

futurpreneur 

Adornya Fashion

Business plan

1.0 Executive Summary

Company Profile Summary

Adornya understands that all jewellery is a form of self-expression, allowing women to differentiate themselves. Adornya creates one-of-a-kind products by reinventing old trinkets and used jewellery into new contemporary earrings, necklaces, and bracelets. Although each piece is unique, all pieces share a connection to the history of Nova Scotia. Each piece's history is shared in the product description accompanying each piece of jewellery.

Adornya will focus on the Halifax area selling products at the Halifax Seaport Farmer's Market. Adornya is owned and operated by Olivia Archibald. Miss Archibald is a recent graduate of the Nova Scotia College of Art and Design and has taken courses in metalsmithing and jewellery design adding a layer of skilled craftsmanship to the construction of each piece.

Market Research Summary

The jewellery industry has remained relatively unchanged over the last two decades. Jewellery is successfully sold by a mix of large national chains, regional franchises, smaller independent retailers and individual artisans selling online. According to the Global Gems and Jewellery Market Forecast and Opportunities, 2018 the global market will continue to see increases in jewellery sales overall due to the rising disposable incomes and changing lifestyles. The industry is set to experience strong growth over the coming years. With the diversity of products available and the proliferation of potential sources, creating a niche will be important. Adornya is targeting recent college and university graduates and young professionals with household incomes of \$50,000 - \$65,000.

Marketing Summary

To date, Adornya's brand has grown through word of mouth referrals from current customers wearing the pieces. Adornya's key marketing strategy will be to expand awareness of the products beyond their existing customers. To achieve this, Adornya has secured a booth at the Halifax Seaport Farmer's Market and has identified three local tourist boutiques they will be approaching to trial their product lines in their retail location. A secondary strategy will be to promote brand awareness and traffic to the Etsy store through Pins on Pinterest.

Adornya's studio and head office will be located at 216 Bridges Street in Halifax's South End. Business owners insurance, a starting materials inventory, and an online ecommerce store will be needed. To generate initial revenue and develop demand in the local market, Adornya will rent a booth at the Halifax Seaport Farmer's Market. However, after year one this strategy will be reviewed to determine if transitioning to an ecommerce model supported by third party retailers is possible. Adornya will encourage frequent feedback through online surveys on the product's design and quality as well as the overall customer experience.

Finance Summary

\$17,400 will be needed to start the business with \$2,400 coming from previous product sales reinvested by the owner and the remaining \$15,000 from the Futurpreneur Canada Startup Program. In the first year of business Adornya is forecasting sales of \$56,000 (1120 sales) with estimated expenses of \$34,930. This will produce a running inventory of an additional 443 products at yearend valued at \$13,290. In year two, Adornya estimates an increase in sales of 3% or \$57,680 with expenses increasing by 1% to \$13,420.

2.0 Company Profile

Business Overview

Adornya is a jewellery business born out of a love of reinventing old things with a new life. Inspired by a collection of costume jewellery that was left to her by her Grandmother, owner and artisan Olivia Archibald began remaking the pieces into new earrings, necklaces and bracelets.

Adornya was established on 01/03/2013.

At Adornya, each piece is original with its own story of how it was created and where it started, bringing owners a part of Nova Scotia history along with a beautiful piece of jewellery.

Adornya is a product business. Adornya has three product lines each containing necklaces, earrings, and bracelets products. The lines are based on the primary component of the jewellery and are:

- Cameo
- Crystal
- Pearl

Photographs of products from each line are included in the Appendix.

Company History

The inspiration for starting Adornya came from Olivia Archibald's grandmother. After passing away, she left Miss Archibald her collection of costume jewellery. Although there were a few fun pieces, most of the items were dated or slightly damaged from wear. Not one to throw things away, especially when there was so much meaning behind them, Miss Archibald set out to re-invent the items into new contemporary pieces of jewellery.

As her first customer, Miss Archibald focused on creating stylish pieces that could be adjusted or added to allowing the owner to customize the piece to their outfit. It didn't take long before friends and other students started asking where they could purchase pieces.

For the last two years Adornya's style has been refined into three product lines and marketed over Facebook to friends and family as well as being sold on campus. Total sales over the last two years have reached \$2,400. Now that Miss Archibald has gradu-

ated she's looking to make Adornya a full-time business and has secured a booth at the Halifax Seaport Farmer's Market starting this spring.

Management

Adornya is fully owned and operated by Olivia Archibald. Miss Archibald is a recent graduate from the Nova Scotia College of Art & Design (NSCAD) with a Bachelor degree of Design, majoring in Interdisciplinary Design. During her fourth year she had the opportunity to do a study exchange at University of Edinburgh in Edinburgh, Scotland taking courses in jewellery design and Metalsmithing. While there she visited estate sales and flea markets collecting trinkets and jewellery pieces that had a connection to the Scottish immigration of Nova Scotia. These pieces were added to the inventory of assets for Adornya. During her years of study in Halifax she worked part-time at Foreign Affairs, a high end clothing store in downtown Halifax. This provided her sales experience with customers that have similar incomes to Adornya's target market.

Location

Adornya will be home based business.

Adornya will be located at 1209 Marginal Road, Halifax, Nova Scotia. Adornya will sell products online through an ecommerce website on Etsy and has expanded her current rental agreement to include the rental of a loft space next door to utilize as a studio for design and jewellery production. Although Adornya will not have its own physical store front, it will rent out a booth at the Halifax Seaport Farmer's Market for Friday, Saturday, and Sunday from April - October to promote their products to tourists stopping in Halifax on the many cruise ships.

Legal Structure

Adornya is a sole proprietorship.

Adornya will operate as a sole proprietorship for the foreseeable future. This is the norm for start-ups in this industry.

Adornya is not interested in securing intellectual property at this time.

Vision & Mission

To be a globally established jewellery brand known for unique quirky pieces made with care that share a story of Nova Scotia.

To give new life to old trinkets and jewellery by creating them into contemporary and fashionable jewellery.

Goals & Objectives

- To have 1000 visitors to the Etsy store within 3 months.

- To have Adornya products in two local boutiques within 6 months of launch.
- To collect 5 exceptional client reviews as feedback on Etsy.

Professional Advisors

Adornya sourced Twitter for a small business lawyer recommendation for Halifax and has since met and secured counsel with an Entrepreneur Lawyer focused on helping business start-ups.

3.0 Market Research

Industry Profile & Outlook

Adornya operates primarily in the fashion/clothing design industry.

The jewellery industry in Canada is highly fragmented with a mix of large national chains such as Birks to regional franchises and smaller independent retailers to single artisans selling online. In addition, jewellery is also sold at a variety of mixed merchandise stores from large chains like Winners, Walmart, and Target to the independent local gift shops. This diversity in the market makes competition on price difficult. In addition, the jewellery business is driven by trends in the fashion industry in terms of colours and textures, but is not restricted to these. The industry boasts diverse production materials and methods creating products in a variety of styles and price points to accommodate to consumer tastes.

The jewellery industry is unregulated with few barriers to entry. This makes it easy for independent jewelers to enter the market, however, depending on the product being produced training and knowledge of jewellery design and metalsmithing may be required for construction and manufacture. Due to the variety of products available from precious stones and metals to found objects, a successful business needs to have a defined style and understanding of how it appeals to their target market.

The jewellery industry in Canada has existed for hundreds of years and although styles have changed, the industry itself has remained relatively consistent. The overall industry has been on a steady upward trend for the last decade, seeing an average annual increase of 4.1% year over year, according to Industry Canada.

When it comes to purchasing jewellery, consumers are driven by the cultural norms that encourage shopping and buying discretionary goods such as jewellery. A researcher at WSL Strategic Retail says, "Shopping isn't purely about need. It's about our emotional connection to who we are and how we live. Shopping is so much a part of our lives that it is both a necessity and therapy." The time-pressured consumer uses "retail therapy" to relieve stress, celebrate and to improve their mood. Adornya will associate a 'history' to each piece that it creates, explaining the origin of the materials, creating an identity for each piece that consumers can relate and respond to.

Over the last two decades the largest impact on the industry has been the increase in traffic to online marketing sites, such as eBay, Amazon and Etsy providing consumers

the chance to purchase products directly from artisans. In fact, according to Etsy Statistics: 2013 Weather Report (http://www.etsy.com/blog/news/2013/etsy-statistics-april-2013-weather-report/?ref=about_blog_title), they had 1.49 billion page views recorded on the site in April. With \$101.8 million of goods (after refunds and cancellations) were sold by our community in April, 0.1% higher than March's \$101.7 million. Showcasing the continuing increase in online sales and specifically discretionary spending. The diversity and number of retailers online, Adornya will need to find a niche within the market place and own it in order to stand out to their target market.

According to the Global Gems and Jewellery Market Forecast and Opportunities, 2018 the global market will continue to see increases in jewellery sales overall due to the rising disposable incomes and changing lifestyles. The industry is set to experience strong growth over the coming years.

The trend towards increased online retailers will continue making ecommerce a critical component to the success of a start-up artisan. Because of the proliferation of artisans selling online, establishing the company as a trusted online retailer through quality products, customer reviews and exceptional customer service will play a greater role in branding a jewellery business.

Local Market

In the Halifax Area there are over 50 jewellery retail stores with approximately 5 times that selling only online. This excludes mixed merchandise stores in the area such as Sears that are also selling jewellery as part of their inventory. A survey of the market showed, 65% of these online merchants are selling items without the precious stones and metals, while 90% of retail locations were. Adornya will specialize in creating products with found materials and therefore will be competing against the larger online market, approximately, 160 stores. These are based on survey results completed by the Canadian Jewellers Association.

Adornya will be located primarily online for launch. However, Adornya's tie to Nova Scotia history naturally aligns their products with tourist boutiques. In the Halifax area there are three stores that focus on providing gifts and souvenirs to tourists. Adornya will target these boutiques to carry products increasing Adornya's exposure within the local market.

To generate further product awareness and exposure, Adornya will have be selling from a booth at the Halifax Seaport Farmer's Market. There are two businesses that have been identified as direct competitors: Aflame Creations Jewellery and Foxine. There may be more over the course of the summer, as tenants renting booths at the market change. Many online reviews of the market and merchants have trumpeted it as a 'must-see' if in Halifax and praised the quality and craftsmanship of the products available for sale. These reviews of the market align with Adornya's strategy of creating a trusted local brand with their target market.

Key Competitors / SWOT Analysis

	Strengths	Weakness	Opportunities	Threats
Aflame Creations Jewellery	<ul style="list-style-type: none"> Well established with local community Online presence 	<ul style="list-style-type: none"> Limited selection No exposure to product creation process 	<ul style="list-style-type: none"> Provide history of product to create emotional connection 	<ul style="list-style-type: none"> Aflame Creations Jewellery could move from ceramic pieces to crystal or pearls
Adornya	<ul style="list-style-type: none"> Well-constructed products from found materials Familiar with the local community 	<ul style="list-style-type: none"> Not well-known in the marketplace 	<ul style="list-style-type: none"> Create pieces that reflect local community without being 'nautical themed' 	<ul style="list-style-type: none"> Other booths could start to sell similar products

Target Market

Adornya is focused on selling to consumers (B2C).

Target Market profile for Adornya:

1. Women aged 22 – 30 (demographics)
2. College or University Students, recent graduates or young professionals (demographics)
3. Household income: \$50,000 - \$65,000 (demographics)
4. Consumers that look to support local businesses and the community (behaviour)
5. Consumers desiring products that provide quality and value as well as reflect the history of Nova Scotia (psychographic)
6. Tourists visiting Halifax looking for a unique souvenir to commemorate their trip
7. Neighbours comprising the downtown core of Halifax Regional Municipality (scope)

Keys to Success

An awareness campaign that involves setting up shop at the Halifax Seaport Farmer's Market to develop the Adornya brand within the local community. This exposure combined with online advertising and Pinterest marketing will focus on driving traffic to the Etsy stores.

Adornya has secured an inventory of 300 pieces from a bankruptcy sale run by Wooden Rose auctions, who will be their primary source for collecting unique pieces along with their history, in order to consistently construct unique customizable pieces that reflect the history of Nova Scotia.

Customer Survey Summary

Every three months Adornya has sent out a feedback survey to customers who had purchased products from Adornya during the same timeframe. Of the sales, 24 people have provided input into the survey. When asked how they found out about Adornya, 60% of those surveyed indicated that they had been exposed to the company when seeing another person wearing the product and asking where it was purchased. The second most common introduction (25%) was through browsing Pinterest and having Adornya products appear in search results. Since exposure to the product has been limited to existing customers, Adornya will focus on expanding product awareness through the booth at the Halifax Seaport Farmer's Market and establishing strategic partnerships with local tourist boutiques.

4.0 Sales & Marketing

Pricing Strategy

Pricing in the jewellery industry varies dramatically due to the variety of materials used to manufacture products. In reviewing competitors online across Canada that are selling products using reclaimed/recycled pieces materials combined with new metals prices range from \$8 - \$100.

- Competition: \$28 - \$35 per product
- Adornya: \$35 - \$65 per product

Adornya's target market is both recent university and college graduates and young professionals therefore the discretionary income available to those segments is varied. In order to appeal to the younger, less established market they will have a starting point of \$35. However, they want Adornya to be a brand that grows with them as they become more established in their career and therefore will offer more expensive pieces with greater complexity for woman to add to their collection. Their pricing strategy also lends itself to a spontaneous purchases by tourists looking to commemorate their visit to Nova Scotia.

Marketing Strategy

Markets

Creating awareness of the Adornya products is critical to the success of the business. Adornya has established a direct sales channel by securing a booth at the Halifax Seaport Farmer's Market, a "must see" stop for locals and tourists alike.

Strategic Alliances

As part of their overall awareness strategy, Adornya will focus on establishing strategic alliances with local tourist boutiques to carry their product lines. Although the profit margin on these sales will be lower, Adornya will succeed in generating greater exposure without having to hire additional staff.

Social Media: Pinterest

A secondary strategy will be to generate online traffic to Adornya's Etsy site from Pinterest. According to research, Pinterest shoppers are 10% more likely to make a purchase than those arriving from other social sites and traffic from Pinterest spends double the average from Facebook traffic. The same research notes that 59% percent of pinner are women between 25 and 40 years of age which aligns with Adornya's target market.

Etsy Online Store

Adornya will only have a physical presence at the Halifax Seaport Farmer's Market Friday - Sunday at launch, therefore an Etsy store will be established to sell products online. The Etsy store will support both physical and online awareness activities by providing interested customers with another method to purchase products beyond the limited physical locations. When setting up the Etsy store Adornya will adhere to suggested practices in Etsy's Seller's Handbook (<http://www.etsy.com/blog/en/2012/the-seller-handbook/>) to provide guidance on how to optimize the store copy for search optimization.

Primary Marketing Activity

Adornya's primary marketing activity will be the booth at the Halifax Seaport Farmer's Market for the summer although, Adornya is looking for seasonal events to attend in the winter months. Representatives will be professionally dressed yet casual at all times and wearing Adornya products.

Adornya's booth will be comprised of repurposed materials to construct display cases for Adornya's product lines. These will consist of a wooden shutter converted to an earring stand, three wooden library card drawers for bracelets, and three sanded pieces of reclaimed wood to drape necklaces from each product line on. All items will be displayed on a collapsible wooden table covered with a white table cloth and crocheted overlay. Please see the appendix for a photo of the booth display setup in the studio. This setup will allow for 6- 9 pairs of earrings, 3 - 4 bracelets, and 3 - 4 necklaces to be displayed for each product line. To entice people towards the booth Adornya will use chalkboards to call out the tie to Nova Scotia's history and to display price ranges for each product type (earrings, bracelets, and necklaces). Each product will be displayed with its story and price visible.

Since jewellery is a purchase made to differentiate its owner it will be important for people to see how the piece looks on them. Movable mirrors on metal stands will be on each side of the booth with two handheld mirrors in the centre, encouraging users to see

how products look on them.

Each week, Adornya will transport in Tupperware a collection of 100 products from across all three product lines. The support materials on hand will be business cards promoting the Etsy store and business cards of the local tourist boutiques selling the Adornya product lines. Business cards will be made by Adornya in batches of 500 using brown paper luggage tags and a custom made stamp, at a cost of \$100. Adornya representatives will be engaged with shoppers and encourage them to uncover the unique story behind each product, but not do a “hard sell”. Refer to the sales process for specifics of this interaction.

The weekly costs will range from \$65 to \$100 a week with expected product loss due to transport damage or theft as 1 product/week. Expected sales resulting from the Halifax Seaport Farmer’s Market are expected to average 20 products/day totaling 60 products each weekend with a follow up of 1 product sold online every two weeks.

Marketing Objectives

Goal #1 - To generate 60 sales each weekend at the Halifax Seaport Farmer’s Market for May, June, July and August.

Goal #2 - To curate 2 new pins each week to each of Adornya’s Pinterest boards (5 total).

Goal #3 - To have 1000 page views/month to the Etsy store 6 months after launching.

Positioning Statement

At Adornya, each piece is original with its own history and connection to Nova Scotia, bringing owners a story along with a beautiful piece of jewellery.

The Sales Process

Adornya sales cycle timeline is <24 hours.

Adornya will use a soft sales approach at their booth at the Halifax Seaport Farmer’s Market. They will engage casual shoppers visiting their booth in conversation soliciting information about how they came to be at the market. From this casual conversation, Adornya will integrate in their relationship to the local community, with the sales associate introducing the designer/owner, Miss Archibald as a home grown graduate of NSCAD and share the mission of Adornya.

If a potential customer continues to show interest and begins looking at specific pieces, the sales associate will direct them to the various mirrors surrounding the booth and encourage them to try on the pieces. Based on experience selling on campus at NSCAD, potential customers who try on a piece of jewellery are 25% more likely to make a purchase. While this is happening the sales associate explains the history of the piece and its connection to Nova Scotia, to further the emotional connection the potential customer may have with the product.

To encourage potential customers who are hesitant to make a spontaneous purchase, the sales associate will offer to snap a picture of them wearing the jewellery via an iPad. The sales associate will then offer to email the photo to the customer directly or to post the Photo to their Pinterest board for them to search for later. Both tactics encourage

the potential customer to further interact with the Adornya brand online, exposing them to a wider inventory of products for purchase.

Once reaching this point, 65% of potential customers make a purchase and the sale is closed. While processing the sale, the sales associate will ask the customer for their email address to send them a copy of their receipt as the payment process will be completed through Adornya's Etsy store.

It is expected that 1% of potential customers who decline to make a purchase at the booth will follow up with an online purchase via the email or Pinterest post directly on the Etsy store.

Strategic Alliances

Adornya will not have any strategic partnerships to start. However, a key component of Adornya's marketing strategy will be to form them with local tourist boutiques. Specifically, Adornya has identified three: Carrefour Atlantique Emporium, Jennifer's of Nova Scotia, and Murphy's Gift Store to trial Adornya's products in their store.

5.0 Operations

Location(s)

Adornya's weekend booth will be located at the Halifax Seaport Farmer's Market located at 1209 Marginal Road, Halifax, Nova Scotia. This is at the water's edge and generates a large amount of foot traffic during the summer months from both locals enjoying the summer weather and from tourists visiting Halifax via one of the many cruise lines.

Adornya's manufacturing and headquarters will be operated out of their home office at 216 Bridges Street in Halifax's South End Neighbourhood close to St. Mary's University neighbourhood and within 10 minute car ride to the Halifax Seaport Farmer's Market.

Since the increase in traffic to the home will be minimal Adornya is not in jeopardy of breaking any city by-laws.

Website

Adornya website will launch/launched on 01/04/2013.

Adornya's website will operate as an ecommerce store on Etsy. It will not have a stand-alone website outside of this store front. Adornya realizes this limits features of the site to those offered by Etsy, but the benefit is that the platform is heavily used by online shoppers and there is no cost to setup a store.

Adornya will not require a web developer or designer for their Etsy site. They will design the store banner and look themselves utilizing the owner's degree in Interdisciplinary design. The store will launch with the standard features of an Etsy store.

It is recommended in the Etsy "Seller's Handbook" to have products professional photographed. Adornya will invest in having all products professional shot by a local photographer before listing them on the Etsy store. This additional step will result in the

store taking approximately 1 month to setup in order to coordinate the photographing of all products.

Adornya will pay the \$0.20/item listing fee for each product added to the Etsy store as well as 3.5% as a commission fee to Etsy on each sale based on the final price before tax.

Legal Issues

Adornya anticipates the following legal issues:

- business licenses

Adornya has a registered HST number with Revenue Canada Agency. Adornya has been registered with Service Nova Scotia and Municipal Relations Registry of Joint Stock Companies as a sole proprietorship and has received confirmation of their business number. They will have to renewal annual for \$66 to keep their business name registered.

Insurance Issues

Adornya requires insurance for business property and earnings.

Human Resources

Adornya will have 1 - 10 full time staff.

Adornya will have 0 part time staff.

Adornya will start with the owner as the only employee. Adornya will hire a part-time independent contractor to work the Halifax Seaport Farmer's Market booth on Friday - Sunday alongside the owner to ensure the booth is always staffed. Plans to hire additional staff to manufacture pieces will be considered in Year 2 depending on product demand.

Process/Production

Adornya's Process will be:

1. Manufacture of the product lines will start with purchase of found materials from Adornya's primary source: Wooden Rose Auctions. Adornya will dedicate 10 hours a week to travel and purchase of inventory materials from the weekly auction.
2. Items will be tagged with their history for future incorporation into marketing materials.
3. Items will be sorted and stored at the home studio by their primary material type: cameo, crystal, pearl, metal, feather.
4. Creation of each product will begin with product illustrations. These sketches will be done in pencil by owner, Miss Archibald and stored in a notebook on site. Completed designs will be scanned and stored in an online database as a running inventory of all products ever constructed.
5. Construction of individual pieces will take place in the studio. This will require 25

hours of dedicated time from Monday – Thursday each week.

6. Each piece will require approximately 30 minutes to 1 hour to construct. In order to meet the summer demand of the Halifax Seaport Farmer’s Market, Adornya will increase construction time to 40 hours/week from January – March and again from September – December.

7. There are no minimum runs require each piece is constructed one by one.

8. The final step will require the construction of the Adornya label this will include a 10cm x 20cm cardstock piece hand stamped with the Adornya logo with the item’s history, product line and name via an Inkjet printer onto the card.

9. Each label will be sprayed with hairspray to ensure the ink doesn’t run or smear post printing.

10. Products will be packaged in a clear plastic bag that stores the label and product.

11. Upon completion, each product will be entered into Adornya’s Etsy store as drafts as this will act as the inventory management system.

12. New products are pooled together weekly and photographed at the studio. Images are supplied as high resolution JPGs within 2 business days to Adornya.

13. Each item on Etsy will have a front, side and model photo uploaded as part of their listing. Once these have been completed, the product will be listed on the Etsy store for the public.

14. At time of purchase the product will be selected from the Etsy store and payment will be processed through the store by either PayPal or Credit Card.

15. After three months, clients who have supplied their email address at purchase will be sent a follow up survey to collect feedback. Along with this information a release to use their feedback in promotional materials will be included to post positive feedback on the Etsy website.

16. Customers whose survey results are in the ‘highly satisfied’ category will be approached to provide testimonials for the Etsy website and to be used in future promotional materials.

Risk Assessment

Adornya will spend the majority of its efforts increasing awareness of Adornya products through a booth at the Halifax Seaport Farmer’s Market and strategic alliances with local tourist boutiques. However, should these results not generate the residual sales expected, Adornya will invest in Etsy Search Ads to increase their relevancy to potential customers browsing the Etsy marketplace. To accompany this, Adornya will also look at investing in a Search Engine Optimization strategy supplied by a third party to increase the effectiveness of their shop description, product descriptions, tags, and keywords entered on Etsy.

Adornya is reliant on finding a continual supply of interesting materials with known origins from Wooden Rose Auctions to fulfill their material supply budget of \$300/week or roughly 75 items. If after two weeks, Adornya is unable to fill their inventory purchase,

they will move to purchasing products from online suppliers in the greater Nova Scotia area. The impact is an increase in material costs of approximately 3% to cover the additional shipping fees beyond the current gas budget. In addition, since Adornya is own and operated by Miss Archibald as the sole employee, a contingency plan will be created that includes Etsy store, Bank account and PayPal passwords in the case something were to happen to Miss. Archibald making it impossible to continue to work in the business. The Etsy store will be put in “Vacation” mode to alert customers to potential delays and provide instructions to a designated family member on how to process refunds and fulfill orders in progress.

If after a full year of business, sales are less than \$40,000 Adornya would need to close its doors and shut down its Etsy site. Existing product inventory would remain on the Etsy store until the four month listing period had expired or until the following November when it will be sold at a ‘warehouse’ sale in Halifax at NSCAD at 50% off to capitalize on increase holiday retail market.

6.0 Financials

Start-Up Costs

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit <http://futurpreneur.ca/en/bplan/> and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you’ll need.

Break Even Analysis

Fixed costs for the year are \$23,000 (includes telephone, booth rental, utilities, reward club, and contract employee)

Average sale price is \$50/piece

Average production cost is \$16.80/piece (material, labour, commission – Etsy or local tourist boutique, VISA/MasterCard service fees, and listing)

Break -even point:

$$\frac{\$23,000}{\$50 - \$16.80} = \frac{\$23,000}{33.20} = 693 \text{ units}$$

Adornya would start to make a profit after selling 693 products.

Sales Forecast

Key Assumptions for Adornya

- May – August will be the highest sales months due to the booth rental at the Halifax Seaport Farmer’s Market

- Average sale will be \$50
- No online sales for first three months
- Product sales broken out as 90% from market and 10% through local retailers
- Each customer will purchase one products

Year One Sales Forecast (Including Assumptions)

March - \$0

Launch of business online and start of Pinterest posting campaign.

April - \$4140

60 sales at Halifax Seaport Farmer's Market. No direct online sales generated. Agreement reached with one local tourist boutique to carry 30 products across all product lines, sold for 30% off. The negotiated reduced price allows the store to collect a 30% commission on each piece they sell while keeping the boutique prices aligned with buying direct from Adornya.

May - \$12000

240 sales at Halifax Seaport Farmer's Market. No direct online sales generated. Increase in sales due to increase in foot traffic visiting the market with the warmer weather and cruise season.

June - \$15000

300 sales at Halifax Seaport Farmer's Market. No direct online sales generated. Increase in sales due to there being 5 weekends in the calendar month. Reorder by local tourist boutique for additional 45 products, sold for 30% off. The negotiated reduced price allows the store to collect a 30% commission on each piece they sell while keeping the boutique prices aligned with buying direct from Adornya.

July - \$14250

280 sales at Halifax Seaport Farmer's Market. Market open on Canada Day, July 1 resulting in approximately 20 additional sales. 5 online sales from Pinterest referral traffic.

Year Two Sales Forecast

Cash flow

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Income Statement

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