

Hearts N' Roses

**STREET STYLE BRAND
BUSINESS PLAN 2019**

**GRACE NUNEKPEKU
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Grace Nunekpeku, Erik Tlamani, Hearts N' Roses
270 Lafayette Street NY 13084
212-239-2756

December 02, 2019

Mrs Nicole Baker, Harey's and Trust Bank
233 Highland Avenue NY 16932

Dear Mrs Nicole Baker,

Attached to this letter is a plan for our business, Hearts N' Roses. We are submitting our business plan to you in hopes of receiving a start- up loan of \$200,000. We have attentively considered the needs of our business and also taken into consideration why it would be a great investment for your bank.

New York City has no true street wear store that is environmentally friendly and we wanted to bring some of the eco-friendly appeal to our town. I, Grace Nunekpeku, and co-owner Erik Tlamani are two creative Fashion Marketing Major students who believe we can create unique, eco- friendly, profitable street wear garments. We have \$50,000 that we've saved to invest in our start up business. We believe that we can make a \$400,000 profit by the end of the year 2021 once our doors become open to the public by January 2020.

Thank you for your interest and consideration. We understand your time and value. If you wish to discuss our business plan with us in person, we are available to arrange an appointment. Thank you once again.

Sincerely,

(signature)
Grace Nunekpeku

(signature)
Erik Tlamani



EXECUTIVE SUMMARY

HEARTS N' ROSES is a start-up company that is opening up by January 2020 with the core focus on saving the world one recyclable garment at a time. We believe that one step in the right direction can be the start of making the world a better world. With the fashion industry being one of the biggest polluting industries in the world, our company will make recyclable clothing out of natural fibers that are of high quality.

Our team goal is to get people involved in protecting our world by being eco-friendly. We are the future, and making the world a better place starts with us. HEARTS N' ROSES will be located in Soho 270 Lafayette Street NY 10014; a location that makes you feel like it is fashion week everyday in New York City. With our brand, and what we stand for, we are looking forward to spreading love all around the world.

Our clothes will be Unisex, mainly targeting 18-25 years old. We're focused on this target market because not only are they a group of consumers interested in street style but because they are the future adults that can help make a change.



MANAGEMENT TEAM

Assistant Manager: Provides leadership and direction to all employees, and ensures that the company's policies are followed. Motivates employees and ensures focus on the mission of HEARTS N' ROSES.

Store Manager: The responsibilities of a store manager is to maintain day-to-day tasks and help employees understand sales trends and everything in between.

Visual Merchandiser: Is responsible for making eye-catching floor displays; ensures that the best products in the store are highlighted in a strategic way, which helps attract more customers. The visual merchandiser is responsible for knowing the placements of garments, what garments go best with the other, and prompting sales and deals for our brand.

Customer Service Representative (CSR): CSR is responsible for answering all customer questions and making sure they have a great experience with our brand. CSR resolves customer's issues or concerns and ensures that the customer's experience is good.

Sales Associate: A sales associate should greet customers, respond to questions customers have, improve engagement with merchandise and provide outstanding customer service.



COMPANY BACKGROUND

Company name: HEARTS N' ROSES

Type of business structure: Partnership

Ownership/ management team: Grace Nunekpeku, Erik Tlamani

Location: 270 Lafayette Street NY 13084

Company history: This business idea came to mind late August 2019 in an Entrepreneurship class. What inspired us to start this business was that two Fashion Marketing students (Grace Nunekpeku and Erik Tlamani), realized that not only were they interested in Street Style Fashion but also in keeping our Earth as green as possible. We wanted to create a Fashion Brand that uses eco-friendly elements to make long-lasting yet affordable clothes.

Mission Statement: Our mission at Hearts N' Roses is making eco-friendly clothes with creativity, imagination and originality.

Products and target market: We plan to sell street style clothes (denim, knitwear, tops, and outerwear) to men and women ages 18- 25.

The Competition, and Market: Hearts N' Roses direct competitors are brick and mortar stores such as Supreme, Bape, and Palace.

Vision Statement: At Hearts N' Roses, we believe that sustainable eco friendly fashion should be available to everyone. Our Mission is to bring about a positive movement towards an eco-friendly fashion industry while being affordable.



FINANCIAL PLAN

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------|------------|------------|------------|------------|------------|
| <i>Income Statement</i> | | | | | |
| Net Sales | \$450,300 | \$680,900 | \$780,300 | \$810,200 | \$890,100 |
| Cost of goods sold | \$250,100 | \$250,600 | \$210,800 | \$220,900 | \$400,500 |
| Net Operating Income | \$200,200 | \$430,300 | \$569,500 | \$589,300 | \$489,600 |
| Operating expenses | \$30,400 | \$30,300 | \$20,200 | \$20,900 | \$30,500 |
| Net Income | \$169,800 | \$400,000 | \$549,300 | \$568,400 | \$459,100 |
| <i>Cash Flow Statement</i> | | | | | |
| Beginning balance | \$140,600 | \$130,300 | \$80,300 | \$80,900 | \$120,600 |
| Cash inflow | \$90,000 | \$90,600 | \$10,500 | \$10,600 | \$90,500 |
| Cash outflow | (\$10,300) | (\$70,400) | (\$60,900) | (\$70,900) | (\$10,400) |
| Ending Cash Balance | \$140,200 | \$150,600 | \$110,800 | \$101,900 | \$100,800 |
| <i>Balance Sheet</i> | | | | | |
| Cash | \$140,200 | \$150,600 | \$110,800 | \$110,900 | \$100,800 |
| Accounts receivable | \$180,500 | \$140,500 | \$200,700 | \$180,500 | \$220,900 |
| Inventory | \$70,400 | \$90,200 | \$80,600 | \$80,700 | \$120,200 |
| Prepaid expenses | \$60,700 | \$70,300 | \$30,700 | \$40,200 | \$30,000 |
| Total Current Assets | \$451,800 | \$451,600 | \$422,800 | \$412,300 | \$471,600 |
| Fixed assets | \$270,000 | \$290,500 | \$430,000 | \$420,000 | \$450,000 |
| Total Assets | \$721,800 | \$742,100 | \$852,800 | \$832,300 | \$921,600 |
| Accounts payable | \$60,400 | \$60,200 | \$90,800 | \$70,600 | \$80,200 |
| Short-term notes | \$50,600 | \$50,400 | \$40,500 | \$50,300 | \$70,600 |
| Accrued & other Liabilities | \$20,400 | \$20,400 | \$20,900 | \$30,000 | \$20,800 |
| Total Current Liabilities | \$131,400 | \$131,000 | \$152,200 | \$150,900 | \$171,600 |
| Long-term debt | \$220,100 | \$230,700 | \$220,200 | \$210,800 | \$220,400 |
| Other long-term liabilities | \$10,500 | \$10,700 | \$10,300 | \$9000 | \$10,800 |
| Total Long-term Liabilities | \$230,600 | \$241,400 | \$230,500 | \$219,800 | \$231,200 |



CAPITAL REQUIRED

| | |
|--|-----------|
| <i>Equipment</i> | \$1,765 |
| <i>Start up Cost and Deposits</i> | \$50,000 |
| <i>Renovation Cost</i> | \$5,000 |
| <i>Furnishings</i> | \$7,000 |
| <i>Insurance, legal, and permit fees</i> | \$3,000 |
| <i>Beginning inventory</i> | \$50,000 |
| <i>Working Capital</i> | \$8,000 |
| <i>Automobiles</i> | |
| <i>Advertising</i> | \$5,000 |
| <i>Travel Expenses</i> | |
| <i>Total</i> | \$129,765 |

Financial Resources

| | |
|----------------------------|----------|
| <i>Personal Investment</i> | \$50,000 |
| <i>Cash</i> | |
| <i>Total</i> | \$50,000 |

Proposed Loan

Amount: \$200,000

Length: 7 years

Terms: 10% for 2 years, monthly payment of \$1666.67

Total \$250,000



MARKETING PLAN

HEART'S N' ROSES marketing strategy is to target consumers who are into street style fashion. Our end goal is not only for our consumers to buy clothes from us but to understand the importance of buying affordable clothes that are also eco friendly.

Customers are welcome to visit our store and see what we're truly about before purchasing anything from us. Besides cash, we take all major credit cards and debit cards.

Promotions/ Advertisements:

As for promotions, we will use social media to our best advantage to promote our brand. The social media platforms we will use to advertise will be Instagram, Facebook, Twitter and Pintererst.

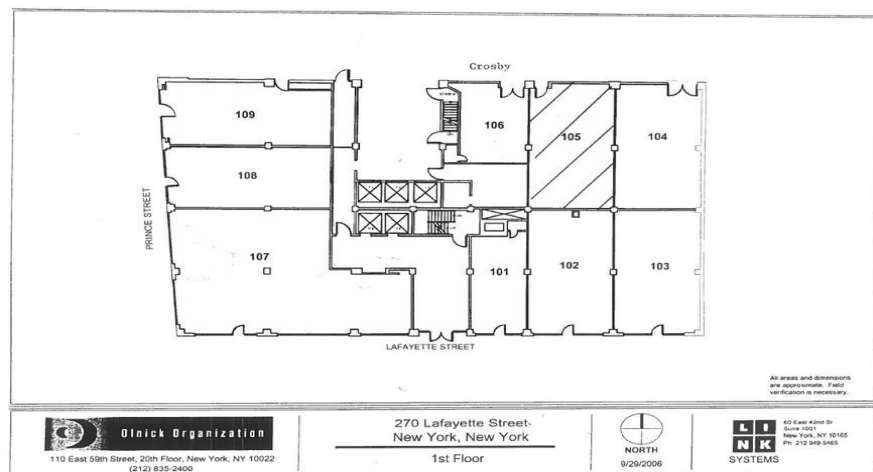
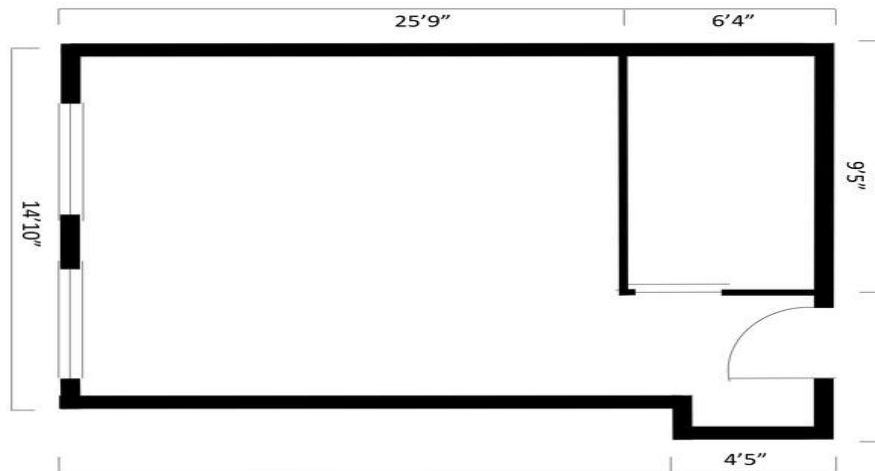


We also plan on using influencers to promote our brand, drive conversions and boost engagement. We will send our clothes to a community of influencers. This will help build an influencer network to promote our brand and reach a bigger consumer audience from various audience groups.



LOCATION ANALYSIS

HEARTS N' ROSES will be located at 270 Lafayette Street NY 13084. We are in the heart of New York City, where every day feels and looks like fashion week in the streets of soho, a location where our target market loves to shop. Every individual who loves streetwear comes to soho and this gives us a great opportunity to market to them.



Hearts N' Roses