

2015

# DRAFT BUSINESS PLAN FOR EXAMPLE COMPANY, INC.

## ONE TO THREE YEAR BUSINESS PROJECTIONS

A description of Company's proposed business plan along with market analysis, product descriptions, strengths and weaknesses, and financial projections for the upcoming one to three years



# Draft Business Plan for Example Co., Inc.

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# II. Executive Summary

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## II. Executive Summary

### Overview

Example Company Inc. is a Texas-based product design and development corporation primarily focused on the design, production, distribution, and sale of novelty products, toys, and product accessories. The company's CEO is John Doe, inventor of the revolutionary 'Exploding Spacecraft' specialty entertainment toy.

Example Inc. develops, produces, and provides unique products which allow for new forms of expression while, at the same time, improving customer's lifestyles. For example, the initial cornerstone product, the Exploding Spacecraft, serves as a new form of child play by allowing the owner to utilize the product, first, as true to life toy, and then, to explode the craft. The company believes this will lead to a new form of 'Toy Art.'

The company will focus on the sale of the Exploding Spacecraft. This product is the cornerstone product for the company. Its unique and patented design provides opportunities to incorporate multiple features within a wide range of embodiments. The design approach used by the company allows product adaptation to respond quickly to the ever-changing demands of the marketplace. Novel and widely recognized figures of popular culture can be created through licensing and marketing arrangements to continually broaden the scope of Example's interactive toys. Demand has been illustrated in licensed toy art and strong surging gaming industry. Example's product is unique and, as market recognition grows, the 'Exploding Spacecraft' will not only take market share from established toy and entertainment markets but will also create its demand.

The company's marketing strategy focuses on leveraging the Exploding Spacecraft's unique characteristics of being both a toy and an interactive art form. Its potential is based on clear demand for unique products in both the toy and gaming industries and will serve as a new and novel means of marketing established intellectual properties (images of well known cultural icons). Example, Inc. has, as a small company with finite resources, identified a group of specific objectives which will be pursued over the near term. These include:

- Focus on connecting the product's innovative potential with cultural figures and intellectual properties which have shown with strong market demand
- Establish strong brand recognition while strategically working to generate a healthy sales posture
- Build a strong corporate image through consistent and distinctive strategic packaging and promotion
- Focus marketing and advertising on high potential market segments through select media channels such as internet promotions, toy conventions, and specialty toy outlets

- Focus initial efforts on creating a link between the cornerstone Exploding Spacecraft product and strong cultural influencers such as well known sports or entertainment figures

During the early phases of the company's start-up, sales and distribution will utilize the following channels:

- Internet website(s)
- Local (initially Texas) Toy Stores
- Gaming and Toy conventions
- Novelty Shops
- Sports Memorabilia Shops
- Other Toy Outlets
- Video Game Stores

Example's initial marketing focus will be (1) to get the Exploding Spacecraft product into the hands of consumers, (2) document and incorporate feedback from merchants and customers into marketing and design, and (3) quickly establish strong brand recognition, credibility, and sales.

Analysis shows significant growth in the demand for new products in the novelty and toy arena. The company understands that a well organized and focuses strategic market implementation is crucial to overall early success. This recognition has resulted in a detailed marketing plan which is reviewed in detail in the 'Marketing Plan' section of this proposal.

Example Inc.'s success will be built on a valuable inventory of strengths. These strengths include the owner of patents covering the design and manufacture of the Exploding Spacecraft product, relationships with suppliers and assemblers able to efficiently produce the company's products, a well-connected and dedicated team, and a clear vision for success. Example Inc. is dedicated to building upon these strengths while continually driving for the elimination of weakness and striving for improvements.

Some challenges must be overcome. These include the need for sufficient capital, expected inefficiencies of a new organization working together for the first time, and overcoming competition in its initial markets. Example's strengths will help it capitalize on emerging opportunities. These opportunities include but are not limited to, the market growth of the toy industry, increasing demand within the gaming and entertainment industry, increasing size for strongly demanded intellectual properties which need new channels to generate market exposure, and a strong accelerating gaming/entertainment industries.

The purpose of this plan is to establish a clear course of action. Initial capital requirements are \$XXXX as shown in Exhibit 'AAAAAA.' Forecasted profit and loss, breakeven analysis, and cash flow projections are presented in tables, 'A, B, and C' respectively.

Use of funds and expected deliverables are detailed in the 'Operations Plan' and 'Marketing Plan' sections of this proposal.

### Company Objectives

- To create a strong brand awareness through strategic market exposure
- To connect successfully link the Exploding Spacecraft with well Highly Demand Intellectual Properties in the scope of Toys, Gaming and entertainment
- Obtain and secure a market niche in the toy industry while connecting and attracting demand from the entertainment and gaming industry.
- To establish the Exploding Spacecraft as a new and strong channel for the media marketing of high demanded entertainment franchises and intellectual properties

### Mission

We aspire to create unique products that add value and convenience to life while inspirationally bringing dreams into reality.

Example Inc. is committed to:

- Creating unique products which are extremely attractive and alluring for today's thriving market
- Strategically implementing carefully selected novel products for today's accelerated growth markets
- Structuring and refining plans for efficiently utilizing funding appropriately and efficiently while effectively implementing and supplying our focused markets with our unique and high demand products

### Key Success Factors

- Production of unique products which attract strong consumer demand
- Cost effective products for the end consumer



- Quality products that actually work and function properly
- The right team with strong foundations in marketing and a broad based network of business connections.
- Perfect timing. Increasing demand and production of revenue record breaking intellectual entertainment products.
- Increasing demand and industry size in the toy, costume, and novelty industry
- Continued legal protection on lucrative intellectual properties.

# III. General Company Description

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## III. General Company Description

### Overview

Example Inc. is a Texas-based product design and development corporation and is the licensor of the ‘Exploding Spacecraft’ entertainment toys product line. The company is primarily focused on the development of novelty products, toys, and accessories.

The company is established as an ‘S’ Corporation in the State of Texas and is based in Texas. Mr. John Doe is company CEO and is the inventor of the cornerstone ‘Exploding Spacecraft’ creative toy. The company’s current physical address is 9999 Any Street, Any Town, TX 77999 and their phone number is (999) 999-9999. The ‘Operational Plan’ contained elsewhere in this document addresses the company’s plans for producing, inventorying, and distributing the company’s products.

The company will manufacture and market a line of specialty toys that are used in either its game mode or its exploding mode. The product is a full-sized model of an alien spacecraft, which will be attached to a ceiling or wall as a ‘stick-on.’ This toy can be a source for gaming or for exploding. Once exploded, say to a gaming event – the toy can then be reassembled and reattached to its place on the wall where it will again serve as traditional wall art. The exploding toy presents no danger to its user as a safety device is installed which prevents injury.

Currently the company holds a patent on the design of this product and is in the process of acquiring two related patents, and the company believes patent protection for the design features is currently good and will be improved with the addition of the two new patents.

### Start-Up Summary

The key elements in the start-up plan for the company are:

- Formulation of the strategic business plan.
- Formulation of effective investor and consumer presentation materials.
- Establishment of corporate identity.
- The establishment of a location and place for doing business.
- Funding of working capital requirements, purchase of equipment and assets deemed necessary for the principle operating activities of the company, and additional capital-raising alternatives.
- Initiation of Research and Development of existing and future products.
- Effective prototyping and final market worth product embodiments.

The start-up costs are listed in the start-up table. These are treated purely as start-up expenses and initial working capital by this plan. The remainder of the capital required will be obtained from the sharing of corporate stock and through alternate means such as crowd funding. Additional funding will be infused for the means of supporting the necessary operation cost required to sustain all logistical business operations successfully.

### **Three Phase Marketing Plan**

During the first three months of operations, (phase 1), the company will manufacture and test market one or more designs to gather marketing and sales data. (For more details, please see the 'Operational Plan' section below) As a result of this effort, design or feature changes may be incorporated into the initial production units. It is believed that initial market exposure will result in positive feedback and valuable input to the market, sales, and design efforts. Initial modifications that may be indicated will be made before starting a larger marketing effort in phase 2. In addition, important milestones for phase 2 will be established or modified from initial planning.

Phase 2 will begin following the initial phase. During this phase, the company will accomplish several important steps. Key among these will be an increase the number of units manufactured, a broadening of the sales and market reach, identification and hiring (contracting with or direct hire) of key operating personnel, establishing a permanent physical location, establishing longer-term contract manufacturing relationships with graphic printers, and conducting important sales and marketing promotions. In addition, it is possible that new designs or embodiments may be introduced during this phase. During this phase, there will be ongoing re-planning of company milestones, sales and financial goals, and design objectives.

Finally, during phase 3, full operations will be undertaken, which may include a larger physical location, warehouse space for holding inventory, additional personnel, and additional new and exciting designs.