENT AND ORGANIZATION10

- Management Team 10
- Compensation and Ownership 12
- Board of Directors/Advisory Council 13
- Infrastructure 13
- Contracts and Franchise Agreements 14
- Insurance 14
- Employee Stock Option Plan and Other Incentives 15
- Organization Charts 15

PRODUCT/SERVICE16

- Purpose of the Product/Service 16
- Unique Features 16
- Stage of Development 16
- Future Research and Development 17
- Trademarks, Patents, Copyrights, Licenses, Royalties 17
- Government Approvals 17
- Product/Service Limitations 17
- Product/Service Liability 17
- Related Products/Services and Spin-Offs 17
- Production 17
- Facilities 17
- Suppliers 17
- Environmental Factors 17

MARKETING PLAN18

- Industry Profile 18
- Industry Trends 18
- Competition Profile 21
- Customer Profile 22
- Target Market Profile 23
- Pricing Profile 23
- Market Penetration 25
- Advertising and Promotion 26
- Packaging and Labeling 27
- Service and Warranties 27

Business Plan

Trade Shows	28
Future Markets	28
GROWTH PLAN	29
New Offerings to Market	29
Capital Requirements	29
Personnel Requirements	29
Exit Strategy	29
FINANCIAL PLAN	30
Startup Costs Worksheet	30
Sources of Financing	32

EXECUTIVE SUMMARY

Venture History

Company Profile

Bespoken Designs is a unique monogram shop that is located in the heart of the southern traditional town, Oxford, Mississippi. Our Company was established in October 2011 and plans to open a brick-and-mortar store in May 2012. The store is defined by its' superior, made-to-order embroidery and screen-printing services. We strive for excellence to provide the largest selection of merchandise with an assortment of five product categories, (Apparel, Accessories, Bed & Bath, Home Goods, and Luggage) positioning ourselves to ultimately be the leading monogram shop within this particular market. My grandmother's ever-loving passion for sewing and monogramming items for our family over the years was my driving inspiration behind the creation of this store. Having pride for your family name, commonly signified by your three initials, has been a household tradition for centuries. In recent years monogramming, embroidery, and screen-printing have become increasingly popular and continues to expand as technology escalates.

Marketing History

This market thrives on the ability to network and take advantage of any local opportunity to present itself in everyday life. More prominently in the past decade, corporations and small businesses have been investing their money to promote their company's product or service, which directly fuels the growth for the embroidery and screen-printing market. The marketing history of the products, and specifically the services that Bespoken Designs offers, accommodate a number of markets who encompass customized fashion: Advertising Companies, Birthdays, Sorority/Fraternity, Local Sports Teams, Weddings, Baby Showers, Graduation.

Venture Description

Bespoken Designs is a small retail service business. Our business is centralized in the commercial embroidery/screen-printing industry. It can be classified in the Manufacturing sector for textile products such as apparel or home linens. Also, it can be classified in the Arts sector if the product is classified more as a work of art, rather than a product. Bespoken Designs encompasses the sales of several types of products marked by the NAICS (Apparel, Accessories, and Home Goods).The embroidery and screen-printing industry stands between the growth and maturity stage of development, with current annual revenue of \$47 million.

- **Unique Characteristics**
 - Visible on-site windowed monogram/embroidery workshop
 - Five merchandise categories: Apparel, Accessories, Bed & Bath, Home Goods, and Luggage, with a broad product selection
 - Special event/occasion services: Baby Showers, Company Advertisement, Local Sports Teams, Local School Merchandise, Uniforms, Sorority/Fraternity, Weddings
 - Free gift wrapping upon request
 - Optional Catalog subscription (if customer subscribes, they will automatically receive an annual exclusive birthday discount)
 - In store software that allows customers to view their potential product
 - Screen-printing option available

- **Proprietary rights**
 - Trade Secrets: Any monogram, embroidery, or screen-printing processes, production of original designs, and techniques utilized by the Company
 - Potential ideas for the future growth/expansion of Company
 - Formulas used to calculate financial information
 - Unpublished financial statements/data
 - Specialized programs and software
 - Wages/salary, skills, and compensation received by the employees within the Company
 - Any information regarding plans for research, development, new/unreleased products, marketing, selling, the business plan, budgets, licenses, pricing, costs, and suppliers

Venture Organization

Bespoken Designs will operate under a simplistic small business organizational structure. A Limited Partnership (with limited liability) will be implemented where I will serve as the general partner and the limited partner involved will provide capital and share liability for any losses. My partner will be liable only to the extent of the amount of money they invest in the Company and will have limited input regarding management decisions. As the general partner of Bespoken Designs, I will be the main manager/owner of the store and assume all rightful responsibilities.

- **Organizational Structure**
 - Assistant Manager
 - Seamstress (2)
 - Boutique Associates (3)
- **Prior Experience/Requirements (Applicable to all employees)**
 - Maintain full knowledge of the company's policies, background, all merchandise, and all services Bespoken Designs provides
 - Strong interpersonal skills
 - Ability to handle problems in a calm manner
 - Sales-driven and ability to work in a team-oriented environment
 - Patient, positive, and enthusiastic personality
 - Genuine interest in the industry and the services our Company provides

-Minimal education of a high school diploma for managers; All other employees must be of the age 16 or older and have prior retail experience.

Key Outside Advisors

• **Advisory Council**

The Advisory Council will consist of three members that were previously executive professionals and recent retail-owner retirees. My Advisory Council will provide industry and product/service expertise for any issues the store encounters. The owner meets with the Advisory Council every three months to discuss the status and specified topics, conflicts, opportunities, or questions regarding the Company.

• **Accountant**

-Provides financial advice offering an independent opinion regarding investment decisions. For example, deciding whether to go into debt or spend current capital on a business expense such as renovations or merchandise fixtures.

• **Lawyer**

-Provides legal knowledge and assists in creating a charter stating the Advisory Council functions which may be subject to change at any time. This charter covers legal terms of the Advisory Council, frequency of meetings, compensation, and liabilities.

Venture Market

Store Location: Oxford, Mississippi

-Located in the north central portion of Mississippi and resides within Lafayette County. - One of the top ten college towns in the nation (ranking sixth) according to *USA Today*.

-Current City Population: roughly 19,000 – Over half of the population (55%) is between the ages 20-44 years old, primarily due to the University of Mississippi (Ole Miss) student population.

*Lafayette County Population: Approximately 44,000.

• **Target Customer**

-Female, Married

-Age: 40-50

-Family size of 5

-Income level: \$75,000 +/-year

-Ethnicity: White

• **Customer Needs**

-Ensures her children are highly involved in school, extracurricular activities, and athletics

-Believes in the beauty and bond of tradition and southern values

-Involved with her local Church

-Volunteers for philanthropy events

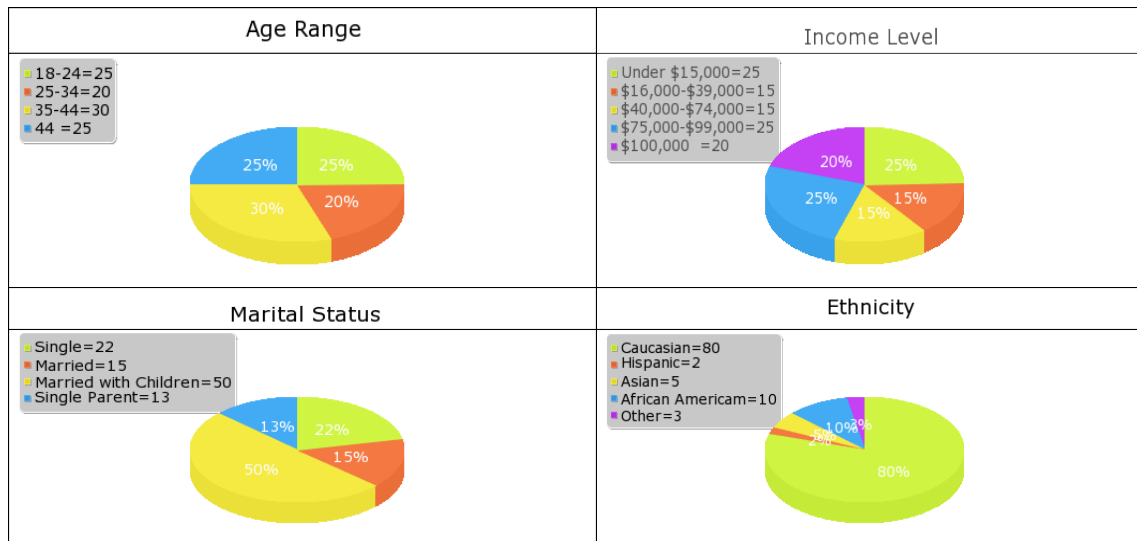
-Member of a local Tennis team

-Proud of the Family name and loves to customize products to make them “her own”

-Enjoys entertaining and hosting occasional parties for friends and family

- **Target Market**

- Geographic Location: Oxford, Mississippi
- Gender: Female
- Education: Some College or Bachelors Degree
- Profession: Student or White Collar Job
- Household Size: Family of 4
- VALS: Innovators, Thinkers, Experiencers



- **Market Penetration**

- Print Media**

- Newspaper Ads (Including college newspaper)
- Catalogs (to subscribers)
- Yellow Pages
- Business Cards/Merchandise (pens, notepads, t-shirts etc.)

- Outdoor Media**

- Promotional Posters/Flyers (to hand out around populated areas and post on public bulletins in schools, churches, and businesses)
- On-Premises Signage
- Seasonal In-Store Events

- Interactive Media**

- E-Commerce Website
- Facebook
- Twitter
- Tumblr

- **Competition Profile**

1. Oxford T-Shirt Company

Strengths

- Location
- Full-time graphic design department
- Oxford's Largest Screen Printer
- Custom Screen Printing (In-House Service)
- Established website for online shopping: oxfordtshirtco.com

Weaknesses

- Annual Revenue: less than \$500,000
- Main Focus: Screen-Printing and Stamping
- Limited Product Selection: Ole Miss apparel and accessories

2. Square Alterations & Monogramming

Strengths

- Location
- Offers Laundry services

Weaknesses

- No Website
- Main focus is limited to garment alterations and repairs

3. Lily Pad

Strengths

- Location
- Business has been established for more than 10 years
- Website for Online Shopping: lilypadgiftshop.com
- Offers Gift Registry and option to customize store merchandise with painted designs

Weaknesses

- Main focus is Gift/Souvenir merchandise
- Limited Product Selection, mostly caters to college students

Bespoken Design's primary competitive advantage to these top three competitors is product selection and service offerings. Our store provides the one-stop shop atmosphere offering monogramming, embroidery, and screen-printing services to be applied on any of the store merchandise. With the wide selection of merchandise, there is no need to go to multiple avenues to get items customized. Also Bespoken Designs offers exclusive services that cater to promote local organizations and special events/occasions. In addition, we do not focus solely on Ole Miss Products, Alterations, or Gift/Souvenir merchandise. None of these stores have the same goal or primary focus as Bespoken Designs. Coincidentally, my store's focus combines a little portion of each competitor's store, therefore making our shop the perfect niche for this market area.

Venture Operations

Start-up Costs (One-time Expenses)

Product Development	\$90,000
Marketing	\$11,500
Operations	\$13,800

Venture Financing

Medium to Long Term Loan: The loans will be repaid over the course of approximately 10 years depending the success of the business. The source of repayment is the cash flow of the business. The loans will be used to purchase equipment, to provide working capital, and to buy/improve buildings. Currently a total of \$70,000 has been invested into this Company between my partner and me. We will be acquiring the bank to match our investment.

Personal Savings	\$10,000
Parents' Investment	\$25,000
Limited Partner Investment	\$35,000

MANAGEMENT AND ORGANIZATION

Management Team

Leadership is the first and foremost role of an entrepreneur. In order for this business to reach its ultimate success, leadership must take place to guide the organization in the right direction. Excellent communication skills about all aspects involving the company are vital to ensure all functions, conflicts, and situations are handled in an appropriate manner. Ambition and knowledge of where the company stands in the present, where it will stand in the future, and what measures need to be taken to reach our future potential are all essential components.

Job Descriptions

- **Owner/Store Manager**

- Oversee the hiring, firing, and quality maintenance of personnel by training each individual to fulfill their job title and responsibilities
- Oversee daily operations and work of subordinate employees to ensure tasks are completed in an effective, efficient manner and ensure customers have a pleasant experience
- Maintain meticulous records on all transactions and inventory in order to guarantee all money and merchandise are accounted for
- Ordering of merchandise on a seasonal/regular basis to sustain quality
- Planning all advertising and promotional displays and events

- **Assistant Store Manager**

- Assist owner in managing all of the daily operations in the store
- Ensure and motivate store personnel to provide exceptional customer service by answering any questions and assisting with product selection, purchases, and returns.
- Maintain a clean atmosphere and assisting the owner in the visual merchandising for the store.
- Responsible for making sure all store policies and procedures are being followed
- Assisting owner in delegating duties among staff
- Help create all promotional displays
- Possesses a copy of the store key and when instructed is responsible for opening and closing the store and register.

- **Seamstress (2)**
 - Sew and embroider initials, letters, and designs onto fabric
 - Demonstrate full knowledge of operating machinery and computing processes required to generate a monogrammed item
 - Must have a minimum of five years' experience in embroidery and be able to perform a sample monogram within a specified time limit to ensure an efficient return-time to customers
 - Ability to hand-sew, maneuver a sewing machine, and utilize the computer as an aid to create specialty patterns.
 - Maintain proficient good hand-eye coordination with attention to detail and time management skills to complete orders in a timely manner
 - Ability to perform the same task for long periods of time

- **Boutique Associates (3)**
 - Organize merchandise accordingly (size, color, brand, sale items, as instructed by owner or manager)
 - Greet customers as they come in with an inviting demeanor
 - Operate the cash register
 - Restock shelves and display areas as needed
 - Sweep and vacuum store at closing
 - Keep up with current, upcoming promotions and sale items
 - Maintain full product and service knowledge of all inventory in the store to answer any customer questions
 - Knowledgeable of the company's history

- **Prior Experience/Requirements (Applicable to all employees)**
 - Maintain full knowledge of the company's policies, background, all merchandise, and all services Bespoken Designs provides
 - Strong interpersonal skills
 - Ability to handle problems in a calm manner
 - Sales-driven and ability to work in a team-oriented environment
 - Patient, positive, and enthusiastic personality
 - Genuine interest in the industry and the services our Company provides
 - Minimal education of a high school diploma for managers; All other employees must be of the age 16 or older and have prior retail experience.

Compensation and Ownership

- **Full-Time Employees**

- The entrepreneur and the manager are full-time employees.
- Full-time employees are employees of the Company who work in positions that require a regular schedule of at least 32 hours in each work week.
- Full-time status determines the eligibility for insurance and other benefits.
- Full-time employees are considered “Exempt” and function in administrative, professional, and supervisory positions.
- “Exempt” employees are compensated on a fixed salary, bi-weekly basis and are exempt from overtime requirements, therefore not entitled to overtime pay.

- **Part-Time Employees**

- All boutique associates are part-time employees who are neither full-time nor seasonal employees who work in positions that require a minimum of six hours and a maximum of 31 hours in each workweek.
- Part-time employees are considered “Non-exempt” and are compensated on an hourly basis and must submit hours via our online time-keeping system.
- Non-exempt” employees are eligible for overtime pay.
- Overtime pay is calculated at time and one half for all hours worked over 40 hours per week and must be approved in advance by the owner.

- **Seasonal Employees**

- Seasonal employees are employees hired to work for a specified period of time, not to exceed four months.
- Seasonal employees do not have the compensation status of a full-time employee regardless of the number of hours worked per week.

- **Payroll**

The company’s payroll period begins on Sunday at 12:01 a.m. and ends two weeks later on Saturday at 12:00 a.m. Checks are available on the Friday following the payroll close. There are 26 pay periods in the calendar year. It is the responsibility of the employee and the owner to ensure the accuracy of the hours submitted to payroll. Direct Deposit is an option provided for all employees. Employees are responsible for clocking in before the beginning of each shift, at the end of each shift, and for meal breaks. “Exempt” employees are required to maintain accurate payroll records by clocking in and out of the payroll system, however does not affect the amount of pay.

- **Breaks**

All employees receive a 15 minute paid break for each four hours worked and are compensated for this time. Employees receive a 30 minute unpaid meal break if the workday is a minimum of five hours. Employees are required to clock out and will be relieved of all active responsibilities during meal periods. Employees may not “waive” their break periods in exchange for a shortened workday.

- **Holiday Pay**

Holiday Pay classifications include all Full-time Exempt and Full-time Non-exempt employees. Part-time and Seasonal employees are not eligible for paid holidays. Paid Company Holidays include: New Year's Day, Labor Day, Memorial Day, Thanksgiving Day, Independence Day, and Christmas Day. Exempt employees will receive 8 hours of pay and Non-exempt employees will receive the average hours worked per day over the previous 8 weeks, based on a 5 day workweek.

- **Employee Discounts**

Employees are eligible to purchase merchandise at a discounted rate off of the regular price. Employees will receive the higher of their employee or a promotional discount, but not both. "Exempt" employees receive a 50% discount and "Non-exempt" employees receive a 35% discount, which is subject to change. The employee discount is not available for use for online purchases made on the Bespoken Designs website. Employee purchases must always be rung up by the Boutique Manager or the Boutique Owner, never by the employee. All employee transactions made within the final three days of a fiscal month will be considered final sale regardless of the boutique's achievement of sales plan.

*No warrants or stock options are owned by the entrepreneur because this is not a public company.

Advisory Council

The Advisory Council will consist of three members that were previously executive professionals and recent retail-owner retirees. My Advisory Council will provide industry and product/service expertise and any issues the store encounters. The owner meets with the Advisory Council every three months to discuss the status and specified topics, conflicts, opportunities, or questions regarding the Company.

Infrastructure: Key Outside Advisors

- **Accountant**
 - Provides financial advice offering an independent opinion regarding investment decisions. For example, deciding whether to go into debt or spend current capital on a business expense such as renovations or merchandise fixtures.
- **Lawyer**
 - Provides legal knowledge and assists in creating a charter stating the Advisory Council functions which may be subject to change at any time. This charter covers legal terms of the Advisory Council, frequency of meetings, compensation, and liabilities.

*All members of the Advisory Council and Key Outside Advisors are compensated with an in-store discount. Additionally, Key Outside Advisors are paid \$100 each for every meeting (Attendance is required).

Contracts and Franchise Agreements

- **Non-Compete Agreement**
-A contract enforced by the owner where the employee is required to sign and agrees not to enter into competition with the Company after he/she is terminated
- **Non-Disclosure Agreement**
-A contract between the owner and the Advisory Council stating that confidential company information will not be disclosed by any means.
- **Employment Agreement**
-A contract between the owner and each employee when hired, confirming their acknowledgement and agreement to comply with all procedures, practices, and policies stated in the Employee Handbook.

Insurance

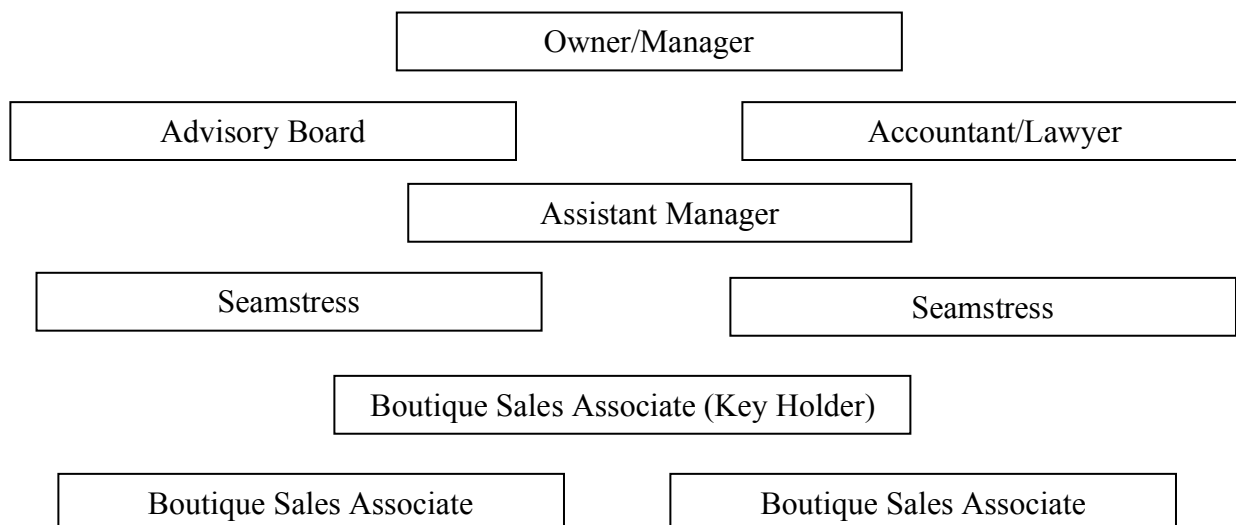
A good benefits program is a solid investment in the Company's employees. We are committed to sponsoring a comprehensive benefits program for all eligible, full-time employees. In the case of a buy-sell agreement, my assistant manager and I will be insured. As a benefit to employees, the group insurance premium payments are made available through payroll deduction. Premiums vary depending on plan selection. For insurance coverage there will be a 25% deduction out of every paycheck and the co-pay will cover the remaining 75%. Health insurance will be provided by United Health Care. Life and Disability insurance will be provided by ING Insurance Company. Property and Liability insurance will be provided by Hartford Insurance Company. In event of an injury that occurs on the job, the Company provides insurance under Workers Compensation benefits, which will be provided by Texas Mutual.

Employee Stock Option Plan and Other Incentives

- **401k Retirement Plan**
-A 401k Retirement Plan offered as an incentive for all employees to invest in their future. ING Insurance will provide this Retirement Plan and employees have the option of taking from 3%-15% out of each paycheck from their income before taxes. Investment selection is one of the most vital aspects of this plan.
- **Employee Discounts**
- Employees are eligible to purchase merchandise at a discounted rate off of the regular price. Employees will receive the higher of their employee or a promotional discount, but not both. “
- Exempt” employees receive a 50% discount and “Non-exempt” employees receive a 35% discount, which is subject to change.
- The employee discount is not available for use for online purchases made on the Bespoke Designs website. Employee purchases must always be rung up by the Boutique Manager or the Boutique Owner, never by the employee. All employee transactions made within the final three days of a fiscal month will be considered final sale regardless of the boutique’s achievement of sales plan.

*Employee stock options are not offered because our company is not public.

Organizational Chart



PRODUCT/SERVICE

Purpose

Bespoken Designs offers customers with personalized monogram services on an array of everyday products. Our products and monogram services is individualized for each customer based on their requests, therefore ensures 100% originality. Additional services that benefit customers include free gift wrapping, providing same week return service, and special discounts for frequent customers and on bulk orders. Bespoken Designs addresses an opportunity to minimize a mass-produced look and gives a customized flare to your product. Since our products' designs are modified per the customer's request, they are considered luxury items.

Unique Features

- Visible on-site windowed monogram/embroidery workshop
- Five merchandise categories: Apparel, Accessories, Bed&Bath, Home Goods, and Luggage, with a broad product selection
- Special event/occasion services: Baby Showers, Company Advertisement, Local Sports Teams, Local School Merchandise, Uniforms, Sorortiy/Fraternity, Weddings
- Bulk number of items at a discounted price
- Free gift wrapping upon request
- Optional Catalog subscription (if customer subscribes, they will automatically receive an annual exclusive birthday discount)
- Catalog/Online shopping
- In store software that allows customers to view their potential product
- Screen-printing option available
- All five sizes are offered in apparel
- Selection of 25 embellishment add-ons and stencils
- Selection of 30 Monogram/Embroidery fonts
- Selection of 50 Screen-printing fonts
- Selection of 75 color options
- Selection of 100 different stock designs
- Special additional selections are available during specific seasons

Stage of Development

Monogram design services have gone through the introductory stage. However, our unique assortment of products and exceptional services we offer currently place Bespoken Designs in the growth stage of development.

Future Research and Development

Future marketing research on changes in demographics and trends are always required to maintain a successful business. Additional research will be done on developing a more extensive product range in comparison to competitors. To develop a more stable and recognizable reputation, we will offer seasonal specials, products, and colors and promote them through hosting events in-store.

Trademarks, Patents, Copyrights, Licenses, Royalties

Bespoken Designs has obtained an official trademark and copyright for its entity. Our company has been granted a license to perform embroidery and monogram design applications in our store.

Government Approvals

Basic business operation license, Federal employer identification number (tax identification number), Fictitious business name permit, Zoning and land use permits, Health department permits, Sales tax license, Fire department permits. All license and permits have been approved.

Product/Service Limitations and Liability

The only limitation to our products is the brands that are offered.

A liability imposed on our products and services would be the safety of our employees (seamstresses) using sharp tools during the application of embroidery designs on our products. Business insurance is a requirement.

Related Products/Services and Spin-Offs

Our store will offer custom embroidery and monogram design services that will be performed inside along the back wall, visible for customers to observe employees hand-crafting our products in a specialized manner (igniting a sense of personalization for the customers). If an order is done incorrectly, there will be no charge to fix any error our company has made. Potential new products we would offer would come in exhilarating seasonal colors, designs, and fonts to reflect holiday seasons.

MARKETING PLAN

Industry Profile

Current Size

Fashion trends and personal income drive the demand for clothing stores owned by a small business. Clothing, accessory, and general merchandise stores are some of the most visited retail establishments in the country. The U.S. retail clothing industry contains approximately 100,000 stores. The combined annual revenue of large and small fashion businesses yields to about \$150 billion. The global clothing accessories industry generated total revenue of approximately US \$74.9 of the overall industry value. The annual revenue per worker is an estimated \$150,000. The profitability of Bespoken Designs depends heavily upon efficient merchandising and marketing.

Growth Potential

The apparel and accessory industry combined with the specialized services (monogram, embroidery, and screen-printing) that are offered, create an ongoing cycle between expanding and being stabilized. The countless products that could potentially be offered in the future leave room for innovation and growth. Also, any distinctive requests we receive from an individual or business could open the door to new opportunities. Specifically, there are major growth stages annually during the back-to-school and holiday seasons. Personalization is always on the rise in the fashion industry, therefore my business expands as new methods of customizing products are introduced and/or invented.

Geographic Location

The monogram/embroidery/screen-printing service industry is not located in one specific area of the country.

- Store Location: Oxford, Mississippi - located in the north central portion of Mississippi and resides within Lafayette County. Known as one of the top six college towns in the nation according to USA today.
- Current City Population: roughly 19,000 – Over half of the population (55%) is between the ages 20-44 years old, primarily due to the University of Mississippi (Ole Miss)
- Lafayette County Population: approximately 44,000.

Industry Trends

The art of customizing a product by embroidery and sewing means dates back to the mid-1800s, with the exception of machinery. Monogramming a product with your initials has become a traditional, classic trend over the past century. Historically, during the Victorian era, the upper-class adapted the monogram to symbolically represent their place in society. The rules for monograms established during this period are still existent today: first initial on the left, middle on the right, and the last initial embroidered larger in the middle. Now, monograms can be seen on any product from apparel to household accessories. With present-day technology skilled workers can now utilize machines to generate any design, font, or color in any shape or size on an array of products in order to personalize them in your special way. Inside of the store there is an on-site , windowed monogram workshop area where customers can physically watch the process of customization. Proper sewing/embroidery machines and equipment are necessary to provide customers with the utmost quality in an efficient manner. For large orders and special requests we have a proprietary software that allows customers to view a variety of options and combinations of their potential end-product to purchase. Many popular trends in the monogram/screen-printing industry are among the following:

- Greek Merchandise (Sororities and Fraternities)
- Local Sports Teams
- Special Events
- Jewelry
- Entertainment/Party Merchandise
- Wedding/Bridal Showers
- Newborn/Baby Showers

Seasonality Factors

- **Spring**
St. Patrick's Day
Spring Break
Easter
Luggage Specials
Mother's Day
Graduation

- **Summer**
Father's Day
Beach Wear
4th of July
Back-to-School
Sororities/Fraternities (Greek Merchandise)

- **Fall**
Sports Teams (Football Season)
Halloween
Thanksgiving

- **Winter**
Christmas
Valentine's Day

Profit Characteristics

- Visible on-site windowed monogram/embroidery workshop
- Four merchandise categories with a broad product selection
- Special event/occasion services
- Bulk number of items at a discounted price
- Free gift wrapping upon request
- If customer subscribes to the catalog, they receive an exclusive birthday discount
- Catalog/online shopping option
- In-store software that allows customers to view their potential product
- Screen-printing option available
- All five sizes are offered in apparel
- Selection of 25 embellishment add-ons and stencils
- Selection of 30 Monogram/Embroidery fonts
- Selection of 50 Screen-printing fonts
- Selection of 75 color options
- Selection of 100 different stock designs

Distribution Channels

The current distribution channel that exists is a brick-and-mortar store involving the retailer selling directly to the end-user. The assortment of merchandise and services available are physically in the store for customers to see.

Basis of Competition

- Brick-and-mortar store offering monogram, embroidery, or screen-printing services located within a 20 mile radius.
- Comparable product selection
- Pricing
- Bulk orders at discounted price
- Clientele similarity (businesses and individuals)

Competition Profile

1. Oxford T-Shirt Company

- Brick-and-mortar store: 1453 S. Lamar Blvd, Oxford, MS
- Business established: 2005
- Full-time graphic design department
- Employees: 1-4
- Annual Revenue: less than \$500,000
- Online store = oxfordtshirtco.com powered by “Storenvy” online store system
- Main Focus: Screen-Printing and Stamping
- Custom Screen Printing (In-House Service)
- Services: Printing & Embroidery, Oxford's Largest Screen Printer, Ole Miss and Oxford Apparel, Greek Sewn-On Apparel, Custom Designed T-Shirts, Creative Artwork
- Product Selection: Ole Miss apparel and accessories
- Mens = T-shirts, Polos, Outerwear
- Women = T-shirts, Outerwear
- Kids
- Headwear
- Accessories (limited selection of cozies and bumper stickers)

2. Square Alterations & Monogramming

- Brick-and-mortar store: 203 N. Lamar Blvd, Oxford, MS
- Business established: 2003
- Employees: 5-9
- Annual Revenue: \$1-2.5 million
- No Website/online store
- Main Focus: Garment Alterations
- Services offered: Monogramming, Laundry services, Garment alterations and repairs

3. Lily Pad

- Brick-and-mortar store: 128 Courthouse Square
- Business established: 2000
- Employees: 5-9
- Website: lilypadgiftshop.com
- Main Focus: “To provide unique gifts with a southern flair”
- Services: Gift Registry, Customize store merchandise with painted designs upon customer request (customer option to bring in their personal items to be customized)
- Product Selection
Accessories and Gifts, Candles, Cookbooks, Coolers, Dorm, Food/Drink Items, Design Attachments, Jewelry, Greek, Kitchen and Food Accessories, Mississippi Pottery, Ole Miss, Picture Frames, Swing Chairs and Hammocks, Tervis Tumbler, Travel Accessories, Wine and Drink Accessories

Bespoken Design’s primary competitive advantage to these top three competitors is product selection and service offerings. My store offers monogramming, embroidery, and screen-printing, on accessories, apparel, home goods, and bed and bath products. Also Bespoken Designs offers exclusive services for organizations and special events/occasions. In addition, we do not focus solely on Ole Miss products, Alterations, or Gift/Souvenir merchandise. None of these stores have the same goal or primary focus as Bespoken Designs. Coincidentally, my store’s focus combines a little portion of each competitor’s stores, therefore making my store the perfect niche for this market area.

Customer Profile

- Female, Married
- Age: 40-50
- Income level: \$75,000 +/-year
- Ethnicity: White
- Family size of five
- Ensures her children are involved in school, activities, and athletics
- Believes in the beauty and bond of tradition
- Involved with various church organizations
- Volunteers for philanthropy events
- Proud of the family name and loves to make products “her own”
- Enjoys hosting parties for friends and family

Reactions from prospective customers to Bespoken Design’s products and services are phenomenal as they stick to the southern tradition of embroidery and monogramming, yet also offer screen-printing as an innovative alternative. It is a one-stop shop for a gift for someone else, yourself, or an event. With the wide selection of merchandise, there is no need to go to multiple avenues to get customized items. The services cater to any special occasion and also can help promote local businesses with customized logo monograms. It can also hugely benefit the community as a resource for schools, churches, and local sports teams.

Target Market Profile

Demographics

- Geographic Location: Oxford, Mississippi
- Age Range: 20-40 years of age
- Annual Income Levels: either below \$15,000 or above \$75,000
- Gender: Female
- Ethnicity: Caucasian
- Education: Some College or Bachelors Degree
- Profession: Student or White Collar
- Household: Married, Family of four
- VALS: Innovators, Thinkers, Experiencers

Pricing Profile

Embroidered Text (1st Embroidery Location):

- All Text Designs are free on the first embroidery location, except when placed on the center front or back of a shirt or jacket. In this case, the following additional charges apply: +\$2.50/item for 1 line of text ; \$5/item for 2 lines of text

Embroidered Text (2nd Embroidery Location):

- 1 Line of Text: +\$2.50/item
- 2 Lines of Text: +\$5.00/item

Embroidery Stock Designs:

- 0-4,999 stitches: Free
- 5000-7499 stitches: +\$1.00/item
- 7500-9999 stitches: +\$1.50/item
- 10000-14999 stitches: +\$2.50/item
- 15000-19999 stitches: +\$3.50/item
- 20000-24999 stitches: +\$5.50/item
- 25000-29999 stitches: +\$7.50/item
- 30000-34999 stitches: +\$9.50/item
- 35000-39999 stitches: +\$11.50/item
- 40000-49999 stitches: +\$13.50/item
- 50000-74999 stitches: +\$15.75/item
- 75000-99999 stitches: +\$19.99/item
- 10,0000+ stitches: +\$24.99/item

(Note there is a \$5 minimum charge if a design is added to a second location:
Text and Design =\$5, Design Only = \$5)

Digitizing (Required only for Personal Logos)

- Small Design: \$25 One-Time Fee
- Medium Design : \$3.50/item + \$50 One-Time Fee
- Full Back Design : \$7.50/item + \$100 One-Time Fee

Discounts Based on Quantity

- 15% Discount when ordering 12-49 items
- 20% Discount when ordering 50-99 items
- 25% Discount when ordering 100-299 items
- 30% Discount when order 300+ items

Screen Printing

There is a set-up fee charged, and as the number of colors in the design increase, the setup fee increases however, the price of the product decreases.

Setup Fees

- 1 Color Design: \$20
- 2 Color Design: \$40
- 3 Color Design: \$60
- 4 Color Design: \$80
- 5 Color Design: \$100
- 6 Color Design: \$120

Discounts Based on # of Colors in the Design

- 6 Color Design: Subtract \$0.50 per item
- 5 Color Design: Subtract \$1.00 per item
- 4 Color Design: Subtract \$1.50 per item
- 3 Color Design: Subtract \$2.00 per item
- 2 Color Design: Subtract \$2.50 per item
- 1 Color Design: Subtract \$3.00 per item

Discounts Based on Quantity

- 15% Discount when ordering 12-49 items
- 20% Discount when ordering 50-99 items
- 25% Discount when ordering 100+ items

Market Penetration

Distribution Channels

- The brick-and-mortar store will serve as the primary channel of distribution. My sales team will help in driving the revenue by providing information and developing relationships with the end users for future sales.
- The e-commerce website will sell our products and services directly to the customer. The website also provides any additional information about our company that customers may inquire. With our enhanced software, customers will be able to visually see what their product will look like with all of their personalized settings and additions
- Our catalog is renewed seasonally with new promotional products in each. The catalog is only available and sent to those who sign up to receive it in the store.

Sales Representatives

- **Dress for Success**
 - Present themselves professionally
 - Wear a monogrammed, embroidered, or screen printed top at all times (in addition to any other store merchandise) to represent and promote our products and services.
- **Customer Interaction**
 - Allow customers to get to know them not only as sales people, but also as individuals
 - Initiate casual dialogues to learn more about the customer on a personal level
 - Full knowledgeable about the company, every product and every service that we provide, in order to be prepared to answer any question a customer may have
 - “Sell yourself first, or sell yourself last”. Since salespeople are the last ones to close sales, they must find innovative ways to keep their name in the minds of customers and deliver what they promise in order to reap the remarkable benefits of long-term business relationships.
- **Empathy**
 - Sales representatives must maintain the ability to understand the moods and behavior patterns of customers to elicit a preliminary observation on what they may be looking for or what they are involved with.

Direct-Sales Force

A direct-sales force will be utilized through the in-house sales representatives and the outside sales representative. The in-house staff will always be promoting our products and services by wearing it as a uniform during work hours. Also by word-of-mouth and telling their friends and families about our store’s offerings, they can promote sales. The outside sales representative will produce a direct-sales force by visiting all of the local schools, churches, and local businesses to propose the use of our services to stimulate potential clients and revenue. They will also have a calendar of promotional specials and events that our store hosts to maintain and increasing clientele base.

Direct Mail/Telemarketing

Direct mail will be enforced with our one-step direct marketing catalog option. All customers that come into our store have the option to request to be a subscriber to our catalog at no charge. There are numerous catalogs scattered throughout the store and at the cash register for customers to preview before making the decision to apply for direct mail. With this exclusive option, customers also receive annual birthday discounts and special holiday promotional discount coupons that are only existent in the catalog. Also, we will utilize direct mail through insert media. We will have promotional flyers for upcoming sales and/or discounts that we will place in the bag whenever a customer purchases an item. This ensures they will view our offering and be reminded of our services whenever they take their product out of the bag.

Advertising and Promotion

As more corporations are established more corporate dollars are poured into promotional products to advertise their brand, which in turn fuels the monogram/embroidery/screen-printing industry.

- **Print Media**
 - Newspaper Ads (Including college newspaper)
 - Catalogs (to subscribers)
 - Yellow Pages
- **Outdoor Media**
 - Promotional Posters/Flyers (to hand out around populated areas and post on public bulletins in schools, churches, and businesses)
 - On-Premises Signage
 - Seasonal In-Store Events
 - Trade Shows
- **Interactive Media**
 - E-Commerce Website
 - Facebook
 - Twitter
 - Tumblr

Packaging and Labeling

Retail packaging is one of the most vital components in sales. After the sale is complete, the customer is left with one lasting impression of the store, the packaging and labeling that is left for them to unwrap their newly purchased item(s). The presentation of this packaging must match the reputation that our company possesses. Eloquent and colorful packaging and labeling will be utilized in Bespoken Designs. No customer remembers a brown paper bag, however a color triggers memory and endorphins to be released. All merchandise will be wrapped neatly in tissue paper sealed with our store’s signature sticker and then, placed in the bag or box. There will be three sizes of bags and two sizes of boxes. Colors of bags, boxes, and tissue paper will vary depending on seasonal trends.



Service and Warranties

To warrantee the quality of our monogram, embroidery, and/or screen-printing services, there will be a “no questions asked” guarantee enforced. This guarantee is based on the pure value of our craftsmanship; therefore there will be a 30-day period after the day of purchase for customers to bring back their product (with a valid receipt) if it has been impaired as a result of our construction process. For example if a stitch were to come out, unraveling the whole design or lettering, or if the screen-print letter design was fully faded. Our company strives for excellence in order to deliver superior products, therefore will be held responsible for any errors that we make.

Trade Shows

1. Magic Tradeshow

- Location: Las Vegas, Nevada
- Biannual (Fall and Spring)
- World's largest fashion trade show

2. One of a kind Show and Sale

- Location: Chicago, IL
- Annual (1st week of December)

3. Decorated Apparel Expo (DAX)

- Location: three different locations during month of March: Kansas City, Minneapolis, Chicago
- Annual

Future Markets

- Bands
- Church Organizations
- Philanthropy Events
- School-Related Events (All Levels)
- Local Businesses
- Summer Camps
- Concert Promoters
- Little League Teams
- Uniforms
- Pet Collars

GROWTH PLAN

New Offerings to Market

- **Customized Fashion**
An array of products may be customized with designs or lettering including: apparel, accessories, bags/luggage, home décor, and bed/bath merchandise that are blank and ready to be embroidered or screen-printed to fit any customer's personalized request.
- **Schools/Educational Organizations**
All grade levels have provided endless opportunities for the monogram market. In Oxford, the University of Mississippi and their Greek Life are extremely prevalent which makes a great niche for Bespoken Designs to provide services to promote their organizations and school spirit. Also, local sports teams, clubs/organizations, fund-raisers, uniforms, and other school merchandise are some of the many that produce additional cash flow to this market.
- **Advertising Companies**
In order for any company to expose themselves, typically they have a selection of merchandise or uniform that physically contain their brand, slogan, or logo.
- **Town Hall**
Staffs in the town hall, police/fire department, recreation department, and other areas all wear embroidered clothing with their city or departmental logo. There is always a need for shirts, caps, or other specific items that are monogrammed and used for special/educational events or even for leisurely wear by their family members.

Capital Requirements

Personal Savings	\$10,000
Parents' Investment	\$25,000
Limited Partner Investment	\$35,000

Personnel Requirements

Assistant Manager, Seamstresses (2), Boutique Associates (3)

Exit Strategy

If Bespoken Designs were to obtain an exit, we would choose to liquidate the business and all of our assets. If not all of assets are sold, we would hire a jobber to sell off the remaining inventory,

FINANCIAL PLAN

STARTUP COSTS WORKSHEET <i>Startup Capital Requirements: One-time Startup Expenses</i>		
<i>Startup Expenses</i>	<i>Amount</i>	<i>Description</i>
Advertising	2500	Promotion for business opening
Starting inventory	6700	Apparel, bags, jewelry
Cash	700	Cash register starting at opening day
Decorating	3500	Rugs, art, plants, mirrors
Deposits	400	Phone, electricity, trash, gas
Fixtures & equipment	15000	Mannequins, shelves, tables, racks
Insurance	620	Liability, property, earnings
Lease Payments	1600	Due before opening day
Licenses & permits	1200	Renovation, inspection, zoning
Miscellaneous	750	Additional necessities
Professional fees	2500	CPA firm, attorney
Remodeling/renovations	60000	Built-in fixtures, lighting, flooring, painting
Rent	1300	Deposit and first month
Services	500	Cleaning, shipping (UPS)
Signs	2400	Store entrance sign
Supplies	800	Tape, stapler, register, paper, cleaners
Unanticipated expenses	1500	Unexpected expenses
Packaging/Boxes/Bags	1800	Shipping boxes, store bags, tissue paper
Logo/Stationery/Cards	2100	Logo design, direct mail pieces
Store opening event	2700	Advertising, entertainment, refreshments
Inventory buying	3000	Travel: market buying trips
Store equipment	5000	POS system & bank card equipment
Total Startup Costs	116,570	Amount of costs before opening

STARTUP COSTS WORKSHEET <i>Startup Capital Requirements: Repeating Monthly Expenses (First 3 Months)</i>		
Expenses (x3)	Amount	Description
Advertising	2000	Newspaper ads, magazine ads, radio
Bank service fees	150	Monthly fees
Credit card charges	600	Charge per credit card transaction
Delivery fees	500	UPS, USPS, FedEx...
Dues & subscriptions	250	Magazine subscriptions
Health insurance	300	Excludes amount on previous page
Insurance	250	Excludes amount on previous page
Inventory	4200	Boutique stock
Lease Payments	2050	Excludes amount on previous page
Loan payments	3500	Principal & interest payments
Office expenses	180	Supplies
Payroll other than owner	3500	4 employees (4 PT, 2 FT)
Payroll taxes	120	
Professional fees	300	Accountant, attorney
Rent	150	Storage unit
Repairs & maintenance	320	Specific repairs
Sales tax	460	
Supplies	550	Bags, tissues, boxes, tags...
Telephone	170	Internet, local/long distance, cell
Utilities	300	Electric, water, garbage...
Your salary	10000	If applicable for first 3 months
Total Repeating Costs	29, 850	
Total Startup Costs	116, 570	<i>Amount from preceding page</i>
Total Cash Needed	146, 420	<i>Repeating costs + startup costs</i>

Source of Funds

Medium to Long Term Loan: The loans will be repaid over the course of approximately 10 years depending the success of the business. The source of repayment is the cash flow of the business. The loans will be used to purchase equipment, to provide working capital, and to buy/improve buildings. Currently a total of \$70,000 has been invested into this Company between my partner and me. We will be acquiring the bank to match our investment.

Personal Savings	\$10,000
Parents' Investment	\$25,000
Limited Partner Investment	\$35,000

