



Retail & Commercial Design Firm

BUSINESS PLAN

FUTURE DESIGNS

*5835 West Big Beaver Rd., Ste. 100
Troy, MI 48043*

Future Designs business plan provides a good example of an entrepreneur who through networking, has set up a solid foundation for a new business.

- BIOGRAPHY OF OWNER
- BUSINESS OPERATIONS OVERVIEW
- THE SERVICES NETWORK
- SPECIAL AFFILIATIONS
- CONFIRMED BUSINESS COMMITMENTS
- PROJECTED BUSINESS
- PROJECTED START-UP EXPENSES
- PROJECTED MONTHLY EXPENSES
- SUMMARY OF PROJECTIONS

BIOGRAPHY OF OWNER

Aveteran of the retail chain store design and manufacturing industry, John Hines spent fourteen years with Retail Ideas Cooperation, a Detroit, Michigan-based retail store design and decor firm whose specialty is the food and drug industry.

Mr. Hines began as a designer and detailer in 1980, and in those years advanced to become one of the company's more prominent account representatives and company manager. He was responsible for the sales and service of the most closely guarded accounts such as the Charleston, South Carolina-based, 582 store Bonner's supermarket chain, and Calvin Drugs-the Ohio-based 90 unit drug store chain. In addition to these two primary clients, Hines was, through the years heavily involved in the design and day-to-day coordination efforts for several other chains such as Sal's Food & Drug Centers, Denver, Colorado; T&K Food Markets, Chicago, Illinois and Arnold Simons in Georgia.

He also functioned as the inside sales contact and handled a variety of special services for the company. Due to his frequent interactions with top level supermarket executives, he had at times escorted entire groups of executives on retail store tours in metropolitan areas such as Atlanta, Georgia. The chains which participated most recently in this type of tour were Black Hatter Stores of Cleveland, Ohio and AJ Food Centers of Milwaukee, Wisconsin.



In addition to his role as an account representative, he also held positions as Corporate Accounts Manager and Public Relations Director.

Born in Kalamazoo, Michigan, Mr. Hines is a graduate of the University of Detroit Mercy in Detroit, Michigan. There he earned a Bachelor of Arts degree, majoring in art with concentration in contract interior design. During the time of his formal education he was employed for four years with Tollman Designs, a commercial and residential interior design firm in Dearborn, Michigan. In addition, John was an active affiliate member of ASID, the American Society of Interior Designers.

Mr. Hines, 35, is a resident of Bloomfield Hills, Michigan and is a supporter of selected organizations such as the Detroit Arts Gallery and the National Council for Historic Preservation.

BUSINESS OPERATIONS OVERVIEW

Future Designs (hereafter Future) will provide a full range of retail and commercial design services and manufactured component products. Marketing will be primarily towards, but not limited to, the retail industry. Interior architecture and design, fixture/millwork design and fabrication, store decor design and fabrication along with installation, consulting and management services comprise the professional services of Future Designs.

The operations concept is for Future to accomplish all services through an assembled network of established professional sources. These sources will consist of designers, design development detailers, manufacturers plus material and component suppliers. The sources are both local and out of state. The marketing direction positions Future as the provider of all of the services. It is not the intention to promote or position the company as a network, contractor or outsourcing entity.

Relative to projects requiring manufactured components or product, Future will have a central office, manufacturing and shipping location. A location is being secured in Troy, Michigan. All components would be routed to this location, repackaged if required, labeled with Future identification and then shipped to its destination from the aforementioned, tentative Troy, Michigan location.

The initial targeted client base will be cultivated from the area of the retail food sector on a national basis (e.g. supermarket chains). Opportunities are also present in the area of specialty food service (e.g. foods-to-go operations), both nationally and local to the tri-county metropolitan Detroit area. Beyond this initial client base and the services required by this sector, Future will also be active in cultivating business from a broader range of retail. This could include virtually any retail operation such as hardlines, softgoods (apparel) and consumer electronics or any other specialty. Expertise and current professional contacts will also allow for services to be marketed towards other areas such as commercial office, hospitality and restaurant projects.

The company will be owned and directed by Mr. John Hines, drawing on the knowledge, experience and contacts developed through the past fourteen years in the retail chain store design and manufacturing industry.

A biography on Mr. Hines is included in this business plan for review.

THE SERVICES NETWORK

The following companies represent the primary network of support services, for accomplishing the scope of professional services by Future Designs.



Decor Fabrication

Design Concepts, Inc.
11500 Conley Ave.
Auburn Hills, MI 48082
Mr. Allen Ronn, President

Sally's Design Group
11329 Elmira Ave.
Detroit, MI 48228
Mr. Steve Spence, Representative

Noticeable Signs
41222 7 Mile Rd.
Livonia, MI
Mr. Collin Jenkins, Owner

Images, Inc.
5800 Halsted
Livonia, MI

Fixtures/Millwork Fabrication & Installation

Gallant Interiors, Inc.
5835 W. Big Beaver Rd., Ste. 102
Troy, MI
Ms. Andrea Scully, President

South Furnishings
550 W. Reynold St.
Atlanta, GA
Mr. John Southeby, President

Interior Design

Conwell Designing, Inc.
500 Northern Main
Royal Oak, MI 48073
Mr. Henry Conwell, Chairman
Mr. Gene Gloucester, President

Neon Fabrication & Installation

Glowing Signage
4853 W. 12 Mile
Novi, MI
Mr. Chris Donnell

Barnell Neon Signs, Inc.
4100 City Drive
Atlanta, GA
Mr. William Booster, Representative



Awning Fabrication & Installation

Awnings-R-Us
5755 Cole Park
Cameron, NC
Mr. Scott Paster, Representative

Additional Installation Resources

Mr. Ray Dullivan
830 Courtyard Dr.
Nashville, TN

Hickman Construction Co.
48620 Pelham Dr.
Nashville, TN
Mr. Edward Hemmings, President

SPECIAL AFFILIATIONS

Tollman Designs

In conjunction with Future, Tollman Designs will be an exclusive provider of design and presentation services. Future will have full access to Tollman's resource library.

Future will be an exclusive marketer of, and a fifty percent partner in the development of a custom designed and manufactured line of furniture. The first line to be introduced will be a series of coffee tables. An investment of \$350.00 is required from each partner in order to complete the first (6) prototype units. The retail selling price of each table is in the range of \$900.00 to \$1200.00. Future will be offering first exclusive showroom rights to the Lasting Furnishings company in Birmingham, Michigan. Lasting is a subsidiary company of Gallant Interiors, Inc., Southfield where Future's offices will be located. Negotiations for this agreement with Lasting are not yet complete.

Gallant Interiors

Future Designs will locate its offices in the same commercial building as Gallant-5835 W. Big Beaver Rd., Troy, MI.

An agreement has been reached to allow Future to publicly affiliate itself with Gallant for the purpose of establishing and maintaining a professional association and greater credibility.

An agreement is pending, in exchange for the above agreement, whereas Future will be offering to grant Gallant the opportunity to affiliate itself with Future in two ways:

- Future will provide, on an unlimited basis within reason, design consultation for Gallant or Lasting for any professional input on any project.
- Gallant/Lasting would be able to publicly affiliate itself with Future, promoting their association with not only the firm of Future, but also with the association of the owner who is a fourteen year veteran of the retail chain store design, decor and manufacturing industry and who is well-connected in the retail circles.

Additionally, Gallant will have whatever level of opportunity they desire in the manufacture of products required by Future.



South Furnishings

Future will become a primary recipient of referrals from this national fixture design and manufacturing company whose niche market is in the retail food industry.

South is likely to transfer its present decor needs from its current source to Future, dependent on the ability of Future to be competitive in the necessary areas.

Future may have consulting opportunities with South on a billable basis, of a significant capacity.

Future's owner, John Hines and John Southeby, President of South, have had a professional association for ten years, both servicing the 582 store Bonner's supermarket chain in Charleston, South Carolina.

CONFIRMED BUSINESS COMMITMENTS

Common Foodcenters, Inc.
 825 American Pkwy.
 Nashville, TN
 (423)827-9725 Phone
 423)827-9726Fax
 Mr. Bill Warren, President

General Information

- Verbal commitment has been made to contract Future for all design and decor requirements for a soon to be constructed 18,000 square-foot supermarket in suburban Nashville, Tennessee.
- A meeting with the client is confirmed for mid-August 1996. At this time, the plans and schedules for this store will be available. Work on the project can begin soon thereafter.

Projections

Project Timing & Fees

| | | |
|---|--|------------------|
| End August 1996 | Invoice for deposit on design fee | 2,700.00 |
| End September | Invoice balance of design fee | 5,300.00 |
| Mid-November | Invoice for construction documents & shop drawings | 6,000.00 |
| End January 1997 | Invoice for decor products | 25,000.00 |
| Estimated Total revenue generated by project | | 39,000.00 |

- Figures are subject to re-evaluation upon full scope and requirements being more clearly defined in mid-August.
- Above figures reflect mark-ups to outside services.
- Estimating that 31,000.00 is paid to outside services.

Estimated Gross Profit on Project **8,000.00**

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PROJECTED BUSINESS

Bonner's, Inc.
350 Lakeland Drive
Charleston, SC 58212

General Projection

- Resulting from an upcoming mid-July 1996 meeting, Future projects 3,000.00 to 5,000.00 per month in billings for the first six month period.

Calvin Drugs, Inc.
59400N. Coswell Rd.
Cleveland, OH 48227

General Projection

- Opportunities to bid on fixture and millwork components is possible. Likelihood of gaining decor business is slight.
- Revenue projections are not possible to estimate at this time.

South Furnishings
550 W. Reynolds St.
Atlanta, GA

General Projection

- Customer is likely to transfer decor requirements for its client, Black Hatter Drug Stores, to Future.
- Gaining this contract will be based on competitive bid.
- Usually awarded in ten (10) stores packages, at approximately 7,000.00 per store. Value of contract would be approximately 70,000.00.
- A meeting in Birmingham, Alabama is scheduled for mid-July, 1996.

PROJECTED START-UP EXPENSES

| | |
|---|-----------------|
| Articles of Incorporation | 100.00 |
| Printing and Stationery/cards | 400.00 |
| Commercial Bank/Checks Printed | 350.00 |
| Phone lines/Equipment | 800.00 |
| Answering Machine | 100.00 |
| Fax Machine | 300.00 |
| General Office Supplies | 200.00 |
| Trip to Birmingham, Alabama in Mid-July (Rental car & meals expense only) | 200.00 |
| Trip to Knoxville, Tennessee in Mid-August (Misc. expense only) | 100.00 |
| Total | 2,550.00 |

Notes: Trips listed will be traveled via redemption of frequent flier mileage. No Airfare costs.

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| Total | 2,550.00 |

PROJECTED MONTHLY EXPENSES

| | |
|----------------|-----------------|
| Office Lease | 400.00 |
| Phone Service | 200.00 |
| Pager Service | 10.00 |
| Postage | 40.00 |
| Misc. Office | 50.00 |
| Owner's Salary | 3,440.00 |
| Total | 4,140.00 |

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| Total | 4,140.00 |

Notes:

- Insurance requirements not known at this time.
- Based on 1 two-day trip per month, for the first two months; beginning in September, monthly travel allocations could be approximately as follows:

| | |
|----------------------------|-----------------|
| Airfare | 500.00 |
| Hotel | 70.00 |
| Car (and Gasoline) | 100.00 |
| Meals | 50.00 |
| Total | 720.00 |
| Plus Additional Projection | 3,440.00 |
| Total | 4,860.00 |

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| Hotel | 70.00 |
| Car (and Gasoline) | 100.00 |
| Meals | 50.00 |
| Total | 720.00 |
| Plus Additional Projection | 4,140.00 |
| Total | 4,860.00 |



SUMMARY OF PROJECTIONS

| | Design | Documents | Product | Consult | Total Inv. Billings | Total Paid Out | Total Profit |
|---------------|--------------|--------------|---------------|---------------|------------------------|-------------------|-----------------|
| Aug. 96 | 2,700 | | | | 2,700 | 1,700 | 1,000 |
| Sept. 96 | 5,300 | | | 3,000 | 8,300 | 4,300 | 4,000 |
| Oct. 96 | | | | 3,000 | 3,000 | | 3,000 |
| Nov. 96 | | 6,000 | 3,000 | 3,000 | 12,000 | 7,300 | 4,700 |
| Dec. 96 | | | 3,000 | 3,000 | 6,000 | 2,300 | 3,700 |
| Jan. 97 | | | 25,000 | 3,000 | 28,000 | 21,000 | 7,000 |
| Totals | 8,000 | 6,000 | 31,000 | 15,000 | 60,000 | 36,600 | 23,400 |

| Design | Documents | Product | Consult | Total Inv. Billings | Total Paid Out | Total Profit |
|--------|-----------|---------|---------|------------------------|-------------------|-----------------|
|--------|-----------|---------|---------|------------------------|-------------------|-----------------|

Notes:

- Total profits shown do not reflect monthly operating expenses.
- Estimated monthly operating expenses (not including travel related expenses), are approximately 3,940.

| | | | | | | | |
|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Aug. 96 | 2,700 | | | | 2,700 | 1,700 | 1,000 |
| Sept. 96 | 5,300 | | | 3,000 | 8,300 | 4,300 | 4,000 |
| Oct. 96 | | | | 3,000 | 3,000 | | 3,000 |
| Nov. 96 | | 6,000 | 3,000 | 3,000 | 12,000 | 7,300 | 4,700 |
| Dec. 96 | | | 3,000 | 3,000 | 6,000 | 2,300 | 3,700 |
| Jan. 97 | | | 25,000 | 3,000 | 28,000 | 21,000 | 7,000 |
| Totals | 8,000 | 6,000 | 31,000 | 15,000 | 60,000 | 36,600 | 23,400 |