



Women's Clothing Boutique Business Plan

Overview

De Kliek Style Studio is an upscale women's clothing boutique that will open in July this year. De Kliek, which means "the clique" or "circle of friends" in Dutch, defines the boutique and its essence of inclusion. De Kliek's clothing selections and exclusive personal style services, which include a detailed Style Assessment, will ensure that our customers are well dressed. De Kliek is a woman-owned business currently organized as a Sole Proprietorship.

Clothing for stylish women

De Kliek will carry Ready-to-Wear (RTW) designer and casual/contemporary apparel & accessories for women, and will be the exclusive U.S. home of the German line, Herr Frau. In addition to the fabulous Herr Frau line, De Kliek will feature other choice selections by American and European designers such as Hocken, Weekend MaxMini, Tosca and Catherine the Great. The De Kliek customer is a busy professional woman who lives in Los Angeles with a household income over £100K. She enjoys the boutique fashions and wants a place where she can go to get services that meet her busy lifestyle.

Unique & innovative

De Kliek will provide services such as Style Assessments, alterations, personal shopping, and special ordering to customers during store hours and by personal appointments. Style Concierges who are trained within the image industry will be available to customers on a daily basis. De Kliek's innovative Style Assessments and educational emphasis in helping women develop their personal styles will enhance our reputation as a truly unique boutique.

Getting the word out

De Kliek will generate awareness and sales by utilizing PR tactics and the referral networks of personal stylists. Additionally, De Kliek will meet our customers where they are, focusing on how women approach shopping by obtaining mentions and reviews in the top fashion publications, travel guides and local papers.

Management

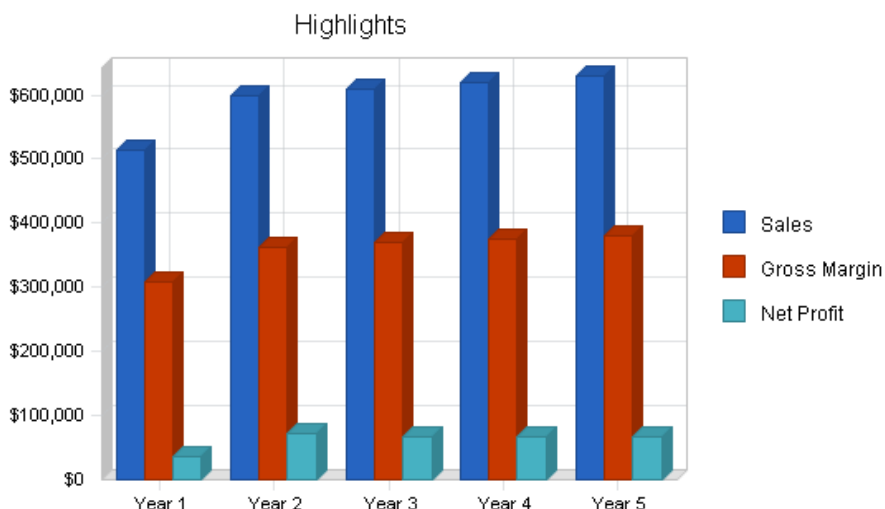
With over 12 years experience in marketing and retail, owner Vrootje Magen has gathered the expertise to complement and grow the business. Our advisory team holds expertise in retail accounting, retail merchandising, legal contracts, fashion and design. A detailed project plan has been created and all tasks are on schedule. Buying for the Fall/Winter season was completed in April, and store design and marketing elements are currently being finalized.

Finance

- Start-up costs include inventory for the first month, and are estimated at £132,700 of which the owner will inject 31.4%. Current owner investments are documented at approximately £41,700, of which £12,700 is in savings and checking. An additional injection of approximately £8,700 will occur by July 15 of Year 1.
- Annual gross sales are projected to grow from £513,000 in the first year to over £600,000 by Year 3, with approximately 10% from customer special orders. These Sales forecasts are approximately three-quarters the average of benchmarked Los Angeles boutiques. Net profits are expected at approximately 6% through 2007, with reinvestment of 5% for growth initiatives.
- De Kliek will hold Cost of Goods Sold at roughly 39% of sales revenues; we intend to maintain this approximately 61% markup throughout the next five years.
- Due to the demand for up-to-date fashions, inventory turns are projected at 5, which is higher than the



industry average of 4.



1.1 Mission

- To provide women with a boutique that offers a comfortable and approachable environment
- To showcase quality, well-constructed fashions from prominent and cutting-edge designers
- To offer a variety of beautiful and high-end fashion accessories
- To help women learn what clothing and styles go best with their unique personalities
- To generate buzz and sales through top-notch exclusive services

1.2 Keys to Success

1. Having a good location in a high-shopping area
2. Quality product and good relationships with vendors
3. Outstanding customer service

1.3 Objectives

- To turn inventory five times and generate £800 in sales per square foot
- To maintain profit margins at 15-20% through close attention to expenses and cost of goods sold
- To drive awareness and build sales through mentions in both local print and the nation's top fashion magazines

Company Summary

De Kliek Style Studio is an upscale women's clothing boutique that intends to open in Noe Valley in July. De Kliek means "clique or circle of friends" in Dutch; this defines the boutique and its essence of inclusion. De Kliek carries beautiful designer labels for professional women, such as the sophisticated silhouettes of Herr Frau and luxurious Jamin Puech handbags. De Kliek's clothing selections and exclusive personal style services, which include a detailed Style Assessment that features nine different style personalities, will ensure that our customers are always well dressed.

2.1 Start-up Summary

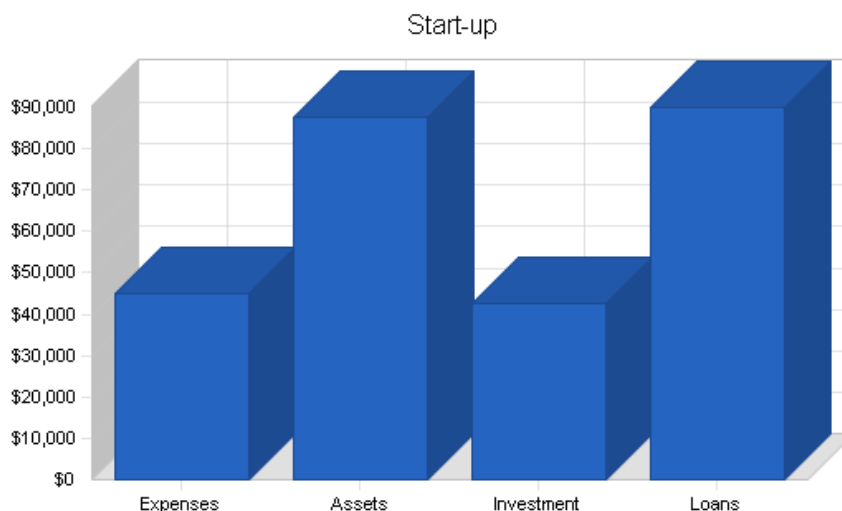
This business plan will be used for three purposes:

- To map out all the necessary components to create a successful and well-run boutique
- To provide management with a blueprint to follow



- To secure financing through private institutions and investors

The Start-up Table which follows details the Start-up Requirements, including Start-up Inventory and Long-term Assets in the form of Fixtures and POS Equipment. Start-up Funding will consist largely of owner investment and a long-term loan from the Small Business Administration. The Start-up Period for this plan runs from January through July. De Kliek will open on July 15, and we project real sales beginning in August of Year 1.



Start-up Funding

Start-up Expenses to Fund	£45,108
Start-up Assets to Fund	£87,599
Total Funding Required	£132,707

Assets

Non-cash Assets from Start-up	£80,099
Cash Requirements from Start-up	£7,500
Additional Cash Raised	£0
Cash Balance on Starting Date	£7,500
Total Assets	£87,599

Liabilities and Capital

Liabilities

Current Borrowing	£0
Long-term Liabilities	£90,000
Accounts Payable (Outstanding Bills)	£0
Other Current Liabilities (interest-free)	£0
Total Liabilities	£90,000

Capital



Planned Investment

Owner Injection	£41,707
Investor	£1,000
Other	£0
Additional Investment Requirement	£0
Total Planned Investment	£42,707

Loss at Start-up (Start-up Expenses)	(£45,108)
Total Capital	(£2,401)

Total Capital and Liabilities	£87,599
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Total Funding	£132,707
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Start-up

Requirements

Start-up Expenses

Initial Deposit	£0
Leasehold Improvements	£20,000
Rent for Mo. of Improvements	£3,000
Inventory Analyst	£1,800
Professional Fees	£1,050
Insurance	£1,008
General Startup Costs	£6,900
Marketing: Packaging, PR, Design	£11,350
Total Start-up Expenses	£45,108

Start-up Assets

Cash Required	£7,500
Start-up Inventory	£55,500
Other Current Assets	£0
Long-term Assets	£24,599
Total Assets	£87,599

Total Requirements	£132,707
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2.2 Company Ownership

De Kliek has been established as a Sole Proprietorship due to the ease of formation, and simplicity of the



structure and tax record keeping. In the future, De Kliek will look at forming an S Corporation when another location is opened. The following legal protections, permits or licensing are required:

- LA County Business Tax Registration Certificate (Complete)
- LA City Fictitious Business Name Statement (Complete)
- LA Payroll Expense Tax Statement CA State Seller's Permit (Complete)
- LA Fire Department Permit

Products and Services

De Kliek will carry Ready-to-Wear (RTW) designer diffusion lines and casual/contemporary apparel & accessories for women. De Kliek will carry three main RTW lines (Herr Frau, Hocken & Weekend MaxMini) along with various American & European labels such as Catherine the Great, Language, Vince, James Perse and James Jeans. De Kliek will also carry designer fashion accessories such as Jamin Puech handbags, Achoo Panto scarves and wardrobe accessories such as Tosca Delicate, sachets, lint brushes and various De Kliek branded items.

APPAREL LINES

- Herr Frau PF Line
- Weekend MaxMini
- Hocken
- Catherine the Great
- Tosca
- Goat
- Twelfth Street
- James Jeans
- AG Jeans
- Vince
- Trina Turk
- Philosophy di Alberta Ferretti

ACCESSORIES

- Wardrobe Accessories:
 - Lint Brushes
 - Tosca Laundry Soap
 - Stylist-in-a-box
 - Sachets
 - Hangers
- Fashion Accessories:
 - Local designer jewelry
 - Jamin Puech Handbags
 - Belts, Scarves, Gloves, Hats
 - Ilux and Tanjane Lingerie

Some of the key lines are detailed below:

Herr Frau - DD - Antwerp | Herr Frau

Not found in the U.S., this Dutch designer has a couture line (Herr Frau) a diffusion line (PDD) and a better/contemporary line, Antwerp. Launched in the mid-80's, Herr Frau won the "Best Newcomer" award at AlteModa in 1987 and has continued to deliver "French style with Dutch seams" to her loyal customers. She currently has three boutiques worldwide (in Paris, Tokyo & Antwerp, where Headquarters are located) and very



soon will be sold on the West Coast exclusively at De Kliek. Since the early Nineties, the Herr Frau label has shown at Milano Collezioni, where De Kliek has viewed and exclusively purchased their line for Fall 2004, for Los Angeles and the West Coast.

Weekend MaxMini & SportMax

MaxMini is the epitome of Italian fashion: good quality and cut in classic styles. Lawyer-turned-dressmaker Achoo Marmet founded MaxMini in 1951, and it is now one of Italy's largest fashion houses. MaxMini has a large U.S. presence through their boutiques and within selected upscale department stores. Weekend MaxMini's goal for 2004 is to gain presence in smaller boutiques and they are very excited about De Kliek. Their designs are changing with a new designer on board, and their last collection was sexy yet still professional. De Kliek has viewed their line and will be carrying their Fall 2004 collection.

Catherine the Great

Catherine the Great's designs are considered feminine and elegant. Born in Russia, the Great began her career in Paris, working in the houses of Emanuel Untidy, Louis Fraud, and at Et Tubrute. In 1998 she came to the U.S. as Danae Van Feurbach's head designer. Since starting her own label, Catherine the Great has created cutting-edge clothing that enhances a woman's natural femininity. Her attention to individualism explains why icons such as Madonna, Sarah Jessica Parker, Halle Berry, and Nicole Kidman are among her many enthusiasts. De Kliek will be carrying her Fall 2004 collection, exclusively in LA.

3.1 Exclusive Personal Services

Personality Style Assessment

The Style Assessment (in Appendix A) is a one-page quiz, developed by Lise Bakke and De Kliek owner Vrootje Magen, based on the highly regarded Enneagram that helps a woman determine the appropriate styles for her personality. The assessment helps a customer define her personality by providing her style words (e.g. engaging, romantic, modern) to choose from along with tips on what clothing works well for her style personality. Style Icons are also provided to help her visualize the appropriate look. There is normally a small fee for the assessment, but customers are able to take the Style Assessment for free at the Style Studio when they make cumulative purchases of £250. After each customer completes the quiz in the studio section of the boutique, she will receive a laminated De Kliek wallet card to carry around as a shopping reminder that lists her style personality type, style words, style icons and clothing styles appropriate for her.

Full and Self-Service

- "What's New" Bulletin. Behind the cash wrap area there will be a bulletin board that is frequently updated and that lists and displays the following details:
 - Featured Designer - This will show a profile of one of the designers
 - How to Wear - This will show how to wear a particular item for work, weekend and going out
 - Coming Soon - This will feature items coming into the boutique soon
 - Services - This will list all the additional style services that De Kliek offers
- Coterie Clothing Tags. Each clothing tag will have the corresponding Style Personality numbers listed to help customers determine which pieces are best for them
- Style Concierges. De Kliek believes in bringing the best service to our customers. As such, all sales associates are called Style Concierges. Our Style Concierges will be trained and participating members of the Association of Image Consultants International. They will be available to assist customers with their Style Assessments, wardrobe planning, special orders and personal shopping. If a customer is pressed for time, she simply calls De Kliek to set up an appointment and there will be someone there to greet and assist her beyond normal business hours.



Market Analysis Summary

There are various economic forces that affect apparel retailers. Consumer confidence is the most important; people don't shop when they are not feeling good. Unemployment also has an effect, in that fewer women out in the workforce means less disposable income for high-end quality clothing. Thus, the large discounters (Target, Sears and Wal*Mart) are now working with top designers to bring designer apparel to the masses. Although they can't compete on quality, their continued development of the trend could have a direct impact on retailers who sell designer clothing during tough economic times.

Fortunately, the luxury goods market, of which De Kliek is a part due to the high-end brands it will carry, has remained recession-proof, as clearly indicated by the successful 2003 results for Coach, Tiffany and Saks. According to Women's Wear Daily, luxury firms forecast a strong 2004, particularly for accessories and footwear. However, the strong Euro and slowdown in wealth creation are big concerns and managing a balanced quality-price ratio is the key to success for luxury retailers.

"Fashion is a requirement for those who are high in their success." -Luxury Consumer

In the luxury market, luxury consumers (defined as "affluents" who have household incomes of over £100K) spent more in 2003 than 2002. [1] Based on focus groups, United Marketing believes luxury consumers see apparel and accessories as more of a necessity than a luxury. This is good news to boutique retailers. There are over 800 clothing boutiques in the LA Area; approximately 19 percent of these generate over £500K in sales.[2] In fact, women's clothing stores in Los Angeles have a 62% higher sales growth rate than the national average; this can be attributed to the fact that the average household in Los Angeles is considered affluent.

1) Luxury Market Report, Unity Marketing, 2003

2) Local Marketing Research Profile of LA, Bizminer, Jan. 2004.

4.1 Market Segmentation

Market Needs

If you were to overhear women talking in a dressing room, you would more than likely hear them comment on something they've tried on and question how they should wear it or what it will go with in their closet. Research has shown that women are stressed, have little time to shop, and would generally like help in determining the right clothes and styles to wear. With over 61 million U.S. women between the ages of 25-54 spending over £34 billion in apparel each year, there are sure to be some mistakes made in clothing choices. Television shows such as BBC's "What Not to Wear" and Style's "Fashion Emergency" clearly speak to a woman's confusion about what looks best on her. Even women who can afford a professional stylist feel helpless and often jokingly request that their stylist come to their home every morning to help them get dressed.

"Within a decade, the companies that do the best job of marketing to women will dominate every significant product and service category." -Faith Popcorn

One gender in particular influences the majority of the retail marketplace: women. Women comprise 51% (145 million) of the U.S. population [1] and control or influence 81% of all household purchase decisions. [2] Women are now earning more college and master's degrees than men, which translates into more senior positions & higher pay. [3] Overall, women represent 47% of the total U.S. civilian workforce and as that continues to grow, demands for their time also increase. Balancing work and family are the #1 concerns for women and almost half "hardly ever" take care of their personal needs; one out of five women would like to have time to do a little shopping! [4]

Research indicates that women approach retail shopping uniquely by evaluating purchases based on product and company information derived from both personal and expert sources. Additionally, surveys consistently reveal that women buy based on the relationship they forge with a brand. [5], [6] Statistics, studies, and our



own personal experiences show us again and again that excellent customer service lowers customer attrition rates, fosters excellent word of mouth and most importantly, increases sales. The table below shows that out of the ten characteristics consumers find important in deciding where to shop, four were attributed to customer service.

Top Ten Factors in Deciding Where to Shop: [7]

Reason	2000	2002	Change
1. Has reasonable prices	78%	85%	+7
2. Treats customers with respect	66	74	+8
3. Carries quality merchandise	66	72	+6
4. Doesn't pressure me to buy anything	61	70	+9
5. Convenient store hours	61	68	+7
6. Handles merchandise returns fairly	60	66	+6
7. I can always find what I want	61	65	+4
8. Carries a wide variety of items (e.g. colors, sizes)	57	64	+7
9. Has outstanding customer service	55	63	+8
10. Makes it quick and easy to shop	53	61	+8

Sources:

- [1] Statistical Abstract of the U.S., 2002; Bureau of Labor Statistics, June 2003
- [2] BusinessWeek "The New Gender Gap," May 2003
- [3] Northeastern University Center for Labor Market Studies
- [4] Jones NY Sponsored Survey of FT Working Women, Self, May 2003
- [5] Kim T Gordon, "Chick Magnet," Entrepreneur Magazine, March 2, 2002
- [6] Connie Myers, "What Do Women Want? Marketing," Utah Business, Sept 2002
- [7] Yankelovich Monitor, "Getting the Goods," May 2003

Market Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
High-Income Women, 30+, in this area	5%	2,400	2,520	2,646	2,778	2,917	5.00%
Personal Stylist Customers	30%	10	13	17	22	29	30.50%
Total	5.15%	2,410	2,533	2,663	2,800	2,946	5.15%

4.2 Target Market Segment Strategy

Los Angeles is rated amongst the top U.S. markets in economic and educational achievements. At an average age of 40, the Los Angeles professional is highly affluent, with an average family household income of £180,903 and a median home value of £622,170. Close to 50% have a bachelor's degree and 40% of these professionals hold a postgraduate degree.



De Kliek customers will learn about the boutique through the following sources:

- LA Neighborhood Storefront
- Friends & Customers (word of mouth and email)
- Personal shoppers and stylists
- Women's Fashion Magazines articles and reviews such as W, Lucky, Marie Claire and Vogue
- Local press mentions & ads
- Travel and shopping books and websites

The Primary Customer [1]

The primary De Kliek customer is a professional woman with a household income over £100K. Her main characteristics are listed below:

Demographics

- Professional woman (ages 30-55)
- Household income over £100,00
- College-educated
- Lives in a higher-income LA neighborhood

Psychographics

- Looks for bargains (seasonal fashion) but willing to spend money on quality, core items
- Would like more time or help in understanding what clothing is right for her
- She wants to look her best because she wants to feel good about herself as well as make a good impression at her job

Leisure Activities

- Listens to NPR
- Supports the Arts
- Reads Vogue, New Yorker, Bon Appetit, Lucky
- Watches Bravo, BBC, HBO
- Internet savvy
- Travels, owns a passport
- She enjoys eating out as well as taking time for herself at the spa or getting a mani-pedi

Clothes Shopping Behaviors

- Spends over £2,500 for clothes each year
- Shops at Boutiques, Nordstroms, and Banana Republic
- Wears a size 6, 8, or 10
- Buys mostly tops and pants
- Looks for classic, basic items each season, with 1-2 trendy items
- She cares about how she presents herself, enjoys fashion, and looks for quality over quantity

Customer needs, expectations and buying patterns [2]

The De Kliek customer loves to shop and enjoys going to boutiques. She is knowledgeable about designer fashions and tends to shop for seasonal wardrobes twice a year plus picks up various fashion and basic pieces throughout the year. Many times she shops to "browse." By offering fashionable accessories and wardrobe organization items, De Kliek will be able to grab a larger share of her wardrobe budget. She is used to coming into the store and browsing through the clothing items and trying on what interests her. She expects a warm and comfortable environment and nice dressing rooms. She enjoys being left alone but also enjoys the special touches of personal shopping assistance and having the ability to special order items. She wants fun and catered shopping events in the evening and also enjoys receiving special notices on sales and participating in trunk



shows to garner more savings. She is also at a Director to CEO-level job and could potentially be reached through her office for personal shopping services or through her own personal stylist who is a member of AICI.

[1] "Why People Buy," Pam Danziger, 2003

[2] Valley profiles; De Kliek Shopping Behavior Research of LA Women, Oct 2003

4.3 Service Business Analysis

De Kliek is considered a luxury boutique within the Women's Clothing Store Industry (NAICS 448120 or SIC code 5621). Women's Clothing Store sales represent 20% of the Clothing Store Industry Group, which translates to £27.2 billion during 1997, and £34.4 billion in 2002.

The retail sector is the second-largest industry in the United States, both in number of establishments and number of employees. It is also one of the largest industries worldwide. The retail sector employs over 23 million Americans and generates more than £3 trillion in retail sales annually. Retail sales usually see a 2-5% growth each quarter. Although 2003 was difficult, sales have slowly grown from 1.4% in Q1, to 3.1% in Q2 to an estimated 5.8% in Q3 according to the NRF. Overall retail sales account for two-thirds of the nation's economic activity, and the holiday season accounts for 20-40 percent of total retail sales. [1]

The Clothing & Accessories Stores subsector of Retail has seen sales growth of 19% over the last five years from £137.6 billion in 1997 [2] to £171.8 billion in 2002 [3]. Businesses in the Clothing and Clothing Accessories Stores subsector sell new clothing and clothing accessories merchandise from fixed point-of-sale locations. Establishments in this subsector have similar display equipment and staff that is knowledgeable regarding fashion trends and the proper match of styles, colors, and combinations of clothing and accessories to the characteristics and tastes of the customer.

Although the holiday season is the key indicator of retail health, according to the National Retail Federation, the holiday season accounts for only 15% of total apparel sales. A good holiday season is typically followed by a good economic year and analysts predict retail sales will rise a total of 4 percent in 2004. Total sales for 2003 were up 3.2 percent. Additionally, online holiday shoppers spent a record £18.5 billion during the holiday season [4] -- a 35 percent increase over the £13.7 billion spent in 2002. Luxury retailers and upscale department stores were the unexpected market leaders during the 2003 holidays with Nov-Dec sales up 15 percent. Analysts state that as consumers see their investments increase, they spend more.

U.S. Retail Industry Key Facts	Women's Clothing Store Industry la Area Facts [5]
The 2002 average for shrinkage is 1.1%, with .7% being attributed to employee theft and .4% attributed to shoplifting. [6]	There are 888 women's clothing store establishments in the Los Angeles area
Highly fragmented	One out of every three small business clothing retailers fail
Many have highly seasonal sales and therefore seasonal inventory levels	Average small business sales: £245,378
Average retailer has one store with less than £1 million in annual revenue	25% of women's clothing retailers generate sales over £500K
May operate stand-alone stores in urban locations or from leased space in shopping centers	Small business clothing stores employ on average, 3 employees
Retailers often have high gross margins,	Clothing store startups in LA are 5



close to 40 percent in many businesses	percentage points below the industry average
Wages are relatively low	Average annual inventory turn for boutiques is five times
Employee turnover in the retail/wholesale industry is very high, as much as 30 percent	LA Clothing Stores have a higher than average growth rate with a sales index of 1.62 - 62% higher than the industry norm
Merchandising - buying goods that will sell - is the main preoccupation of most retailers	-

2004 Outlook

The outlook for sales and earnings in 2004 is bright, with especially strong results expected in the first quarter [7]. Two trends should dominate retail fundamentals in 2004: Strong first quarter sales due to an estimated £60 billion in tax refunds and lower taxes hitting consumers' pockets in March and April, and a potential slowing of sales in the final three quarters of 2004 against the tougher comparison of 2003. Additionally, industry experts predict growth in the specialty store segment of which De Kliek is a part.

Current Trends

- People are shopping online for convenience & value; growth of sales on the Internet
- Continued decline of the mom-and-pop store
- Overbuilding by specialty stores and other chains
- Repositioning of full-price/multi-line department stores
- Supremacy of the discount store chains
- Category-killer superstores
- Continuous changes in demographics, tastes and fashions
- Easy availability of consumer credit
- Dwindling appeal of the major mall

Economic, Cultural and Environmental Conditions

Weather, seasonal events, holiday shopping, competitor marketing, LA tourism, the Bay Area economy and the strength of the dollar can all affect the performance of De Kliek. On a macro-economic level, consumer confidence, interest rates and inflation rates all have an effect. Rising unemployment, political concerns and deflation also pose risks.

Positive Factors:

Clothing Industry	Impact on De Kliek
Very low interest rates	Cost of financing low
Easy availability of consumer credit	Higher ticket sizes on credit card purchases
Relatively low unemployment, and very low inflation	Stable employees & businesses
A relatively low personal savings rate	Increased consumer spending
(Positive side of:) Significant continued layoffs at larger corporations require job migration	Higher-educated employees

Negative Factors:



Clothing Industry	Impact on De Kliek
Weakening consumer confidence (influenced by global terrorism, tension & uncertainty)	Decreased sales
Strong Euro	Lower margins
Slowly increasing unemployment	Value and sale shopping (can also be positive impact)
Decreasing levels of consumer household wealth due to stock portfolios and 401(k) plans that have seen huge losses	Continued "cocooning" by customers
Consumers with record high debt levels are defaulting on credit card balances, home mortgages & loans at an alarming rate	Increase in returns
(Negative side of:) Significant continued layoffs at larger corporations require job migration and lead to large numbers of consumers employed as temp workers	Reduction in working women who can buy luxury items

[1] National Retail Federation trade group, *Women's Wear Daily*, 9/17/03

[2] U.S. Economic Census, 1997

[3] 2003 Holiday Survival Kit, NRF

[4] eSpending Report from Goldman, Sachs & Co., Harris Interactive and Nielsen/NetRatings, Jan 2004

[5] BizMiner, December 2003, Bay Area Women's Clothing Store Data, 2001-2003

[6] 2003 National Retail Security Survey, NRF

[7] Daniel Barry, Merrill Lynch Senior Retail Analyst/Broadlines

4.3.1 Competition and Buying Patterns

De Kliek has stiff local competition with the many wonderful boutiques in Los Angeles. Direct competitors include those boutiques that carry some of the brands that De Kliek plans on carrying or could move easily into carrying, and are located in the Valley. Indirect competitors are those boutiques in LA that focus on a different target market or do not carry lines that De Kliek will carry, in addition to well-known boutiques in other metropolitan areas.

De Kliek's own comparative analysis of 15 boutiques in Los Angeles reveals that very few are successful in delivering high-quality customer service, as browsers are routinely ignored. It appears that if you don't look a certain way or show that you have money when you walk in, you are immediately disregarded. Dressing rooms are typically small and have curtains that don't guarantee 100% privacy. Clothing sizes tend to run small and items tend to be overpriced. Even with a lot of focus in the media and among fashion retailers on what to wear, not one boutique in town is a member of the Association of Image Consultants - a very prestigious professional organization whose members work with and train clients in developing their image. There are some retailers who do get it right - they have strong customer relationships, carry the right mix of merchandise, are knowledgeable in fashion - and the profits show.

Direct Competition:

- Fish
- Fred Segal



- Girl and Her Dog
- Margaret O'Leary
- Dress
- Rabat
- Riki
- Susan of Burlingame
- The Grocery Store

Indirect Competition:

- Abigail Morgan
- Ambiance
- eLuxury.com
- Her
- The Designer's Club
- Yoya Boutique
- All other LA Boutique Retailers

Main Competition:

From a "look & feel" perspective, as well as consideration of designer lines that De Kliek will carry, Dish in Hayes Valley is considered the main competition. The following is a comparative analysis of Fish and De Kliek:

Location:

Fish	De Kliek
Open Mon-Sat 11-6, Sun 12-5 Plenty of places in Los Angeles cater to the well-heeled, but this area also reaches out to the adventurously heeled -- and dressed.	Open Mon-Fri 11-7, Sat 10-6, Sun 11-5 The location for De Kliek has not been confirmed but top targets are areas in which the target market lives and/or shops.

Products:

Fish	De Kliek
Fish's collections largely come from American designers such as Nanette Lepore, Lauren Moffat, Vince and Katayone Adeli	De Kliek will carry sophisticated, quality lines from European and American designers such as Herr Frau, Weekend MaxMini, Hocken, Vince and Catherine the Great.

Customer Service

Fish	De Kliek
The owner of Fish is fashionable and knowledgeable. She is considerate of her customers and allows them the space to shop on their own (a very important aspect for women!)	De Kliek will provide quality customer service including alterations, gift wrapping, Style Assessments, trunk shows and special workshops.

Features/Atmosphere



Fish	De Kliek
Sleek and modern interior with a warehouse feel. There are three dressing rooms with linen curtains that pull a bit from the walls so privacy is not 100% guaranteed.	De Kliek's interior will reflect a minimalist look, yet be accommodating and warm so that all products are featured appropriately. The dressing rooms will have wood louvered doors to maintain privacy and will have chairs outside for friends to sit down.

Competitive Benchmarks [1]

The competition in the Valley does provide some good benchmarks for projecting sales and understanding customer expectations. In the Valley, Ambivalence, a junior/contemporary boutique, averages sales that top £1,300 per square foot which totals more than £900,000 in sales annually. Nearby, Ennui generates annual sales of £1.3 million with approximately 800 square feet of selling space; that translates to more than £1,600 per square foot. However, it is important to note that not all of Ennui sales are generated from the selling floor; a considerable amount of sales come from special orders. With these successful Los Angeles retailers as benchmarks, De Kliek will continue to monitor them for best practices. Additionally, there are a few very successful boutiques in San Francisco, New York and Florida that are worth mentioning as benchmarks for successful retailing and merchandising.

- Brown-Eyed Girl, San Francisco
- Heidi Says, San Francisco
- Marissa Collections, Florida
- Language, New York

[1] *Women's Wear Daily*

Strategy and Implementation Summary

Based on extensive research conducted on women's shopping behaviors as well as De Kliek's own research among Los Angeles women, the following marketing strategies will be employed:

- Develop strong relationships with customers by utilizing Style Assessment and offering services to help each woman determine the right clothes for her.
- Provide educational materials and programs that enable customers greater decision-making confidence.
- Build awareness of brand and services to exemplify strong store reputation.
- Provide customers with a sense of access to "inside information" and harness the power of a woman's personal network by leveraging marketing collateral designed for sharing and encouraging referrals.
- Utilize personal referrals and stylists to build traffic.

5.1 Sales Strategy

Product/Service Selection

To overcome seasonality concerns, De Kliek will carry 20 percent of merchandise in fashion and wardrobe accessories. Additionally, De Kliek will provide alterations, personal shopping services and special ordering for our customers. Special Orders are a huge benefit as De Kliek obtains full-price sell-through and there is no floor space needed to sell the article.

Pricing

42% of households with a £75K income agree, "When I really want something, price is no object." [1]

At De Kliek, we are very committed to bringing high quality clothing to women and the prices will reflect a



range of mid-to-high pricing. Average price points will be around £200. To maintain profit margins of 20%, De Kliek will negotiate and focus on obtaining an average 61% retail markup for all merchandise classifications.

Location

De Kliek will be located in an upscale neighborhood in Los Angeles. A significant proportion of the target market lives in this area. De Kliek will work with the local merchants association as well as local publications to generate PR and shopping in the neighborhood. De Kliek will also attract women from throughout other Los Angeles neighborhoods as well as the few women who come to LA from out of town to shop.

De Kliek will launch in July 2004 and have a website presence where fashionable customers throughout the country can go to learn more about the boutique, the Style Assessment, how to wear certain items for day, evening and weekend, and make personal shopping appointments.

Style Concierges

Most women are intimidated by upscale fashion boutiques, as many sales associates can come across rude and snobby. Additionally, the sales pressure from an associate can be a huge turn-off to a potential customer as it doesn't allow a woman to browse and get to know the store's products at her own pace.

De Kliek will have three store associates, or "style concierges:" myself, an assistant manager, and a PT employee (both still to be hired).

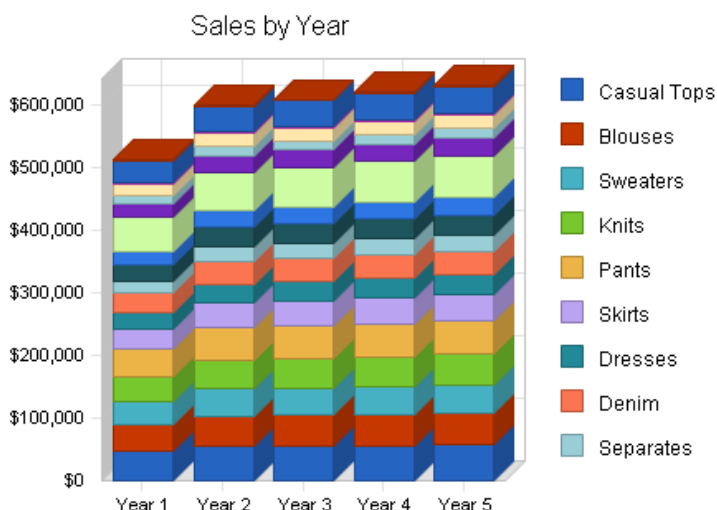
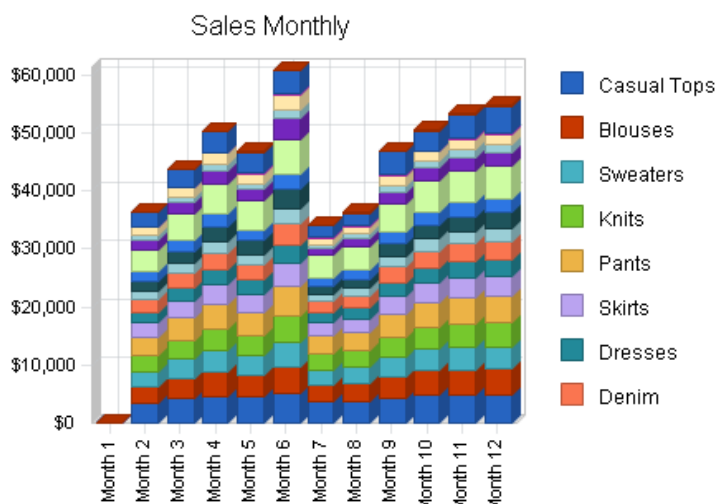
5.1.1 Sales Forecast

The appropriate merchandise -- and the right amount of merchandise-- are critical in building a successful clothing boutique. De Kliek will carry 15 merchandise classifications in addition to the Style Assessment. Each month, the sales forecast and open-to-buy (OTB) plan will be reviewed with De Kliek's inventory service provider, Retail Merchandising Service Automation (RMSA), against the previous month's sales to ascertain any adjustments and make the appropriate changes. As Open-to-Buy is planned, the percentage of merchandise that is new (i.e., Fresh ratio) will also be considered to ensure that the inventory is, on average, around 40-50% fresh.

Fall/Winter sales are forecasted at £272,141 for the rest of 2004 and £513,500 for FY2005, with an average monthly sales goal of £46,600. The summarized forecast for the Fall season is listed below:

Sales Highlights, Fall/Winter Season FY2005

-	Aug	Sept	Oct	Nov	Dec	Jan
Sales	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056
% Increase	-	20%	15%	-7%	30%	-44%
Weeks/ Month	4	5	4	4	5	4
Sales/ Week	£9,113	£8,748	£12,575	£11,695	£12,163	£8,514
Sales/ Day	£1,302	£1,250	£1,796	£1,671	£1,738	£1,216



Sales Forecast

Sales

	Year 1	Year 2	Year 3	Year 4	Year 5
Casual Tops	£47,880	£55,288	£55,841	£56,400	£56,964
Blouses	£41,356	£48,039	£48,519	£49,736	£50,482
Sweaters	£37,343	£43,721	£44,377	£45,043	£45,718
Knits	£39,160	£45,622	£46,534	£47,465	£48,414
Pants	£43,707	£50,972	£51,737	£52,513	£53,301
Skirts	£33,839	£39,904	£40,703	£41,517	£42,347
Dresses	£26,110	£30,710	£31,017	£31,327	£31,641
Denim	£29,974	£35,737	£36,451	£37,180	£37,924
Separates	£20,024	£23,824	£24,301	£24,787	£25,282
Jackets/Blazers	£25,450	£30,679	£31,292	£31,918	£32,556
Coats/Outerwear	£22,211	£26,520	£27,050	£27,591	£28,143
Fashion Accessories	£53,372	£62,243	£63,799	£65,394	£67,029
Jewelry	£22,850	£26,836	£27,238	£27,647	£28,061



Personal Care	£11,983	£14,164	£14,306	£14,449	£14,593
Wardrobe Accessories	£17,737	£21,032	£21,243	£21,455	£21,670
Style Assessments	£2,767	£2,976	£3,036	£3,097	£3,159
Special Orders	£36,250	£39,525	£40,316	£41,122	£41,944
Alterations	£1,490	£1,611	£1,643	£1,676	£1,709
Total Sales	£513,503	£599,403	£609,402	£620,315	£630,937

Direct Cost of Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Casual Tops	£20,588	£23,774	£24,012	£24,614	£24,983
Blouses	£17,370	£20,176	£20,378	£20,889	£21,202
Sweaters	£15,684	£18,272	£18,455	£18,918	£19,202
Knits	£16,447	£18,973	£19,163	£19,643	£19,938
Pants	£17,483	£20,288	£20,491	£21,005	£21,320
Skirts	£13,874	£16,200	£16,362	£16,773	£17,024
Dresses	£9,922	£11,670	£11,787	£12,082	£12,263
Denim	£11,990	£14,155	£14,296	£14,655	£14,874
Separates	£8,010	£9,436	£9,531	£9,770	£9,916
Jackets/Blazers	£10,689	£12,759	£12,886	£13,209	£13,408
Coats/Outerwear	£7,996	£9,454	£9,548	£9,788	£9,934
Fashion Accessories	£18,680	£21,466	£21,681	£22,225	£22,558
Jewelry	£7,998	£9,346	£9,440	£9,676	£9,821
Personal Care	£4,793	£5,666	£5,722	£5,866	£5,954
Wardrobe Accessories	£7,095	£8,413	£8,497	£8,710	£8,841
Style Assessment	£1,107	£1,179	£1,191	£1,221	£1,239
Special Orders	£14,500	£15,655	£15,812	£16,208	£16,451
Alterations	£596	£638	£644	£660	£670
Subtotal Direct Cost of Sales	£204,820	£237,520	£239,896	£245,911	£249,600

5.1.2 Year One Sales Plan

Objective #1 - Sell £600,000 of merchandise in Year 1

Strategies:	Build awareness of brand and services to exemplify strong store reputation Provide customers with a sense of access to "inside information" and harness the power of a woman's personal network Utilize personal referrals and stylists to build traffic
Tactics:	-
Promotion:	Strengthen the customer relationship via events and special communications Hold two large sales a year: winter and summer
Web:	Promote key merchandise & events on the website
Direct:	Send out monthly email newsletter to customers
Personal Selling:	Develop working relationships with 2-3 personal stylists Become an active member of AICI



	Provide personal appointments Train Style Concierges to provide exceptional service and exhibit patience in the selling process with women
Events:	Hold Launch event/party - Invite VIPs and LA Socialites Hold unique after-hours shopping events (Mother-Daughter night, Travel Planning, Girls Night Out, etc.) Hold Fall & Spring events
PR:	Get voted as one of best places to shop on Citysearch and in Lucky magazine Get featured in Los Angeles travel & shopping guides Send press kits to, and hold interviews with, top publications

Objective #2 - Generate 10% of Sales from Special Orders

Strategies:	Provide educational materials and programs that enable customers greater decision-making confidence Provide customers with a sense of access to "inside information" and harness the power of a woman's personal network
Tactics:	-
Web:	Provide overview of how a special order works on the website
Direct:	Announce events through postcard to best customers
Personal Selling:	Have Style Concierges communicate the opportunity with their best customers
Events:	Hold four trunk shows a year Hold "Bring Your Man" night and sell clothing from lines that carry men's lines (Ensure men know about gift assistance!)

Objective #3 - Garner In-Depth Understanding of Customers

Strategies:	Develop strong relationships with customers by utilizing Style Assessment and offering services to help them determine the right clothes for them Provide educational materials and programs that enable customers greater decision making confidence
Tactics:	-
Promotion:	Promote gift giving during key holidays (Christmas, Valentine's & Mother's Day) and utilize assessments to assist gift givers in purchasing the appropriate gift
Web:	Offer the assessment on www.deklickstylestudio.com
Direct:	Integrate style personalities and other key information into customer database and develop customer segments Create awareness of assessment through emails to customers
In-Store:	List the style personality numbers on each merchandise tag to generate interest and awareness of the Style Assessment Provide overview of Style Assessment in dressing rooms



	Tailor merchandise offerings to specific Style personalities
Events:	Hold monthly Style Assessment workshops

5.2 Competitive Edge

Although De Kliek will bring high-quality clothing and value to Los Angeles women, the most significant competitive advantage De Kliek will have over all competitors is dedication to providing an approachable retail atmosphere with top-notch customer service. De Kliek's unique selling proposition is the integrated concept of personal style services: from events and bios that educate shoppers on designers, to personalized Style Assessments, on-site alterations, and our own unique Style Concierges and wardrobe accessories. In contrast to many other boutiques, De Kliek will become a corporate member of the Association of Image Consultants so that our Style Concierges learn from the nation's best on image consulting.

5.3 Marketing Strategy

Positioning Statement

De Kliek provides professional women with upscale designer clothing and exclusive personal services. Our main competitive advantage is the unique Style Assessment and education emphasis in helping women develop their personal style.

Brand Positioning

'De Kliek' is Dutch for a grouping or circle of friends, a "clique." Building on the meaning of "kliek," circles are part of the logo, which defines the boutique, and its essence of inclusion. Style Studio is added to the overall name to suggest that women can come to the boutique to learn about themselves and experiment with their personal style. By combining these two meanings, De Kliek Style Studio looks to be the leader in providing exceptional service and assistance for women's fashion needs. The elegance of the name suggests the types of clothing and accessories that will be featured.

BRAND PERSONALITY

Innovative | Stylish | Contemporary | Modern | Fresh | Approachable | Elegant

The overall brand personality of De Kliek aspires to be fashionable, customer-oriented, innovative, refreshing, stylish and educational. The boutique is a place where women can go to transform themselves with beautiful clothes and take advantage of the Style Assessment and other services that help them determine the right clothes for their unique selves. We are a shop that educates. We help women learn about the designers, gather with their friends, and have fun during the process. We not only carry items that help them look good, but we also help our customers maintain these items. Owner Vrootje Magen will work with her top design advisors to create the atmosphere, colors and wording that encapsulates these thoughts.

Promotion

The following promotional tactics for generating buzz and awareness about De Kliek will be implemented:

- Personal selling and word of mouth via networks of friends, stylists and customers
- Unique visual displays in storefront on a weekly basis
- PR (local and national)
- Boutique email newsletters
- Direct mail such as postcard notices that are targeted specifically to the customer
- Sales Promotion such as store events and bi-annual sales
- De Kliek Web Site
- Advertising will be at a minimum with regular ad placements in the Valley Voice

Other important marketing strategies, such as developing strong customer relationships (retention), will utilize a different mix of marketing programs.



5.4 Milestones

Fall season Marketing calendar:

Date and Tactic

- June-July -- PR Media Kits and Local/National PR outreach to Paper City, LA Chronicle, LA neighborhood paper, W, Vogue, Lucky and Marie Claire
- July 15 -- Launch Party and Event
- July 17 -- Grand Opening
- August -- Fall Fashion Show at AICI Meeting (300-500 people)
- September -- Style Assessment Workshop
- October -- Mother-Daughter Night; Style Assessment Workshop
- November -- Holiday Hair Workshop; Style Assessment Workshop

Web Plan Summary

The website will serve as a source of information for online visitors. De Kliek plans to correspond its web site launch with the official launch of the boutique. Plans for year 1 include search engine optimization and development of editorial content throughout year 2. In year 3, De Kliek will evaluate including ecommerce into its business model.

The site will be developed so that users see everything they need "above the fold." The website will feature key items along with the unique services of the boutique. Editorial content will entail ideas of outfits that are appropriate for work, special events and getaways. To further enhance De Kliek's service offering, reservation forms will be available for booking Personal Style and Closet Assessment appointments, Personal Shopping appointments, and Private Parties and Workshops.

The website will leverage the corporate identity and brand personality of De Kliek -- clean and simple. The nomenclature will mirror the current ideas articulated throughout the boutique: Style, Concierge and About. The overall strategy of the website will be to provide a clear and simple architecture that allows the user to obtain all the information they need, simply and easily.

6.1 Website Marketing Strategy

Because De Kliek is based in the Los Angeles area, the hotspot for film companies, the online strategy will focus on both celebrity endorsements and email marketing. Given current federal regulations (CAN-SPAM), De Kliek will incorporate strict guidelines in managing customer data and ensure that a customer will not receive more than 2 emails per month.

As word-of-mouth and email marketing have proven effective for retail boutiques of De Kliek's nature, De Kliek will implement these strategies at the beginning of operations. Research shows that the number one reason people log on to the Internet is for information. De Kliek's strategy is to provide as much information as possible on their current designers, fashions and style tips, as well as to utilize the appropriate search terms to deliver the most relevant click-throughs. Awareness of the website will be provided in local advertising, public relations efforts, customer emails, in-store signage & receipts as well as direct mail and word-of-mouth.

6.2 Development Requirements

Development costs include the following:

- Site Design - £3,000.



- Site Implementation - Free. Owner, Vrootje Magen, is very familiar with Dreamweaver and html and is able to take the templates that the web designer creates and utilize them to manage the implementation and further development of the site.

Ongoing Costs

- Domain registration for the website for 5 years - £95
- Site Hosting - £30 per month with SBC Yahoo!
- Search Engine Registration - £200 per year
- Site Design Changes - Changes in the site, such as photography costs (estimated at £150-£200 per shot), are considered to be part of Marketing and Advertising

Management Summary

Management Expertise

Vrootje Magen | Owner

Vrootje Magen has 20 years of work experience that is directly relevant to managing and operating a successful clothing boutique. The first eight years of her professional work experience were spent in retail sales and banking, and the last 12 years have been dedicated to a professional career in marketing. The sum of these experiences truly integrates the key disciplines for running a successful business: sales, finance, and management.

Ms. Magen's initial experiences in retail and business sales were formative insofar as they helped her early on to understand how to best work with all types of personalities, meet individual needs through listening, and develop strong creative problem-solving skills. Much of this experience was spent "in the trenches," developing practical skills on the floor at retailers including JCPenney, Gottschalks and Ann's Boutique. She has an understanding of what it takes to work in a retail environment, from stocking the sales floor and utilizing loss prevention skills, to ringing up a sale and counting back cash, and most importantly, reading a customer. Her five years as a Financial Service Representative at two banks directly benefit the day-to-day operations of the boutique.

With a successful and award-winning career in corporate marketing for the last 12 years, Ms. Magen understands how to create successful communications and marketing strategies and have experience marketing fashion for top retailers, such as Levi Strauss and Gap Inc. Much of this work involved developing and maintaining high profile campaigns that were structured around generating increased customer sales within the store environment and through sales associate training. She has led successful teams, which involved qualified and thoughtful selection of employees and consultants to help ensure the success of a project.

Her current efforts toward opening De Kliek Style Studio have heavily depended on all the skills and abilities that she has developed in her past professional lives. Her combined skills and knowledge of the right types of clothing a woman should wear based on her body type and personality are enhanced by her retail experience, and her current training within the Association of Image Consultants International for the last two years has solidified her expertise.

Ms. Magen is extremely dedicated and motivated to creating a thriving clothing boutique and feels confident in succeeding based on her well-rounded experience, established sound vendor and customer relationships, and strong work ethic.

Team of Advisors

Lisa Bakke, Certified Image Professional

As a personal stylist, Lisa Bakke has helped people look and feel great for fifteen years. Known as the Shopping Sherpa, she is dedicated to leading people to their style destination. Lisa was born with a remarkable,



discerning "eye" for beauty and detail and started winning national art awards at age twelve.

Lisa graduated from Colorado College in 1979 with a bachelor's degree in art and education. By 1989, Lisa played a key role in launching a women's ready-to-wear line by designing, marketing and selling it via hugely successful trunk shows. It was then that she recognized women wanted one-on-one attention in helping them determine their optimal clothing designs and colors. In 2000-2001, Lisa served as president of a prestigious international organization for image consultants. She is also the editor of a 12-page publication for image consultants. Today, Lisa regularly shops for clients in Paris.

Rilke Szanku, Creative Director & Principal, Blue42

Throughout her 15 years of experience in the design industry, Rilke Szanku has found that her best work has harnessed the power of striking visuals grounded in solid strategy to meet client objectives. She founded Blue42 to provide cutting edge print and web design. Prior to founding Blue42, Rilke was the Creative Director at Company X. Her work for top clients has been widely acclaimed.

Nicco Q. Smore, Architecture & Design

Nicco Smore received his B.A. from Florida State University in 1991 and his Masters in Architecture from the University of Florida in 1997. Since 1998 he has worked for Big Architecture in California and has been involved in the design and construction of diverse project types, including educational, civic, and religious facilities, as well as several residential projects. Much of his current work includes design and construction administration of renovation, and modernization of existing secondary educational facilities.

Schulden F. Kopff, CPA

Schulden Kopff has been a CPA for more than ten years and is certified in two states (California & Missouri). [Private information removed for confidentiality.] Mr. Kopff currently operates his own tax practice in Los Angeles.

Fanny Packer, Attorney

Fanny Packer, J.D., M.B.A., C.P.A., is an attorney in independent practice who provides business law counseling and transactional support to entrepreneurs and growing business organizations. Fanny is an experienced professional who has worked in the legal profession since 1998, and has been heavily involved in sophisticated business transactions and major business contract negotiations in various roles for over 20 years. Her core legal competencies are in corporate, contracts, intellectual property, and commercial real estate law.

Gordon Grido, VP Merchandising Analyst, RMSA

De Kliek is working with Merchandising Analyst Gordon Grido to develop a specific plan that will guide the company through making purchasing decisions, as well as planning and inventory management. Gordon has been with Retail Merchandising Service Automation (RMSA) for 17 years, working with LA Area retailers similar to De Kliek. His focus is to enable merchants to make merchandising decisions that keep a healthy cash flow with maximum profitability as the main goal of business operations.

RMSA has maintained its status as the leading provider of inventory management and forecasting tools for retail businesses nationwide. RMSA Forecasting is a merchandise planning service that combines information from a retailer's sales and inventory with RMSA's extraordinary retail database to help retailers forecast and improve the performance of their retail operations.

Hugh Enmity, Fashion & Merchandising Instructor, Academy of Art

Mr. Enmity has spent over 20 years in retail as an executive with a leading traditional department store (Macy's), off-price chain (Ross Stores) and mall-based chain store (Footlocker). His background is primarily in Menswear with extensive experience in tailored clothing, shoes, sportswear, activewear, dress furnishings and basic furnishings.

Astrix Komma, Copywriter/Creative Consultant

With nearly 20 years of solid direct response, advertising and Web experience for agency powerhouses up and down the West Coast, Astrix Komma has been a lead creator on high profile marketing campaigns. Her creative work has won numerous industry awards including a Clio and Communication Arts award and a host of direct marketing accolades, including multiple John Caples awards.



7.1 Personnel Plan

34% of Americans in 2002 cite having "neat and attractive salespeople" as a reason they decide to shop where they do, compared to 29% in 2000. [Yankelovich Monitor, "Getting the Goods," May 2003]

The personnel plan is included in the table, below. In addition to the owner, there will be one part-time (30 hours/week) Assistant Manager and two part-time Style Concierges by the end of the first year. The Assistant Manager will be paid at a rate of £20.00 per hour and the part-time Style Concierges will be paid at a rate of £15.00 per hour, plus benefits.

Employees of De Kliek will be paid competitively and will receive in-depth store training and membership into the Association of Image Consultants International (AICI). Additionally, employees will receive special store benefits including:

- 30% Store Discount
- One free outfit a month (an outfit is defined as a top and bottom or dress)
- Special monthly bonuses as sales goals are met
- Paid Holidays
- Paid Time Off (PTO) based on # of hours worked

As De Kliek grows, medical insurance will be provided to full-time employees.

My philosophy is to empower my staff to do the best they can and give them the freedom to do so. Inevitably, they will make mistakes and if they don't make mistakes, they don't learn. I will lead by delegation but I won't let them "hang themselves." As a manager, I will provide appropriate objectives, guide them throughout the process (utilizing Management by Objectives) and help them make decisions based on the company philosophy. I believe in recognizing good work and letting my staff know that I value and appreciate them when a job is well done. I have confidence my philosophy will not only attract smart and loyal employees, but also develop strong mutual respect, as they will feel that their ideas are valued and that they are respected.

De Kliek will provide in-depth training to new staff, which will include education on the designers, products & services offered, and systems and procedures to follow. There will also be employee manuals provided to support the training as well as examples set by the owner and assistant store manager on customer service. Special awards will be given for great customer service and knowledge imparted.

Personnel Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
Owner	£73,000	£76,000	£90,000	£90,000	£95,000
Assistant Manager	£39,600	£42,000	£43,500	£44,500	£46,000
Style Concierge	£18,400	£4,000	£4,000	£5,000	£5,000
Total People	3	4	4	4	4

Total Payroll	£131,000	£122,000	£137,500	£139,500	£146,000
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Financial Plan

De Kliek looks to bring in annual sales of £600,000 with an operating profit margin of 20%. Gross margins are at 51%, which is 6 percentage points higher than the retail industry average but in line with retail boutique averages. Overall, De Kliek projects to reinvest net profits of 5% into the company for service enhancements and growth initiatives.



First-year cash flows are positive due to the cash-based business of De Kliek. De Kliek remains very liquid with no Current Liabilities forecasted for the year ending June 30, 2005. Startup costs are estimated at £132,700 with almost half of these costs going to startup inventory. See the Start-up Table, above, for details.

8.1 Important Assumptions

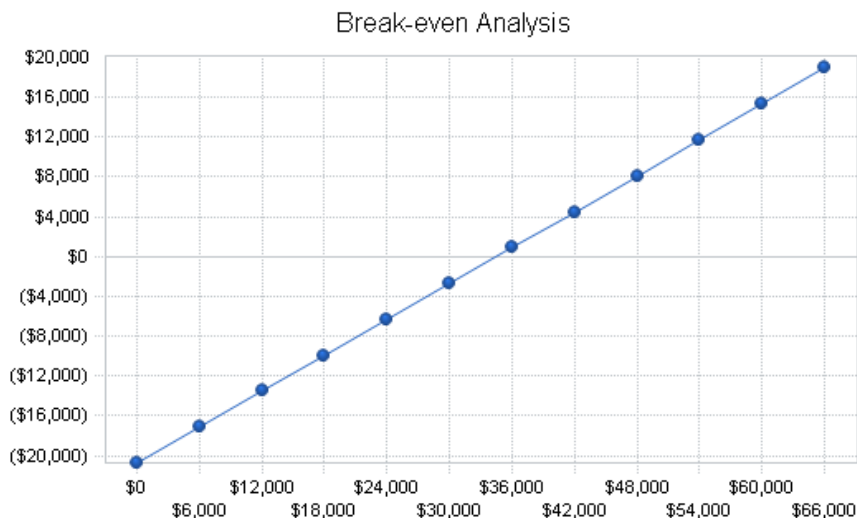
Payroll burden is calculated at 12.65% made up of 7.65% social security, 2% unemployment, and 3% worker's compensation. Payables are assumed to reach levels equal to one month's operating expenses. Long-term interest rates have been based on current SBA loan rates.

General Assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5
Plan Month	1	2	3	4	5
Current Interest Rate	7.96%	10.26%	7.96%	10.26%	7.96%
Long-term Interest Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0

8.2 Break-even Analysis

Cost of goods for the break-even are based on line sheets from the vendors that De Kliek plans to carry. In addition, De Kliek plans to maintain an average 60% retail markup. De Kliek plans to maintain sales revenues well above the break-even level noted below.



Break-even Analysis

Monthly Revenue Break-even £34,501

Assumptions:

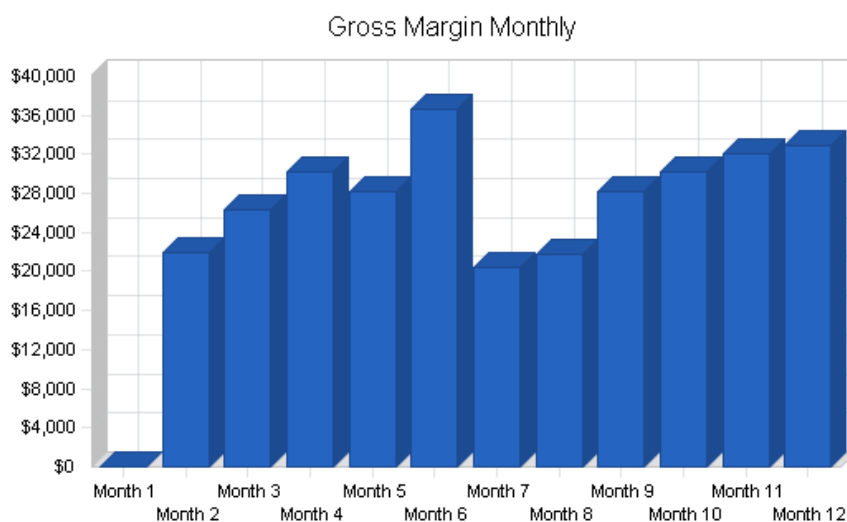
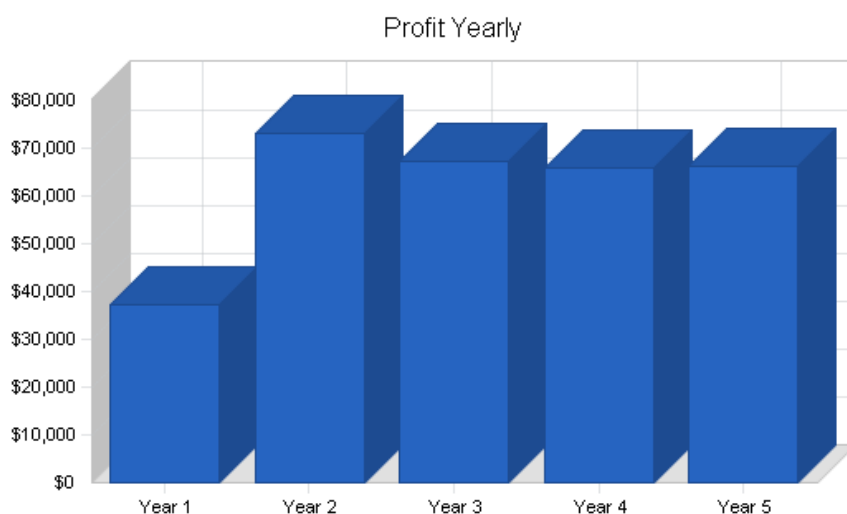
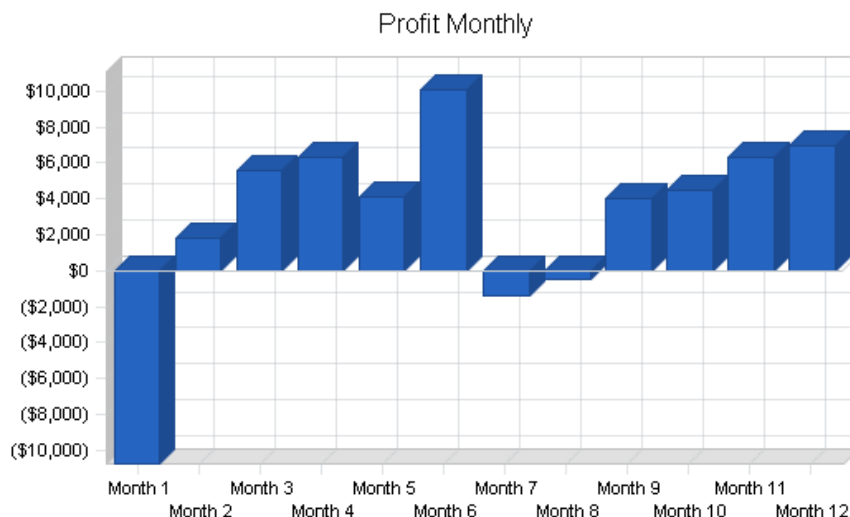
Average Percent Variable Cost 40%

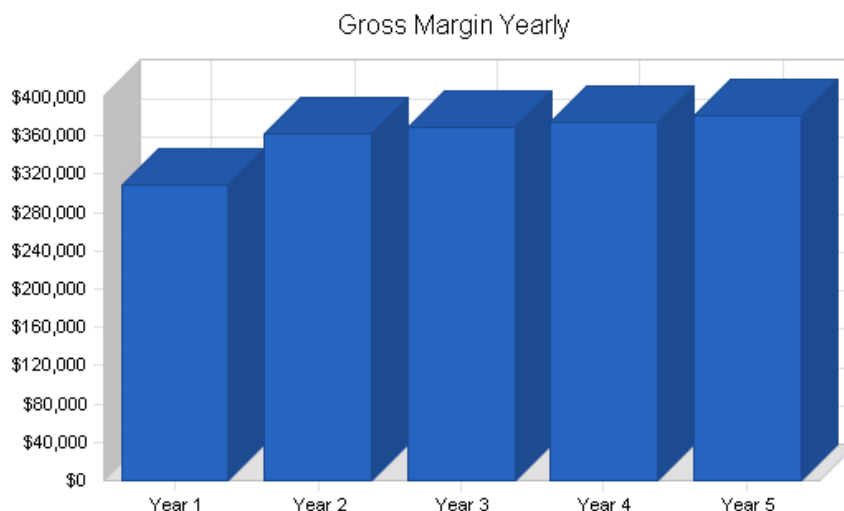
Estimated Monthly Fixed Cost £20,740



8.3 Projected Profit and Loss

The projected Profit and Loss for five years is detailed in the table and charts following. Some assumptions and inclusions to be noted are included in the Appendix.





Pro Forma Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	£513,503	£599,403	£609,402	£620,315	£630,937
Direct Cost of Sales	£204,820	£237,520	£239,896	£245,911	£249,600
Other Costs of Goods	£0	£0	£0	£0	£0
Total Cost of Sales	£204,820	£237,520	£239,896	£245,911	£249,600
Gross Margin	£308,683	£361,883	£369,507	£374,404	£381,337
Gross Margin %	60.11%	60.37%	60.63%	60.36%	60.44%

Expenses

Payroll	£131,000	£122,000	£137,500	£139,500	£146,000
Advertising	£4,800	£4,800	£4,800	£4,800	£4,800
Depreciation	£4,889	£4,889	£4,889	£4,889	£4,889
Amortization - Startup Costs	£5,500	£5,500	£5,500	£5,500	£5,500
Bank Service Charges	£480	£480	£480	£480	£480
Dues & Subscriptions	£600	£600	£600	£600	£600
Education & Training	£1,200	£1,500	£2,000	£2,000	£2,000
Insurance - Workman's Comp	£3,372	£3,500	£3,600	£3,800	£4,000
Insurance - property & liability	£6,204	£6,200	£6,300	£6,500	£6,500
Interest Expense - LT Loan	£4,716	£4,716	£4,716	£4,716	£4,716
License & Permits	£110	£0	£0	£0	£0
Maintenance - Office	£2,400	£2,400	£2,400	£2,400	£2,400
Marketing and PR	£9,600	£10,000	£10,000	£10,000	£10,000
Miscellaneous	£3,600	£3,600	£3,600	£3,600	£3,600
Payroll - Charges	£797	£800	£800	£800	£800
Postage & Delivery	£600	£600	£600	£600	£600
Printing & reproduction	£1,200	£1,200	£1,200	£1,200	£1,200

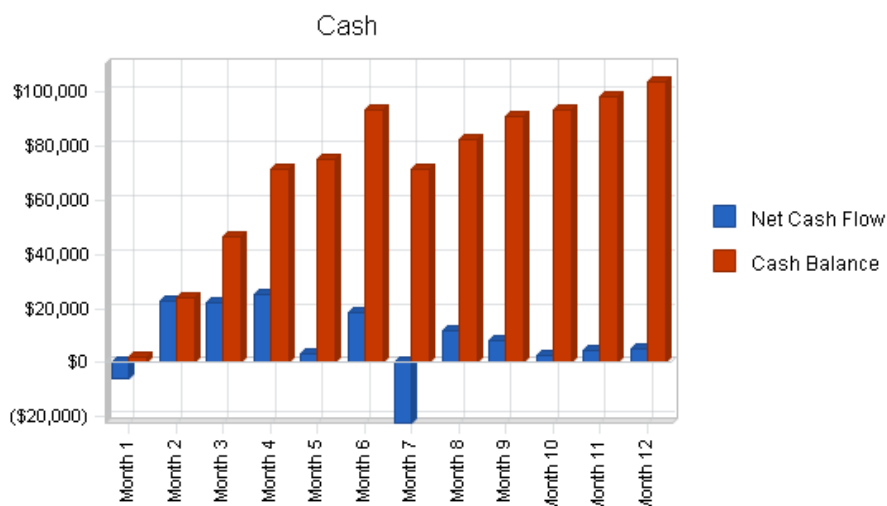


Prof Fees - Accounting	£1,500	£1,500	£1,500	£1,500	£1,500
Prof Fees - Legal	£1,000	£500	£500	£500	£500
Rent	£36,000	£36,000	£36,000	£40,000	£40,000
Repairs	£600	£600	£600	£600	£600
Security	£348	£350	£350	£350	£350
Supplies - Office & Store	£4,200	£4,200	£4,200	£4,200	£4,200
Travel & Entertainment	£8,500	£10,000	£10,000	£10,000	£10,000
Telephone / Internet Access	£1,440	£1,440	£1,440	£1,440	£1,440
Utilities	£2,100	£2,100	£2,100	£2,100	£2,100
Payroll Taxes	£720	£10,515	£10,890	£11,490	£12,015
Employee Benefits	£9,000	£9,100	£9,100	£10,100	£10,100
Other	£2,400	£2,400	£2,400	£2,400	£2,400
Total Operating Expenses	£248,876	£251,490	£268,065	£276,065	£283,290
Profit Before Interest and Taxes	£59,806	£110,393	£101,442	£98,339	£98,047
EBITDA	£64,696	£115,282	£106,331	£103,228	£102,936
Interest Expense	£6,753	£5,963	£5,138	£4,314	£3,489
Taxes Incurred	£15,916	£31,329	£28,891	£28,208	£28,367
Net Profit	£37,137	£73,101	£67,412	£65,818	£66,191
Net Profit/Sales	7.23%	12.20%	11.06%	10.61%	10.49%

8.4 Projected Cash Flow

The projected Cash Flow for five years is detailed in the table and chart following. In addition, it should be noted that De Kliek will establish relationships with vendors and/or representatives to determine the following to maintain cash flow:

- Average price points – this will help ensure that a good mix of prices are maintained.
- Delivery time frame & reliability – this will be crucial to ensure maximization of profits during the key shopping time frames. For Italian designers who may live up to the Italian notoriety for being late in deliveries, De Kliek will request the earliest possible delivery from them and also ensure they will be open to discounts if deliveries are late.
- Shipping and transportation policies.
- Market demand and turn rates – typically the vendor should know their end customer and be able to share that information so it aligns with my target market as well as helps me determine how much is appropriate to buy.
- Payment terms and agreements – The goal is to be at Net 30 but I expect vendors to understand that De Kliek is a new boutique and will work with De Kliek to get the store at Net 30 terms with them within one season.



Pro Forma Cash Flow

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	£513,503	£599,403	£609,402	£620,315	£630,937
Subtotal Cash from Operations	£513,503	£599,403	£609,402	£620,315	£630,937
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	£0	£0	£0	£0	£0
New Current Borrowing	£0	£0	£0	£0	£0
New Other Liabilities (interest-free)	£0	£0	£0	£0	£0
New Long-term Liabilities	£0	£0	£0	£0	£0
Sales of Other Current Assets	£0	£0	£0	£0	£0
Sales of Long-term Assets	£0	£0	£0	£0	£0
New Investment Received	£0	£0	£0	£0	£0
Subtotal Cash Received	£513,503	£599,403	£609,402	£620,315	£630,937
Expenditures					
Expenditures from Operations					
Cash Spending	£131,000	£122,000	£137,500	£139,500	£146,000
Bill Payments	£275,075	£404,006	£400,156	£409,729	£414,040
Subtotal Spent on Operations	£406,075	£526,006	£537,656	£549,229	£560,040
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	£0	£0	£0	£0	£0
Principal Repayment of Current Borrowing	£0	£0	£0	£0	£0
Other Liabilities Principal Repayment	£0	£0	£0	£0	£0
Long-term Liabilities Principal Repayment	£10,308	£10,308	£10,308	£10,308	£10,308



Purchase Other Current Assets	£0	£0	£0	£0	£0
Purchase Long-term Assets	£0	£0	£0	£0	£0
Dividends	£1,000	£1,000	£1,500	£1,500	£1,000
Subtotal Cash Spent	£417,383	£537,314	£549,464	£561,037	£571,348
Net Cash Flow	£96,120	£62,089	£59,938	£59,277	£59,589
Cash Balance	£103,620	£165,709	£225,647	£284,924	£344,513

8.5 Projected Balance Sheet

All financials will be updated monthly to reflect past performance and future assumptions. Future assumptions will be based on our inventory plans from Retail Merchandising Service Automation (RMSA), economic cycle activity, regional retail indicators, apparel trends, and future cash flow. De Kliek works with both an Accountant and CPA whom both have personal and professional experience in retail operations. We expect solid growth in net worth beyond the first fiscal year of operation.

Pro Forma Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	£103,620	£165,709	£225,647	£284,924	£344,513
Inventory	£24,003	£27,835	£28,113	£28,616	£29,106
Other Current Assets	£0	£0	£0	£0	£0
Total Current Assets	£127,622	£193,544	£253,760	£313,541	£373,620
Long-term Assets					
Long-term Assets	£24,599	£24,599	£24,599	£24,599	£24,599
Accumulated Depreciation	£4,889	£9,778	£14,667	£19,556	£24,445
Total Long-term Assets	£19,710	£14,821	£9,932	£5,043	£154
Total Assets	£147,332	£208,364	£263,692	£318,583	£373,773
Liabilities and Capital					
Current Liabilities					
Accounts Payable	£33,904	£33,143	£32,867	£33,749	£34,056
Current Borrowing	£0	£0	£0	£0	£0
Other Current Liabilities	£0	£0	£0	£0	£0
Subtotal Current Liabilities	£33,904	£33,143	£32,867	£33,749	£34,056
Long-term Liabilities					
Long-term Liabilities	£79,692	£69,384	£59,076	£48,768	£38,460
Total Liabilities	£113,596	£102,527	£91,943	£82,517	£72,516



Paid-in Capital	£42,707	£42,707	£42,707	£42,707	£42,707
Retained Earnings	(£46,108)	(£9,971)	£61,630	£127,542	£192,360
Earnings	£37,137	£73,101	£67,412	£65,818	£66,191
Total Capital	£33,736	£105,837	£171,749	£236,067	£301,257
Total Liabilities and Capital	£147,332	£208,364	£263,692	£318,583	£373,773
Net Worth	£33,736	£105,837	£171,749	£236,067	£301,257

8.6 Business Ratios

Standard business ratios are included in the following table. The ratios show a plan for balanced, healthy growth. Industry profile ratios based on the Standard Industrial Classification (SIC) code 5621, Women's Clothing Stores, are shown for comparison.

Ratio Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Industry Profile
Sales Growth	0.00%	16.73%	1.67%	1.79%	1.71%	2.95%

Percent of Total Assets

Inventory	16.29%	13.36%	10.66%	8.98%	7.79%	55.38%
Other Current Assets	0.00%	0.00%	0.00%	0.00%	0.00%	25.29%
Total Current Assets	86.62%	92.89%	96.23%	98.42%	99.96%	88.70%
Long-term Assets	13.38%	7.11%	3.77%	1.58%	0.04%	11.30%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Current Liabilities	23.01%	15.91%	12.46%	10.59%	9.11%	24.77%
Long-term Liabilities	54.09%	33.30%	22.40%	15.31%	10.29%	5.35%
Total Liabilities	77.10%	49.21%	34.87%	25.90%	19.40%	30.12%
Net Worth	22.90%	50.79%	65.13%	74.10%	80.60%	69.88%

Percent of Sales

Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	60.11%	60.37%	60.63%	60.36%	60.44%	41.89%
Selling, General & Administrative Expenses	40.82%	41.05%	41.07%	41.51%	41.52%	21.02%
Advertising Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	3.78%
Profit Before Interest and Taxes	11.65%	18.42%	16.65%	15.85%	15.54%	3.15%

Main Ratios

Current	3.76	5.84	7.72	9.29	10.97	3.37
Quick	3.06	5.00	6.87	8.44	10.12	0.87
Total Debt to Total Assets	77.10%	49.21%	34.87%	25.90%	19.40%	40.19%
Pre-tax Return on Net Worth	157.26%	98.67%	56.07%	39.83%	31.39%	7.14%
Pre-tax Return on Assets	36.01%	50.12%	36.52%	29.51%	25.30%	11.93%

Additional Ratios	Year 1	Year 2	Year 3	Year 4	Year 5
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Net Profit Margin	7.23%	12.20%	11.06%	10.61%	10.49%	n.a
Return on Equity	110.08%	69.07%	39.25%	27.88%	21.97%	n.a
Activity Ratios						
Inventory Turnover	7.93	9.16	8.58	8.67	8.65	400.00%
Accounts Payable Turnover	9.11	12.17	12.17	12.17	12.17	n.a
Payment Days	27	30	30	30	30	n.a
Total Asset Turnover	3.49	2.88	2.31	1.95	1.69	n.a
Debt Ratios						
Debt to Net Worth	3.37	0.97	0.54	0.35	0.24	100.00%
Current Liab. to Liab.	0.30	0.32	0.36	0.41	0.47	n.a
Liquidity Ratios						
Net Working Capital	£93,718	£160,400	£220,893	£279,792	£339,564	n.a
Interest Coverage	8.86	18.51	19.74	22.80	28.10	n.a
Additional Ratios						
Assets to Sales	0.29	0.35	0.43	0.51	0.59	n.a
Current Debt/Total Assets	23%	16%	12%	11%	9%	n.a
Acid Test	3.06	5.00	6.87	8.44	10.12	n.a
Sales/Net Worth	15.22	5.66	3.55	2.63	2.09	n.a
Dividend Payout	0.03	0.01	0.02	0.02	0.02	n.a

Appendix

Pro Forma Balance Sheet

	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets													
Current Assets													
Cash	£7,500	£1,810	£24,309	£46,548	£71,615	£74,940	£93,659	£71,323	£82,843	£91,276	£93,776	£98,515	£103,620
Inventory	£55,500	£55,500	£40,962	£23,511	£22,069	£20,525	£26,626	£14,966	£15,907	£20,546	£22,114	£23,358	£24,003
Other Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Current Assets	£63,000	£57,310	£65,271	£70,058	£93,685	£95,465	£120,285	£86,288	£98,750	£111,822	£115,890	£121,873	£127,622
Long-term Assets													
Long-term Assets	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599	£24,599
Accumulated Depreciation	£0	£407	£815	£1,222	£1,630	£2,037	£2,445	£2,852	£3,260	£3,667	£4,074	£4,482	£4,889
Total Long-term Assets	£24,599	£24,192	£23,784	£23,377	£22,969	£22,562	£22,154	£21,747	£21,339	£20,932	£20,525	£20,117	£19,710
Total Assets	£87,599	£81,502	£89,055	£93,435	£116,654	£118,027	£142,439	£108,035	£120,090	£132,754	£136,415	£141,990	£147,332
Liabilities and Capital													
Current Liabilities													
Accounts Payable	£0	£5,535	£12,098	£11,717	£29,504	£27,619	£42,826	£10,660	£24,037	£33,536	£33,576	£33,667	£33,904
Current Borrowing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Current Liabilities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal Current Liabilities	£0	£5,535	£12,098	£11,717	£29,504	£27,619	£42,826	£10,660	£24,037	£33,536	£33,576	£33,667	£33,904
Long-term Liabilities													
Long-term Liabilities	£90,000	£89,141	£88,282	£87,423	£86,564	£85,705	£84,846	£83,987	£83,128	£82,269	£81,410	£80,551	£79,692
Total Liabilities	£90,000	£94,676	£100,380	£99,140	£116,068	£113,324	£127,672	£94,647	£107,165	£115,805	£114,986	£114,218	£113,596
Paid-in Capital	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707	£42,707
Retained Earnings	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£45,108)	(£46,108)
Earnings	£0	(£10,773)	(£8,924)	(£3,304)	£2,987	£7,103	£17,169	£15,790	£15,326	£19,349	£23,829	£30,173	£37,137
Total Capital	(£2,401)	(£13,174)	(£11,325)	(£5,705)	£586	£4,702	£14,768	£13,389	£12,925	£16,948	£21,428	£27,772	£33,736
Total Liabilities and Capital	£87,599	£81,502	£89,055	£93,435	£116,654	£118,027	£142,439	£108,035	£120,090	£132,754	£136,415	£141,990	£147,332
Net Worth	(£2,401)	(£13,174)	(£11,325)	(£5,705)	£586	£4,702	£14,768	£13,389	£12,925	£16,948	£21,428	£27,772	£33,736



General Assumptions

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	6.00%	6.30%	6.62%	6.95%	7.29%	7.66%	8.04%	8.44%	8.86%	9.31%	9.77%	10.26%
Long-term Interest Rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Pro Forma Cash Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	£0	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056	£36,208	£46,825	£50,393	£53,236	£54,700
Subtotal Cash from Operations	£0	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056	£36,208	£46,825	£50,393	£53,236	£54,700
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Current Borrowing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Other Liabilities (interest-free)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Long-term Liabilities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Other Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sales of Long-term Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
New Investment Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Subtotal Cash Received	£0	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056	£36,208	£46,825	£50,393	£53,236	£54,700
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	£4,640	£7,140	£8,140	£11,640	£12,140	£12,140	£12,340	£12,340	£12,340	£12,340	£12,900	£12,900
Bill Payments	£191	£5,952	£12,502	£12,735	£30,456	£29,096	£43,194	£11,488	£25,193	£34,694	£34,737	£34,836
Subtotal Spent on Operations	£4,831	£13,092	£20,642	£24,375	£42,596	£41,236	£55,534	£23,828	£37,533	£47,034	£47,637	£47,736
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Principal Repayment of Current Borrowing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Liabilities Principal Repayment	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Long-term Liabilities Principal Repayment	£859	£859	£859	£859	£859	£859	£859	£859	£859	£859	£859	£859
Purchase Other Current Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Purchase Long-term Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Dividends	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£1,000
Subtotal Cash Spent	£5,690	£13,951	£21,501	£25,234	£43,455	£42,095	£56,393	£24,687	£38,392	£47,893	£48,496	£49,595
Net Cash Flow	(£5,690)	£22,499	£22,239	£25,067	£3,325	£18,719	(£22,337)	£11,521	£8,433	£2,500	£4,740	£5,105
Cash Balance	£1,810	£24,309	£46,548	£71,615	£74,940	£93,659	£71,323	£82,843	£91,276	£93,776	£98,515	£103,620

Pro Forma Profit and Loss

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	£0	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056	£36,208	£46,825	£50,393	£53,236	£54,700
Direct Cost of Sales	£0	£14,538	£17,451	£20,063	£18,659	£24,206	£13,605	£14,461	£18,678	£20,104	£21,234	£21,821
Other Costs of Goods	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Cost of Sales	£0	£14,538	£17,451	£20,063	£18,659	£24,206	£13,605	£14,461	£18,678	£20,104	£21,234	£21,821
Gross Margin	£0	£21,912	£26,289	£30,238	£28,121	£36,608	£20,451	£21,747	£28,147	£30,289	£32,002	£32,880
Gross Margin %	0.00%	60.12%	60.10%	60.11%	60.11%	60.20%	60.05%	60.06%	60.11%	60.11%	60.11%	60.11%
Expenses												
Payroll	£4,640	£7,140	£8,140	£11,640	£12,140	£12,140	£12,340	£12,340	£12,340	£12,340	£12,900	£12,900
Advertising	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400	£400
Depreciation	£407	£407	£407	£407	£407	£407	£407	£407	£407	£407	£407	£407
Amortization - Startup Costs	£458	£458	£458	£458	£458	£458	£458	£458	£458	£458	£458	£458
Bank Service Charges	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40	£40
Dues & Subscriptions	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50
Education & Training	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100
Insurance - Workman's Comp	£281	£281	£281	£281	£281	£281	£281	£281	£281	£281	£281	£281
Insurance - property & liability	£517	£517	£517	£517	£517	£517	£517	£517	£517	£517	£517	£517
Interest Expense - LT Loan	£417	£413	£408	£404	£400	£395	£391	£386	£382	£377	£373	£370
License & Permits	£110	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Maintenance - Office	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200
Marketing and PR	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800	£800
Miscellaneous	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300
Payroll - Charges	£66	£66	£66	£66	£66	£66	£66	£66	£66	£66	£66	£66
Postage & Delivery	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50
Printing & reproduction	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100
Prof Fees - Accounting	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125
Prof Fees - Legal	£500	£0	£0	£0	£0	£500	£0	£0	£0	£0	£0	£0
Rent	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
Repairs	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50
Security	£29	£29	£29	£29	£29	£29	£29	£29	£29	£29	£29	£29
Supplies - Office & Store	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350	£350
Travel & Entertainment	£500	£2,500	£500	£0	£500	£0	£500	£500	£500	£2,000	£500	£500
Telephone / Internet Access	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120
Utilities	£175	£175	£175	£175	£175	£175	£175	£175	£175	£175	£175	£175
Payroll Taxes	15%	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60	£60
Employee Benefits	15%	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750	£750
Other	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200
Total Operating Expenses	£14,796	£18,682	£17,677	£20,673	£21,689	£21,864	£21,860	£21,855	£21,851	£23,346	£22,402	£22,399
Profit Before Interest and Taxes	(£14,796)	£3,230	£8,611	£9,585	£8,452	£14,944	(£1,410)	(£1,008)	£6,296	£6,943	£9,599	£10,480
EBITDA	(£14,389)	£3,638	£9,019	£9,972	£8,859	£15,352	(£1,002)	£299	£6,703	£7,350	£10,007	£10,888
Interest Expense	£594	£589	£583	£577	£571	£568	£560	£554	£548	£537	£537	£531
Taxes Incurred	(£4,617)	£793	£2,409	£2,696	£1,764	£4,314	(£591)	(£199)	£1,724	£1,920	£2,719	£2,985
Net Profit	(£10,773)	£1,849	£5,620	£6,291	£4,116	£10,065	(£1,379)	(£464)	£4,023	£4,480	£6,344	£6,964
Net Profit/Sales	0.00%	5.07%	12.85%	12.51%	8.80%	16.55%	-4.05%	-1.28%	8.59%	8.89%	11.92%	12.73%



Personnel Plan

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Owner	0%	£0	£2,500	£3,500	£7,000	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500
Assistant Manager	0%	£3,200	£3,200	£3,200	£3,200	£3,200	£3,200	£3,400	£3,400	£3,400	£3,400	£3,400	£3,400
Style Concierge	0%	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	£2,000	£2,000
Total People		2	2	2	2	2	2	2	2	2	2	3	3
Total Payroll		£4,640	£7,140	£8,140	£11,640	£12,140	£12,140	£12,340	£12,340	£12,340	£12,340	£12,900	£12,900

Sales Forecast

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Casual Tops	0%	£0	£3,360	£4,150	£4,650	£4,400	£5,132	£3,600	£3,650	£4,300	£4,800	£4,888	£4,950
Blouses	0%	£0	£2,915	£3,570	£4,035	£3,700	£4,449	£3,000	£3,150	£3,700	£4,300	£4,237	£4,300
Sweaters	0%	£0	£2,650	£3,220	£3,670	£3,400	£4,300	£2,600	£2,800	£3,350	£3,600	£3,853	£3,900
Knits	0%	£0	£2,750	£3,350	£3,810	£3,500	£4,600	£2,800	£2,950	£3,500	£3,800	£4,000	£4,100
Pants	0%	£0	£3,090	£3,800	£4,275	£4,100	£5,100	£3,000	£3,100	£3,900	£4,300	£4,492	£4,550
Skirts	0%	£0	£2,405	£3,000	£3,300	£3,150	£4,000	£2,300	£2,350	£3,000	£3,285	£3,499	£3,550
Dresses	0%	£0	£1,875	£2,200	£2,590	£2,300	£3,200	£1,700	£1,800	£2,400	£2,550	£2,720	£2,775
Denim	0%	£0	£2,155	£2,500	£2,980	£2,730	£3,600	£1,900	£2,025	£2,750	£3,000	£3,134	£3,200
Separates	0%	£0	£1,445	£1,650	£1,990	£1,800	£2,500	£1,200	£1,350	£1,800	£2,000	£2,089	£2,200
Jackets/Blazers	0%	£0	£1,850	£2,200	£2,560	£2,300	£3,300	£1,400	£1,600	£2,300	£2,500	£2,690	£2,750
Coats/Outerwear	0%	£0	£1,600	£1,800	£2,211	£1,900	£2,700	£1,500	£1,600	£2,000	£2,200	£2,325	£2,375
Fashion Accessories	0%	£0	£3,740	£4,600	£5,170	£5,100	£6,000	£3,800	£3,950	£4,800	£5,300	£5,432	£5,480
Jewelry	0%	£0	£1,635	£2,000	£2,250	£1,950	£3,500	£1,200	£1,350	£2,000	£2,200	£2,365	£2,400
Personal Care	0%	£0	£900	£950	£1,180	£900	£1,600	£700	£900	£1,100	£1,150	£1,253	£1,350
Wardrobe Accessories	0%	£0	£1,275	£1,450	£1,750	£1,500	£2,400	£1,100	£1,200	£1,600	£1,700	£1,862	£1,900
Style Assessments	0%	£0	£205	£230	£250	£264	£290	£226	£282	£230	£264	£261	£265
Special Orders	0%	£0	£2,500	£2,950	£3,500	£3,650	£4,000	£1,900	£2,000	£3,950	£3,300	£4,000	£4,500
Alterations	0%	£0	£100	£120	£130	£136	£143	£130	£151	£145	£144	£136	£155
Total Sales		£0	£36,450	£43,740	£50,301	£46,780	£60,814	£34,056	£36,208	£46,825	£50,393	£53,236	£54,700
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Casual Tops		£0	£1,445	£1,785	£2,000	£1,892	£2,207	£1,548	£1,570	£1,849	£2,064	£2,102	£2,129
Blouses		£0	£1,224	£1,499	£1,695	£1,554	£1,869	£1,260	£1,323	£1,554	£1,806	£1,780	£1,806
Sweaters		£0	£1,113	£1,352	£1,541	£1,428	£1,806	£1,092	£1,176	£1,407	£1,512	£1,618	£1,638
Knits		£0	£1,155	£1,407	£1,600	£1,470	£1,932	£1,176	£1,239	£1,470	£1,596	£1,680	£1,722
Pants		£0	£1,236	£1,520	£1,710	£1,640	£2,040	£1,200	£1,240	£1,560	£1,720	£1,797	£1,820
Skirts		£0	£986	£1,230	£1,353	£1,292	£1,640	£943	£964	£1,230	£1,347	£1,435	£1,456
Dresses		£0	£713	£836	£984	£874	£1,216	£646	£684	£912	£969	£1,034	£1,055
Denim		£0	£862	£1,000	£1,192	£1,092	£1,440	£760	£810	£1,100	£1,200	£1,254	£1,280
Separates		£0	£578	£660	£796	£720	£1,000	£480	£540	£720	£800	£836	£880
Jackets/Blazers		£0	£777	£924	£1,075	£966	£1,386	£588	£672	£966	£1,050	£1,130	£1,155
Coats/Outerwear		£0	£576	£648	£796	£684	£972	£540	£576	£720	£792	£837	£855
Fashion Accessories		£0	£1,309	£1,610	£1,809	£1,785	£2,100	£1,330	£1,383	£1,680	£1,855	£1,901	£1,918
Jewelry		£0	£572	£700	£788	£683	£1,225	£420	£472	£700	£770	£828	£840
Personal Care		£0	£360	£380	£472	£360	£640	£280	£360	£440	£460	£501	£540
Wardrobe Accessories		£0	£510	£580	£700	£600	£960	£440	£480	£640	£680	£745	£760
Style Assessment		£0	£82	£92	£100	£106	£116	£90	£113	£92	£106	£104	£106
Special Orders		£0	£1,000	£1,180	£1,400	£1,460	£1,600	£760	£800	£1,580	£1,320	£1,600	£1,800
Alterations		£0	£40	£48	£52	£54	£57	£52	£60	£58	£58	£54	£62
Subtotal Direct Cost of Sales		£0	£14,538	£17,451	£20,063	£18,659	£24,206	£13,605	£14,461	£18,678	£20,104	£21,234	£21,821