2017-2018
FBLA Business Plan: Jackokan Decor
Colorado FBLA
Grandview High School
Sakthi Asokan
Kate A. Jackowski
# Table of Contents

Executive Summary ........................................................................................................... 4

Company Description ...................................................................................................... 5
  - Legal Form of Business ............................................................................................... 5
  - Effective Date of Business ....................................................................................... 5
  - Company Mission Statement .................................................................................... 5
  - Company Vision Statement ....................................................................................... 5
  - Company Governance ............................................................................................... 5
  - Company Location ..................................................................................................... 5
  - Immediate Development Goals ................................................................................ 6
  - Overview of Financial Status ................................................................................... 6

Industry Analysis ............................................................................................................. 6
  - Description of Industry .............................................................................................. 6
    - Size ......................................................................................................................... 7
    - Growth Rates ......................................................................................................... 7
    - Nature of Competition ............................................................................................ 7
    - History ................................................................................................................... 8
  - Trends and Strategic Opportunities Within Industry ................................................ 8

Target Market .................................................................................................................. 8
  - Target Market Defined ............................................................................................... 8
    - Size ......................................................................................................................... 9
    - Growth Potential .................................................................................................... 9
    - Needs ..................................................................................................................... 9
  - Analysis of Market .................................................................................................... 9
    - Current Patterns ...................................................................................................... 10
    - Sensitivities ............................................................................................................ 10
  - SWOT Analysis ......................................................................................................... 10
    - Strengths ............................................................................................................... 11
    - Weaknesses .......................................................................................................... 11
    - Opportunities ........................................................................................................ 11
    - Threats .................................................................................................................. 11

Competitive Analysis ..................................................................................................... 11
  - Key Competitors ..................................................................................................... 11
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of Competitors</td>
<td>12</td>
</tr>
<tr>
<td>- Strengths</td>
<td>12</td>
</tr>
<tr>
<td>- Weaknesses</td>
<td>12</td>
</tr>
<tr>
<td>Potential Future Competitors</td>
<td>13</td>
</tr>
<tr>
<td>Barriers</td>
<td>13</td>
</tr>
<tr>
<td>Marketing Plan and Promotional Strategy</td>
<td>14</td>
</tr>
<tr>
<td>- Key Message</td>
<td>14</td>
</tr>
<tr>
<td>- Product</td>
<td>14</td>
</tr>
<tr>
<td>- Place</td>
<td>14</td>
</tr>
<tr>
<td>- Price</td>
<td>14</td>
</tr>
<tr>
<td>- Promotion</td>
<td>14</td>
</tr>
<tr>
<td>- Message Delivery</td>
<td>15</td>
</tr>
<tr>
<td>- Analysis of Web Processes</td>
<td>16</td>
</tr>
<tr>
<td>- Sales Procedures and Methodology</td>
<td>16</td>
</tr>
<tr>
<td>Operations</td>
<td>17</td>
</tr>
<tr>
<td>- Business Facility</td>
<td>17</td>
</tr>
<tr>
<td>- Production Plan Defined</td>
<td>18</td>
</tr>
<tr>
<td>- Analysis of Production Plan</td>
<td>18</td>
</tr>
<tr>
<td>- Workforce Plan Defined</td>
<td>18</td>
</tr>
<tr>
<td>- Analysis of Workforce Plan</td>
<td>19</td>
</tr>
<tr>
<td>- Impact of Technology</td>
<td>19</td>
</tr>
<tr>
<td>Management and Organization</td>
<td>20</td>
</tr>
<tr>
<td>- Human Resources</td>
<td>20</td>
</tr>
<tr>
<td>- Board of Directors</td>
<td>20</td>
</tr>
<tr>
<td>- Advisory Committee</td>
<td>20</td>
</tr>
<tr>
<td>- Consultants</td>
<td>20</td>
</tr>
<tr>
<td>- Key Employees and Principals</td>
<td>21</td>
</tr>
<tr>
<td>- Recruitment Plan</td>
<td>21</td>
</tr>
<tr>
<td>- Compensation and Incentives</td>
<td>21</td>
</tr>
<tr>
<td>- Decision Making Processes</td>
<td>21</td>
</tr>
<tr>
<td>Long-Term Development</td>
<td>22</td>
</tr>
<tr>
<td>- Long-Term Goals</td>
<td>22</td>
</tr>
<tr>
<td>- Potential Risks</td>
<td>22</td>
</tr>
<tr>
<td>- Potential Adverse Results</td>
<td>22</td>
</tr>
<tr>
<td>- Strategy</td>
<td>23</td>
</tr>
<tr>
<td>Financials</td>
<td>23</td>
</tr>
<tr>
<td>- Accounting Systems</td>
<td>23</td>
</tr>
<tr>
<td>- Financial Assumptions</td>
<td>23</td>
</tr>
<tr>
<td>- Financial Projections</td>
<td>24</td>
</tr>
<tr>
<td>- Year 1 Monthly Cash Flow</td>
<td>24</td>
</tr>
<tr>
<td>- Income Statements</td>
<td>25</td>
</tr>
<tr>
<td>- Loan and Line of Credit Repayment</td>
<td>26</td>
</tr>
<tr>
<td>Supporting Documents</td>
<td>26</td>
</tr>
<tr>
<td>- Mind Map</td>
<td>26</td>
</tr>
</tbody>
</table>
- Colorado Business License.................................................................28
- Wells Fargo Loan Application..........................................................28

Appendix........................................................................................................29
- Certifications..........................................................................................29
- Works Cited............................................................................................29
- Other Sources.........................................................................................30
Executive Summary

Jackokan Decor is a product-based company that will focus on easing the decorating process through home decoration bundles. These bundles will consist of five to ten decorating items that coordinate with a designated theme and are all housed together for a convenient purchase. These boxes will be categorized with seasonal, color, style, and/or holiday themes to satisfy consumer needs. Additionally, each box will incorporate an element of surprise into its design. The customer will not know the exact contents of each box prior to purchasing and opening it. However, to ease the customer’s uncertainty of buying an expensive bundle with little idea of its contents, one item in each box, such as a pillow or vase, will be revealed on the outside of the bundle. This will allow customers to get an idea of how the other decorations may look. For instance, if a white lamp with snowflakes is depicted on the outside of a bundle, the consumer can assume that the other decorations will incorporate snowflakes and the color white too. Essentially, the item on the outside of the box will be representative of the other items in the bundle. Neurologically, scientists from Emory University and Baylor College of Medicine prove that the human brain is more likely to enjoy surprises and the anticipation that comes with them rather than a pre-laid out bundle where there is no anticipation at all. When people know exactly what they are getting, there is no excitement. Like the excitement of a child on Christmas morning, the anticipation of discovering the unknown contents of our box will provide for an invaluable experience to brighten a person’s day every time they open one of our boxes.

Jackokan Decor will also incorporate a humanitarian aspect to its business model. We will work with St. Jude Children’s Research Hospital to ensure that for every ten decoration bundles sold, Jackokan Decor will donate one box to a child staying at the hospital. This donation will be one way to bring a little variety and joy to these kids’ lives. They will receive a decoration bundle that corresponds to a season, color, or holiday theme of their choice. They will also be able to use the box to fully decorate their hospital room. Jackokan Decor hopes to make these children feel special and pleasantly surprised by allowing them to open a fun-filled box meant to brighten their world.

Furthermore, Jackokan Decor is structured as a limited liability company (LLC). This is best because it allows flexibility in several aspects of business management. An important reason for this decision is that this legal structure allows Jackokan Decor’s founders to be protected from any potential business debts. For example, if the business incurs more than $750,000 in debt after a ten-year time period, the owners have decided to dissolve the business. In the case that Jackokan Decor needs to do this, Sakthi Asokan and Kate Jackowski will be fully protected and separate from any financial harm to their own personal assets. The limited liability structure also means that Jackokan Decor can add new members and investors easily which is exceedingly important to ensure that the business can expand and grow as it needs to.

Additionally, the home decoration industry is a great market for the company to be in at this time because it is expected to gain about 65 billion dollars in the upcoming years. All of this money will help spur sales for Jackokan Decor. This growth in sales, both domestically and internationally, will allow for future success when Jackokan Decor begins expanding beyond being a local company. Not only does Jackokan Decor’s industry provide ample opportunities for success, its target market does as well.

To start this endeavor, Jackokan Decor requires $742,877.42. To cover this expense, the business plans for each owner to invest $100,000 dollars of their personal funds. With this, the owners will also take out a $600,000 loan with an interest rate of 8% to cover the rest of the startup expenses. For inventory over the course of the first 10 years, the business will also use a $100,000 line of credit with an interest rate of 9.33%. Both will have a repayment period of 10 years. Jackokan Decor plans to set aside $8,587.36 per month to repay these loans within the ten-year limit.
Company Description

Legal Form of Business

Jackokan Decor is a limited liability company. This was chosen to allow more flexibility in the business structure and management. This is best for the company because it enables the owners to be protected from company expenses and debts. This structure also allows the company to develop and grow in the future since it can gain members and investors easily. Jackokan Decor will be an LLC to ensure that the company avoids double taxation as seen in a corporation model. Jackokan Decor will instead utilize pass through taxation.

Effective Date of Business

The effective date of business is projected to be January 1, 2019 given that all funds and plans for the company are finalized by September of 2018. The founders of this company will be Sakthi Asokan and Kate A. Jackowski.

Company Mission Statement

Jackokan Decor’s mission is to provide consumers a variety of convenient, easily accessible, and pre-planned home decor opportunities, while providing the anticipation of a small surprise.

Company Vision Statement

Jackokan Decor’s vision is to become a market leader in the world of convenient home decorating. The company hopes to make the business methodology of a compact decorating bundle become a vital home decorating product.

Company Governance

Jackokan Decor will be equally governed by the two owners of the company: Sakthi Asokan and Kate Jackowski. As the company expands, it will have a board of investors that will advise the owners on the large decisions and technical aspects of running the company. Additionally, the company will try to attain shareholders who will also be able to provide additional input for company decisions. Since the business will be an LLC, members will be able to advise and provide opinions regarding executive decisions, but the two business owners will make the final executive decisions based on their advice.

Company Location

Jackokan Decor’s initial office and warehouse will be located at 16608-16698 E 2nd Avenue Aurora, CO 80011. This location will be ideal for the company, especially as a startup, because it allows space to hold board meetings and to assemble the bundles. Additionally, it is only about 16 miles, or a 26 minute drive, away from Denver International Airport. This close proximity to the airport and city means that Jackokan Decor’s products can easily be distributed to a broad market as Jackokan Decor expands. Because this location is in a Colorado suburb, the rent is much lower than if it were in a central business district such as Denver. This location is close enough to be convenient and still far enough from the city to save money.
For the business’ online location and presence, consumers will also be able to access information regarding Jackokan Decor on a website. On this website, customers will be able to write questions and reviews regarding Jackokan Decor will also be creating an app to provide a more readily accessible option for google play store and app store users. The website can be found at www.JackokanDecor.com and the name of the app will be Jackokan Decor. When Jackokan Decor expands to online sales after three years of business to business sales, both the online and the app platform will allow easy access to purchase decor bundles. All of the social media accounts will have the username “JackokanDecor” if it is available and if not a similar username will be formulated. The app icon and the social media profile pictures will all incorporate the Jackokan Decor logo as shown on the left. The company plans to trademark the logo before the effective date of business.

Immediate Development Goals
Jackokan Decor has 4 major goals for immediate development in order to ensure growth and success. These goals are expected to be completed within the next year and are as follows:
- Have a contract and partnership with at least 5 major retailers
- Have relationships with at least 3 suppliers
- Generate demand in at least 30 Colorado counties and at least 2 surrounding states
- Build a relationship with St. Jude’s Research Hospital to donate bundles to patients

Overview of Financial Status
The total amount of money needed to start up Jackokan Decor will be $742,877.42. These costs include onetime costs for starting up the business and operational costs. This money will cover activities like setting up our office and manufacturing at the location, finalizing our first bundle design, putting together our first bundle design, starting a Jackokan Decor website, and getting the bundle in retail stores to be sold. The company will also be taking out a $600,000 loan at a 8% interest rate. The repayment period will be 10 years. For every month during that time period, Jackokan Decor must set aside approximately $7,279.66 to repay the loan. Each month Jackokan Decor will have many expenses including money to buy the decorations for the boxes, utilities, rent, staff salaries, and printing/assembly fees. Jackokan Decor will also be taking out a $100,000 line of credit to cover inventory expenses during the first 10 years. This line of credit will have an interest rate of 9.33% and a repayment cost of $1,307.70 per month for ten years. The owners have also decided that if the company incurs more than $750,000 of debt after that ten-year time, they will dissolve the business to protect themselves and the company from additional risks such as bankruptcy.

Industry Analysis
Description of Industry
Jackokan Decor is mainly a part of the home decorating industry. It enables busy people to have convenient decorations for their home for any season or purpose. The home decor market is readily increasing as people want to use their creative tastes in their own home. Home decor gives a creative outlet to people who spend all day at a routine job. Jackokan Decor’s bundles present people the opportunity to explore this outlet with the added excitement of a surprise and with the hassle-free convenience of finding all of the decorations in one compact place. According to an article by Forbes, experts have measured the home decor market to gain over $65 billion dollars each year. This gain is largely due to the fact that people in developing nations such as China, the United Arab Emirates, and South Korea are gaining money as the economic climate improves in their country. With this influx of excess money, many people are turning to buying luxury furniture and decorations. Jackokan Decor caters directly to this by offering a high quality
and affordable option to fulfill this desire. Finally, this industry is currently gaining popularity and introducing a product like our bundles will allow for an innovation in the market, satisfaction for the customers, and success for the business.

**Size**
In 2017, domestic in store home furnishing sales reached upwards of 49 billion dollars. Likewise, the industry is expected to garner above 182 million dollars internationally in 2018. This means that the home decor industry is prominent both in the United States and internationally. Jackokan Decor will be able to fit into this huge industry by bringing the new idea of a mysterious and compact decoration bundle onto the home furnishing market. Below is a visual representation of the growth expected to occur in the industry and a few of the reasons for why this is going to happen by the year 2020. The same source also explains that the industry is not going to stop here; even if growth slows down a little bit after 2020, the following reasons guarantee the industry will follow an upward trend. Additionally, because the industry is relatively small at the moment, Jackokan Decor can expect to gain momentum while this rapid projected growth is occurring in the industry.

### Growth Rates
Based on the current size and sales related to home decorations, the industry is projected to grow. It is expected to garner over 660 billion dollars by the year 2020 with furniture, textiles, and floor coverings being the key components. Between 2018 and 2022, the worldwide home furnishing industry is expected to show an annual growth rate (CAGR) of about 11.8 percent. Though Jackokan Decor is starting out as a local company, the home decor industry is dramatically expanding on a global scale. If Jackokan Decor is able to develop foreign demand for the bundles, it is important to recognize that global players are currently gaining a larger market share of the worldwide industry. Additionally, the growth of other industries will likely supplement the growth of the home decor industry. For this reason, it would be useful to track these industries as well. A few of these expanding industries include the real estate industry and interior design industry.

**Nature of Competition**
Though Jackokan Decor will face competition in the industry, no other existing competitor truly allows for the convenience and excitement our bundles will provide. While people can hire interior decorators, or take the time to pick out their own decorations, the Jackokan Decor bundles bring a new
convenience to the entire process of home decorating. Though this market has seen subscription boxes, our bundles will include more decorations than the subscription boxes, will be more easily accessible because they are going to be sold in brick and mortar stores, and will provide a more complete surprise factor. Most subscription boxes take questionnaires and gear the materials in the box towards customers so customers usually know what to expect. However, with Jackokan Decor, we will only describe the season or holiday the decorations pertain to and depict one item in the bundle so people can choose the theme that they like. Our main competition in terms of online products would be leading subscription boxes such as GlobemIn Artisan Box, Box of Chic, and Third & Main. In terms of retail home decor companies, our main competitors would be the retailers who hold most of the global market share currently. A few of these companies would be IKEA, Bed Bath and Beyond, Kimball International, Herman Miller, and Ashley Furniture Industries.

History

The home decorating industry has a very long history. Basically, as long as humans have been living, they have been decorating. Early hunter-gatherers created cave drawings as they moved and as humans began to live more sedentary lifestyles, people began to decorate their personal dwellings. Throughout human history, the concept of decorating has been a constant. Ancient Egyptians painted pottery and lined the walls of their pyramids and dwellings with murals, Ancient Greeks and Romans created wall paintings, mosaics, and sculptures to portray their style, and every civilization since has used decorations to adorn their living spaces and create personality. This history paves the way to a blossoming home decorating industry today that Jackokan Decor will have a great time fitting into.

Trends and Strategic Opportunities Within Industry

The home furnishing and decoration industry is currently progressing on an upward trend and, as Forbes magazine states, it is not showing any signs of slowing down. The industry is projected to gain over $600 billion dollars by 2020 meaning Jackokan Decor could really benefit from this if opportunities are seized, goals are reached, and we continue to expand. Our product fulfills a need in this market by bringing the decorations right to people. Although subscription boxes are easy because they come straight to a person’s home, Jackokan Decor’s decoration bundles will be more convenient because they are one stop shopping. All of the necessary decorations will be in a compact box. People will be able to find this box right on the shelf of their favorite retailer. This ultimately saves time because it means that people can get everything they need by just walking into a store and purchasing one box of items.

Target Market

Target Market Defined

Jackokan Decor’s target market is busy middle-class employees who would like to decorate their homes, but do not have the time to pick out coordinating pieces of home decor to do so on their own. Jackokan Decor will be selling directly to retailers because the retailers will then be able to sell our products to the consumers. Our target market will not specify that our product is for males or females, but Jackokan Decor will expect more females to be inclined to purchase our product because the home decor industry shows that females are more likely to enjoy decorating and the fashion and aesthetics that come with it. Our specific customer profile would include the following:

- Being a part of the Middle Class
- Having an age range from about 25 to 45
- Can be from any ethnic background
- Having busy and occupying jobs that take up time
- Having a busy lifestyle
Wanting to decorate and/or be festive

Because Jackokan Decor is selling to the consumer market, it is important to recognize what kind of retailer Jackokan Decor bundles should be sold at. Because the business is all about convenience, the bundles need to be sold in retailers that promote affordability and convenience. For instance, Walmart’s slogan is “Save money. Live better.” and Target’s slogan is “Expect more. Pay less.” meaning they both support what Jackokan Decor believes in for their bundles. On the other hand, retailers like Nordstrom would not match the target retailers for Jackokan Decor bundles because their customers value coming into the store and spending a decent amount of time picking out what they want. The customers who typically shop at these retailers would not match the market Jackokan Decor is targeting.

Size

One of Jackokan Decor’s main components is trying to target people who want and value convenience. This market is actually quite large as fast food retailers and other bargain retailers such as Walmart and Target cater to this market. However, Jackokan Decor partners those who want the convenience aspect with those who want to decorate their homes meaning two different sets of people are encouraged to purchase the bundles. This target market with both the convenience and the home decor is currently pretty small, but it has seen a trend of expansion in recent years. In 2011, HomeGoods conducted a survey and learned that 47% of Americans have not updated their home decor in the past five years while 9% have not in the past ten years. HomeGoods revealed that the reason for this was the busy schedules and lifestyle of Americans. By combining the convenience and the home decor markets, Jackokan Decor will be able to cater to this need and sell to a greater number of customers.

Growth Potential

The market is currently growing as the population also grows. Similarly, the wealth related to this target market is growing meaning more people will have the ability to purchase the bundles at a price where Jackokan Decor can make profit. The number of people ranging from 25 to 45 who work busy jobs is increasing as new markets and jobs expand in the United States. There has also been a growth in the number of people who value and prioritize their jobs over mostly everything else. Jackokan Decor’s target market is growing over time so the business will most likely have a large enough market to sell to.

Needs

The potential needs of an ideal customer in our market would be convenient, pre-designed, and easy-to-set-up home decor. The bundle and its functionality will be the need and then the added surprise factor will be the want factor. Because Jackokan Decor will have easy communication with customers through their website and social media, listening to the customers will be important. Jackokan Decor will prioritize the customers and do their best to better the bundles in requested ways.

Analysis of Market

In terms of demographics, the target consumer is going to be an age ranging from 25 - 45 and will probably be more female than male. They will also be a part of the middle class so that they have a large enough disposable and discretionary income to purchase the bundle. The customer will most likely have a home or apartment that they would like to decorate. Jackokan Decor will also cater to college students especially when school is starting so during that period of time the demographics of the customers may slightly differ. Last, Jackokan Decor bundles will not be targeted towards a specific race.

The geographic of Jackokan Decor bundles will start out mostly being in Colorado. In store purchase from retailers will only be in Colorado because Jackokan Decor is planning on starting out locally and then expanding as the business grows. To be specific, the suburbs of Denver will be great to gain loyal customers who would like to change their home decor often or seasonally, but still value the convenience factor. Retailers located downtown and more modern areas will also be a great place to sell the product.
because the Jackokan Decor bundles will have new, modern decor and fit to the fast-paced lifestyle of those living downtown.

Jackokan Decor will be selling to people who value decoration and festivity in their homes, but also value prioritizing their busy work schedule and lifestyle. The psychographics of the consumers will involve a value for convenience. If Jackokan Decor needs to learn more about the attitudes and values of the customers, the website allows for customers to easily interact with Jackokan Decor’s owners and voice their concerns. For the future, if it seems necessary for the business to learn more about the customer’s psychographics, Jackokan Decor will look into creating a questionnaire that will be a part of each bundle or will be readily accessible on the website or app.

**Current Patterns**

Current patterns show that the market Jackokan Decor is targeting is continuing to grow. Even though home decor and especially the convenience aspect is not a need, Jackokan Decor bundles will become a highly valued product. Because the target market is continuing to increase, it is also expected that Jackokan Decor’s loyal customers will come back after each season to purchase newer bundles.

**Sensitivities**

Although the target market is successful and Jackokan Decor plans to achieve a large enough market share, there are a few sensitivities that Jackokan Decor needs to take into account to make sure that the product continues to be successful in the market. One sensitivity will have to do with the pricing of the bundle. Even though the bundle is based around convenience and easy access to home decorations, the average bundle will have a starting price of $300.00. This is a sensitivity because Jackokan Decor does not want to deter these middle-class customers because of the expensive price. Just because the bundle seems to be at a high price, products in the home decor industry actually average around that amount. For instance, for small home interior design projects, around $500 is usually charged. In comparison, the easy access bundle is actually at a more desirable price. However, since this is a sensitivity to the target market, Jackokan Decor will look into reducing their prices in the future after they are able to break even.

Another sensitivity is that it is not feasible for Jackokan Decor to create a decor bundle for every single holiday. This is a sensitivity because Jackokan Decor wants to make sure that they are not offending any customer by excluding the religion or personal holidays that they practice. For this reason, Jackokan Decor will try to create bundles for as many holidays as possible, especially the more popular and widely practiced ones. For instance, Jackokan Decor will make a bundle with a Christmas theme, but they will also make sure that a majority of the themes are generalized. A majority of the themes will be color, season, or style based rather than just holiday based. To advocate for this sensitivity, Jackokan Decor will make holiday based bundles, but will also have a wide variety of generalized themes.

**SWOT Analysis**

A SWOT analysis for Jackokan Decor is necessary as it allows the company to gain awareness to what is going to happen internally regarding the business as a whole, its internal strengths and weaknesses, its external relationships with other businesses and the competition, and its external opportunities and threats.

**Strengths**

Though Jackokan Decor has not yet opened, it is important to consider what the internal strengths may be when the company reaches its projected effective date of business. In terms of staff, one strength
will be that the company’s mission statement will be very well known as it is a simple mission regarding satisfying consumers and allowing home decorating to be convenient. The company owners will make sure every one of the staff members understands the mission statement before they begin work at Jackokan Decor. Another strength is that the staff is going to receive formal training over the company’s expectations in terms of general standards and bundle quality. This will allow our workforce to be experienced and knowledgeable over the ultimate purpose of every bundle. Another internal strength is the fact that there is nothing like the Jackokan Decor bundles in the market currently. This allows for popularity in the bundles especially since there has been an increase in interest for products with a surprise element.

**Weaknesses**

One internal weakness of Jackokan Decor is that it may take a long time to start making a profit. This is because most business who sell to retailers completely manufacture their products on their own. However, the Jackokan Decor bundles will have home decor inside them that are bought from other businesses. For instance, a Jackokan Decor Christmas bundle may include a pillow from HomeGoods, a blanket from Kirkland’s, etc. Another weakness is that the business will need trained personnel who will be able to use their individual knowledge to aid in the business’ take off. Because the two co owners are not designers, it is important that an interior decorator or person with a similar skill set is eventually hired to aid in designing the bundles. Also, even though the industry is currently expanding, home decor is not an easy market to immediately find success in. Jackokan Decor will need to do the extra research to make their bundles as presentable and high quality as possible.

**Opportunities**

A main opportunity Jackokan Decor is really interested in pursuing in the future is expanding outside of the state of Colorado. Because Jackokan Decor is starting the business locally, it gives the company the ability to take the time to feel comfortable with the business and then later look into expanding the business to the nationwide and global home decor markets. Additionally, since the individual products inside the bundles are bought from other companies and producers, Jackokan Decor will always have the opportunity to show loyalty to specific companies and seek a constant supply from them. Especially if the producer is always incorporating recent trends and new styles, Jackokan Decor has the opportunity of picking and choosing the right producers and the right items to go into the bundles.

**Threats**

Jackokan Decor needs to take into account that since the home decor market is growing other home decor businesses may also startup or expand. The major threats Jackokan Decor will encounter will be the current largest competitors in the market whether they are a part of the global market or the national market. A few of these companies will be IKEA, Bed Bath and Beyond, Williams-Sonoma, TJX, Amazon, and Herman Miller. Another external threat is that Jackokan Decor is starting out as a local business so that means it will easily be overpowered by other more well know home decor stores such as IKEA and Bed Bath and Beyond. Customers may trust these well-established retailers to help decorate their homes more than a Jackokan Decor bundle because the company is so new, so the business needs to make sure the right market is targeted and that the consumers know that the bundles won’t disappoint.

**Competitive Analysis**

**Key Competitors**

Jackokan Decor’s decoration bundles have substantial competition. Mainly, this includes other decoration retailers. Globally, the leaders in this industry include IKEA, Bed Bath and Beyond, Williams-Sonoma, TJX, Amazon, and Herman Miller. These retailers cater to the market by providing large, well-
known products to the market. People tend to trust these large brands because they have received quality from them before and so they expect to again. In addition, these brands offer furniture as well as smaller decorations to their consumers. These brands and others have worldwide reach within their sales. Namely, companies like Amazon and IKEA can routinely sell to people on different continents all over the world. For example, according to the IKEA website, their yearly sales comprise of over 590 million customers annually split up to be about 5 percent from Asia and Australia, 15 percent from North America, and 80 percent from Europe. Clearly, our competitors are huge and really have conquered the global market. They are widely trusted all over the world which poses a challenge for a new business like Jackokan Decor which is trying to enter this dominating industry. On the other hand, another group of main competitors for Jackokan Decor are home furnishing themed subscription boxes. These are companies that send a box to customers periodically (usually monthly or bimonthly) in the mail with home decorating items. The main companies in this division of the industry are Globe In, Norse Box, Grove Collaborative, Art Crate, and Neko Box. These subscription boxes are very similar to Jackokan Decor’s bundles but are ordered directly to one’s door. There is large competition from both online subscription boxes and huge brick and mortar home decoration retailer chains.

Analysis of Competitors

In our industry, there are two main competitor groups: home decorating subscription boxes and brick and mortar home decoration retailers. Each of these industries have their own nuanced strengths and weaknesses.

**Strengths**

Subscription boxes are a strong option in this industry because they provide convenience to customers. It is easy for consumers to order their box online and have it sent directly to their homes. Usually when customers order subscription boxes, they order them for a monthly or weekly delivery over 6 months to a year. This means that customers are able to pre-purchase the boxes once and do not have to remember to purchase the item again for a 6 month or year timeframe. This is also great for the company itself because it allows them to have people committed to their product for at least a certain number of months. Customers also love the surprise factor that comes with subscription boxes. People never know exactly what they are getting until it comes. The consumer usually knows the topic or theme of the box but not the box’s specific contents. According to Dr. Gregory Burns, assistant professor of biomedical engineering at Emory, and Dr. Read Montague, associate professor of neuroscience at Baylor, “the brain finds unexpected pleasures more rewarding than expected ones.” Their study concluded that people subconsciously prefer surprises regardless of what they may think that they prefer. In combination with the surprise factor, many people really like subscription boxes because they do not even have to leave their homes in order to receive products. These people like that they can just click some buttons on a computer and a few days later have the item(s) at their house.

Jackokan Decor’s other main competitor is brick and mortar home decoration retailers. This category includes all stores that sell products that can be used to decorate a room or house. This group has immense strengths because brick and mortar stores allow people to browse and find a new product to buy. In brick and mortar stores, the sheer variety of products means that people are able to happen across new things that they did not know about. Another strength of many brick and mortar home decoration retailers is the fact that they also have an online store and website. This feature enables these retailers to get the convenience of online ordering with the additional advantage of a physical storefront to advertise goods.

**Weaknesses**

On the other hand, this positive strength for subscription boxes can also be downfall for some people. Some people dislike that they are only available online. This aspect of subscription boxes means that people who do not have a credit or debit card cannot easily purchase subscription boxes. This simple fact immediately restricts the available market for subscription boxes. Finally, a last weakness of
subscription boxes is the fact that they are not as readily accessible as in-store products. In stores, people can browse through aisles of merchandise and just happen across a product that they decide to buy. They do not have to be looking for the product to purchase it because it is in the store for them to discover. Because subscription boxes are exclusively sold online, people are less likely to find the box by chance. To find the subscription box, they need to search for it.

Despite the immense strength of brick and mortar home decoration retailers, this business model does have some drawbacks. Namely, some people find large stores daunting because they have so many products that it is hard to find what they want. People may not know what will look good together and have a hard time picking things out in a store. Additionally, some people dislike shopping in-stores because they can easily become distracted. When walking through a store, it is hard to keep focused because people are constantly being exposed to other products around them. They dislike the fact that there are so many products to choose from and so many ways to become distracted and spend more money than they originally plan to. Because subscription boxes are exclusively sold online, people are less likely to find the box by chance. To find the subscription box, they need to search for it.

Despite the immense strength of brick and mortar home decoration retailers, this business model does have some drawbacks. Namely, some people find large stores daunting because they have so many products that it is hard to find what they want. People may not know what will look good together and have a hard time picking things out in a store. Additionally, some people dislike shopping in-stores because they can easily become distracted. When walking through a store, it is hard to keep focused because people are constantly being exposed to other products around them. They dislike the fact that there are so many products to choose from and so many ways to become distracted and spend more money than they originally plan to.

Potential Future Competitors

This industry leaves a lot of room for future competitors to jump into the market. Because the home decoration industry is largely creativity based, there is constantly room for newer and more creative ideas to enter the market place. In this industry, it is realistic to expect that there will be people who think of the idea behind a new fad or trend in decorating and are able to capitalize off of this. This is not a huge concern because the home decorating industry is always evolving to adjust to the current trends and styles.

Barriers

Jackokan Decor will face some barriers in the process of entering the home decorating industry. A basic barrier will be gaining credibility among the other trusted and well-known brands currently dominating. For example, it will be very hard to combat the loyalty of some customers to certain brands. Currently, brands such as IKEA, have garnered a worldwide following. Because these home decorating giants have gathered a worldwide following, people trust and believe in the quality of products from IKEA. People will continuously and exclusively buy from these brands in order to ensure a standard of quality for the items that they are buying. Since Jackokan Decor will break into the market as a small start-up business, it will be a challenge to gain enough support in the community to ensure business. One way that we plan to do this is by selling our products in larger stores like Target or Walmart. This will make people feel like they can better trust our product since it will be retailing in an overall larger chain that they trust. This credibility issue will especially be a barrier because our product hinges on the concept of a surprise. Jackokan Decor must gain credibility so that people feel comfortable buying a product without knowing exactly what they are getting. To combat this aspect of the barrier we plan to depict one item from each box on the outside of its packaging so that people can be both enticed to purchase the product and assured that the bundle will contain something that they will enjoy.

One more obvious barrier to Jackokan Decor’s opening and growth is gaining capital. We hope to garner loans and potential investors in the company but we will need to gain sufficient funds before opening
to ensure successful operations. If necessary, we will partner with our advisor or another adult to cosign on our loans and other legal documents to ensure we can acquire proper funding.

**Marketing Plan and Promotional Strategy**

**Key Message**
Through marketing, the message Jackokan Decor wants to promote is that decorating and being festive in your home is possible even without the time commitment and advanced skill of personally picking out every decoration in the room.

**Product**
Jackokan Decor plans to sell decoration bundles. Each bundle will come in a compact box that includes items to decorate a room or home. Every bundle will have a color, holiday, style, or seasonal theme that it adheres to. To make the decor bundles more exciting and pleasing for customers, each box will include an element of surprise. The packaging for the boxes will only portray one item that is inside the box. All of the rest of the box’s contents will be a surprise so that customers can have the anticipation and excitement of opening a box full of surprise items when they get home.

**Place**
Jackokan Decor’s headquarters will be located at 16608-16698 E 2nd Avenue Aurora, CO 80011. This location will include office, storage, and assembly space for the Jackokan Decor bundles, management team, and staff. The bundles will be mainly sold in major brick and mortar retailers such as Walmart and Target so that people can discover our product when they are browsing home decorations in their favorite stores. Additionally, the bundles will eventually be offered on the company’s website, [www.JackokanDecor.com](http://www.JackokanDecor.com), and the company’s mobile app, Jackokan Decor. This app will be made available through both the Google Play store and Apple App store for maximized convenience for the major smartphone users.

**Price**
Jackokan Decor bundles will be set at various price points because there will be various bundle sizes. Some bundles will have enough home decor to decorate a room or two while other bundles will be better to decorate an entire house. For this reason, the price range Jackokan Decor plans to set their bundles in is between $100 and $500 depending on the specifics of the box. Most of these bundles will be centered around a $300 price point.

**Promotion**
One main promotional strategy for Jackokan Decor is to use a humanitarian approach that will serve as cause based marketing. Jackokan Decor would like to employ a modified version of the Tom’s business model. Tom’s is a shoe company that uses the “one for one” business model. Essentially, this means that for every one pair of shoes sold, the company donates an additional pair of shoes to someone in need. Jackokan Decor plans to use a slightly different method of this same strategy. For our business model, we would like to donate one decoration bundle for every 10 bundles sold. This will be best for Jackokan Decor because it will keep the prices of the bundles low. If we implemented the “one for one” model, we would need to charge double the cost for each decoration bundle. Instead, if we donate one bundle per 10 sold, we can spread the cost of the free bundle over 10 customer’s purchases. This means that instead of making customers pay 200 percent of the raw price of a bundle, customers will only have to pay 110 percent of that original cost. This will most benefit the company because it will allow people to still feel like they
are making an impact on the less fortunate while still keeping the additional expense relatively low. With this strategy, Jackokan Decor plans to partner or build a significant relationship with St. Jude Children’s Research Hospital. The company would like to give each donated box to a child staying at St. Jude’s for treatment. This would be perfect since it would mean that each receiving child would be delivered one compact Jackokan Decor bundle with everything necessary to decorate a room (in their case, their hospital room) for a specific season, color, theme, style, or holiday. This would be easy and convenient and would likely make long term residents of the hospital feel much more at home since they would have beautiful decorations to enhance their monotonous hospital room landscape. Finally, in order to ensure safety for the hospital’s patients, Jackokan Decor will make sure to keep all donated bundle items in a sterile environment until gifted. We will work with St. Jude’s to make sure that our products never harm the children being treated.

As for more conventional promotional strategies, Jackokan Decor plans to widely advertise that they are a Colorado based small business. This will help because it will gain the support of people who generally like to shop at and support small businesses. According to the Washington Post, on average people are more likely to believe that small business owners have strong ethics than large business owners and CEOs. Additionally, two thirds of people surveyed, said that they would prefer to shop at a small business even if it meant paying more. Based on these statistics, promoting the fact that Jackokan Decor is a small, local, Colorado business will help the company to grow by appealing to people’s morals in gaining their loyalty and support. This marketing strategy will be utilized until Jackokan Decor expands outside of Colorado; however, the company will continue to state that the business was started in Colorado.

Another promotion strategy Jackokan Decor plans to use in the future is celebrity branding because this form of advertising is often effective when done right. Jackokan Decor will attempt to begin a relationship with influential people in the market such as Martha Stewart and the company will send bundles to You Tubers, sponsor their videos, give them discount codes, and allow more people to learn about the business. Going along with celebrity support, Jackokan Decor would also like to include customer testimonials as a way of word of mouth marketing. These customer testimonials will mostly be acquired on Jackokan Decor’s website and social media platforms. To further the word of mouth marketing, the company will also use social media to quickly spread news and information about the company.

Finally, the owners believe that the surprise element will be an effective marketing strategy because it will fall under experiential marketing. Buying the Jackokan Decor bundles will provide an unforgettable and enjoyable surprise experience that customers will come to love.

**Message Delivery**

Because Jackokan Decor’s bundles will be sold through retailers, personal forms of message delivery such as one-on-one conversations and in-person networking will not be feasible nor effective. This means that the best way to deliver Jackokan Decor’s message of convenience, trendiness, and surprises will be to put ads in magazines, local newspapers, and local radio stations. The company will probably not utilize TV advertisements because the company will be too small and TV advertisements will be expensive for a general audience. Through TV advertisements, Jackokan Decor will not be able to only deliver their message to the market they are targeting. In the future, the business may be able to use TV advertisements, but it will not be effective when the business is starting up. Furthermore, Jackokan Decor plans to have a strong presence on social media platforms and on their website. This will be a main outlet for the company to deliver their message because the new bundles, whether the theme is a new holiday or a new color scheme, can be represented in an aesthetic and appealing manner. Social media also makes it easier to partner with celebrities for endorsements. The partnership with St. Jude’s and the humanitarian aspect of the business will also be represented on social media as it has good chances of attracting potential customers since in today’s world social media is only becoming more and more prevalent. Both the social media platforms and the website will act as a replacement for the lack of personal one-on-one message delivery because if consumers have questions, they will easily be able to post a comment or ask a question. Jackokan Decor as a business will
greatly value these questions and opinions and will make sure a response is provided as soon as possible and within a reasonable amount of time. When the business is at its beginning stages and it is necessary to create as much awareness for the bundles as possible, the owners will be sure to provide all questions and comments with a valid and valuable response.

**Analysis of Web Processes**

Jackokan Decor plans to be active online even at the effective start date of this business. The business also plans to continue having an influence on social media because this will be the best way to promote word of mouth promotion. Immediately, advertising with large competitors in the home decor industry would not be the best way to promote the business. Jackokan Decor’s product value would get lost in all of the other chain corporations promoting their companies. For this reason, Jackokan Decor is going to remain dependent on word of mouth promotion especially when the business is still local in Colorado. Social media will start out being run by the two owners based on information gathered by their marketing consultant. When the business continues to expand, the process Jackokan Decor plans to follow is hiring professional promotion staff and marketers to run the social media and maybe even create new graphics.

In terms of the website Jackokan Decor is establishing, it will be created before the business’s effective date of business. The marketing agency Jackokan Decor has spoken with plans to assist the businesses in these web processes whether it relates to website design or graphics. Specifically, Jackokan Decor will be utilizing WordPress Content Management System because it will allow for dynamic website designs that also have SEO benefits. Once this management system is used, the owners will receive training in using the system and maintaining the website on their own. The business will also be using the web process system shown below.

![Web Design Process Diagram](image)

**Sales Procedures and Methodology**

Jackokan Decor plans to maintain the partnership with St. Jude Children’s Research Hospital as a primary way of increasing sales. This relationship and Jackokan Decor’s mission to better a child’s hospital experience with the bundles, shows the customer the ethics and morals of Jackokan Decor. By buying their own bundle and staying committed to the home decor Jackokan Decor provides, people will feel that they are giving to an important cause while also getting the convenience and surprise factor of the bundles.

Another method Jackokan Decor plans to utilize is the solution selling method that was extremely popular during the 70s and 80s. This methodology will work for Jackokan Decor specifically because
having all the items needed to decorate a house in one box solves the issue many people have with home decorating. Usually people need to visit various brick and mortar stores to find the right products that match their theme and color scheme. The bundles solve the issue of spending time on this process and once Jackokan Decor gains credibility for their mixing of products and designing of the bundles, an effective solution is presented for all the people who want to decorate their homes, but cannot find the time.

As the business progresses, consultative selling will also correlate with the solution selling Jackokan Decor wants to utilize. In order to gain the loyal customer who purchases a new bundle every month as holidays change and new designs are released, Jackokan Decor needs to show that they can be trusted and that they are reputable. The designs and the plans for what go into the bundles need to be thought out correctly to ensure that all the items work together to create an aesthetic environment in one’s house. It is also important that a sufficient amount and a sufficient variety of products are offered in the bundles so that the decor items can be used throughout the house for various purposes. For instance, there can be the common pillows and blankets, but Jackokan Decor needs to ensure that there are products like kitchen towels and tapestries as well to add a unique quality to each bundle. The variety in the bundles will show customers that Jackokan Decor values both the pleasing appearance and the functionality of the decor accessories. The one product that is printed on the bundle box must be adequate enough to represent the entire bundle and the other products inside it too. As long as Jackokan Decor executes the plans and the general idea of the bundles properly, they will gain the trust of the consumer. Because Jackokan Decor is a part of the home decor market, consultative selling will be necessary to gain a larger number of loyal customers especially because the common 80/20 rule of marketing states that 80% of the company’s profit will come from 20% of the customers it has sold to; the 20% of customers will most likely be the loyal customers who trust the business and believe in its credibility.

**Operations**

**Business Facility**

The only business facility Jackokan Decor will have at the time of the business’s startup is the office which will be located at 16608-16698 E 2nd Avenue Aurora, CO 80011. This space comes with two buildings so one building will be allocated for the packaging and setting up of the bundles. At this location, retailers will be able to pick up the bundles in bulk, retailers will also be able to deliver product orders made for the bundles, and Jackokan Decor will also be able to send bundles away to retailers. Ultimately, this building is going to serve a similar purpose as a warehouse, as this is the last stage of the production process Jackokan Decor can control. Once Jackokan Decor is able to expand, we will purchase a larger warehouse to make packaging and production easier. Above is a bird’s eye view of how this building is going to be laid out when Jackokan Decor starts up.
The other building will be used primarily for the promotion and communications involved in the business. The majority of Jackokan Decor employees will be working in this building as they will be designing of the bundles, communicating with retailers and St. Jude’s, promoting the company, etc. In addition, there will be a conference room for owners to have meetings with retailers and to make general decisions regarding the company. To the right is a bird’s eye view of the office building.

**Production Plan Defined**

When the business initially opens, Jackokan Decor’s owners will be the main employees for the production of bundles. The production of these bundles will be taking place in one of the two buildings Jackokan Decor is renting. The basic process will involve placing the right home decor items in the coordinating bundle box. There will be shelves and organizing systems for the inventory to aid this production process.

**Analysis of Production Plan**

First, the most important part of the production plan is acquiring products to put into the Jackokan Decor bundles. At first, employees and the owners will work to find the best products that fit into themes such as holidays or color and seem high quality for the bundles. Though, Jackokan Decor will welcome products from new home decor companies, the business will focus on establishing connections with retailers they can stay loyal to. For instance, Jackokan Decor may commit to purchasing a new decor item every month from Bed Bath and Beyond because their products usually end up fitting into the bundles. Especially since new bundles will be presented each month, specifically for the different holidays, this sort of commitment with other retailers will be a key part of Jackokan Decor’s production plan. Jackokan Decor will ensure successful business to business sales and relations to benefit the company.

In terms of packaging the bundles for Jackokan Decor retailers, as long as the business stays local, this will stay manual. Once the design plans are set in stone and the parts of the bundles have arrived, employees will place the correct products in the correct bundle box. This is part of the bundles’ production is key because if decor items are placed in the wrong box, the enjoyable element of surprise will be lost. In order to ease this process and reduce the chances for error, Jackokan Decor will bring in organizational structures and evolve based on trial and error.

**Workforce Plan Defined**

Jackokan Decor will start out with the two owners, the marketing consultant, and the accounting consultant because they represent the three parts of the workforce during the opening of Jackokan Decor. Eventually, the company will strive to have a completely technologically savvy organizational method. This way we can keep the content of different box themes saved in a computerized system that will allow us to look back and use past boxes to gain ideas for future years’ ideas and product recommendations.

Jackokan Decor would also definitely like to use technology to better our product. We plan to use social media platforms such as Facebook and review platforms such as Amazon and our website to allow customers to post honest reviews of our products. We will not only create targeted questionnaires and surveys, but there will also be an open environment just to present opinions and suggestions about the product on the business’s website and on all of their social media platforms. This way people can feel
assured purchasing our boxes without knowing their contents and the designers and management team of the company can easily find customer feedback of the products to better them for the future. Finally, Jackokan Decor would like to use technology to communicate with and stay in touch with children at St. Jude Children’s Research Hospital. Social media will allow us to keep in touch with kids we have donated to and allow potential customers to see the impact they could be making on a sick child’s life, no matter how small.

Analysis of Workforce Plan

Employees and personnel for Jackokan Decor will be important for the business to successfully start up and eventually start making profit. Specific employees will need to be trained at Jackokan Decor and they will be hired based on their accomplishments and education. For instance, only people who know how to design and decorate will be hired to be a part of the bundle designing process. People who have experience in marketing and promotion strategies will be working in that part of the business and people with a technological background will be hired to monitor the company website and solve other issues relating to the online platforms.

On the other hand, employees in the packaging and production side of the business will be trained, but a specific education and experience in the field will not be searched for. The employees in the packaging space will be given a smaller salary than the professionals who will be hired for their specific talents in design, promotion, communications, etc., but there will be more employees working in production. The workforce in the packaging area will be given exact schedules for their work hours and the professionals in the other building will be expected to work the standard working time of eight hours for five days of the week (a total of forty hours a week).

Ultimately, all our employees will be expected to properly learn and understand Jackokan Decor’s mission statement. Even though the mission statement is simple, ensuring that every employee understands the importance of bringing convenience to the home decor market will allow for the most success. The training process for employees, specifically those working in the packaging building, will be organized with the owners training the very first employees and then senior staff training new employees. Jackokan Decor plans to keep the age requirement of their employees at 16. The employees will not be allowed to work overtime and the business will follow all of the legal requirements in having 16 years old at work. In order to advertise that Jackokan Decor needs employees, posts regarding job openings will be made on employment websites and on bulletin boards in local high schools.

Impact of Technology

Technology and its new innovations will be an important part of keeping Jackokan Decor successful and running. To begin, the boxes that the bundles come in are extremely important for presentation reasons. This is why Jackokan Decor is going to be in control of the bundle boxes when the business starts up. These boxes will have an image of just one product in the bundle to allow for the surprise factor Jackokan Decor is trying to achieve. Jackokan Decor will also look into using technology for the organization of the bundles boxes and the organization of all the home decor items bought from retailers to go into the bundles. When the business starts up, this organization will most likely be manual and will not involve technology, but Jackokan Decor would like to evolve.

Eventually, the company will strive to have a completely technologically savvy organizational method. This way we can keep the content of different box themes saved in a computerized system that will allow us to look back and use past boxes to gain ideas for future years’ ideas and product recommendations.

Jackokan Decor would also definitely like to use technology to better our product. We plan to use social media platforms such as Facebook and review platforms such as Amazon and our website to allow customers to post honest reviews of our products. We will not only create targeted questionnaires and surveys, but there will also be an open environment just to present opinions and suggestions about the
product on the business’s website and on all of their social media platforms. This way people can feel assured purchasing our boxes without knowing their contents and the designers and management team of the company can easily find customer feedback of the products to better them for the future. Finally, Jackokan Decor would like to use technology to communicate with and stay in touch with children at St. Jude Children’s Research Hospital. Social media will allow us to keep in touch with kids we have donated to and allow potential customers to see the impact they could be making on a sick child’s life, no matter how small.

Management and Organization

Human Resources

Jackokan Decor plans to hire a human resources consultant shortly after opening. This consultant is necessary to ensure that all staff of Jackokan Decor are properly paid and treated since the two owners of the business are not experts in the human resources field. Specifically, this firm will be in charge of advising the management of Jackokan Decor on all human resources related matters and creating reports and analytics so that the management of the company can become more efficient in this department. One drawback of this is that this will cost about $50,000 dollars per year. This is still an essential part of the plan, though expensive, because it will ensure that Jackokan Decor does not violate FICA rules and regulations, can properly handle and fill out unemployment tax paperwork, can stay in obedience with the Family and Medical Leave Act, and can stay on top of IRS filings. Since neither owner of Jackokan Decor has prior large scale, business managerial experience, a consultant will be crucial because they will be able to train and lead the managers to become efficient and productive in this category.

Board of Directors

Since Jackokan Decor is a LLC, the board of directors will primarily be the shareholders and investors in the business. These shareholders and investors will not be silent investors because their input for final business decisions will be valued. For this reason, the owners of Jackokan Decor will set a meeting time with the Board of Directors monthly. During these meetings, the owners will present their plans for the business and the Board of Directors will provide their opinions. However, all final business decisions will be made jointly by the two business owners, Sakthi Asokan and Kate A. Jackowski.

Advisory Committee

On the other hand, Jackokan Decor will also have an advisory committee within the business. This advisory committee will include all of the heads of the separate departments. For instance, the head of promotions, design, communications, finances, etc. will all be a part of this committee. The owners will also organize meetings with this committee every two weeks because it will allow each department to know what is happening in other departments and in the company as a whole. This will overall unify and connect Jackokan Decor’s employees and happy employees means happy customers. During these meetings, the owners will request ideas and present their own ideas to advance Jackokan Decor. These meetings will be an informal discussion and ultimately the owners will compile these ideas to discuss with the Board of Directors.

Consultants

During the initial stages of operating the business, Jackokan Decor plans to rely on consultations rather than hiring professionals because the owners believe that it will allow them to learn as much about starting and continuing to run a business. Through consultations, the owners will be advised and informed
on the best options in each field. When the business opens, Jackokan Decor plans to partner with a marketing consultant and an accounting consultant. Both will include extra training hours so that the business owners learn how to set up and run their website and accounting systems.

**Key Employees and Principals**

The key employees and principles of the management and organization of Jackokan Decor will be the managers of each section of business. These people will work in conjunction with the two owners to ensure Jackokan Decor’s success. For this team, there will eventually be a manager of production/assembly, design, communication, human resources, and promotions/marketing. At first, the owners of Jackokan Decor plan to fill these roles themselves, but eventually would like to hire people to step in. These people will only be hired as Jackokan Decor becomes successful enough to feasibly support the salaries of these people. A few of the key principles include focusing of making sure the employees are trained properly and are specifically accustomed with Jackokan Decor’s mission and vision statement. By doing this, the company can ensure that the employees are committed to the business and understand the real purpose of these home decor bundles. This proper training will allow efficiency which will ensure that not only are bundles being produced, but the employees are also satisfied with their work.

**Recruitment Plan**

Because Jackokan Decor will have two different kinds of employees, the recruitment plan for each kind of employee will vary. First, Jackokan Decor plans to keep the age requirement of their hourly wage based employees at 16. The employees will not be allowed to work overtime and the business will follow all of the legal requirements in having 16 years old at work. In order to advertise that Jackokan Decor needs employees, posts regarding job openings will be made on employment websites and on bulletin boards in local high schools. Jackokan Decor will also partner with youth organizations that work to find teenagers employment such as Arapahoe/Douglas County Youth Workforce Center.

In order to recruit business professionals such as a graphic designer and communications experts, Jackokan Decor will look into creating competitions at colleges such as Colorado State University, Metropolitan State University, Aurora Community College, etc. These competitions will be related to the kind of employee the business is looking for and the top three winners will receive interviews with the owners. This will not only allow Jackokan Decor to recruit employees, but it will also allow the owners to market the business further. More awareness about the business will be created and Jackokan Decor will be aiding college students who want to find employment in their areas of study.

**Compensation and Incentives Plan**

Jackokan Decor will pay all employees fair wages. For employees in the packaging and assembly aspect of the business, Jackokan Decor plans to pay them at least one dollar above minimum wage. For Colorado, this means that these people will be paid about $11.20 per hour since the current minimum wage in this state is $10.20. These people will be limited to working 40 hours a week at a maximum but will start out at part time, logging about 20 hours per week. Likewise, in the professional sector of work for Jackokan Decor, our managerial and administrative heads of each department will be paid salaries that equate to the mean salary of their job group and expertise level in Colorado around the time they are hired. These people will have the opportunity to get be promoted throughout their time working for the company. Immediately neither of these payments are of concern because Jackokan Decor will start off with only the owners working and filling all job descriptions. The two owners of Jackokan Decor will each donate their salaries to the business each year for at least the first 10 years and so will effectively make nothing.

**Decision Making Processes**

Because Jackokan Decor is a limited liability company, there will be members and a board of investors who will give their suggestions and opinions for changes in the company. While all these opinions and suggestions will be carefully considered and discussed, the two owners, Sakthi Asokan and Kate A.
Jackowski, will make the ultimate decision regarding any changes. All decisions with the ability to affect the business greatly will have to be run by the two business owners. They will have the final say, but they will also be completely open to the ideas of all employees at Jackokan Decor since everyone will be a part of a team ultimately trying to better the same business.

In order to consistently be looking for improvement, Jackokan Decor will have monthly meetings with each section of the business and if needed other sections can join, but key decisions about the business will be discussed at these meetings. It is important for the employees to understand what went well and what did not go well so that better methods can be put into action as soon as possible.

**Long-Term Development**

**Long-Term Goals**

Jackokan Decor’s main long-term goal is to expand as a business. Especially because the business is going to start locally and only be sold at retailers in Colorado, seizing the opportunity to expand and branch out to other states and countries will be essential. The 5 main long-term goals Jackokan Decor wants to achieve within 10 years of the effective date of business, January 1, 2019, are the following:

- Expand the business outside of Colorado so that retailers in other states sell the bundles
- Make over $500,000 in sales
- Give away more than 1,000 free bundles to patients in St. Jude’s
- Purchase and set up a warehouse for packaging the bundles and potentially find a larger office space if necessary
- Develop at least 100 different bundle designs

**Potential Risks**

Jackokan Decor cannot guarantee that they will make a sufficient amount of profit. Though the market is expanding, this new innovation may not be exactly what the target market is looking for. For instance, the surprise factor may not interest as many people as projected. This would lead to a significant decrease in sales. In addition, it will take time to gain attention for the bundles especially because they will start out only being sold in Colorado. Jackokan Decor’s owners have made their own investment in addition to the loan and line of credit so if any risks occur with the business incurring debt, Jackokan Decor plans to put up inventory as the collateral.

**Potential Adverse Results**

One adverse result Jackokan Decor may run into is product induced allergens. Because Jackokan Decor plans to donate bundles to sick children at St. Jude Children’s Research Hospital, making sure this adverse result can be combated is essential. Jackokan Decor therefore plans to keep hospital bound products located in an allergen free and sterile zone previous to distribution. Another solution would be to talk to the parents or guardians of the child receiving the box in order to ensure that any specific health concerns are identified.

Another adverse result is human error as Jackokan Decor boxes are being put together by humans individually. With any task, human error is usually present, but because bundles need to coordinate, Jackokan Decor will make it a priority to package the bundles correctly the first time. If errors do occur, the business will also prioritize finding a way to compensate the customer. One solution will be to offer the customer a full refund or some kind of special program where the customer receives a limited-edition bundle. Another way to prevent this adverse result will be to make sure that the training and orientation of staff members is taken seriously. Each employee will learn the mission and vision statement of the business and will be take through a specific training program established by the two owners.
Strategy
Jackokan Decor believes that the best strategy to accomplish the above mentioned long term goals will be to start small. The business plans to start by approaching a local store owner and asking to sell just in their store. If that is successful we plan to show these data points to national and state-wide chains in order to begin the expansion process.

Financials

Accounting Systems
Since Jackokan Decor will have a lot of contact with other retailers and other companies, they plan to have an extensive accounting system. In order to effectively do this, the owners will make a plan about how they would like to track all the accounting activities, and then an accounting professional will be brought in to make sure the system will fit the business, to make the system if needed, and to help with any accounting issues in the future.

Jackokan Decor would like to use the first in, first out method (FIFO method) of inventory evaluation. For this reason, the accounting system will also make sure that the FIFO method is utilized. Jackokan Decor believes this would be best for the business because it is important to pay the bills and inventory costs for a product in the original order they were bought. Especially in the home decor industry, Jackokan Decor needs access to the first inventory products so that they can be utilized in bundles before the product goes out of style or becomes less trendy. Therefore, the FIFO method will be the best way to make sure the cost associated with the inventory that was purchased first will be the cost expensed first.

The specific accounting system Jackokan Decor predicts to work with is QuickBooks because it is a leading accounting software for small businesses. It is also easily accessible and maneuverable which will make tracking the business to business transactions more efficient. Last, it is a commonly known accounting system so the accounting firm Jackokan Decor plans to work with during the first few years of business will be able to assist the owners and make the system effective.

Financial Assumptions
When creating this financial plan, the owners of Jackokan Decor made several assumptions. Primarily, we assumed that our product would sell for an average of $300.00. This is an estimate because each box will have different items to align with its theme. This means that depending on the price of the items in each box, the box will vary in value. We anticipate that our cheapest bundle options would cost around $100 while our most expensive options would ring up at around $500 each. We want our projection price to match this variance so we used the average as our price for all projections. This use of the average will account for variances in pricing for the different bundles.
## Financial Projections
### Year 1 Monthly Cash Flow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$600,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Owner Investments</td>
<td>$200,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>$100,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Revenue/Sales</td>
<td>$60,000.00</td>
<td>$90,000.00</td>
<td>$120,000.00</td>
<td>$135,000.00</td>
<td>$165,000.00</td>
<td>$180,000.00</td>
<td>$125,000.00</td>
<td>$100,000.00</td>
<td>$175,000.00</td>
<td>$187,500.00</td>
<td>$200,000.00</td>
<td>$250,000.00</td>
</tr>
<tr>
<td>Total Inflows</td>
<td>$660,000.00</td>
<td>$90,000.00</td>
<td>$120,000.00</td>
<td>$135,000.00</td>
<td>$165,000.00</td>
<td>$180,000.00</td>
<td>$125,000.00</td>
<td>$100,000.00</td>
<td>$175,000.00</td>
<td>$187,500.00</td>
<td>$200,000.00</td>
<td>$250,000.00</td>
</tr>
</tbody>
</table>

| Cash Outflows                |              |              |            |            |          |           |           |             |               |              |               |               |
| Start Up Costs               | $742,877.42  | $0.00        | $0.00      | $0.00      | $0.00    | $0.00     | $0.00     | $0.00       | $0.00          | $0.00        | $0.00         | $0.00         |
| Materials                    | $40,000.00   | $60,000.00   | $80,000.00 | $90,000.00 | $110,000.00| $120,000.00| $83,333.33| $66,666.67   | $116,666.67    | $125,000.00  | $133,333.33   | $166,666.67   |
| Accountant and Accounting System| $760.00    | $760.00      | $760.00    | $760.00    | $760.00  | $760.00   | $760.00   | $760.00     | $760.00        | $760.00      | $760.00       | $760.00       |
| Marketer                     | $1,500.00    | $1,500.00    | $1,500.00  | $1,500.00  | $1,500.00| $1,500.00 | $1,500.00 | $1,500.00   | $1,500.00       | $1,500.00   | $1,500.00     | $1,500.00     |
| Office Supplies              | $1,457.96    | $1,457.96    | $1,457.96  | $1,457.96  | $1,457.96| $1,457.96 | $1,457.96 | $1,457.96   | $1,457.96       | $1,457.96   | $1,457.96     | $1,457.96     |
| Rent                         | $14,145.83   | $14,145.83   | $14,145.83 | $14,145.83 | $14,145.83| $14,145.83| $14,145.83 | $14,145.83   | $14,145.83      | $14,145.83  | $14,145.83    | $14,145.83    |
| Utilities                    | $2,000.00    | $2,000.00    | $2,000.00  | $2,000.00  | $2,000.00| $2,000.00 | $2,000.00 | $2,000.00   | $2,000.00       | $2,000.00   | $2,000.00     | $2,000.00     |
| Legalities and Insurance     | $445.83      | $196.83      | $196.83    | $196.83    | $196.83  | $196.83   | $196.83   | $196.83     | $196.83         | $196.83     | $196.83       | $196.83       |
| Credit and Loan Repayment    | $5,587.36    | $5,587.36    | $5,587.36  | $5,587.36  | $5,587.36| $5,587.36 | $5,587.36 | $5,587.36   | $5,587.36       | $5,587.36  | $5,587.36     | $5,587.36     |
| Transportation               | $60.00       | $60.00       | $60.00     | $60.00     | $60.00   | $60.00   | $60.00    | $60.00      | $60.00          | $60.00      | $60.00        | $60.00        |
| Donation expenses            | $2,000.00    | $3,000.00    | $6,000.00  | $9,000.00  | $11,000.00| $12,000.00| $8,333.33 | $6,666.67   | $11,666.67      | $12,500.00  | $13,333.33    | $16,666.67    |
| Taxes                        | $0.00        | $0.00        | $0.00      | $0.00      | $321.11  | $1,729.20| $220.54   | $220.54     | $1,167.74      | $1,887.20   | $14,664.64    | $4,264.24     |
| Total Outflows               | $185,834.40  | $93,707.96   | $118,707.96| $129,707.96| $152,029.09| $164,457.18| $123,015.17| $104,461.31 | $169,569.05    | $170,515.17  | $192,459.27   | $218,725.55   |

| Net Cash Flow                | $144,165.60  | $3,707.96    | $1,292.02  | $5,202.02  | $12,970.91| $15,562.82| $1,684.83 | $4,461.31   | $14,430.95      | $16,084.83  | $7,540.73     | $31,274.45    |

| Opening Balance              | $0.00        | $144,165.60  | $140,457.62| $141,749.64| $147,041.66| $160,012.57| $175,575.39| $177,580.22 | $172,098.91     | $187,529.86  | $204,514.69   | $212,055.42   |
**Income Statements**

This document includes Jackokan Decor’s Year 1 Monthly Income Statement, Year 1 Yearly Income Statement, Year 3 Yearly Income Statement, and Year 5 Yearly Income Statement.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>$1,457.96</td>
<td>$1,457.96</td>
<td>$1,457.96</td>
<td>$1,457.96</td>
<td>$1,457.96</td>
<td>$1,877.95</td>
<td>$1,877.95</td>
<td>$1,877.95</td>
<td>$1,877.95</td>
<td>$1,877.95</td>
<td>$1,877.95</td>
<td>$20,015.64</td>
<td>$250,000.00</td>
<td>$30,000.00</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$24,000.00</td>
<td>$30,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$6,400.00</td>
<td>$6,400.00</td>
<td>$6,400.00</td>
<td></td>
</tr>
<tr>
<td>Accounting System</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$40.00</td>
<td>$400.00</td>
<td>$400.00</td>
<td>$400.00</td>
<td></td>
</tr>
<tr>
<td>Marketing Agency</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
<td>$18,000.00</td>
<td>$18,000.00</td>
<td>$18,000.00</td>
<td>$18,000.00</td>
</tr>
<tr>
<td>LLC legal/other</td>
<td>$199.09</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$159.00</td>
<td>$159.00</td>
<td>$159.00</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$196.83</td>
<td>$2,361.96</td>
<td>$2,361.96</td>
<td>$2,361.96</td>
<td></td>
</tr>
<tr>
<td>Line of Credit Repayment</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$1,207.90</td>
<td>$15,692.40</td>
<td>$15,692.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Repayment</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$7,279.66</td>
<td>$73,355.92</td>
<td>$73,355.92</td>
<td>$73,355.92</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td>$720.00</td>
<td></td>
</tr>
<tr>
<td>Business License</td>
<td>$50.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td></td>
</tr>
<tr>
<td>Humanitarian Costs</td>
<td>$2,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
<td>$30,000.00</td>
<td>$30,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left Over Debts</td>
<td>$0.00</td>
<td>$12,566.98</td>
<td>$16,664.96</td>
<td>$15,372.94</td>
<td>$10,000.92</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Earnings Before Taxes</td>
<td>$12,956.98</td>
<td>$16,664.96</td>
<td>$15,372.94</td>
<td>$10,000.92</td>
<td>$2,009.99</td>
<td>$1,984.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$20,015.64</td>
<td>$20,015.64</td>
<td>$20,015.64</td>
<td></td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$321.11</td>
<td>$1,279.20</td>
<td>$229.54</td>
<td>$1,279.20</td>
<td>$229.54</td>
<td>$1,279.20</td>
<td>$229.54</td>
<td>$24,064.64</td>
<td>$24,064.64</td>
<td>$24,064.64</td>
<td></td>
</tr>
<tr>
<td>Net Earnings</td>
<td>$12,956.98</td>
<td>$16,664.96</td>
<td>$15,372.94</td>
<td>$10,000.92</td>
<td>$2,009.99</td>
<td>$1,984.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$1,940.92</td>
<td>$20,015.64</td>
<td>$20,015.64</td>
<td>$20,015.64</td>
<td>$20,015.64</td>
</tr>
</tbody>
</table>
**Loan and Line of Credit Repayment**

Jackokan Decor will be taking out a loan of $600,000 at an interest rate of 8%. The company plans to pay this loan back in a repayment period of ten years meaning the business needs to allocate $7,279.66 every month for ten years to pay back the loan. Jackokan Decor will also be using a $100,000 line of credit with an interest rate of 9.33% and in order to repay this in the same ten years, the business will allocate $1,307.70 monthly.

**Supporting Documents**

**Mind Map**

This represents the main thought process and brainstorming tool we used to generate the idea for this business. On the following page is a picture of the actual mind map we created.
Appendix

Certifications
- Jackokan Decor’s logo and name will be trademarked
- Jackokan Decor will renew its business permit for Colorado every year
- Jackokan Decor will file accounting forms such as he 1099 with assistance from the accounting firm they work with
- Jackokan Decor will file LLC forms with the Secretary of State with the help of their EIN and LegalZoom

Works Cited
The following are online sources, stated in MLA bibliography format, used in research for aspects of Jackokan Decor’s business plan.


dx?utm_source=google&utm_medium=cse&utm_campaign=google_xerox_shopping_campaign&gclid=CPigv_fulNoCFeqkZQoduJgLzw&gclsrc=ds.


**Other Sources**
The following are other sources used for this business plan.

- Wells Fargo Bank: start up business loan information
- Bank of America: small business loan information
- Small Business Administration: information regarding the LLC legal structure and legalities for a functioning LLC
- Cheryl Fritz: pricing information regarding hiring a marketer or working with a marketing agency and the services provided
- Dave Bicking: pricing information regarding hiring an accountant or working with an accounting firm and the services provided
- Sara Dyer with Lanphier Accounting: information regarding the accounting firm she works at and the pricing of the various services they provide
- Erik Albin with beMORE Consulting LLC: his marketing services and the step by step plan he would provide to promote Jackokan Decor