

Business Plan for a For-Profit Venture: Fence Movers, Inc.

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Executive Summary

Fence Movers, Inc. is a company which will maximize existing nonprofit programming to generate funds as a business and to benefit those served by the nonprofit. By identifying artwork, craft items and other products created during the daily activities of service, Fence Movers Inc consultants will create products for sale to supporters, board members and the general public using a unique Amazon ® Webstore. Half of the profits will go back to the nonprofits that will use it to enhance the lives of those they serve.

Nonprofits in America are facing a cash flow crisis as donated funds through government agencies, foundations and businesses are tied to strict outcomes and specific activities, leaving them with very little discretionary money with which to pay bills and conduct innovative programming. This initiative provides cash to the nonprofit, and supports other marketing and promotions initiatives by creative collateral for use across the platform.

The business success and profitability benefits from being a conduit for creative usage of items already created to a webstore, without having to handle, store or distribute most of the merchandise. Partner vendors create the items after design, they are listed on Amazon ® and once ordered, are shipped from the vendor directly to the consumer.

Nonprofits operating in the New York City metropolitan area are the target for this company, They are divided into three size categories so that they can be served with the right amount of resources. They will be recruited for a consultancy package, during which opportunities for the right production of items will be identified and processed. Other connections to the new products will be leveraged in support of the general promotions of the nonprofit. The products move into design phase and then are for sale, using the most efficient and cost-effective online retailer in the world.

This venture will be self-funded because of limited start-up costs. Even conservative projections show generous break-even points and once scale is achieved, strong profits because of adding new nonprofits every quarter. The promotional materials margins are high, supporting the projections. The convergence of nonprofit experience, extensive contacts and established partnerships with world-leading vendors provides a competitive advantage for this company.

Fence Movers, Inc. will generate profits, the nonprofits will earn unrestricted funds and Fence Movers, Inc. staff will commit to serving, resourcing and connecting the beneficiaries of the programs with the resources and contacts they have in the business and nonprofit world. Giving back is a trademark of this organization.

Industry and Proposed Company

The opportunity is to establish a business which generates income by marketing and selling products created by clients and service users of nonprofits, in a unique online store. The entrepreneurial venture will make profits and will assign, by previous agreement, a percentage of those profits to the participating agency, thereby allowing them to continue their mission. The application is that the nonprofit will be able to leverage income from services it provides every day.

Background

When nonprofits provide their services, it often happens that the service users generate items and products. It is these items that can be transferred into retail items. These include, but are not limited to, items like art from afterschool centers; sculptures and three dimensional creations from rehabilitation centers; jewelry and ceramic items from workforce development programs; and poetry, poems and written stories from literacy and education-oriented organizations. The company will re-purpose the creations into items which can be sold to supporters, donors and partners as a way to generate income and also to support the program.

The company will work closely with program staff in each nonprofit to determine which items will be used for this purpose and how to ensure that they are generated on a pre-determined schedule, fulfilling agreed-upon thresholds within a signed agreement. Regular visits and program updates will take place to ensure the best products are produced at the right time of the year, based on the needs of the consumers.

Marketing of the products and website will be integrated into the operations and communications of the nonprofit on a daily basis. Because the primary portal to the

products is a unique website at www.amazon.com, reference to it can be made in all correspondence (letters; emails), links on websites (official and those of partners and donors) and through social media platforms like Facebook (www.facebook.com), Twitter (www.twitter.com), LinkedIn (www.linkedin.com) and YouTube (www.youtube.com). Promotional material showcasing the programs will include the venture as a benefit to participating in the programs. Existing and new donors are important marketing partners to the company and nonprofit.

In addition to this initiative, Fence Movers will be able to function as a buying agent for all supplies, with significant discounts, thereby bring income to the agency again.

Dr. Messer recounts a story of a First World War Quaker performing humanitarian work in Poland, distributing food and clothing to the impoverished. He contracted typhus and died suddenly. Only Roman Catholic cemeteries existed and canonical law forbade burying anyone not of that confession in consecrated ground. They had to bury the Quaker just outside the fence of the cemetery. The next morning, however, it was discovered that the villagers had moved the fence during the night so that the cemetery included the grave (1992, p. 127). The name of this venture is based on this story. In as much as the goal is to generate income, a further goal is to move the fences for nonprofit organizations so that their effective work can continue to make a difference for the “least of these” (New International Version, Matthew 25:40). To be in community is to move fences for each other.

The promotion, marketing and branding of the company will tie closely to this story, with the tagline of “Removing the limits” being added and used as a way of explaining the name and the mission of the organization. The logo will depict this concept

and staff will tell this compelling story in person, in all collateral and in all public relations pieces.

Significance

Donors and supporters of the nonprofit will have direct access to the website to order items for their personal and business use. This provides users with a way of supporting the organization and still receive something in return. This will broaden the supporter base because anyone purchasing a product becomes a supporter and will have an opportunity to learn more about the organization. Links to email sign-ups, volunteering, donations, and general organization information will be provided on the unique website. This shows further benefit to integrating the processes of the organization as modeled above.

According to Stephens, Amazon.com is the number one retail website in the world. It routinely attracts over 67 million unique visitors (UVs) in a month, more than double the traffic of the next closest retailer Walmart. Amazon has benefited from consumer's flight to value online (2009).

An Amazon Webstore offers a number of additional services that can help take advantage of new opportunities and reach more customers. These services can be added at any time to enhance the offerings and develop the processes. Some of these additional services include the ability to sell items on Amazon.com as well as your own Webstore, to use Amazon's fulfillment network to pick, pack, and ship your orders, and even adding Amazon checkout to a custom shopping cart.

Multiple sales channels allow the business owner to generate even more online revenue, and the tight integration between Webstore and Amazon.com allows an opening up of new sales channels with the existing Webstore catalog. Selling on Amazon enables

businesses to: Reach millions of consumers by listing products on Amazon.com; List products in over 25 categories from books and electronics to sports and toys; Offer features like the A to Z Guarantee, 1-Click, and association with a trusted brand to help customers choose to purchase from the business.

Online retailers can take advantage of Checkout by Amazon to make the shopping experience much easier for potential customers. These consumers can use the shipping addresses and payment information in their Amazon.com accounts to make a purchase in Webstore. The process is quick, convenient, and familiar, and customers never have to leave the website. It is possible to improve the conversion rate by enabling millions of Amazon customers to use the information they already have stored in their Amazon.com accounts

Amazon Webstore offers full fraud protection for any transaction that meets the payments protection policy so that there is a reduction in risks of bad debt and fraud-related charge backs.

Amazon Webstore provides a range of tools and resources to help increase the traffic to the eCommerce website and start securing top positions on the search engines. There are millions of searches being performed every day, and this is a tool to attract the customers looking for the products. Attracting new visitors to the website is an ongoing process, but Amazon Webstore helps by providing the search engine optimization (SEO) tools and other features needed to start positioning the eCommerce Web store where consumers might find it. This includes the ability to optimize the Web pages to help search engine spiders correctly index the site; use automatic submissions to shopping engines (Google Product Search, etc) to keep the listings updated; integrate email marketing resources to inform customers about new products or current sales.

Internet customers have a very short attention span, and online retailers only have a few seconds to convince customers to say and consider the products. When a Web store is built, a professional and aesthetically pleasing store front is created, where it is easy to make a purchase. Amazon Webstore helps develop this kind of website experience for customers. eCommerce templates allow for a customized website to match the individual brand. It is possible to quickly upload or modify new product descriptions and eye-catching images. Recommendations widgets offer related products or accessories and featured products make it easy to highlight the most popular items.

Getting new traffic to your website is only the first step. You have to give your customers reason to buy from you instead of the competition, and you have to make the path to a purchase as smooth as possible. You can use our eCommerce resources, like Checkout by Amazon, to add convenience to the purchasing process and remove some of the barriers between the customer and the sale.

Amazon is one of the most trusted names online, and the eCommerce software allows the business to avoid IT infrastructure investments and offer customers a great shopping experience. The Amazon infrastructure offers a powerful system for managing high volumes of traffic while still providing the security and fraud protection a business and its customers need. Customers need to know that their information is secure, and sellers need to avoid fraudulent transactions. Partnering with Amazon Webstore enables the use of powerful, secure eCommerce solutions. (www.amazon.com/business)

Products and/or Services

The purpose of the project is three-fold: 1.) to generate income for a new venture; 2.) to generate operational income for nonprofits; and 3.) to develop the skills of individuals benefiting from social organizations (nonprofits).

The types of products will include seasonal, packaged cards featuring artwork from service users, specialty jewelry items, commemorative items and a variety of published materials, such as recipe books, story books and calendars. These will be birthed from programs in existence.

The company will sell two essential services: 1) consultancy to nonprofits on identifying unrealized wealth-creating resources and how to move them to market, while utilizing them in daily operations and fund-development materials, and 2) managing the process of moving productized items from beneficiary to income using the best existing or new platform. The company will identify the best web-based channel to be utilized which will maximize profit. It will also know best ways to integrate into the existing web-presence marketing of the nonprofit, if applicable.

As a socially responsible company, this venture will deliberately develop the skills and opportunities of the users who produce the raw materials. The company staff will integrate their functions into the program in order to educate, develop and provide opportunities for the people who wouldn't usually have this opportunity. This approach brings meaning to the work and expands the mission of the company, while providing value-added activities (Afuah & Tucci, 2003) to the nonprofit.

This venture is relevant because it integrates multiple facets and goals into one enterprise. As an entrepreneurial venture, the primary goal is to maximize profit, while a

significant need for the nonprofit industry is to generate operational income, without restrictions. Further benefits include the integration of program activities and outcomes into the business, while being able to utilize the products in fundraising and public relations.

This shows the significance of the venture to all stakeholders.

Types of Products

Products will be developed in consultation with the nonprofit while using templates established by Fence Movers Inc., aiding in shortened go-to-market times. These products will include cards of all kinds, artwork, clothing, furniture, crafts, decorative pieces and other marketing collateral. Some generic stock items will provide a baseline of business – t-shirts, business cards, logo-oriented apparel etc. Unique items will provide the buyer with items which closely connect them to the cause.

Personal Selling

Key to the success of Fence Movers, Inc. is a well-trained and well-funded personal selling team. Personal selling requires verbal communication between a salesperson and a prospect customer with the goal of making or influencing a sale. This is more expensive than advertising but in the case of Fence Movers, Inc., it is the primary way we will build relationships, show the benefits and needs to customers and make the final sales.

Market Analysis

The founder of this venture has worked in nonprofits for twenty years. In that time he has experienced the limitation of operational funds and the lack of integration of outcomes and activities into the general life of the organization. This venture satisfies those two dilemmas facing all nonprofits. As a result of a PEST analysis, market opportunities and challenges have been identified. They are addressed here.

Commonplace in nonprofits are good-hearted and skilled practitioners who care deeply about the work they do but have very little business experience and knowledge. This venture provides those skills and knowledge where they are much needed and does so in order to support the mission for which the practitioners so tirelessly work.

The founder has noticed that there is an untapped resource in the products produced at many nonprofits. This venture aims to capitalize on the raw materials that are already being produced, turning them into retail items, available through the low-cost mechanism of an agency-specific website.

This is an untapped market and one that can be taken advantage of. Some large nonprofits have tried to generate income this way on their own but have not maximized the opportunity because they don't have the full vision from a business perspective. In nonprofits, it is common to undermine the goal of generating profits because of a commitment only to the mission of the organization. This commitment is admirable but it inhibits the fiscal growth opportunities. The company will provide an established business framework for the nonprofit in which the nonprofit staff will provide resources or raw materials. The only other task will be to intrinsically support the promotion of the materials for sale through their usual work tasks. The nonprofit staff can focus on their jobs for which

they were hired and can pour their energy into the fulfillment of the mission of the organization.

In the last 15 years, donors have responded to advice from representatives such as Stratford (2011) who have advised to do deeper research into the organizations receiving donations and restrict those donations to specific programs and initiatives. This has had two primary consequences. Firstly, nonprofits have to invest more time and money into analysis and reporting of outcomes to the donor. Secondly, the designation of resources to specific programs results in limited operational funds to support the infrastructure of an organization, causing instability and uncertainty. This venture will require very little time from agency staff because the raw materials will be produced as a result of existing programs. Very importantly, all income generated for the agency will be free from designation and available for general operating purposes. That means there is maximum impact.

Market Size and Trends

According to the National Center for Charitable Statistics, in 2012, there were a total of 1,565,497 tax-exempt organizations in the United States, including: 970,401 public charities, 98,837 private foundations, and 496,259 other types of nonprofit organizations, including chambers of commerce, fraternal organizations and civic leagues (2012).

In 2010, public charities reported over \$1.51 trillion in total revenues and \$1.45 trillion in total expenses. Of the revenue: 22% came from contributions, gifts and government grants; 73% came from program service revenues, which include government fees and contracts; 5% came from "other" sources including dues, rental income, special event income, and gains or losses from goods sold (2012).

The strength of the value of this venture is in the impact it will make on the 5% figure above. Fence Movers, Inc. will move that 5% figure for each nonprofit, providing them with undesignated cash with which to sustain the operations and start new initiatives. It is unrelated to program fees, government partnerships and foundation grants. This is a selling point and will promote the partnership with nonprofits.

In the five boroughs of New York City, as of August 2012, there are 43,162 registered nonprofits. New York City will be the initial focus of Fence Movers, Inc. with future large cities being analyzed including: Atlanta, GA (7,720), Chicago, IL (27,582), Columbus, OH (7,937) and Boston, MA (10,501) (2012).

In order to maximize profit, Fence Movers, Inc. will have a strategic marketing plan in place which promotes its products and services and engages targets and existing customers. The plan is built around a market-driven strategy, which integrates a focus on the customer and the ability and processes of the company to bring value to the customer. An outline of the four characteristics of this strategy shows the connection to Fence Movers, Inc. A strategy which incorporates segmentation and then the appropriate positioning is vital to successful execution and the fulfillment of corporate goals.

The four characteristics of a market-driven strategy are: 1) becoming market-oriented; 2) determining distinctive capabilities; 3) matching value and capabilities; and 4) achieving superior performance.

- 1) Becoming market-oriented – this company is customer-focused and will have a superior understanding of its customers' needs. In working directly with nonprofit professionals, the staff will engage closely with them and will have to understand the programs and the activities. Client knowledge and knowledge acquisition is critical

to the success of this company. The customers' value requirements will be central to the development and distribution of products as well as to the additional benefits derived from this partnership, namely public relations tools, visibility and increased public knowledge. As a small business, Fence Movers, Inc. will work across functions and will cross-train staff and engage everyone in education of their clients' activities and goals. This will allow for shared diagnosis of problems and will promote innovative solutions and action. This will in turn lead to superior performance and customer service.

- 2) Determining distinctive capabilities – Fence Movers, Inc. has distinctive capabilities of local nonprofit management knowledge, retail experience, a streamlined, time-effective system of product development and distribution and relationship development skills. This is a point of differentiation for FMI, which will enable a prospect to look at the value proposition differently to the way they see it from other vendors. It is a distinctive. These skills separate the company from the competition, are difficult to duplicate as a product, and can be applied to multiple settings within the business. Being a part of The Salvation Army with connections nationally and internationally, this is where the business will start. Through partnerships with existing partners, it will expand into other nonprofits, maximizing the credibility gained from The Salvation Army success and testimonials. The system of product identification, production, sale and distribution is extremely efficient and low labor intensive. This promotes likelihood of engagement and long-term sustainability. Being able to enter settings with confidence, a product and system that works and the ability to

establish and maintain personal and business relationships is important to the marketing plan.

- 3) Matching value and capabilities – this company is committed to matching the capabilities to the value goals of the customers by strategically integrating outside-in, inside-out an spanning processes. Being informed by the market, the customer and advancing technology will strengthen the approach and expand the knowledge base. Putting processes in place internally such as financial and cost controls, technology and logistics systems and human resources and sustainability practices will build an infrastructure from which operations can thrive. Spanning these, the company will focus on order fulfillment through customer service, competitive pricing, continuous product development in partnership with the nonprofits and collaborative strategy development.
- 4) Achieving superior customer performance – this is to create value for customers, without which the company ceases to exist. According to Troy, value for buyers consists of the benefits less the costs resulting from the purchase of products (lecture notes, Nyack College). The benefits derived from product, services, employees, and image must outweigh the monetary, time and psychological and physical costs laid out by the customer. One of the pillars of Fence Movers, Inc. is that there is very limited cost to the nonprofit partner. Financially there is no outlay. The cost is in a small time commitment from a staff member to introduce and educate a Fence Movers, Inc. staff member to the organization, helping them identify possible revenue generation opportunities. The benefits derived from the partnership include cash from the sales of the goods, consultant expertise, networking, services and public relations.

As a market-driven business, Fence Movers, Inc. will have systems which promote an understanding of the market, so that all staff know the latest trends, opportunities and threats and can collect and share important information company-wide, informing the right activities to occur. The company must maintain close relational ties to all the customers in the nonprofit network, constantly being available, educating, reaching out and providing benefit to the relationship such as networking and support. Fence Movers, Inc. is designed as an organization to be market-driven, committed to streamlined processes, cross-functional coordination and continuous improvement.

Threefold is committed to understanding the segmentation of the industry, that is, knowing exactly who will be targeted with what services and products. Segmentation is the subdivision of a population into similar characteristics (Web Finance Inc. 2013). Identifying groups by either characteristic identifiers or response times promotes fast responses to the unique needs of consumers and informs the corporate strategies and operational processes and activities. Once the segmentation has been devised and executed, it is critical that Fence Movers, Inc. positions itself accordingly, aligning the corporate strategy, operational resources and marketing strategy for maximization of profit.

Fence Movers, Inc's marketing program integrates public relations, promotions, and the corporate strategy and operation capabilities. No one part is isolated or over-emphasized. The marketing plan reflects segmentation, market-driven strategies and program development, and the execution of these strategies. A commitment to, and process which allows for continuous market research, cross-functional coordination and the development of contingency plans is critical to the marketing plan and the overall success of the company.

The ongoing connections between all data points will help inform Fence Movers, Inc. management in making decisions on marketing and general operations.

Economics of the Business

This is a critical component of the plan. It shows researched estimates related to start-up costs, fixed costs, revenue for production, revenue for consultancy and a break-even analysis using an average contribution margin calculation.

Start-up costs cover the initial set up of the venture, from legal costs, equipment purchases, research, website development and initial marketing.

Table I: Start-up Costs

Start-Up Costs

Equipment	\$5,000.00
Computers	\$4,000.00
Software(s)	\$3,000.00
Accessories	\$2,000.00
Marketing (salary time)	\$10,000.00
Website	\$4,000.00
Recruitment	\$2,000.00
Research (salary time)	\$10,000.00
Legal Fees	\$6,000.00
Training	\$5,000.00
<u>TOTAL</u>	<u>\$51,000.00</u>

This venture is to be self-funded (see Proposed Funding Requirements section below). The self-funding nature of this launch is intended to keep the business dynamics focused and allow for ‘keeping a toe in the water’. Once the business has traction, the possibility exists to move to external funding to scale the business using a return on investment value, where additional capital is needed.

Fixed Costs

These are costs which are incurred by the business and do not vary with the amount of

output (Froeb & McCann, 2010, p. 24). They remain the same whether the company produces nothing or a significant amount. This table shows the fixed costs for the first three years of the venture.

Table II: Fixed Costs

Fixed Costs	Year 1	Monthly	Year 2	Monthly	Year 3	Monthly
Research	\$ 2,400.00	\$ 200.00	\$4,000.00	\$333.33	\$ 8,000.00	\$666.67
Utilities	\$ 3,000.00	\$ 250.00	\$3,500.00	\$250.00	\$ 5,000.00	\$416.67
Accounting Svcs	\$ 4,000.00	\$ 333.33	\$5,000.00	\$416.67	\$ 10,000.00	\$500.00
Insurances	\$ 4,000.00	\$ 333.33	\$4,000.00	\$333.33	\$ 7,500.00	\$625.00
Licensing	\$ 4,000.00	\$ 333.33	\$4,000.00	\$333.33	\$ 8,000.00	\$666.67
Salaries/benefits	\$ 96,000.00	\$ 8,000.00	\$150,000.00	\$12,500.00	\$ 250,000.00	\$20,833.33
Marketing	\$ 10,000.00	\$ 833.33	\$12,000.00	\$1,000.00	\$ 24,000.00	\$2,000.00
Travel	\$ 4,000.00	\$ 333.33	\$6,000.00	\$500.00	\$ 12,000.00	\$1,000.00
IT svcs	\$ 8,000.00	\$ 666.67	\$12,000.00	\$1,000.00	\$ 25,000.00	\$2,083.33
Office supplies	\$ 2,000.00	\$ 166.67	\$3,000.00	\$250.00	\$ 5,000.00	\$416.67
		\$ -		\$0.00		\$0.00
TOTAL	\$ 137,400.00	\$ 11,450.00	\$203,500.00	\$16,916.67	\$ 354,500.00	\$29,208.33

Break-Even Analysis

In order to understand the break-even point of the venture, it is important to see the various streams of revenue: Products and Consultancy. For Products, there are 4 basic categories of products, with variations within them. This chart shows a Scenario 1, which projects various amounts needed to be sold, on average, in order for the break-even point to be reached, using only products as revenue.

Table III: Break-even for Products

PRODUCTS							
Category	Product	Price	Variable cost	P-V	P-V/2 *	# sold	FMI profit
CARDS	A	\$ 1.50	\$ 0.40	\$ 1.10	\$ 0.55	2000	\$ 1,100.00
	B	\$ 0.90	\$ 0.30	\$ 0.60	\$ 0.30	2000	\$ 600.00
	C	\$ 0.70	\$ 0.25	\$ 0.45	\$ 0.23	2000	\$ 450.00
DATED ITEMS	D	\$ 15.00	\$ 5.35	\$ 9.65	\$ 4.83	800	\$ 3,860.00
	E	\$ 10.00	\$ 4.25	\$ 5.75	\$ 2.88	800	\$ 2,300.00
CLOTHING	F	\$ 30.00	\$ 15.00	\$ 15.00	\$ 7.50	100	\$ 750.00
	G	\$ 20.00	\$ 9.00	\$ 11.00	\$ 5.50	100	\$ 550.00
	H	\$ 8.50	\$ 3.60	\$ 4.90	\$ 2.45	100	\$ 245.00
P-V/2 denotes the 50% split	with the nonprofits						<u>\$ 11,505</u>

Because of the diverse product offerings to be sold through this company, the best way to determine a break-even point is to conduct an average contribution margin calculation.

The formula is as follows:

$$(\text{Break even total quantity}) * (\text{ave contribution margin}) = (\text{total fixed costs})$$

$$Q = F / (\text{ave contribution margin})$$

$$Q = \text{Total products sold}$$

Table IV: Break-even Contribution Margin

Category	Product	Estimated sales percentage	Contribution margin	Break even Q from calculation below
CARDS	A	24.08%	\$ 0.13	1999
	B	24.08%	\$ 0.07	1999
	C	24.08%	\$ 0.05	1999
DATED ITEMS	D	9.63%	\$ 0.46	800
	E	9.63%	\$ 0.28	800
CLOTHING	F	1.20%	\$ 0.09	100
	G	1.20%	\$ 0.07	100
	H	1.20%	\$ 0.03	100
CRAFTS	I	2.41%	\$ 0.12	200
	J	2.47%	\$ 0.08	205

Total products sold (Q) = 8,305

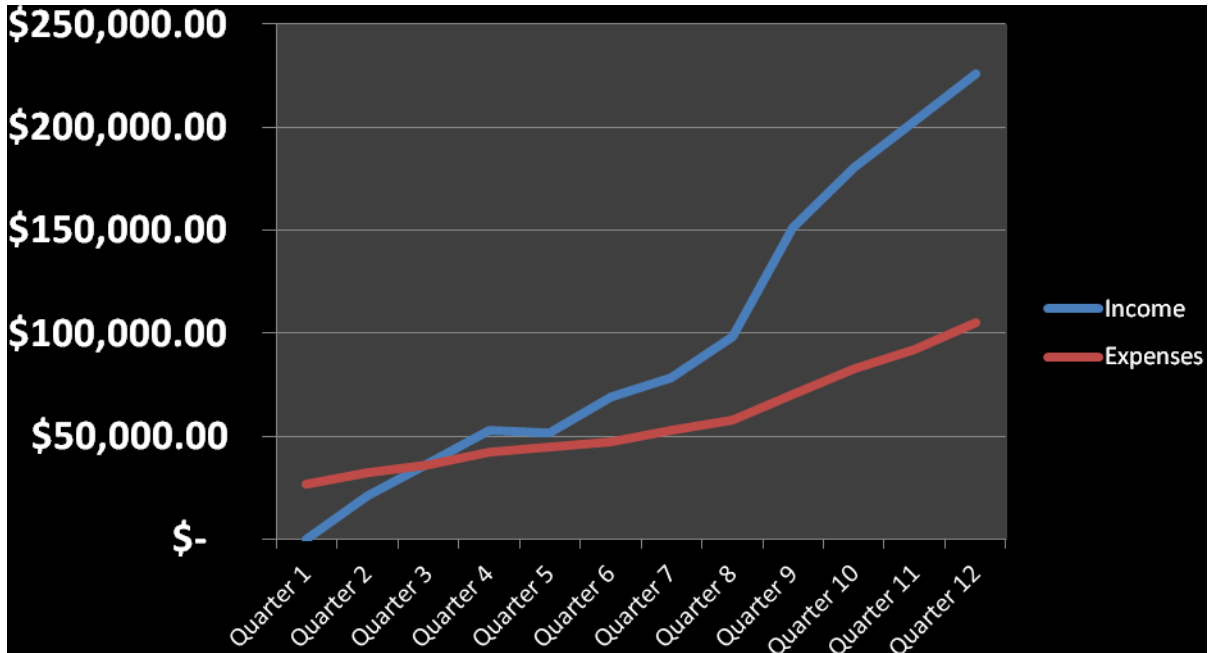
The average contribution margin is \$1.39

Table V: Break-even for Consultancy

<u>CONSULTING</u>		Price	Variable cost	P-V
Category	A	\$ 3,000.00	\$ 1,000.00	\$ 2,000.00
	B	\$ 5,000.00	\$ 2,000.00	\$ 3,000.00
	C	\$ 8,000.00	\$ 3,500.00	\$ 4,500.00

Figure 1: Break-even chart

This shows the break-even point at near the beginning of the 3rd quarter as monthly income exceeds monthly expenses. The gap between the income and expense lines widens continuously through three years at strong growth rate.



Revenue

The Consultancy stream will generate income in three categories, based on the size of the nonprofits by total budget. Category A: under \$1 million; Category B: \$1million to \$3million; Category C: Above \$3million. See Appendix for Table.

A key aspect of revenue is the acquisition of new nonprofits into the consultancy stream. At a conservative acquisition rate, annual revenue will be \$72,000 in Year 1, \$128,000 in Year 2 and \$312,000 in Year 3. Year 3 shows a marked increase as a result of an additional sales staff member being added to the force.

See Appendix B for full breakdown on acquisition rate and summary.

Product Sales

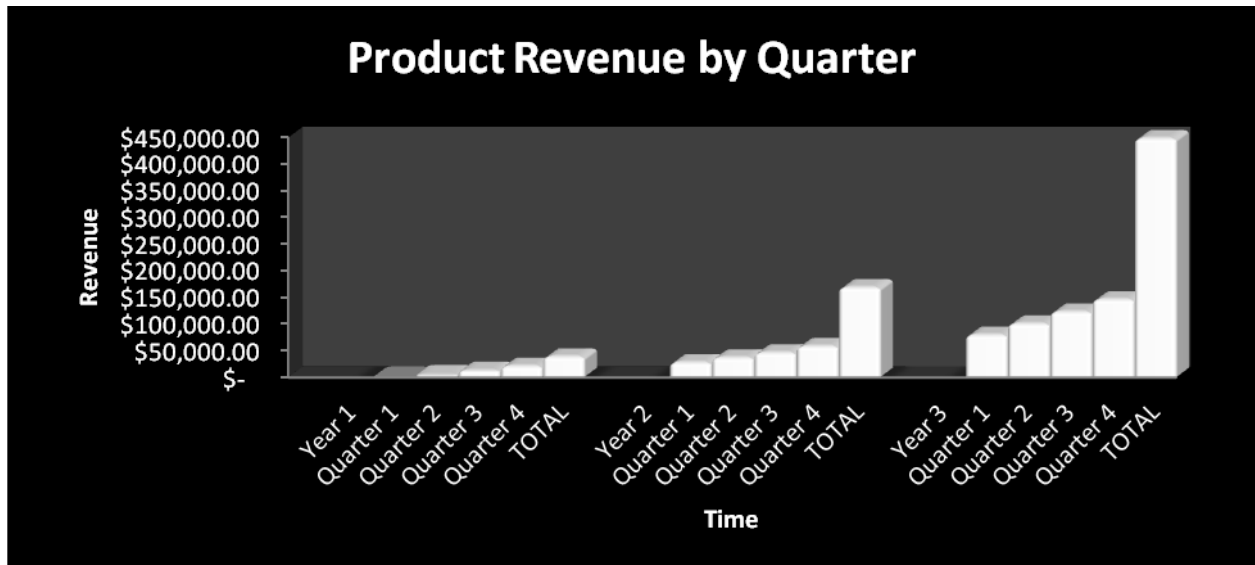
In order to project the revenue in the product lines, the number of nonprofits in a consultancy has been taken into account. A summary table appears below which shows the Quarterly Profit and YTD profit over 3 years. For a detailed spreadsheet outlining each product category and showing Nonprofit share, see Appendix C.

Year 1: \$38,575

Year 2: \$168,540

Year 3: \$448,530

Figure 2: Product Revenue by Quarter – 3 years



Scenario Planning

Three scenarios are presented: worst case, likely case and best case. They show a monthly dollar amount in sales of total product revenue for each nonprofit in each category.

Further, it shows variable costs removed (which includes all costs of sale and fees) and then shows the profit to Fence Movers Inc and the Nonprofit.

The Worst Case Scenario could come about if the following occurred: The demand for the highest contribution margin items does not reach projections. Those items make the biggest impact on gross and net revenues.

The Likely Case Scenario is a conservative estimate extrapolating the full scope of contribution margins and their likely demand for each.

The Best Case Scenario sees a 28% increase over the Likely Case because it allows for greater scope of items and an increase in high contribution items for each nonprofit. Marketing will be key and this case sees fullest board engagement, with corporations buying into this form of nonprofit support.

Table VI: Scenarios – Worst, Likely, Best (pages 25 – 26)

Nonprofit Category	Worst Case						
	Retail Revenue		Price - Variable Cost	Nonprofit Income		FMI Profit	
	Monthly	Annual		Monthly	Annual	Monthly	Annual
A	\$ 1,000.00	\$ 12,000.00	\$ 502.00	\$ 251.00	\$ 3,012.00	\$ 251.00	\$ 3,012.00
B	\$ 1,500.00	\$ 18,000.00	\$ 753.00	\$ 376.50	\$ 4,518.00	\$ 376.50	\$ 4,518.00
C	\$ 2,000.00	\$ 24,000.00	\$ 1,004.00	\$ 502.00	\$ 6,024.00	\$ 502.00	\$ 6,024.00
TOTAL	\$ 4,500.00	\$ 54,000.00		\$ 1,129.50	\$ 13,554.00	\$ 1,129.50	\$ 13,554.00

Nonprofit Category	Likely Case						
	Retail Revenue		Price - Variable Cost	Nonprofit Income		FMI Profit	
	Monthly	Annual		Monthly	Annual	Monthly	Annual
A	\$ 1,500.00	\$ 18,000.00	\$ 753.00	\$ 376.50	\$ 4,518.00	\$ 376.50	\$ 4,518.00
B	\$ 2,200.00	\$ 26,400.00	\$ 1,104.40	\$ 552.20	\$ 6,626.40	\$ 552.20	\$ 6,626.40
C	\$ 3,000.00	\$ 36,000.00	\$ 1,506.00	\$ 753.00	\$ 9,036.00	\$ 753.00	\$ 9,036.00
TOTAL	\$ 6,700.00	\$ 80,400.00		\$ 1,681.70	\$ 20,180.40	\$ 1,681.70	\$ 20,180.40

Nonprofit Category	Best Case						
	Retail Revenue		Price - Variable Cost	Nonprofit Income		FMI Profit	
	Monthly	Annual		Monthly	Annual	Monthly	Annual
A	\$ 2,000.00	\$ 24,000.00	\$ 1,004.00	\$ 502.00	\$ 6,024.00	\$ 502.00	\$ 6,024.00
B	\$ 3,000.00	\$ 36,000.00	\$ 1,506.00	\$ 753.00	\$ 9,036.00	\$ 1,494.00	\$ 17,928.00
C	\$ 4,000.00	\$ 48,000.00	\$ 2,008.00	\$ 1,004.00	\$ 12,048.00	\$ 1,992.00	\$ 23,904.00
TOTAL	\$ 9,000.00	\$ 108,000.00		\$ 2,259.00	\$ 27,108.00	\$ 3,988.00	\$ 47,856.00

Cash Flow Analysis

The biggest reason for the failure of new ventures is a lack of cash flow. The following table shows the cash flow required by month by the Start-up reserve, as this is a self-funded venture. At the end of the 7th month, this venture will generate enough cash to fund its own expenses.

Table VII: Cash Flow by month

Month	Expenses	Cash Flow	Surplus/Deficit
1	\$ 9,000.00	\$ -	\$ (9,000.00)
2	\$ 9,000.00	\$ -	\$ (9,000.00)
3	\$ 9,000.00	\$ -	\$ (9,000.00)
4	\$ 10,800.00	\$ 6,000.00	\$ (4,800.00)
5	\$ 10,800.00	\$ 7,000.00	\$ (3,800.00)
6	\$ 10,800.00	\$ 8,010.00	\$ (2,790.00)
7	\$ 12,000.00	\$ 10,000.00	\$ (2,000.00)
8	\$ 12,000.00	\$ 12,000.00	\$ -
9	\$ 12,000.00	\$ 14,700.00	\$ 2,700.00
10	\$ 14,000.00	\$ 16,000.00	\$ 2,000.00
11	\$ 14,000.00	\$ 17,000.00	\$ 3,000.00
12	\$ 14,000.00	\$ 19,900.00	\$ 5,900.00

Marketing Plan

The objective of the promotions at Fence Movers, Inc. is to promote the services offered by the company to nonprofits in the planned geographic area and beyond, through creative advertising, sales promotion, direct marketing, interactive/internet marketing and public relations. Through an integrated strategy, buyers and other influencers will know of the products, services and benefits offered by Fence Movers, Inc. and will gain maximum return on investment through this relationship. Each category is explained below.

Interactive/Internet Marketing

This is a key focus for Fence Movers, Inc. with one of the benefits being a low cost approach. Social media will be a primary tool in the promotion of the products and services (as well as sharing the impact of nonprofits) by being active and deliberate in Facebook, twitter, Google plus, an industry blog, a YouTube channel, a waywire channel and any other important and cutting edge initiatives online. A detailed customer relationship management tool, while an operations tool, will integrate with marketing to provide detailed and customer-specific marketing data to the right customers at the right time. This aspect is low cost at this point.

Direct Marketing

Direct marketing covers the materials that are produced to have a direct contact with the buyer of the product or service. Fence Movers, Inc. must have high quality printed and electronic materials available to prospective customers and their partners. A useful aspect of this approach is the electronic shopping component available. The individual nonprofit's

electronic shopping component is different to this. There will be limited direct marketing in the initial phases of this company.

Advertising

Advertising will include any non-personal form of communication about our products and services. This will include advertising in Nonprofit Magazine, regional newsletters for nonprofits and trade documents in the printing industry. In addition, online advertising will play a major role in this category, with online space purchased through Google mail, which will use its algorithms to identify the right audience.

Sales Promotion

Sales promotion includes trade shows, samples, point-of-purchase displays, product placement and incentives and coupons. This is another costly aspect of the overall communications plan but will not be a focus of Fence Movers, Inc. in the beginning phase. Fence Movers, Inc. will have a presence at tradeshow and nonprofit events and will have a supply of sample products on hand. On occasion, specific sample products will be prepared as a way to target prospective customers.

Public Relations

Public-relations is communication which is in the public sphere and meant to be at no charge and show what the company is doing. Fence Movers, Inc. will do this through existing media contacts and partnerships with nonprofits. Because the third goal of Fence Movers, Inc. is to make a difference in the lives of those producing the goods to be sold, there is a natural public relations angle to take advantage of. As the story of these people is told, the company will benefit and so will the nonprofit. This will provide very positive nonprofit exposure to Fence Movers, Inc. This will be part of the daily operations of the company and the sales team

will know what to look for to leverage these opportunities. Social media will be important in building a reputation among clients and prospects, building credibility and qualitative awareness.

Big Data

“Big Data” as a concept describes the kinds of data that can be collected and used to inform decisions. With the growing role of technology, there is an unlimited amount of data available in both structured and unstructured forms. When these data points are under statistical control, managers can analyze it and make scientific decisions about the processes and activities, not based on experience and gut feel alone.

Big data will have a significant impact on the overall communications program and CRM itself. Fence Movers, Inc. will have access to some of this kind of information, but initially will be limited from a technology and scope aspect to be able to maximize the value.

Big data will allow for three things: 1) move from mass marketing to single customer-centric marketing; 2) identify tailored desires of the customer and 3) merge culture and brand so that they are seen as one. Fence Movers, Inc. can work towards these three activities using the data it is able to collect.

For the first, data gathered allows for specific products to be developed and customer-specific marketing to place to individual customers or nonprofit, because of the data that is gathered on each nonprofit, their key stakeholders and important organizational information. Secondly, for each nonprofit, and further for individual purchasers of the products through the online portal, data will be captured on preferences, order history and success/margins on items ordered. This will help predict future needs and focus. Thirdly, Fence Movers, Inc.’s culture of partnering with nonprofits to help more people and the brand will be connected inextricably.

Fence Movers, Inc. will mean value to nonprofits and therefore people in need and the brand will reflect that.

CRM and Sales

Establishing and maintaining effective customer relationships is a high priority business initiative. A strategic customer relationship management (CRM) tool will enhance the company's ability to secure new customers and will support the goal of providing unique, customer-oriented products and services. A company-wide CRM tool will have an application to inform the strategic activities of the company and will focus on the lifetime value of customers.

In order for the benefits of CRM to be maximized, it must be part of a company-wide plan to maintain these relationships and provide service to the customer. At Fence Movers, Inc., everyone will participate in the design of the system, its development and application. The sales force, design team, administrative team, operations and leadership will engage together, ensuring cross-functional integration of the system from design to implementation.

This approach considers the strategic value of the customer and their preferences across the entire company. It focuses on the Customer Lifetime Value (CLV), recognizing that customers vary in their economic value to the firm and in their experiences towards the firm. This will enable Fence Movers, Inc. to focus on customer retention with great results over an over emphasis on new customer acquisition.

With the advances in technology, a CRM database can provide management with important and unique information that has been captured through previous interactions with the customer. This will be shared with all stakeholders so that they can maximize the value proposition information they have on each customer. The company must be aligned to the

strategy so that it can be seamless and efficient in providing the right services and products at the right time.

For Fence Movers, Inc., unique data will be captured in the CRM database. This includes items such as:

- Company profile
- Key stakeholders at each company
- Financial information
- Full programmatic information in each organization with uniqueness identified
- Board member information and profiles
- Corporate supporters and partners
- Major donors and their profiles

Once there is a pattern of activity for the nonprofits, data will be collected and managed in a CRM database which will include information such as:

- Most ordered items, by type of customer, by organization
- Who orders which item, in what amount
- Connection to board members
- Which sales person has best results with each nonprofit
- Which design approach sells best
- Which promotion activities (online, email blast, incidental etc) result in the most sales, and for which product, for each organization
- Logging of customer service data for each transaction for each organization

This kind of cross-functional, multi-disciplinary approach will provide critical information to the decision makers at Fence Movers, Inc. This is a complex operation and the company will

be ready to execute it. Ultimately, an effective CRM strategy will result in great value for the customer, and of course, greater value for Fence Movers, Inc.

A well-developed Customer Relationship Management (CRM) tool is a strategic part of the overall company's operations and more specifically, the role of marketing in that company. A company must move from gut-feel decisions to basing their activities on actual data which has been collected and carefully analyzed.

Design and Development Plans

In an ever-growing global marketplace, it is accepted that businesses interact explicitly or implicitly with enterprises around the world through manufacturing partnerships, supplier relationships and distribution channels. This is certainly true for Fence Movers, Inc. Prahalad and Krishnan's R=G formula posits that organizations can, do and must utilize resources outside of themselves in order to conduct their business profitably (2008). This business ecosystem provides added resources and informs the products, systems and processes by which goods and services are produced and delivered. Supply chains, as a result, can become global, utilizing suppliers, producers and partners across the world, through strategic interaction, resulting in lower costs and greater efficiency.

Structural and infrastructural improvements can improve cost, uncertainty and time issues. Often these issues are resolved through the use of advanced technology throughout the global supply chain, where the utilization of computers, mechanical and informational systems is maximized for efficiency and leanness. (Schroeder, Goldstein & Rungtusanatham, 2011). Fence Movers, Inc. plans to take advantage of this approach to business and supply chain management by utilizing the skills, structures and infrastructure of partners, locally and around the world as needed.

Hsu, Chiu, Chen and Liu explain the connection between the supply chain member, factors of organizational structure, organizational climate, environmental uncertainty and the technological dynamic and the way information is shared throughout the chain. In as much as organizational and environmental factors are important, they show that when technology promotes greater transparency and information sharing across the chain, there is

greater transaction flexibility and increased supplier and buyer performance. Technology utilization is important in promoting transparency and the results are significant for the global corporation. Amazon.com provides data to its business users about products sold, location of the purchasers, form of payment, other items bought and other important and useable information. The management of Fence Movers, Inc. will promote the use of technology throughout its supply chain in order to increase speed and flexibility, all the way to the customer.

Fence Movers, Inc. management will promote a sustainable and transparent supply chain, which in turn will produce other benefits to all involved. These will include: collegiality – the realization that there must be mutual concern over the success of each member of the global supply chain’s success (Prahalad & Krishnan, 2008); competitive advantage – the goal of separation from the competition by differentiation (Schroeder, Goldstein & Rungtusanatham, 2011); regulation – the role of agencies or government in providing oversight to operations and corporate activities; and responsibility – the importance of corporations being sensible with their resources and partnering with communities to be proactive in sustainability and other initiatives.

Critical to the success of this venture is a skilled and reliable partner group which will form the supply chain. The chain is made up of Jaws Marketing, product vendors and manufacturers, KeegraFX, Fence Movers, Inc. staff and the high-tech retail website amazon.com Business Services division. Fence Movers, Inc. owner is in research mode to determine most ideal products available and their best link to nonprofit profiles.

Jaws Marketing is an existing, established marketing operation selling clothing apparel, promotional items, logo and graphics development and website design. They

currently work with a vast national network of vendors which provides items for their full scope of products. The company sells to schools, companies, fundraisers, universities and sports organizations. The partnership with Jaws Marketing is not cost-service based as they generate their income at the time of order fulfillment. Some costs incurred will be absorbed by the Research and Development line of the Start-up Costs budget.

KeegraFX is a small, home-based design company with expertise in designing innovative items and marketing collateral. The head designer will produce template designs for use by nonprofits which will provide the basis for the general products to be produced using the individual nonprofit materials. The cost associated with this work is accounted for in the Salaries/Incentives line of the budget.

Matt Williams, an independent website developer and social media specialist, will be contracted to provide Information Technology development and support. This includes the development of a company website, development of unique nonprofit websites which track sales and activity in real time, using information from amazon.com As well as establishing full data and business integration to amazon.com business accounts. The cost for this service is accounted for in the Information Technology budget line.

As Chief Executive Officer (CEO), the owner manages all relationships and efficiencies of the design and development plans, hosting coordinating meetings and vision forums with all concerned.

Nonprofits are allowed by law to receive money from items they have sold. According to the Internal Revenue Service (IRS), retail endeavors can be entered into when they are seen to be “furthering the exempt purpose of the organization” and “Any trade or business is excluded that consists of selling merchandise, substantially all

of which the organization received as gifts or contributions.” (Internal Revenue Service, 2012). Based on research, this satisfies the exemptions as laid out by the IRS.

Amazon is the world leader in self-branding, resulting in consumers being unaware where a product is manufactured because it arrives in an Amazon box. Packaged items fulfilled through vendors will reflect the nonprofit for which it has been purchased; and nonprofits have an agreement with Amazon that allows the nonprofit to be recognized in the packaging.

Manufacturing and Operations Plan

The owner of Fence Movers, Inc. has established a primary business account with amazon.com through which all online sales will take place. Orders are placed and fulfilled through amazon.com because each vendor in the supply chain is connected. Items are paid for on amazon.com using credit/debit cards or PayPal accounts and then shipped directly from the vendor, which shipping paid for by the buyer. Nonprofits can order items in bulk and have them delivered directly to their offices or to donors, with specialized and individualized packaging and notes.

Part of the efficiency from an operations standpoint and a cost standpoint is that Fence Movers, Inc. does not own or operate a warehouse, factory and holds very little inventory, other than what may be uniquely sourced for special items. In summary, the operational narrative is as follows: The nonprofit purchases a consulting package and Fence Movers, Inc. staff makes recommendations. An agreement is signed which outlines, costs, profit sharing, payment schedules, copyright issues and renewal options. A unique webstore is established and items are sold within 2 months.

The CEO meets with Jaws Marketing executives and primary vendors to negotiate reduced prices based on volume and new business incentives. Fence Movers, Inc. will sign an Associate Agreement with Jaws Marketing, which provides a 'cash back' incentive for all orders. At present, Jaws Marketing has several independent representatives across the country, operating as an ad hoc sales force, most of them part-time. In the usual course of their business, they recruit new partners and customers, receiving a commission on orders placed through Jaws Marketing. Because Fence Movers, Inc. represents completely new business, the agreement will be signed. This also

represents an incentive plan for sales people from Fence Movers, Inc., who will earn a part of that ‘cash back’ on all orders made as a result of their consulting and promotional sales.

It is likely that the supply chain will extend across the globe because of the nature of the products. The global value chain refers to the supply chain which extends across political and geographical borders in order to ultimately provide the customer with the best and most affordable product or service of their choice. Prahalad and Krishnan describe the global corporation as a “logical thread of relationship between a multitude of moving parts – ideas, information, knowledge, capital, and physical products.” (p. 46). It is in this global context that a supply chain likely includes more participants than before and certainly a more diverse, culturally and geographically, network of suppliers and partners.

The supply chain is a “set of entities and relationships that cumulatively define materials and information flows both downstream towards the customer and upstream toward the first supplier.” (Schroeder, Goldstein & Rungtusanatham, p. 215).

Supply chain management is “the design and management of seamless, value-added processes across organizational boundaries to meet the real needs of the end customer” (www.ism.ws). Adjustments to the supply chain and the way it is managed are critical to success.

Global value chains have a significant impact on how organizations design their supply chains and corporate alignment. Through embracing a global view and understanding the value chain, new ventures can respond by restructuring, adopting a process approach and evaluating their activities, thereby responding positively to the globalism which is pervasive in the business world today. Fence Movers, Inc. staff has

international experience in nonprofits and cross-cultural communication and this will be an invaluable resource.

According to Schroeder, Goldstein and Rungtusanatham, supply chain management has several goals, including a reduction of total supply chain cycle time, thereby reducing inventory; increased flexibility, reduced costs and better delivery of goods and services. In the global environment, these goals become more critical because of the sheer scope and complexity of the value supply chains.

These global supply chains have a significant impact on an organization's supply chain design. In order for a company to compete in a global environment, the supply chain must be flexible, responsive, efficient and cost-effective. A paradigm shift from functional system to a process approach, making structural adjustments to the elements of the global chain and making infrastructural changes to the way the supply chain operates with in the structural arrangements, will all make the company more effective. These adjustments will help align the corporation for maximum efficiency and profit. Fence Movers, Inc. functions as a coordinator from conception through ordering, bringing a new approach to retail.

The need and opportunity to move from a functional-oriented operation to a process approach is one of the ways the value chain has impacted supply chain design and business alignment. In this economic environment, process thinking is the view that all work can be seen as a process (Schroeder, Goldstein & Rungtusanatham). When there is a commitment to this kind of thinking and an implementation of this design, operations are seen as systems – a collection of interrelated elements where the whole is greater than the parts. System boundaries identify what processes are to be inside and outside the system, needing to be included as important or excluded as superfluous.

This business environment calls for a move from the vertical functional view to the horizontal process view. The business is seen not only as a system but as a collection of interconnected processes. Process thinking requires and enhances cross-functional thinking and operations, enabling seamless handoffs between functions, sharing resources and information, and consolidating energy and strategies. A company can horizontally connect functions such as marketing, manufacturing, accounting, distribution, operations and returns through a process approach, thereby streamlining operations and also becoming more likely to satisfy customers from initial engagement to final delivery of the good or service. This is the inspiration for the design of Fence Movers, Inc.'s lean approach.

If a company wishes to compete in the business space of the 21st century, they should respond by adopting the following principles, as outlined by Hammer and Champy (2001) in Schroeder, Goldstein & Rungtusanatham. Firstly, organize around outcomes not tasks – staff handle the process across the tasks; Secondly, the people who do the work process the information – staff inputs the data they have collected to ensure accuracy and consistency; thirdly, decisions are made where the work is performed, with controls – eliminate bureaucracy and put decision-making at a lower level; fourthly, eliminate unnecessary steps – simplify the process all the time. In a fast-paced, global world, adopting these principles will assist the company in responding quickly.

On a micro level, basic communication between the nonprofits and Fence Movers Inc staff is extremely important. Once enough artwork is collected, it will be collected by FMI staff and reviewed with optimum usage. Because the nonprofit partners are regional, this is manageable. Once processed, the items can be returned or more than likely thrown away. Craft items pose the most significant challenge as they will not be reduced and

eliminated, but more than likely will be sold individually. Once enough are collected by the nonprofit, they will be collected by FMI staff and processed for feasibility. Nonprofit staff will also be trained during the consultancy phase to identify likely pieces and eliminate others. The Amazon fulfillment center will process the sale and distribution of these specific items because they are not manufactured and shipped by independent vendors.

Management Team

Fence Movers, Inc. is a start-up venture. With its distinctive approach to leanness and efficiencies, the management team is small. It consists of the Chief Executive Officer, Greg Tuck, the Outreach Director, Keren Tuck, and an Advisory Board of qualified and committed volunteers.

Greg Tuck is an experienced nonprofit professional and leader, having managed programs and budgets, raised millions of dollars, engaged with donors and government entities and has overseen major capital development and people projects, in South Africa and in multiple states in the United States of America. As a trained educator and a passionate leader, his commitment to the poor and nonprofits which support those who can't support themselves is unwavering. His Master of Business Administration (MBA) degree and years of practical experience in management and business processes provides an ideal profile of a dynamic and creative leader for this venture.

Keren Tuck is a trained and experienced nonprofit professional, with hands on knowledge of medical, child-oriented, human development and educational causes. Her extensive network of nonprofits in New York and skill in building relationships will assist in expanding the venture's network and will open doors to new business. Her experience as a registered nurse will support her role in overseeing the 'giving back' portion of the venture – connecting people as volunteers and organizations as resources to the people within the nonprofits.

While Matt Williams, independent IT professional, and Cindy Keegan, of KeegraFX, will participate in the strategy development and execution, they will not be part of the management team.

A committed and qualified group of individuals will be part of the venture right from the start. They include: Lt. Colonel Guy Klemanski, Divisional Commander of The Salvation Army of Greater New York, Martin Inglis, CFO and COO of Battelle Institute, Sean Cassedy, entrepreneur and consultant, Stuart Pallant, CIO of Standard Bank for the Americas, Commissioner Israel Gaither, former National Commander USA and retired International Chief of Staff of The Salvation Army and Howard Jacobsen, partner at law firm Scancarelli, Jacobson & Uzzo LLC, in New York.

Colonel Klemanski leads The Salvation Army's largest division in the world, partnering with over 50 nonprofits in New York City, with a successful track record of entrepreneurial activities and fundraising. His network is extensive, and his knowledge of business and nonprofits will be a significant resource. Greg Tuck has worked with and for this leader for 8 years.

Martin Inglis is Executive Vice President, Chief Financial Officer and Chief Operating Officer of Battelle Memorial Institute, the world's largest nonprofit research and development organization, with over 20,000 employees at more than 100 locations globally. Inglis joined Battelle in October 2004 after a 32-year career with Ford Motor Company, most recently as Group Vice President – Business Strategy and Chief Financial Officer. His financial and operations knowledge across supply chains is profound and will provide information and mentorship to the management team. Mr. Inglis is a former board member of Greg Tuck.

Sean Cassedy is an entrepreneur and consultant at Cassedy Consulting, having started and sold several companies and using his MBA degree from Northwestern and his fearless creativity to push the boundaries of business development and entrepreneurship. Mr. Cassedy is a long-time associate of Greg Tuck.

Stuart Pallant is the Chief Information Officer (CIO) of Standard Bank PLC for the Americas. Standard Bank is a leading emerging markets financial services provider. The group is represented in 17 African countries and a further 16 countries worldwide, including most of the world's major financial centers. Based in New York City, Mr. Pallant oversees all technological infrastructures and informs corporate global strategy, which will be invaluable as an advisor to a company which relies on strong and innovative information technology systems and integration.

Howard Jacobsen is a partner at Scancarelli, Jacobson & Uzzo LLC, in New York. The firm caters to business and nonprofit law, providing legal services to major corporations and nonprofits in New York City. Mr. Jacobsen has done work for Greg Tuck in the past in the areas of human resources, property acquisition, government applications and business contracts.

Commissioner Israel Gaither is the former National Commander of The Salvation Army in the United States and most recently, the retired International Chief of Staff. He is a gifted communicator, leader and strategist, with an extensive business and nonprofit network. He serves on several boards and consults for the National Christian Leadership Alliance. Commissioner Gaither has been a mentor to Greg Tuck for 15 years.

Sustainability and Impact

As a product-oriented company, Fence Movers, Inc. will be especially conscious of the sustainability of its products and the people who handle them. Part of the design of the company is that it is lean and doesn't duplicate services and increase energy use unduly. Fence Movers, Inc. will not own or rent any warehouses or manufacturing plants, instead using existing providers and producers. This is one way to be environmentally conscious.

The goal of business is to make money. As an aspiring, lifestyle or growth type of entrepreneur (Kaplan & Warren, 2010, p. 6-7) or a major corporation, this remains true. Single-person start-up ventures, like Fence Movers, Inc. or large multi-national corporations like McDonalds all work to generate money for the owners or shareholders. These ventures, however, must be deliberate about being socially responsible, being careful not to negatively impact the people and environment around them and proactively and strategically planning to improve conditions. During their research, Crutchfield and Grant (2008) have seen the positive impact of nonprofits and for profits and have determined that "social responsibility and profit are not mutually exclusive." (p. 58)

Operations management includes suppliers, employees, distributors and retailers and as a result many people and organizations are affected. This also brings in the possibility that people, the environment and other areas could be negatively affected in a variety of ways. Conducting business ventures in an ethical way that respects the social, cultural, economic and environmental issues around them is important to show social responsibility. Fence Movers, Inc.'s supply chain is global, using clothing and products from at least 10 different countries. With growing globalization and increased communication access, businesses are becoming more aware of the environment where products are produced and

services provided. This provides ample opportunity for negative impact as well as positive change. This includes ensuring that fair labor practices are being followed and fair wages are being paid to workers, natural resources are being protected during work and ensuring that there are no inhumane conditions in place which would take advantage of children or animals.

In recent years, we have become more aware than ever of the social impact of natural disasters in America and around the world as millions of people have been displaced from their homes, had their livelihood removed and their environments significantly affected. Social inequality exists in many societies, where groups of people live from disadvantaged positions and their life-chances are diminished compared to others in the society who have better access to education and other services.

Social responsibility by business is a moral issue. John Maxwell (1993) states “Our system of values is so much part of us we cannot separate it from ourselves. It becomes the navigating system that guides us. It establishes priorities in our lives and judges what we will accept or reject.” As much as making money and chasing profit is a goal of business, the integrity of the businessperson must protect the vulnerable people and environment in which they are working. Thought leader Peter Block (2008) speaks about the compassion that can be shared by businesses and developers when working in and around disinvested neighborhoods to change the conversation from animosity to partnership (p. 168). When businesses approach their business ventures from a moral stance, they will see social responsibility as a non-negotiable. Fence Movers, Inc. will deliberately work with its partners to ensure that all members of the supply chain work from an ethical and safe place. This provides an opportunity to make a social impact through the operations management.

Social responsibility by business is mutually beneficial to the corporation and the community. A common way business and communities partner is through philanthropic donations to nonprofits and service groups. According to Crutchfield and Grant (2008), this trend began to accelerate in the 1980's and 1990's after many years of this practice (p. 64). They go on to explain that firms have become more strategic about their partnerships with community groups, "seeking alliances with nonprofits that would further their business goals" (p. 64). By doing this, there is mutual benefit to the business and the community, through the services of the nonprofit, through cause marketing or sponsorships and operational alliances, thereby significantly increasing their collective social impact. As the business is successful, so the community benefits by that success. As feedback is provided from the community to the business because of new contexts now available, so the business can improve in its product development and service delivery. A very important aspect of Fence Movers, Inc. is the connection of resources, both human and financial, through the network of clients. The outreach director will link up programs with businesses and clients with mentors, as an added benefit to the existing relationship. This is part of the sustainability plan – investing in human beings and making the world a better place.

Dr. Mohammed Yunus modeled entrepreneurial social responsibility using his bank, Grameen Bank, to direct an extensive microloan program in the developing world. The Nobel Peace Prize Laureate, and pioneer in this area, oversees the program which "involves making extremely small loans to people who need as little as one hundred to five hundred dollars to start their own self-sustaining business" as described by Compton-Rock (2010, p. 172). Recipients of the low-interest microcredit, who under normal circumstances would not qualify for credit, use the investment to start any kind of business, so that they can

support their families and contribute to community development. Block (2008) explains that the participation in this scheme positively affected all aspects of their lives and their village (p. 28).

Businesses can share their intellectual resources with those in need in their community. In Columbus, Ohio, Chase Bank sends employee volunteers into community classrooms every week coordinated by the Columbus Literacy Council to teach Financial Literacy to people who haven't had access to this critical information before. In this case, as with others, the learners benefit by education and life-change and the bank benefits by potentially gaining new customers and using their activity as a positive public relations story. The commitment of employee skills, knowledge and time displays social responsibility in this community. This is the kind of connectivity Fence Movers, Inc. will facilitate.

Social responsibility must be at the forefront of the priorities and strategies of entrepreneurial ventures such as Fence Movers, Inc. This approach does not detract from profit-making activities, in fact, it can promote that goal. The opportunities to be socially responsible are vast and Fence Movers, Inc. management will be creative in implementing this strategy. As life does not happen in a vacuum, so business activities do not occur in isolation. They occur in a milieu filled with economic, social and environmental components, all influencing each other. Being socially responsible provides the business with an opportunity not only to make money, but to impact the world and its people positively.

Overall Schedule

Cash Conversion

Cash conversion is important in start-up ventures. The two main revenue streams are Consultancy and Products. For consultancy, the contract will call for a one-time payment at the start of the 3 month period, which is renewable at the discretion of the nonprofit. With the product lines and sales, payments will be distributed through the Amazon Business plan on a monthly basis, as scheduled, for all nonprofit sales. A report will be available for each registered nonprofit who has had items purchased through amazon.com.

Payments will be made to Jaws Marketing on a 45-day bill cycle, as per the agreement. Jaws Marketing then pays the vendors and manufacturers based on their own agreement. All nonprofits in the system receive their payments on a quarterly basis, and include a press release to local media outlets and additional public relations.

It is important to acknowledge that the inventory management, ordering processes and vendor management is outsourced to Jaws Marketing as a way to keep the company lean and focus on acquisition and relationships. The bricks and mortar part of the business is in the hands of other partners.

Critical Milestones

Critical milestones are shown in the table below:

Figure 3: Critical Milestones

Task	Date	Details
Incorporation of the venture	April 2013	Register Fence Movers, Inc. in the state of Delaware. Foreign qualify the business in New Jersey and New York.
First Advisory Board Meeting	May 2013	In New York City.
Completion of design and development	June 2013	Amazon processes in place. Research and development constantly taking place. Primary anticipated products to be developed and their ordering processes understood.
Completion of prototypes	June 2013	All templates completed. Test runs scheduled with vendors.
Securing of sales representatives	August 2013	Sales will initially be done by CEO. First salesperson in place.
Trade show displays	July 2013	Collateral and designed and manufactured.
Contracts with distributors and suppliers	July 2013	Final Agreement with Jaws Marketing.
Execute plan for sales calls with Top 50 list	August 2013	With an eye to the end of year Holiday season, focus on Salvation Army entities, Christmas and other holiday products.

Some potential advantages of incorporating your business in Delaware include:

- Delaware's business law is one of the most flexible in the country.
- The Court of Chancery focuses solely on business law and uses judges instead of juries.
- For corporations, there is no state corporate income tax for companies that are formed in Delaware but do not transact business there (but there is a franchise tax).

- Taxation requirements are often favorable to companies with complex capitalization structures and/or a large number of authorized shares of stock.
- There is no personal income tax for non-residents.
- Shareholders, directors and officers of a corporation or members or managers of an LLC don't need to be residents of Delaware.
- Stock shares owned by persons outside Delaware are not subject to Delaware taxes.

(BizFilings, 2013).

Critical Risks, Problems, and Assumptions

Every business has inherent risks and potential problems, especially start-up ventures. These risks challenge the validity of the company and are ongoing. A company is only as valuable as its ability to respond to the market and its customers, providing the product or service required at the right price and on time. Business is focused on the future and projections, and key decisions cannot be made with experience and gut feel alone. They must be based on real and rich data which is carefully collected and analyzed. “Keeping business processes current and compliant with all the changes and at the same time gleaning insights about evolving behaviors of customers and the supply network require a commitment to analytics” (Krishnan & Prahalad, p. 84). As a result of a SWOT analysis, the following issues are addressed.

Amazon Changes

Amazon has a favorable environment in which it allows businesses to utilize its retail services for a fee. Should this arrangement change drastically, it would produce a challenge of access, promotion and data gathering.

Solutions can include generating unique personalized retail websites for each nonprofit, all with the same consolidated ‘backroom’ managed by Fence Movers, Inc. or outsourced. This would require an additional investment but should be kept at the front of the development in the IT function right from the start. Utilizing other retail websites such as ebay.com is likely. Utilizing a bolt-on service for retail to each nonprofit website is a more expensive solution but remains an option in the unlikely event of an amazon.com failure or change in arrangement.

Direct Purchasing

A possible threat is that the nonprofit, after consultancy and a period of time in the Fence Movers, Inc. system, wants to manage this process themselves and do direct purchasing, skipping Fence Movers, Inc.

In a market, there is a customer who needs or wants a good or service. According to Krishnan and Prahalad, this customer wants to co-create the value and product (p. 11). Between and beyond the customer's desire for a product and them receiving it is a long process and chain, from raw material, manufacturing, distribution, finance and delivery. Fence Movers, Inc. manages the chain on behalf of the nonprofit, continuously analyzing the best products to produce and sell. The development and nurturing of important relationships with the executives and staff of the nonprofits, adding to it the benefits of the network and social outreach will be critical to mitigating this challenge.

Sales Projections Not Achieved

This is a primary risk and poses the ultimate threat to the business. When sales do not reach projections, then significant actions must take place, firstly to analyze why this has occurred and secondly, to remediate the problems.

Should this occur, products will be re-engineered, as a result of constant research and development within the company.

Firstly, an analysis of the manufacturing function will take place. Most typically in the manufacturing function, and true throughout the supply chain, according to Schroeder, Goldstein and Rungtusanatham, five things need to be measured and analyzed: delivery, quality, flexibility, time and cost. When these primary activities are quantified and able to be broken down into mathematical data, then the management of Fence Movers, Inc. can garner insights from them for analysis and remediation planning.

Delivery, which has three measures, is essentially the measurement of orders being completed on time as requested by the customer. Quality is measured in different ways but includes the performance of the customer, how the product conforms to specifications and customer satisfaction. There are industry standards on most products which govern this measurement. Flexibility can be measured in two primary ways: how quickly output can be increased or decreased (volume) or how quickly the facility can diversify the product lines (mix). This shows an ability to react to market demand. Time is an important measurement because each function, company or an entire supply chain can be measured. The cycle time is the entire length of the total supply chain throughput. Cash-to-cash cycle time is the time it takes for the company to get paid after delivering the product. Both of these measurements are important to cash flow. Cost is measured by the unit cost, which is the total manufacturing cost of the product and total supply chain cost, which includes all costs from origination through final delivery of the product. When the corporate managers know what they are going to measure, they are able to set goals for the company and be engaged in continuous improvement of the processes and quality control of the products.

Secondly, an analysis of the purchasing and marketing function will take place. Knowing which products are selling, which are not, who is purchasing and who is not (within the nonprofit's network) will inform a plan for solving this problem. Engaging board members of the nonprofits to advocate for this fundraiser will be key, providing them with resources to easily market their nonprofit, including email templates and weblinks, as well as other marketing collateral. It is possible to launch a separate consolidated website which shows all the nonprofits in the Fence Movers, Inc. network and highlights their work, promoting this as a way to support them.

Thirdly, as a company, in the event of sales projections not being achieved, it is possible to focus on generic items for schools, universities and businesses, marketing and selling to them directly, as a way to generate income.

Bank Credit Limits

Many small businesses struggle with the fact that banks limit the credit available to them until they have proven an ability to generate revenue to cover expenses. The design of Fence Movers, Inc. mitigates this very real problem by utilizing a diverse supply chain of services which rely on receiving payment after the orders have been shipped and paid for through the retail center, in this case, amazon.com. The payments are only due to the vendors once payment has already been made. As a result, other than start-up costs and general business costs, very little credit will be needed.

Jaws Marketing Dissolves

In this difficult economic environment, it is possible that important vendors and partners dissolve. Key to this process of this business is the viability and network of Jaws Marketing. Should this company dissolve, another partner will be required, which is able to seamlessly transition and utilize the same or very similar products, at the same price. There are many companies similar Jaws Marketing in the apparel and supplies marketplace. The Fence Movers Inc CEO is familiar with several of them and has utilized their services over the last 15 years. In order to create a redundancy in this area, meetings will be held preemptively with three of these companies, ensuring they could handle the load, network and activity through their vendors. It is likely that even from the start, multiple companies service the full scope of Fence Movers, Inc. in order to ensure a seamless transition if there are any performance issues with Jaws Marketing.

The Financial Plan

The financial aspect is where the rubber meets the road of the business plan. The following tables show a Pro Forma Income Statement for three (3) years, highlighting sales (products and consultancy) and costs, resulting in profit. Also, a Pro Forma Balance Sheet is shown, showing cash income and disbursements over three years.

Fixed Costs

Table VIII: Fixed Costs over Three Years

Fixed Costs	Years 1-3		
	<u>yr 1</u>	<u>yr 2</u>	<u>yr 3</u>
Research	\$ 2,400.00	\$ 4,000.00	\$ 8,000.00
Utilities	\$ 3,000.00	\$ 3,500.00	\$ 5,000.00
Accounting Svcs	\$ 4,000.00	\$ 5,000.00	\$ 10,000.00
Insurances	\$ 4,000.00	\$ 4,000.00	\$ 7,500.00
Licensing	\$ 4,000.00	\$ 4,000.00	\$ 8,000.00
Salaries/benefits	\$ 96,000.00	\$ 150,000.00	\$ 250,000.00
Marketing	\$ 10,000.00	\$ 12,000.00	\$ 24,000.00
Travel	\$ 4,000.00	\$ 6,000.00	\$ 12,000.00
IT Svcs	\$ 8,000.00	\$ 12,000.00	\$ 25,000.00
Office supplies	\$ 2,000.00	\$ 3,000.00	\$ 5,000.00
TOTAL	\$ 137,400.00	\$ 203,500.00	\$ 354,500.00

The above table shows fixed costs for three years for operating the business.

Table IX: Salary Breakdown for Three Years

Role	Year 1	Year 2	Year 3
CEO	\$ 30,000.00	\$ 44,000.00	\$ 53,000.00
Admin	\$ 9,120.00	\$ 16,000.00	\$ 24,000.00
Design	\$ 15,000.00	\$ 24,000.00	\$ 26,000.00
IT/Computer	\$ 15,000.00	\$ 24,000.00	\$ 27,000.00
Sales			\$ 50,000.00
Benefits and costs (28% of total)	\$ 26,880.00	\$ 42,000.00	\$ 70,000.00
TOTAL	\$ 96,000.00	\$ 150,000.00	\$ 250,000.00

Table X: ProForma Income Statement for Three Years

ProForma Income Statement		2014	2015	2016		
Sales	\$	227,000.00	\$	808,000.00	\$	2,125,000.00
Cost/ Goods Sold (COGS)	\$	85,000.00	\$	350,000.00	\$	940,000.00
Gross Profit	\$	142,000.00	\$	458,000.00	\$	1,185,000.00
Operating Expenses						
Salary (and taxes/benefits)	\$	96,000.00	\$	150,000.00	\$	250,000.00
Licensing	\$	4,000.00	\$	4,000.00	\$	8,000.00
Supplies (off and operation)	\$	2,000.00	\$	3,000.00	\$	5,000.00
Information Technology	\$	8,000.00	\$	12,000.00	\$	25,000.00
Marketing	\$	10,000.00	\$	12,000.00	\$	24,000.00
Car, Delivery and Travel	\$	4,000.00	\$	6,000.00	\$	12,000.00
Accounting and Legal	\$	4,000.00	\$	5,000.00	\$	10,000.00
Utilities	\$	3,000.00	\$	3,500.00	\$	5,000.00
Insurance	\$	4,000.00	\$	4,000.00	\$	7,500.00
Research	\$	2,400.00	\$	4,000.00	\$	8,000.00
Other expense (specify)		-		-		-
Total Expenses	\$	137,400.00	\$	203,500.00	\$	354,500.00
Net Profit Before Tax	\$	4,600.00	\$	254,500.00	\$	830,500.00
Income Taxes		-		-		-
Net Profit After Tax	\$	4,600.00	\$	254,500.00	\$	830,500.00
Owner Draw/ Dividends		-		-		-
Adj. to Retained Earnings	\$	4,600.00	\$	254,500.00	\$	830,500.00

Spreadsheet X on the previous page shows a breakdown of sales and the cost of those sales, resulting in a gross profit to the business. It also shows all operating expenses for three years running, resulting in a net profit before tax.

Table XI: ProForma Balance Sheet for Three Years

ASSETS		2014	2015	2016
Current Assets				
Cash		\$4,500	\$254,000	\$830,000
Net accounts receivable		\$0	\$0	\$0
Inventory		\$10,000	\$14,000	\$16,000
	Total Current Assets	\$14,500	\$268,000	\$846,000
Fixed Assets				
Long-term investments		\$0	\$0	\$0
Land		\$0	\$0	\$0
Buildings (net of depreciation)		\$0	\$0	\$0
Plant & equipment (net)		\$0	\$0	\$0
Furniture & fixtures (net)		\$0	\$0	\$0
	Total Net Fixed Assets			
TOTAL ASSETS		\$14,500	\$268,000	\$846,000
LIABILITIES				
Current Liabilities				
Accounts payable		\$0	\$0	\$0
Short-term notes		\$0	\$0	\$0
Current portion of long-term notes		\$0	\$0	\$0
Accruals & other payables		\$0	\$0	\$0
	Total Current Liabilities			
Long-term Liabilities				
Mortgage		\$0	\$0	\$0
Other long-term liabilities		\$0	\$0	\$0
	Total Long-term Liabilities			
SHAREHOLDERS' EQUITY				
Capital stock		\$0	\$0	\$0
Retained earnings		\$14,500	\$268,000	\$846,000
	Total Shareholders' Equity	\$14,500	\$268,000	\$846,000
TOTAL LIABILITIES & EQUITY		\$14,500	\$268,000	\$846,000

The above spreadsheet shows the balance sheet for three years,

Proposed Funding Requirements

Funding

Fence Movers, Inc. will be a self-funded venture, requiring \$51,000 in start-up costs. These costs include money for equipment and computers, the vital tools of design and communication inherent in the business design. Part of this is the software and accessories as well as the website design for the business. Legal fees to establish the business are included so that the business can be established and function as a provider of services and can invoice, operate with vendors and pay taxes.

Important areas where start-up funding is assigned are marketing – so as to promote the company and establish relationships with vendors, partners and others; research – so as to eliminate gaps and stay up to date on trends and products which are introduced on a daily basis; and training – so as to ensure staff members and partners are aligned, capable and engaged right from the start of the venture (Schiemann, 2009).

While the founder has made the initial decision to self-fund the venture, it is acknowledged that the cost of borrowing money from financial institutions is at historic lows. These rates in early 2013 are between 7% and 8% for amounts under \$100,000 and between 6% and 7% for amounts over \$100,000 (Bender, J. 2012). Borrowing money remains an option as the company adds scale and scope in years three and beyond. This will be at the forefront of strategic discussions in an ongoing way.

There are no considerations requiring decisions related to offering portions of the company to investors because there is no request being made. The ownership of the company will be fully held by the founder. In the unfortunate event of something happening to the founder, his wife, and partner will assume full ownership of the enterprise.

Company Set-Up

Fence Movers, Inc. will be set up as a Limited Liability Corporation (LLC), which is a blend of corporations, partnerships and sole proprietorships. This is simple to establish by filing an Article of Organization form, through the Secretary of State, and allows flexibility in the way it is run, using an operating agreement. As the company grows, it is possible to add owners of different types as a way of enabling an exit plan of the founder.

Two primary benefits exist for the founder of Fence Movers, Inc. in deciding on this ownership structure: liability protection and tax benefits to members. The owners, called members, do not assume liabilities for debt and as such are afforded this significant protection. Also, profits, losses and the like flow directly through and are reported on the individual member's tax returns and not reflected and paid from the businesses (Kaplan & Warren, 2010).

In selecting this form of structure, it is unlikely that venture capital will be secured and as an LLC, the company cannot be taken public. Both of these situations, however, support the design of the business plan.

Exit and Succession plans

The need and importance of succession and exit plans is acknowledged as they provide continuity in the event of a catastrophic event to the owner(s) and a way to benefit from a sale or future partnerships respectively.

According to Bradley and Burrows, for succession planning, the goals of the family are taken into account, and both spouses have considerable life insurance in order to support them in the event of an event occurring which affects just one of them.

Business Interruption Insurance is part of the annual insurance costs, and this covers significant challenges which would limit the continuance of the business for a period of time (2010).

The Advisory Board will be aware of a contingency plan in the event of a catastrophic event and will continue to monitor it, based on the evolution and growth of the company. For a single-person event, the other spouse will assume the responsibility of business continuance. In the event of both spouses being affected, Matt Williams and Cindy Keegan, as a result of annual training, will be able to operate the business in the short term, as a way to fulfill existing consultancy agreements and product fulfillment. The Advisory Board will monitor the efficacy of this on a monthly basis. This plan covers the needs as they would occur in the first three years. A long term plan will be developed within Year 3, being written to reflect the size and scope of the business at the time.

As it relates to exit plans, the founder would like to have contingency plans in place should he want to leave the business, by selling an equity stake to a partner, selling the business outright or merging with another company. At the early stages of the venture, all three of these are feasible. Considering a public offering is not an option, as a Limited Liability Corporation (Kaplan & Warren, 2010).

Selling an equity stake to a partner can substantially increase the value of the business, often by enabling activities to take place which neither partner can do alone. This is a strategic alliance and doesn't need to remove control from the founder. It provides the owner with cash, which can be taken out of the business for other personal goals. Most of Fence Movers, Inc.'s main partners would be eligible for this kind of arrangement, based on the growth and success of the business.

Selling the entire business is another exit option for the owner. In doing so, he needs to conduct significant analysis on the true value, future value and assets of the company. While this is less feasible in the early stages of the business, it becomes more likely when the business becomes successful and has a track record of sales and growth by which to evaluate a true value. This is a primary task of the owner in an ongoing manner, in partnership with the advisory board.

Merging with another company is often seen as a way to ensure survival but can also be a way to add value to the ventures, thereby setting them up for exit strategies in the near future. If it happens that competitive advantage is under threat, a merger with a company like Jaws Marketing is a good option as a way to diversify the products and support quick product completion, also lowering margins even further (Kaplan & Warren, 2010).

This area of succession and exit plans is planned to be part of every advisory board meeting and always part of the long term business plan as it is revised and reviewed. A common sense and honest approach protects the owners, honors existing relationships with suppliers, vendors and partners and also shows a commitment to the customers, which will support the goals of the organization long term.

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Appendix A

Category	Total Operating Expenses
A	under \$1million
B	\$1million - \$3million
C	\$3million and up

Appendix B

for Q represents **NEW PARTNER** nonprofits

YEAR 1									
Class NP	Value	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		# for Q	\$ value	# for Q	\$ value	# for Q	\$ value	# for Q	\$ value
A	\$ 3,000.00	0	\$ -	1	\$ 3,000.00	2	\$ 6,000.00	2	\$ 6,000.00
B	\$ 5,000.00	0	\$ -	1	\$ 5,000.00	2	\$ 10,000.00	2	\$ 10,000.00
C	\$ 8,000.00	0	\$ -	1	\$ 8,000.00	1	\$ 8,000.00	2	\$ 16,000.00
QTRLY			\$ -		\$ 16,000.00		\$ 24,000.00		\$ 32,000.00
Nonprofits		0		3		8		14	
YTD	-	-	<u>\$ -</u>	-	<u>\$ 16,000.00</u>	-	<u>\$ 40,000.00</u>	-	<u>\$ 72,000.00</u>

YEAR 2									
Class NP	Value	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		# for Q	\$ value	# for Q	\$ value	# for Q	\$ value	# for Q	\$ value
A	\$ 3,000.00	2	\$ 6,000.00	2	\$ 6,000.00	2	\$ 6,000.00	3	\$ 9,000.00
B	\$ 5,000.00	2	\$ 10,000.00	2	\$ 10,000.00	2	\$ 10,000.00	3	\$ 15,000.00
C	\$ 8,000.00	1	\$ 8,000.00	2	\$ 16,000.00	2	\$ 16,000.00	2	\$ 16,000.00
QTRLY			\$ 24,000.00		\$ 32,000.00		\$ 32,000.00		\$ 40,000.00
Nonprofits		19		25		31		39	
YTD	-	-	<u>\$ 24,000.00</u>	-	<u>\$ 56,000.00</u>	-	<u>\$ 88,000.00</u>	-	<u>\$ 128,000.00</u>

YEAR 3									
Class NP	Value	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		# for Q	\$ value	# for Q	\$ value	# for Q	\$ value	# for Q	\$ value
A	\$ 3,000.00	6	\$ 18,000.00	6	\$ 18,000.00	6	\$ 18,000.00	6	\$ 18,000.00
B	\$ 5,000.00	6	\$ 30,000.00	6	\$ 30,000.00	6	\$ 30,000.00	6	\$ 30,000.00
C	\$ 8,000.00	3	\$ 24,000.00	4	\$ 32,000.00	4	\$ 32,000.00	4	\$ 32,000.00
QTRLY			\$ 72,000.00		\$ 80,000.00		\$ 80,000.00		\$ 80,000.00
		54		70		86		102	
YTD	-	-	<u>\$ 72,000.00</u>	-	<u>\$ 152,000.00</u>	-	<u>\$ 232,000.00</u>	-	<u>\$ 312,000.00</u>

Appendix C

YEAR 1						
Item	Quarter 1			Quarter 2		
	Revenue	Overall Profit	NP share	Revenue	Profit	NP share
Card/paper Items	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 5,250.00	\$ 2,625.00
Dated/Calendar Items	\$ -	\$ -	\$ -	\$ 4,500.00	\$ 2,160.00	\$ 1,080.00
Clothing Items	\$ -	\$ -	\$ -	\$ 2,600.00	\$ 1,170.00	\$ 585.00
Crafting	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 1,440.00	\$ 720.00
QTRLY	\$ -	\$ -	\$ -	\$ 20,100.00	\$ 10,020.00	\$ 5,010.00
	\$ -		\$ -			\$ -
YTD	\$ -	\$ -	\$ -	\$ 20,100.00	\$ 10,020.00	\$ 5,010.00
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ -	\$ -		\$ 5,010.00	\$ 5,010.00
YEAR 1						
Item	Quarter 3			Quarter 4		
	Revenue	Profit	NP share	Revenue	Profit	NP share
Card Items	\$ 25,000.00	\$ 13,125.00	\$ 6,562.50	\$ 40,000.00	\$ 21,000.00	\$ 10,500.00
Dated/Calendar Items	\$ 10,000.00	\$ 4,800.00	\$ 2,400.00	\$ 16,000.00	\$ 7,680.00	\$ 3,840.00
Clothing Items	\$ 7,000.00	\$ 3,150.00	\$ 1,575.00	\$ 13,000.00	\$ 5,850.00	\$ 2,925.00
Crafting	\$ 9,000.00	\$ 4,320.00	\$ 2,160.00	\$ 15,000.00	\$ 7,200.00	\$ 3,600.00
QTRLY	\$ 51,000.00	\$ 25,395.00	\$ 12,697.50	\$ 84,000.00	\$ 41,730.00	\$ 20,865.00
						\$ -
YTD	\$ 71,100.00	\$ 35,415.00	\$ 17,707.50	\$ 155,100.00	\$ 77,145.00	\$ 38,572.50
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ 12,697.50	\$ 17,707.50		\$ 20,865.00	\$ 38,572.50

YEAR 2						
Item	Quarter 1			Quarter 2		
	Revenue	Overall Profit	Nonprofit share	Revenue	Profit	Nonprofit share
Card Items	\$ 58,000.00	\$ 30,450.00	\$ 15,225.00	\$ 72,000.00	\$ 37,800.00	\$ 18,900.00
Dated/Calendar Items	\$ 20,000.00	\$ 9,600.00	\$ 4,800.00	\$ 28,000.00	\$ 13,440.00	\$ 6,720.00
Clothing Items	\$ 19,000.00	\$ 8,550.00	\$ 4,275.00	\$ 26,000.00	\$ 11,700.00	\$ 5,850.00
Crafting	\$ 14,000.00	\$ 6,720.00	\$ 3,360.00	\$ 22,000.00	\$ 10,560.00	\$ 5,280.00
QTRLY	\$ 111,000.00	\$ 55,320.00	\$ 27,660.00	\$ 148,000.00	\$ 73,500.00	\$ 36,750.00
						\$ -
YTD	\$ 111,000.00	\$ 55,320.00	\$ 27,660.00	\$ 259,000.00	\$ 128,820.00	\$ 64,410.00
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ 27,660.00	\$ 27,660.00		\$ 36,750.00	\$ 64,410.00
YEAR 2						
Item	Quarter 3			Quarter 4		
	Revenue	Profit	Nonprofit share	Revenue	Profit	Nonprofit share
Card Items	\$ 86,000.00	\$ 45,150.00	\$ 22,575.00	\$ 102,000.00	\$ 53,550.00	\$ 26,775.00
Dated/Calendar Items	\$ 39,000.00	\$ 18,720.00	\$ 9,360.00	\$ 49,000.00	\$ 23,520.00	\$ 11,760.00
Clothing Items	\$ 33,000.00	\$ 14,850.00	\$ 7,425.00	\$ 43,000.00	\$ 19,350.00	\$ 9,675.00
Crafting	\$ 28,000.00	\$ 13,440.00	\$ 6,720.00	\$ 41,000.00	\$ 19,680.00	\$ 9,840.00
QTRLY	\$ 186,000.00	\$ 92,160.00	\$ 46,080.00	\$ 235,000.00	\$ 116,100.00	\$ 58,050.00
						\$ -
YTD	\$ 445,000.00	\$ 220,980.00	\$ 110,490.00	\$ 680,000.00	\$ 337,080.00	\$ 168,540.00
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ 46,080.00	\$ 110,490.00		\$ 58,050.00	\$ 168,540.00

YEAR 3						
Item	Quarter 1			Quarter 2		
	Revenue	Overall Profit	Nonprofit share	Revenue	Profit	Nonprofit share
Card Items	\$ 140,000.00	\$ 73,500.00	\$ 36,750.00	\$ 180,000.00	\$ 94,500.00	\$ 47,250.00
Dated/Calendar Items	\$ 75,000.00	\$ 36,000.00	\$ 18,000.00	\$ 96,000.00	\$ 46,080.00	\$ 23,040.00
Clothing Items	\$ 58,000.00	\$ 26,100.00	\$ 13,050.00	\$ 71,000.00	\$ 31,950.00	\$ 15,975.00
Crafting	\$ 48,000.00	\$ 23,040.00	\$ 11,520.00	\$ 59,000.00	\$ 28,320.00	\$ 14,160.00
QTRLY	\$ 321,000.00	\$ 158,640.00	\$ 79,320.00	\$ 406,000.00	\$ 200,850.00	\$ 100,425.00
						\$ -
YTD	\$ 321,000.00	\$ 158,640.00	\$ 79,320.00	\$ 727,000.00	\$ 359,490.00	\$ 179,745.00
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ 79,320.00	\$ 79,320.00		\$ 100,425.00	\$ 179,745.00
YEAR 3						
Item	Quarter 3			Quarter 4		
	Revenue	Profit	Nonprofit share	Revenue	Profit	Nonprofit share
Card Items	\$ 222,000.00	\$ 116,550.00	\$ 58,275.00	\$ 262,000.00	\$ 137,550.00	\$ 68,775.00
Dated/Calendar Items	\$ 118,000.00	\$ 56,640.00	\$ 28,320.00	\$ 144,000.00	\$ 69,120.00	\$ 34,560.00
Clothing Items	\$ 85,000.00	\$ 38,250.00	\$ 19,125.00	\$ 98,000.00	\$ 44,100.00	\$ 22,050.00
Crafting	\$ 71,000.00	\$ 34,080.00	\$ 17,040.00	\$ 86,000.00	\$ 41,280.00	\$ 20,640.00
QTRLY	\$ 496,000.00	\$ 245,520.00	\$ 122,760.00	\$ 590,000.00	\$ 292,050.00	\$ 146,025.00
						\$ -
YTD	\$ 1,223,000.00	\$ 605,010.00	\$ 302,505.00	\$ 1,813,000.00	\$ 897,060.00	\$ 448,530.00
	-	Qtrly Profit	YTD Profit	-	Qtrly Profit	YTD Profit
FMI PROFIT		\$ 122,760.00	\$ 302,505.00		\$ 146,025.00	\$ 448,530.00