



A Sustainable Business Plan

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MASD Practicum  
Spring 2021

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**THE BIRTH MOMENT FOR AN ORGANIZATION IS CRITICAL. ALMOST LIKE CONCEPTION, THE GENETICS ARE SET, AND IF YOU ARE NOT CONSCIOUS OF THEM, THEY CAN LEAD TO AN ORGANIZATION WITH A SET OF VALUES AND MISSION THE FOUNDER DOESN'T WANT. YOU NEED TO SPEND A LOT OF TIME ON YOUR INITIAL MISSION AND VALUES, AS THEY WILL ATTRACT THE FOUNDING GROUP OF PEOPLE AND DEVELOP THE ORGANIZATION'S PERSONALITY. BE MINDFUL OF THE FOUNDING MOMENT.**

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**MARK A. FINSER, PRESIDENT OF  
RUDOLF STEINER FOUNDATION**

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## **EXECUTIVE SUMMARY**

### **GENERAL COMPANY DESCRIPTION**

JAM Shop is a furniture and homewares sourcing company dedicated to sustainability and working towards a regenerative economy.

### **PRODUCTS AND SERVICES**

JAM Shop offers vintage and antique furniture and homewares that have been restored to their original beauty.

### **MARKETING PLAN**

We will market primarily to upper-class Millennials.

### **OPERATIONAL PLAN**

We will focus primarily on the sourcing of our products, and partnering with craftspeople that meet our company standards.

### **MANAGEMENT AND ORGANIZATION**

Once the business is up and running, operations will be managed by a single full-time employee who will be a sustainability professional.

### **FINANCIAL PLAN**

JAM Shop will work to keep startup costs as low as possible until the company is able to begin pushing sales and start a steady stream of income.

### **NEXT STEPS**

To implement this plan, we will maximize on the resources available to us through our adjacent companies, JAM Architecture and JAM Interiors.

## COMPANY DESCRIPTION

The JAM Shop is a sustainable interior design sourcing company based in Brooklyn, New York. We offer an exclusive, thoughtfully curated selection of furniture, art and home wares, viewable by appointment only. Interior spaces have an undeniable ability to impact our mood and happiness, making the feeling of a space equally as important as the quality and integrity of the physical materials used to create it. Every item we select helps to tell a story - of the space, and of the people who inhabit it.

Our team of designers have a unique eye for sourcing found items and seeing the potential in pieces others might discard. If we find an item that has potential but needs some TLC, we work with local craftsmen to breathe new life into it and save it from landfill. All repairs are made using high quality, sustainable materials that are OEKO-TEX certified and contain no harmful substances.

We want our pieces to function as well as they look, lasting for many generations to come. We seek out pieces with unique details and a heavy lean towards minimal and functional, with just the right touch of warmth and character to bring it all together.

Where things come from and how they're made matters. The effect that spaces and objects have on our health and happiness matters. We believe we can have our metaphorical cake (source beautiful, harmonious pieces) and eat it too (done in a sustainable manner that benefits client and environment).

That's our JAM.

## **Guiding Principles**

The Living Principles for Design framework is a catalyst for driving positive cultural change. Created by sustainability professionals working with the AIGA (a US national graphic arts industry group), the LP-Framework distills the four streams of sustainability - environment, people, economy, and culture - into a roadmap that is understandable, integrated, and most importantly, actionable.

This framework will be used as a foundational guide for general principles, operations, and decisions made about the company. We begin with an innate understanding that even minor decisions can have major consequences for both the environment, and human lives. In order to achieve a healthy planet we must first work to have a healthy society.

### **THE LIVING PRINCIPLES: Four Streams Of Integrated Sustainability**

#### **GUIDING PRINCIPLES**



**Environment:** Actions and issues that affect natural systems, including climate change, preservation, carbon footprint and restoration of natural resources.

- We will seek out opportunities to lower our carbon footprint and work towards becoming carbon neutral.
- We will seek out opportunities to improve the environment in our local area and neighborhoods.



**People:** Actions and issues that affect all aspects of society, including poverty, violence, injustice, education, healthcare, safe housing, labor and human rights.

- We will favor vendors that share our values in regard to Fair Trade.
- We will favor vendors that share our values in regard to local employment practices.



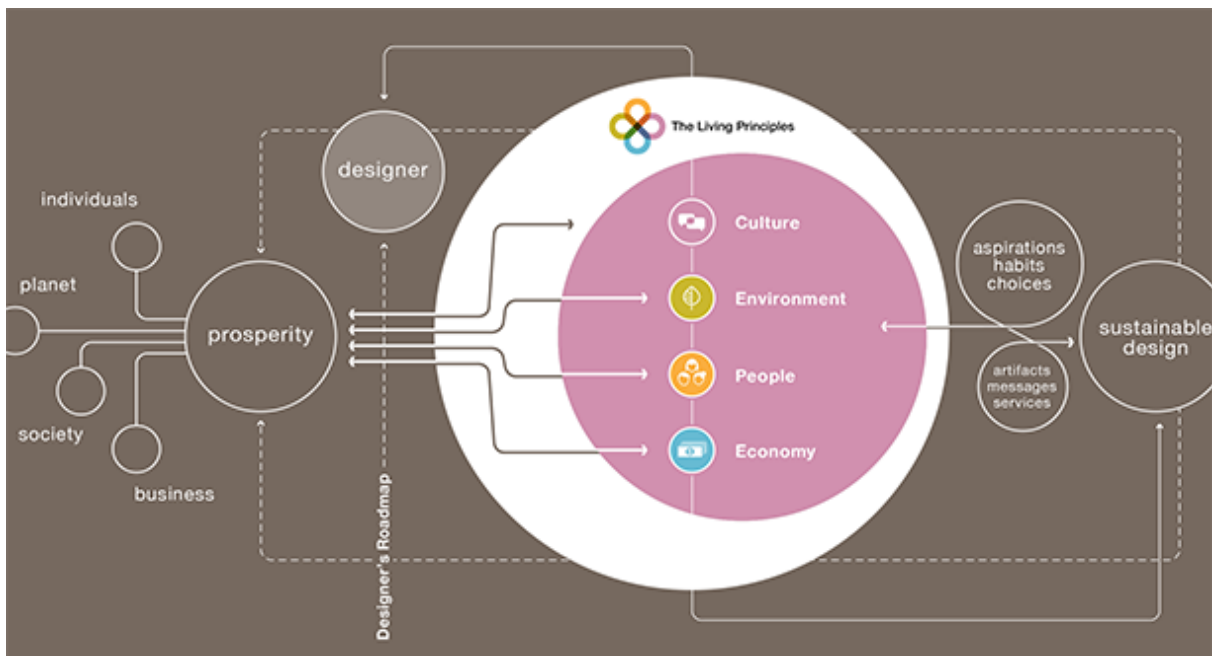
**Economy:** Actions and issues that affect how people and organizations meet their basic needs, evolve and define economic success and growth.

- We will work to be an active member of our community and have a positive economic impact on a local level.
- We will work to measure our success in ways additional to income such as community engagement, donations, and other meaningful forms of contribution.



**Culture:** Actions and issues that affect how communities manifest identity, preserve and cultivate traditions, and develop belief systems and commonly accepted values.

- We will respect the values and cultures of our stakeholder communities.
- We will work to educate our employees on the diverse array of different values and cultures present within in our community.





## **Mission, Vision, Values, Goals**

### **MISSION STATEMENT**

Thoughtful design emphasizing longevity and visual harmony.

### **VISION STATEMENT**

Closed loop interior design sourcing striving for a regenerative economy and a healthier, happier, waste-free world.

### **VALUES STATEMENT**

We strive to minimize our negative impact on the environment.<sup>2</sup>

We strive to show a deep respect for human beings inside and outside our company and for the communities in which they live.<sup>3</sup>

We strive to be present and considerate of all people, situations and opportunities.

We strive towards transparency and open communication.

### **GOALS AND OBJECTIVES**

To be a leader of sustainable interior design sourcing in the New York area, and in the US.

To establish a loyal customer following and steady stream of new business.

To be an established name in the community, known and remembered for our values, commitment and energy.

These goals will be achieved by: measuring customer satisfaction, tracking repeat clients and referral statistics, monitoring annual sales targets, the careful selection and leading of team members.

### **BUSINESS PHILOSOPHY**

Foster a culture of accountability, inclusivity, and respect.

Exceed expectations and exhibit a strong work ethic.

Consider and prioritize the needs of others and the environment in all decisions.

## INDUSTRY OVERVIEW

Companies focusing on sustainability are expected to continue having considerable growth as climate change continues to have negative impacts on our individual health and environments, and as younger generations rise in influence and spending power.<sup>4</sup> Particularly in the last 5 years, upon the announcement of the UN Sustainable Development Goals, there's been an increase in sustainability awareness at the brand and consumer level<sup>5</sup> and sustainable investments continue to rise. 81% of companies have increased their focus on sustainability,<sup>6</sup> and it's become clear that incorporating sustainability into the framework of any new company is a necessity.

## MARKET SEGMENT OVERVIEW

Professional Millennials will be our primary target market. At present, Millennials are the largest living generation and the first to strongly exhibit their concern for the environment through their purchasing decisions.<sup>7</sup> Moving forward, they will continue making more money and moving into greater roles of significance, working to push environmental and sustainable agendas.

JAM Shop will take advantage of this opportunity by providing a service that Millennials desire, at a time when they are beginning to make more money and thereby have excess funds with which to seek out our services. The majority of consumers have changed their purchasing habits based on social responsibility, inclusivity, and environmental impact. As the COVID-19 pandemic is still ongoing at the time of this report, it has only further increased the awareness and commitment of the consumer for sustainable purchasing.<sup>8</sup>

## COMPANY STRENGTHS AND COMPETENCIES

JAM Shop has the added benefit of being a part of the existing architecture firm, JAM Architecture. This provides a significant amount of credibility and a robust client base from which to begin growing. It is also being launched alongside a new interior design company, JAM Interiors which will provide a unique gateway into showcasing and spreading the word about JAM Shop.

## LEGAL FORM OF OWNERSHIP

The company will be formed as JAM Shop LLC, and solely owned by JAM Architecture PLLC. This option allows JAM Shop LLC to cover anything involving sales tax for the sale of furniture, art, decorative items, and interior design services. Yet, when filing taxes, only one combined tax filing will be required for both companies as opposed to two separate filings.

## Products and Services

We provide furniture, art and miscellaneous decorative items for photoshoot rental.

We provide furniture, art and miscellaneous decorative items for sale.

Our services set us apart by fulfilling the client's desire for finding a unique selection of quality, one-of-a-kind pieces for either rent or for purchase. Our products will typically fall in the mid-high to high price-point range within the market in order to reflect the high caliber of items being offered. Our ability to provide architecture, interior design, and interior design sourcing services in one place for the customer also allows us to charge a higher price that customers are willing to pay for the convenience.

## MARKETING PLAN

In order to best understand our market we will do an analysis of other companies offering similar and related services. We will also analyze existing data and research to determine the best means of reaching and appealing to our target audience.

We will investigate the best means of marketing our products. We will abide by the latest Federal Trade Commission's (FTC) Environmental Marketing Claims Guidelines in determining our verbiage and marketing angle.

As of 2016, "Millennials are the largest generation in the US labor force"<sup>9</sup> and will be our primary target marketing audience. With more than 90% of millennials owning a smart phone, it comes as no surprise that social media marketing will be a large component of our marketing strategy.<sup>10</sup> 25-34-year-olds are currently the largest advertising audience on Instagram,<sup>11</sup> which will be our primary target social media outlet.

### MARKET RESEARCH: OPPORTUNITY

New York City has one of the most saturated markets for independent interior designers, interior design companies, and interior design sourcing providers. Brooklyn, while still in direct competition with NYC companies, holds a greater sense of community that can't be achieved in the chaos and density of Manhattan.<sup>12</sup> For this reason, Brooklyn remains the greatest place of opportunity and will be the primary location of focus.

Of the existing competition, there are few claiming to engage in true sustainable design practices and of those that do, there's a wide variation in how much they are doing. According to the Certified B Corporation website's directory, there are currently no companies in either Brooklyn or New York City under the category of "Architecture/Design/Planning" which qualify as a Certified B Corp.<sup>13</sup>

There are also few competitors doing direct to consumer sales of products in tandem with design services. This presents a unique opportunity to capitalize on direct to consumer sales that meet strict sustainability requirements, and maximize on the advantages of JAM Shop being tied to JAM Architecture and JAM Interiors.

Evidence and observation suggest that interior design services will be nudged into a greater digital presence in coming years.<sup>14</sup> Being ahead of the game and discovering unique ways of existing in the digital space, in addition to having an in-person show room, presents a unique opportunity to set JAM Shop apart and discover novel ways of marketing our products.

## MARKET RESEARCH: METHODOLOGY

Secondary research was gathered to best understand our target audience on a personal level, and to inform our decisions on how to market the product to them most effectively. A proposal to acquire sufficient primary research by means of surveying Brooklyn residents has also been included.

### *Secondary Research*

Many Millennials are moving out west and to the south.<sup>15</sup>

59% of Millennials actively use Instagram.<sup>16</sup>

Millennials spend an average of 7.2 hours online per day, and over 2.5 hours of that time is spend on social media.<sup>17</sup>

71% of Millennials shop online regularly using their mobile device.<sup>18</sup>

Among the top most engaging brands for Millennials are: Apple, Nike, Chipotle, Target, Amazon, Samsung, Sephora, Levi's.<sup>19</sup>

59% of Millennials actively use Instagram.<sup>20</sup>

### *Primary Research Proposal*

Proposed Survey 1 – Survey existing client base and see how much they know about sustainable interior design and gauge their willingness to invest in it. Discover what barriers might exist which would prevent them from having an interest in JAM Shop. Goal: determine how much marketing effort should go towards existing client base of mostly non-Millennials.

Proposed Survey 2 – Survey Millennial professionals in the New York area to see how much they know about sustainable interior design and gauge their willingness to invest in it. Discover their specific interests and marketing angles specific to sustainable interior design. Goal: determine the most effective ways of targeting Millennial professional in our area, and discover unique and original ways of marketing to them.

Proposed Survey 3 – Survey Millennial professionals across America from a broad range of areas and backgrounds. Discover their specific interests and marketing angles specific to sustainable interior design. Goal: determine the most effective ways of targeting Millennial professionals across the country, and discover unique and original ways of marketing to them.

### Economics

Interior design is a well-established industry with a wide variety of offerings according to design style. It remains a growing industry, yet is transitioning to be increasingly online and virtual. This presents an interesting challenge for the field to discover new ways of offering their services virtually while maintaining the integrity of a high quality, customized service being offered at a high cost. There are many competitors in this field, making it essential to keep an approachable, straight-forward pricing structure and a modern online platform.

As awareness increases, there is also an increased trend in the demand for sustainably sourced materials and fabrics, such as organic fabrics and OEKO-TEX

certified products. Consumers seek these products out in order to feel better about the choices they're making, as well as to have a healthier home environment.

Barriers to entry for this market are the upfront costs of purchasing, transporting, restoring, and storing the items.

### Product

We will choose to focus primarily on the sourcing of items that meet certain sustainability requirements. Many of the furniture pieces sourced are being saved from landfill. We will prioritize the use of sustainable fabrics and materials in the restoration process. Further exploration into OEKO-TEX, GreenGuard, and GOTS certifications will be performed in order to create a specific set of guidelines and requirements for all products and materials used.

### Competition

With the New York City and Brooklyn areas being a highly competitive and saturated market, we will focus on select key direct competitors instead of generating an exhaustive list. We will also highlight a selection of companies in our market which are secondary competitors.

\*note whether sustainability focused or not

#### *Direct Competitors*

- Local antique and thrift shops
- 1stDibs
- Etsy

#### *Secondary Competitors*

- Fortune Finds <https://shop.lizziefortunato.com/collections/fortune-finds>
- Mociun <https://mociun.com/collections/home>
- Design W Care <https://www.designwcare.com/>

### Competitive Analysis

FACTOR	JAM Shop	Strength	Weakness	1stDibs	Local Antique + Thrift Shops	Importance to Customer
<b>Products</b>	High	X		High	Low	1
<b>Price</b>	Medium		X	Medium	High	1
<b>Quality</b>	High	X		High	Low	3
<b>Selection</b>	Low		X	High	High	3
<b>Service</b>	High	X		Low	Low	2
<b>Reliability</b>	Medium		X	Medium	Low	4
<b>Stability</b>	Medium		X	High	Low	4
<b>Expertise</b>	High	X		Low	Low	3
<b>Company Reputation</b>	High	X		Medium	Low	3
<b>Location</b>	High	X		Low	High	2
<b>Appearance</b>	Medium	X		High	Low	3
<b>Sales Method</b>	Low		X	High	Medium	4
<b>Credit Policies</b>	Low		X	High	Medium	4
<b>Advertising</b>	Low		X	High	Low	5
<b>Image</b>	High	X		High	Low	5



**Competitive Field Summary**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Online shopping experience</li> <li>• Sustainable products</li> <li>• Health conscious products</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Shipping of heavy items</li> <li>• Reliant on local vendors for restoration</li> <li>• Physical location for viewing</li> <li>• Small selection</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Virtual shopping</li> <li>• In-person experience</li> <li>• Wide range of target audiences</li> <li>• Wide range of price points</li> <li>• Wide range of product types</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Damage during delivery</li> <li>• Returns</li> <li>• Cheap furniture reproductions</li> </ul>

**Customers**

We have two main target customers, a primary and a secondary. Our primary customers are white collar millennials, and our secondary customers are wealthy baby boomers.

*Primary Customer Demographic Profile*

<b>Name: Agnes</b>	<b>Income Level: Upper Class</b>
<b>Age: 36 years old (Millennial)</b>	<b>Community: Brooklyn</b>
<b>Gender: Female</b>	<b>Occupation: Marketing Director</b>
<b>Location: Dumbo, NY</b>	<b>Education: Masters Degree</b>

*Secondary Customer Demographic Profile*

<b>Name: Minette</b>	<b>Income Level: High Income</b>
<b>Age: 62 years old (Baby Boomer)</b>	<b>Community: Park Avenue</b>
<b>Gender: Female</b>	<b>Occupation: Retired</b>
<b>Location: Manhattan, NY</b>	<b>Education: Masters Degree</b>

## Niche

What specifically sets our business apart is the curated selection of furniture and décor pieces available. Everything will be extremely curated to fit our particular standards of style, quality, and sustainability.

## Strategy

Our strategy is to find highly affordable pieces from around the country that we bring back to our shop. Items then undergo a thorough inspection in our shop to determine what work needs to be done to get the items to meet our standards. From there, items are sent out to our furniture upholstery and refinishing partners (or other partners pending the type of item in need of work) before the finished products make their way back to the shop to be photographed and catalogued.

Our set photography style will be as unique and memorable as the items themselves, helping to build the unique shopping experience for the customer regardless of whether they're viewing items online or in person. Down to the finest detail, every element will be on brand, curated and customized to the target audience.

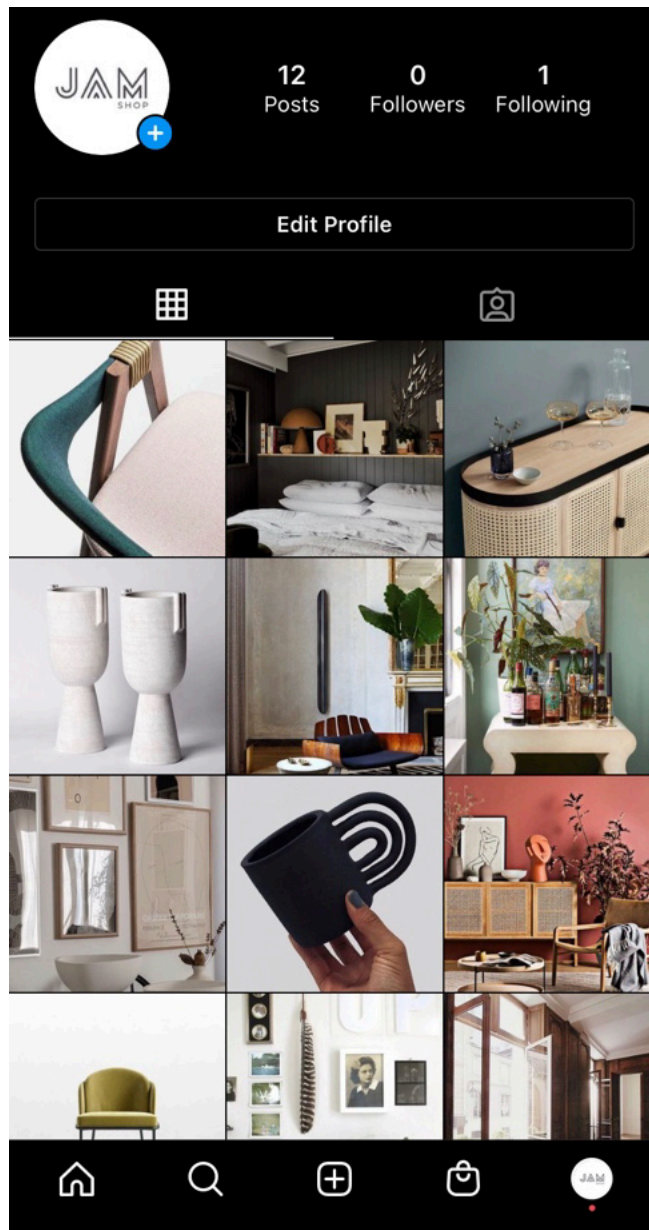
## Promotion

Instagram will be our primary means of marketing and getting the word out to customers. We will also rely heavily on word-of-mouth marketing. Through our social media presence we'd like to convey to customers a feeling of exclusivity and high quality, while maintaining a hip, cool vibe. We want our commitment to sustainability to remain nonchalant and to be expressed more by implication and example than directly stated.

## INSTAGRAM

Instagram is the most used social media avenue by Millennials and 15% more women use the platform than men. The average person spends 29 minutes per day on the

app. While Facebook still remains the largest social media outlet overall, Instagram is best suited for the Millennial audience and with our brand. They both function on the same ad platform, making it easy to do cross-promotions should we decide that Facebook would be useful to target at any point.<sup>21</sup> Instagram also completely free to use which will allow for other areas of the business to see an increase in budget. This sample Instagram profile page will serve as an example for the overall tone and intention for the brand’s image moving forward.



## Goals:

- 10,000 follows in the first year
- Maintain a high level of professionalism throughout posts, captions and comments
- Keep all captions friendly but succinct
- Post an average of 3 times per week

## WORD OF MOUTH

Primary targets for word of mouth are existing customers and trade professionals. Email marketing will be used heavily in order to maintain contact with existing customers, and allow them an easy opportunity to forward emails to share with friends. We expect our commitment to detail to really pay off in a big way here specifically.

## Goals:

- Send an average of 1 email per month
- Actively seek out new partnerships and collaborations with other brands and trade professionals that meet our standards
- Send hand written notes on customized letterpress stationery to customers whenever appropriate
- Continue to brainstorm and prioritize new ways to elevate the in-person shopping experience to make it special and memorable

### Promotional Budget

Our initial promotional budget will be \$10,000 to cover the cost of: promotional materials, website hosting, employee hours committed to social media posts, stationery and postage. The ongoing cost needed to maintain promotional materials will be \$40,000 per year.

### Pricing

Our items will be priced to reflect their quality and exclusive nature. Depending on the amount of work a particular item requires for restoration, 65% higher than purchasing cost will be the average markup. Each item will be assessed and priced on an individual basis by JAM Shop team members. Our prices will be above most of our competition and will help contribute to the exclusivity we're aiming for.

### Proposed Location

JAM Architecture headquarters. Brooklyn, NY.

### Distribution Channels

We will sell direct to consumer in an exclusive retail experience, as well as to designers and trade professionals.

### Sales Forecast

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## **OPERATIONAL PLAN**

JAM Shop will begin its operations slowly, as a stock of items are procured and restored to fill the inventory. The showroom is located in the same building as JAM Architecture and, once it's ready for customers, will be available by appointment only. It will start in a small room, housing 20 rows of shelving and an open display floor. Select employees from JAM Architecture will initially allot their time to the startup efforts until a full-time employee is hired to run JAM Shop.

### **Implementation Framework**

The Living Principles will be the cornerstone framework guiding the general principles and operations of the company.

## **THE LIVING PRINCIPLES: Four Streams Of Integrated Sustainability IMPLEMENTATION FRAMEWORK**

**ENVIRONMENT:** Actions and issues that affect natural systems, including climate change, preservation, carbon footprint and restoration of natural resources.

### **Behaviors**

- JAM Shop will promote sustainable behaviors and deliver effective sustainability knowledge to its employees and customers
- JAM Shop will incorporate sustainability into its operations and only hire employees expressly committed to the company's mission

### **Creation**

- JAM Shop will work to restore its products as sustainably as possible

### **Durability**

- Quality materials will be used to create long lasting products
- Timeless design will be utilized to create long lasting products

### Disassembly

- JAM Shop will have an open line of communication with customers about end-of-life plans for the products and will always receive products back if customers decide to get rid of them at any stage

### Supply chain

- Sustainability focused companies will be sought after to provide the products as well as to restore them
- Sustainable design principles will be utilized to carefully analyze each of the JAM Shop's inventory items

### Waste

- JAM Shop will incorporate education on proper waste practices into its marketing verbiage for customers
- JAM Shop will develop and provide customers with a “take back” program where any item purchased from JAM Shop that they hope to get rid of can be picked up for free
- JAM Shop will stand behind its products and develop a quality guarantee assurance for customers in the event their products get damaged, or after years of regular wear and tear

**PEOPLE:** Actions and issues that affect all aspects of society, including poverty, violence, injustice, education, healthcare, safe housing, labor and human rights.



### Impacts

- JAM Shop will consider the impacts of the consumer through the entire lifecycle of its products and its business model
- JAM Shop will play an active role in its community, lead by example, and encourage other companies to prioritize sustainable business practices.

### Conflicts

- JAM Shop will incorporate sustainability into the foundation of its business model and provide transparency about all operations in order to avoid hidden conflicts

### Desirability

- Millennials are the most concerned generation in regards to sustainability<sup>22</sup> and we will use this to our advantage by offering an avenue for creating positive change by engaging with our brand and products.

### Need / Use

- As Gen Z follows behind Millennials and continues to place increasing importance on the environment, it's clear that it's importance to business will continue to be a profitable, worthwhile, and necessary means of moving forward.

### Long View

- Working with existing materials and restoring them back to their best quality in a sustainable way leaves more items out of landfill and gives back to the consumer by offering truly one-of-a-kind, quality items to be treasured instead of items intended to be discarded after minimal use.

**ECONOMY:** Actions and issues that affect how people and organizations meet their basic needs, evolve and define economic success and growth.

### Systemic View

- JAM Shop seeks out employees with diverse backgrounds looking to make a difference and will offer them the tools they need to be successful and have a positive sustainable impact through their work

### Metrics

- JAM Shop will research the best means of tracking repeat customers
- JAM Shop will put appropriate measures in place to track their environmental progress as a company over time

### Benefits

- More items will be restored instead of taken to landfill
- A dialogue will open, teaching customers through the brand experience the value that comes with cherishing quality items over cheap, fast buys
- A greater community and movement for this type of sustainability work in furniture and homewares will be created centering around our brand

### Transparency & Truth

- Transparency and honesty will be prioritized above all else. The brand will be upfront with customers about errors and shortcomings and see them as an opportunity for growth and awareness.

### Waste = Food

- JAM Shop will make it clear to customers that no item they purchase should ever go to landfill and can always be taken back by our company
- Furniture and homewares being discarded by others will be utilized as the main source of product supply for the company

### From Product To Service

- JAM Shop offers tangible products as well as the service of continued maintenance support for the product. They also offer a full extend of services, through adjacent companies JAM Architecture and JAM Interiors.

**CULTURE:** Actions and issues that affect how communities manifest identity, preserve and cultivate traditions, and develop belief systems and commonly accepted values.

### Visions

- JAM Shop’s vision is to seek to continue opening the minds of its community and other business to the positive, lasting impacts sustainable business practices can have

### Meanings & Reactions

- JAM Shop will continue to gauge the reactions of its customers to the products being delivered, as well as the reactions from businesses in the community and adjust as needed.

### A Systemic View

- It’s the strong hope of JAM Shop that our customers and our community will receive a robust, memorable, quality experience when engaging with our brand and benefiting from our products and services.

### Diversity

- JAM Shop will seek to incorporate diversity into all aspects of business. We will hire employees from all backgrounds and diversity groups.

### Production

Production will be focused on the procurement of furniture and homewares, as well as partners with which to restore items as needed.

- We will establish relationships with local artisans and craftspersons to provide the restoration services for our products
- We will plan buying trips efficiently and purchase as much in bulk as possible to limit transportation
- We will seek out items online instead of in person as is possible in order to limit transportation
- Our employees will utilize public transportation as much as possible
- We will seek to use as few materials as possible in all aspects of business and refinishing

### Location

JAM Architecture headquarters - 20 Jay Street, Brooklyn, NY.

- We will maximize the use of our space as efficiently as possible
- We will use the least amount of energy required to heat and cool the space
- We will use energy efficient light bulbs and auto-shutoff lights
- We will unplug all electric devices when the space is not in use
- We will research what it would take for our rented building to work towards LEED certification and have discussions with the landlord

### *Access*

- All employees will be encouraged and incentivized to take public transportation to and from work
- Our website will provide simple directions for accessing our location via public transportation to encourage customers to travel to us this way

### *Cost*

Our predicted monthly occupation expenses include:

- Rent
- Utilities

- Insurance
- Space maintenance
- Cleaning
- Security system and safety

### Legal Environment

Our predicted legal expenses will be:

- Licensing requirements
- Permits
- Health, workplace, and environmental regulations to be met
- Insurance coverage

### Personnel

JAM Shop will start off with 3 JAM Architecture employees doing chunks of work on the side to get things started. Once things are in place and ready to progress, one full-time employee will be hired to kickstart the business. From there, relationships will be forged with freelancers and craftspeople as needed. All craftspeople we partner with will undergo a thorough interview process to determine how many of our sustainability standards they meet, what they might be willing to change, and how committed they are to upholding our standards.

### Inventory

All inventory will be stored in our JAM Shop space. With the help of AutoCAD experts from JAM Architecture, the space will be mocked up in digital format and all pieces will be placed digitally first to determine how to make all of the pieces fit as efficiently as possible. The detailed inventory list will include, for each item:

- Professional photos
- Item details - color, material, type, size

- Initial price paid for item
- Prices paid for all restoration service(s) rendered
- Any additional costs
- Price item is to be listed for
- Detailed notes of who has shown interest in specific items
- A description of the item
- A history of the item, if known

### Suppliers

A initial list of suppliers will be determined and will go through a rigorous check to determine whether they meet our company's standards. Local suppliers will be sought after first.

### Credit Policies

JAM Shop will accept all standard forms of payment. All purchases must be made upfront, including cost for delivery. Special exceptions may be made for very high priced items to accept an upfront deposit and later payment in full, on an as needed basis.

## **MANAGEMENT AND ORGANIZATION**

JAM Shop will initially be started by a small team of JAM Architecture employees in their spare time at work. When a base level of preparation has been established, a full-time employee will be brought on to run and grow JAM Shop. This employee will be a sustainability professional. In the beginning they will take on as many roles as are necessary to get the company on its feet. Once target funds have been gained and a budget exists to hire more full-time employees, the team will continue to grow from there.

### **JAM Shop Operations Manager Roles:**

- Be the face of JAM Shop on social media and in the community
- Build and foster relationships in community and industry
- Acquire new business
- Manage supplier relationships and onboarding of new freelance workers and employees
- Manage social media presence
- Travel as needed to purchase new inventory

### **Professional and Advisory Support**

The following additional services will be required to support the company's growth and operation. The majority of these services will naturally fall to the professionals already in place providing the same services for JAM Architecture.

- Attorney - Provide legal counsel and advice on legal matters
- Accountant - Provide support on taxes and financial decisions
- Insurance Agent - Provide support for ongoing insurance coverage needs
- Banker - Provide counsel on company payments and loan management
- Mentor + Key Advisor - Provide ongoing support to the company's founder in guiding decisions and determining the direction of the company

## **STARTUP EXPENSES AND CAPITALIZATION**

Startup costs will predominantly consist of inventory obtainment and rent for the showroom space. Other initial expenses include web development, brand development and marketing, and an allowance of 20% for contingencies.

To help keep startup costs down in the beginning, our first full-time employee will be a freelance employee working remotely. We will also hire college students to help with transporting and moving heavier furniture pieces.

### **Start-up Expenses**

#### **WEB DEVELOPMENT**

- Domain Name + Web Hosting: \$250
- Web Content Creation: No cost - to be created by first hire
- Website Design + Buildout: No cost - to be covered under JAM Architecture's existing website
- Legal Expenses: \$500

#### **MARKETING + BRAND DEVELOPMENT**

- Logo + brand design: \$500
- Marketing plan: \$12,000

#### **INVENTORY**

- Furniture procurement: \$100,000
- Travel expenses: \$4,000
- Restorations: \$8,000
- Storage: \$8,000/month

**TOTAL STARTUP COST: \$133,250**



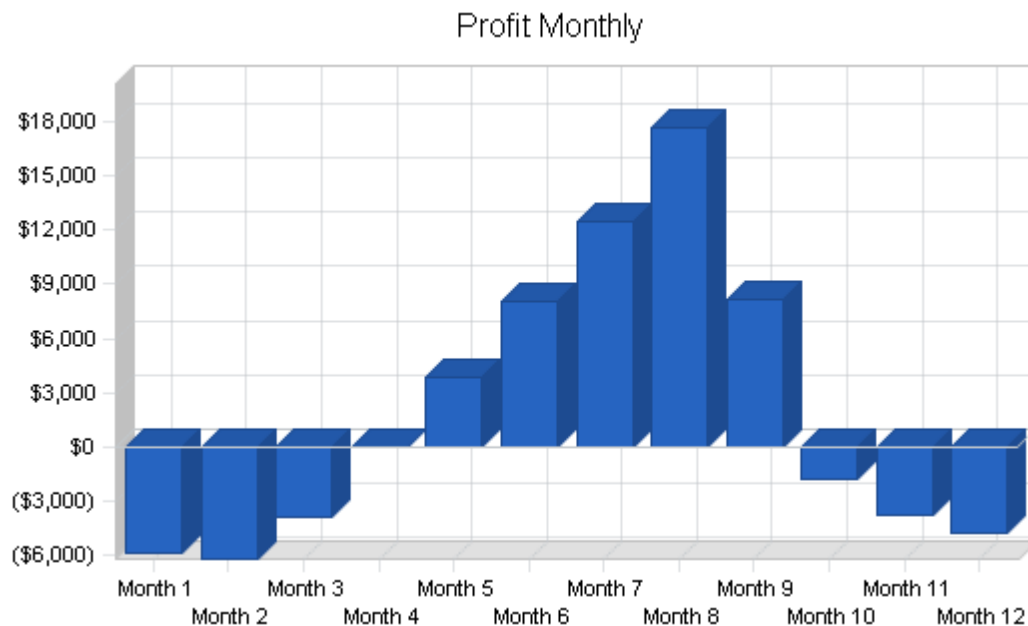
## FINANCIAL PLAN

The following 12-Month Financial Plan is based on our expected projections for profit and loss, cash-flow, balance sheet, and break-even calculation. The following financial plan pulls examples from a sample design business’s business plan.<sup>23</sup>

\*We are currently at the start of the COVID-19 global pandemic and it’s uncertain what effects this will have on our business and the local and global economy. As it stands, this financial plan has been created without knowledge of the effects the pandemic has had on these areas. It will be updated in the future when further information comes available.

### 12-Month Profit and Loss Projection

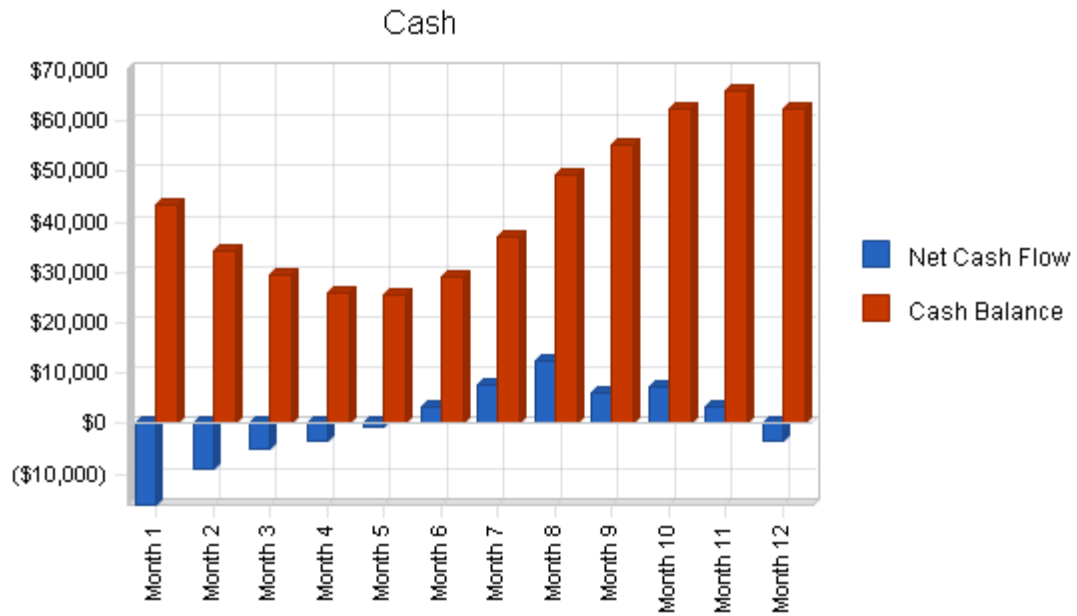
JAM Shop anticipates a medium net profit. While we are able to do a lot to keep costs down, it will take time to build and establish our customer base and get the reach we hope to achieve.



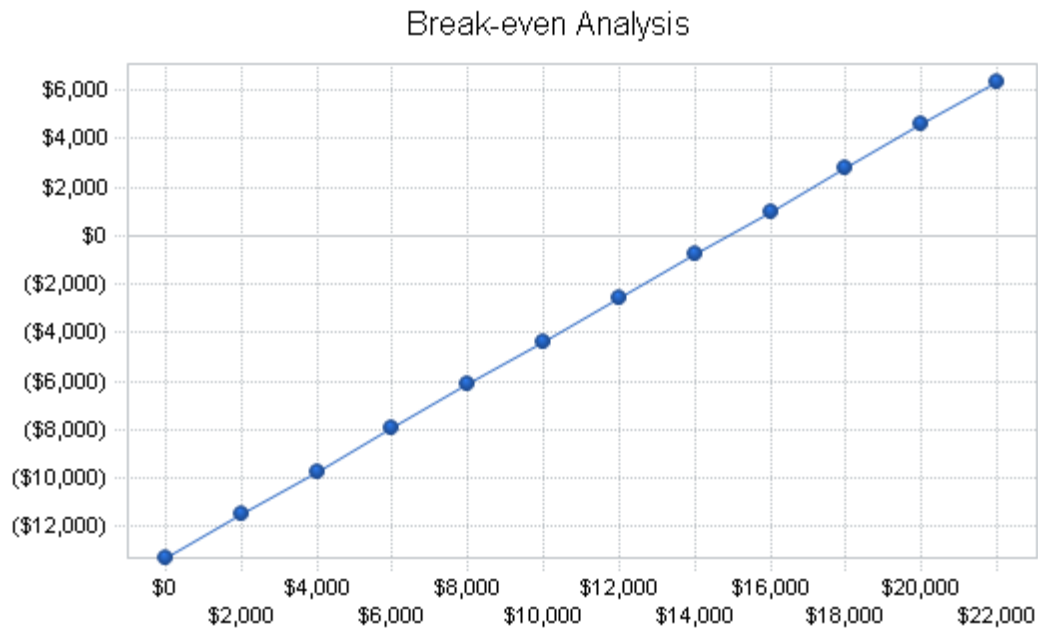
## Pro Forma Profit and Loss

	<b>Sales</b>	<b>\$219,411</b>	<b>\$239,765</b>	<b>\$260,500</b>
<i>Direct Cost of Sales</i>		\$23,225	\$25,800	\$27,000
<i>Other Production Expenses</i>		\$0	\$0	\$0
<i>Total Cost of Sales</i>		\$23,225	\$25,800	\$27,000
<i>Gross Margin</i>		\$196,186	\$213,965	\$233,500
<i>Gross Margin %</i>		89.41%	89.24%	89.64%
<b>Expenses</b>				
<i>Payroll</i>		\$96,000	\$108,000	\$120,000
<i>Sales and Marketing and Other Expenses</i>		\$6,000	\$7,000	\$10,000
<i>Depreciation</i>		\$0	\$0	\$0
<i>Leased Equipment</i>		\$2,400	\$2,400	\$2,400
<i>Utilities</i>		\$2,400	\$2,400	\$2,400
<i>Insurance</i>		\$2,400	\$2,400	\$2,400
<i>Rent</i>		\$36,000	\$36,000	\$36,000
<i>Payroll Taxes</i>		\$14,400	\$16,200	\$18,000
<i>Other</i>		\$0	\$0	\$0
<b>Total Operating Expenses</b>		<b>\$159,600</b>	<b>\$174,400</b>	<b>\$191,200</b>
<i>Profit Before Interest and Taxes</i>		\$36,586	\$39,565	\$42,300
<i>EBITDA</i>		\$36,586	\$39,565	\$42,300
<i>Interest Expense</i>		\$2,643	\$2,010	\$1,350
<i>Taxes Incurred</i>		\$10,183	\$11,267	\$12,285
<b>Net Profit</b>		<b>\$23,760</b>	<b>\$26,289</b>	<b>\$28,665</b>
<i>Net Profit/Sales</i>		10.83%	10.96%	11.00%

**Projected Cash Flow**



**Break-Even Analysis**



## **NEXT STEPS**

JAM Shop is a natural extension and addition to JAM Architecture and JAM Interiors. It has a unique opportunity to bridge a gap the existing companies currently face in achieving greater sustainable business practices. JAM Shop will also have many conveniences because of the existing structure it's being born from.

Costs will be kept as low as possible at first in order to maximize inventory building. Once the owners feel the inventory has reached a healthy level to start pushing sales, the full-time employee will be hired to run the company.

## **CONCLUSION**

Given the evidence and projections presented in this report, we recommend this plan be implemented as soon as possible. JAM Shop offers a unique business idea in a market known for welcoming bold, new ideas.

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