# 2016 SBA InnovateHer Challenge - Maricopa SBDC Winner



#### Winning Individual:

Angela Cody-Rouget, Founder/Owner
Organized 4 Life, LLC d/b/a Major Mom
State of Incorporation: Colorado
Locations: Arizona and Colorado
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866-693-6996 Ext 5/303-549-0034 cell
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Host Organization:
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# Description of Services: Home and Office Organizing

The Major Mom® team is comprised of professional organizers who are highly skilled and well trained at decluttering, organizing and setting up customized, achievable and sustainable systems in various types of households. They also provide How-To Organizing books and ebooks, Organizing Calendars, 9 How-To Video Workshops, 27 Inspirational Audio Lessons are all available on our website and delivered online within 5 minutes of being purchased online.

# Maricopa SBDC had 11 applicants for the 2016 InnovateHER Challenge

Attached: Major Mom Business Plan Signed Statement of Support

# 2016 SBA InnovateHER Challenge ARIZONA SEMI-FINALIST — MAJOR MOM Signed Statement of Support

Dear SBA National Judges,

Angela Cody-Rouget, the founder of Major Mom, was a Major in the United States Air Force. She has built a company that has already proven her ability to commercialize her concept as she generated \$420,000 in revenue in 2014 and is on track to generate over \$500,000 in 2015. She has made a measurable impact on women and their families because she saw and filled a need in the market place. Angela's concept, vision, mission and values make her the best candidate for the semi-final round. She needs a capital infusion to create more jobs and opportunities for women.

Measurable Impact on Women and Families Major Mom has restored order to more than 1,000 moms and their families in Colorado and Arizona. They are making a major impact on their primary target market of moms and their families via their organizing services and products. They liberate busy working moms between the ages of 30-55 with household incomes between \$55,000 to \$350,000. These moms are not hoarders, but they may be savers and collectors. They want an organized home and will pay the Major Mom Liberators to march in and create a home they love.

The measurable impact Major Mom has on their clients is remarkable for several reasons. For example, organizing their home has the following benefits:

Reduces stress because the clutter is gone; Saves time and money because they can find what they are looking for; Increased personal energy and joy at home; Family works together to maintain clutter-free home; 40% of housework eliminated; Important documents located and secured

Testimonial: "I have wanted someone to come help me organize, and give me tips for packing organizational methods with staying power! So often, my systems just didn't work. I feel like I got a jump start with Major Mom! Since they came and worked on my laundry room and pantry, I've kept the momentum going with the kitchen, and am now working on the kids' play room, and on to the bedrooms thereafter. Thanks so much!"

Less-stressed Lady. Centennial, CO. Mom, part-time worker, volunteer extraordinaire

Major Mom Creates Jobs For Women Major Mom has hired and trained 48 female interns and employees to deliver organizing products and services to Arizona and Colorado. They pay their employees well over service industry standards. They hire interns as young as 16 years old and start them at \$10/hour. All employees are trained and groomed to achieve \$30/hour. Major Mom has a rank and pay scale that puts their employees in the driver seat. Major Mom mirrors the military in terms of how employees get promoted. As soon as they hit specific targets they are promoted to the next rank and pay level.

Creating thousands of jobs and business opportunities for women is possible with Major Mom's business model. She wants to empower women to leave inflexible corporate jobs and build a career as professional organizer. A career that gives them much more flexibility to be home when needed and provide an income for themselves and their families.

Major Mom Fills A Need in the Market Place Research shows that more than one out of every four Americans surveyed would like to be more organized. That is 75 million people who need organizing services in the United States alone. Newsweek reports that the average American burns 55 minutes each day looking for things they know they own but can't find. Hyper-consumerism, busy schedules, and careers have resulted in cluttered kitchens, garages stuffed to the brim, overflowing closets and offices busting with paper.

A record number of moms are suffering diseases and depression due to overwhelming family and work pressures. Their clutter and disorganization eats away at their happiness, family life, and joy. They don't realize organizing and decluttering their homes, offices and cars can <u>fix the pain</u>. Upon becoming organized, a huge burden is lifted and their contentment at home skyrockets.

The SBDC Maricopa respectfully requests you select Angela Cody-Rouget for the final round in Washington D.C. We are certain she has already broken through a few major barriers and winning this competition will help her break through a few more barriers.

Sincerely,

Nancy Sanders

Regional Center Director

Maricopa SBDC

2015 Center of Excellence for Arizona & SBA Region IX



# CONFIDENTIAL

# **Business Plan**

We make organizing fun and we get the job done faster than anyone!

Prepared July 2015

#### **Contact Information**

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# Overview

#### Who We Are

Major Mom® is a residential organizing services company that has made a major impact on women and their families in Arizona and Colorado. We have hired and trained 48 women and the majority of our clients are women and families. We serve the following marketing areas: Denver Metro, Boulder, Colorado Springs and Phoenix Metro. Established in December 2006, the business has provided residential organizing services for over 1,000 women and their households. Major Mom® is a team of highly-trained organizers not consultants. We do all the hands-on organizing, decluttering, room redesigns and rearrangements. We haul off all the client's donations as part of our services.

Major Mom® has grown sales from \$36,000 in year one to \$420,000 in 2014 by building strategic relationships with value added resellers, such as, realtors, moving companies, maids and trade associations. Our top-notch website, books, webinars and numerous TV appearances have helped elevate us to "expert status". Sales continue to grow due to outsourcing key business processes to major players in the Accounting, Human Resources (HR) and Customer Relationship Management (CRM) industry. Specifically, we partnered with a national Professional Employer Organization (PEO) to gain economies of scale and decrease liability. Over the past eight years, Major Mom® has made significant advances in systematizing business processes, documenting the system and developing its core business of residential organizing.

The Major Mom® concept is proven and scalable. We are ready to franchise and expand our operations.

Major Mom® will be the <u>first national brand and household name in the</u> <u>organizing services industry</u>. We will do this by expanding to all 50 states via the franchise model. Major Mom® will sell franchises to military spouses, veterans and moms. Current government stats report over one million veterans will be entering the civilian workforce over the next five years. Veterans have an amazing track record as franchisees because they thrive in environments with orderly systems, processes, leadership and accountability.

Major Mom was built from the ground up by an Air Force veteran and her business partner. Organized 4 Life, LLC d/b/a Major Mom, incorporated in Colorado, owns all trademarks, copyrights, processes and documents. Major Mom Franchise LLC was created to run and manage all franchisor activities.

**VISION**: Be the most recognized and respected organizing firm nationally and internationally by creating rewarding careers and beautiful yet functional home and office environments *for moms and their families*.

**MISSION:** Raise up an army of liberators to restore order to the world, one family at a time.

**MAJOR MOM WAY:** Each client is treated as an individual with unique needs, values and goals. Our solutions are customized, achievable and sustainable.

**BRAND PROMISE:** We make organizing fun and we get the job done faster than anyone.

#### **VALUE STATEMENTS:**

Order: We live an orderly life resulting in comfort, joy, peace and harmony. Spirituality: We serve God, families and others.

<u>Family:</u> We believe in a strong family foundation and focus on loving and appreciating our families.

<u>Integrity:</u> There is no other way to be than trustworthy with high integrity and ethics.

<u>Community:</u> 10% of our net profits are donated to modern-day orphanages for neglected and abused children in the United States of America.

<u>Service</u>: We live to serve families by freeing them from the bondage of their stuff. Results: We are focused on results for our clients and our company.

# What We Sell

If you live in a cluttered home or work from a disorganized home office, your mind is distracted from the important things in life:

- Spending Quality Time with Your Family
- Taking Care of Yourself
- Managing Your Money
- Growing Your Business

Major Mom® is not just selling organizing and decluttering services; we are selling a better way of life. Major Mom® Liberators help clients fall in love with their homes and families again. We help them remember how great life feels when they are organized. We also help families function more effectively and efficiently with less stuff.

# How We Deliver Consistent Service: Quality and Quantity

#### THE MAJOR MOM METHOD™ OF ORGANIZING

Major Mom® created a three-phased approach to organizing. It is majorly effective and efficient: PHASE ONE: Picture It, PHASE TWO: Plan It, PHASE THREE: Proceed With S.T.E.P.S. (**\$** - SORT Into Categories-place like items together; **T** - TREASURE What Counts-determine what stays and goes; **E** - ESTABLISH Homes and Systems-decide where things live and the flow of items; **P** - PLAN Your Container Strategy-select and utilize appropriate containers;

**S** - START New Habits-maintain your new systems daily)









# Company

# **Company History**

The founder and CEO of Major Mom®, Angela Cody-Rouget walks her talk. She has 2 decades of training in order management. She served in the U.S. Air Force for 13 years (8 years active duty, 5 years in the reserves +4 years in AFROTC) and embraces and thrives in orderly environments. Orderly does not mean living in rigid or inflexible environments! Being orderly frees up your brain to focus on the important things in life. She wants everyone to know how good it feels to have an organized home and office.

Angela attained the rank of Major in the USAF and her husband, Frederic, nicknamed her Major Mom® after their first child was born. Angela would return from a long weekend of reserve duty and Frederic would hand her baby Lily and say "Yeah, Major Mom is home!" Angela has been called Major Mom since December 2003. (Pictured below: Major Cody with her baby girl).



After her second child was born, it became more difficult and sad to leave her babies for long weekends and two weeks a year. Angela was torn between two loves: her family and the military. After much consideration and thought (or possibly during postpartum depression says her husband and family), Major Cody resigned her commission with an honorable discharge. (Picture above: Six



months pregnant with her second child).

As she joined mommy groups and play groups she witnessed how hectic a stayat-home mom's life is and how isolated one can feel. She started to grow a big place in her heart for moms and their busy families. These moms were the inspiration for her idea to start her organizing company.

In 2009, Angela brought three partners to the Major Mom® team and Mandy Pinkston is the only one that remains today. In October 2009, the Major Mom Academy™ was opened. As of October 2015, we have trained 47 employees by conducting fourteen academy classes. Major Mom® currently has 16 fabulous employees (aka Liberators) liberating households in two states.

Angela Cody-Rouget and Mandy Pinkston built the company from the ground up. Angela owns 67% of the business and Mandy owns 33%. The business is established as an LLC taxed as an S-Corp with the Colorado Secretary of State.

# **Management Team**

The initial management team consists of Angela Cody-Rouget, Chief of Marketing & Sales; Mandy Pinkston, Chief of Client Care; Angelia Archuleta, Human Resources Sergeant; Gina Butchin, Social Media Manager.

#### **Advisors**

Chris Job, Tax Accountant, Whipplewood Accounting & Tax Lisa Pierpont, Bookkeeper, BottomLine Consulting David Pagard, Employee Screening Service, Culture Index Rehan Hasan, Business Lawyer, Hasan, LLC Maria Speth, Trademark Lawyer, Jaburg Wilk Marty Koenig, CFO for Hire, CXO To Go Pam Gappa, Franchise Consultant, Management 2000 Brian Schnell, Franchise Lawyer, Faegre Baker Daniels LLP

# Offering: Products & Services

The Major Mom® team is comprised of professional organizers who are highly skilled and well trained at decluttering, organizing and setting up customized, achievable and sustainable systems in various types of households. We use our proven systems and processes to make each client's goals become a reality. Major Mom® offers their services for \$78/hour, however, package pricing is our number one way to land new clients because it offers quite a bundle of value. See Service Package chart at the end of this section.

We have created a full line of products available online and are currently building an Affiliate Program so employees, franchisees, clients, vendors and supporters can promote our products and generate commissions.

# **SERVICES**

Major Mom® helps set up customizable, sustainable organization systems for the home, office or car. Major Mom® specifically excels in the following areas: Closets, Kitchens, Bedrooms, Garages, Paper Management, Relocation: Unpack, Organize and Settle-In Services, Relocation: Pre-Move Planning, Downsizing For Families, Storage Area/Sheds/Barn, Merging Households

**MAINTENANCE SERVICES** Major Mom® created the following subscription-based maintenance programs for current clients only:

- **Freedom Services:** \$108/session two hours maximum; offered weekly, biweekly or monthly
- Pathway to Peace: \$58/hour two hour minimum, as needed



# **PRODUCTS**

Over the course of five years, Major Mom® has developed numerous products and will offer private labeled organizing containers and solutions by 2018. The following company products are available online and prices range between \$4.88 and \$48.88:

- Fourteen in-person workshops on numerous organizing topics
- 6 online pre-recorded video workshops
- 28 online podcasts
- 3 organizing ebooks
- 3 workbooks to accompany 3 specific workshops

- Gift certificates
- Workshop outlines and tip sheets
- Major Mom® logo'd t-shirts
- Major Mom® logo'd coffee cups and travel mugs

All products are available at www.MajorMom.biz on the ecommerce tab. The content is made available to the client using two automated delivery and follow-up systems: InfusionSoft and CustomerHub.



# Sales Funnel: Product and Service Offering Mix

# Competition

Currently, there are no regional or national brand in the organizing services industry. However several companies have unsuccessfully attempted to grow a national brand. Clutter Busters and Clutter Bug attempted to franchise twelve years ago and managed to have numerous locations in 2007. Today, Clutter Busters only has four locations and two operators while Clutter Bug has gone out of business. There are two more companies attempting to use franchising as a method of national expansion, namely, Clutter Stop and 2BOrganized. Neither company has a franchisee.

The Container Store has been in business for 30 years and is now a publicly owned company run by the original founders. The Container Store morphed The Contained Home concept to be a referral service program that subcontracts solo-practioners organizers across the country. They pay professional organizers \$75/hour and charge a fee for each referral.

Home Sweet Home is a company that focuses on pre-move discarding and donating (aka pre-move purge) as well as unpacking homes and putting everything away. They have begun to buy one-organizer businesses, hire employees and use subcontractors as their expansion model. The business owners then become national account representatives to proliferate the brand.

There are approximately 5,000 solopreneurs in the professional organizing industry, many of them being hobbyists. There are very few companies with employees and none have a team as large as Major Mom®.

Currently, solopreneur maids try to offer organizing services, but they do not have the skill set or training needed. Organizing and cleaning are two completely different processes. Cleaning and scrubbing a home until it shines requires little ingenuity or solutions based thinking.

Major Mom® keeps a close eye on U-Haul and large moving companies that have seen an opportunity to offer organizing services for their clients: pre-move decluttering and unpacking.

# **Competitive Advantage**

There are many factors giving Major Mom® a competitive advantage. We are a services company, primarily differentiated through our team of uniformed employees, our brand and organizing systems. We have created a niche as the company moms want to call to get their homes and families organized.

Major Mom® is the largest organizing company in Colorado with an eight year track record of exceptional service to over 1,000 clients.

Major Mom® has an established and trusted brand. The brand promise: "We make organizing fun and we get the job done faster than anyone."

Major Mom® has a "No Judgment Guarantee." We do not tell clients what to get rid of; we ask a series of questions that pulls the client out of the emotional path preventing them from decluttering.

Major Mom® has a 36 hour training academy consisting of online classroom training and 5 days of on-the-job training in homes with live clients. No other company provides such extensive training.

The Major Mom Method™ enables team jobs to go smoothly and also prevents miscommunications between Liberators handing off a client to a teammate to complete "Operation Liberate Household."

Several Major Mom® employees are Certified Professional Organizers® (CPO).

We are an employee-centric company with a culture of putting the client first at all costs.

Major Mom® is a woman-owned and veteran-owned company.

# **Target Market**

#### **Market Overview**

#### **PRIMARY TARGET MARKETS**

Metropolitan cities with a population of 2 million or more.

#### MARKET SIZE

Major Mom® took all the available data and estimated that the organizing services market has grown from \$218 million in 2007 to an estimated \$619 million in 2015. If the growth rate stays flat it will become a \$1 billion market by 2023. (See spreadsheet called Market Size Analysis in Appendix—prepared by CFO, Marty Koenig.) According to Julie Morgenstern Enterprises, 1 out of 4 Americans surveyed expressed a deep desire to get organized. That means over 75 million people need our services in the United States, not to mention other countries. Major Mom® employees (aka Liberators) can now capitalize on the need for order.

#### **IDEAL CUSTOMER**

We target busy working moms. They feel overwhelmed, resulting in higher levels of stress that often reduce productivity and wreak havoc on the family dynamics. The laundry isn't done and all the dishes are dirty in the sink. So mom says, "Let's go get something to eat or order in!" It is compounded if she is a

single working mother. Many moms feel guilty for not devoting more quality time to their families.

- Works full-time either in or out of the home with 1-4 kids.
- Has an annual income range of \$60K-\$250K.
- Has at least a high school education.
- Is aware they have a problem and are ready for organizing services.
- Manager of their household and can make decisions.
- Have personalities that match the Major Mom® value system: fun, spiritual, family oriented.
- Lives in a 1,200-3,200 square foot home with a 2-car garage.
- Lives just outside their means because they like to buy services and stuff.

#### **Market Needs**

Being organized is not a luxury; it is a necessity in this fast-paced life with every family member being over-scheduled, especially moms. The age of technology and the ever-expanding global economy has changed standard 9-to-5 jobs into jobs that have no clear cut off times. Moms and dads seem to be electronically tied to their jobs incessantly. Downsizing, outsourcing, layoffs and the growth of small home-based businesses are additional factors forcing moms and dads to spend ten to sixteen hours per day working.

There is a demand for home organizing services. According to NAPO and other numerous organizations, disorganization and clutter can have a profound effect on happiness, productivity and family life.

#### MAJOR IMPACTS OF DISORDER

All across America, there are cluttered kitchens, overflowing closets and offices busting with paper. Chaos and disorder rob us of time, money, health, happiness and energy. Living in disorganized homes and operating out of chaotic offices negatively impact people and everyone around them in five huge ways:

- 1. Your time
- 2. Your money
- 3. Your physical health
- 4. Your mental health
- 5. Your safety

#### MAJOR ROADBLOCKS TO GETTING ORGANIZED

There are many legitimate reasons that derail our efforts to get and stay organized, such as divorce, death or relocation. An individual may experience one or many roadblocks, at the same time or over a period of time, when attempting to get organized.

# **Industry Analysis**

#### ALL OTHER PERSONAL SERVICES INDUSTRY -- NAICS 81299/SIC8219

Residential organizing services falls under the \$27 billion Personal Services Industry. Specifically, it is categorized under the "All Other Personal Services" sector of Personal Services. The Department of Labor defines "All Other Personal Services" as businesses primarily engaged in providing personal services "(except personal care services, death care services, dry cleaning and laundry services, pet care services, photofinishing services, or parking space and/or valet parking services)". This industry sector has had explosive growth. According to the Census Bureau, the "All Other Personal Services" sector had record sales of \$5.6 billion in 2008 and grew to over \$6.2 billion in 2012. We would like to add to that growth significantly!

The Bureau of Labor Statistics reports that the hourly wage range for Personal Care and Service Workers is \$10.42 - \$13.56 and the annual wages is \$28,200. We pay our apprentice organizers \$15/hour and are top-ranking organizers are paid \$30/hour plus benefits. We are well above industry averages in terms of wages, salaries and benefits.

#### PROFESSIONAL ORGANIZING SERVICES SECTOR

According to Freedonia Group, the home organizing products industry has become a \$7.6 billion industry and it will grow to \$9.4 billion by 2017. There seems to be a direct correlation to the growth of the organizing products industry and the organizing services sector.

The home organizing services industry has grown steadily since the formation of the National Association of Professional Organizers (NAPO) in 1983. In 2007, NAPO did a member survey and reported that their 4,000 members served 135,546 clients. Using a conservative growth rate of 1.7%, the number of clients served grew to 155,115 in 2015 and is projected to grow to 168,756 by 2020. The average revenue per job was \$1500 which resulted in total revenue of \$203,319,000. Projecting this revenue to 2015, using a conservative growth rate of \$100 every three years on the average revenue per client, we arrived at \$263,695,823. By 2020, we project industry revenues at \$320,636,305. (These

numbers do not include approximately 1,500 men and woman that organize on the side or as a hobby. See Appendix for market size projections). By our calculations, we have only captured .17% of the national market.

The cost for professional organizing services vary between \$35 and \$250 per hour.

It is estimated that there are 1,500 more hobbyist organizers that either do not renew their NAPO membership or chose to not join NAPO. This helps explain the flat lining of membership levels in NAPO. Membership has stayed at or below 4,000 for eight years. As the industry matures, a need arose to differentiate hobbyists from career minded professional organizers. Therefore, in 2007 the Board of Certification for Professional Organizers, began certifying professional organizers. According to their website, www.certifiedprofessionalorganizer.com, the "CPO® certification is a voluntary effort that recognizes professionals who have met specific minimum standards, and proven through examination and client interaction that they possess the body of knowledge and experience required for certification."

# **Marketing Plan**

# **Marketing Strategy**

We will continue to dominate each franchisee territory by gaining 28% of the market share in our niche market of working with busy moms and their families. Due to the fact that there are mainly solopreneurs and hobbyists in each future location, it will not require massive financial output to accomplish this. It will require consistent marketing efforts as we have done in Colorado for eight years. Currently, in Colorado we dominate several regions with our team of 14 Liberators.

Major Mom®'s ideal client is a busy working mom that has let her home become too cluttered. We have a comprehensive marketing plan that focuses heavily on networking and association memberships to reach these busy moms. We also market directly to our clients for repeat business, product sales and maintenance services. We are working on a formal affiliate program with InfusionSoft to get more referrals from clients and more repeat business.

Major Mom® is pursuing new preferred vendor status with large corporations and value-added resellers. We also are seeking new affiliate partners to help us sell more products and services.

# **Use of Funds**

We are raising our first round of capital to help us franchise and proliferate the brand. We are asking for \$150,000. None of the funds will be used for owner salaries. We currently are able to pay ourselves small salaries with our current business revenues. The capital raised will be used in the following manner:

\$25,000	Franchise System Implementation	Technology for franchisors
\$50,000	Hire Staff IT, Marketing and Admin	Help support growth
\$15,000	Legal Firm	Franchisee Contracts
\$10,000	Selling Activities—tradeshows	International Franchise Assoc.
\$50,000	Working Capital	Fixed overhead costs

# **Exit Strategy**

In 8-10 years Major Mom® will sell to a large related services organization like Service Magic. We can use their financial power and connections to continue to proliferate the Major Mom® brand. Currently, Service Magic owns a maid service, handyman service and other home service companies. Major Mom® would be a great acquisition for them. Major Mom's executive team would plan to stay on and help run the company for 8-10 years. It is our goal to be acquired for \$10 million.

# **Financial Projections**

	2014	2015	2016	2017
Revenue	\$ 419,137	\$ 550,000	\$ 675,000	\$ 1,000,000
COGS	\$ (196,254)	\$ (257,528)	\$ (316,058)	\$ (468,234)
Other Expense	\$ (197,835)	\$ (200,000)	\$ (200,000)	\$ (200,000)
Profit	\$ 25,048	\$ 92,472	\$ 158,942	\$ 331,766
<b>Gross Profit Margin</b>	53%	53%	53%	53%
Net Profit Margin	6%	17%	24%	33%

# **APPENDIX**

# **Liberator Team Photo**





We make organizing fun and we get the job done faster than anyone!

