



## ***Business Plan Summary***

## **Business Description**

**Let's Party Discount Party Supply Store** will be located in Milwaukee, WI and will offer a variety of valuable merchandise at bargain prices. Products will include: greeting cards, wrapping paper, gift bags, party favors, candy, party plates, cups and napkins, wedding and shower supplies, and other complementary items.

*Let's Party* will be owned and operated by Wynn and Marissa Weaver working under a Limited Liability Company structure. Mr. and Mrs. Weaver are successful professionals with the knowledge and experience required to operate the business.

## **Background**

The primary mission of *Let's Party* is to capitalize on the growing market for value priced party supplies using a strategy of total market service. This promise to the customers will be evident in the location, the products sold, the staff attracted and the atmosphere created. The Weavers will present a store that is pleasant to shop in with a large variety of merchandise.

Ultimately, they will be selling more than just merchandise; they will be selling high quality service. In addition to that; they will provide the kind of customer service that will create an atmosphere that provides a positive shopping experience for their customers. Finally, *Let's Party* will provide a variety of interesting merchandise options at bargain prices. *Let's Party* will give patrons the kind of service that is respectful and makes each customer feel as though he/she has received 5th Avenue treatment at a bargain price.

Wynn Weaver has a BA degree in Social Work. He is currently a Lieutenant with the Milwaukee County House of Corrections where he has been employed for the past 20 years. In his current position he supervises a staff of 80 employees in a minimum-security facility that houses approximately 2,000 inmates. Prior to working for the County he was the Program Director for the St. Charles Boys Home where he ran a program that assisted wayward youths with seeking employment. Mr. Weaver is a skilled supervisor with years of experience in management.

Marissa Weaver has a BA in Business Management and is currently seeking a Masters in Business Administration with a focus on Managerial Communication. She is currently the Director of Diversity for Harley-Davidson Motor Company. She has over 10 years of management experience and has won an impressive list of community awards: US Postal Service, *Women Who Put Their Stamp on Milwaukee*; YWCA, *Outstanding Women of Achievement*; Milwaukee Business Journal, *Women of Influence*; and the prestigious Milwaukee Times, *Black Excellence Award*. Mrs. Weaver is an accomplished manager/motivator.

Mr. and Mrs. Weaver will oversee the daily operations of their new store, giving it the benefit of their years of management experience. Their daughter, Maris Hopkins, will be the store manager. She has over 4 years of retail experience having worked in Chico's, Cold Water Creek, Foot Locker and ABHM Gift Shop. Her background includes experience in stocking shelves, displaying merchandise, running/balancing a cash register, and every aspect of customer service.

Mr. and Mrs. Weaver will successfully open and maintain operations of *Let's Party* providing a unique and innovative shopping experience that will capitalize on the year long party business; with seasonal events adding significantly to the bottom line. Their discount party store will be in a position to offer all party supplies at highly competitive pricing and, in so doing, earn their share of the \$12 billion that is spent in the party industry annually.

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## **Strategy**

Mr. and Mrs. Weaver have contracted with Discount Party Store Developers, Inc. (DPSD) to develop their store. DPSD is a developer and business consultant with vast experience. Their sister company, \$1.00 Store Services, Inc., is the largest developer of Dollar Stores in North America. The same standards and professional staff used by that company will be utilized in the development of Discount Party Stores.

DPSD is a store developer of high image Discount Party Stores. They offer over 20,000 hand-selected, unique items through a network of over 40 importers and domestic suppliers. Their supplier base is located throughout the United States to assure quick delivery and reasonable freight costs. Because of their business volume, DPSD clients receive the deepest discounts possible on the cost of merchandise.

As this is not a franchise, the Weaver's are the sole owners and have 100% control over all aspects of the business including store development and operation; including site location, store layout, timing of opening, and merchandise. There are no ongoing royalties or fees \*\* to DPSD but as the owners, the Weavers will receive permanent support from DPSD related to product positioning and product selection and will have access to their purchasing network.

After opening, DPSD will provide the Weavers with a minimum of 4 solid weeks of merchandising and retail business training. Also, the option is always available for additional training time. After the training period, the long-term support begins with a DPSD merchandise specialist. The merchandise specialist will assist in ordering, provide information regarding special wholesale buys, and offer continuing assistance in operations, and merchandising and updates in all areas of store operation.

Location is the single most important factor in the success of any retail establishment. DPSD works with local realtors and assesses traffic patterns of the local area to secure an optimal location. After the location is finalized, DPSD provides the store design and layout, and buys and installs the furniture and fixtures for the store. They also assist with stocking the store for the grand opening.

Aside from assisting with selecting a location, DPSD further evaluates the competition. DPSD is active in the lease negotiations process to make sure that there are appropriate levels of square footage, construction allowance, and fair rent. They also assess the demographics of the area to make inventory purchase recommendations and provide the proper mix of merchandise to best suit the customers' needs.

DPSD builds on the clients' academic backgrounds, corporate accomplishments and entrepreneurial success during the intensive training session. The customized program takes into account the square footage of the store and number of employees. Training begins during the site

location process when the professionals offer advice on the best marketing strategies for the local target area. DPSD consultants also provide models for general bookkeeping and accounting. The on-site 7-business day DPSD training concludes with an overview of store set-up, inventory control, shelf stocking, store maintenance, customer service, human resource procedures, sales techniques and cash register operation.

## 2.1 Description of Business

*Let's Party* will be an independently owned and operated retailer. The merchandise presented for sale in the store will cover a broad range of categories appealing to the targeted customer, at discount prices that will represent identifiable value.

Mr. and Mrs. Weaver will utilize Discount Party Store Developers to locate, design, and equip the store. DPSD acts much like a franchiser in assisting store operators to become successful. Since they are not a franchiser, the owners will not incur any ongoing fees or royalty payments.

DPSD provides a "turnkey" package, which includes:

1. Design the retail store space and provide high quality store fixtures. These fixtures include steel-framed white shelving units with 13" or 15" base shelves, 66" tall gondolas, slat board on all interior retail walls, standard cash counter(s) with impulse display area. Display units, hooks, brackets, baskets, shopping carts and shopping baskets are also provided. Fixtures will be white in color for a clean, bright appearance.
2. Provide labor to assemble all retail store fixtures and stock all merchandise.
3. Provide a Build-out Supervisor at the job site to direct placement of fixtures and to stock all of the merchandise.
4. Provide Operations Manuals and sales, merchandise and operational programs.
5. Provide training at store site, and training via telephone from dollar stores corporate office with assigned Store Trainer regarding merchandise and operational programs.
6. Provide opening inventory assortment tailored to *Let's Party's* trade area.

## Products/Categories

### Merchandising Categories

Costumes & Accessories	Balloons
Books & Stickers	Novelty Candy
Toys	Greeting Cards
Candles & T-lights	Themed Party Favors
Gift Boxes & Gift Bags	Gag Gifts for Young & Old
Gift Wrapping	Ribbons & Bows
Theme Tableware & Table Cloths	Stationery & Supplies
Wedding & Shower Supplies	All Holiday Goods
Halloween Shop	Christmas Shop

From over 40 suppliers and over 20,000 items, DPSD's merchandising staff will create an assortment of merchandise spanning all categories, all with excellent perceived value for the consumer.

## **Competitive Analysis**

The Hallmark Gold Crown network of stores represents the largest retail association in the greeting card and party supply industry. The network consists of over 4,200 stores nationwide. The stores that range from 4,000 to 6,000 square foot in size are usually found in regional shopping malls and strip centers. Most of the Gold Crown stores are independently owned and operated. The right to use the Hallmark Gold Crown name requires that the stores meet specific operational and service criteria and sell products carrying the Hallmark brand name. The Gold Crown stores are not discount stores. Their earnings are a part of Hallmark's reported consolidated net revenues of \$4.3 billion in 2003.

The discount segment of the retail industry is growing at a very rapid pace. Discount party stores are a key example of this trend with Party City and Factory Card Outlet being the largest. Party City, the #1 party goods chain in the US, has more than 500 company-owned and franchised stores. In 2004 they reported over \$516 million in sales and a 14.9% increase in net income over the previous year. For the last five years, net income has increased between 10% to 17% annually.

Factory Card & Party Outlet Corporation has 180 discount stores in 20 states. They are located primarily in the Midwest and along the eastern seaboard. They report \$222 million in Sales for 2004 and a 44% increase in Net Income over the previous year.

Family Dollar, founded in 1959, classifies its customers as penny-pinching moms. Its typical customers are women with families and household incomes of \$25,000 a year. Family Dollar operates more than 4,800 stores in 43 states and the District of Columbia. Hard lines such as food, health and beauty aids, automotive supplies, house wares, and toys account for about 75% of sales. The stores also sell apparel, shoes and linens. The chain emphasizes small neighborhood stores near its low and middle-income customers in rural and urban areas. Most merchandise (national brands, Family Dollar private labels, and unbranded items) is priced under \$10.

Dollar General is at ease with living off the crumbs of Wal-mart. The retailer commands a chain of over 6,300 discount stores in 27 states, primarily in the Southeast and Midwest. It offers basic household items such as cleaning supplies, health and beauty aids, apparel, and food. The company also targets low, middle, and fixed income customers. Its stores are generally located in small towns off the radar of giant discounters. Its big city stores are located primarily in lower income neighborhoods. A third of its stores' goods are priced at \$1 or less. The highest-priced products go for about \$35.

The Dollar Tree chain embraces the one-price, dollar price point concept. Their current business model appears to be leaning towards store spaces in the 8,000 to 10,000 square foot range, however, the majority of their stores are currently in the 4,000 to 6,000 size range. Most are older and not well maintained. Although they are growing, the observation would be that their managers are not well trained, resulting in poorly run stores. Because of their size, their merchandise assortment is of the "cookie cutter" variety in that all stores carry the same product, and individual stores cannot be responsive to customer requests, nor can they "area-merchandise" to take advantage of unique sales opportunities in their specific trade areas.