

Southwind Ties Business Plan

Fellipe Cunha, Randall Wright, Richard Hay

Table of Contents

Executive Summary	p. 3
Company Summary	p. 6
Products	p. 8
Market Analysis	p. 10
Strategy and Implementation	p. 13
Management Summary	p. 16
Financial Plan	p. 18

Executive Summary

Executive Summary

Southwind Ties will be selling top of the line, newest and most fashionable ties in the market. Ties will vary from neckties and skinny ties in different color. However, all our ties will be solid color. For every five ties bought, we will donate \$2 to local charity.

Southwind Ties will have a web based system which will include an inventory of ties of different types and colors. Our system will allow purchase of many different ties at the same time using a online shopping cart. Customers will be able to register to the web system to checkout, or will be able to checkout as a guest user.

The key to our success will be providing be best quality ties in the market for a reasonable price. We will also include fast and free shipping for high volume purchases. Customer service will also be available be better help our customers.

Our Objective

We also want to help improve the community by help creating jobs indirectly, donating to the Create Jobs for America Program. Currently of this season, the unemployment rate is at 7.9%. Southwind Ties would like to help make a change and decrease that percentage.

With the long term goal of creating jobs for the United States, we want to make sure our customers have a high chance of gaining a job by purchasing our ties and look very presentable for the company in which they would like to work at during a face-to-face interview.

We want to provide customers quality products at an affordable price. We will provide ties that will suit your needs of any type of outfits, casual, business casual, or formal.

Mission

Our mission to provide neck ties to those who want to look great at any occasion and at the same time improve the unemployment rates by lowering through donations.

Southwind Ties will be selling top of the line, newest and most fashionable ties in the market hand picked by our buyer. Ties will vary from neckties and skinny ties in different color. However, all our ties will be solid color. For every five ties bought, we will donate a portion of each sale to Create Jobs for America.

Keys to Success

The key to our success will be providing be best quality ties in the market for a reasonable price. We will also include fast and a low shipping rate depending on how high the volume is of purchases.

Customer service will also be available to better help our customers. Our contribution to the Create Jobs for America Program will also benefit both the business and the nation.



Company Summary

Company Ownership

This company is owned by three men: Richard Hay, Randall Wright, and Felliipe Cunha. They are the founders and creators of this e-commerce business.

Company History

Southwind Ties was founded on January 30, 2013 by Felliipe Cunha, company's web developer, Randall Wright, company's project manager and Richard Hay, company's CEO.

The idea came up while discussing with an e-commerce group in class about what would be a good business to start as an online business.

Company Location

Southwind Ties office and warehouse is based out of Fort Worth, TX. The warehouse and the office building are at the same address. Southwind Ties will have no physical stores and all sales will be performed via the online website.



Products

Product Description

Southwind Ties is a company that focuses at the online market by providing best quality ties for the price. Our ties vary from different styles such as neckties and bow ties in various different colors. However, in Southwind Ties, we focus only on selling solid color ties.

Ties that we will sell will come in different fabrics, limited to:

- Cotton
- Wool
- Silk

The styles we will provide will be in knit or in traditional fabric. We will only provide three sizes: narrow, medium, and wide. The knit ties will only be in medium sizes. We will only sell regular length ties. There will not be any tall sizes available until later. In the early stages of this e-commerce site, we will only provide solid colors to our customers in different fabrics.

Sourcing

We will work with a third party vendor in providing the neckties to satisfy our customers. Tiecoon.com offers various styles in bulk. Our buyer will hand pick the right styles and also customize it to suit our business and customer's needs.

Technology

Southwind Ties will have a web based system which will include an inventory of ties of different types and colors. Our system will allow the purchase of many different ties at the same time using a online shopping cart. Customers using the web system will be able to checkout either by registering or as a guest user.



Market Analysis

Main Competitors

When it comes to clothing accessories, there will always be competitors. Multiple online retailers will sell in the same market such as thetiebar.com, ties.com, and wildties.com. What we do differently is the fact that we will donate a portion of proceeds of each tie sold to the Create Jobs for America program.

As an online fashion retailer, we will stick to the classic styles since fads will tend to be short-term. Providing to the customers the classic styles will keep profits consistent in the long term.

Market Needs

Many people who previously buy neckties tend to collect them over time which has happen for a long time and will not go out to buy them. Due to changing trends, people will have to adapt and replace the collected ties because they may have aged. We can provide the replacements they need with just a click away.

Market Growth

In 2010, necktie sales were at a decline due to higher unemployment rate (10%). Now is the time to sell ties since unemployment rate has decreased 2.1%. Employment rates are increasing since the economy is rebounding even though it is at a slow pace. This will benefit the necktie industry since more people will need ties to get the job they want.

Strategy and Implementation

Value Proposition

Southwind Ties will emphasize to current and potential customers that we are contributing to the nation by supporting the Create Jobs for America. Customers can buy the necktie they need and at the same time contribute to help people find a job in the United States.

Competitive Edge

Just by contributing to the Create Jobs of America to decrease unemployment rates, demand for neckties will increase gradually. This will set us up for a profitable future.

We will be using a web application, written in asp and C#, to reach our customers. We will provide an easy, simple and clean interface which will allow the customer to navigate from the web application with no frustration. We will provide an online cart so that the customer can add as many products as he/she wants, and checkout whenever ready.

In the near future, we will start selling tie bars to our customers. We will provide solid colors tie bars that will match each tie available on the web application.

Marketing Strategy

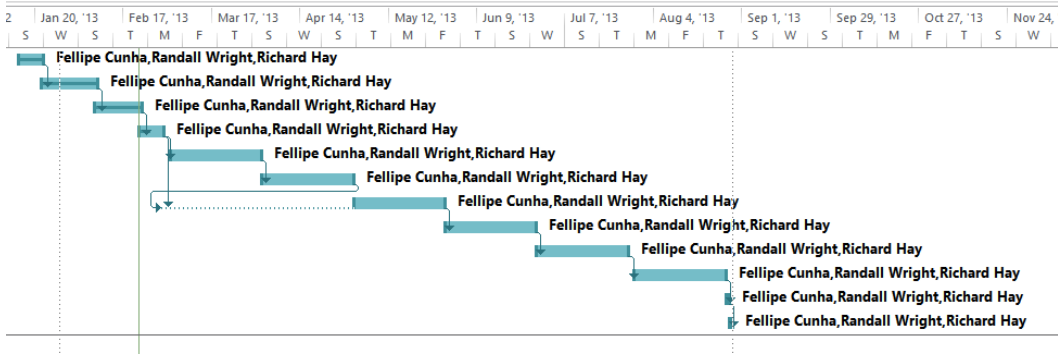
Southwind Ties will have marketing strategy will have to utilize social media to raise awareness and increase visibility of our company. We will communicate the fact that Southwind Ties will donate a percentage of a tie sold to the Create Jobs for America program. Our prices will be competitive and our donations to the program will help to differentiate us in our target market.

Positioning Statement

To our customers, Southwind Ties provides neckties that will help them look great and also benefit the nation by helping others have a higher chance of landing a job per purchase of a necktie.

Milestones

	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names	
1	✓	★	Team Formation	6 days	Tue 1/15/13	Tue 1/22/13		Fellipe Cunha,Randall Wright,Richard Hay
2	✓	★	Business Proposal	14 days	Tue 1/22/13	Fri 2/8/13	1	Fellipe Cunha,Randall Wright,Richard Hay
3	✓	★	Business Plan	11 days	Fri 2/8/13	Fri 2/22/13	2	Fellipe Cunha,Randall Wright,Richard Hay
4		★	Website Documentation	6 days	Fri 2/22/13	Fri 3/1/13	3	Fellipe Cunha,Randall Wright,Richard Hay
5		★	Entity Relationship Diagram	21 days	Mon 3/4/13	Mon 4/1/13	4	Fellipe Cunha,Randall Wright,Richard Hay
6		★	Field Definitions and Indexes	21 days	Tue 4/2/13	Tue 4/30/13	5	Fellipe Cunha,Randall Wright,Richard Hay
7		★	User Screens	21 days	Fri 3/1/13	Wed 5/29/13	6,4	Fellipe Cunha,Randall Wright,Richard Hay
8		★	SQL	21 days	Thu 5/30/13	Thu 6/27/13	7	Fellipe Cunha,Randall Wright,Richard Hay
9		★	ERD Modifications	21 days	Fri 6/28/13	Fri 7/26/13	8	Fellipe Cunha,Randall Wright,Richard Hay
10		★	Deliver Final Documentation	21 days	Mon 7/29/13	Mon 8/26/13	9	Fellipe Cunha,Randall Wright,Richard Hay
11		★	Video	1 day	Tue 8/27/13	Tue 8/27/13	10	Fellipe Cunha,Randall Wright,Richard Hay
12		★	Presentation	1 day	Wed 8/28/13	Wed 8/28/13	11	Fellipe Cunha,Randall Wright,Richard Hay



Management Summary

Organizational Structure

- CEO
- Project Manager
- Web Developer

Management Team

Richard Hay is the **CEO** of Southwind. He is currently pursuing a degree in Business Computer Information Systems. He previously graduated with a degree in Sociology which helped him gain a better perspective of how people and organizations work. In addition, he has one year of tax accounting in partnerships entities.

Randall Wright is the **Project Manager** of Southwind Ties. He is a senior at the University of North Texas majoring in Business Computer Information Systems. He is experienced in JAVA programming, project management, COBOL, JCL, IBM Systems Z, and Web Development. His previous experience includes working as a mainframe software developer at Fidelity Investments and serving as a team leader in the U.S. Army.

Fellipe Cunha is the **Web Developer** for Southwind. Currently, Fellipe is completing his last semester in Business Computer Information Systems. He also works part time in a company called Zodiac Aerospace US (Weber Aircraft) in Gainesville, Texas as an Application Support Specialist. He has also worked as a System Analyst for the same company and System Administrator for Texas Sprinkler Inc.

Personnel Plan

As a business starting out, Richard, Randall, and Fellipe will deal with the website maintenance, shipping, and much more in regards to running a business. As income increases with stability, more personnel will be recruited to keep the business running smoothly.



Financial Summary

Important Assumptions

In creating this business there are a few key assumptions we have to make. We have to assume that the market will at least maintain its current course and not take a significant dive. The economy and employment levels should stay even and allow us to accurately forecast future trends.

Another assumption we need to make is that there will be a continued interest in e-commerce and purchasing items over the internet. Since we are purely web based we are assuming that there will be no significant changes in societies normal purchasing trends.

Key Financial Indicators

Our key financial indicators will be the amount of traffic we have of customers visiting our site and where they come from. Also, the amount of actual purchases made. These numbers will be what we base our marketing strategy off of.



Breakeven Analysis

The initial startup costs associated with the website will be around \$2,500. It will cost \$2,000 to develop a customized website. For website hosting, we have chosen Godaddy.com who provides a 36 month website hosting package for \$6.99 a month (\$251.64 per 3 years). This will include SSL certificate, malware scanner, website accelerator, and \$150 credit towards Bing and Facebook advertising. The payment method we will use is PayPal and that will cost us \$5 a month for 36 months (\$180 per 3 years). In addition to a monthly fee, PayPal also charges 5% + 5 cents with their micropayments plan.

For inventory, we will be purchasing from tiecoon.com paying \$1.75 per tie. With an average purchase price of \$35.00, the PayPal fee would total \$1.02. PayPal's fee per transaction is \$.05 plus 5.0% per transaction. So \$35.00 times 5% and minus \$.05 would give us a cost of \$1.08 per tie sold. For each tie, we will gain a profit of \$33.20. We will donate about 10% of profits to the Create Jobs for America program which is about \$3.32 per necktie. At this rate, we would break even on startup costs with the 72nd purchase.

Price per Necktie: \$35.00

PayPal fee per Necktie: \$1.08

Create Jobs for America donation per Necktie: \$3.32

$Y = 35x - (1.08 + 3.32 + 1.75)$

$Y = 2526.15$ then $X = 72$

Shipment cost will be covered by the customers and also will provide Southwind Ties a small profit due to a fixed rate of shipping charge. The variable cost of the shipment will mostly be lower than what we will charge customers for shipment.

Projected Profit and Loss

Number of Customers	100	200	500	1000
Income	\$3,500.00	\$7,000.00	\$17,500.00	\$35,000.00
Expenses	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00
Profit/Loss	\$0.00	\$3,500.00	\$14,000.00	\$31,500.00

Projected Cash Flow

Our projected cash flow will be at our breakeven point of 100. This will allow us to continue running our operations without going into the negative. At this rate we will be able to pay all our employees and keep everything afloat.

Business Ratios

With an initial investment of \$10,000 we would be able to start up the business and maintain operations for 2 months. This would allow us to establish a customer base and begin our path to success.



Balance Sheet

Long Term Planning

Southwind Ties		
Balance Sheet		
Assets		2013
Current Assets		
Cash		200
Accounts Receivable		144
Inventory		2000
	Total Current Assets	2344
Fixed Assets		
Tools & Equipment		3500
Computers		3200
Furniture		1000
	Total Fixed Assets	7700
Total Assets		10044
Liabilities		
Current Liabilities		
Accounts Payable		8844
Donations		1200
	Total Liabilities	10044

The long term plan for our company is to expand to where we are able to hire employees to maintain the website for us. We would also like to expand to a state of the art warehouse when our sales reach that level. In the long distance we plan on expanding our business to international markets.

