



Dance & Skate Outfitter

BUSINESS PLAN

ARABESQUE DANCE & SKATE SHOP

5005 Main Street
Plymouth, Michigan 48170

The purpose of this business plan is to outline and summarize the plans of the partners regarding: financial resources, needs and uses; marketing, advertising, and promotions strategies; inventory resources and requirements; demographics of the com

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STATEMENT OF PURPOSE & GOALS

The purpose of Arabesque Dance & Skate Shop is to meet a need in the rapidly growing Plymouth community for high-quality, reasonably priced dance, skate, and exercise wear. Recognizing that currently residents of the Plymouth community must drive to other cities for supplies or must order through catalogs and not be certain of what they will receive, Arabesque will provide these products locally.

The goal of Arabesque Dance & Skate Shop is to provide high-quality, reasonably priced dance, skate, and exercise apparel to dancers, skaters, and exercise enthusiasts. Inherent in this goal is the desire to provide excellent service to every customer.

The goal of this business plan is to outline and summarize how the goals of Arabesque will be accomplished.

EXECUTIVE SUMMARY

Arabesque Dance & Skate Shop is a family owned and operated retail business specializing in dance, skate, and exercise wear.

The decision to establish a business in Plymouth was based on a market analysis that showed no existing retail dance or skate wear shops within the city limits, and few shops in nearby cities. The nearest store, in Novi, is owned by a woman who is ready to retire and is considering selling her store to an employee. Currently, dancers must drive to Ann Arbor, Livonia, or Dearborn. Because dance wear and dance shoes are required by



studios, students have no choice but to drive great distances for their attire.

Prior to making the decision to open in the Plymouth area, the principals conducted a market analysis that included:

- Studying the population and economic demographics of the area;
- Surveying dance studios and students;
- Researching the competition, including their strengths and weaknesses, and
- Meeting with supplier representatives.

The population includes about 377,700 potential customers within a 20-mile radius of Plymouth with an average household income of \$42,267. A survey of the studios showed roughly 1,500 students in the area, taking ballet, tap and/or jazz. Each type of dance requires a different type of shoe. Ballet students report going through two pair of ballet shoes, four to ten pair of pointe shoes each year. They also need tap and jazz shoes and leotards and tights in a variety of styles each year.

In meeting with potential suppliers, the principals have narrowed their choice of suppliers to Danzier, Emmet, and Performance attire. The range of shoe suppliers would be broader to include Brien and Korkov.

The principals have developed a marketing action plan that includes news releases, fact sheets, advertising, direct mail, visits to dance studios and skating clubs, discounts, gift certificates, giveaways, a Grand Opening celebration. The target date for opening is early January.

The store would be managed by Sarah Harper, Carol Simmons, and Elizabeth Alexander with assistance from the other principals. Two principals would be present weekdays; three would be in the store on Saturdays. Hours are Monday - Wednesday, 10 am - 7 pm; Thursday -Friday, 10 am - 9 pm; Saturday, 10 am - 5 pm.

Of the seven principals, two are in finance, two are in marketing, two have danced a number of years and are familiar with the merchandise, and one has the technical ability to maintain the building.

BRIEF BUSINESS DESCRIPTION

Products to be offered include name-brand dance, skate and exercise wear; a small selection of costume props, and miscellaneous dance-related keepsake or statement products. These include:

Products

- Tap and jazz shoes
- Ballet and point shoes
- Leotards
- Skate Leotards
- Tights
- Skirts
- Sweaters
- Warmup suits and leg warmers
- Statement items: "Dance" T-shirts, sweatshirts, boxers,
- Miscellaneous: ribbons, combs, keychains, picture frames, calendars, how-to books, snoods, belts, and other dance related keepsakes.

Company Structure

Arabesque Dance & Skate Shop is a family-owned partnership comprised of seven principals: John Harper; his wife, Sarah Harper; their son, Matt Harper; their daughter Carol Simmons and her husband, Steve Simmons;



and their daughter Elizabeth Alexander and her husband, Paul Alexander.

Each partner brings to the business varying areas of expertise and is responsible for the area of the company that best utilizes his or her skills. All will assist in other areas where needed.

Arabesque is slated to open for business in January 1996, if not sooner. Hours are:

10:00 a.m. to 7:00 p.m. Monday through Wednesday

10:00 a.m. to 9:00 p.m. Thursday and Friday

10:00 a.m. to 5:00 p.m. Saturday

Initially, the store will be staffed by two employees, at least one a principal, at all times. Three employees will work on Saturdays. Additional principals would come in as needed to handle customer service, inventory, and maintenance. With expansion, additional customer service representatives would be employed.

MARKET ANALYSIS

Product and Service Description

Arabesque Dance & Skate Shop will offer for purchase dance, skate and exercise wear, including ballet, jazz and tap shoes, tights, leotards, and warmup wear. It will also offer "dance" statement clothing and items, such as T-shirts, carry-all bags, and boxers, as well as miscellaneous impulse items, such as keychains, picture frames, calendars, and how-to books. With expansion, it will offer performance-related props and costumes.

Need Fulfillment

Dance, skate, and exercise students and enthusiasts must currently purchase through limited supplies dance teachers carry, order through a catalog, or drive to Ann Arbor, Livonia or Dearborn for a complete line of ballet, tap, jazz and skating apparel and shoes. One or two studios try to stock their own apparel, but to date, this method has not been reliable. Their stock is old, outdated, and limited. Arabesque Dance & Skate Shop will meet the needs of students by offering a complete line of high-quality, reasonably priced dance and skate apparel and shoes.

Customer Demographics

The target audience of Arabesque Dance & Skate Shop includes dancers, skaters, and exercise enthusiasts within a 20 mile radius of the city of Plymouth. This radius encompasses residents of Livingston, Washtenaw, western Oakland, western Wayne, and southern Shiawassee counties. Cities in these counties include Ann Arbor, Brighton, Dexter, Hartland, Highland, Howell, Milford, Novi, Northville, Pinckney, Plymouth, South Lyon, Wixom, and Ypsilanti.

General Population

Roughly 377,690 potential customers live within a 20 mile radius of Plymouth with an average household income of \$42,267 and an average per capita income of \$17,930.

Demographics for the city of Plymouth indicate a population of 5,686, with an average household income of \$35,551 and average per capita income of \$17,019. The population of Plymouth is 14,815 with an average household income of \$56,009 and average per capita income of \$20,360.

Within a 10 mile radius of Plymouth is another 92,240 potential customers with an average household income of \$43,943 and an average per capita income of \$16,991. Within the next 10 mile radius are 264,949 more potential customers with an average household income of \$40,566 and an average per capita income of \$18,463. For a breakdown of potential customers by city, please reference the section titled Demographics.



Dancers, Skaters, and Exercisers

Potential customers would be drawn from dance studios, skate clubs, fitness centers, community education programs, YMCA classes, and public and private schools. The following demographics for dance studio teachers and students were obtained through a survey. Skate clubs were not surveyed because we assumed the results would be similar to those of dance studios. Fitness centers, the YMCA, and community/public school programs were not surveyed because they are considered transient customers who are unreliable, yet still with customer potential.

Dance Studios

A survey of dance studios in the Plymouth area shows the following:

Brighton Institute of Dance which is located at 800 Marnier, Brighton, MI. Ariel Lyndstrom is the teacher. There are approximately 200 students, ages 3-18 years. Of the students, 200 are in ballet; 30 on pointe. The Institute offers ballet, jazz, and tap. For ballet, black leotard & pink tights are required. Students can wear skirts and a different color once a week. Danzier and Korkov shoes are used for beginning students.

Amy Scott School of Dance is located at 20534 Lyon Drive, Lyon Twp., MI. Amy Scott, the owner, is the primary teacher.

Located at Howell is the *Centre for the Art of Dance*. Rachel Hathaway is the primary teacher. The center has 250-300 students, most of which are between the ages of 3-11 years old. Approximately 300 students participate in ballet, 100 in tap, and 100 in jazz. The Centre's requirements are for ballet—pink leotard, powder blue for intermediate students; black leotard for teens and adults. Most ballet students are required to use Danzier shoes. For tap, black leotards are required.

Alex's School of Dance is located at 482 Indian Trail in Howell, Michigan. The primary teacher is the owner, Alex Sanchez.

The House of Dance is located at 1350 S. Main St. in Brighton with approximately 230 students of all ages, most are in ballet and tap. Approximately 10 students are on pointe. Alex's offers ballet, jazz, and tap. Alex's requires ballet students to wear pink ballet shoes, whatever brand fits the best. Tap students wear black taps, Reba, Tones or Harver. No jazz shoes are required until students are 10 years old.

Jesse's Studio of Dance located at 10 Sullivan Street in Brighton has an even distribution of students between ballet, jazz, and tap. Jesse's requires ballet students to wear black leotards, pink seamed tights, as well as Danzier or Korkov shoes. For tap, Jesse requires Danzier and Tones shoes.

Kim's School of Dance found at 946 Highland, MI has approximately 560 students, with an even distribution of ages. Kim offers ballet, jazz, and tap. She requires ballet students to wear black leotards, pink tights, pink skirts with elastic waistbands and Danzier or Korkov shoes with a split sole for company; others can wear anything. Kim requires Danzier and Tones tap shoes for tap students.

The *Plymouth Dance Theatre* has approximately 150 students, ages 3-18 years. There is an even distribution of students in the classes, but 10 are on pointe. The Theatre offers ballet, jazz, tap, and acrobatics. Uniforms are not required, but ballet students wear leotards, and tights. Also ballet shoes must be either Danzier and pointe shoes must be Danzier or Korkov to start, then students have their own choice. For tap, students must wear Danzier or Tones taps.

Skate Clubs

Discussion with individuals whose children take skating lessons in Plymouth showed that students were lined around the block to sign up for lessons this September. All indications are that figure skating is growing rapidly as an alternative for girls, especially with the Olympics emphasizing it. A three-rink ice arena is slated to open soon in Ann Arbor; and a large skating arena, Amber Oaks Ice Arena, currently exists in Howell. Competitive



roller skating also requires the appropriate skating attire.

Community and Public School Dance Programs

Although requiring dance apparel and shoes, students in these programs are considered by Arabesque to be "gravy" customers. We would not rely on them, but would welcome their purchases.

Fitness Centers

Exercise and physical fitness programs in the area requiring apparel include:

- Aerobic House in Highland, MI
- Gym Dandy in Plymouth, MI
- Jazzy's in Howell, MI
- Orlando Fitness Center in Brighton, MI
- The Nutrition Center in Howell, MI

Buying Decisions

Peak buying times for dancers and skaters are September when classes start up and March through May when studios are preparing for recitals and performances. Sales increase during the holiday season in December, but not substantially. The slow months are January and February.

Dancers and skaters tend to devote their lives to dancing and skating, practicing long hours. A child between the ages of 4 and 12 years of age needs ballet shoes, two leotards, and two pair of tights each year for ballet. If the child chooses to learn tap dancing, she needs tap shoes.

A survey of students at studios in the Plymouth area shows that a ballet student between the ages of 12 and 18 goes through four to ten pairs of pointe shoes a year, two pairs of ballet shoes, two leotards, and three or four pairs of tights, and warmup attire. Students almost always branch into tap and jazz in their teens, requiring tap shoes, jazz shoes and jazz outfits. Additionally, they purchase almost any products related to their passion, including T-shirts, carry-all bags, key chains, and calendars. (Please see the Teacher and Student Surveys section.)

Adult students are not quite as passionate as teenagers about their buying; they tend to buy attire that is as "artsy-looking" as possible. Exercise enthusiasts like the variety of exercise wear, changing "costumes" often for the sake of wearing the latest fashions.

Purchasing Criteria

Purchases are based on need and quality; name brands are important only to the extent that they connote high quality, especially for ballet students. Teens want state-of-the-art pointe shoes; and parents pay what is necessary to help them be the best in their class. The survey of students in Plymouth showed that they stick to Danzier, Emmet and Performance for apparel; shoes are a different matter. Students start with Danzier or Korkov and then go on to whatever is comfortable. The survey indicates that many go into Emmet, Brien or Krisnov.

Competitors

The active lifestyle of teens and parents, combined with the lack of existing nearby stores, requires that parents look at price last. Few stores exist in the area, forcing students, dancers and skaters to take what is available at the nearest store, which may be a great distance away. If parents and students do not find what they need at small, high-priced, sometimes unreliable stores in Ann Arbor, Novi, or Howell, they must drive to Livonia, an



estimated 75 mile round trip, or Dearborn, an estimated 100 mile round trip.

With their busy schedules, parents simply do not have the time to drive great distances for the sake of cheaper prices. Arabesque Dance & Skate Shop would like to change that by offering high-quality merchandise at a fair price that does not take advantage of the customer or the situation. No parent should have to pay \$55 for a simple skating leotard.

No dance or skate wear stores exist in Plymouth. A survey of dance studios in the Plymouth area was met with enthusiasm by several studios. Dancers at these studios must currently drive great distances for apparel. The nearest store is in Howell, and it is small and open mostly to service the students of the owner. Due to a lack of proper organization, marketing, and management, the store offers little competition. Many dancers living in Howell drive to Novi rather than purchase apparel from the store. The owners of the store are ready to leave the business; currently, a woman working at the store is considering purchasing it. Only one dance studio said it tries to have tights and leotards available for purchase. The rest of the studios do not. It appears that doing so is often a hassle and done only out of necessity. Most studios surveyed said they would welcome a store in the area. Competitors and their strengths and weaknesses include:

Dance Station - Novi

Located in a strip mall at a busy intersection. Hours: 10 am -7 pm Monday-Friday; 10 am -6 pm Saturday.

Strengths

The store offers a pleasant, modern decor that would appeal to customers who like bright colors, plastic, and metal fixtures. It stocks a variety of products, including a large supply of keepsakes, carry-all bags, and boxer shorts. It has two dressing rooms for trying on leotards and a seating area for trying on shoes. It is carpeted. It has a large selection of jazz and tap shoes and jazz leotards. Shoes are on a rack, making self-service easy.

Weaknesses

Area for trying on shoes is carpeted, making it difficult to try on pointe, tap and jazz shoes. Upon visiting the store, we found that the customer service representative was not very service oriented. Merchandise is glitzy and impractical for most dancers, appealing to small children who like lots of cute ruffles. Very few basic leotards were available, just those with ruffles—fun-type wear, but not for the serious dancer. The selection of pointe shoes is limited. The store tends to specialize in jazz wear. Leotards are difficult to sort through. No T-shirts were available; no warmup attire was available. The store is about 20 miles from Plymouth.

Bravo

Store is located in Livonia, Michigan and is open from 11 am - 7 pm Monday to Thursday, and 12 pm - 4 pm on Saturday.

Strengths

It is the only dance wear supply store in Livonia and it is established.

Weaknesses

Store is closed on Fridays. Store is frequently closed regardless of the hours posted. It is very small and offers a small inventory. Products are outdated. Shoes offered were only made five years ago.

Positions

Store is located in Howell, Michigan. Hours: 10 am - 6 pm Monday - Thursday, 10 am - 9 pm Friday, 10 am - 6



pm Saturday, 12 pm - 5 pm Sunday.

Strengths

Enjoys a captive audience with college students who take dance and exercise classes. Students do not always have cars and must buy supplies in Howell. Leotards are displayed by color. Store carries two largest brand names: Performance and Danzier. Warmups can be found in one area, and they are high-quality brands. Children have their own section. There is a seating area for trying on shoes. It has a professional atmosphere for the serious dancer—not glitzy impractical junk. It has a wide selection of shoes. It makes good use of sales, special offers and packaged deals. They are negotiable on damaged merchandise. They offer a wide selection of shoes.

Weaknesses

There is no place to park except on the street at a meter. The streets are congested. Store is in the basement of a T-shirt shop. The only signage is in a 3 foot wide window. Store is difficult to find. Store moved from a larger store to a smaller one. There are no lyrical outfits, no skating outfits and no jazz or exercise clothes. The skirt selection is limited, and the color selection is limited. Merchandise is basic shoes, tights, leotards and warmups. It charges customer \$5 just to try on pointe shoes. Rumor has it that the store is not doing well due to poor management.

Rhythmic Movements

Store is located in Novi, Michigan. Hours: 10 am - 7 pm Monday - Friday; 10 am - 5 pm Saturday.

Strengths

The store has an established reputation. Although it looks like it is going out of business, it is doing well. It was packed with customers patiently waiting for their daughters' turn to try on shoes. It is the only store servicing the Northville, and Novi area. It stocks a large supply of pointe, tap, and jazz shoes. It has a raised wooden floor for trying on shoes. It has a large inventory of skating leotards and tights. It is packed in September with students getting shoes for lessons. They sell costume props, such as batons and boas, and trim for costumes.

Weaknesses

The store is in the back of a swimwear store and looks like everything was shoved into a storage room. Customers have to climb steps and walk over the wooden floor used for trying on shoes. Customers have to sign in for service. Not enough customer service representatives are available. No evening hours. The store is dirty.

Howard's Dance Center

Howard's is located in Dearborn, Michigan. Open six days a week. A second and third store are located in Warren and Wyandotte, MI.

Strengths

Offers many brands, including Performance, Danzier, Emmet, Halley's and Tones taps, body wear and shoes. Offers theatrical costumes, wigs, masks, magic supplies, costume accessories, sequins, beads, trims, costume fabric, appliques, fringe. Stocks skating dresses, jazz outfits, a variety of skirt lengths and types, a variety of leotards and tights. It is very service oriented, willing to call around and get what the customer needs. Very helpful and accommodating. It has two floors and encourages customer to browse. Store has a large inventory.



Weaknesses

It is 75 to 100 miles from the Plymouth area. Customer has to drive into the metropolitan Detroit area.

Strides

Strides is located in Canton, Michigan.

Strengths

Convenient for parents of children.

Weaknesses

It is a shoe store that carries the basic ballet shoe and basic tap shoe for children only. It orders only once a year, in September.

Gurnecky's Dance Outlet

Gurnecky's is located in Farmington, Michigan. Store hours are: 10 am - 6 pm Monday - Wednesday, Friday; 10 am - 8 pm Thursday; 10 am - 6 pm, Saturday.

Strengths

One of the few stores serving the Farmington area.

Weaknesses

It is a shoe store that carries dance shoes and some dance wear. It does not specialize in dance and skate apparel.

Halley's Studio Goods

Halley's is located in Brighton, Michigan. Hours: 10 am - 6 pm Monday - Friday; 10 am - 5 pm, Saturday.

Strengths

The only store in Brighton providing dance shoes.

Weaknesses

It is a children's shoe store that carries dance shoes and some tights and leotards for children and adults. It does not specialize in dance and skate apparel.

Marketing Action Plan

The marketing plan for Arabesque is twofold, encompassing marketing Arabesque itself and marketing the merchandise.

Marketing the Business

A major effort to market Arabesque involves sending news releases and fact sheets to local newspapers, distributing brochures and gift certificates to all dance studios, featuring promotional events at the store, and participating in local community events. The following schedule would be used to publicize Arabesque. The goal is to get name recognition, store awareness, and customers into the store.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Early Oct. Develop a logo.

Cost: \$100 for the graphic designer.

Late Nov. Develop business cards and letterhead with the store logo, address, telephone and hours on them.

Cost: \$100

Late Nov. Develop and print two-color brochure on how we can work with studios.

Cost: \$100

Late Nov. Develop and print \$10 gift certificate for teachers.

Cost: \$20

Late Nov. Purchase keepsake with our logo to give out at studios we visit: carry-all bags with logo.

Cost: \$150

Early Dec. Possibly purchase dance T-shirts with the Arabesque Dance & Skate Shop logo. These would be worn by sales staff and given away at the Grand Opening.

Cost: T-shirts with logo

Early Dec. Print invitations for Grand Opening Eve Party for Teachers focusing on dance, skate, and fitness center proprietors and their guest and offering 15% discount for everyone.

Cost: Paper and printing and postage—\$100.

Early Dec. Send fact sheet and photo to the Hometown Papers about the family joining forces to open their dream store. This is a unique event because seven family members (father and mother, daughters and their husbands, and son) are willing to invest in the store, work in it, and become involved in the community. Four of the family members have moved to the Brighton area, and two more are looking to move there. All children took dance lessons, some for as many as 10 years. All have degrees and work in another field, but like the idea of working together. All believe in making a difference in the community.

Cost: \$2.00 for telephone call and postage.

Early Jan. Send news release to newspapers within a 20 mile radius, the Ann Arbor News, and the Detroit Free Press, announcing the Grand Opening Celebration for the store, the festivities involved, and how Arabesque is meeting a need in this rapidly growing community.

Cost: \$5.00 postage and paper.

Early Jan. A representative from Arabesque will:

- Deliver to each studio business cards from Arabesque, a brochure detailing our hours.
- Check to see if they got their invitation to the Grand Opening Eve Party for Teachers and again invite teachers and a guest to attend.
- If they cannot attend, give them a \$10 gift certificate toward anything in the store and invite them to attend the Grand Opening Celebration the next day for the general public.

Cost: gas to visit each studio.

Jan 20 Grand Opening Celebration for Teachers.

- Survey any who have not completed a survey to what they want in a store: what products, what service, what hours, etc.
- Give them 15% off for the day.
- Give teachers a card entitling them to 10% off future purchases.
- Tell them about our Teachers Bulletin Board and display area.
- Tell them about our plans for monthly information events-updating students and teachers on the latest shoes and other merchandise.
- Tell them about plans, and get suggestions for, a "Meet the Teachers from Your Local Dance Studios Day" for parents to meet proprietors of local dance studios. Teachers would make short presentations



about their studios, the number of students they have, the types of dance lessons they offer, etc.

Jan. Opening Day—Grand Opening Celebration.

- Every hour, we will give away gift items (possibly carry-all bags or T-shirts) between 10 am and 4 pm for persons 12 years and over.
- We will give a free helium balloon to each child under 12.
- We will have a bunch of helium balloons marking the event.
- Have someone dressed like a ballerina in the children's area, reading stories to small children.

Feb. Visit studios of anyone who didn't come to Grand Opening. Offer our Teachers' Bulletin Board for them to post a notice about their recital. Also mention that we want to know when their recital is so that we can place our order for tights, shoes, and whatever else their students may need to purchase; for example, if they will need a certain color of tights, we will go ahead and order a supply. Mention that we would like to attend the recital.

Mar. Compile a list of recitals. Try to have at least one person attend. Then after each, send a handwritten card congratulating them on a fine recital, mentioning something specific to their recital. Get a copy of their program for our files.

Cost: \$10.- Ticket to the recital; stamp and paper.

June/July Participate in any community events, giving away balloons.

August Sponsor a "Meet the Teachers from Your Local Dance Studios Day" for parents to meet proprietors of local dance studios. Teachers could make short presentations about their studios, the number of students they have, the types of dance lessons they offer, etc.

Marketing Merchandise

The goal should be to move merchandise off the shelf. We do not want anything to stay in the store; we will move it out through clearance sales if necessary. In the Fall, when classes start up, we would:

- Offer a package for children-tights, leotard, and ballet shoes, all for a discount.
- Offer a 10% discount off all tap, jazz and ballet leotards and tights.
- Have a sidewalk sale.
- Offer special promotions: buy one, get one at half off, etc.

MANAGEMENT

Skills Needed

To be successful in a retail operation in the dance, skate and exercise field requires a wide array of skills including: the ability to be proactive in management, organization, finance, marketing, and inventory control skills. Rarely does one individual possess all these skills. In Arabesque Dance & Skate Shop each partner brings to the corporation a set of skills developed through years of education, training, and work experience.

Briefly, John Harper works in investment sales for a local bank; Matt Harper works for the same bank as a real estate lender. They will handle the accounting and finance. Sarah Harper has worked in the promotions and marketing fields for about 10 years. Paul Alexander works in marketing and is pursuing an MBA in Marketing. They will handle the marketing and outside sales. Carol Simmons is a former teacher and youth worker. A dancer for more than 15 years, she knows dance wear. She will serve as buyer and as contact person for studios. Elizabeth Alexander is a speech pathologist and a former dancer. Her organizational skills will enable her to track inventory and do much of the clerical work. Steve Simmons, a designer, is skilled at fine carpentry and building. He will handle any problems related to fixtures and maintenance.



Expertise and Responsibilities of Principals

Each principal brings to Arabesque his or her own area of expertise. In addition, he or she will assume secondary responsibilities. They are:

Partner & Title	Expertise	Responsibilities
John Harper, CFP Accounting Manager	Finance Organization	Management Customer service Building Inventory
Sarah Harper Manager	Organization Management Marketing	Customer service Inventory Building Finances
Matt Harper Controller	Finance Organization	Management Customer service Building Inventory Marketing
Steve Simmons Building & Maintenance Manager	Technical Design	Inventory Customer Service Building Management Finances
Carol Simmons Asst. Mgr - Buyer	Inventory Management Customer Service	Marketing Organization Building Finances
Paul Alexander Marketing Manager	Marketing Outside sales Inventory procurement	Customer Service Management Building Finances Inventory
Elizabeth Alexander Asst. Mgr - Cust. Service	Inventory Customer service Management	Building Organization Marketing Finances

Partner & Title	Expertise	Responsibilities
John Harper, CFP Accounting Manager	Finance Organization	Management Customer service Building Inventory
Sarah Harper Manager	Organization Management Marketing	Customer service Inventory Building Finances
Matt Harper Controller	Finance Organization	Management Customer service Building Inventory Marketing
Steve Simmons Building & Maintenance Manager	Technical Design	Inventory Customer Service Building Management Finances
Carol Simmons Asst. Mgr - Buyer	Inventory Management Customer Service	Marketing Organization Building Finances



Partner & Title	Expertise	Responsibilities
Paul Alexander	Marketing	Customer Service
Marketing Manager	Outside sales	Management
	Inventory procurement	Building
		Finances
		Inventory
Elizabeth Alexander	Inventory	Building
Asst. Mgr - Cust. Service	Customer service	Organization
	Management	Marketing
		Finances

Outside Resources

In addition to financial resources (see section on Financing), two other types of resources are required: those needed to conduct business, including the building, fixtures, and equipment and additional staff, and the inventory itself.

Resources to Conduct Business

A building will be leased, preferably in a strip mall. A small oak "stage" will be installed to allow students to try on pointe and tap shoes on the same type of surface they will be dancing. An area will be set aside in the store for small children visiting with parents and another area for teacher notices and brochures. (Please reference Checklist of Resources to Do Business, for a list of items necessary to conduct business and Building/Fixture Sources for a partial list of potential sources.)

The need for human resources will be met through the principals and possibly one part-time employee. Two individuals will be available at all times during the week. On Saturday, three persons will be on hand. The remaining principals will be on call to come in and assist during overloads.

Inventory

Roughly \$20,000 in inventory will be carried. Meetings with the Danzier representative were helpful in narrowing down sources. The representative is delighted that we will be in the Plymouth area. She had been looking for someone to open a store for over a year. A meeting with the representative from Emmet brought similar results, and it is expected that the meeting to take place October 10 with Performance will do likewise. These are the three most sought-after suppliers of dancing apparel. A wide array of shoes will be carried, including Danzier, Emmet, Korkov, Reflex and Krisnov.

CUSTOMER DEMOGRAPHICS

A study of the demographics of the Plymouth and surrounding communities suggests that the area is rapidly growing as residents of the metropolitan Detroit area seek a countrylike environment to raise families. In 1995, the population, average household income and per capita income by 10 and 20 mile radii are:



	Average Population	Average Household Income	Per Capita Income
City of Plymouth	5,686	\$35,551	\$17,019
Plymouth Township	14,815	\$56,009	\$20,360
10 mile radius	92,240	\$43,943	\$16,991
Green Oak Township	11,604	\$47,421	17,272
Hamburg Township	13,083	48,481	18,058
Hartland	6,860	50,627	17,690
Howell	8,184	31,674	15,268
Howell Township	4,298	47,784	16,725
Independence Township	24,722	53,233	21,271
Milford	5,511	37,323	14,814
Milford Township	12,121	45,938	17,745
South Lyon	5,857	33,095	14,075
Next 10 mile radius	264,949	40,566	18,463
Ann Arbor	109,592	33,344	17,786
Ann Arbor Township	3,793	56,359	35,387
Fenton	8,444	33,998	13,327
Fenton Township	10,055	48,425	19,555
Highland	17,941	42,157	15,716
Holly	5,595	28,995	12,766
Holly Township	8,852	32,895	13,828
Northville	6,226	49,282	24,568
Northville Township	17,313	55,465	23,917
Salem Township	3,734	51,948	19,936
Whitmore Lake	3,251	39,128	17,605
Ypsilanti	24,846	21,219	10,655
Ypsilanti Township	45,307	34,140	14,977
Total 20 Mile Radius including Brighton	377,690	\$42,267	\$17,930

	Average Population	Average Household Income	Per Capita Income
City of Plymouth	5,686	\$35,551	\$17,019
Plymouth Township	14,815	\$56,009	\$20,360
10 mile radius	92,240	\$43,943	\$16,991
Green Oak Township	11,604	\$47,421	17,272
Hamburg Township	13,083	48,481	18,058
Hartland	6,860	50,627	17,690
Howell	8,184	31,674	15,268
Howell Township	4,298	47,784	16,725
Independence Township	24,722	53,233	21,271
Milford	5,511	37,323	14,814
Milford Township	12,121	45,938	17,745
South Lyon	5,857	33,095	14,075
Next 10 mile radius	264,949	40,566	18,463
Ann Arbor	109,592	33,344	17,786
Ann Arbor Township	3,793	56,359	35,387
Fenton	8,444	33,998	13,327
Fenton Township	10,055	48,425	19,555
Highland	17,941	42,157	15,716
Holly	5,595	28,995	12,766
Holly Township	8,852	32,895	13,828
Northville	6,226	49,282	24,568
Northville Township	17,313	55,465	23,917
Salem Township	3,734	51,948	19,936
Whitmore Lake	3,251	39,128	17,605
Ypsilanti	24,846	21,219	10,655
Ypsilanti Township	45,307	34,140	14,977
Total 20 Mile Radius			



	Average Population	Average Household Income	Per Capita Income
including Brighton	377,690	\$42,267	\$17,930

TEACHER AND STUDENT SURVEYS

Thank you for taking the time to complete this survey. You are helping us to better serve you and your students. We carry a variety of dance and skate apparel, shoes and accessories; and we want to pay special attention to your needs and preferences. As a means of saying "thank you," we will present you with a token of our appreciation when Arabesque opens.

Teacher Survey

How many students are currently enrolled at your studio?

25-50 51-75 76-100 100-150 151-250 250-350 350+

How many students do you have in each age group?

3-5 6-7 8-9 10-11 12-13 14-18 18+

How many students participate in each of the following classes?

Ballet Tap Jazz
Lyrical Modern Acrobatics Other

Do you require a uniform for your classes? If so, please indicate the color and style.

Ballet: yes no

If yes, what is your uniform preference for each age group?

Tap: yes no

If yes, what is your uniform preference for each age group?

Jazz: yes no

If yes, what is your uniform preference for each age group?

Do you prefer that your beginning pointe students wear a specific brand or style of pointe shoe?

yes no

If yes, please indicate brand and style.

Name: _____

Address: _____

What style and size dancing shoe do you wear?

Ballet: Brand (Danzier, Emmet, etc.) _____ Size (length/width) _____

Style (split sole, canvas, whole sole, etc.) _____

Pointe: Brand (Korikov, Grisnov, etc.) _____ Size (length/width) _____

Style (Feather, Pavlova, etc.) _____

Special Needs (extra long vamp, double shank, etc.) _____

Tap: Brand (Lyndon, Tones, etc.) _____ Size (length/width) _____



Style (low heel, mid heel, buckle etc.) _____ Color _____

Jazz: Brand (Danzier, Grisnov, etc.) _____ Size (length/width) _____

Style (sneaker shoe, boot, traditional etc.) _____ Color _____

Other: Brand _____ Size (length/width) _____

Style _____ Color _____

How many pairs of shoes do you purchase per year?

Ballet _____ Pointe _____ Jazz _____ Tap _____ Other _____

How many performances, competitions or recitals do you participate in per year?

What are your preferences/needs in tights? Brand _____

Style (seamed, unseamed, footless, etc.) _____ Size _____ Color _____

What type dance apparel do you purchase most? (leotard, unitard, shorts, sport tanks, long-sleeved, short-sleeved, tank, thin strapped, high back, scoop back, etc.) Warm-ups?(yes/no) Ballet Skirts (yes/no)

For Ballet _____

For Tap _____

For Jazz _____

Where do you currently get most of your dance or skate wear and shoes?

Please tell us about some of your past frustrations with other dance retail stores? (i.e., unfriendly personnel, inconvenient hours, didn't carry your size, didn't have what you wanted, etc.)

Name: _____

CHECKLIST OF RESOURCES NEEDED TO DO BUSINESS

The material resources needed to conduct business include the following.

A large mirror and dance bar for the stage.

Carpeting for the remainder of the building

Shelving

Racks, circular, free standing, and hanging

Metal storage racks for warehouse

Benches for trying on shoes—available

Tables, cabinets—available

Hangers: shirt and clip

Bags and tissue

Cash register, paper tape, ribbon, etc.

Credit card forms and machines

Typewriter and tapes-available

Office supplies: tape, push pins, straight pins, scissors, rubber bands, pens, pencils, markers, note pads, ruler, tape measure

Letterhead, white bond, envelopes, business cards, post cards

Postage

Telephone

Burglar alarm system

Inventory software

Iron, ironing board, steamer-available

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Building cleaning supplies: vacuum, duster, toilet cleaner, furniture polish, toilet cleaning brush, sponges, window cleaner, push broom, shovel.

Paper towels and toilet paper, Kleenex, paper plates, plasticware, paper cups

Coffee maker, filters and coffee.

BUILDING/FIXTURE SOURCES

Following companies will be contacted for materials:

Store Fixtures—New

The Fixture Co. — Detroit

Marlow, Inc. — Westland

Millworks — Wixom

Blackville & Assoc.—Southfield

Alpine Fixtures — Plymouth

Store Fixtures-Used

Alpine Fixtures - Plymouth

Retail Again — Warren

Madison, Inc. — Madison Heights

Shelving

ABC Shelves - Detroit

Lenox, Inc. — Troy

Rack Supply Shop — Walled Lake

Mirrors

Glassworks - Livonia

Carpeting

Carpets-R-Us - Detroit

Signs

Sign On — Farmington Hills

Sign World — Livonia

National Signs — Livonia

Cash Register & Supplies

Register Supplies Company — Redford

Ohio Register Corp. — Monroe



Credit card machine comes from bank. Quoted:

\$569 — Basic cash register with receipt, breakdown of depts, figures change

\$4000 - Cash register with scanner for credit cards

Bags—Paper

Almond Bag Warehouse — Garden City

Recycled Papers, Inc. — Auburn Hills

Paper Distributors — Farmington

6½×9½ – 1000@\$13.05

8½× 11 – 1000@\$19.35

10 × 13–1000@\$24.75

15 × 18–1000@\$47.75

17×4×24–500@\$44.20

Total=\$149.10

Bags—Plastic

Waterford Bags — Waterford

Rayman Plastics — Sterling Hgts.

FINANCIAL PROJECTIONS

Opening Sources and Uses

Uses	Projected
Inventory	\$23,060
Prepaid Expenses	
One Year Rent	\$11,761
Employee (8 months)	3,617
Telephone (8 months)	300
Utility Expenses (8 months)	1,700
Security (8 months)	340
Yellow Pages (8 months)	462
Miscellaneous (8 months)	800

Uses	Projected
Inventory	\$23,060
Prepaid Expenses	
One Year Rent	\$11,761
Employee (8 months)	3,617
Telephone (8 months)	300
Utility Expenses (8 months)	1,700
Security (8 months)	340
Yellow Pages (8 months)	462
Miscellaneous (8 months)	800



One Time Start-Up Costs	
Cash Register	\$650
Sign	1,000
Credit Card Machine	400
Fixtures	1,000
Four Mirrors	510
Carpeting	2,800
Benches	100
Accounting Software	100
Logo Design	100
One Year Supply of Bags	150
Telephone	100
One Time Advertising	500
Hangers	100
Construction	0
Business Insurance	450
Total Prepaid and One Time	
Start-up Expenses	\$26,940
Total Uses of Cash	50,000
Sources of Cash	
Partners	50,000

One Time Start-Up Costs

Cash Register	\$650
Sign	1,000
Credit Card Machine	400
Fixtures	1,000
Four Mirrors	510
Carpeting	2,800
Benches	100
Accounting Software	100
Logo Design	100
One Year Supply of Bags	150
Telephone	100
One Time Advertising	500
Hangers	100
Construction	0
Business Insurance	450
Total Prepaid and One Time	
Start-up Expenses	26,940
Total Uses of Cash	50,000
Sources of Cash	
Partners	50,000



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Sales:													
Pointe Shoes	0	0	958	958	958	958	958	958	958	958	958	958	9580
Slippers	0	0	3410	3410	3410	3410	3410	3410	3410	3410	3410	3410	34104
Leotards	0	0	3979	3979	3979	3979	3979	3979	3979	3979	3979	3979	39788
Tap Shoes	0	0	550	550	550	550	550	550	550	550	550	550	5502
Jazz Shoes	0	0	1111	1111	1111	1111	1111	1111	1111	1111	1111	1111	11107
Tights	0	0	2984	2984	2984	2984	2984	2984	2984	2984	2984	2984	29841
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Sales	0	0	12992	12992	12992	12992	12992	12992	12992	12992	12992	12992	129921
Less: Credit Card Service Charge (5% of 50% of sales)	0	0	-325	-325	-325	-325	-325	-325	-325	-325	-325	-325	-3248
Less: 1st & 2nd Month Discounts (10% Discount)	0	0	-1299	-1299	0	0	0	0	0	0	0	0	-2598
Net Sales	0	0	12667	12667	12667	12667	12667	12667	12667	12667	12667	12667	126673
Cost of Goods Sold (50%):													
Pointe Shoes	0	0	479	479	479	479	479	479	479	479	479	479	4790
Slippers	0	0	1705	1705	1705	1705	1705	1705	1705	1705	1705	1705	17052
Leotards	0	0	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	19894
Tap Shoes	0	0	275	275	275	275	275	275	275	275	275	275	2751
Jazz Shoes	0	0	555	555	555	555	555	555	555	555	555	555	5553
Tights	0	0	1492	1492	1492	1492	1492	1492	1492	1492	1492	1492	14920
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost of Good Sold	0	0	6496	6496	6496	6496	6496	6496	6496	6496	6496	6496	64961
Gross Margin	0	0	6496	6496	6496	6496	6496	6496	6496	6496	6496	6496	64961
Less Costs:													
•Base Rent (1,200 SQF @ \$11.50/SQF + \$2/SQF CAM)													

Breakeven Projected Operations

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Sales:													
Pointe Shoes	0	0	958	958	958	958	958	958	958	958	958	958	9580
Slippers	0	0	3410	3410	3410	3410	3410	3410	3410	3410	3410	3410	34104
Leotards	0	0	3979	3979	3979	3979	3979	3979	3979	3979	3979	3979	39788
Tap Shoes	0	0	550	550	550	550	550	550	550	550	550	550	5502
Jazz Shoes	0	0	1111	1111	1111	1111	1111	1111	1111	1111	1111	1111	11107
Tights	0	0	2984	2984	2984	2984	2984	2984	2984	2984	2984	2984	29841
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Sales	0	0	12992	12992	12992	12992	12992	12992	12992	12992	12992	12992	129921
Less: Credit Card Service Charge (5% of 50% of sales)	0	0	-325	-325	-325	-325	-325	-325	-325	-325	-325	-325	-3248
Less: 1st & 2nd Month Discounts (10% Discount)	0	0	-1299	-1299	0	0	0	0	0	0	0	0	-2598
Net Sales	0	0	12667	12667	12667	12667	12667	12667	12667	12667	12667	12667	126673
Cost of Goods Sold (50%):													
Pointe Shoes	0	0	479	479	479	479	479	479	479	479	479	479	4790
Slippers	0	0	1705	1705	1705	1705	1705	1705	1705	1705	1705	1705	17052
Leotards	0	0	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	19894
Tap Shoes	0	0	275	275	275	275	275	275	275	275	275	275	2751
Jazz Shoes	0	0	555	555	555	555	555	555	555	555	555	555	5553
Tights	0	0	1492	1492	1492	1492	1492	1492	1492	1492	1492	1492	14920
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cost of Good Sold	0	0	6496	6496	6496	6496	6496	6496	6496	6496	6496	6496	64961
Gross Margin	0	0	6496	6496	6496	6496	6496	6496	6496	6496	6496	6496	64961
Less Costs:													



Breakeven Projected Operations

*Base Rent (1,200 SQF @ \$11.50/SQF + \$2/SQF CAM)

	1350	0	0	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350
*Part Time Employee	0	0	646	646	646	646	646	646	646	646	646	646	6460
*Telephone	0	0	50	50	50	50	50	50	50	50	50	50	500
*Utilities	100	100	250	250	250	250	250	250	250	250	250	200	2650
*Security	200	20	20	20	20	20	20	20	20	20	20	20	420
*Advertising (Yellow Pages)	0	0	77	77	77	77	77	77	77	77	77	77	770
*Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1200
Shipping(H)	0	0	98	98	98	98	98	98	98	98	98	98	984
Manager Salary	0	0	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	20000
Social Security Withholding	0	0	153	153	153	153	153	153	153	153	153	153	1530
Sales Tax (6% of Sales)	0	0	780	780	780	780	780	780	780	780	780	780	7795
Start-up Costs(I)	7960	0	0	0	0	0	0	0	0	0	0	0	7960
Total Operating Expenses	9710	220	4174	5524	5524	5524	5524	5524	5524	5524	5524	5574	63,769
Pretax Income	-9710	-220	2322	972	972	972	972	972	972	972	972	1022	1191

(H) Assumes \$8.20 to ship a 25 lb box from NYC to Detroit - Shipment received every other day

(I) Includes all items noted as one time start-up costs on sources and uses page

*Accounts which have been prepaid

	1350	0	0	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	13500
*Part Time Employee	0	0	646	646	646	646	646	646	646	646	646	646	646	6460
*Telephone	0	0	50	50	50	50	50	50	50	50	50	50	50	500
*Utilities	100	100	250	250	250	250	250	250	250	250	250	250	200	2650
*Security	200	20	20	20	20	20	20	20	20	20	20	20	20	420
*Advertising (Yellow Pages)	0	0	77	77	77	77	77	77	77	77	77	77	77	770
*Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	100	1200
Shipping(H)	0	0	98	98	98	98	98	98	98	98	98	98	98	984
Manager Salary	0	0	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	20000
Social Security Withholding	0	0	153	153	153	153	153	153	153	153	153	153	153	1530
Sales Tax (6% of Sales)	0	0	780	780	780	780	780	780	780	780	780	780	780	7795
Start-up Costs(I)	7960	0	0	0	0	0	0	0	0	0	0	0	0	7960
Total Operating Expenses	9710	220	4174	5524	5524	5524	5524	5524	5524	5524	5524	5524	5574	63,769
Pretax Income	-9710	-220	2322	972	972	972	972	972	972	972	972	972	1022	1191