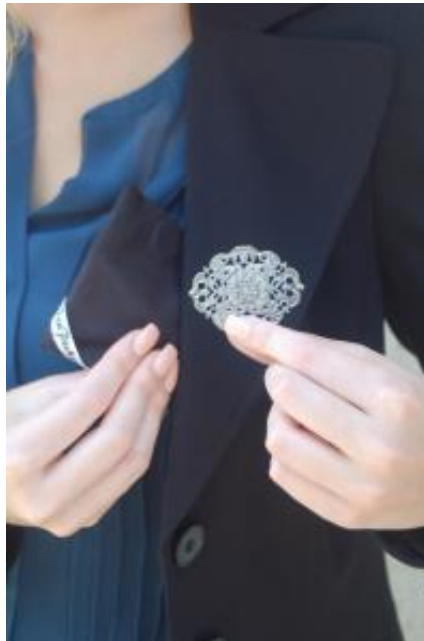


# **BUSINESS PLAN**

## **PosiPocket**



**Donna Hisey, Owner**

Created on June 15, 2017

# **1. EXECUTIVE SUMMARY**

## **1.1 Product**

PosiPocket manufactures portable pockets for adults of all business positions. All PosiPockets are made from durable nylon material and strong, thin neodymium magnets. Customers can choose from a variety of fashionable fronts or custom designed to promote their businesses. PosiPockets have solutions for everyone to stay organized on the go at work and at play.

## **1.2 Customers**

PosiPocket was designed by a business woman seeking a solution to everyday coordinating hassles. The target audiences for PosiPocket are busy adult professionals who appreciate staying organized during their busy days and not so busy days. With four versions, PosiPocket keeps all sorts of consumers organized in different ways. Posipocket is the solution for everyone who loses pens, glasses and business cards.

## **1.3 What Drives Us**

Although the accessory business is competitive, we believe there is a place for these newly invented, affordable accessories. Our goal is to build and market the variety of PosiPockets for everyone's different needs. Utilizing multiple ways of marketing PosiPockets to consumers are planned over the next 5 years.

## **2. COMPANY DESCRIPTION**

### **2.1 Mission Statement**

To provide everyday solutions and position ourselves as the top retail accessory servicing this particular market. PosiPockets will maintain a commitment to quality and patriotic spirit proudly Made in USA.

### **2.2 Principal Members**

Donna Hisey - Creator, director of operations, marketing

Greg Lipford - Accounting and administrative

### **2.3 Legal Structure**

Sole Proprietorship

## **3. MARKET RESEARCH**

### **3.1 Industry**

Amidst the several business accessories brands, PosiPocket will find ways to carve out a space for portable pockets. Women own over 30% of all businesses\*. The primary customer for PosiPocket is business women. However, this product can be used by men population. We find a growing need for more effective solutions to help run their everyday operations.

\*Nawbo.org

### **3.2 Customers**

PosiPocket customers are looking for solutions to their frustrating daily activities. Our customers are seeking one answer to multiple annoying organization situations. Business men and women of all ages and professions will appreciate the ease of having what they need at their finger tips.

### **3.3 Competitors**

This product is unique of its kind. It would replace use of business card holders, eyeglass holders, ReadeRest holders and lanyards with more benefits.

### **3.4 Competitive Advantage**

PosiPocket is a brand new solution that has never been introduced to consumers before. Another uniqueness of PosiPocket is the interchangeable fronts. The multiple ways to use PosiPockets keeps customers fans during different aspects of their daily lives. PosiPockets can be custom made to promote a company image.

## **3.5 Regulations**

Due to strength of magnet, each pocket comes with a pace maker warning.

## **4. PRODUCT/SERVICE LINE**

### **4.1 Product or Service**

PosiPockets will sell portable pockets providing an instant solution to many personal organizing problems. Made with durable rip-stop nylon and strong neodymium magnets, PosiPockets give reliable answers to customers problems. Currently, we have four pocket variations and multiple fronts to choose from:

Small Basic business card holder with front of customer's choice.

Large Eyeglass/pen holder with front of customer's choice.

Medium Secrity Covered magnet for ID's and ATM cards with front of customer's choice.

Pick Pocket for musicians with Pick Pocket guitar pick front.

All pockets can be customized for businesses to reflect company logo.

### **4.2 Pricing Structure**

Small pocket: \$5

Large pocket: \$10

Medium pocket: \$5

Fashionable fronts: \$5

Customized fronts vary in price due to detail, size and quantity.

### **4.3 Product/Service Life Cycle**

PosiPocket has inventory on hand. Being nearby suppliers and manufacture shortens production time.

### **4.4 Intellectual Property Rights**

PosiPocket has applied and was approved for a Utility Patent. Design Patent pending.

### **4.5 Research & Development**

PosiPocket conducted thorough research by test marketing the pockets with local business women. The results were unanimously POSItive. Through extensive research found the best material and sturdy magnets to be used in manufacturing of product. Research also found a reliable manufacturer and suppliers. The supplier for customizable fronts proved to be reliable, competitively priced and has quick turn around.

## **5. MARKETING & SALES**

### **5.1 Growth Strategy**

To grow the company, PosiPocket will do the following:

Sell products on PosiPocket online store, expos and QVC.

Conduct fun referral reward program.

As business grows, advertise in target markets, especially business themed conferences.

### **5.2 Communication**

PosiPocket will communicate with its customers by:

Providing an email newsletter with company news, product information and expo schedule.

Using targeted Google and Facebook advertisements.

Utilize social media such as Facebook, LinkedIn, Pinterest, Twitter and Youtube.

<https://www.facebook.com/search/top/?q=posipocket>.

<https://www.youtube.com/watch?v=6y2siRxBfO8>

Providing contact information on company website <http://www.posipocket.com>.

Adding promo card in each pocket that included company name, contact info and web address.

### **5.3 Prospects**



At this moment, Donna Hisey, creator is in charge of sales. As profits increase, PosiPocket will look to add employees to assist with social media and marketing. The company will increase awareness to our targeted customers through online advertising, attending business expos, QVC and appearance on Shark Tank. Community awareness is focused by nonprofit organization involvement. These organizations will receive a portion of sales toward their cause.

## 6. FINANCIAL PROJECTIONS

### 6.1 PROFIT & LOSS

	Year 1	Year 2	Year 3
Sales	\$100,000	\$200,000	\$500,000
Costs/Goods Sold	\$30,000	\$60,000	\$150,000
<b>GROSS PROFIT</b>	<b>\$70,000</b>	<b>\$140,000</b>	<b>\$350,000</b>

### OPERATING EXPENSES

Salary (Office & Overhead)	\$30,000	\$40,000	\$50,000
Payroll (taxes, etc.)	\$0	\$20,000	\$25,000
Outside Services	\$0	\$0	\$0
Supplies (office & operation)	\$500	\$1,000	\$1,500
Repairs & Maintenance	\$0	\$0	\$0
Advertising	\$1,000	\$2,000	\$3,000
Car, delivery & travel	\$2,000	\$3,000	\$4,000
Accounting & legal	\$2,000	\$1,000	\$1,000
Rent	\$1,375	\$12,000	\$16,000
Telephone	\$120	\$240	\$360
Utilities	\$50	\$100	\$250
Insurance	\$1,000	\$2,000	\$3,000
Taxes (real estate, etc.)	\$0	\$0	\$0
Interest	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0
Other expenses	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>	<b>\$38,045</b>	<b>\$81,340</b>	<b>\$104,110</b>

<b>NET PROFIT (before taxes)</b>	<b>\$31,955</b>	<b>\$58,660</b>	<b>\$245,890</b>
Income Taxes	\$300	\$600	\$1,500
<b>NET PROFIT (after tax)</b>	<b>\$31,655</b>	<b>\$58,060</b>	<b>\$244,390</b>

Owner Draw/Dividends	\$0	\$0	\$0
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<b>ADJUSTED TO RETAINED</b>	<b>\$31,655</b>	<b>\$58,060</b>	<b>\$244,390</b>
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## 6.2 CASH FLOW (09/30/2017 to 09/30/2020)

	Pre Startup EST	Year 1	Year 2	Year 3	Total Item EST
Cash on hand	\$3,000	\$3,000	\$34,955	\$95,615	\$136,570
<b>CASH RECEIPTS</b>					
Cash Sales	\$0	\$100,000	\$200,000	\$500,000	\$800,000
Collections from CR Accounts	\$0	\$0	\$0	\$0	\$0
Loan/Cash Injection	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CASH RECEIPTS</b>	\$0	\$100,000	\$200,000	\$500,000	\$800,000
<b>TOTAL CASH AVAILABLE</b> (before cash out)	\$3,000	\$103,000	\$234,955	\$595,615	\$936,570
<b>CASH PAID OUT</b>					
Purchases	\$0	\$30,000	\$60,000	\$150,000	\$240,000
Gross Wages	\$0	\$30,000	\$60,000	\$75,000	\$165,000
Outside Services	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$500	\$1,000	\$1,500	\$3,000
Repairs & Maintenance	\$0	\$0	\$0	\$0	\$0
Advertising	\$0	\$1,000	\$2,000	\$3,000	\$6,000
Car, delivery & travel	\$0	\$2,000	\$3,000	\$4,000	\$9,000
Accounting & legal	\$0	\$2,000	\$1,000	\$1,000	\$4,000
Rent	\$0	\$1,375	\$10,000	\$12,000	\$23,375
Telephone	\$0	\$120	\$240	\$360	\$720
Utilities	\$0	\$50	\$100	\$250	\$400
Insurance	\$0	\$1,000	\$2,000	\$3,000	\$6,000
Taxes (real estate, etc.)	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0		\$0
Other expenses	\$0	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	\$0	\$68,045	\$139,340	\$250,110	\$457,495
Loan principal payment	\$0	\$0	\$0	\$0	\$0
Capital purchase	\$0	\$0	\$0	\$0	\$0
Other startup costs	\$0	\$0	\$0	\$0	\$0
Reserve and/or Escrow	\$0	\$0	\$0	\$0	\$0
Others withdrawal	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CASH PAID OUT</b>	\$0	\$68,045	\$139,340	\$250,110	\$457,495

<b>CASH POSITION</b>	\$3,000	\$34,955	\$95,615	\$345,505	\$479,075
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## 6.3 BALANCE SHEET

### Assets

Start Date:09/30/2017

End Date:09/30/2020

<b>CURRENT ASSETS</b>		
Cash in bank	\$3,000	\$345,505
Accounts Receivable	\$0	\$0
Inventory	\$3,000	\$150,000
Prepaid Expenses	\$0	\$0
Deposits	\$0	\$0
Other current Assets	\$0	\$0
<b>TOTAL CURRENT ASSETS</b>	<b>\$6,000</b>	<b>\$495,505</b>

<b>FIXED ASSETS</b>		
Machinery & Equipment	\$0	\$0
Furniture & Fixtures	\$0	\$0
Leaseholder improvements	\$0	\$0
Land & Buildings	\$0	\$0
Other fixed assets	\$0	\$0
<b>TOTAL FIXED ASSETS</b> (net of depreciation)	<b>\$0</b>	<b>\$0</b>

<b>OTHER ASSETS</b>		
Intangibles	\$0	\$0
Other	\$0	\$0

<b>TOTAL OTHER ASSETS</b>	\$0	\$0
<b>TOTAL ASSETS</b>	\$6,000	\$495,505

## **Liabilities & Equity**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$0	\$0
Interest Payable	\$0	\$0
Taxes Payable	\$0	\$0
Notes, short term (due in 12 months)	\$0	\$0
Current part, long-term debt	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	\$0	\$0

<b>LONG TERM DEBT</b>		
Bank loans payable	\$0	\$0
Notes payable to stockholders	\$6,000	\$495,505
LESS: short-term portion	\$0	\$0
Other long-term debt	\$0	\$0
<b>TOTAL LONG-TERM DEBT</b>	\$6,000	\$495,505

<b>TOTAL LIABILITIES</b>	\$6,000	\$495,505
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<b>OWNERS EQUITY</b>		
Common Stock	\$0	\$0
Retained Earnings	\$0	\$0
<b>TOTAL OWNERS EQUITY</b>	\$0	\$0
<b>TOTAL LIABILITIES &amp; EQUITY</b>	\$6,000	\$495,505



## 6.4 BREAK EVEN ANALYSIS

<b>DIRECT COSTS</b>	<b>Fixed Costs (\$)</b>	<b>Variable Costs (%)</b>
Cost of Goods Sold	\$30,000	30%
Inventory	\$30,000	30%
Raw Materials	\$0	0%
Direct Labor	\$0	0%

### INDIRECT COSTS

Salaries	\$20,000	20%
Supplies	\$2,000	2%
Repairs & Maintenance	\$0	0%
Advertising	\$360	1%
Car, delivery & travel	\$2,000	2%
Rent	\$250	1%
Telephone	\$360	1%
Utilities	\$250	1%
Insurance	\$5,000	5%
Taxes	\$0	0%
Interest	\$0	0%
Depreciation	\$0	0%
Other Costs	\$4,000	4%
<b>TOTAL DIRECT COSTS</b>	<b>\$60,000</b>	<b>60%</b>
<b>TOTAL INDIRECT COSTS</b>	<b>\$34,220</b>	<b>37%</b>

## **6.5 FINANCIAL ASSUMPTIONS**

### **6.5.1 Assumptions for Profit and Loss Projections**

During year one, PosiPocket will sell inventory on hand to build cash flow. The net profit will be used to build year 2 inventory. By year 3, PosiPocket will be established to create credit with vendors.

### **6.5.2 Assumptions for Cash Flow Analysis**

The beginning PosiPocket will operate simply to build brand awareness. As the business grows, additional employees will be added adjusting with increased need. In the event of an economic slowdown, PosiPockey will shift focus to corporations for bulk sales for company's employees.

### **6.5.3 Assumptions for Balance Sheet**

PosiPocket's balance sheet assumptions are recognized as being conservative. We assume a strong economy without major recession.

### **6.5.4 Assumptions for Break Even Analysis**

We understand some costs will change based on the volume of production of product or volume of sales. We also understand certain costs will not change based on volume of production or sales.

# Donna Hisey

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Creator and promoter of PosiPocket 2012-2015\*, 2017-

\*Due to domestic hardship, PosiPocket growth was put on hold.

Experience in development, training and management of variety of restaurant concepts for over 30 years. Expertise in customer service, promoting and events.

Being a developing entrepreneur and business woman lead me to the invention of PosiPocket. My inspiration was solving wasted time and expense replacing everyday items.

Detailed oriented and personable individual with a commitment to hard work and creativity.

Active with multiple non-profit organizations: volunteer OC Rescue Mission, contributor Laura's House and fundraising organizer with Susan G. Komen foundation.

Education: Business Administration, Orange Coast College

Founder: OC Women in Business Networking

Interests: Travel, cooking, networking

Personal goal: Become inspirational role model for future entrepreneurs.

## References:

Greg Brooks – Marketing Strategist, West Third Group, 816-985-1361, [gregb@west-third.com](mailto:gregb@west-third.com)

Joe Luby - Owner, 17<sup>th</sup> Street Grill, 949-274-5455, [lubyjr@outlook.com](mailto:lubyjr@outlook.com)

Luann Savage – Owner, Send Out Cards, 949-525-1052, [luann.soc@gmail.com](mailto:luann.soc@gmail.com)