



BUSINESS PLAN . 2015

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Corporate Name: Gengirl Media, LLC
State of Incorporation: CA



EXECUTIVE SUMMARY

WHAT IS iBESTIES?

iBesties is a toy brand that inspires entrepreneurship, business and technology learning through dolls, books and online “edutainment.” Targeted at girls ages 6-11, the brand is a modern take on a traditional business model. iBesties offers smart, savvy, inspiring characters in the antiquated \$16 billion dollar doll aisle.

THE iBESTIES STORY

iBesties began as a passion project for sisters Jenae and Gina Heitkamp. Through Jenae’s experience as a child therapist and Gina’s experience in the tech world, they realized a true need to show girls that these crucial careers are available. Thus, iBesties was born. iBesties tells the story of six friends at a school for the gifted who become tech entrepreneurs when their school coding project goes viral.

The dolls correspond with the main characters in the book. Since the completion of the first doll prototype, Jenae and Gina have received a strong positive response from the press, female entrepreneurs, moms and young girls themselves. What the sisters discovered is a need in the market for a brand that speaks to a new generation of tech-savvy, iPhone-toting young girls who know that their possibilities are endless.

THE OPPORTUNITY

Just like software or technology companies, toys companies can have explosive growth. Many go from zero to hundreds of millions *or even billions* in revenue per year in a few short years. Even conservative growth companies can make upwards of tens of millions by years 2 and 3. With the positive press and accolades that iBesties has received before launching, it is sure to be a successful products.

We believe the time is now to launch iBesties. Tech is trending. STEM is at the forefront of education. Female empowerment has created the most viewed viral videos of 2015 for brands like Verizon Wireless, Pantene and Playtex. Large toy and doll companies are struggling to stay relevant in this changing world. The time is now for iBesties to launch its brand and offer girls a relevant, smart and fun doll line that encourages aspirational play.

COMPANY SUMMARY

Stage	Revenue
Previous Spend	\$97,500
Funding Required	\$650,000
Website	www.iBesties.com

ACCOMPLISHMENTS TO DATE

- Launched a crowdfunding campaign and sold \$55K in pre-orders.
- Featured in several publications including People Magazine and mentioned by the White House.
- Won the 2014 UCI Business Plan Competition against 98 competitors.
- Completed two doll prototype & two chapter books.
- Executed agreement with two leading manufacturers.
- Launched website with interactive and educational features.
- Social media presence – with over 2,000 pre-launch followers.
- Met with distributors and retailers including Walmart and Target in order to get the products into retail stores across the nation.

EXECUTIVE SUMMARY

THE BUSINESS MODEL

The iBesties business model is built around the sale of dolls and books. Initially, the products will be sold in a bundle. The company will launch with all six characters and several accessories. Once the company has solidified its brand presence in the market (projected to be the year 2018), it will begin licensing to companies who have the resources and capabilities to market and sell additional iBesties products. Licensing is extremely lucrative for brands, with comparable doll brands bringing in hundreds of millions of dollars in revenue each year. The company will license its brand in such categories as gaming, education, cartoons and apparel. The company has already met with one or more interested parties in each of the categories mentioned.

DUAL TARGET MARKETS

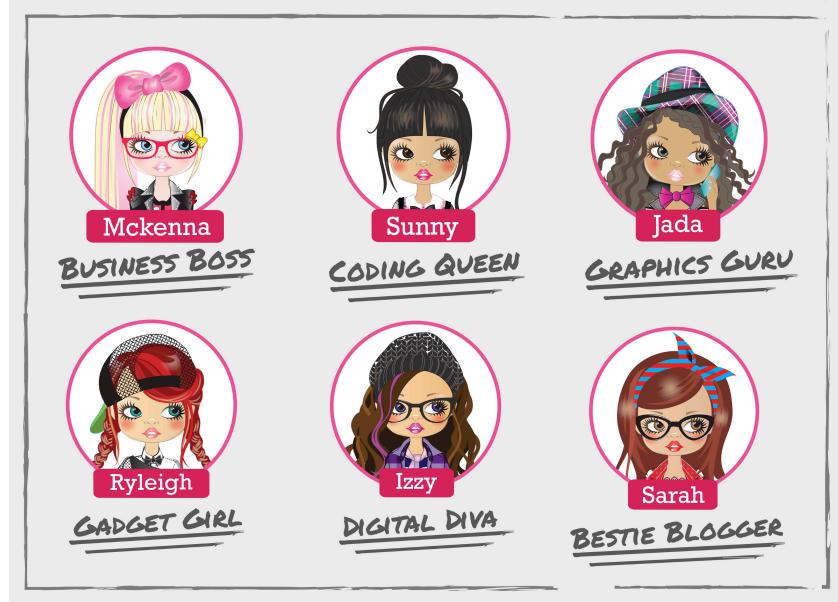
Girls 6-11 & Their Parents

According to census projections, the number of 6-11 year-olds girls in the U.S. is 8 million. 92% of these girls own and play with dolls. On average these girls own 9.5 Barbies. This doesn't even account for all of the other types of dolls they own.

Estimated at over \$240 billion in spending power, young girls are sizeable direct market. They are characterized as "having more personal power, more money than previous generations (*Lindstrom & Seybold, 2013*)."¹ Parents are now allowing their 6-11 year old girls to influence more purchasing decisions than ever before – up to 71% of all family purchases.

INDUSTRY SIZE

According to the U.S. Toy Association, in 2014 the doll category earned \$2.32 billion in sales domestically. Worldwide, the industry brought in \$16 billion in 2014. The industry is growing at a steady compound annual growth rate of over 4.2%.



DOLL INDUSTRY 2014

U.S.	Global	CAGR
\$2.3bn	\$16bn	4.2%

*IBISWorld, NPD.com

EXECUTIVE SUMMARY

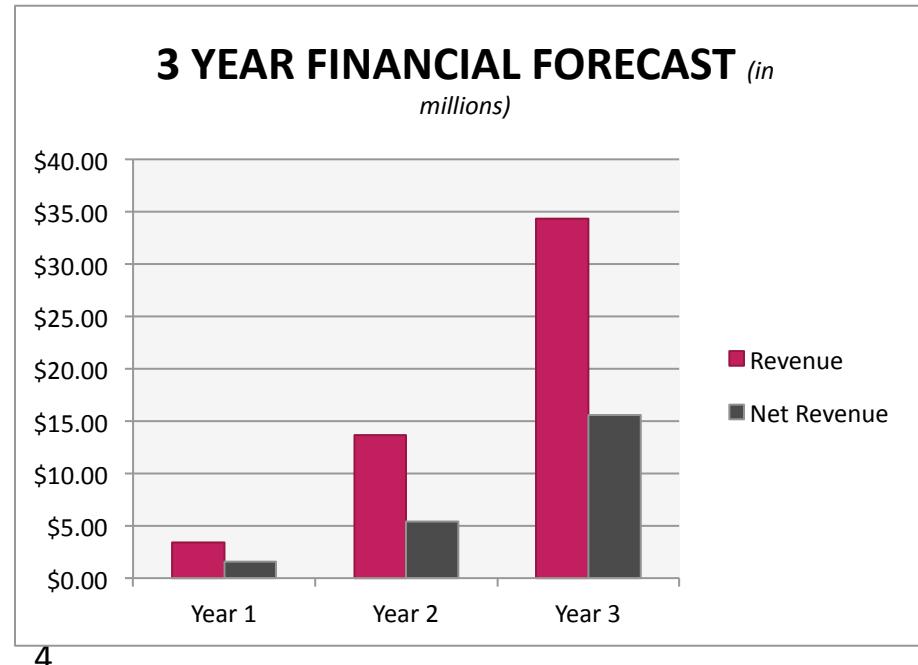
COMPANY SUMMARY

iBesties is owned by sisters, Jenae and Gina Heitkamp under the umbrella company GenGirl Media, a California LLC. Equity is currently shared between the sisters, with a small percentage provided for the COO and advisors. The company has an option pool of 15%. The sisters and their COO have invested over \$97,500 into the project thus far as well as hundreds of thousands of dollars of sweat equity. Accomplishments to date include the completion of two unique doll prototypes, first two books, a successful Kickstarter campaign, press seen all over the globe, a brand website, illustrations of characters, detailed marketing plan, vast market research, and the acquisition of an industry experienced advisory board.

FINANCIAL FORECAST & INVESTMENT OPPORTUNITY

iBesties is poised to see robust financial growth over the next three years. The company projects revenues of over \$34 million by Year 3, earning a net profit of over \$9 million. These financial forecasts are conservative estimates based on the initial \$650,000 raise, case studies of like companies and the size and availability of the market. iBesties is seeking a long-term investing partner. In exchange for the required \$650,000 the investor will receive an equity share of the company at a \$2 million pre-money valuation. iBesties projects a valuation of over \$65m in Year 3, which is anticipated to bring an ample return for the investor at an exit event.

Startup Funding	Required
<i>Startup Expenses</i>	
Marketing	\$165,000
Legal and Professional Fees	\$50,000
Trade Shows and Travel	\$30,000
Rent and Utilities	\$6,000
General and Administrative	\$86,200
<i>Startup Assets</i>	
Inventory	\$112,220
Packaging Design	\$8,000
Additional Product Development	\$141,200
Web/App Development	\$20,000
Marketing Collateral	\$20,000
Cash Required	\$11,380
Total Startup Costs	\$650,000



iBESTIES PRODUCTS

iBESTIES PRODUCTS

The iBesties brand will launch with a number of products marketed toward, and easily recognizable to, the young girl market (ages 6-10):

Dolls & Books: The iBesties line of dolls will launch with 6 of the main characters from the iBesties series. These dolls each come with a book that corresponds with the character of the doll, while also introducing the other characters in order to encourage additional purchasing.

Accessories: iBesties will create and white label several accessories that match the theme of the brand. These include but are not limited to: a mini drone, a doll-sized robot pet, mini gadgets and more. Additional clothing options, including a school uniform will be offered as well.

Website: iBesties.com is an interactive website that familiarizes users with the iBesties characters, offers games that teach code and business skills and allows users a sneak peek at future stories.



FUTURE OPPORTUNITIES: *Seeing Beyond Book and Toy Shelves*

As the iBesties brand grows the founders will launch additional verticals based on consumer demand and opportunity. The products will expand the consumers' ability to integrate the brand into their daily lives.

Examples of product expansion:

- iBesties as an online cartoon series. Several studios have shown interest in creating short (3 minute) iBesties cartoons.
- Social networking features on the iBesties website. These features will allow users to connect with other iBesties fans, learn new skills and upload pictures of themselves with the product.
- The development of apps that feature the main characters and focus on STEM related themes.
- Expansion of the doll line with additional peripheral characters, doll houses, and accessories.
- Creation of a tech-powered doll using artificial intelligence.

MARKET SUMMARY

iBESTIES' TARGET MARKET

The Buying Power of Young Girls

Between their own growing purchasing power, and the influence they exert on family purchases, young shoppers (ages 6-11) account for a staggering \$240+ billion in spending (*Market Research World*, 2014). Peers have enormous influence, of course, but parents and guardians are still the gatekeepers, although children are acquiring more freedom and more input into their choices. Children are very brand-conscious, highly impressionable, and use favorite brands to define themselves. Their favorite category purchases include fashion, entertainment, toys and games.

MARKET RESEARCH

iBesties has completed extensive market testing on the brand story, characters, website and pricing strategy. These tests were conducted within several classes in public schools within the Los Angeles Unified School District as well as through an online survey sent out to girls ages 6-11 and their parents, which garnered over 70 survey results. iBesties made a point to conduct market research aimed at parents through a supplemental online survey. These parents often make final purchasing decisions for their children. Overall, the majority of participants said that they would purchase a toy from the company. Using statistical analysis, at 95% confidence level, it is estimated that 63% to 89% of the target market would purchase an iBesties product. The majority of parental respondents who did not wish to purchase a product were price sensitive, and would change their mind with use of a coupon or special discount. A sample of these results can be seen below and the full study is available upon request.



Q: Do you feel like you can relate to the iBesties stories and characters?

74% YES 26% NO

Q: Would you want to own an iBesties doll?

77% YES 23% NO



Q: Are satisfied with the current book and toy offerings for your daughter?

32% YES 68% NO

Q: After seeing the iBesties product would you buy it for your child?

83% YES 17% NO

INDUSTRY ANALYSIS

INDUSTRY SUMMARY

The U.S. toys and games industry is expected to surpass \$30 billion in 2015, according to research from the Global Industry Analysis. The market is primarily influenced by changing consumer tastes, the success of toy franchises, and the introductions of new technologies. In the five years to 2018, the industry is set to experience moderate growth of 2.3%. While the industry is mature, there is still room for new entry as the three largest companies, such as Mattel and Hasbro make up less than 20% of market share.

INDUSTRY TRENDS & TIMING

Since the invent of the twenty-something, hoodie-wearing, tech billionaires, technology and the business of tech startups have been a major trend worldwide. The success of the movie “The Social Network,” and subsequent shows, Shark Tank, Startups: Silicon Valley, and now HBO’s Silicon Valley, show that there is a demand in media for tech startup characters and products.

In addition, the top two blogs of 2014 on Google Trends were technology related, and the number one book on Google Trends was Lean In: Women, Work and the Will to Lead. Clearly the time to launch iBesties is now. It is on trend, and can move into the market before the big players have the opportunity. According to Michael Allen from Proctor and Gamble, “It won’t be the big that eat the small: it will be the fast that eat the slow.” iBesties aim to be this quick player that meets the need of the market.

CONSUMER PURCHASING BEHAVIORS: *Children are Driving Purchases*

According to a 2013 study by Nickelodeon, “Decision-making within families today is almost entirely collaborative – and as kids become more influential, they’re impacting purchasing decisions.” Kids help pick clothes, toys, cars and even where their families go on vacation. 71% of parents say they solicit opinions from their kids regarding purchases. Nearly all let the kids weigh in when what’s being bought is mainly for the kids themselves, but more than two-thirds of parents take their kids’ views into consideration when making family purchases.

U.S. TOY INDUSTRY 2013

Revenue	\$27.9bn
Profit	\$891.6m

*IBISWorld Industry Report, 2014

“It won’t be the big that eat the small; it will be the fast that eat the slow”

-Michael Allen P&G

COMPETITIVE ANALYSIS

COMPETITIVE LANDSCAPE

The toy and doll market is dominated by large players like Mattel, MGA and Disney. These companies have brands that compete directly with iBesties such as Monster High, and Bratz. American Girls, which also offers books and dolls is not viewed as a direct competitor due to the disparity in price point. Two new entrants into the market are Project MC2 and Prettie Girls. Both concepts launched this year and have made it onto shelves at Target and Walmart. Project MC2 also hit on the STEM theme by focusing on science. According to the retailers, the sales success of this brand this shows proof of a market for iBesties. They also believe that that iBesties brand can be much more successful as it doesn't limit the characters and hits on several hot topics. Prettie Girls has also seen a large request for orders and was well-received at the New York Toy Fair. An analysis of the competitors can be seen below:

Company	Ownership	Target Age	Books	Dolls	Interactive Website	Price/Doll	Strengths	Weaknesses
iBesties	Gengirl Media	6-11	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$29.95 (with book)	Relevant; STEM inspiring: liked by girls and parents	Limited Resources: New to market
Monster High	Mattel	6-10	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$21.99	Vast resources; Target Market Penetration	Not appealing to parents; Based on trend.
Bratz	MGA	6-12		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$19.99	Backed by MGA	Parents do not love the brand.
Project MC2	MGA	7-12		<input checked="" type="checkbox"/>		\$25.00	Science-Based (STEM)	Limited Product Category
Prettie Girls	One World	6-9		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$22.99	Multi-ethnic	New to market

COMPETITIVE ADVANTAGE

When speaking with industry executives we learned that the pain point for large companies like Mattel and Disney is that girls are demanding more story-telling and technology integrated into their toys. These larger brands are having a difficult time addressing this need. Storytelling and technology are at the heart of iBesties. The stories and characters are relevant and diverse. The topic is on-trend and is predicted to continue trending for the foreseeable future. In addition, iBesties appeals to both parents and girls, which makes the purchasing decision seamless. iBesties also has the internal capabilities to launch, market and grow the brand. With an in-house team of industry specialists and experienced professionals, the company is poised to grow quickly and be able to pivot based on demand faster than its corporate competitors.

STRATEGY SUMMARY

MANUFACTURING & DISTRIBUTION SUMMARY

Manufacturing is being subcontracted to experienced toy manufacturers based in Southern China, the same arrangements made for such companies as Mattel, Marvel and Jakks Pacific. iBesties will own its own unique tooling for manufacturing and will pursue design patents. All of iBesties' literary, artistic and product IP will be either owned or licensed exclusively. Trademarks and copyrights provide long-term protection from infringement. Controlling all IP from the US and using world class contract manufacturing provides the company with the best combination of cost protection and rapid growth capacity.

In addition to manufacturing, iBesties will establish strong relationships with nationwide distributors and mass merchandisers who can provide the company with product exposure in addition to sales revenue. iBesties will consistently have sufficient stock, especially in the lead up to key selling periods such as Christmas. In the first year of the dolls' release a limited amount will be available for the Christmas sales period, thus creating a greater demand than supply. This gives the illusion of a greater value to the child and parents that will be anchored in their minds for years to come.

iBesties will utilize a distributor for independent toy stores and will sell directly to big box retailers. The company will begin with supplier friendly stores like Target.

DISTRIBUTION STRATEGY

iBesties has a three-tiered distribution plan. The company will begin by distributing its products to independent and specialty retailers in Spring 2016. iBesties will use a national distribution company that will reach thousands of stores. These stores have little lead time on purchasing and offer higher margins than big box retailers.

In October of 2016, iBesties aims to launch in Target for the Christmas season. The companies are currently in talks to finalize this deal. Target will champion the brand as it features STEM characters and is women owned. This means ideal shelf placement and margins.

Finally, the company will launch the following holiday season in Walmart and Toys R Us. These retailers have the smallest margins and the most competition on the shelf, but have both expressed interest in carrying the products. It will be important to reach economies of scale and solidify brand image and marketing before launching at these retailers.

STRATEGY SUMMARY

LICENSING STRATEGY

iBesties will begin licensing its brand in the third year of operations. The company has already met with several potential licensees and sees a robust opportunity in this business model. As seen in the chart to the right, similar brands are seeing revenues upwards of \$200 million per year from licensing alone. For Mattel's brands, Barbie and Monster High, licensing makes up an average 20% of total product line revenue.

iBesties will target licensing agreements with apparel companies such as Tween Brands, educational companies such as Lakeshore Learning and many more. iBesties has also had interest from several studios regarding a cartoon series. This will also be considered a licensing agreement.

Brand 2012	Licensing Revenue	% of Sales
Barbie	\$232 million	18%
Monster High	\$225 million	22%

MARKETING STRATEGY

iBesties will be marketed using a multimedia approach, public relations and strategic partnerships. According to a research study by Grunwald and Associates, it is crucial for brands to reach young girls using multichannel marketing. This means connecting to their world both online and offline. In offering an interactive website, games and online advertising, iBesties will connect to its customers online. Another way iBesties will reach its customers online is through Youtube commercials and influencer marketing. The company currently has celebrities waiting to promote the product on social media. Events and strategic partnerships will connect iBesties to the target market offline. The company is currently building strategic partnerships with the Girl Scouts of America and Girls Who Code. Parents will be marketed to through a continued public relations campaign that has already seen iBesties featured in People Magazine, Slate, The Daily Dot and more. A full marketing plan with choice vendors, pricing and conversion rates is available upon request.

Marketing	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Year 1
Targeted Online Traffic	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$12,000	\$12,000	\$12,000	\$71,000
Event/Partnership Marketing	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$85,000
Holiday Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$75,000
Influencer Marketing	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$50,000	\$50,000	\$50,000	\$185,000
Youtube Commercials	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$7,500	\$7,500	\$5,000	\$5,000	\$50,000	\$50,000	\$50,000	\$195,000
Public Relations	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$70,000
Total	\$2,500	\$7,500	\$7,500	\$7,500	\$17,500	\$39,500	\$27,000	\$17,000	\$14,500	\$24,500	\$172,000	\$172,000	\$172,000	\$681,000

*Target Launch

STRATEGY SUMMARY

INTELLIGENCE-DRIVEN STRATEGY

iBesties has created an intelligence-driven strategy through data collection and primary and secondary sources of information. The company has met with executives from toy companies such as Mattel, Hasbro and Disney, which helped to garner information on pain points as well as offer crucial feedback on how to best align for an early exit strategy.

The company is aiming for a 2-3 year exit strategy that will assure ample returns for all investors. This will mitigate the risk that comes along with toy and doll trends.

Corporate Executives	Market Research	Industry Trend Analysis
<ul style="list-style-type: none">• Mattel• Hasbro• Disney• Lakeshore Learning• UTA• Jaxx Pacific• Innovation Protocol	<ul style="list-style-type: none">• Surveys<ul style="list-style-type: none">• Parents• Girls• Focus Groups<ul style="list-style-type: none">• Girls	<ul style="list-style-type: none">• Competitor's 10Ks• Forecasting of Future Toy Trends• Industry Analyst Reports

OPERATIONS SUMMARY

iBesties will focus on the creation of dolls, books and complementary digital media and technology. The company will be managed by several executive level, passionate employees, who will oversee all operations. As the company grows, it will add new employees that will help with the day-to-day operations of the company in order to conduct market research, develop assets and increase sales.

The company will maintain a strong marketing team and will support this with 15% of total sales allotted toward marketing and advertising the brand. By the end of year 1, the company will have 4 employees, with this number growing to over 20 by year 3.

The company will be located in Orange County, close to the media mecca of the world. This will encourage partnerships and alliances within the industry.

MANAGEMENT SUMMARY

MANAGEMENT SUMMARY

iBesties has a balanced management team focused on financial success. Chief Executive Officer, Gina Heitkamp, has a background in go-to-market consulting and has successfully helped launch hundreds of companies. Chief Creative Officer, Jenae Heitkamp, is a child psychologist and mom who works closely with the company's demographic and keenly understands their motivations and play patterns. Chief Operating Officer, Amy Kajiya, is a successful entrepreneur, having exited to two consumer product companies. iBesties' support team has award-winning industry expertise with key staff coming from Mattel, Hasbro, and MGA. iBesties currently has an advisory panel composed of former Mattel executives, and a Creative Director for Digital at Disney.



Jenae Heitkamp is a licensed marriage and family therapist, with her graduate degree from the University of Southern California, who has spent 15 years working with youth in the greater Los Angeles area. It was moving to LA for graduate school that first sparked her interest in start ups—after a series of several entrepreneurial roommates.

Today, Jenae is the Chief Innovation Officer for the iBesties brand, and develops books, dolls and online entertainment to inspire young girls, from every walk of life, in the fields of technology and entrepreneurship.



Gina Heitkamp, is a tech-savvy MBA who has always lamented the gender disparity in technology and entrepreneurship careers. This need in the market lead to her co-founding, iBesties: Middle School Moguls.

Before graduating from the UCI Paul Merage School of Business, Gina spent her early twenties building and managing social platforms and later worked as a go to market consultant for a wide range of businesses from startups to fortune 500 companies. Gina believes that iBesties is the perfect way to turn her passions into a business that inspires future generations.



Amy Kajiya is a seasoned entrepreneur who spent over a decade launching and building a national beauty brand. Amy is a specialist in operations and logistics and brings her expertise to iBesties as the Chief Operating Officer. Amy got her degree from University of California Berkeley and has been building and selling businesses since graduation. Her first business was a beauty e-commerce website that she launched and operated for several years before its sale. From there she retained the US distribution fro SebaMed, a high end line of beauty products made in Germany. Amy's success in the entrepreneurial world is a core asset she brings to the iBesties team.

FINANCIAL SUMMARY

PRICING STRATEGY

iBesties will price its products based on individual retailers. Studies will be conducted before each sales meeting to determine a strategic pricing model. On average, the dolls and book combination will retail for \$29.99 at independent toy stores, and \$19.99 - \$21.99 inside a big box retailer. Products will be sold by case at a wholesale price. This will range from 60%-65% of the MSRP, based on the volume of the order and the terms negotiated with the retailer.

Independent and Specialty Stores Pricing

Wholesale Order (in Cases)	Number of Dolls Per Case	MSRP per doll	Wholesale %	Wholesale Price Per Doll	Revenue Per Case for Distributor
1	6	\$29.99	65%	\$19.49	\$116.96
2	6	\$29.99	64%	\$19.19	\$115.16
3	6	\$29.99	63%	\$18.89	\$113.36
4	6	\$29.99	62%	\$18.59	\$111.56
5	6	\$29.99	61%	\$18.29	\$109.76
Order in Cases	Revenue Per Case for Distributor	Discount	Revenue For iBesties		
1	\$116.96	15%	\$99.42		
2	\$115.16	15%	\$97.89		
3	\$113.36	15%	\$96.36		
4	\$111.56	15%	\$94.83		
5	\$109.76	15%	\$93.30		

Target Pricing

Wholesale Order (in Cases)	Number of Dolls Per Case	MSRP per doll	Wholesale %	Wholesale Price Per Doll	Revenue Per Case
5	6	\$21.99	60%	\$13.19	\$79.16
10	6	\$21.99	59%	\$12.97	\$77.84
25	6	\$21.99	58%	\$12.75	\$76.53
50	6	\$21.99	57%	\$12.53	\$75.21

Walmart Pricing

Wholesale Order (in Cases)	Number of Dolls Per Case	MSRP per doll	Wholesale %	Wholesale Price Per Doll	Revenue Per Case
5	6	\$19.99	55%	\$10.99	\$65.97
10	6	\$19.99	54%	\$10.79	\$64.77
25	6	\$19.99	53%	\$10.59	\$63.57
50	6	\$19.99	52%	\$10.39	\$62.37

FINANCIAL SUMMARY

SALES FORECAST INDEPENDENT & SPECIALTY

Sales to independent and specialty stores will be conducted by iBesties' distributor. This will begin in May of 2016. The company has interest from two leading distributors, Schylling and Diverse Marketing. Both of these distributors have thousands of store locations they supply to. The benefit of using a distributor is that they take on the credit risk. They also train the store staff on the product so that the sales people work as on the ground marketing representatives, thus decreasing marketing spend in year 1.

Independent Toy Stores	% Increase	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Number of Stores	25%	0.0	0.0	0.0	0.0	500.0	625.0	781.3	976.6	1220.7	1525.9	1907.3	2384.2
Number of Cases Purchased		1	1	1	1	1	1	1.5	1.5	1.75	1.75	2	2
Cost Per Case		\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42	\$99.42
Total Sales Independent		\$0.00	\$0.00	\$0.00	\$0.00	\$49,708.43	\$62,135.53	\$116,504.12	\$145,630.15	\$212,377.30	\$265,471.63	\$379,245.19	\$474,056.48
COGS Independent Toy Stores		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Manufacturing		\$0.00	\$0.00	\$0.00	\$0.00	\$22,548.00	\$28,185.00	\$52,846.88	\$66,058.59	\$79,134.52	\$98,918.15	\$141,311.65	\$176,639.56
Safety	1.50%	\$0.00	\$0.00	\$0.00	\$0.00	\$745.63	\$932.03	\$1,747.56	\$2,184.45	\$3,185.66	\$3,982.07	\$5,688.68	\$7,110.85
Returns and Refunds	2.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$994.17	\$1,242.71	\$2,330.08	\$2,912.60	\$4,247.55	\$5,309.43	\$7,584.90	\$9,481.13
In Store Marketing	2.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$994.17	\$1,242.71	\$2,330.08	\$2,912.60	\$4,247.55	\$5,309.43	\$7,584.90	\$9,481.13
Total Cost of Goods		\$0.00	\$0.00	\$0.00	\$0.00	\$25,281.96	\$31,602.45	\$59,254.60	\$74,068.25	\$90,815.27	\$113,519.09	\$162,170.13	\$202,712.66
Gross Margin		0%	0%	0%	0%	50.86%	50.86%	50.86%	50.86%	42.76%	42.76%	42.76%	42.76%

Revenue Forecast	Year 1	Year 2	Year 3	
<i>Revenue</i>				
Independent Stores	10.00%	\$1,705,129	\$2,213,370	\$2,656,044
<i>Cost of Goods Sold</i>				
Independent Stores		\$759,424	\$1,305,888	\$1,553,786
Net Revenue	\$945,705	\$907,482	\$1,102,258	

FINANCIAL SUMMARY

SALES FORECAST TARGET

iBesties is in talks with Target to carry the line—possibly with an exclusivity agreement for a short period of time. The company has a follow up meeting December 2nd to discuss the company carrying the product beginning in October of 2016 for that Christmas period. Target's retail price point for the product will be roughly \$21.99. The company is working with a broker with a strong toy relationship to Target to help facilitate the deal. The purchasing estimates below are garnered from his experience working with the company.

Sales Target	% Increase	Oct-16	Nov-16	Dec-16	2016 Totals
Number of Stores	10.00%	1801.0	1801.0	1801.0	1801.0
Average Number of Cases Purchased	5.00%	4.0	4.0	4.0	4.0
Cost Per Case		\$77.84	\$77.84	\$77.84	\$77.84
Total Sales Target		\$560,792.50	\$560,792.50	\$560,792.50	\$1,682,377.50
COGS Big Box		Oct-16	Nov-16	Dec-16	2016 Totals
Manufacturing	47.59%	\$266,864.98	\$266,864.98	\$266,864.98	\$800,594.93
Sales Rep Fee	5.00%	\$28,039.62	\$28,039.62	\$28,039.62	\$84,118.87
3PL	5.00%	\$28,039.62	\$28,039.62	\$28,039.62	\$84,118.87
Safety	1.50%	\$8,411.89	\$8,411.89	\$8,411.89	\$25,235.66
Returns and Refunds	2.00%	\$11,215.85	\$11,215.85	\$11,215.85	\$33,647.55
In Store Marketing	4.00%	\$22,431.70	\$22,431.70	\$22,431.70	\$67,295.10
Total		\$365,003.66	\$365,003.66	\$365,003.66	\$1,095,010.99

Revenue Forecast	Year 1	Year 2	Year 3
<i>Revenue</i>			
Target	15.00% \$1,682,378	\$5,670,191	\$15,943,869
<i>Cost of Goods Sold</i>			
Target	\$1,095,011	\$3,699,298	\$9,008,286
Net Revenue	\$587,367	\$1,970,893	\$6,935,583

FINANCIAL SUMMARY

SALES FORECAST WALMART & TOYS R US

iBesties has also met with Walmart and Toys R Us, both of which are interested in carrying the product. The company has a follow up meeting with Walmart in Bentonville in January. While Walmart is interested in carrying the products as soon as possible, the low price points and slim margins have made the company decide to wait until it hits full economies of scale before moving forward. iBesties will begin distribution to Walmart and Toys R Us in October of 2017 for that holiday season.

Sales Walmart and Toys R Us	% Increase	Oct-17	Nov-17	Dec-17	2017 Totals
Number of Stores	2%	2900.0	2900.0	2900.0	2900.0
Average Number of Cases Purchased	3%	10.0	10.0	10.0	5.0
Cost Per Case		\$65.97	\$65.97	\$65.97	\$65.97
Total Sales Walmart and Toys R Us		\$1,913,043.00	\$1,913,043.00	\$1,913,043.00	\$5,739,129.00
COGS Big Box		Oct-17	Nov-17	Dec-17	2017 Totals
Manufacturing		\$779,520.00	\$779,520.00	\$779,520.00	\$2,338,560.00
3PL	5.00%	\$95,652.15	\$95,652.15	\$95,652.15	\$286,956.45
Safety	1.50%	\$28,695.65	\$28,695.65	\$28,695.65	\$86,086.94
Returns and Refunds	2.00%	\$38,260.86	\$38,260.86	\$38,260.86	\$114,782.58
In Store Marketing	6.00%	\$114,782.58	\$114,782.58	\$114,782.58	\$344,347.74
Total		\$1,056,911.24	\$1,056,911.24	\$1,056,911.24	\$3,170,733.71

Revenue Forecast	Year 1	Year 2	Year 3
<i>Revenue</i>			
Walmart & Toys R Us	25.00%	\$0	\$5,739,129
			\$14,323,055
<i>Cost of Goods Sold</i>			
Walmart & Toys R Us		\$0	\$3,170,734
			\$7,913,151
Net Revenue	\$0	\$2,568,395	\$6,409,904

FINANCIAL SUMMARY

MANUFACTURING COSTS – DOLLS FOR INDEPENDENT AND TARGET

Chief Operating Officer, Amy Kajiya, has solidified manufacturing pricing through an extended trip to Hong Kong and China. The company is partnering with a company that manufacturers for other companies like Disney and Mattel. The company will also be moving forward with an additional manufacturer in order to source from multiple locations. Both manufacturers have passed all compliance including that for Walmart and Target. Pricing can be found below.

Order Amount	Cost Per Doll	Average Shipping Cost	Shipping Per Doll	Total Cost Per Doll
3,000	\$6.44	\$5,000	\$1.67	\$8.10
5,000	\$6.12	\$7,000	\$1.40	\$7.52
10,000	\$5.32	\$8,500	\$0.85	\$6.17
Order Amount	Cost Per Doll	Dolls Per Case	Total Case Cost	
3,000	\$8.10	6	\$48.61	
5,000	\$7.52	6	\$45.10	
10,000	\$6.17	6	\$37.04	

MANUFACTURING COSTS – WALMART & TOYS R US

When the company begins working with Walmart and Toys R Us, it will create a less expensive product for these retailers. This will mean keeping the same tooling but using cheaper plastic and less points of articulation. This may also mean less pieces of clothing and accessories per package. These price points can be found below.

Order Amount	Cost Per Doll	Average Shipping Cost	Shipping Per Doll	Total Cost Per Doll
10,000	\$3.63	\$8,500	\$0.85	\$4.48
Order Amount	Cost Per Doll	Dolls Per Case	Total Case Cost	
10,000	\$4.48	6	\$26.88	

FINANCIAL SUMMARY

PROFIT AND LOSS

Pro Forma Profit and Loss		Year 1	Year 2	Year 3
<i>Revenue</i>				
Doll Sales		\$3,387,506	\$13,622,690	\$32,922,968
Licensing Sales		\$0	\$0	\$1,385,000
Total Revenue		\$3,387,506	\$13,622,690	\$34,307,968
 Total COGS		\$1,854,435	\$8,175,920	\$18,752,223
Net Revenue		\$1,533,071	\$5,446,769	\$15,555,745
 Expenses				
Payroll		\$166,200	\$642,000.00	\$963,000.00
Marketing	15.0%	\$681,000	\$2,500,000	\$5,146,195
Rent		\$6,000	\$18,000	\$30,000
Utilities		\$0	\$0	\$4,800
Insurance		\$2,940	\$24,000	\$24,000
Legal and Professional Fees		\$74,000	\$148,000	\$296,000
Communication		\$1,800	\$4,800	\$7,200
Travel		\$21,000	\$23,100	\$34,650
Trade Shows		\$40,000	\$60,000	\$90,000
Design and Development	6.0%	\$203,250	\$817,361	\$2,058,478
Other	2%	\$50,813	\$204,340	\$514,620
Total Expenses		\$1,247,003	\$4,441,602	\$9,168,943
 EBITDA		\$286,068	\$1,005,168	\$6,386,803
Income Taxes	30%	\$85,820.38	\$301,550.31	\$1,916,040.80
Net Profit		\$200,248	\$703,617	\$4,470,762
		5.91%	5.17%	13.03%

FINANCIAL SUMMARY

CASH FLOW ANALYSIS

Pro Forma Cash Flow Analysis	Year 1	Year 2	Year 3
Cash From Operations	\$3,387,506	\$13,622,690	\$34,307,968
Subtotal Cash from Operations	\$3,387,506	\$13,622,690	\$34,307,968
Additional Cash Received			
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-Term Liabilities	\$0	\$0	\$0
Sales of Assets	\$0	\$0	\$0
New Investment Received	\$650,000	\$0	\$0
Total Cash Received	\$4,037,506	\$13,622,690	\$34,307,968
Expenditures From Operations			
Cash Spending	\$1,854,435	\$8,175,920	\$18,752,223
Bill Payments	\$1,332,823	\$4,743,152	\$11,084,984
Additional Cash Spent			
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment (Factoring Loans)	2.00%	\$0	\$272,454
Long-term Liabilities Repayment		\$0	\$0
Purchase Long Term Assets	\$56,110	\$30,000	\$0
Purchase Other Assets	\$0	\$0	\$0
Total Cash Expenditures	\$3,243,369	\$13,221,526	\$30,495,665
Net Cash Flow	\$794,138	\$401,164	\$3,812,303
Cash Balance	\$794,138	\$1,195,301	\$5,007,604

FINANCIAL SUMMARY

INVESTMENT & EXIT STRATEGY

iBesties will require a \$650,000 investment to elicit quick yet manageable growth. The money will be committed to the overall growth of the company, with the majority allotted toward sales and asset development for the brand. In return for the required funds, the investing party will receive an equity investment in the company. The pre-money valuation is \$2 million dollars.

iBesties aims to exit within 2-3 years to a large industry player. Companies like Mattel, and Hasbro acquire 30+ companies per year to integrate into their product portfolio iBesties will follow an exit strategy like that of similar companies within the industry. An example of these exits can be found on the following page.

VALUATION ANALYSIS

The valuation analysis has been calculated using industry standard multiples based on comparable published exits, which can be found on the following page.

Valuation Analysis	Year 1	Year 2	Year 3
Discount Rate			
Valuation EBITDA Multiple	7.07	7.07	7.07
Valuation Sales Multiple	2.48	2.48	2.48
Investment Amount	\$650,000	0	0
Equity Acquired	32.50%	0.00%	0.00%
Calculation Profit-Based Valuation	\$2,021,547	\$7,103,185	\$45,133,406
Calculation Sales-Based Valuation	\$8,384,078	\$33,716,157	\$84,912,221
Calculated Average Valuation	\$5,202,812	\$20,409,671	\$65,022,813