



Company



BUSINESS PLAN

Table of Contents

Particulars	Page No.
Executive Summary	04
Market Research	05
Business Model	23
Strategy	38
Management Summary	46
Financials	48

Company's Goals, Mission and Vision

COMPANY MISSION

To solve the current pollution caused by the disposal of used furniture

VISION

To support the growing trend of sustainability and using our innovative ideas to provide warmth to homes.

OBJECTIVES

- ✓ Take advantage of redundant old furniture and make a profit.
- ✓ Contribute to the UK furniture industry
- ✓ Gain our customer's trust by providing quality products.
- ✓ Create a healthy work environment for employee.
- ✓ Job creation
- ✓ Promote products manufactured locally
- ✓ Provide affordable products
- ✓ Be a recognized company in the market
- ✓ Obtain positive reviews

VALUES

- ✓ Environmentalism
- ✓ Innovation
- ✓ Integrity
- ✓ Respect
- ✓ Community

Executive Summary

Company will be a company incorporated in XXXX. The founder, XX, wants to establish a company in the furniture industry. It is in the initial stages of development and wishes to launch by the beginning of 2021.

Company will offer upcycled furniture, upholstery products and provide refurbishment services to customers. The company wishes to address some of the current pollution challenges in the UK. Approximately 22 million pieces of furniture are discarded into landfills every year.

The company aims to give the target market access to affordable yet high-quality furniture through its services.

The company will initially target local residents in Coventry then later expand to the rest of the UK. The industry is expected to be worth £175.9 Mn by the year 2024 and is currently growing at an accelerated rate, creating opportunities for new entrants.

The main purpose of this business plan is to acquire a startup visa that would enable the founder to set up the business in the identified area. The business plan outlines the estimated industry growth and all other key data from the market statistics. This includes the operations of the company, staffing plans, and all other critical strategies. The founder will invest £18,359 in startup funding while the rest of the costs will be financed through a loan, as well as, friends and family.

The key financial forecasts are given below: (in GBP)

Particulars	2021	2022	2023	2024	2025
Cash balance	£19,222	£217,632	£465,125	£764,920	£1,158,150
Revenue	£150,000	£350,000	£520,000	£650,000	£800,000
Net profit	-£25,872	£36,808	£52,309	£75,189	£132,047



£1.3mn
Net Present Value



5.5%
Internal Rate of Return



40%
Revenue Growth



39%
Profit Growth



50%
Cash Growth

A close-up photograph of a person's hands using a blue and red stapler to secure a piece of grey, textured fabric onto a wooden chair frame. The person is wearing a light-colored long-sleeved shirt. The background is a warm, orange-toned wall. The text 'MARKET RESEARCH' is overlaid in the center in a white, bold, sans-serif font, enclosed in a thin white rectangular border.

MARKET RESEARCH

Industry Summary

The furniture and home furnishings repair industry is composed of establishments that reupholster, refinish, repair and restore office, home and antique furniture.

Like many other repair industries, demand tends to be countercyclical. Strong economic conditions encourage consumers towards replacements over repair, thereby reducing industry demand. However, demand for high-value repairs, such as antiques, tends to improve in line with a growing economy. Economic uncertainty deriving from the UK's decision to leave the European Union is supporting revenue growth, as it has resulted in consumers repairing high-end furniture rather than replacing it, as it is often more cost-effective to have expensive furniture repaired.

Over the five years through 2020, industry revenue is anticipated to grow at a compound annual rate of 0.3% to reach £179.3 million. Emerging fashion trends, such as increasing consumer preference for recycled vintage furniture, and concerns of environmental effects have fuelled a renewed interest in furniture repair services over the past five years. Regulation surrounding waste disposal and recycling have also contributed to industry expansion.

In addition, the fall in the value of the pound following the EU referendum has led to imported furniture becoming more expensive, resulting in fewer consumers replacing products with cheaper furniture from abroad, further increasing demand for repair services. However, the rise of online furniture retailers and growing disposable incomes are expected to have encouraged some consumers to opt for replacement over repair in the latter half of the period. This is expected to contribute to revenue falling by 6.6% in 2019-20.

Industry revenue is anticipated to contract a compound annual rate of 0.4% over the five years through 2020, reaching £175.9 million. In the short term, consumers are expected to continue opting for repairs over replacements as consumer and business confidence remains low. This is likely to change in the long term, however, as households and businesses are expected to regain confidence in the economy as the terms of the UK's exit from the European Union become clear and as the COVID-19 (coronavirus) crisis subsides, which is expected to promote purchases of new furniture over repairs. The threat of the widespread availability of cheap, mass-produced furniture online and from big-name retailers is expected to grow in the future. Nevertheless, low barriers to entry are expected to encourage new entrants, supporting industry expansion.

06

£175.9
Mn

**Anticipated Industry
value by 2024**

**Industry growth
rate by 2024**

0.3%

Growth

**Industry Lifecycle
stage**

Key External Drivers

Capital expenditure on dwellings

Capital expenditure on dwellings influences demand for repairs to furniture and home furnishings. Increasing capital expenditure on dwellings tends to raise demand for the industry's services, as consumers are more likely to spend on furniture and furnishing repairs instead of postponing purchases or performing repairs themselves. This is especially true in the antique market. Capital expenditure on dwellings is expected to increase slightly in 2019-20, providing a potential opportunity for the industry.

Real effective exchange rate

The value of the pound influences the attractiveness of repairs in comparison with furniture replacements. A depreciating pound makes imported furniture seem less attractive, as it becomes relatively more expensive. The real effective exchange rate has been declining since the EU referendum and is expected to fall further over 2019-20. This is anticipated to increase the cost of imported furniture and encourage consumers to repair furniture instead of buying replacement goods.

Demand from stores

Re-upholstered or upcycled stores face competition from other retailers, particularly stores, which offer low prices and a wide product range. Stores can often afford to sell below cost price and are constantly evolving product ranges that favour frugal consumers looking for a one-stop-shop. Demand from stores, which is used as a proxy for their performance, is expected to rise in 2020. This may draw away demand from industry operators.

Consumer confidence index

The furniture and home furnishings repair industry tends to be countercyclical. As a result, demand for industry services is influenced by the level of consumer confidence, especially as the items repaired are often expensive to purchase, making repairs a more economical option than replacement. During periods of high confidence, consumers are more likely to purchase replacement goods, negatively influencing industry demand. However, consumer confidence is expected to drop in 2019-20, supporting demand for the industry's services.

Demand from online home furnishing retailing

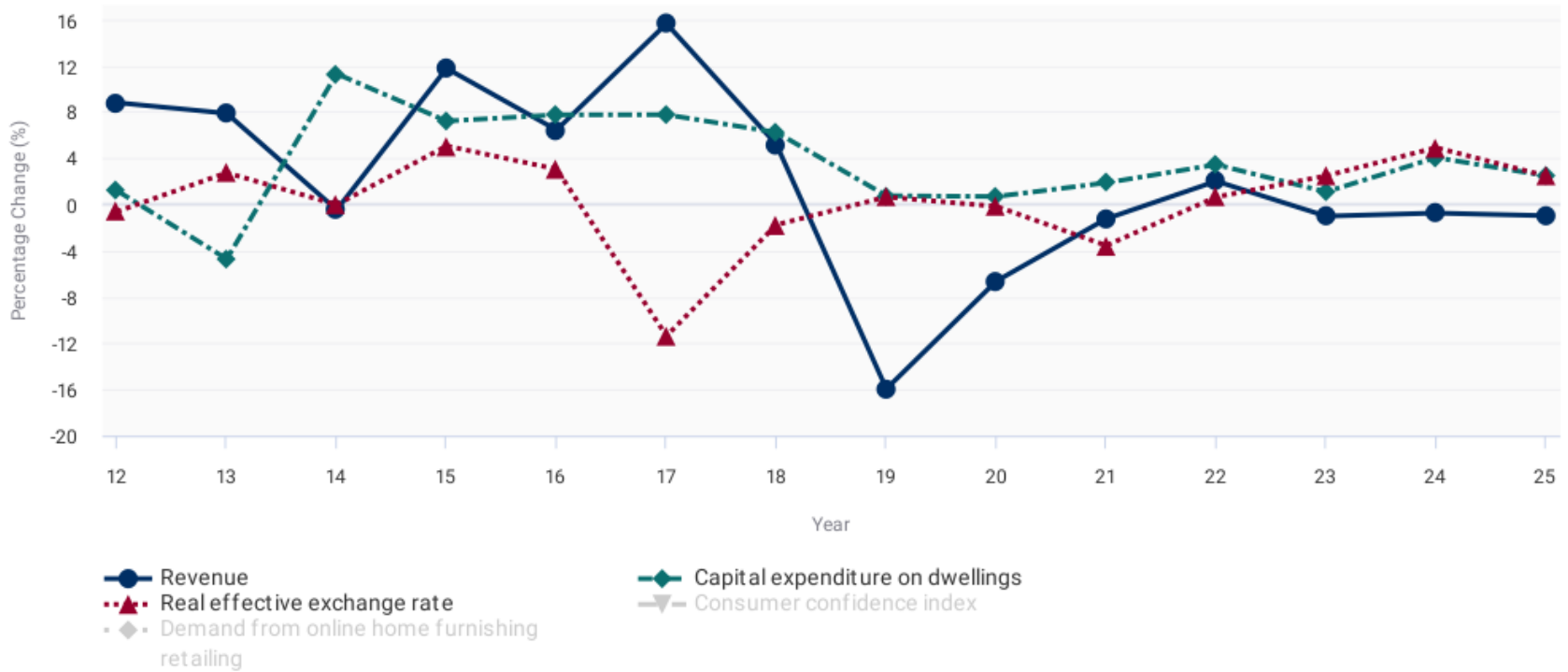
The growing popularity of online home furnishing retailing has increased the level of external competition faced by industry operators over the past five years. Demand from online home furnishing retailing can be used as a proxy for the replacement of furniture. In 2019-20, demand from online home furnishing retailing is expected to grow, posing a threat to the industry.

Public concern over environmental issues

Rising environmental consciousness has emerged as a key driver for second-hand goods stores. As issues surrounding fast fashion and sustainability have come to light, an increasing number of consumers have opted for more thrifty purchases, up-cycling previous clothes. In 2019-20, public concern over environmental issues is expected to increase, presenting an opportunity for the industry.

Key External Drivers

Key External Drivers 2012-2025



Furniture & Home Furnishings Repair
Source: IBISWorld

Industry Performance

The furniture and home furnishings repair industry has performed well over the past five years.

Due to the countercyclical nature of the industry, demand tends to increase when consumer confidence and disposable incomes fall, as this leads to consumers preferring to repair their old furnishings rather than purchase new ones. Weak economic conditions following the UK's decision to exit the European Union led to an increase in industry demand in 2016-17, as consumers were less willing to purchase new furniture, instead opting for the more affordable option of repairing existing items. Demand for the repair of antiques was somewhat restricted, as these services tend to be more expensive.

Overall, industry revenue is expected to grow at a compound annual rate of 0.3% during the five years through 2020 to £179.3 million. However, over the two years through 2020, the rise of online home furnishing retailers and increasing household disposable incomes are expected to cause demand to decline as consumers opt for replacement over repair. As a result, revenue is expected to fall by 6.6% in 2020. Additionally, the industry's profit margin has contracted over the past five years due to increasing price competition and is expected to stand at approximately 5.3% in 2020.

Despite the industry's strong performance, growth in some segments has come under pressure from the increasing popularity of cheap, replacement furniture items sold by large retailers like IKEA. The simplicity and affordability of such products have provided a tempting alternative to furniture repair for many consumers. Operators have also faced increasing pressure from the DIY trend, with a growing number of consumers attempting to repair their furniture themselves. However, competition from replacements has fallen somewhat since the EU referendum, with the depreciation of the pound making imported furniture more expensive. This is supporting industry demand to an extent.

09

5.3%

**Average Industry
Profit Margins**

Industry Performance

Growth Drivers

The share of industry revenue derived from bed and seating repair is expected to have grown at the beginning of the period, with more consumers repairing valuable furniture such as antiques, supporting industry revenue growth. The industry is expected to have somewhat benefited from the uncertainty resulting from the EU referendum in 2016-17, which caused consumers to restrict their discretionary spending, often choosing to repair rather than replace furniture.

This growth in demand for repair services has attracted a steady flow of new entrants over the period, with enterprise numbers forecast to grow at a compound annual rate of 5.9% over the five years through 2020.

Turning The Tables

At the beginning of the past five-year period, a proliferation of cheap imports from abroad somewhat restricted the industry's revenue growth, particularly in unspecialised segments. The strong pound in 2015-16 resulted in an increasing number of households and businesses purchasing cheap furniture that had been imported from abroad instead of repairing existing furniture.

However, this trend is expected to have reversed since 2016-17, owing to the sharp fall in the value of the pound following the EU referendum, as imports have been made comparatively more expensive. This has supported demand for repairs over replacements for the majority of the past five-year period.

Low barriers to entry are expected to have weighed on the ability of industry operators to pass growing input costs on to consumers, which has limited industry profitability over the past five years. External competition, however, remains a prominent threat to industry operators, particularly from DIY services.

Vintage Trends

The growing trend for recycling old items of furniture has fuelled a renewed interest in furniture repair services over the past five years. Also known as upcycling, this trend has been driven by greater awareness of environmental issues and desires to avoid waste. In particular, rising environment consciousness amongst millennials has resulted in the growing demand for antique furniture from this demographic.

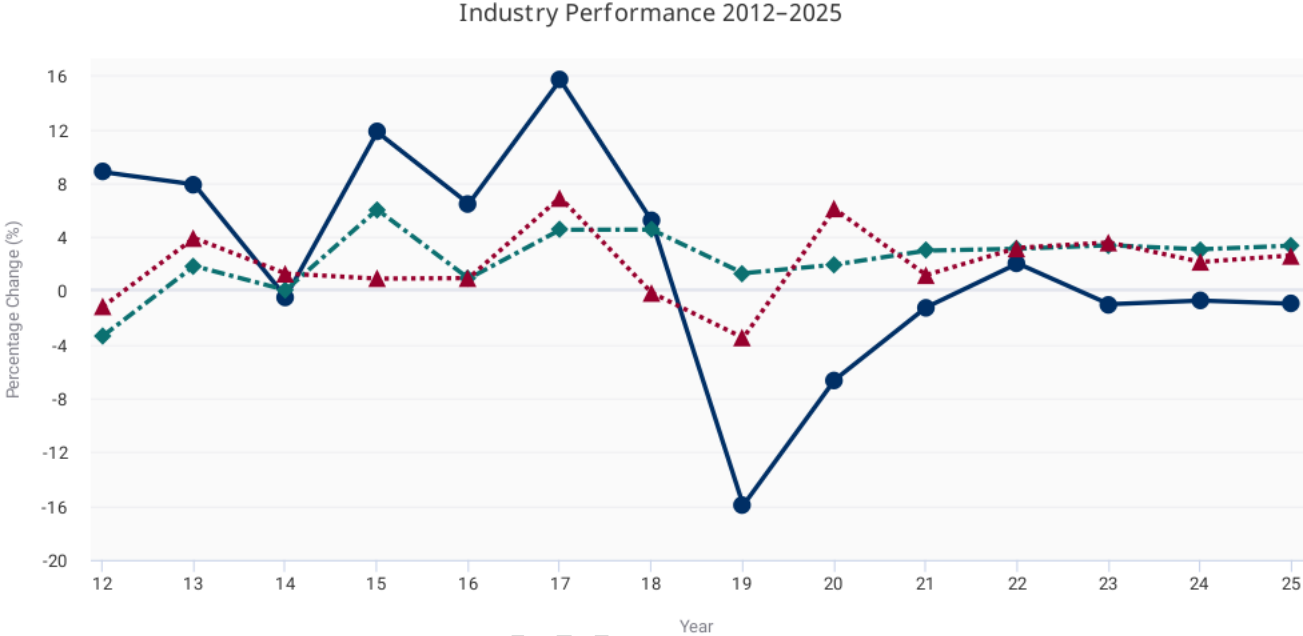
TV programmes, such as BBC's Antiques Roadshow, where members of the public are invited to have their antique furniture examined and valued by experts, have also promoted demand for second-hand furniture. In addition, vintage furniture is considered to be back on trend by interior designers, which further promotes the industry's expansion.

10

5.3%

**Average Industry
Profit Margins**

Industry Performance



- Furniture and other furnishings Repair
- Other Service Activities Average
- UK Economy

Draft 0.1 Plan

Industry Outlook

Demand is expected to continue to be supported by constrained business and consumer confidence, which are the result of economic uncertainty associated with the UK's exit from the European Union, as consumers are expected to continue to prefer repairing furniture over replacing it. However, weak consumer confidence is likely to limit demand in the antique market, shrinking the potential market for high-value repairs and hampering revenue and profit growth.

Lockdown restrictions in response to the COVID-19 (coronavirus) outbreak are expected to weigh on footfall in 2020-21, weighing on revenue growth over the year and potentially driving some operators out of the industry. Moreover, rising household disposable income is expected to limit demand for industry services over the second half of the period, offsetting the positive effect of constrained consumer and business confidence on-demand. An increase in the value of the pound is expected to support demand for imported furniture, heightening competitive pressures. Though the strengthening pound is also expected to reduce the cost of imported inputs, the potential erection of trade barriers is expected to offset the positive effect of the recovering pound on profitability, weighing on purchase costs.

As consumers regain confidence in the economy over the long term, demand for high-value repairs is likely to increase, supporting industry demand and revenue. However, the threat of the widespread availability of cheap, mass-produced furniture online and from big-name retailers to the industry is expected to heighten over the coming years. Low barriers to entry are expected to continue to encourage new operators to enter the industry over the coming period. Wage costs are expected to continue increasing due to the strong reliance on skilled employees.

Brexit Effects

At the start of the next five-year period, constrained consumer and business confidence are anticipated to somewhat benefit the industry, encouraging some consumers to opt for repairs over replacements and thereby increasing demand for the industry's services. However, growing disposable income is expected to offset the positive effect of constrained confidence on-demand with many consumers, especially amongst the higher income thresholds, favouring replacement over repair. As consumers regain confidence in the UK economy over the longer run, demand for repair services is likely to fall even further. As a result, industry revenue growth is anticipated to decline in the latter half of the next five-year period.

The recovery of the pound over the next five years is expected to make imported furniture cheaper and therefore heighten competition from replacement goods. Though this is expected to weigh on industry demand to an extent, the strengthening of the pound is also anticipated to lower the prices of imported inputs such as leather and steel, which are key components in repairs.

This is expected to place downward pressure on purchase costs and somewhat benefit industry profitability. However, the potential erection of trade barriers is expected to offset the positive effect of the recovering pound on profitability, weighing on purchase costs. Industry operators are expected to attempt to mitigate the negative effect of trade barriers by sourcing replacement parts from domestic suppliers whenever possible.

Coronavirus and the Industry

Government-imposed lockdown measures since 23 March 2020 are expected to weigh on industry revenue in the initial part of the next five-year period. The lockdown restrictions are expected to limit the ability of customers to get their furniture repaired, somewhat weighing on revenue growth over the period. Reduced demand during the coronavirus lockdown is also expected to adversely affect the profitability of industry operators, as they are expected to face mounting operational costs such as rent, wages and insurance while revenue is depleted.

However, the government has introduced the Coronavirus Business Interruption Loan Scheme to provide financial support to smaller businesses affected by the coronavirus, which is anticipated to prevent some industry operators from going out of business. However, some operators were already facing financial difficulties before the coronavirus are expected to go bankrupt.

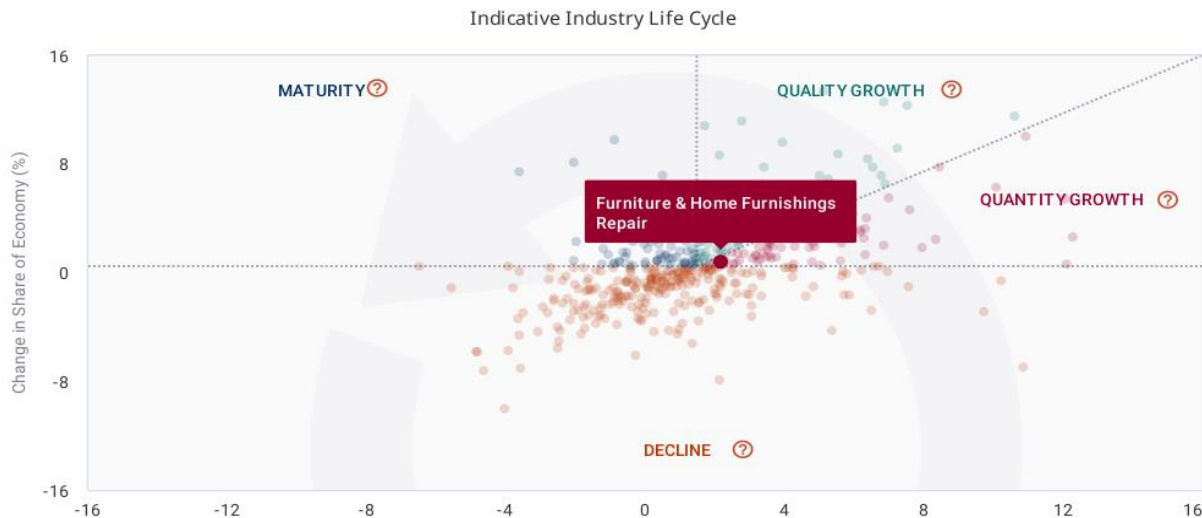
Industry Lifecycle Stage

The industry is in the mature stage of its life cycle. Industry value-added, which measures the industry's contribution to the overall economy, is estimated to increase at a compound annual rate of 2.1% over the 10 years through 2024-25.

The UK economy is expected to expand at a compound annual rate of 1.5% during the same period, meaning the industry's contribution to the economy is anticipated to rise. Nevertheless, the industry is considered to be in the mature stage of its life cycle because its services are a well-established segment of the UK economy.

The industry has performed fairly well over the past five years, largely due to economic uncertainty. The services provided by the industry have remained largely unchanged over the past five years. There is little new product and service development and technological innovation in the industry moves slowly. This is further indicative of industry maturity.

Industry demand is also expected to be hindered by the growth of online retailing, which makes it easier for consumers to purchase new furniture rather than repair existing furniture.



Lifecycle Reasons

- ✓ The industry is growing at a slightly faster pace than the economy
- ✓ The number of industry establishments is increasing
- ✓ The services provided by the industry have remained unchanged

Industry Major Market Segmentation

Bed and seating

The largest service segment for operators is bed and seating accounting for approximately 58.3% of industry revenue in 2019-20.

This segment includes the repair of beds, comfort seating such as sofas and armchairs, practical seating such as office chairs and dining chairs, and other forms of seating such as bus and train seats. Revenue derived from this segment is expected to have increased at the beginning of the past five-year period, with improving economic conditions resulting in more consumers repairing valuable furniture.

It is often more cost-effective to repair high-value furniture as opposed to replacing it. However, high levels of economic uncertainty resulting from the EU referendum are expected to have led to greater purchases of cheaper furniture over repairing old expensive furniture in the years since.

Increased consumption of cheap furniture is expected to have hampered revenue growth in this segment, as cheap furniture is easily replaceable. The increasing popularity of affordable DIY furniture products among younger consumers is expected to have contributed to this trend.

Storage furniture and surface

Storage furniture (and surface repairs) are estimated to account for 30.4% of revenue for 2019-20. Activities within this segment include the repair of tables, cabinets, cupboards and counters. Over the past five years, the revenue attributed to this segment has increased due to rising demand from offices, restaurants and hotels.

Businesses are increasingly opting for repairs, which is reflected in the declining demand from office and shop furniture manufacturing. Growth in demand for this service segment is expected to have been supported constrained levels of business confidence following the UK's decision to leave the European Union limiting spending on new furniture.

Moreover, growth in the number of UK businesses has increased the size of the market for operators, while rising demand from households has also supported this segment's growth.

In the current year, persisting uncertainty regarding the terms of the future relationship between the United Kingdom and the European Union is likely to continue to stimulate this segment's growth by encouraging a growing number of consumers to opt for repair over replacement.

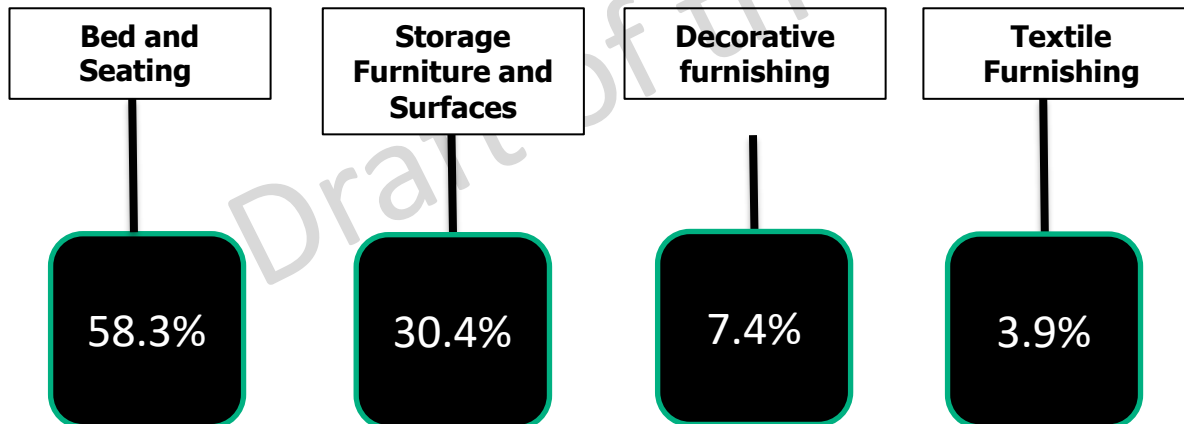
Industry Products and Services Segmentation

16

Decorative furnishing

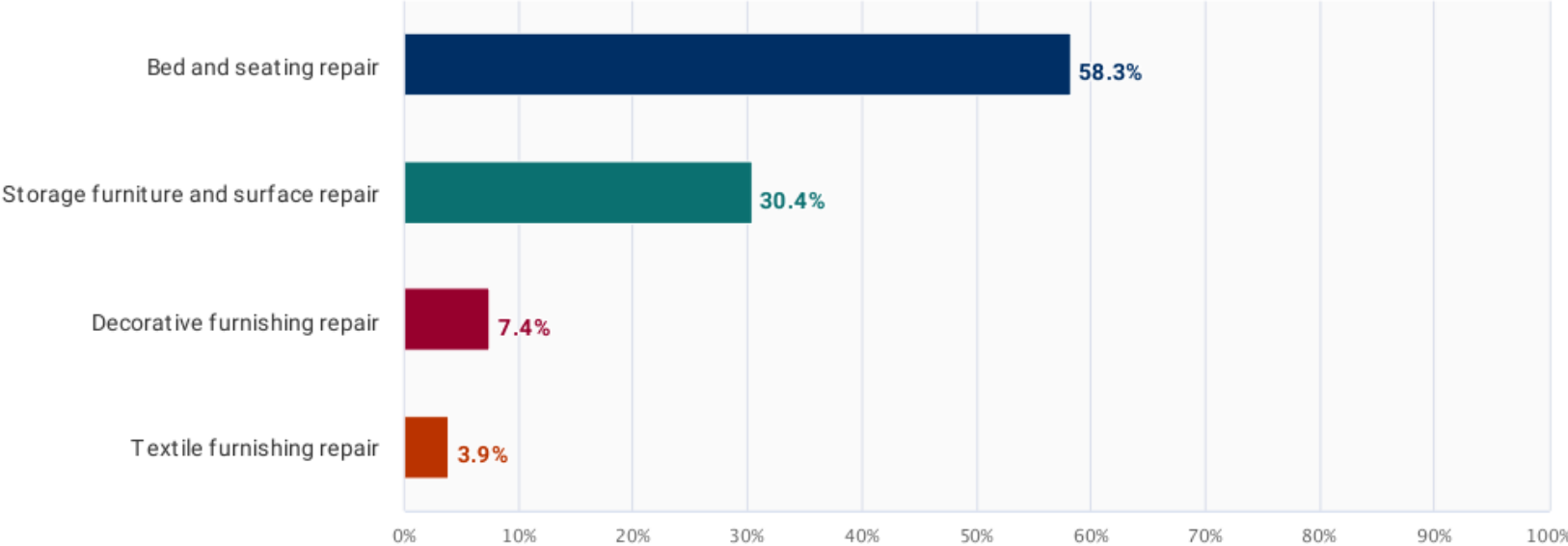
The decorative furnishing segment is anticipated to account for 7.4% of industry revenue in the current year. This segment includes repair to decorative bowls, plant pots, sculptures and other decorative home furnishings.

The performance of this segment is closely linked to the demand for antiques, as a large proportion of the repairs carried out within this segment are on antique products. The revenue attributed to this segment has decreased over the past five years, partly as a result of a decline in the UK antique market at the start of the period. Lower demand for antiques has led to some dealers holding back on repairs. Revenue derived from this segment is anticipated to remain constrained over the current year, as declining business and consumer confidence is likely to encourage antique shops and consumers to further delay the repair of antiques.



Industry Products and Services Segmentation

Products and Services Segmentation



2020 INDUSTRY REVENUE

£179.3m

Furniture & Home Furnishings Repair
Source: IBISWorld

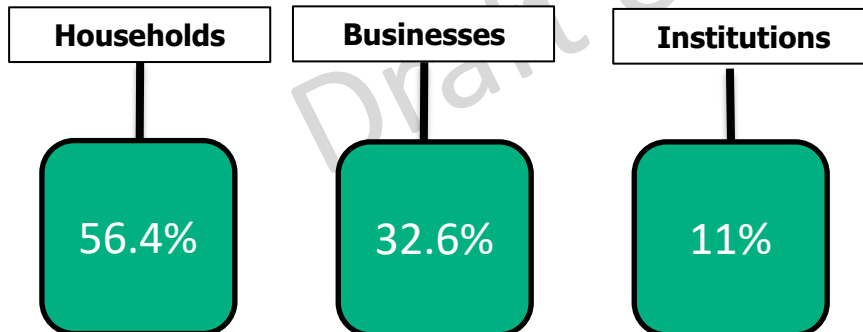
Industry Products and Services Segmentation

Households

Households are the largest market for the industry and are anticipated to account for 56.4% of industry revenue in 2019-20.

Household demand is strongly linked to the level of consumer confidence and consumers' discretionary spending. At the beginning of the past five-year period, growing levels of disposable income led to consumers spending more money on expensive and unique pieces of furniture, making repair for these items more cost-effective than replacement.

Since the EU referendum in June 2016, consumer confidence levels have been falling and disposable income has become constrained, which meant that consumers trended towards repairing rather than replacing their furniture. The growing number of households over the past five years is also expected to have supported this trend. The revenue attributed to this segment is expected to grow over the five years through 2019-20, and is projected to continue trending upwards over the short term, as consumer confidence levels are projected to remain constrained.



Industry Products and Services Segmentation

18

Businesses

Businesses are estimated to account for 32.6% of industry revenue in the current year. This market segment includes a range of commercial customers, such as hotels and office-based companies. Businesses must maintain a professional appearance and often create strong relationships with operators for the repair of their office equipment.

Demand from this market is strongly linked to the level of business confidence and capital expenditure. Business confidence levels have been somewhat constrained over the past five years which has supported demand from this market.

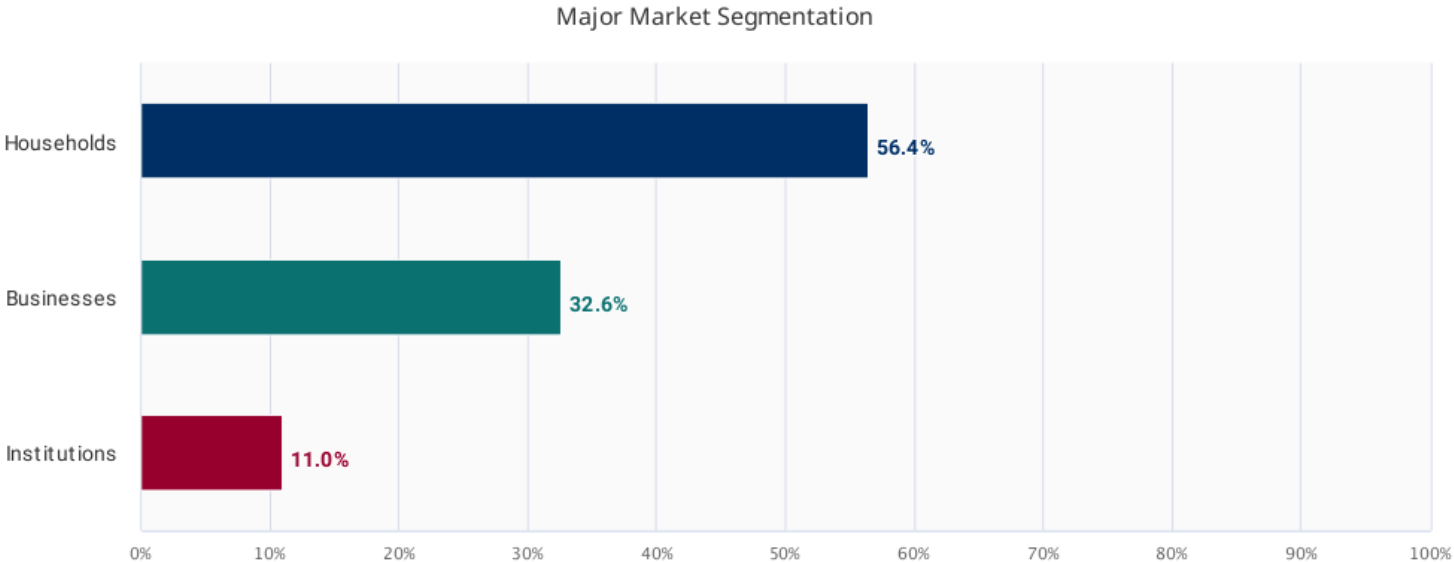
Additionally, following the UK's decision to leave the European Union, businesses became increasingly aware of their expenditure and have made use of the industry's services to reduce their operating costs, further supporting demand. The share of revenue attributed to business is expected to grow over the five years through 2019-20.

Institutions

This market segment is anticipated to account for 11% of industry revenue in 2019-20. The institutional market includes government agencies, schools and public offices. Alongside repairs to office furniture, repairs to hospital beds and seats on public transport form important parts of this segment's demand.

Over the past five years, the share of industry revenue attributed to this segment has fallen, as austerity measures and weak government spending have led to clients within this segment choosing to delay repairs to furniture.

Industry Major Market Segmentation



2020 INDUSTRY REVENUE

£179.3m



Furniture & Home Furnishings Repair
Source: IBISWorld



Stage One Upholstery Shop

About: Stage One Upholstery Co. was started in Coventry by Bryan McAlicee in July 1972. It offers upholstering services and furniture refurbishments in Coventry.

Market Share: Unknown

Launch Year: 1980's

Brand Names: N/A

Strategy: Traditional ways of marketing relies heavily on reviews and word of mouth as the main marketing strategy.

Number of Employees: 35

Earnings: N/A



Coventry Contract Upholstery

About: Specialists in upholstery, reupholstery, furniture manufacture and supply.

Market Share: Unknown

Launch Year: 1990s

Brand Names: N/A

Strategy: Traditional ways of advertising similar to Stage One Upholstery shop. Traditional website with low UX and no customizable features.

Number of Employees: 27

Earnings 2019: N/A

Z G Upholstery

About: They offer full recovering & repair service
spring & castor repairs
seat foams replaced
broken rails replaced
dining seats re-upholstered

Market Share: Unknown

Launch Year: 2001

Brand Names: N/A

Strategy: The company relies on long-term relationships with clients and orders through word of mouth. The company similar to the other two competitors use traditional methods of advertising with minimal to no presence online.

Number of Employees: 5000

Earnings 2019: \$68.2 million

Barriers to Entry

The barriers to entering the industry are **low**.

The industry is comprised of a large number of small firms and regulatory requirements are light. Consequently, anyone with knowledge of furniture repair can enter the industry with ease. Industry operations are highly labour-intensive, as they mostly rely on the skill of labourers, and large capital investments are not required to enter the industry, which further encourages new entrants.

Moreover, it is possible for someone to enter the industry on a part-time basis, and the ubiquity of internet services has led to an increasing number of firms operating exclusively online, repairing products at customers' homes or on location.

The barriers that do exist within the industry relate to the knowledge needed to perform industry services, as well as the years of experience that existing operators have. Restoring antique furniture requires more knowledge and skill because pieces are often worth much more or have great sentimental value to their owners.

As a result, antique restorers are often highly skilled and trained individuals with years of experience in restoring a range of furniture pieces and materials. To effectively compete in such a fragmented and specialised industry, operators need to attract staff with similar expertise. It is therefore desirable for industry participants to have established a strong reputation for quality work, which may deter new firms from entering.

Furthermore, new entrants would need to invest in direct online marketing to target desirable customer demographics to start developing a reputation. Additionally, large industry operators, such as ServiceMaster, have the advantage of economies of scale. These operators **can** provide a more extensive range of value-added services, thereby intensifying the level of competition for new entrants

Barriers to Entry Checklist

Competition	High	⚠️
Concentration	Low	✓
Life Cycle Stage	Mature	⚠️
Technology Change	Low	✓
Regulation & Policy	Light	✓
Industry Assistance	Low	⚠️

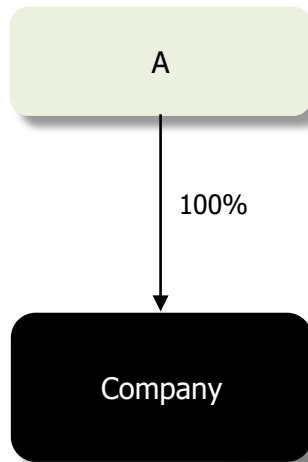
A close-up photograph of a person's hands using a blue and red stapler to attach a piece of grey, textured fabric to a wooden chair frame. The person is wearing a light-colored long-sleeved shirt. The background is a warm, orange-toned wall. The text 'BUSINESS MODEL' is overlaid in white, bold, sans-serif font in the center of the image.

BUSINESS MODEL

The Entity

Company will be a Limited Company in the UK, located in XXXX. The company will soon be in the business of offering upcycled furniture, upholstery products online and refurbishment services. The main aim of the company is to solve the current pollution issue and also provide customers with an affordable means of acquiring furniture or reviving the currently-owned.

The company is in the initial stages of registration, establishing the structure and acquiring all the needed resources. It will primarily provide these services as the main customer offering.



Business Summary

Name: Company

Location: XXXXX

Geographical Focus: Coventry, UK

Management: A

Target Customers:

The company will target Gen z and millennials market who are familiar with modern online shopping processes and have a better outlook on conservation of the environment.

Category A: Households

Category B: Businesses

PROBLEM STATEMENT

Average of 22 million pieces of furniture are discarded per year in the UK, much of which goes straight to landfill.

THE SOLUTION

The company will offer customers a platform where they can; have their furniture refurbished into newer designs, purchase upcycled furniture and buy upholstery products online. This solution will solve two key problems, that reduces pollution rates which is currently becoming a global environmental issue and also create pocket-friendly solutions for customers that will reduce their expenditure on the product category. The business will contribute to the UK's economy not only environmentally but also economically by creating a source of employment.

Upcycled Furniture	Upholstery Products	Refurbishment Services
		

UPCYCLED FURNITURE

The company will collect old furniture or old material that will be re-used and re-furnished into newer furniture that people will buy to decorate their homes. The old materials will be collected from residential bin areas and parks where people dump the furniture not used. Free old furniture is also available on Facebook advertising platforms. Upholstery material will be purchased from Upholsters fabric suppliers, which includes Just Fabrics company. We are also considering importing the materials. Using the online platform, customers will be able to choose the furniture, design, and fabrics they desire.

UPHOLSTERY PRODUCTS ONLINE

This involves buying upholstery materials and DIY furniture decorations for resale. The materials include furniture covers that cannot be identified on furniture, buttons, bed legs and upholstery material.

REFURBISHMENT SERVICES

Customers will place orders online for old furniture refurbishment services. Using the online platform, customers will be able to choose the design and material for their furniture at the comfort of their homes. We will collect the furniture for refurbishment.

Critical Success Factors

Proximity to key markets

Furniture can be repaired in a customer's home or on a company's premises. Since furniture is often difficult to transport, it is helpful for firms to be located near their clients.

Access to a highly-skilled workforce

Skilled staff are required to carry out repairs that would meet customers' expectations. This is particularly important when dealing with upholstered and antique furniture, whose repair requires extensive knowledge and care.

Production of premium goods/services

Upholstered and antique furniture is often repaired due to its sentimental and monetary value. Therefore, having employees that know how to repair antiques and upholstery can help firms attract customers and maintain strong profit margins.

Ensuring pricing policy is appropriate

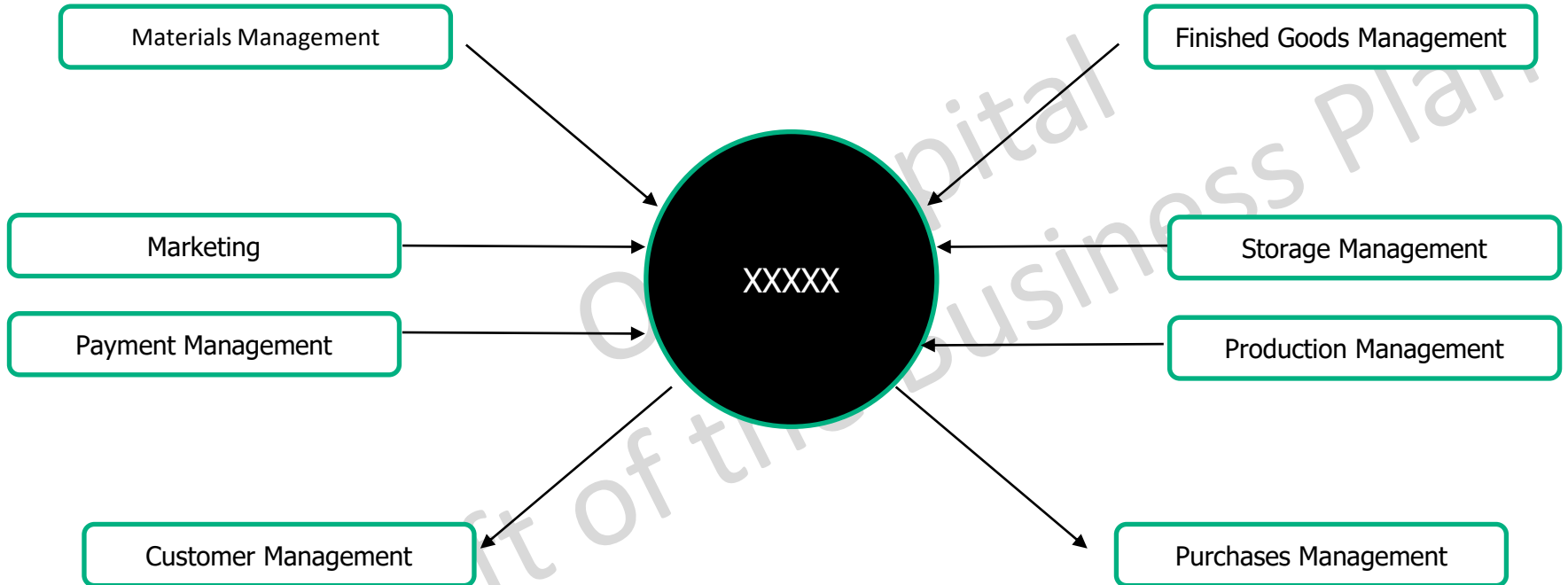
Repairers need to have an appropriate pricing policy because a large part of the competition in the industry is based on price. Setting suitable prices makes can increase a firm's competitiveness and thus attract more customers.

Prompt delivery to market

Due to the industry's high level of fragmentation and competitive nature, prompt delivery of services is key to operators' success.

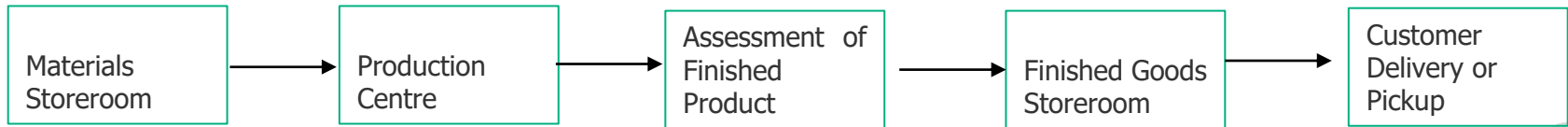
Main Activities

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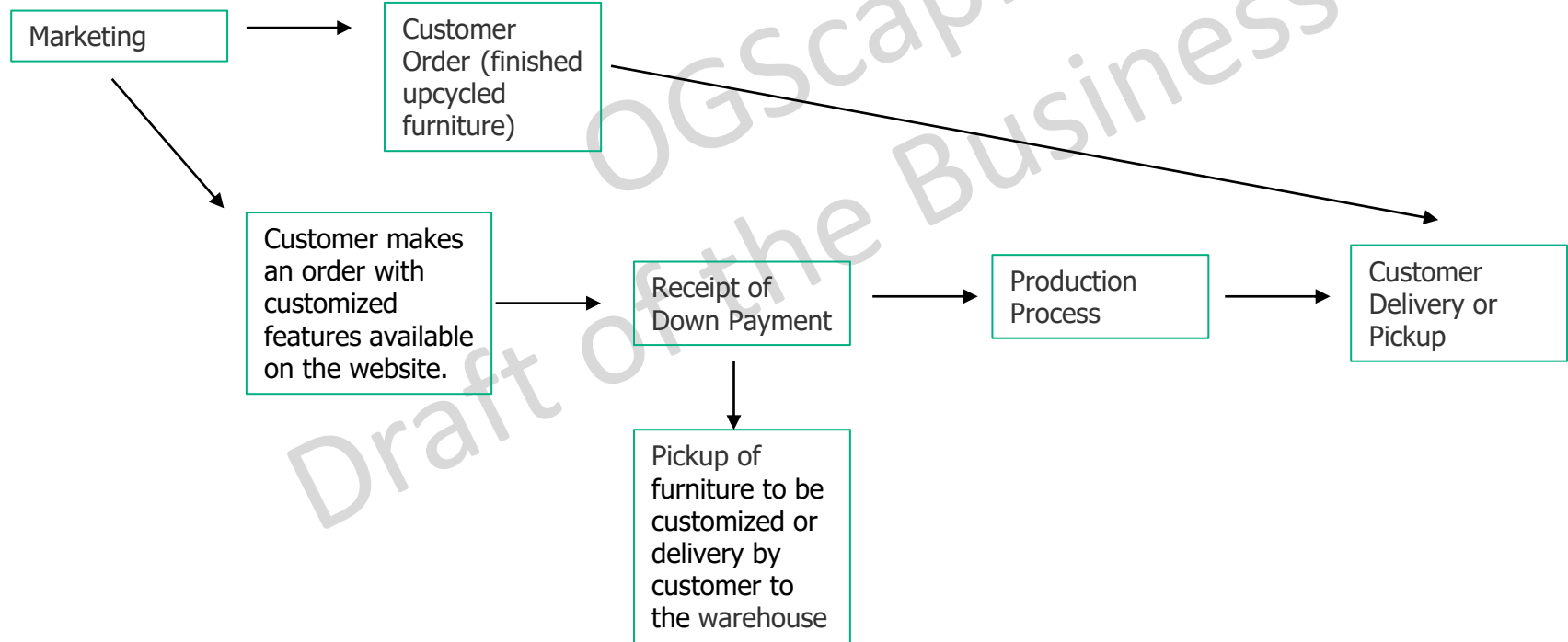


Operational Flows

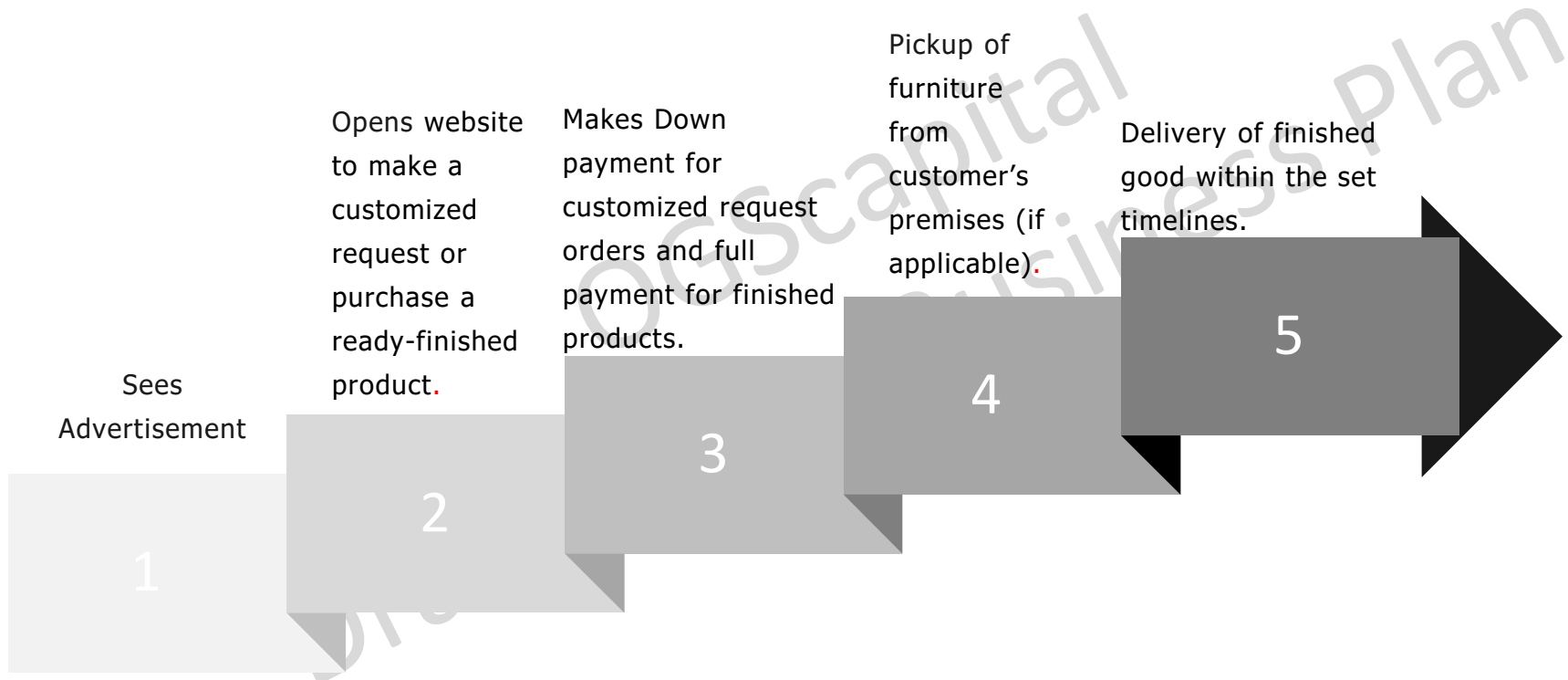
Production Process



Operational Flows



Customer Order Process





JUST FABRICS

Just fabrics are one of the leading independent designer fabric retailers in the country. The business has two fabric shops, located in Burford (Oxfordshire) and Cheltenham (Gloucestershire). They stock thousands of metres of fabric, a huge selection of tracks and poles, trimmings, roller blinds, vertical blinds, curtain fabric, upholstery fabric, wood Venetian blinds, shutters, cushions, PVC tablecloth, bespoke furniture and much more.



My fabrics sell a wide range of fabrics, all available by the metre, stylish dressmaking fabrics, high-quality upholstery fabrics and furnishing fabrics, or exclusive designer fabrics. They will be our second fabric partner.

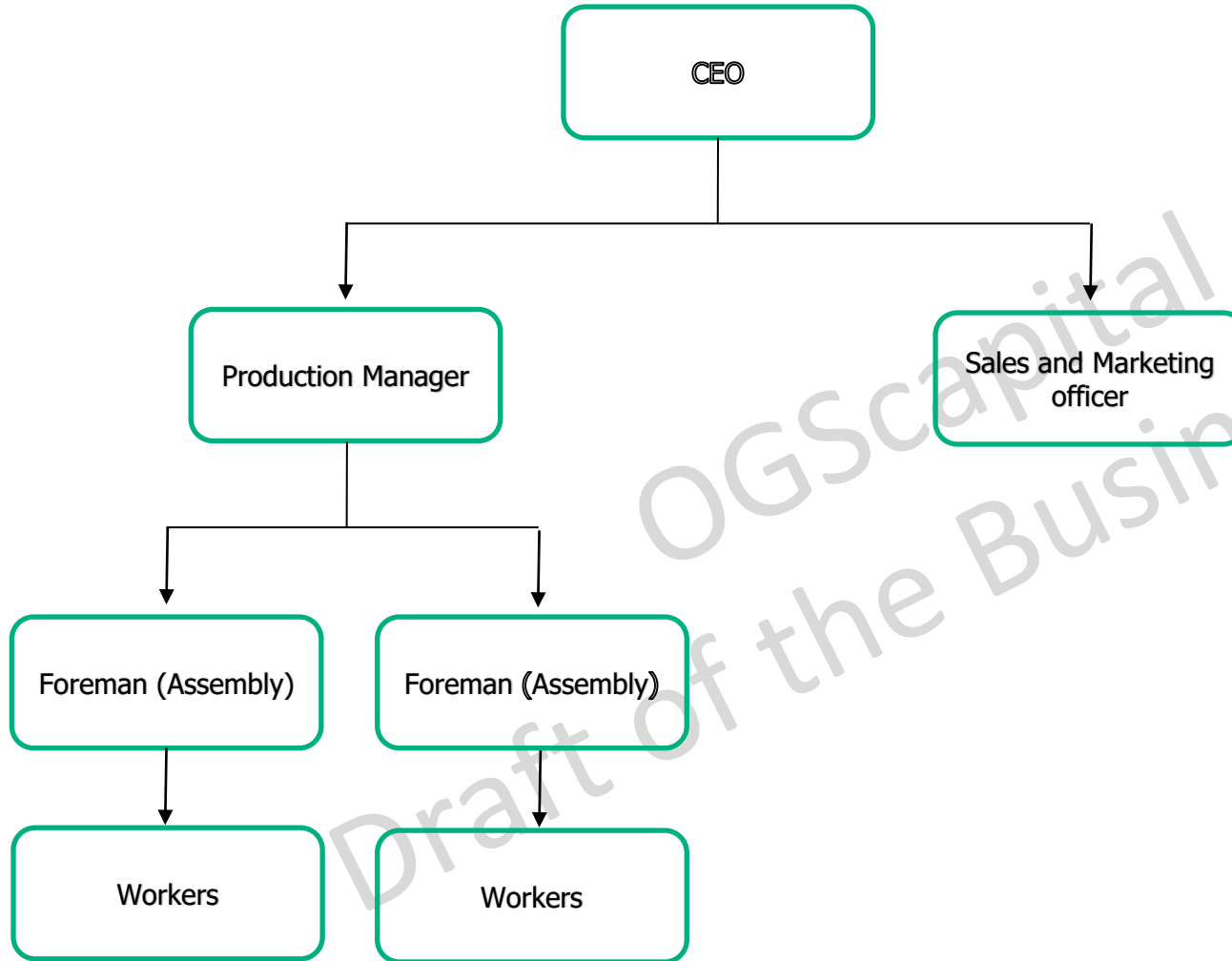


The Facebook marketplace will be used to acquire second-hand furniture for free or for sale



Imports of supplies, based on the company's raw materials needs, relevant imports will be sourced from China.

Organization Structure



Draft of the Business Plan
OGScapital

Responsibilities and Duties

CEO

- ✓ Create, communicate, and implement the organization's vision, mission, and overall direction
- ✓ Lead the development and implementation of the overall organization's strategy
- ✓ Formulate and implement the strategic plan that guides the direction of the business or organization
- ✓ Evaluating the success of the organization in reaching its goals
- ✓ Oversee all processes within the warehouse and ensure all furniture and products meet the set standards
- ✓ Assume all duties of the production manager until business hires one in year 5

PRODUCTION MANAGER

- ✓ Oversee the smooth, efficient running of the business
- ✓ Planning and organizing schedules for the workers
- ✓ Make important policy, planning, and strategy decisions
- ✓ Develop, implement and review operational policies and procedures
- ✓ Ensuring the health and safety regulations are met
- ✓ Assist with recruiting when necessary
- ✓ Help promote a company culture that encourages top performance and high morale
- ✓ Oversee budgeting, reporting, planning, and auditing of materials and supplies
- ✓ Oversee production processes
- ✓ Estimate, negotiate and agree on budgets and timescales with clients
- ✓ Estimate the costs of refurbishments and any other upcycle on furniture to be used in developing quotations

MARKETING OFFICER

- ✓ Implement strategies designed by the manager
- ✓ Investigate new marketing channels
- ✓ Develop in-market sales networks.
- ✓ Design of promotional materials, for web and print
- ✓ Create reports on ROI
- ✓ Create marketing budgets
- ✓ Communicate with clients to resolve issues
- ✓ Ensure the brand is well represented through all marketing campaigns
- ✓ Be proactive and identify issues before they arise
- ✓ Keep an eye on competitors marketing strategies

Responsibilities and Duties

FOREMAN (Assembly)

- ✓ Report project progress to production manager
- ✓ Develop a work schedule for workers
- ✓ Supervise all workers
- ✓ Be the liaison between the workers and management
- ✓ Solve disputes between workers
- ✓ Ensure that a project is adequately staffed and all resources needed are available
- ✓ Assign tasks to workers
- ✓ Ensure that the project is staying on or under budget and within timelines
- ✓ Ensure assembly of all furniture and other products is in line with the blue print

FOREMAN (Fabrication)

- ✓ Supervises fabrication operations
- ✓ Co-ordinates and interfaces between fabrication/installation and pre-fabrication activities
- ✓ Co-ordinates workers involved in the assembly stages
- ✓ Ensures compliance with safety procedures and quality standards.
- ✓ Searches for the most efficient technical solutions
- ✓ Provides quantitative data for producing the progress reports
- ✓ Monitors the use-age of raw materials and resources to ensure minimal wastage
- ✓ Ensure deadlines are met throughout all stages

WORKERS

- ✓ Maintain up-to-date knowledge about furniture products
- ✓ Analyze customer needs and recommend appropriate furniture.
- ✓ Answer customer queries regarding furniture products
- ✓ Coordinate with the rest of the team to establish selling strategies and deals
- ✓ Ensure that furniture is delivered to customers in a timely manner
- ✓ Analyze and process customer orders accurately
- ✓ Provide outstanding customer services before and after the sale
- ✓ Maintain a positive working relationship with all stakeholders
- ✓ Complete the tasks assigned accordingly
- ✓ Ensure workmanship of each product is of high-quality and in line with all set standards

Staffing Plan

	2021	2022	2023	2024	2025
Number of Employees					
CEO	1	1	1	1	1
Production Manager	0	0	0	0	1
Sales/Marketing Person	0	0	1	1	1
Foreman (Assembly)	0	0	1	1	1
Foreman (Fabrication)	0	0	1	1	1
Workers	2	4	4	6	6
Total number of employees	3	5	8	10	11

	2021	2022	2023	2024	2025
Months	12	12	12	12	12
CEO	£25,000	£52,000	£80,000	£81,600	£83,232
Production Manager	£0	£0	£0	£0	£37,428
Sales/Marketing Person	£0	£0	£20,733	£21,147	£21,570
Foreman (Assembly)	£0	£0	£27,515	£28,065	£28,626
Foreman (Fabrication)	£0	£0	£27,515	£28,065	£28,626
Workers	£52,000	£109,200	£114,660	£180,590	£189,619
Total Salaries	£77,000	£161,200	£270,422	£339,466	£389,101

Staffing Plan

	2021	2022	2023	2024	2025
Employer costs for social and health insurance					
CEO	£2,287	£6,013	£9,877	£10,098	£10,324
Production Manager	£0	£0	£0	£0	£4,003
Sales/Marketing Person	£0	£0	£1,699	£1,756	£1,814
Foreman (Assembly)	£0	£0	£2,634	£2,710	£2,788
Foreman (Fabrication)	£0	£0	£2,634	£2,710	£2,788
Workers	£4,851	£10,420	£11,173	£17,946	£19,192
Total employer costs for social securities	£7,138	£16,433	£28,018	£35,221	£40,908

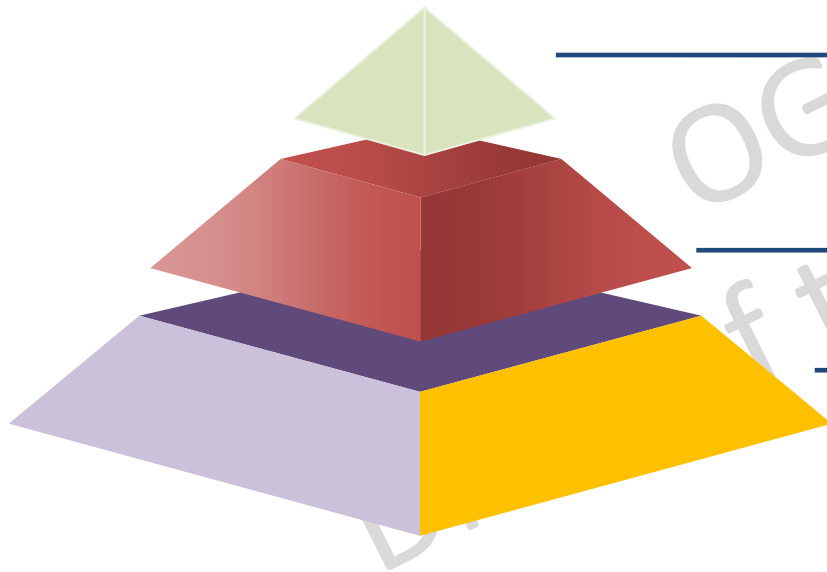
	2021	2022	2023	2024	2025
Total employer costs (salary + social securities)					
CEO	£27,287	£58,013	£89,877	£91,698	£93,556
Production Manager	£0	£0	£0	£0	£41,430
Sales/Marketing Person	£0	£0	£22,431	£22,903	£23,384
Foreman (Assembly)	£0	£0	£30,149	£30,775	£31,414
Foreman (Fabrication)	£0	£0	£30,149	£30,775	£31,414
Workers	£56,851	£119,620	£125,833	£198,536	£208,811
Total employer costs (salary + social securities)	£84,138	£177,633	£298,440	£374,687	£430,009

A close-up photograph of a person's hands using a blue and red staple gun to secure a piece of grey, textured fabric onto the seat of a wooden chair. The person is wearing a light-colored long-sleeved shirt. The background is a warm, orange-toned wall. The word "STRATEGY" is overlaid in large, white, sans-serif capital letters in the center of the image. A white double-line border frames the central part of the image.

STRATEGY

Business Strategies

Company will partner with several suppliers in the industry to deliver the listed services to the target market in the UK. This attention to high standards is what will ensure the company retains and grows its market share and dominance in the selected region.



Strategic

- Build brand awareness and be a household name
- Be cost-effective and efficient
- Be socially responsible
- Ensure only high-quality and timely services are delivered.
- Ensure operational efficiency on all production of furniture.
- Keep an eye on competitor's strategies
- Achieve a high degree of profitability

Managerial

- Build strong relationships with partners and any other suppliers.
- Operate nationwide and expand the number of customers.
- Ensure all workers achieve goals and targets
- Continuously train employees to improve on skills

Tactical

- Provide excellent service to customers and partners.
- Enhance customer satisfaction levels.
- Have high customer engagements to ensure accurate review of experience and create benchmarks for improvement.
- Operate nationwide and expand number of customers
- Build good internal liaison and control processes/procedures with all key partners.
- Focus on high-quality upcycled furniture customised to work beautifully with modern designs that incur low manufacturing costs.
- Invest in technology

RoadMap

Milestone	Period
Acquisition of Startup visa for the owner	September 2020
Business Registration as an Incorporation	September 2020
Acquisition of licences and permits	September 2020
Business Structure Development	September 2020
Formation of partnerships with potential suppliers listed here and any new ones that will be identified.	September 2020 onwards
Establish a strong website with high end features to ensure the best UX.	September to November 2020
Initial soft social media launch to build brand awareness in the UK.	End of November 2020
Proper outline of business strategies e.g. marketing before official company launch.	November 2020
Hiring of the needed staff	December 2020 onwards
Renting of the needed warehouse for production and storage.	December 2020
Purchase of needed machinery and installation of the equipment	December 2020
Official launch of company	January 2021
Continuous Strategy Development and Implementation.	January 2020 onwards

Marketing Plan

The marketing plan will be geared towards strategies that align with the company's core values and will communicate our brand positively to customers. While also being empowered to review, tweak and remove strategies that are considered ineffective on behalf of the company.

We know how important the internet is, especially as regards improving the effectiveness of marketing. We intend to build an interactive website that will show our services and to clients, especially potential ones. Our social media platforms will also be used to target our customers online and generate interest in our service offerings. Our marketing expert will continuously conduct market research on our competition in the surrounding area to constantly update the general plan.

Social Media

Company will make use of Facebook, Instagram, Pinterest, Twitter, and YouTube. Pages and profiles will be created on these sites to stay engaged with our customers. The relevant social media campaigns will run on the platforms to create brand awareness that leads to conversions.

Social media provides the opportunity to show our services through videos, pictures and GIFs. The cost of setting up most of these pages is zero, but, 50% of the marketing budget be used in setting up social media campaigns. Social media will have the highest budget as it will be the main channel used to target Gen Z and millennials who use the platforms every other day.



Influencer Marketing

The marketing team will identify micro and nano influencers who have high engagement rates to carry out controlled marketing activities on behalf of the brand. According to research conducted in 2020, on more than 4000 respondents, a well-conducted influencer marketing campaign could bring in returns of up to £14 on every pound spent. 10% of the marketing budget will be used in this strategy.



Google Ads

Google owns 71% of the search market share. Google owns the world's largest online display advertising network. Google display campaigns reach 80% of global internet users. Consumers exposed to display ads are, on average, 155% more likely to search for brand and segment-specific terms. Based on these statistics, Google Ads will be the second most used marketing strategy with an average of about 35% of the total budget.



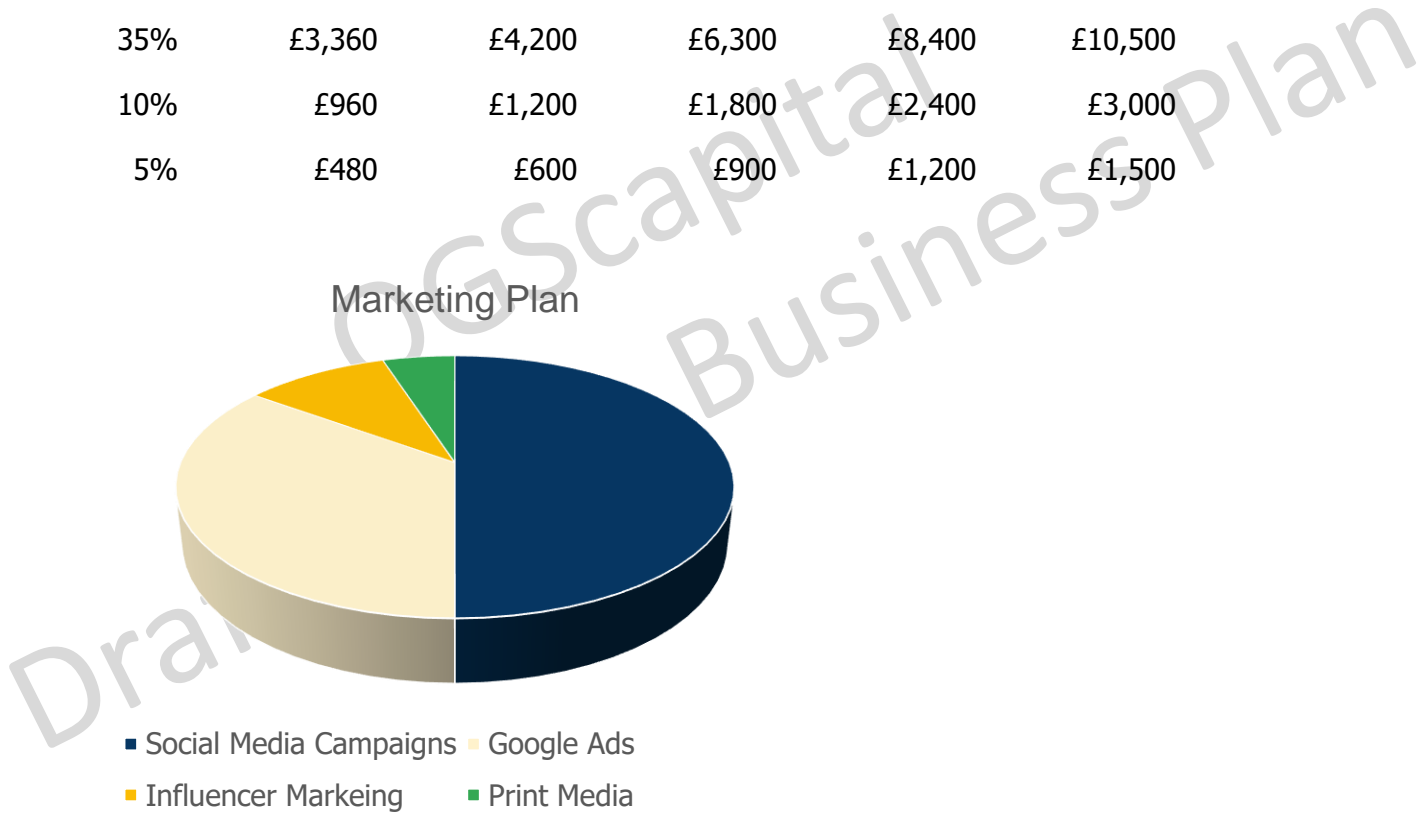
Print Media

Print media is still relevant in 2020. However, due to the nature of the business which is mostly targeting online customers the least budget of only 5% will be used in this campaign. The business will operate 100% online and therefore it makes sense to increase the budget for online marketing channels as opposed to traditional offline ways. The company will print brochures and other distribution materials to be issued in events, trade shows and anywhere else that fits the criteria.



Marketing Strategies

Marketing Plan	% of budget	2021	2022	2023	2024	2025
Social Media Campaigns	50%	£4,800	£6,000	£9,000	£12,000	£15,000
Google Ads	35%	£3,360	£4,200	£6,300	£8,400	£10,500
Influencer Marketing	10%	£960	£1,200	£1,800	£2,400	£3,000
Print Media	5%	£480	£600	£900	£1,200	£1,500



Customer Profile

The marketing plan will be geared towards strategies ensure that align with the company's core values and will communicate our brand positively to customers. While also being empowered to review, tweak and remove strategies that are considered ineffective on behalf of the company.

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SWOT Analysis

	Strengths	Weaknesses	Opportunities	Threats
Product/ Service Offering	<ul style="list-style-type: none"> ✓ Custom designed furniture with variety of styles ✓ Affordable furniture ✓ Shopping friendly ✓ Low capital requirements ✓ Low startup costs ✓ Sustainable industry 	<ul style="list-style-type: none"> ✓ High material and labor costs ✓ Learning required before best results will be achieved ✓ High Operating Costs 	<ul style="list-style-type: none"> ✓ Increase demand for online products ✓ Increased demand of custom-made furniture ✓ Increasing demand for low priced products ✓ Growing market segment 	<ul style="list-style-type: none"> ✓ Changing social trends ✓ Economic factors - Labour costs and rates ✓ Unfavorable government policies
Brand/ Marketing	<ul style="list-style-type: none"> ✓ Excellent products design ✓ Unique Value Proposition 	<ul style="list-style-type: none"> ✓ High marketing costs ✓ Available supplies for raw materials from collection disposed furniture 	<ul style="list-style-type: none"> ✓ Growing online shopping customer preference with the online furniture ✓ Desirable Market ✓ Growing industry 	<ul style="list-style-type: none"> ✓ Competition from large corporations in the market ✓ Bad Customer Reviews
Staff/HR	<ul style="list-style-type: none"> ✓ CEO/owner has vast experience in the sector 	<ul style="list-style-type: none"> ✓ Lack of skilled labour 		

A close-up photograph of a person's hands using a blue and red stapler to attach a piece of grey, textured fabric to a wooden chair frame. The person is wearing a light-colored long-sleeved shirt. The background is a warm, orange-toned wall. The text 'MANAGEMENT SUMMARY' is overlaid in white, bold, sans-serif font, centered within a white rectangular border.

MANAGEMENT SUMMARY

Management Team

image

NAME: XXX

POSITION: XXX

EDUCATION:
XXX

EXPERIENCE:
XXX

image

NAME: XXX

POSITION: XXX

EDUCATION:
XXX

EXPERIENCE:
XXX

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FINANCIALS

A close-up photograph of a person's hands using a blue and red stapler to secure a piece of grey, textured fabric onto the wooden frame of a chair seat. The person is wearing a light-colored long-sleeved shirt. The background is a warm, orange-toned wall with some papers pinned to it. The entire image is framed by a thin white border.

Key Assumptions

Salaries will be paid according to the industry average; the bare minimum employees will be hired in year one.

Annual Inflation rate is estimated at 2.0%.

The main streams of income are revenue from selling upcycled furniture and upholstery products online and offering refurbishment services.

The initial startup expenses are estimated at approximately £88,359

The founder will invest £20,000, friends and family £18,359 and bank loan £50,000 for the first year.

A £100,000 loan will be acquired yearly to finance business operations

Instead of hiring a full-time IT expert to manage the website application consultants will be used to save of costs.

Instead of hiring a full-time accountant to manage the company's financials a part-time consultant will be used to save of costs.

The supplies and raw materials will cost be an average of 8% of revenue

The business will need approximately 3,500 sqft of space for production and storage.

The average rent for warehouse space in the area is £7 per sq. ft

The business will become profitable in year 2

Key Assumptions

Draft

Startup Costs

Uses of Funds	
Rent	£6,344
Utilities	£1,500
Salaries	£19,250
Social securities	£1,785
Software Development	£10,000
Legal Fees	£2,500
Marketing Year One	£2,400
Business Consultant fees	£5,400
Insurance	£2,400
Stationary	£125
Utility Deposit costs	£2,500
Machinery	£20,000
Website Launch	£1,500
Launch Party	£5,000
Miscellaneous	£3,000
Administrative expenses	£2,000
Interest	£1,015
Principal	£1,641
Total Startup Expenses	£88,359
Sources of Funds	
Personal Savings	£20,000
Soft Loans Family and friends	£18,359
Bank Loan	£50,000
Total Sources and Funds	£88,359

Revenue

Revenue projections	2021	2022	2023	2024	2025	Total
Revenue from Upcycled furniture	£60,000	£140,000	£208,000	£260,000	£320,000	£988,000
Revenue from Upholstery Products Online	£52,500	£122,500	£182,000	£227,500	£280,000	£864,500
Revenue from Refurbishment Services	£37,500	£87,500	£130,000	£162,500	£200,000	£617,500
Total Revenues	£150,000	£350,000	£520,000	£650,000	£800,000	£2,470,000

Revenues



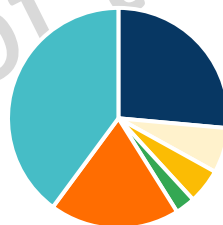
- Revenue from Upcycled furniture
- Revenue from Upholstery Products Online
- Revenue from Refurbishment Services

Expenses

52

Expenses	2021	2022	2023	2024	2025	Total
Salaries	£77,000	£161,200	£270,422	£339,466	£389,101	£1,237,189
Social securities	£7,138	£16,433	£28,018	£35,221	£40,908	£127,719
Rent	£25,375	£25,375	£25,883	£26,400	£26,928	£129,961
Utilities	£6,000	£5,000	£6,000	£7,500	£8,000	£32,500
Depreciation	£2,500	£7,125	£6,056	£5,148	£4,376	£25,205
Admin Expenses	£2,000	£2,500	£2,800	£3,000	£4,000	£14,300
Marketing	£9,600	£12,000	£18,000	£24,000	£30,000	£93,600
Supplies and other Purchases	£12,000	£28,000	£41,600	£52,000	£64,000	£197,600
Licenses	£1,500	£1,800	£1,800	£2,000	£2,200	£9,300
Consultants	£21,600	£22,032	£22,473	£22,922	£23,381	£112,407
Internet & Telephone	£1,200	£1,224	£1,248	£1,273	£1,299	£6,245
Legal Fees	£2,500	£1,000	£1,000	£1,000	£1,000	£6,500
Insurance	£2,400	£3,000	£3,000	£3,400	£3,500	£15,300
Miscellaneous	£1,000	£1,500	£2,000	£2,300	£2,500	£9,300
Total	£171,813	£288,189	£430,299	£525,631	£601,193	£621,118

Expenses



- Rent
- Utilities
- Depreciation
- Admin Expenses
- Marketing
- Supplies and other Purchases

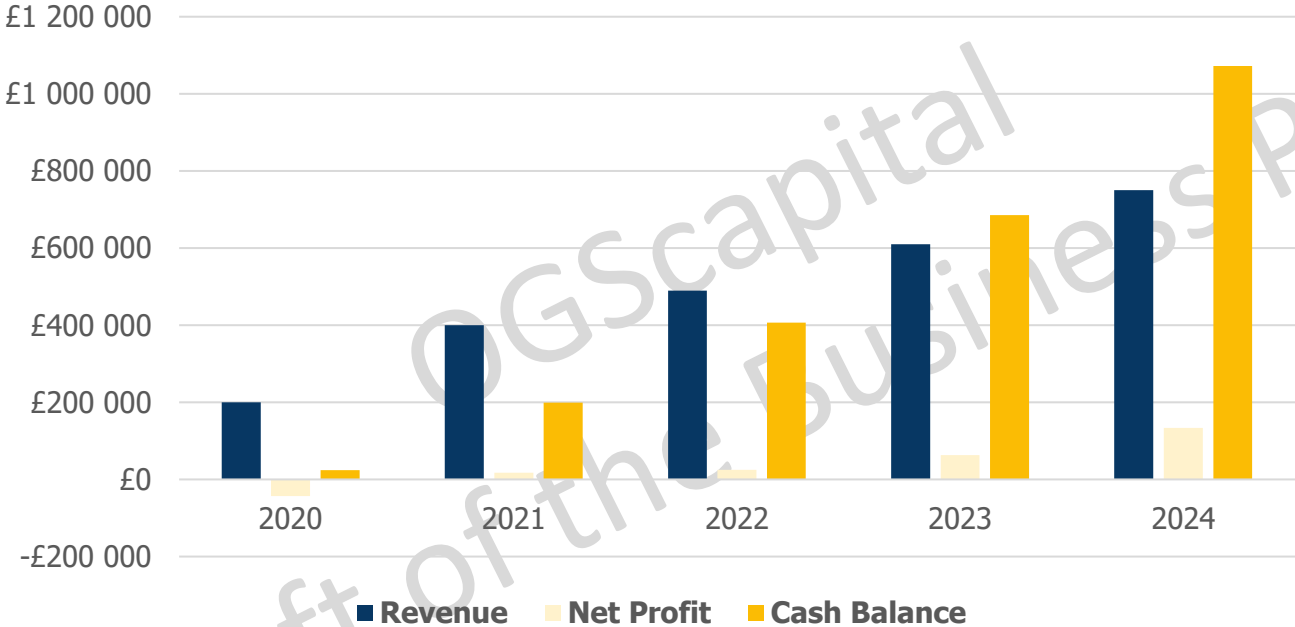
Projected Income Statements

Income Statement	2021	2022	2023	2024	2025
Revenues					
Revenue from Upcycled furniture	£60,000	£140,000	£208,000	£260,000	£320,000
Revenue from Upholstery Products					
Online	£52,500	£122,500	£182,000	£227,500	£280,000
Revenue from Refurbishment Services	£37,500	£87,500	£130,000	£162,500	£200,000
Total Revenues	£150,000	£350,000	£520,000	£650,000	£800,000
Expenses					
Salaries	£77,000	£161,200	£270,422	£339,466	£389,101
Social securities	£7,138	£16,433	£28,018	£35,221	£40,908
Rent	£25,375	£25,375	£25,883	£26,400	£26,928
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Depreciation	£2,500	£7,125	£6,056	£5,148	£4,376
Admin Expenses	£2,000	£2,500	£2,800	£3,000	£4,000
Marketing	£9,600	£12,000	£18,000	£24,000	£30,000
Supplies and other Purchases	£12,000	£28,000	£41,600	£52,000	£64,000
Licenses	£1,500	£1,800	£1,800	£2,000	£2,200
Consultants	£21,600	£22,032	£22,473	£22,922	£23,381
Internet & Telephone	£1,200	£1,224	£1,248	£1,273	£1,299
Legal Fees	2500	1000	1000	1000	1000
Miscellaneous	1000	1500	2000	2300	2500
Insurance	2400	3000	3000	3400	3500
Total Expenses	£171,813	£288,189	£430,299	£525,631	£601,193
Operating profit	-£21,813	£61,811	£89,701	£124,369	£198,807
Interest	£4,058	£12,640	£19,451	£24,306	£26,999
EBIT	-£25,872	£49,171	£70,249	£100,063	£171,809
Taxes	£0	£12,362.19	£17,940.11	£24,873.80	£39,761
Net Profit after tax	-£25,872	£36,808	£52,309	£75,189	£132,047

Projected Cashflow Statements

Cash Flow Statement	2021	2022	2023	2024	2025
Cash In					
Revenue	£150,000	£350,000	£520,000	£650,000	£800,000
Bank Loan	£50,000	£100,000	£100,000	£100,000	£100,000
Personal Savings	£20,000				
Soft Loans Family and friends	£18,359				
Total	£238,359	£450,000	£620,000	£750,000	£900,000
Cash Out					
Salaries	£77,000	£161,200	£270,422	£339,466	£389,101
Social securities	£7,138	£16,433	£28,018	£35,221	£40,908
Software Development	£10,000				
Machinery	£20,000				
Rent	£25,375	£25,375	£25,883	£26,400	£26,928
Utilities	£6,000	£5,000	£6,000	£7,500	£8,000
Depreciation	£2,500	£7,125	£6,056	£5,148	£4,376
Admin Expenses	£1,500	£1,800	£1,800	£2,000	£2,200
Marketing	£2,000	£2,500	£2,800	£3,000	£4,000
Supplies and other Purchases	£2,500	£7,125	£6,056	£5,148	£4,376
Licenses	£5,400				
Consultants	£21,600	£22,032	£22,473	£22,922	£23,381
Insurance	£2,400	£3,000	£3,000	£3,400	£3,500
Internet & Telephone	£21,600	£22,032	£22,473	£22,922	£23,381
Legal Fees	£2,500	£1,000	£1,000	£1,000	£1,000
Miscellaneous	£1,000	£1,500	£2,000	£2,300	£2,500
Loan Repayments	£10,624	£36,120	£61,616	£87,113	£112,609
Total Cash Out	£219,137	£251,590	£372,507	£450,205	£506,769
Opening Balance	£0	£19,222	£217,632	£465,125	£764,920
Surplus	£19,222	£198,410	£247,493	£299,795	£393,231
Closing Balance	£19,222	£217,632	£465,125	£764,920	£1,158,150

Financial Charts



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OGScapital

Key Financial Indicators

Key Financial Indicators	
Discount rate	8%
NPV	£1,385,627
IRR	5.5%
Cash CAGR	50%
Revenue CAGR	40%
Profit	39%

OGScapital
Draft of the Business Plan