

R.U. Crazy

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Rutgers and Soccer Merchandise

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1.0 Executive Summary



R.U. Crazy is a retailer for Rutgers University branded merchandise that also holds soccer paraphernalia in stock. The company's main goal is to provide its customers with high quality Rutgers and soccer products available. Whether an individual is looking to purchase athletic wear, winter clothing, or a Rutgers souvenir, he or she will be able to find it at R.U. Crazy. The business currently only consists of a physical store, but we have decided to move to a Click-and-Mortar E-Commerce business model. This decision will expand our business into the online frontier. Apart from having a physical store location, R.U. Crazy will have an E-Commerce website that will allow customers to purchase items that can either be delivered to a designated mailing address or held in reserve for in-store pickup. This model will have additional

advantages that allow customers to view a catalog of products they may want to buy from the comfort of their own home.

This small retailer was founded and is currently owned by David Carlon. It will have a small team of individuals who will be working towards the setup of the E-Commerce website. This team will consist of Brian Lee and Lawrence Levy as the marketing and financial analysts, Jesse Cohen as the business analyst and tester, Angela Hon and Hua C Yang as the programmers and website testers, and Alexio Mota as the Team Lead who will be overseeing the project.

The E-Commerce website will feature the same products that are available in-store and will also be used as the business promotional front, which would encourage customers to purchase more from R.U. Crazy. We intend to add a customization feature to the website that would allow customers to tailor a certain piece of apparel to their own specifications. The customizations will be done through embroidery using actual cloth.

R.U. Crazy's most direct competition comes from local clothing stores. The Rutgers bookstores not only act as booksellers, but also sale Rutgers themed merchandise. These two businesses have already established a website for individuals to view their selection. Though they may be ahead of the curve, R.U. Crazy has the advantages of cheaper prices and clothing customizations. These have been proven in the past as effective methods to attract customers and retain loyal ones.

R.U. Crazy's advertisement budget will be minimal because we will be relying on word of mouth as well as local distribution of fliers to get let people know about our new website. We would also look into working out a deal with the university newspaper, the Targum, to promote our new website and services in exchange for a discount for their staff. Another possible avenue

for marketing is reaching out to student organizations, such as Greek life, club sports, and student government. If members of successful organizations purchase items at our website or store, it would increase our visibility on campus. Using social networking websites like Facebook and Twitter may be used as possible marketing strategies, as it enhances the marketing of the E-Commerce website through high-volumed social media. Social networking can help promote events, sales, and products. It will also allow R.U. Crazy to connect with current and potential customers on a personal basis.

In summation, R.U. Crazy is dedicated to offering comparable services and operations with the competition, providing our customers with merchandise that they can be proud of owning. We also intend on expanding to other Rutgers campuses to accomodate the Rutgers fan base in those campuses.

1.1 Mission Statement

“R.U. Crazy is dedicated to delivering desirable Rutgers and Soccer brand name merchandise with exceptional value and service”

2.0 Market Analysis

RU Crazy competes with other businesses in different market subdivisions as it sells both Rutgers and soccer merchandise and paraphernalia. By selling Rutgers merchandise and soccer apparel, RU Crazy competes with other businesses such as Scarlet Fever, Rutgers Bookstores owned by Barnes and Nobles, as well as large local retail stores such as Dick’s Sporting Goods, Sports Authority, Modell’s and even Macy’s. RU Crazy does not currently have an online store,

but our business still competes with companies with an E-commerce model, in addition to local stores. RU Crazy's main demographic are Rutgers students, faculty, alumni, and fans. The store also sells variety of soccer commodity that may appeal to local customers who are looking for licensed merchandise of their favorite soccer team. RU Crazy's weakness is our ability to gain a broader consumer base due to the absence of an E-commerce business. As a small business without an online store, we miss the opportunity to grasp the businesses of Rutgers fans who shop at the popular retail stores and their online sites.

Our small business atmosphere can play to our advantage as we offer personalized, customizable Rutgers merchandise. We offer embroidery on Rutgers merchandise, allowing jerseys, uniforms and other merchandises to be personalized for customers. As the Rutgers community and the success of Rutgers sports team progresses, we continue to update our inventory and include the latest Rutgers uniforms, jerseys, and commodity. Our low and competing prices allow customers to support their favorite team without spending too much. With an online business, we can expand our customer base, gaining more loyal customers, while providing more efficient ways to deliver Rutgers goods to them. A website will act as a marketing strategy on our behalf, as we can gain more recognition to customers who try to shop online for Rutgers merchandise. Adding an E-commerce aspect to our business will bring RU Crazy to a similar level to the popular retail stores and their online operations. What make us unique are our low prices and customizable goods, which will allow us to continue to progress forward and to support the Rutgers community.

3.0 Company Description

RU Crazy, founded by David Carlon in May of 2005, is well-established and licensed sports store that provides high quality sports gear and knick-knacks to our loyal customers. Our main products are Rutgers branded merchandise and soccer apparel.

RU Crazy is a small downtown New Brunswick store. Our main customer base is Rutgers students and alumni, as well as New Brunswick natives. RU Crazy offers a ten percent discount to all current and alumni Rutgers students. We are located within walking distance to the Rutgers University College Avenue campus making our store easily accessible to all Rutgers students and staff. We are also located close to the New Jersey Transit New Brunswick train station and bus stops. This allows our store to be reached by a larger customer base.

We specialize in sports products, generally, carrying Rutgers branded items and apparel. Our inventory also includes dorm and tailgating essentials, blankets, pillow, watches and clocks, umbrellas and ponchos, and many other items. We also offer custom embroidery on site so that you can fully customize your gear. Our prices are considered the best in town giving us the advantage over nearby sports stores.

We are licensed to sell Nike, Adidas, Reebok, Under Armour, Champion, and Russell brand apparel and gear. Offering these name brand products at our low prices makes us more attractive to prospective customers.

The primary objectives of RU Crazy over the next five years are to expand our customer base and increase our net profits. We plan to do this through the implementation of an online store. This follows the merchant business model, where we will combine our physical downtown New Brunswick store with an online one. This will allow our store to reach many more

customers and in turn increase our profits. R.U. Crazy currently has a positive inflow and we expect that to increase after our website goes online.

RU Crazy can be found at 342 B George Street, New Brunswick, NJ 08901. This is a prime location in downtown New Brunswick, easily accessible by numerous means of transportation. We have our own parking lot to avoid the parking hassles of the busy streets. Our telephone number is 732-246-7030. We can be reached anytime Monday through Saturday, from 10:00 am – 6:00pm, and Sunday, from 11:00 am – 5:00pm.

4.0 Organization & Management

RU Crazy is a small private company owned by David Carlon. With a strong desire to expand his business, David has formed a team of intellectual undergraduates from Rutgers. The team comprises of six members, led by Alexio Mota, a triple major undergraduate in Computer Science, Information Technology and Informatics, and Economics, who will act as the C.F.O. in training. Brian Lee, undergraduate degree in Information Technology and Informatics and a focus in Psychology, is our lead marketing and financial officer. Lawrence Levy, undergraduate degree in Information Technology and Informatics, is our lead Business Analyst. Hua Yang, a double major undergraduate in Computer Science and Information Technology and Informatics, is our lead programmer and developer. Angela Hon, undergraduate degree in Information Technology and Informatics, is our lead tester. Jess Cohen, undergraduate degree in Information Technology and Informatics, oversees our business analytics and testing. (See appendix A).

As the owner of RU Crazy, David will take the role of the C.E.O. of the privately own company. Until the company goes public, the Board of directors will only be consisted of David,

the C.E.O., and Alexio, the C.F.O. trainee. Alexio will be the voice of the team of undergraduates on this board. An advisory committee will be formed from the faithful sponsors for the company.

The employees will be composed largely of part-time Rutgers students, who will be paid at a competitive rate. We offer flexible work hours because we understand the difficulties of the student lifestyle.

At RU Crazy, there will be an incentive compensation award at the end of each year. The award is equivalent to 1% of the earning for that respective year. The employees will be given an opportunity to apply by submitting a one page concise paper, detailing why they desert the incentive award. The Board together with the advisory committee will pick three winners, basing their final decisions on the submitted cohesive argument and the actual work effort during the time of work at that respective year.

5.0 Marketing & Sales Management

RU Crazy is dedicated to providing Rutgers merchandise and soccer paraphernalia through effective marketing and sales promotions. RU Crazy plans to distribute many different advertising materials such as pamphlets and fliers around the Rutgers campus and also in downtown New Brunswick. In addition to just targeting New Brunswick, the business will focus on targeting most of the state of New Jersey with effective TV commercials in order to promote the online website. There are many people in the state that have gone to Rutgers and continue to have Rutgers pride. Advertising to the entire state will maximize the amount of customers that RU Crazy could potentially bring in. RU Crazy will also advertise in newspapers in the New

Brunswick area including the Daily Targum and the Star Ledger. In addition to these advertising techniques, RU Crazy, will always offer a 10% discount to Rutgers students. This discount will make our products even more cost effective for students who may have many expenses such as tuition. In order to grow the sales of RU Crazy merchandise, the company will make sure to participate in various activities such as sidewalk sales and town fairs. This participation will enable the business to get into the market of the local business and it will also increase awareness without much cost.

6.0 Service or Product Line

RU Crazy is a company that is dedicated to selling high quality sports gear and Rutgers merchandise to the Rutgers and New Brunswick community. As stated above, we specialize in mainly sports products with Rutgers branded on them. Below is a list of most, if not all the different kinds of items that we carry in our stores that are Rutgers branded or soccer oriented:

- | | |
|------------|-----------------------------|
| ❖ Sweaters | ❖ Sweatpants |
| ❖ Hoodies | ❖ Zip Up Hoodies |
| ❖ Shirts | ❖ Hats |
| ❖ Magnets | ❖ Decals |
| ❖ Blankets | ❖ Pillows |
| ❖ Clocks | ❖ Jackets |
| ❖ Watches | ❖ Umbrellas |
| ❖ Ponchos | ❖ Dorm & Tailgater Supplies |

We also offer other licensed branded items from Nike, Adidas, Reebok, Under Armour, Champion, and Russell Athletic. The different brands allow for our customers to have access to a wider range of items as well as satisfy their personal preferences.

Apart from selling the above named items, RU Crazy also offers services to the Rutgers and New Brunswick community. Custom embroidery is one of our most popular services. We offer this so that our customers can customize their items to their liking. However, we do not offer branding of other company logos on items, besides Rutgers and Soccer teams.

Within the Rutgers community there are many different fraternities and sororities. We also offer services that are directed towards them by having full customization of Greek letters to be printed on any apparel of their choice.

By listening to our customers about their preferences and watching industry trends, we adapt our inventory to make sure it is up-to-date with the current fashion. Doing research and development ensures we have items that individuals will want to buy. The research process usually lasts about 1 month at the end of the year to provide information for development after it is completed.

As mentioned, we cater to everyone within the Rutgers and New Brunswick community. Therefore, we offer specials for Rutgers students in general by honoring 10% off their entire purchase when they show their student ID. We try to ensure that there is a product or service here at RU Crazy for every person.

7.0 Funding Request

R.U. Crazy's short term financial needs consist of physical equipment, software, and advertisement. The physical equipment consists of electronic gear such as computers and a database storage device. Software costs include programs from the Adobe Suite that would be used to construct the website and an Apple developer license that would allow us to put a R.U. Crazy app in the iTunes store. The cost for the equipment and software has been estimated to be \$10,000 and the advertisement campaign was estimated to be about \$1,200. We expect this sunk cost to be covered within six months from increased projected profits through online transactions.

Two years after establishing the R.U. Crazy E-Commerce website, we intend to open physical locations in Camden and Newark. Both these cities contain the audience that the company targets. Aside from the Rutgers students present, Camden and Newark have a large soccer following which would be looking at the soccer paraphernalia being sold online and in-store. R.U. Crazy's long-term financial needs will cover our maintenance and the expansion to these two areas in New Jersey. The maintenance consists of the cost per year to host the website, the cost per year for a domain name, the cost of maintaining an Apple developer's license, and the cost per hour to maintain the website. Our physical needs are the costs of additional storefronts at Rutgers University in Camden and Newark, and increase in stocks for merchandise in both areas and equipment to effectively operate our business out of the storefront. All three storefronts will sell similar products but there will be small differences in items to account for the difference in city culture. For this expansion we intend to purchase \$30,000 of merchandise at each location to

stock up. We would also require approximately \$40,000 for each new store location to pay the initial retail space costs.

8.0 Financial Projections

Initialing the E-commerce business will start off small and economical. During the stages of development of the website, and the early stages of the launch of the website, the E-Commerce will be hosted and maintained locally with our developers. This will maintain zero or minimal costs for the development and maintenance. As the website becomes live for the general public, it will need to be moved to a more stable and reliable website hosting service, such as Go Daddy. Go Daddy has a consist rate of \$29.99 per month, totaling to \$359.88 per year, for hosting websites. Along with website hosting, Go Daddy also offers SSL Certificates, which will add security during the checkout phase of the E-commerce site. The Go Daddy Premium SSL Extended Validation Certificate prices at \$99.99 per year. PayPal services will also be implemented in the website's checkout page, with an additional \$60 per year (\$5 per month). Software and hardware funds that are included in the Funding Request will service as tools and resources for the development and management of the E-commerce website. Emergency funds are included in the budget, as it services as funds that are put aside for any unexpected costs that may rise along the year of business. The company will use the emergency funds to either add additional features or support to the E-commerce website, or for disaster recovery costs. Emergency funds will not hurt financial projections (since it is already calculated with the expenses). Emergency funds increase over the years, as business increases and the volume of the customers increases. The increase of emergency funds accommodates for major issues and

possible expansion of storage space, bandwidth, and processing speed that improve the operations of the online website.

RU Crazy expect the sales to be higher than that of the physical store as the E-commerce store reaches to more customers, increasing sales. Sales are to continue to increase in the coming years, as the E-commerce business continues its success with loyal and new customers. After the website deployment and the related expenses, we expect profits from the E-commerce site to be at least equal to current profits that are achieved by the physical store. With the physical store of RU Crazy, the net profit is an estimated \$60,000 yearly, expecting a minimum of that amount. Within the first full year of the E-commerce operations, the online business should match those profits. Throughout the three years, we expect to see an increase in transactions through the E-Commerce website, this would increase profits as a result. We also expect the other storefronts in Camden and Newark to make at least 40% of that amount in the first year of the opening.

Appendix A: Financial Projection Chart

	2013	2014	2015
Estimates Sales	\$90,519.87	\$110,519.87	\$135,519.87
E-commerce Tools/Resources			
Software	\$5,000	\$0	\$0
Hardware	\$5,000	\$0	\$0
Total:	\$10,000	\$0	\$0
Website Hosting			
Online Store - Web Hosting Fee (Go Daddy)	\$359.88/year (\$29.99/month)	\$359.88/year (\$29.99/month)	\$359.88/year (\$29.99/month)
SSL Certificate (Premium SSL Extended Validation Certificate – Go Daddy)	\$99.99/year	\$99.99/year	\$99.99/year
PayPal (Advanced Payment Solution)	\$60/ year (\$5/Month)	\$60/year (\$5/Month)	\$60 per/year (\$5/Month)
Total:	\$519.87	\$519.87	\$519.87
Additional Funds			
Emergency Funds	\$20,000	\$35,000	\$45,000
Total Expenses:	\$30,519.87	\$35,519.87	\$45,519.87
Estimated Net Profit (E-Commerce Business)	\$60,000	\$75,000	\$90,000

Appendix B: Organizational Chart



