



Office Furniture Retailer

POWERLINE OF NORTHERN MINNESOTA

982 Delaney Circle

Johnsonville MN 77821

This business plan garnered it's owner the loan it requests. Should a business owner compile a business plan in advance of requesting a loan, it can help the loan process go more smoothly. This plan, in addition to its succinctness, has a very comprehensive consideration of the marketplace.

- STATEMENT OF PURPOSE
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STATEMENT OF PURPOSE

PowerLine of Northern Minnesota, dba of Habitat, Inc., is a PowerLine studio providing design services and a selection of PowerLine furniture and cabinetry in a showroom environment. Studio products and services focus on general business and health care markets in a territory north of Garnet including most of Minnesota's northern regions, based in Petoskey.

The company requires start up capital in the amount of \$60,000, to be used for leasehold improvements, displays and accessories, inventory, office equipment, tools, forms, signage, opening costs and operating capital. Funding is needed for a projected opening of April 1995. Two months are necessary for ordering and set up of displays.

The operation of PowerLine of Northern Minnesota will result in a net profit sufficient to repay the loan and interest within five years. The loan can be secured with home equity funds in the amount of \$30,000 and retirement and stock funds of the principals.

EXECUTIVE SUMMARY

PowerLine of Northern Minnesota is a PowerLine Studio. The studio concept was developed in 1966 by Mitchell Camden and Associates, the manufacturers of PowerLine furniture and cabinetry. PowerLine studios are the distribution system for their product to the general business and health care markets. PowerLine of Northern Minnesota joins a network of 50 independently owned Studios located throughout the United States. .

The PowerLine of Northern Minnesota Studio provides design assistance and sales of Tachline components for furniture, cabinetry, office systems, seating and closet systems. The success of PowerLine of Northern Minnesota is in providing high quality, adaptable, moderately priced products paired with design expertise to customize each client's storage needs.

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



The PowerLine Studio's mix of products targets two market niches within the general business and health care markets. In the general business market, the focus is professional home offices and small businesses. PowerLine' provides attractive and functional office organization in a variety of sized components for maximum space utilization at a lower cost than traditional steel office furniture.

In the health care market, the niche is medical office buildings and outpatient facilities. PowerLine fills this market's need for specialty, modular, medical cabinetry that is code approved and can be installed and rearranged as required in this rapidly growing industry.

Additionally, PowerLine of Northern Minnesota provides multipurpose storage components for residential home entertainment systems, home office and closets.

PowerLine products are purchased factory direct and are shipped RTA (ready to assemble) or preassembled. The Studio maintains a protected sales territory and is assisted by extensive factory supported training, product updates, dealer networking and factory representative visits.

To complete the office design, PowerLine of Northern Minnesota sells seating products, decorative accessories, lighting and desk storage accessories.

MARKET ANALYSIS

Northern Minnesota communities are peopled with small business owners and professionals. The greater Petoskey area, drawing from Landry, Caledonia and Holiday counties, is experiencing population growth and is becoming a destination point for consumers of goods and services.

These two facts define the market focus for one product group of PowerLine of Northern Minnesota, Small office/Home office. This potential market numbers over 1200 in the surrounding area; physicians, dentists, accountants, attorneys, building contractors, insurance and real estate agents, allied medical professionals, college and local government officials, and home business owners are PowerLine customers.

These business people require an uncomplicated system for organization of the reception area; work stations with computer equipment, phone, fax and filing; conference areas; manager's office; employee lounges. Priorities for the small business are adaptability for changing needs, reasonable cost and enduring style and colors. PowerLine fulfills each of these requirements.

Another concern of the small business person is limited time to plan or make changes in an inadequate office or workspace. Doing the daily business takes precedence over how an office functions or what it looks like. Providing the service of analysis of storage needs, formulation of a workable plan, and the implementation of the design into the workplace, PowerLine of Northern Minnesota takes the time to personalize a business' storage needs. Assistance with installation, decorating and accessorizing completes the project.

The PowerLine of Northern Minnesota professional will coordinate with the business' vendors of phone and business equipment to minimize disruption in the workplace and assure a smooth transition into the new office environment.

Because of the uniformity of sizes and consistency of colors of the PowerLine products, as the business grows or relocates, their office fixtures can be moved, rearranged and added to. Repeat business becomes a reliable barometer for success.

The most effective way to interact with the small business market is a face to face meeting. An introductory mailing to the 1200 professionals of a PowerLine color postcard targeted to the individual's type of business, will be followed up with a visit to the workplace by way of introduction. This personal expression is more welcome than a ringing telephone. At that time, a future appointment is made at the business person's convenience.

PowerLine of Northern Minnesota has the territory to service small business from north of Garnet to the Minnesota border, and will market regionally to raise market awareness and market specifically to the greater



Petoskey area.

Business owners surveyed feel there is a void of product between the traditional, costly, steel office furniture and inexpensive, poor quality and selection, discount brand furniture. Local sources for the former, office supply stores, include Caledonia Office Supply, Franklin Office Supply, and Minnesota Officeways. They present themselves as purveyors of high end office furnishings-such as Steelcase, Herman Miller, Kimball, Haworth, and Knoll. While brand awareness is important, product suitability for the small business needs is overlooked.

Some of the above mentioned sources do offer some lower priced alternatives, as do some furniture stores and mail order companies. A computer stand, a desk or a file cabinet purchased by itself is a start. The frustration occurs as a business needs an adjoining printer stand, another desk, or expansion of filing and storage systems. Are other pieces available to match that initial purchase? Was the original piece suggested with future needs in mind? Was help offered in planning for eventual storage and growth needs? The total office concept is addressed and provided for with PowerLine of Northern Minnesota's products and services.

PowerLine is a highly versatile, quality casework system. No other manufacturer can meet PowerLine's range of products at an affordable cost. PowerLine of Northern Minnesota's competitive advantage is its expertise to assist the client in the design of the cabinetry and then deliver and install a quality product in a short time frame, approximately four weeks.

PowerLine of Northern Minnesota's other market focus is health care. Petoskey, with its' Northern Minnesota Hospital, Benson Clinic, and TotalHealth Group subsidiaries, is a natural hub for health care services in this region. By the year 2000, health care is predicted to be 20% of the country's GNP. The trend toward ambulatory centers and outpatient services necessitates new building and remodeling of older ambulatory centers, physician's clinics, and group practice clinics. The Benson Clinic is expecting to expand its' physician staff to 140 in the coming year.

In the health care market, PowerLine is a well-known name. Mitchell Camden and Associates, the manufacturers of PowerLine, is an architectural firm specializing in the design and construction of medical facilities. PowerLine furniture and cabinetry is designed and manufactured to the exacting specifications of the health care industry and is used in all Mitchell Camden buildings. In the northern Minnesota area, Camden facilities in 21 locations. These facilities serve as a base of customers for additional PowerLine purchases.

There is tremendous pressure to hold down costs in the health care market. This fast growing industry is constantly adapting to convert existing spaces to better uses and to construct satellite facilities to make health care more accessible, especially in the rural areas of northern Minnesota. PowerLine medical cabinetry utilizes a modular design that permits the product to be mass produced at a lower cost. This also allows for health care users to reconfigure and reuse cabinets as needs change. Over the long term, the cost of cabinets is lower because the life of the product is much longer.

The decision makers in the health care market list cost and quality as important factors. Past experiences with local cabinet shops have produced lower quality and guarantees that outlived the cabinet business. Cabinetry manufacturers typically produce for residential uses that do not address the demands of the health care user. The only local cabinet maker that is capable of providing an acceptable quality and cost is Jordan Design. They are a business that has grown with the area and has reached the deciding point; further growth and a compromise of quality and service, or maintain its, market along with its' service to satisfy existing customers. Their focus is divided between kitchen design and commercial applications.

The health care market is reached by direct contact to architects, administrators, purchasing agents, general contractors, developers, and designers. The showroom is used as a tool to visually show and explain the product. PowerLine of Northern Minnesota's competitive advantage in this market is the expertise to assist the client in the design of the cabinetry and then deliver and install a quality product in a short time frame.

Letters of introduction as this area's distributor of PowerLine cabinetry will go to existing facilities that are using PowerLine and color postcards to potential customers will be a visual introduction to the product. Follow



up phone calls will determine if the information has gotten to the appropriate decision maker and appointments will be made.

Marketing of the PowerLine of Northern Minnesota Studio is crucial in establishing brand recognition and community visibility. Target marketing to the two market niches, general business and health care, will focus on direct mailing of specialized color post cards featuring the aspect of PowerLine most suitable to the targeted customer's needs. Visits to these businesses will position PowerLine of Northern Minnesota as being there for the customer, when they are ready to purchase.

Being an active participant in the community is key to a successful marketing plan. PowerLine of Northern Minnesota will be a member of the Chamber of Commerce and involved in community functions. Business after Hours, Business Expo and Studio Open Houses will acquaint potential customers with products and services.

Local newspaper publications will feature a press release upon opening and subsequent Studio seminars or newsworthy media events will be covered. Newspaper advertising will supplement direct mailings and announce special events or sales. Special interest publications put out by the newspaper, such as business or health related tabs, would be appropriate for advertising as well as features written by Colleen Jackson, an often quoted source for cabinetry and design articles.

Cross merchandising with other related business merchants will produce additional exposure for both. PowerLine computer furniture can be displayed at a business selling computer hardware or office equipment. Electronics can be shown in a home entertainment setting.

A data base of all PowerLine of Northern Minnesota customers will be maintained for mailings of product updates, special events and a newsletter of storage related information and trends. Mailings to new residents via Welcome Wagon lists will reach prospects for business or home office PowerLine users. A complementary letter opener with PowerLine of Northern Minnesota logo, can be distributed in the Welcome Wagon packet provided to newcomers.

Yellow Pages advertising under headings of cabinetry and office furniture will provide an introduction to PowerLine of Northern Minnesota's products and services. Public radio underwriting will reach a discerning population likely to appreciate the style, value and service of PowerLine of Northern Minnesota.

Business cards, stationery, presentation folders, signage and advertising will all feature the PowerLine style of printing and layout that signifies genuine PowerLine product. The mobility of the population means that more people coming into the area will have heard of or own PowerLine products. Familiarity with the product and satisfaction with both product and service will help to establish and grow PowerLine of Northern Minnesota. Studios report that after their second year, one-half of all sales are from previous customers.

MANAGEMENT

PowerLine of Northern Minnesota is incorporated as Habitat, Inc., and is headed by Colleen Jackson, president; Bill Jackson, vice president; Judy Farmer, secretary/treasurer.

PowerLine of Northern Minnesota is a PowerLine Studio providing traditional design services along with a selection of PowerLine furniture and cabinetry in a showroom environment. The Studio is approved by Mitchell Camden and Associates to market and sell PowerLine products in an exclusive territory north of Garnet to the northern border. PowerLine furniture is sold on a non-exclusive basis.

The Studio's market niches are general business and health care markets, providing exceptional quality furniture and cabinetry and design expertise to answer the organization and storage needs of its clients. Qualified to head the PowerLine of Northern Minnesota Studio is Colleen Jackson.

Colleen has, for the last ten years, managed Greenwich Kitchen & Bath in Petoskey. Beginning the Design Department inside Kelly Danforth Building Center, she established the design standards, product lines, displays



and staffing requirements. Through her direction, Greenwich has evolved from a 600 square foot, sub-department with \$35,000 in sales, to a 3000 square foot, freestanding showroom with sales of \$1.8 million. From a single designer operation, Colleen now designs and oversees a staff of four designers, two assistants, an office manager and delivery person.

Design and sales of cabinetry for residential and business applications has provided Colleen with the expertise to successfully market the PowerLine products. She is well known in the Petoskey area with business people, designers, builders, trades people and health care professionals. The local newspaper has interviewed her on several occasions as an expert on design trends.

Further, Colleen's degree and background is in Interior Design, having been on the design staff Johnson Interiors in Petoskey, Kerry's in East Lansing, and Randall's Furniture in Lansing.

Customer service was the focus of Colleen's career as a service representative for American Power and Light. Listening skills and organizational habits were emphasized during these four years.

Colleen has continually expanded her knowledge and skills through courses including Dale Carnegie Leadership and Sales Training, Health Focus Facilities Design Seminar, Inc. World7 Business Conference, Chicago Merchandise Mart Design-Conferences, computer training classes, CAD (computer aided design) training, and stays informed of market trends and product developments through numerous trade publications.

Colleen Jackson will provide the design, marketing and management. for PowerLine of Northern Minnesota. She will oversee the day to day functioning of the business and make sales calls to clients.

Assisting in the Studio showroom will be Judy Farmer. She is responsible for greeting customers in the showroom, answering phone inquiries, setting up appointments, management of the database, correspondence, scheduling shipments and deliveries, and providing customer service to clients. Judy's background is in department management of Sanderling's Bakery where she was responsible for the daily production and staff management. She also has training in clerical and customer relations procedures.

Bill Jackson will provide warehouse, assembly and installation services on a part time basis. He is skilled in all facets of PowerLine construction and is experienced in cabinet installation and construction. Bill has worked with customers for twenty years as an installation and service technician for American Power and Light. He is very competent in customer service and will provide clients with a positive last impression upon completion of the installation.

As business needs require, additional warehouse, installation and sales people will be added. Subcontractors will be used on a temporary basis to supplement larger installations.

Custom countertop fabrications will be done by an independent top shop. Appropriate specialists will be called upon as client needs or installations warrant. Moving and delivery personnel may be hired as needed.

Accounting will be handled by a CPA. Daily bookkeeping functions will be done in the Studio by Judy Farmer.