This document is a written proposal prepared for the owner(s) of a Company doing business as "Grammies Attic." This document is a pre-start business plan containing the marketing strategy, business operations, and financial considerations necessary to determine the feasibility of changing the business strategy and business methodology to accommodate a change from an antique store to a second-hand used furniture store. The contents of this document are confidential. The information presented serves as a preliminary document to facilitate the feasibility of establishing a high-traffic, low-cost second-hand, slightly-used retail store on East Colfax as compared to a slow-traffic, high-priced antique store located in the Santa Fe Art District.
CONTENTS

Abstract ...................................................................................................................... 2
Executive Summary .................................................................................................. 5
Business Plan .......................................................................................................... 6
Business Opportunity .............................................................................................. 6
  Background .......................................................................................................... 7
  Preliminary Phase ................................................................................................. 7
  Description of products and services ................................................................. 8
Overview of the business ....................................................................................... 9
Description of qualifications .............................................................................. 9
Business Projections ............................................................................................. 9
Markets and Competitors .................................................................................... 10
  Local Market ...................................................................................................... 10
  Target Customer Base ....................................................................................... 10
  Competitors ....................................................................................................... 10
Marketing and Sales ............................................................................................. 11
  Position ............................................................................................................... 11
  Customers ......................................................................................................... 11
  Pricing ............................................................................................................... 11
  Promotion ......................................................................................................... 11
  Reach ............................................................................................................... 11
  Selling ................................................................................................................. 11
Operations ............................................................................................................ 12
  Location ............................................................................................................ 12
  Production facilities .......................................................................................... 12
Management-information systems ................................................................. 12

Financial Forecasts .......................................................................................... 12

Sales forecast ..................................................................................................... 12

Cashflow statements ......................................................................................... 13

Profit and loss forecast ..................................................................................... 13

Risk analysis ....................................................................................................... 13

Data Sheet Grammies Attic .............................................................................. 14
EXECUTIVE SUMMARY

This preliminary document is a written proposal prepared for the owner(s) of a Company doing business as “Grammies Attic.” It is a business proposal and initial business plan. The contents of this document include sections on marketing strategy, business operations and financial considerations for converting the antique store to a gently-used furniture store. The focus of this document is to discuss and evaluate the feasibility and start-up cost comparisons associated with an independent antique dealer converting the Company, “Grammies Attic” into a second-hand, gently used, furniture store.
BUSINESS PLAN

It is essential to have a realistic, working business plan. The business plan establishes the foundation of the business by defining the vision and mission for the business. The business plan defines the business through the products it provides or the services it renders. It further defines how the business will operate to achieve its objectives and meet its goals.

This business plan is written to propose that the owner(s) of “Grammies Attic” change its business operation from an independent “antique dealer” to a “furniture dealer” of second-hand, gently used furniture store. This business plan is written to encourage and help evaluate the feasibility of such a conversion by the current owner(s).

The purpose of this business plan is to evaluate the feasibility and cost effectiveness of altering the marketing strategy and method of operations to enable “Grammies Attic” to transition from an antique store in a low-traffic, high-price, specialty store to a high-traffic, reasonable cost, medium-scale used furniture store with home pickup and delivery.

This business plan was approached with reliance on a “phased-in philosophy” and “transitional approach” to Company expansion or refinement. The transitional approach facilitates the company’s transition from one stage of growth to the next with minimum disruption to current business transactions. It allows executives and owners the opportunity and freedom to manage the migration from preliminary phases to initial implementation phases to the grand opening.

A successful business plan defines the vision and mission for the business. It defines the goals and objectives of the organization through the policies it establishes to the methods of conducting business. It expresses the purpose of the business and the manner in which it will conduct itself. A successful business plan serves as a “planning tool” for executives and associates by helping guide them through the various stages of company growth.

BUSINESS OPPORTUNITY

The development of this document is the culmination of many years as a regular customer of antique stores, used furniture stores, second-hand specialty stores, thrift stores, and church bazaars. The search is for the perfect item to decorate or add comfort to the home. The difficulty and frustration with most second-hand furniture stores is that they provide retail space for the customer to inspect and purchase the merchandise, but does not provide a simple way for the customer to transport the item from the store to the home. They do not provide a delivery system to either pickup an item purchased by the store or to deliver an item purchased by the customer. The success or failure of a furniture store, whether the product is still cellophane wrapped by the manufacturer or upholstery cleaned at the store, is the dependability and efficiency of the delivery system. The delivery system whether it is customer carry-out the front-door, drive the truck to the rear-door, or store-to-home delivery is crucial to the heart of customer service and business success.
The second failure of most second-hand store was the transition from paying the seller cash for the item to the “consignment sale.” The “consignment sale” always had fees, pickup charges, limitations to days on floor, and a host of other rules and regulations requiring the customer to follow or forfeit items. On those rare occasions when payment was made for a consignment sale, the cost of doing business was as great as the annoyance of the entire process. Most of the time, the few dollars received were not worth the time and wait. Customer service is only effective if the store policies are simple and fair.

BACKGROUND

“Grammies Attic” is currently a locally-owned, independently-owned antique store temporarily located in the Santa Fe Art District. The premise of this business plan is that “Grammies Attic” might benefit from converting the marketing strategy and business operation from a retail outlet for antiques to a retail outlet for gently-used, second-hand quality furniture. Several recommendations are provided throughout this document to describe how to modify the business to improve profit while serving the community by providing quality, second-hand merchandise at reasonable prices.

The primary focus group or customer base for “Grammies Attic” is the Capitol Hill area and nearby surrounding neighborhoods. This customer base represents the urban apartment dweller or first-time home buyer. It serves the avid decorator searching for a unique item to complement the room. The average customer buys furniture on a limited budget and personal dynamic. The average family needs sturdy furniture at a reasonable cost. Condensed, predominately single-living lifestyle associated with the Capitol Hill area makes it an ideal environment for consistent turnover of slightly used furniture. These same customers need an inexpensive way to sell their items without the hassles of craigslist, appointment setting, telephone screening, and other sales tasks. In many cases it is less expensive to sell at item than to pay the cost to move it. The money gained is then used to purchase a more suitable item for the new location. The customer base of the Capitol Hill area of Denver also defines the boundaries or “service area” for convenient truck routing for pickup and delivery of customer or store purchases.

PRELIMINARY PHASE

The preliminary phase of this business plan suggests a review of current sales inventory at Grammies Attic to determine suitability for inclusion in the revised product line. The revised product line should focus on contemporary, comfortable, and functional furniture for the urban dweller. Consider lowering prices for most items while reserving only the finest pieces for private showing or sale through other avenues. Estimate inventory on-hand which can best be used for the Grand Opening at a new location. Concurrently, alter buying habits to acquire more mid-range, middle-class functional yet decorative quality furniture for the active single or the growing family. Use this opportunity to begin transitioning the product line from high-end antiques to moderate range, cost effective, second-hand furniture and home accessories.

The second recommendation for the preliminary phase is to conduct a cost analysis comparing lease rates for the retail location in the Santa Fe Art District to a lower-cost retail
outlet on East Colfax. The ideal location on East Colfax would be the building and parking space recently vacated by the Salvation Army. This location is used as an example because it is relatively small, has a good store-front appearance for attracting walk-in customers, and a small adjacent parking lot. The parking lot could easily be used to allow easy customer drive-up to pickup items purchased. The building would also easily accommodate moving furniture through the rear delivery door for easy pickup or delivery from the “dock” door. Customers may also arrange delivery of purchased items to their home for a nominal delivery charge. The delivery truck is routed each day to make best use of local routes to save fuel costs and time expended. The proposed location is also one of few remaining smaller store-front locations with adjacent parking.

The third recommendation is to research the cost of a used moving truck capable of moving a one-bedroom apartment in one trip. It may be possible to arrange a monthly lease rate with one of the local rental companies as an interim solution to full purchase. Conduct a cost comparison of leasing versus financing a good, used moving truck. An example of the type and style of moving truck to look for is provided in the Operations section of this document. Compare and contrast cost differences for leasing or purchasing a used moving truck.

**DESCRIPTION OF PRODUCTS AND SERVICES**

This section is used to define the product or services the company intends to provide its customers. The questions below are examples of the information needed to complete the business plan and further define the business.

Define product or service.

- What makes it different?
- What benefits the customer?
- Why customers would buy it – any special features?
- How to plan and develop the products and services
- Any patents, trade marks or design rights?
- Key features of the industry/sector
OVERVIEW OF THE BUSINESS

This section of the business plan provides an overall description of the intended business and how the owner intends to start and operate the business.

- When it is intended to start trading and the progress you have made to date
- The type of business and the sector it is in
- Any relevant history – for example, if you acquired the business, who owned it originally and what they achieved with it
- The current legal structure

DESCRIPTION OF QUALIFICATIONS

This section of the business plan is used to further describe the qualification of the owner or owners, including their combined business experience and background to explain why they would be successful at their proposed business. The bullet items below provide the types of topics or subjects to be discussed in the further detail.

- Detail experience, ability and commitment to make a success of the business idea
- Education and qualifications, previous work experience, training, other relevant information
- Business training, such as: book-keeping, marketing, sales or specific skill
- Include appropriate certifications
- Any future training you need which will help this business

BUSINESS PROJECTIONS

This section of the business plan is used to make projections or educated estimates about the business market and the customer-base the business expects to target. The bullet items list potential topics for this section.

- Anticipated changes in the market
- How you expect your business to react?
- How you expect your competitors to react and what would give you advantage over them when reacting?
MARKETS AND COMPETITORS

This section of the business plan is used to discuss and describe the market the business plans to enter and the competitors it will compete against. It further describes the products or services the business plans to provide and the type of customers the business will serve.

LOCAL MARKET

- Its size
- Historical data about its development and key current issue, statistics, surveys, directories, field research
- Future trends or influences

TARGET CUSTOMER BASE

- Who are the customers?
- What type of product or service does the business intend to sell?
- What type of customers will buy the business’ products or services?
- Why do you think the business will be successful?

COMPETITORS

- Who they are?
- How they work
- Share of the market they hold and your considerations for establishing your own market share or increased foothold
- What is your unique selling point that will mean customers buying from you as opposed to your competitors?
MARKETING AND SALES

This section of the business plan is used to define the sales and marketing strategies and techniques the business will focus on to attract and maintain customers.

POSITION
- How do you plan to position your product or service in the market place?

CUSTOMERS
- Who are your customers?
- Details of any customers who have shown an interest
- Explanation of how it is envisaged to go about attracting new customers, advertising, posters/leaflets, shop window, etc.

PRICING
- How much will you charge for different customer segments, quantities?

PROMOTION
- How will you promote your product or service?
- Identify sales methods, e.g. direct marketing, advertising, PR, email, e-sales

REACH
- How will you reach your customers?
- What channels will be used?
- Which partners will be needed in your distribution channels?

SELLING
- How will you sell?
- What is your sales plan?
- What are your considerations around which sales method will be the most effective and most appropriate for your market; such as telesales, Internet, face to face, retail outlet?
- Are your proposed sales methods consistent with your marketing plan?
- Have you the right skills to secure the sales you need?
OPERATIONS

This section of the business plan is used to outline the operational capabilities of the business.

LOCATION

- Do you have any business property?
- What are your long-term commitments to property?
- Owned or rented?
- Advantages and disadvantages of your current location?

PRODUCTION FACILITIES

- Do you need your own production facilities or would it be cheaper to outsource any manufacturing processes?
- How modern are your own facilities?
- What is the capacity compared with existing and forecast demand?
- Will any investment be needed?

MANAGEMENT-INFORMATION SYSTEMS

- Have you considered/established procedures for stock control, management accounts, quality control, and performance?
- Can they cope with any proposed expansion?
- What do you need and how will it assist your business?

FINANCIAL FORECASTS

This section of the business plan is used to define and describe the financial status and projected earnings of the business. This section is used to translate the overall business structure into a preliminary budget for conducting daily and long-term financial planning.

SALES FORECAST

Forecasts should cover a range of scenarios. Inclusion of subsidiary forecasts based on sales being significantly slower than predicted, suggestions include where sales start three months later than expected and another forecasting a 20 per cent lower level of sales.
CASHFLOW STATEMENTS

This section is used to describe the cash balance and monthly cash flow patterns of your business for at least the first 12 to 18 months. The aim is to show that your business will have enough working capital to survive and all key factors such as the time of sales and salaries should be considered.

PROFIT AND LOSS FORECAST

This section includes a profit and loss statement of the trading position of the business, the level of profit expected to be made given projected sales and the costs of providing goods and services and overhead.

A variety of efficient and effective forecast tools exist in the market and the choice of the most appropriate will be left to individual choice.

#############

INSERT FINANCIAL FORECAST PAGES AND EXPLANATIONS OF ASSUMPTIONS HERE

#############

RISK ANALYSIS

Alongside a financial forecast it is preferable practice to show that a full review of the risks a business could be faced with, and appropriate contingencies and insurance to mitigate. Risks can include:

- Competitor action
- Commercial issues – sales, prices, deliveries
- Operations – IT, technology or production failure
- Staff – skills, availability and costs
- Acts of God – fire or flood
DATA SHEET GRAMMIES ATTIC

Date: _____________________________________________________________

Owner’s Name (or Owners’ Names):

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Business Address:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Business Telephone Number: ________________________________________

Business email Address: ___________________________________________

Home Address (if different from above): _________________________________

_________________________________________________________________
_________________________________________________________________

Home Telephone Number: ___________________________________________