**Free Interior Decorator Business Plan**

**1.0 Executive Summary**

The purpose of this business plan is to raise $100,000 for the development of a interior design firm while showcasing the expected financials and operations over the next three years. Interior Decorator, Inc. (“the Company”) is a New York based corporation that will provide in home and in home office design and furniture sourcing services to customers in its targeted market. The Company was founded in 2008 by John Doe.

**1.1 Products and Services**

The primary revenue stream for the business will come from per hour interior decorating advice and design services rendered to homeowners and offices throughout the target market. Management expects to charge clients a per hour fee of $50 for all services related to designing and laying out rooms and offices on behalf of clients. The Company’s secondary revenue stream will come from the direct sourcing, purchase, and resale of furniture and fixtures on behalf of clients. The business will charge a fixed percentage of approximately 15% over the direct cost of acquiring the piece desired by the client. The third section of the business plan will further describe the services offered by Interior Decorator, Inc.

**1.2 The Financing**

Mr. Doe is seeking to raise $100,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate.

**1.3 Mission Statement**

Interior Decorator, Inc.’s mission is to become the recognized leader in its targeted local market for interior design and decorating services.

**1.4 Mangement Team**

The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the interior design industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

**1.5 Sales Forecasts**

Mr. Doe expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

**1.6 Expansion Plan**

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Doe intends to implement marketing campaigns that will effectively target individuals within the target market.

**2.0 Company and Financing Summary**

**2.1 Registered Name and Corporate Structure**

Interior Decorator, Inc. The Company is registered as a corporation in the State of New York.

**2.2 Required Funds**

At this time, the Interior Decorator requires $100,000 of debt funds. Below is a breakdown of how these funds will be used:

**2.3 Investor Equity**

Mr. Doe is not seeking an investment from a third party at this time.

2.4 Management Equity

John Doe owns 100% of Interior Decorator, Inc.

2.5 Exit Strategy

If the business is very successful, Mr. Doe may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of Interior Decorator, Inc. Based on historical numbers, the business could fetch a sales premium of up to 4 times earnings.

3.0 Products and Services

Below is a description of the interior design services offered by the Company.

3.1 Interior Design Services

As stated in the executive summary, Interior Decorator, Inc. is in the business of providing clients with an outstanding level of service that they can call upon for support regarding decorating of homes, offices, and apartments. Mr. Doe and his team will use several strategies for working with clients to develop the household look they are seeking. At the onset of operations, Management intends to integrate a number of new technologies that allow users to take virtual tours of homes with patterns and furniture that they can have installed in their homes. This will not only allow the business to operate more cost effectively, but will also provide a strong marketing image for the Company. Mr. Doe intends to have a price of approximately $50 per hour for assisting a client directly with their design needs.

3.2 Sourcing of Products

The second billing method will be a percentage based (15%) of the budget set by the client. This will allow Interior Decorator to generate substantial gross margins from large scale design projects among wealthy people in the target market. It should be noted that the fixed percentage fees will be applied directly to the actual buying budget of the client exclusive of the per hour design and consulting fees charged by the business.

4.0 Strategic and Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the interior design industry, the customer profile, and the competition that the business will face as it progresses through its business operations. Currently, the economic market condition in the United States is moderate. The meltdown of the sub prime mortgage market coupled with increasing gas prices has led many people to believe that the US is on the cusp of an economic recession. This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows.

4.2 Industry Analysis

Within the United States, there are 11,316 companies that provide interior design and decorating services to the general public. Among these businesses, the yearly revenue generated has aggregately exceeded $7 billion dollars in each of the last five years. The industry provides jobs for more than 40,000 people and provides payrolls of $1.4 billion dollars per year. This industry has exploded as the economic tastes of Americans have changed significantly over the last five years as the overall wealth of the country has grown. As Americans now have more access to capital and an increased borrowing capacity, their ability to spend money on brand name and luxury items/services has also increased. In the last five years, gross annual receipts from interior design businesses has increased 40% with the number of firms increasing by 20% during the same period. However, with the current economic climate, this trend may decline over the next 12 to 24 months as the economy completes its correction.

4.3 Customer Profile

In this section of the analysis, you should describe the type of customer you are seeking to acquire. These traits include income size, type of business/occupation; how far away from your business is to your customer, and what the customer is looking for. In this section, you can also put demographic information about your target market including population size, income demographics, level of education, etc.

4.4 Competitive Analysis

This is one of the sections of the business plan that you must write completely on your own. The key to writing a strong competitive analysis is that you do your research on the local competition. Find out who your competitors are by searching online directories and searching in your local Yellow Pages. If there are a number of competitors in the same industry (meaning that it is not feasible to describe each one) then showcase the number of businesses that compete with you, and why your business will provide customers with service/products that are of better quality or less expensive than your competition.

5.0 Marketing Plan

Interior Decorator, Inc. intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the Company.

5.1 Marketing Objectives

• Develop an online presence by developing a website and placing the Company’s name and contact information with online directories.

• Implement a local campaign with the Company’s targeted market via the use of flyers, local newspaper advertisements, and word of mouth advertising.

5.2 Marketing Strategies

Mr. Doe intends on using a number of marketing strategies that will allow Interior Decorator, Inc. to easily target men and women within the target market. These strategies include traditional print advertisements and ads placed on search engines on the Internet. Below is a description of how the business intends to market its services to the general public. The Company will also use an internet based strategy. This is very important as many people seeking local services, such as interior decorators, now the Internet to conduct their preliminary searches. Mr. Doe will register Interior Decorator, Inc. with online portals so that potential customers can easily reach the business. The Company will also develop its own online website showcasing the experience of the design staff, the Company’s portfolio of completed interior designs, preliminary pricing information, and how to contact the Company. The Company will maintain a sizable amount of print and traditional advertising methods within local markets to promote the interior decorating services that the Company is selling.

5.3 Pricing

In this section, describe the pricing of your services and products. You should provide as much information as possible about your pricing as possible in this section. However, if you have hundreds of items, condense your product list categorically. This section of the business plan should not span more than 1 page.

6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

6.2 Organizational Budget

6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.0 Financial Plan

7.1 Underlying Assumptions

• Interior Decorator, Inc. will have an annual revenue growth rate of 16% per year.

• The Owner will acquire $100,000 of debt funds to develop the business.

• The loan will have a 10 year term with a 9% interest rate.

7.2 Sensitivity Analysis

The Company’s revenues are sensitive to changes in the general economy. Interior design is a luxury service, and as such, in the event of a severe economic decline, the business may experience declines in its top line income. However, the Company generates substantial gross margins from its services and as such, the business will be able to remain profitable despite decreases in revenue.

7.3 Source of Funds

7.4 General Assumptions

7.5 Profit and Loss Statements

7.6 Cash Flow Analysis

7.7 Balance Sheet

7.8 General Assumptions

7.9 Business Ratios

Expanded Profit and Loss Statements

Expanded Cash Flow Analysis