FRAMEABLE

Where Attention Deficit Meets Tangibility

Updated Business Plan

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Executive Summary

Frameable is small Internet based business where clients upload digital images and have them printed, framed, and shipped. The primary purpose of this business is to capture photos that live on the Internet and social media, and give them tangibility. Having a photo uploaded to an album on a social site and having a framed copy of that same photo are two very different things.

The products sold by Frameable are digital prints, a selection of matted and unmated picture frames. Frames offered can be wall hung or stand-alone. Clients can elect to have photo reviewed by a Frameable staff member at no additional cost to ensure the photo printed is the best version of the photo possible.

Frameable is organized as a Limited Liability Corporation (LLC) and has been in business since September 2015. The owner is Jameson Reynolds of Seattle, Washington. Management presently consists of Mr. Reynolds operating as CEO and COO of Frameable. Jeffrey Morneau holds the position of CFO and serves as chief Risk Management Officer. Jameson Reynolds's professional experiences include program management and development of new products for TEGNA, GANNETT, Niantic Labs, and Google's Ground Truth project, respectively. Jeffrey Morneau's legal experience include serving as Senior Corporate Council to Amazon.com, seven years with Weil Gotshal and Manges, Leverage Finance with Goldman Sachs, and Domestic Pricing Advisement for US Airways.

Income streams from Internet orders for the next three years are projected are as follows:

2016: $1,800.00
2017: $5,000.00
2018: $7,500.00
2019: $10,000.00

Current business goals of Frameable are expected to exceed $10,000 revenue by year-end of 2019, and show sustained profitability in 2019. Frameable's current financial backing is provided by its CEO, Jameson Reynolds. At present there is no plan to seek outside financial backing.

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Business Description

In a world where everyone has a digital camera in his or her pocket, there are millions of photographs hanging out in cyber space, but few ever make it to a real wall or an actual desktop. There is not an online service capable of bridging the gap between social media and the framing of these digital memories, until now.

Frameable started when the CEO had his picture taken with his fiancé at a restaurant while on a vacation in Hawaii. The staff of the restaurant gave the couple a digital copy of the photo, but offered to print the photo and frame it for a "nominal" fee. The couple agreed to the fee and they were presented with a black cardboard frame with the couple's untouched photograph, and an invoice for $20 at the end of the meal. Six months later, Jameson found the cardboard frame and photograph tucked inside the coffee table book on he'd purchased on their vacation. That's when he had the idea to reinvent the photo. He recycled the frame, scanned the photograph, removed the red-eye, and applied a filter to reduce the appearance of redness from the Hawaiian sun. He then printed the photo on some high quality paper that had come as part of his Christmas gift, an elaborate laser photo printer. Next came the frame he'd bought as an impulse purchase at Costco that was pre-matted for a 4x6 print in a two pack. He surprised his fiancé a few weeks later with the framed picture by hanging it above a table in their entryway. That was the day the idea for Frameable was born.

Frameable's present market space is online with shipping limited to the United States. With a target demographic of everyone with a social media account with digital photos, and a US shipping address. The target audience is large, in 2014 67% of adults in the United States admitted to having a social media account. Based on 2012 census numbers, that's roughly 200 million accounts! The biggest challenge is overcoming the notion that framing is somehow a thing of the past. Framed photos are something that bring people joy, but society continually becoming more digital the less time people spend printing photos. Allowing our audience to effortlessly upload, frame, and ship these intangible memories, is what makes Frameable different. Anyone who can point and click, drag and drop, can have their digital memories made real.

Marketing Plan

Frameable's present marketing plan consists of social media and email campaigns. Additionally, to generate new business semiannual sales through mechanisms like Groupon will be implemented, along with SEO (search engine optimization) at roughly $100 annually. As Frameable's market space is online, the competition is as well. An online market space makes greater sense than a brick and mortar approach. As Frameable wants to bridge the gap between the digital world and the physical one, it makes sense to sell our product in a digital space.

The competition in Frameable's marketplace is presently limited to simplyframed.com and PhotoAffections.com. Simply Framed charges roughly 65$ for what Frameable charges $29, and <u>does not</u> offer a digital photo upload option. Additionally, the frames offered by Simply Framed are of a lesser quality and do not come with a frame foot. PhotoAffections does not offer framing, however this company does offer users the ability to order digital prints from social media accounts for a low cost, mailed to the users' home.

Frameable's customer market share are primarily comprised of social network users or non-social media users comprised of users with digital camera phones. As explained in the executive summary, the potential for clients via social media exceeds a million.

SWOT Analysis:

Strengths

Frameable has several advantages to its competition. For starters, Frameable offers digital upload option where SimplyFramed does not. Frameable also offers photo printing and framing where PhotoAffections does not offer framing options. Frameable also manages to ensure the lowest cost for the highest quality on frames, photo paper, merchant services.

Weaknesses

A weakness Frameable could improve upon in the future is its shipping ability. Currently shipping will be limited to USPS flat rate shipping. Other online retailors have set an expectation of one or two-day shipping for products, and this is something Frameable will need to manage to continue to say competitive. There is the potential of lost business as a result of a shipping period of five to seven business days.

Opportunities

Frameable will continue to search for better shipping opportunities to ensure a better experience for its clients.

Threats:

Frameable must continue to innovate and provide an easy to use interface. With companies providing more products and services for less, Frameable must provide a superior experience as a larger company with greater financial means could generate a threat by providing a similar service.

Technical Aspects

Frameable is the product of a garage based idea and business. With operations comprised of one staff member there is very little overhead costs. As the frames offered by Frameable are sourced from the Seattle based wholesaler, Costco Wholesale, the company does not require an elaborate manufacturing space. Instead, the product can be produced in a small, workable space in the COO's garage and workshop area. Photo paper is also be purchased from Costco Wholesale to ensure high quality and lower prices are passed on to customers.

Frameable's website are hosted through Linode at cost of $98 per year including a yearly SSL certificate from SSLS.com. The necessary documentation and email server will be maintained through Stripe Payment Suite. More specifically, customer data, order information, and payment receipts will be managed through Django and Stripe.

The printers, computers, software, internet, and workspace are being provided by the CEO at no charge to the company. Presently, Frameable is in possession of one Samsung C1860 laser print as well as one Epson SureColor P800 to allow for multiple printing sizes. Frameable utilizes a 2014 27" iMac with 32gb of Ram with the latest version of Adobe's Photo Editing software. Frameable maintains an inventory of roughly 42 frames, at least 4 of each size and style offered to its clients.

For security purposes, Frameable will maintain a PO box at a cost of $110 per year for legal, tax, and other correspondence. Merchant and Funds processing are handled through Intuit Merchant Services as they offer a

superior saving over other merchant processing. It is with these savings on the backend, Frameable maintains the expectation of providing cost savings to its clients.

Risks

There is potential risk associated with all startups, Frameable is no different. Some risks that have been discussed include cost overruns, unexpected competition, and product issues.

Cost overages are something all businesses must consider when running a business. Frameable's goal is to absorb any potential cost increases out of it's own profits in order to not increase costs to its clients.

Unexpected competition is also a possibility of any startup. However, competition is something the founder of Frameable welcomes. Competition ultimately breeds a better product for the client.

Product issues are something that come with the territory whether a startup or long established company. In the event of product issues, the customer experience is Frameable's ultimate goal and will make decisions accordingly. Should there be a product failure it will be remedied at no cost to the consumer.

Financial Plan

Frameable's goal is to create an online space where a society full of attention deficits can generate something tangible. Frameable has reasonable profit potential in the next three years. With a cost to customer of $29.00 and of that, a profit of $10.28 back to the business, that's a profit margin of approximately 35%.

Presently, the initial investment for Frameable's necessary equipment has been provided by the company's founder Jameson Reynolds. The costs of Frameable's business license, site hosting, PO Box, shipping boxes, frames, and other initial startup costs have been provided by the founder as well. There is presently not a plan to seek outside funding or resources.

Sales Revenue Forecast

As mentioned on page 3 of this plan, Frameable's revenue is projected to double over the next three years from $5,000 to $10,000.

Cost to Consumer: $29.00

Breakdown of Product costs:

- Cost of Frame: $12.00

- Cost of Photo Paper: $0.14

- Cost of Postage: $6.00

- Fund Processing (2%): $0.58

Projected profit per item: $10.28

Annual Business Costs:

- Business License: $35.00

- Web Hosting: $98.00

- PO Box $110.00

- Tax preparation $99.00

- Marketing $100.00

  Annual business cost: $433.00

Profit and Loss Forecast

Year One Forecast:

- 2016: 195 pieces of product to recoup initial $2000 investment

- 2016 Projected Sales: 175 units
  Projected Revenue: $1800
  Projected Loss: $-200

Year Two Forecast:

- 2017: 33 pieces of product to recoup $433.00 investment

- 2017 Projected Sales: 500 units
  Projected Revenue: $5140
  Projected Profit: $4,707.00

Year Three Forecast:

- 2018: 33 pieces of product to recoup $433.00 investment

- 2018 Projected Sales: 750 units
  Projected Revenue: $7710
  Projected Profit: $7,277.00

Year Four Forecast:

- 2019: 33 pieces of product to recoup $433.00 investment

- 2019 Projected Sales: 1000 units
  Projected Revenue: $10,280
  Projected Profit: $9,850.00

Appendices

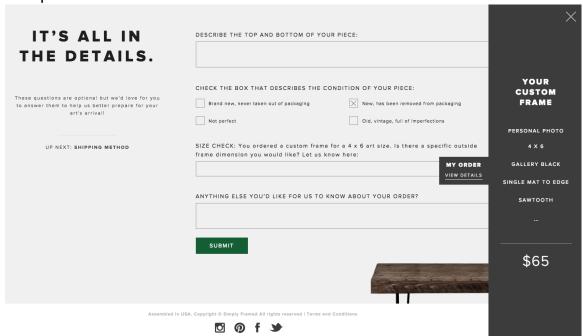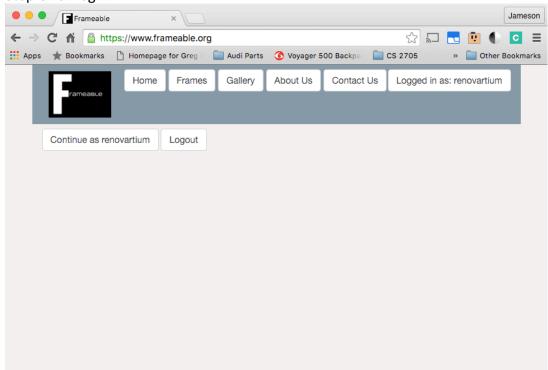| Year	Investment	Projected Sales	Projected Revenue	Profit / Loss
2016	$2,000.00	175	$1,800.00	-$200.00
2017	$257.50	500	$5,140.00	$4,707.00
2018	$257.50	750	$7,710.00	$7,277.00
2019	$257.50	1000	$10,280.00	$9,850.00

Original Project:

Frameable Project:

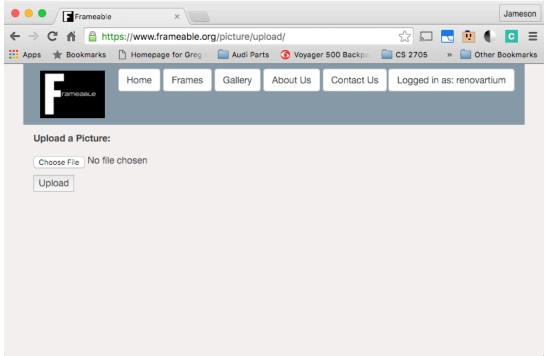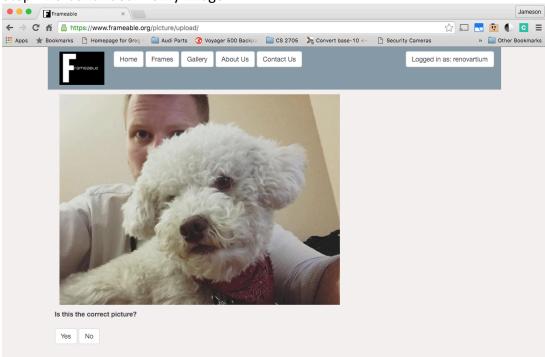Competitions Site:

IT'S ALL IN THE DETAILS.

These questions are optional but we'd love for you to answer them to help us better prepare for your art's arrival!

UP NEXT: **SHIPPING METHOD**

DESCRIBE THE TOP AND BOTTOM OF YOUR PIECE:

CHECK THE BOX THAT DESCRIBES THE CONDITION OF YOUR PIECE:

☐ Brand new, never taken out of packaging ☒ New, has been removed from packaging

☐ Not perfect ☐ Old, vintage, full of imperfections

SIZE CHECK: You ordered a custom frame for a 4 x 6 art size. Is there a specific outside frame dimension you would like? Let us know here:

ANYTHING ELSE YOU'D LIKE FOR US TO KNOW ABOUT YOUR ORDER?

SUBMIT

MY ORDER
VIEW DETAILS

YOUR CUSTOM FRAME

PERSONAL PHOTO

4 X 6

GALLERY BLACK

SINGLE MAT TO EDGE

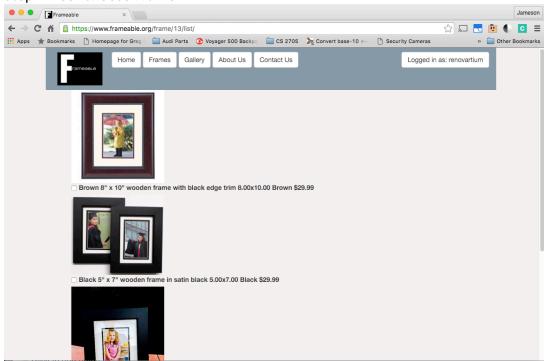SAWTOOTH

...

$65

Step One: Login
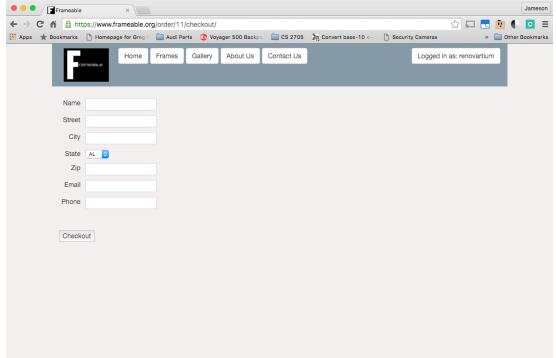

Step Two: Image Upload

Step Two Continued: Verify Image

Step Three: Choose Frame

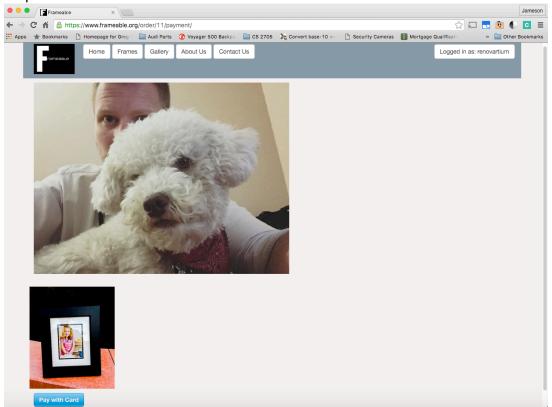## Step Four: Shipping Information

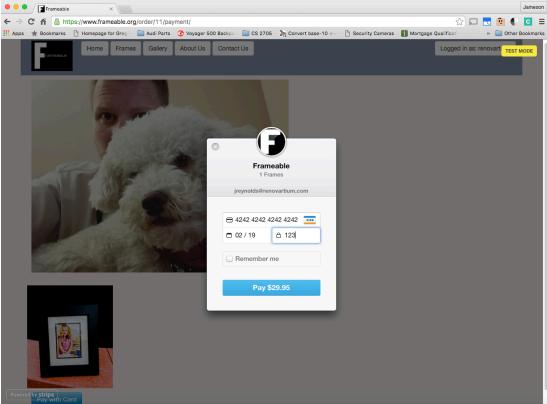## Step Five: Checkout

Step Five Continued: Stripe Payment

Stripe Payment Dashboard