

Business Plan for
WHISPERS IN THE WIND

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Executive Summary

Whispers in the Wind is an unusual gift and collectibles shop at the beach. The shop offers a variety of fantasy, themed, and entertaining items for tourists as well as locals. The owner, Jasmine Willow, has managed retail shops before and comes from a family of entrepreneurs. Her background, education (marketing/business), and eye for decorating have already made this shop a success.

Three months ago, Jasmine opened with only \$8,000 (\$4,000 of which was inventory). Each month, she has been in the black and as sales grow, will be able to increase her owner's draw (which has only been \$300 per month). She has averaged a \$200 profit, which is immediately put back into the business.

The shop needs more inventory, specifically wind chimes, a printer, software, and a fax to make it more profitable and efficient. This plan will be used to apply for a small loan of \$2,500 from WESST Corp to buy those items.

To ensure the loan can easily be paid back at \$120 per month for 24 months, Jasmine rented space in her shop to an artist who will be giving demonstrations on silk paintings and creating silk illusions (wind socks, wall hangings, scarves). She already has a following and her classes are always full. Her rent will be \$175 per month plus two percent of advertising costs.

The market can more than support the 35 shops in the area that offer gifts, collectibles, and unique items for decorating. However, of the 34 other shops, not one has the same unique approach to customer service and flair for drama as this shop. It offers entertainment and a true "experience" to anyone who enters.

Products range from angels to birds, rainbows to clouds, shells to stars, and anything that is romantic, imaginary, creative, and fun. The shop is themed, with pirates, sea horses, foaming water, and fantasy items.

Jasmine plans to continue her current advertising, changing only if the market changes, and appealing to the "Yuppies" of the world. She offers baskets upon order and decorating – using a cost-plus approach where the customer pays for the merchandise and \$25 per hour for her services.

As the business grows, Jasmine plans to expand the square footage and continue at the beach. Eventually, she might want to start franchises.

Loan Request

I am requesting a small loan of \$2,500 from WESST Corp. to be used as follows:

1. \$1,000 toward inventory (wind chimes) that I need to add to my current inventory of gift items.
2. \$5,000 to buy a jet printer to go to my current computer
3. \$600 for bookkeeping and inventory tracking software which I need to operate my business
4. \$400 for a fax machine

To ensure I am able to pay back the loan at \$120 per month for 24 months, I have rented space in my shop to an artist who will be giving demonstrations on silk painting and creating silk illusions (wind socks, wall hangings, scarves). I already have a following and my classes are always full. My rent is \$175 per month plus two percent of advertising costs. This will more than pay my loan payments.

Whispers in the Wind's Mission Statement

We operate a gift and collectibles shop at the beach, but we truly sell enchantment, "warm fuzzies", and memories. Our atmosphere, décor, inventory, and customer service screams "fun and fantasy".

The Business Description

Whispers in the Wind is a sole proprietorship. The tiny shop on the beach boardwalk offers tourists an array of gift items and souvenirs. Our specialty items have a tremendous appeal to locals as well.

I started the business three months ago with \$8,000 and have been averaging a small profit of about \$200 per month. However, there is a great demand for wind chimes, which I have not been able to afford at this time. In fact, I did not have the extra cash to add some office essentials and more, they are sorely needed to make us more efficient.

I come from a family of entrepreneurs and I have always loved being at the beach. After researching the local shops and tourist needs, I realized that a shop like mine would do well here, especially during the high-tourist season. Also, we

are located near some very posh residential neighborhoods and locals love to shop for unique items.

The name of the business came about because of my interest in flying, angels, clouds, music, and fantasy. I tried to combine all of my passion into the shop and I continue to get suggestions from customers on especially unusual inventory. They are fascinated with our décor, selections, and unique customer service approach.

Each inch of the shop is full of fantastic collectibles – from starfish to hand-blown, colored globes; from fish nets laced with iridescent sea horses to angels with real feathered wings. We meet our customers at the door, dressed in costume (sometimes fairy godmothers, sometimes mermaids). Each are offered a small flask of rainbow juice (usually a berry blend with star ice cubes), and we direct them to the different “fantasies” featured in the store – a corner called Wreck of the Hesperus, or Blackbeard’s Cove, Arches of Angels, etc. They giggle and join in the fun and sales are soaring!!

Products and/or Services

We are a retail store specializing in gift and collectible items (some, one-of-a-kind) that have “beach”, ocean, rainbow, cloud, angels, or fantasy flair. The products are brought wholesale through market shows, catalogs, or from local artisans. We are constantly looking for new ideas to insure that customers visit us year-round.

Along with our gift items, we offer baskets (collections with theme) and we have also decorated a beach bungalow for two different people. Anytime there is a “beach” theme or people want fantasy items to accentuate rooms, we can provide our services to help them create their dream.

We are renting a space to a “working” artist, which means that she will be setup most of the time creating her art for tourists. She offers classes and her products compliment ours. She has a following, which will encourage more visitors.

Pricing

On most items, we keystone (or double) our price, but there are extremely unique items on which we triple the price.

We provide our service on a cost plus basis – they buy the products and pay us \$25.00 per hour for our advice.

Expansion Requirements

The business has been in the black since it first opened, but I do need a few items, which will help us run smoother. I have found the best prices for the quality and they are as follows:

Item	Vendor	Price
Wind Chimes (Variety of sizes)	Howard's Wholesale Gifts 20 @ \$20.00 ea. (\$400.00) 20 @ \$15.00 ea (\$300.00) 25 @ \$ 5.00 ea (\$125.00) 3 @ \$50.00 ea (\$150.00) 10 @ \$ 2.50 ea (\$ 25.00)	\$1,000
Jet Printer	Hewlett Packard	\$ 500
QuickBooks	Computers R' Us	\$150
Inventory Plus (Software)	Computers R' Us	\$450
Sony Fax Machine	Office Max	<u>\$400</u>
	Total Request	\$2,500

I will not be hiring employees at this time.

Industry

This market and/or industry changes as the economy changes. There are approximately 40,000 consumers (according to stats I received from the Economic Development folks) with a disposable income – which means to me that they have money to spend on gifts, travel, pampering, entertainment, etc. Of those 40,000 people, 10 percent have an income of over 250,000 per year and the rest average an income of approximately \$95,000 annually. The County surveyed these people and the results were that 90 percent of them shopped locally for gifts and spent an estimated \$200 per year. If that is true, then 36,000 people spend \$7,200,000 in this town each year.

There are 35 shops here (including ours) that carry gifts and collectibles. From that amount being spent, those shops should average about \$2 million each in sales – assuming they all have wonderful gifts. To keep my figures conservative, I allowed that I would make 10 percent of that amount of \$205, 714 in sales per year.

Since that amount still seemed high, I cut it again and based my financials on \$75,000 in sales per year or .0375% of that market.

These figures do not include the tourist business, which is approximately \$30,000 per shop each year.

As the neighborhoods grow and the beach becomes even busier, the business should also increase.

Customer

Using the numbers above, the “Yuppie” generation seems to be my best customer (ages range between 25 and 55). However, many of our retirees are regular customers (ages 60 – 80) and we have some regulars around 18 –20 years of age. The largest percentages of customers are women, but we have been targeting the male population and increases in sales have grown in the young, executive category.

Our customers come from a 30-mile radius, but the largest percentages are from as close by as five miles. These are people who don’t mind traveling to get what they want and who are highly attracted to the beach and this atmosphere.

Competition

As I mentioned, we have 34 competitors – shops, department stores, boutiques, and antique shops – who all carry gift and collectibles. However, there isn’t another store around that focuses the way we do with themes, specialty gifts, and entertainment like we do.

This market will more than support the current shops very well.

Marketing Plan (Advertising/Promotions)

Word of mouth works very well in this community, but I find that sales notices on the local beach bulletin board attracts a large percentage of our shoppers. We also run ads in the local beach newspaper, community center bulletin, and radio. We survey each customer to find out how they heard about us and record that information.

I have been spending about \$100 per month on flyers and ads – which have been successful. There won’t be any need to change our promotional practices at this point. As the community grows, we might decide to advertise in newspapers that reach beyond our 30-mile radius.

Eventually, I would like to print a colored brochure to be sent to all the motels, resorts, hotels, and travel agencies. Currently, we are using our flyers and they are working well.

Business Management

Primarily I will be the only one operating the store. From time to time, the artisan, Woody Rains, will relieve me to run to the bank or in an emergency. I have 10 years of small business experience, managing a retail shop and working for my parents when I was in college.

I have an Associates degree from Bentwood College in retail marketing, and I have a year in business at SCU. I will be doing my own books.

However, Jess Chief, CPA, will handle my taxes, and Byran James, Attorney at Law, will advise me on legal issues.

WESST Corp will continue to be my business advisors.

For the past three months, I have been able to take an owner's draw of \$1500 per month, but will reduce if needed.

Suppliers

I have described my suppliers – Howard's is one of the largest gift wholesale companies in the world. Their products are top-of-the-line. They will give me a \$10,000 line of credit after I have been in business for nine months and after I have ordered \$5,000 in inventory. I initially ordered \$4,000 and the \$1,000 I am borrowing will qualify me for their credit line.

Other sources will be local artisans, catalogs (Horchow, etc.) and market shows – Dallas, LA, and Hawaii.

Critical Risks

Since "I am the business", I have thought of a contingency plan – should I get hurt, be incapacitated for a while, or need an emergency backup. My mother, who is retired, lives nearby and will gladly fill in for me if needed. She has had her own business for over 30 years and has tremendous experience and contacts.

As I grow, I will hire and train employees so that someday I can take a vacation or be sick without worrying about it impacting the business.

Should a hurricane hit, I do have insurance to more than cover my inventory, equipment, supplies, and self, but to help me start over if need be.

If the market suddenly, shifts, I will shift with it and offer what will sell in this area – even if it means changing the look and feel of my shop. I am in this business to make money, and I will bend in that direction at all times.

Future Plans

As the business grows, I would like to expand the shop's square footage and have spoken with the landlord who has several buildings at the beach. She is very excited about our shop, the way we've decorated, the clientele, and the ambience in general. She will gladly work with us.

Eventually, I would like to offer a combo juice/coffee/tea bar that offers cool and hot refreshments (depending on season) so that customers can have a place to sit and window shop (inside). Of course, it wouldn't be like anything else around and would have to be themed – with attractions!!

If the business takes off, I would like to consider franchising down the line.