



FSB (FASHION SHOPPES BOUTIQUE) ONLINE – BUSINESS PLAN



Presented By:

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FSB – Fashion Shoppes Boutique
Fashion Menswear - Online
Business Plan
2011

515-517 Ocean Avenue
Boynton Beach, Florida 33435
Phone: 561-736-9977
Web: <http://fashionmenswear.com> + FSBmens.com

Business Plan

1.0 EXECUTIVE SUMMARY

Introduction

FSB (Fashion Shoppes Boutique) is a Retailer & Importer of men's clothing located in Boynton Beach Florida. The company's products are Shoes, Trousers, Shirts, Suits, Jackets and Accessories. FSB (<http://fashionmenswear.com> + FSBmens.com) is expanding the store online products and services in 2011. FSB is located @ 515-517 Ocean Avenue, Boynton Beach, Florida 33435. The telephone number is 561-736-9977 or toll free at 800-790-9977. FSB selects its market segments where men have limited or no access to fashion consultations. FSB's charter has been to expand the delivery of our core by using the worldwide web to increase our customer base. The styles that are purchased by our customers include: Elegant, Classic, Conservative and Casual.

2.0 INFORMATION ON THE BUSINESS

FSB History

Established in 1970

- ❖ "Our Father's Son's Boutique" was launched in Downtown Pittsburgh, PA, by owners John and Grace Marquez and Victor Moreno, of Italian and Spanish descent, based in Braddock, PA.
- ❖ The foundation of FSB was rooted by dressing professional NFL & MLB athletes from around the USA during the early 1970's.
- ❖ In August 1973 with the emerging growth of South Florida, John Marquez, believed that the climate of South Florida would be the best place for future growth and family.
- ❖ In 1973, the Marquez family partnered with John's sister, Gloria Ciongoli and her husband Robert, and Fashion Shoppes Boutique FSB was opened to continue the sense of style that was passed down from the generations that came before us.
- ❖ June 10, 1998 FSB created an online presence @ www.fashionmenswear.com + www.FSBmens.com

Offices

FSB's store is located @ 515-517 Ocean Avenue, Boynton Beach, Florida 33435. Our transition strategy is to move to Virtual Solution for our customers and to expand our customer base by reaching customers worldwide via the web. This will establish a financial foundation to afford our first international location and distribution channel abroad. We plan to open offices in Europe & South America as a part of our long term strategy to be closer to our international targeted customers.

Mission

At FSB we specialize in outfitting the fashionable man in the finest men's apparel. You enter as customers... You leave as friends! + Selling Compliments Since 1970.

Our mission is to effectively address three of the most significant issues in of fashion among men: 1. Access to fashion that will improve overall image and style, 2. Access to advice and consultation on

fashion trends from our professionals, 3. Access to the latest fashion information via the World Wide Web at our site 24/7/365.

Access to Fashion That Will Improve Overall Image and Style

When men shop they typically just go to the store and pick up the first item that they see. At FSB we change that experience because we give them the opportunity to pick up fashionable items. We stock the newest fashion trends in all of the fashion categories. Our strategy is to get the newest fashions before they catch on to the general public. Once they catch on we no longer carry the style. Our goal is to be a leader in fashion and continuously on the cutting edge. Therefore, our goal is for our customers to be asked “**Where Did You Get That?**” We strive to change the average man to an eye catching alluring man. Our access and target does not stop with just the men. We target women that want their men to be more fashionable as well.

Access to Advice and Consultation on Fashion Trends From Our Professionals

FSB offers a Fashion **consulting service that is totally trendy** and cost-effective to our client. With the online presence we have the ability to take our store experience and develop the same level of consultation and advice through our education and visual effects. Unlike other retailers and our consultants give our customers the option to work their current wardrobe or the ability to start working on a new one that goes in a different style direction.

Access to the Latest Fashion Information Via the World Wide Web

With the World Wide Web we have the ability to expand our selling approach by educating our customer as well as reaching our customer in their comfortable environment. We will reach customers with our webinars and videos on line. Our customers will have the ability to find out the new trend on their computer and on their mobile phone at anytime. Without visiting the store, we are giving our customers the opportunity to purchase new fashions from their computer or cell phone at their convenience.

Personnel

The current personnel of FSB consist of the Principals Giovanni and Grace Marquez, Gloria Ciongoli and several employee and contract employees. They are 3 sales people on the floor, 1 full time employees IT design employee, 2 part time IT (import images), and 3 to 4 other employees on an as needed basis. The plan is to add employee(s) as the revenue grows as well as the growth of our customer base. The type of employees we will employ will be primarily college graduates and interns. The support staff will be the only exception to this norm. Terminations will be based on for cause bases only. Layoffs will be based on changes in the business environment. The sources of our labor will be college and universities and other like organizations that have candidates with the skill set we need.

Economic/Accounting

The online sales business revenue comes from the sale of **Shoes, Pants, Shirts, Suits, Jackets, Watches and Accessories (Belts & Bags, Cuff Links, Fragrances, Hats, Loungewear, Sunglasses & Ties).**

The price range per category is as follows: **Shoes** \$39 - \$740, **Pants** \$49 - \$158, **Shirts** \$69 - \$155, **Suits** \$125 - \$499, **Jackets** \$95 - \$125, **Watches** \$149 - \$950 **and Accessories**. The prices will be determined by Principal Giovanni Marquez.

Financial statements (or **financial reports**) are formal records of the financial activities of a business, person, or other entity. Financial statements are often referred to as **accounts**, although the term financial statements are also used, particularly by accountants.

Financial statements provide an overview of a business or person's financial condition in both short and long term. All the relevant financial information of a business enterprise presented in a structured manner and in a form easy to understand, is called the financial statements. There are four basic financial statements.

1. **Balance sheet**: also referred to as statement of financial position or condition, reports on a company's assets, liabilities, and Ownership equity at a given point in time.
2. **Income statement**: also referred to as Profit and Loss statement (or a "P&L"), reports on a company's income, expenses, and profits over a period of time. Profit & Loss account provide information on the operation of the enterprise. These include sale and the various expenses incurred during the processing state.
3. **Statement of retained earnings**: explains the changes in a company's retained earnings over the reporting period.
4. **Statement of cash flows**: reports on a company's cash flow activities, particularly its operating, investing and financing activities.

The financial records will be kept and maintained by CFO, **Gloria Ciongoli**.

Legal

Fashion Shoppe Boutique Inc. was established as a C-Corporation in the state of Florida January 21, 1974.

Fashion Shoppe Boutique Inc sales men's clothing which includes but not limited to Shoes, Pants, Shirts, Suits, Jackets, Watches and Accessories (Belts & Bags, Cuff Links, Fragrances, Hats, Loungewear, Sunglasses & Ties). FSB sells clothing from the store front and online.

The FSB products and services will require a working knowledge of all men's fashion trends as well as the latest internet marketing trends.

Future Plans

The FSB products and services are sold primarily in the U.S. 50 States and primarily in Florida. FSB plans to increase our focus on the **Southeast Region** (Florida, Georgia, North and South Carolina, Tennessee and Alabama. After focusing on penetrating the Southeast Region will continue to build our other **7 Regions**. These regions include the following: **Southwest, Midwest, North Central, Northeast, Pacific Northwest and Western Regions**. In addition, we will look at other international opportunities for our services. We will continue to survey our customers to design products and services that will allow them to obtain their fashion goals and objective so they are able to establish and maintain an outstanding fashion image.

In the near future we will develop the **FSB Clothing Brand** using the name / registered trademark Giovanni Marquez® that will focus on the trendy fashions that our customers desire and demand. This will give our organization an opportunity to build a unique clothing brand that will continue our quest to be on the cutting edge of men's fashion.

3.0 MARKET ANALYSIS

Customer Market

Men's fashion market is not that large as it relates to the overall apparel market. Men typically do not focus on fashion unless it is a special occasion. However when men are introduced to what fashion can do to enhance their career and social life, they will start to pay attention and focus more on fashion. After that positive reinforcement to high fashion, men will start to seek out clothing that will get attention outside of that special occasion.

Today's man has reduced their demand for clothing due to the recession and the reduction in disposable income. This trend is projected to continue over the next several years. With that said there is still an opportunity to encourage men to purchase high quality long lasting apparel. This will give today's man a bang for the buck and reduce the need for purchasing clothes as much as in the past.

The FSB customer is a person that desires looking good and feeling good. A man that once they get the compliments desires for them to continue and becomes a customer for life. A customer that is no longer looking for fashion that everyone has purchased from the large retailer in the mall. They are looking for a one of a kind look that can be found only in a boutique shop such as FSB.

The FSB target market is the U.S., Canada and South America (Brazil). The total population of men in the United States is around 138 million, 95 million in Brazil and 15.5 million in Canada. The total U.S. market will spend around \$8.8 Billion on men's apparel in 2011.

Environment

Because of the economic downturn since 2007, men have less disposable income and therefore have reduced their spending on apparel. These trends are projected to continue until 2015. This will make the men's apparel environment tough over the next few years and require FSB to become very innovative in the approach to reach our anticipated growth.

Competition

Key Competitors

Our Key Competitors include the following store that have an online stores presence as well as the brick and mortar store front. The Men's Wearhouse (<http://www.menswearhouse.com>), Jos. A Bank Clothiers Inc (www.josbank.com/) and Phillip-Van Heusen Corporation (<http://www.pvh.com/>), + other fine specialty stores around the world.

Major Player
The Men's Wearhouse Inc.
Jos. A. Bank Clothiers Inc.
Phillips-Van Heusen Corporation

Tied to the economy

The Men's Clothing Stores industry has proven to be especially sensitive to the economic recession. Sinking consumer sentiment, brought about by skyrocketing unemployment levels and a slowdown in personal disposable income growth, has limited downstream demand for apparel. A pattern of merger and acquisition activity has also characterized the industry since 2005, and this pattern is expected to continue through 2015.

Key Industry Statistics

Key Industry Figures	2010
Industry Revenue	*8,848.5 \$ million
Revenue Growth	*1.3 %
Industry Gross Product	*1,948.4 \$ million
Number of Establishments	*11,791 Units
Number of Enterprises	*8,443 Units
Employment	*54,714 People
Exports	--
Imports	--
Total Wages	*1,307.1 \$ million

Competitive Advantage and Disadvantages

SWOT Analysis

There are three significant issues which arise from the SWOT analysis:

1. The need to acquire sufficient operating capital and resources to bridge the business from current online presence to the projected online business
2. The need to focus on regional consumers initially to generate sales quickly and provide a market baseline from which to build the company's product lines and brand equity.
3. The need to leverage and flawlessly execute the company's low overhead cost structure and variable cost operating outsourcing (sales) and intern strategy.

Strengths

- ❖ FSB is highly experienced in the Men's Clothing Industry

- ❖ FSB has a low overhead cost and leverages it's current operating structure
- ❖ Product differentiation due value added features of fashion consulting approach
- ❖ Agility due to FSB size relative to its competition
- ❖ Low penetration high growth markets for FSB products lines
- ❖ FSB has made its products and services easily accessible to the consumer
- ❖ The FSB trademark name + Giovanni Marquez®
- ❖ Tax exempt for online shoppers
- ❖ Licensing available 2012

Weakness

- ❖ Insufficient operating capital
- ❖ FSB historical business approach

Opportunities

- ❖ Utilize the Small Business Administration (SBA) to assist in acquiring sufficient operating capital
- ❖ Leverage FSB agility and staff experience to create a national brand recognition through social media as well as other non-traditional outlets
- ❖ Cleaners (with Alterations) as a value added revenue generating product line
- ❖ Leverage the unique value added features of the online education and webinar services
- ❖ College and University - Placement Offices
- ❖ Outplacement Agencies
- ❖ Staffing Agencies
- ❖ Affinity Groups – Corporations (Example - GM Groups)
 - People with Disabilities,
 - GM African Ancestry Network,
 - GM Plus (for gay and lesbian persons),
 - North American Women's Advisory Council,
 - GM Hispanic Initiative Team,
 - GM Asian Indian Affinity Group,
 - GM Chinese Affinity Group,
 - GM Mid-East/South-East Asian Affinity Group, and
 - Veterans Affinity Group.
- ❖ Professional Organizations & Groups
- ❖ ISN International – Internet Shopping Network International
- ❖ HSN & QVC – FSB Clothing Brand + Giovanni Marquez®
- ❖ Allure™ – Professional Development for Men
- ❖ Spanish Website
- ❖ Portuguese Website
- ❖ Skype Consultants (Web Consultants)
- ❖ Wardrobe Program – Continuous Update and Exposure to Latest Based on Style (Monthly Paid Program – Consultation)

Threats

- ❖ Insufficient access to adequate operating capital within the time constraints.
- ❖ Overcoming the lack of Brand Recognition
- ❖ Copy cat brands can pose potential threats.

Competitive Edge

FSB competitive edges are in the following areas:

1. The experience that FSB has in the business. Our vision of being on the leading edge of men's fashion + Selling Compliments Since 1970.
2. Low Overhead Costs -- FSB low overhead costs is derived from its variable cost operating model tied to the store as the distribution center for online sales and relationship with the vendors to ship to customers direct.
3. The associates at FSB are trained by the founders. These professionals have been selected because of their fashion forward skills and being in touch with the current customer. We are on a mission to hire young talent and develop them to our standards.
4. The focus on our high quality standards that we expect from our associates. The quality service to our customer and our guarantee of the service that we provide.
5. Our continuous improvement of our processes and technology. We will continually survey our customers to research the services that they would like to have provided to them in the future.

Projections

FSB projects that we will reach about 10,000 new potential customers per sales person per month and we predict that we will get about 10% of the people to purchase products from us for the first time. We will believe it to receive it.

4.0 MARKET STRATEGY & IMPLEMENTATION

Marketing Strategy

1. Initially focus on social media and through distribution partners and professional associations to market the brand name and reputation. Therefore we will spend a limited amount of our budget for a substantial amount of exposure.
2. FSB will select a single target market to launch services and build from that experience
3. Cleaners (with Alterations) as a value added revenue generating product line
4. Leverage the unique value added features of the online education and webinar services
5. FSB will market services through College and University - Placement Offices
6. FSB will offer services to Outplacement Agencies as a partnership
7. FSB will offer services to Staffing Agencies as a partnership
8. FSB will provide professional development for Professional Organizations & Groups
9. FSB will use ISN International – Internet Shopping Network International as a distribution partner
10. FSB will target the FSB Clothing Brand to HSN & QVC
11. Distribution partner Allure™ – Professional Development for Men
12. Creation of the Spanish FSB Website
13. Creation of the Portuguese / French FSB Website
14. Use Skype Consultants (Web Consultants) for consulting revenue as well as product sales

15. Wardrobe Program – Continuous Update and Exposure to Latest Based on Style (Monthly Paid Program – Consultation)
16. FSB will conduct an web email and phone campaign with the associates of the professional associations
17. Market to PEOs to give their members a value added service for professional development.
18. FSB will increase consumer awareness of its services by using sponsored magazine articles, and association conferences.
19. FSB will also target affinity groups within major corporations
20. Write editorial article for trade publications
21. Sell concept to HR professionals in Fortune 500 companies to enhance their dress code and company image
22. Fall, Winter, Spring, Summer
23. Pre-Pay Program
24. Season Specials
25. Law Firms & Other e.g. Wall Street
26. Consultants – Flyer Program e.g. Mall in Local City
27. Steps to Success
 - a. Awareness of Brand
 - b. Generate Interest
 - c. Get People to Take Positive Action
28. Seminars
29. Webinars
30. Video
31. Print Media
32. Consultants
33. Web Distribution – Market Segmentation

Promotion

FSB will promote the online business through social media, distribution partners (e.g. Cleaners and Allure Inc.), College and Universities and Professional Associations. We will have an email campaign within these groups and a promotion campaign at their meetings. We will also have a referral program that will give incentives for our customers that refer us to others.

5.0 MANAGEMENT

Principals

PRINCIPALS

Giovanni Marquez, Gloria Marquez, and Gloria Ciongoli founded FSB in 1970. The following is the history and milestones of their journey.

- ❖ Our Father's Son's Boutique" was launched in Downtown Pittsburgh, PA, by owners John and Grace Marquez and Victor Moreno, of Italian and Spanish descent, based in Braddock, PA.
- ❖ The foundation of FSB was rooted by dressing professional NFL & MLB athletes from around the USA during the early 1970's.

- ❖ In August 1973 with the emerging growth of South Florida, John Marquez, believed that the climate of South Florida would be the best place for future growth and family.
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- ❖ June 10, 1998 FSB created an online presence with www.fashionmenswear.com

6.0 FINANCIAL

Money Source(s) and Uses

The money to fund the FSB Online launch will come from the parent company FSB as a line of credit. This will be used to fund the operating cost of the new service.

Financial Assumptions

General Assumption:	The cost of goods sold will be 48% of sales. The FSB store will support FSB Online until the business is profitable. We will make a decision on hiring support personnel as the business grows. The initial focus will be on obtaining customers and distribution channels, not be on spending money on the operation.
Revenues	During the launch of FSB online project we are forecasting 1000 new customers through our website and distribution channels. We plan on increasing this by 10% per month after the first quarter of this initial partnership model.

