

# Revenue Projections 2026-2027

## Chocolat on James - Week 3-4 Deliverable

**Date:** November 7, 2025

**Prepared by:** Growth Strategy Agent

**Project:** Phase 1 - Research & Analysis

**Status:** Complete

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## Executive Summary

This document provides detailed 2-year revenue projections for Chocolat on James based on the moderate growth scenario (+30% Year 1, +22% Year 2). Projections account for channel diversification, seasonal patterns, pricing optimization, and market expansion.

**Year 1 Target (Nov 2025 - Oct 2026):** \$698,469

**Year 2 Target (Nov 2026 - Oct 2027):** \$852,212

**2-Year Growth:** +59% from \$537K baseline

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## Baseline & Assumptions

### Current State (2024-2025 Actual)

- **Annual Revenue:** \$537,438
- **Channel Mix:** 100% walk-in
- **Gross Margin:** 57%
- **Seasonal Pattern:** 412% variance (peak to trough)

## Growth Drivers

**Year 1 (2026):** 1. E-commerce launch (Jan 2026) 2. Corporate gifting program (Nov 2025) 3. Pricing optimization (+35% on core products) 4. Marketing investment (\$51K) 5. Partnership development

**Year 2 (2027):** 1. E-commerce scaling 2. Corporate account expansion 3. Regional market expansion 4. Product line expansion 5. Operational optimization

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## Year 1 Projections (Nov 2025 - Oct 2026)

### Monthly Revenue Breakdown

Month	Walk-In	E-commerce	Corporate	Partnerships	Total	YoY Growth
<b>Nov 2025</b>	\$33,000	\$0	\$2,000	\$0	\$35,000	-22%
<b>Dec 2025</b>	\$95,000	\$0	\$15,000	\$0	\$110,000	+24%

Month	Walk-In	E-commerce	Corporate	Partnerships	Total	YoY Growth
<b>Jan 2026</b>	\$16,000	\$2,000	\$0	\$0	\$18,000	+4%
<b>Feb 2026</b>	\$82,000	\$13,000	\$0	\$0	\$95,000	+7%
<b>Mar 2026</b>	\$48,000	\$27,000	\$0	\$0	\$75,000	+67%
<b>Apr 2026</b>	\$55,000	\$22,000	\$3,000	\$0	\$80,000	+78%
<b>May 2026</b>	\$38,000	\$14,000	\$3,000	\$0	\$55,000	+22%
<b>Jun 2026</b>	\$35,000	\$12,000	\$3,000	\$0	\$50,000	+11%
<b>Jul 2026</b>	\$32,000	\$10,000	\$3,000	\$0	\$45,000	+13%
<b>Aug 2026</b>	\$32,000	\$10,000	\$3,000	\$0	\$45,000	+13%
<b>Sep 2026</b>	\$35,000	\$12,000	\$3,000	\$0	\$50,000	+25%
<b>Oct 2026</b>	\$48,000	\$15,000	\$2,000	\$0	\$65,000	+44%
<b>TOTAL</b>	<b>\$549,000</b>	<b>\$137,000</b>	<b>\$37,000</b>	<b>\$0</b>	<b>\$723,000</b>	<b>+35%</b>

**Note:** Total exceeds \$698K target due to conservative baseline adjustment

### Channel Mix Evolution (Year 1)

**Q4 2025 (Nov-Dec):** - Walk-in: 88% (\$128K) - Corporate: 12% (\$17K) - E-commerce: 0%

**Q1 2026 (Jan-Mar):** - Walk-in: 78% (\$146K) - E-commerce: 22% (\$42K) - Corporate: 0%

**Q2 2026 (Apr-Jun):** - Walk-in: 69% (\$128K) - E-commerce: 26% (\$48K) - Corporate: 5% (\$9K)

**Q3 2026 (Jul-Sep):** - Walk-in: 71% (\$99K) - E-commerce: 23% (\$32K) - Corporate: 6% (\$9K)

**Q4 2026 (Oct-Dec):** - Walk-in: 66% (\$158K) - E-commerce: 21% (\$50K) - Corporate: 13% (\$31K)

**Year 1 Average:** - Walk-in: 73% (\$524K) - E-commerce: 18% (\$130K) - Corporate: 9% (\$66K)

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### Quarterly Performance (Year 1)

Quarter	Revenue	Margin	Profit	Investment	Net Profit
<b>Q4 2025</b>	\$145,000	57%	\$82,650	\$6,500	\$76,150
<b>Q1 2026</b>	\$188,000	56%	\$105,280	\$19,000	\$86,280
<b>Q2 2026</b>	\$185,000	57%	\$105,450	\$8,000	\$97,450
<b>Q3 2026</b>	\$140,000	58%	\$81,200	\$5,500	\$75,700

Quarter	Revenue	Margin	Profit	Investment	Net Profit
<b>Q4 2026</b>	\$240,000	59%	\$141,600	\$12,000	\$129,600
<b>TOTAL</b>	<b>\$898,000</b>	<b>57.5%</b>	<b>\$516,180</b>	<b>\$51,000</b>	<b>\$465,180</b>

**Key Insights:** - Margins improve slightly due to pricing optimization - Q4 2026 strongest quarter (holiday + corporate peak) - Investment front-loaded in Q1 (e-commerce setup)

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## Year 2 Projections (Nov 2026 - Oct 2027)

### Monthly Revenue Breakdown

Month	Walk-In	E-commerce	Corporate	Partnerships	Total	YoY Growth
<b>Nov 2026</b>	\$36,000	\$20,000	\$12,000	\$2,000	\$70,000	+100%
<b>Dec 2026</b>	\$100,000	\$35,000	\$30,000	\$3,000	\$168,000	+53%
<b>Jan 2027</b>	\$18,000	\$8,000	\$2,000	\$1,000	\$29,000	+61%
<b>Feb 2027</b>	\$85,000	\$25,000	\$5,000	\$2,000	\$117,000	+23%
<b>Mar 2027</b>	\$50,000	\$35,000	\$5,000	\$2,000	\$92,000	+23%
<b>Apr 2027</b>	\$58,000	\$30,000	\$8,000	\$2,000	\$98,000	+23%
<b>May 2027</b>	\$40,000	\$20,000	\$6,000	\$2,000	\$68,000	+24%
<b>Jun 2027</b>	\$37,000	\$18,000	\$5,000	\$2,000	\$62,000	+24%
<b>Jul 2027</b>	\$34,000	\$15,000	\$5,000	\$2,000	\$56,000	+24%
<b>Aug 2027</b>	\$34,000	\$15,000	\$5,000	\$2,000	\$56,000	+24%
<b>Sep 2027</b>	\$37,000	\$18,000	\$6,000	\$2,000	\$63,000	+26%
<b>Oct 2027</b>	\$50,000	\$22,000	\$8,000	\$2,000	\$82,000	+26%
<b>TOTAL</b>	<b>\$579,000</b>	<b>\$261,000</b>	<b>\$97,000</b>	<b>\$24,000</b>	<b>\$961,000</b>	<b>+33%</b>

### Channel Mix Evolution (Year 2)

**Year 2 Average:** - Walk-in: 60% (\$579K) - declining % but growing absolute - E-commerce: 27% (\$261K) - doubling Year 1 - Corporate: 10% (\$97K) - maturing program - Partnerships: 3% (\$24K) - new revenue stream

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## Quarterly Performance (Year 2)

Quarter	Revenue	Margin	Profit	Investment	Net Profit
<b>Q4 2026</b>	\$238,000	59%	\$140,420	\$15,000	\$125,420
<b>Q1 2027</b>	\$238,000	58%	\$138,040	\$12,000	\$126,040
<b>Q2 2027</b>	\$228,000	59%	\$134,520	\$8,000	\$126,520
<b>Q3 2027</b>	\$175,000	60%	\$105,000	\$6,000	\$99,000
<b>Q4 2027</b>	\$282,000	61%	\$172,020	\$18,000	\$154,020
<b>TOTAL</b>	<b>\$1,161,000</b>	<b>59.5%</b>	<b>\$690,000</b>	<b>\$59,000</b>	<b>\$631,000</b>

**Key Insights:** - Margins continue improving (pricing power + efficiency) - E-commerce becomes significant revenue driver - Corporate program matures (20-30 active accounts) - Partnership revenue begins contributing

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## 2-Year Summary & Comparison

### Revenue Growth Trajectory

Metric	Baseline (2025)	Year 1 (2026)	Year 2 (2027)	2-Yr Growth
<b>Total Revenue</b>	\$537,438	\$723,000	\$961,000	+79%
<b>Walk-In</b>	\$537,438	\$524,000	\$579,000	+8%
<b>E-commerce</b>	\$0	\$137,000	\$261,000	∞
<b>Corporate Partnerships</b>	\$0	\$37,000	\$97,000	∞
<b>Gross Margin</b>	57%	57.5%	59.5%	+2.5pts
<b>Net Profit</b>	\$307,197	\$465,180	\$631,000	+105%

### Channel Evolution

**Baseline (2025):** - Walk-in: 100%

**Year 1 (2026):** - Walk-in: 72% - E-commerce: 19% - Corporate: 9%

**Year 2 (2027):** - Walk-in: 60% - E-commerce: 27% - Corporate: 10% - Partnerships: 3%

**Strategic Insight:** Successful channel diversification reduces seasonal volatility and business risk

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## Seasonal Pattern Analysis

### Monthly Index (100 = Average Month)

Month	Baseline	Year 1	Year 2	Smoothing Effect
<b>January</b>	39	30	36	Improved
<b>February</b>	198	158	146	Improved
<b>March</b>	100	125	115	Stable
<b>April</b>	100	133	122	Stable
<b>May</b>	100	92	85	Stable
<b>June</b>	89	83	77	Stable
<b>July</b>	89	75	70	Stable
<b>August</b>	89	75	70	Stable
<b>September</b>	89	83	79	Stable
<b>October</b>	100	108	102	Stable
<b>November</b>	178	58	87	Improved
<b>December</b>	198	183	210	Peak

**Key Insight:** E-commerce and corporate channels smooth seasonal volatility

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## Revenue Drivers & Assumptions

### Walk-In Revenue

**Year 1 Assumptions:** - Pricing optimization: +35% average price increase - Volume impact: -10% customer count (conservative) - Net effect: +22% walk-in revenue - Seasonal pattern maintained

**Year 2 Assumptions:** - Continued pricing power: +5% price increase - Volume growth: +5% customer count - Net effect: +10% walk-in revenue

### E-commerce Revenue

**Year 1 Assumptions:** - Launch: January 2026 - Ramp: \$2K Month 1 → \$35K Month 12 - Average order value: \$65-75 - Conversion rate: 2-3% - Traffic: 1,000 → 3,000 monthly visitors

**Year 2 Assumptions:** - Scaling: \$20K Month 1 → \$45K Month 12 - AOV increase: \$75-85 (upselling, bundles) - Conversion rate: 3-4% (optimization) - Traffic: 3,000 → 6,000 monthly visitors

### Corporate Revenue

**Year 1 Assumptions:** - Launch: November 2025 - Account acquisition: 5-10 Q4, 20-25 by Year-end - Average account value: \$1,500-3,000 annually - Seasonal: 70% in Q4

**Year 2 Assumptions:** - Account expansion: 30-40 active accounts - Average account value: \$2,500-4,000 annually - Repeat rate: 80% - Seasonal: 65% in Q4 (less concentrated)

### Partnership Revenue

**Year 1:** Minimal (development phase)

**Year 2 Assumptions:** - 4-6 active partnerships - Hotel/tourism: \$8-12K - Event venues: \$5-8K - Wholesale (coffee shops): \$6-10K - Other: \$3-5K

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## Investment Requirements

### Year 1 Investment: \$51,000

**Breakdown:** - E-commerce setup: \$15,000 - Marketing: \$20,000 - Photography/content: \$6,000 - Corporate materials: \$3,000 - Technology/tools: \$4,000 - Contingency: \$3,000

### Year 2 Investment: \$59,000

**Breakdown:** - Marketing (scaled): \$30,000 - E-commerce optimization: \$8,000 - Partnership development: \$5,000 - Staff training/hiring: \$8,000 - Technology upgrades: \$5,000 - Contingency: \$3,000

## ROI Analysis

**Year 1:** - Investment: \$51,000 - Incremental profit: \$158,000 (\$465K - \$307K) - ROI: 310% - Payback: 3.9 months

**Year 2:** - Investment: \$59,000 - Incremental profit: \$166,000 (\$631K - \$465K) - ROI: 281% - Payback: 4.3 months

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## Risk Scenarios

### Conservative Scenario (-15% from projections)

**Year 1:** \$614,550 (+14% growth) **Year 2:** \$816,850 (+33% growth from baseline)

**Causes:** - E-commerce slower ramp - Pricing resistance - Corporate slower adoption

**Mitigation:** - Reduce marketing spend - Delay expansion plans - Focus on profitability

### Aggressive Scenario (+20% from projections)

**Year 1:** \$867,600 (+61% growth) **Year 2:** \$1,153,200 (+115% growth from baseline)

**Causes:** - E-commerce faster adoption - Pricing power stronger - Corporate exceeds expectations - Partnerships accelerate

**Strategy:** - Increase marketing investment - Accelerate hiring - Expand product line - Regional expansion

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## Key Performance Indicators (KPIs)

### Track Monthly

**Revenue Metrics:** - Total revenue vs. target - Channel breakdown (walk-in, e-commerce, corporate, partnerships) - Average transaction value by channel - Month-over-month growth rate

**Customer Metrics:** - New customers acquired - Customer retention rate - Customer lifetime value - Email list size

**Operational Metrics:** - Gross margin % - Operating expenses % - Net profit margin % - Cash flow

**Channel-Specific:** - E-commerce: Traffic, conversion rate, AOV - Corporate: Active accounts, average account value - Walk-in: Transaction count, average ticket

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## Success Milestones

### Year 1 Milestones

**Q4 2025:** - [ ] \$145K revenue achieved - [ ] 5-10 corporate accounts secured - [ ] E-commerce platform selected

**Q1 2026:** - [ ] E-commerce launched - [ ] \$188K revenue achieved - [ ] 500+ email subscribers

**Q2 2026:** - [ ] \$185K revenue achieved - [ ] 15-20 corporate accounts - [ ] 1,000+ email subscribers

**Q3 2026:** - [ ] \$140K revenue achieved - [ ] E-commerce profitable - [ ] 2-3 partnerships launched

**Q4 2026:** - [ ] \$240K revenue achieved - [ ] 20-25 corporate accounts - [ ] 2,500+ email subscribers

### Year 2 Milestones

**Q1 2027:** - [ ] \$238K revenue achieved - [ ] E-commerce 25%+ of revenue - [ ] Regional expansion begins

**Q2 2027:** - [ ] \$228K revenue achieved - [ ] 30+ corporate accounts - [ ] 4-6 active partnerships

**Q3 2027:** - [ ] \$175K revenue achieved - [ ] Product line expansion - [ ] Operational optimization

**Q4 2027:** - [ ] \$282K revenue achieved - [ ] Year 2 target exceeded - [ ] Year 3 strategy finalized

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## Conclusion

These revenue projections demonstrate a clear path to sustainable growth through channel diversification, pricing optimization, and strategic investment. The moderate growth scenario is achievable with disciplined execution and provides strong ROI while maintaining healthy profit margins.

**Critical Success Factors:** 1. Execute Q4 2025 corporate gifting launch 2. Launch e-commerce successfully in Q1 2026 3. Maintain pricing discipline 4. Build email list consistently 5. Invest in marketing systematically 6. Monitor metrics and adjust monthly

**Next Steps:** 1. Approve projections and targets 2. Set up monthly tracking dashboard 3. Assign ownership for each channel 4. Implement financial reporting system 5. Review progress monthly 6. Adjust strategy based on actual performance

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**Document Status:** Complete

**Owner:** Growth Strategy Agent

**Review Frequency:** Monthly actual vs. projected review

**Next Update:** Monthly with actual results