



ELIZA ANNE

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BUSINESS PLAN



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ElizaAnneHandbags.com

Shawnee Huie
Shawnee@LuckyEliza.com
612-384-7813



1. EXECUTIVE SUMMARY

“Fashion and function must come together to appeal to today’s always on-the-go consumer,” - Marshal Cohen from The NPD Group, Inc.

Eliza Anne’s handbag system does exactly this by bringing function to the fashion world. It allows women to change all of their contents to another handbag in a matter of seconds. When a woman walks out the door feeling confident about her outfit, she feels more confident about life.

- Easy to install in any brand or design of handbag
- Won’t lose anything in previous purse
- Everything stays organized in same pockets
- Don’t match outfit to purse - instead wear whatever makes you feel confident today

Since Eliza Anne’s **patented** liners complement, rather than compete with established handbag designers it could be very easy to partner with them and utilize their existing distribution channels and **\$106 billion** consumer market.

TIME. We could all use more of it, and that’s exactly what Eliza Anne handbags gives its customers, without sacrificing any of their confidence.



2. INTRODUCTION

Shawnee Huie, had the idea for an inter-changeable purse while attending college full time, and working two jobs. Going directly from school, to one job, and then the other barely allowed her time to change her clothes, much less a coordinating purse. One day, she was embarrassed because her purse clashed so badly with her outfit. In that moment, an idea came to her—"If only I could take everything out of my purse at once, and put it in another purse!"

Eliza, Shawnee's grandmother, helped her sew the first prototypes even while bed ridden with lymphoma cancer. These were precious moments spent bonding together while Eliza helped her granddaughter turn her dream into a reality. Shawnee's grandmother, Eliza, was the epitome of a strong, loving woman, so Shawnee decided to name the business after her.

Eliza Anne saves women time and energy with its patented handbag system¹ that **"enables women to change their purse as easily as their shoes!"** The handbag system is comprised of two different parts: an interior **Core** and hardware strips to convert any handbag brand or design to the Eliza Anne system.

The **Core** is the heart of the Eliza Anne system and has all the **functionality** that every woman wants in regards to organization. On one side of the interior there are four small



pockets, which vary in width to hold items of different sizes. These pockets are commonly used for a camera, a phone, credit cards, pens, etc. The other side has a roomy 6" zippered pocket which may be used to hold makeup, money, or whatever a woman would like to keep enclosed. Having organization in your purse allows women to find items without having to search. We surveyed women of all age groups and

backgrounds and took their suggestions into careful consideration when designing our Core.

The hardware strips have six turn lock clasps that can be attached to any brand or design of handbag with strong double sided tape. The hardware strips hold the liner in place so that it becomes the interior of the bag.

The interior fabric of the Core is a gorgeous silky, taffeta. It is a durable, **machine washable** fabric, which is available in six beautiful jewel-tone colors. Most purse interiors are made with a dark, dinghy neutral colored fabric, so we decided to make a fun, colorful interior to differentiate us from the crowd. Women get excited when they see the beautiful jewel-tone fabrics. One new customer, who was losing her eyesight, bought an aqua colored Core because the bright fabric helped her to see better than the black interior of her old purse. It truly is, **"What's inside that counts,"** with Eliza Anne handbags.



The buying pattern during the first three quarters of the twentieth century was for women to purchase a handbag to match each one of their outfits.² This trend has since declined because women have become much busier today. Face it, transferring your belongings to a different handbag each day is a hassle! But, with Eliza Anne's unique patented design, women don't have to suffer. They are still able to have a matching purse for every outfit, without the worry that they may have left something important behind--- all because they didn't have the time to switch everything out. With Eliza Anne, they simply undo a few clasps, and quickly transfer everything at once. In one clean sweep they have a new purse to match their outfit! **Eliza Anne is set to revolutionize the handbag industry by saving women time and energy!**

3. INDUSTRY TRENDS

Handbags and purses used to be a category of their own and are now classified in the fashion accessories industry. Many companies who only offered handbags have diversified their product lines to include accessories ranging from shoes to umbrellas. This shows they are looking for new ways to expand their product lines to increase revenue.

According to the Ibisworld, clothing and accessory sales were \$106 billion in 2014,³Coach Inc. estimates that \$3.1 billion alone was spent on handbags and accessories that retail for more than \$100 each. They also estimate that consumers are buying an average of 3.5 handbags a year.⁴Coach's sales in 2014 were \$4.19 billion and on Business

Week Online, they attributed their success to making handbags a category that required multiple purchases for multiple uses, including weekend bags, evenings bags, casual bags, travel bags and so on.⁵

The fashion industry can be very fickle; however the president of Gitano Handbags, Abe Chehebar, states that functional, organizer-style bags have been the solid performers for his company.⁶ **There is no other handbag on the market with the same functionality as Eliza Anne.**

4. COMPETITORS

Since Eliza Anne inserts complement rather than compete with handbags, established designers are not direct competitors.

There are some direct competitors that have a similar ideas for interchangeable handbags: Miche Bags and Switch It By Nan.

Miche has a base that a woman buys with magnetic plates that will hold different exteriors that also have magnets. The straps and sides of the base stay the same no matter what outside plate is on. Also, the Miche bag only has a stiff rectangular shape for customers to choose from. Miche has chosen to market their invention through multi-level marketing, and ‘As Seen On TV,’ because their price points cater to consumers in those markets.

Switch It By Nan is probably the most direct competitor of Eliza Anne. Similar to our core, they have an insert with many pockets that can be taken out and put into any bag. Unlike Eliza Anne's Core, they do not attach with clasps and *become* the inside of the bag. If a woman would throw loose change or something else in her bag in a hurry, it would not come out when she takes out her Switch It By Nan insert. SwitchItByNan.com has two different areas, one for end consumers and one for wholesalers. Their price points are much more comparable to Eliza Anne's as they are marketing to a higher end consumer.

5. MANUFACTURING

Eliza Anne has partnered with Global Hard Lines LTD to manufacture both the core liners and the hardware strips. Global Hard Lines works with multiple manufacturers located in Southern China and Hong Kong. The minimum order quantity is 1,500 cores and sets of hardware strips that can be up to three different colors. Their turnaround time is six to eight weeks for the first minimum order quantity.



Global Hard Lines helped find the beautiful turn lock clasps at a very affordable price and the sample core and hardware strips have been tested for use extensively by myself and have held up nicely.

6. ADVERTISING/ MARKETING

- Direct mail pieces, including samples, will be sent to target marketing directors for brands we would like to partner with.
- Marketing materials for display at trade shows, and stores that carry Eliza Anne products
- Social media: we are capitalizing on it by highlighting an every moving, yet fashionable lifestyle on websites like Twitter, Instagram and Facebook.
- Website: has a video explaining the story and how to use Eliza Anne inserts and core liners, and will have a shopping cart to buy

7. MARKET ENTRY STRATEGY

After meeting with the VP of a clothing company called Kuhl, Eliza Anne has decided to use a similar market entry strategy. The owner, Kevin, started going to trade shows even when he only had one product, a simple hat in a choice of two colors. Shawnee plans to present Eliza Anne at trade shows and act as sales consultant for the company. Accessory buyers for local boutiques recommended that Eliza Anne participate in these trade shows in 2016-2017:

- MAGIC, Las Vegas, February
- Dallas Market Center, March
- Cala Shows in San Francisco, April
- Javits in New York, September

Once Eliza Anne has established its presence, and earned a repeat customer base at the trade shows, we may consider allowing other sales professionals to represent our brand, and expand the trade shows that we participate in. There are many representatives that sell multiple lines and have offices in trade rooms, such as the Dallas Market Center. This allows buyers to come to them whenever they like. A typical commission for these sales representatives is 12%.

The ultimate goal is to license the patent to well known and respected handbag companies, like Michael Kors, Coach, LAMB, Big Buddha and more. Our end goal is for handbag manufacturers everywhere to alter their productions from a traditional purse, to a Shell that fits an Eliza Anne Core. We believe it will be possible for a customer to remain loyal to their favorite brand, *and* have the functionality of Eliza Anne, through licensing.

Our target market is not defined by an age range, but a lifestyle. There are three different lifestyles we have discovered will benefit the most from Eliza Anne's handbag system. Below is a brief description of three fictitious characters who live a lifestyle conducive to the ideal demographics of Eliza Anne's target market:

- Victoria met her husband while she was in law school. She got a job at a reputable firm right after graduation and then started having children a few years later. She is very hard working and strives to become the first female partner in the firm's history while juggling the needs of her husband and children. She plays the role of super-woman every day and has achieved the American dream through determination and persistence.
- Sophia recently graduated from college. She just got her first "real" job with a world renown company that sends her all over the country for business. It was always a dream of hers to have a beautiful condo downtown, and she has finally achieved that. Her evenings are usually spent going to the gym or shopping with girlfriends. Sophia indulges in the pleasures that a single life allows.

- Jake is married to Victoria and never knows what to get her for Christmas. She has everything that he's ever seen in stores, in some way, shape or form. This year, he's looking for something that will knock her socks off! Once he understands how Eliza Anne handbags work, he knows that he won't have to wait for his wife to change her purse anymore; making it a win-win situation!

8. FUTURE PRODUCTS

We're already visualizing a fully encompassed accessory line. Some products that **we have already made prototypes** for, include:

- Varied sizes- our current size is a medium and we would also like to make a larger and smaller size
- A Core with a center divider- some women like even more pockets, and this would offer at least 3 additional pockets to our cores for even greater organization
- Cell Phone Cases- to match our purses which can be hung on the outside for easier access, or tucked inside to conceal them
- Detachable billfold and makeup bag- our clasps permit two items to be attached to them. So, in addition to clasping your Core in place, women can also attach a matching billfold or makeup bag to add more pockets instantly to their Cores
- In the words of Thomas L. Friedman, "The world is truly becoming flat," and more globalization means less individuality. **Customization** will be in even more demand as more people around the world become connected with technology. For this reason, Eliza Anne is striving toward letting the customer choose, not only the color of the interior Core, but their pocket placement, size, quantity, etc. We truly want every woman to be as attached to their Eliza Anne Core as they are to their cell phone.

9. BOARD OF ADVISORS

Even though Shawnee is a graduate of Entrepreneurship from the University of St. Thomas, she still seeks advice from seasoned entrepreneurs and other professionals; their advice is very welcome and necessary. Eliza Anne touches base with certain individual advisors about every four to six weeks, and these people have been available for questioning via email or phone anytime.

- Evan Shapiro is the Vice President of Kuhl, a clothing company for outdoor enthusiasts that have clients from REI to boutiques in small mountain towns. Kuhl has a full line of women's and men's clothing. Evan became the first

full-time employee of the company in 1984 when he came aboard just a year after its inception, and has a wealth of information about the fashion industry and trade shows.

- Cabot Wohlrabe is a sales training consultant for Dale Carnegie Training, one of the world's most recognizable sales training centers. Dale Carnegie started the company in 1912 and they now have offices in all fifty states and seventy-five countries.
- Cole Larson is a business development director for DNS Global Solutions, who works with multi-national corporations, including GE, Coca Cola, and Dell Computers. He advises C level executives on a variety of things from best business practices to finance.

10. FINANCIALS

The \$40,000 in prize money would be used to purchase the first minimum order quantity from Global Hard Lines LTD of 1,500 core liners and hardware strips. With manufacturing, packaging, shipping and taxes, this is calculated to be \$33,788.53. The remainder of the money would then be used to attend trade shows, send samples to marketing directors of a targeted list of handbag companies to setup future appointments.

Notes

¹ http://www.uspto.gov/web/patents/patog/week50/OG/classification/classGroup_15.htm

² "Women's Handbags and Purses." Encyclopedia of American Industries found on The Business and Company Resource Center

³ <http://www.ibisworld.com/industry/global/global-handbag-purse-manufacturing.html>

⁴ pg. 2 "Handbag maker Coach prospers following split from Sara Lee," Knight-Ridder/Tribune Business News, Feb 18, 2005

⁵ "Women's Handbags and Purse." Encyclopedia of American Industries found on The Business and Company Resource Center. Gale, 2008.

⁶ pg. 2 "Handbag maker Coach prospers following split from Sara Lee," Knight-Ridder/Tribune Business News, Feb 18, 2005