

Proposal to Open Vintage Resale Clothing Shop



Prepared By Brett Timmeney

219-538-0746

treasuredgarments@business.com

December 7th, 2021

Table of Contents

Executive Summary.....	3
Introduction.....	3-4
Management.....	4-5
Marketing.....	5-6
Financial Projections.....	6-7
Financial Needs.....	7
Conclusion.....	8
Work Cited.....	9
Revisions.....	10

Executive Summary:

Value Proposition: Our potential plan is an online shop and storefront for vintage clothing that will benefit those who want to face the problem of global warming and live by the reduce, reuse, and recycle motto. Once you enter the shop, you are met with sustainable clothing that is unique and hard to find with a variety of styles. Unlike fast fashion and online shopping, our store offers an experience beyond the everlasting cookie-cutter fashion. The in-store experience ensures quality and sizing of items, strong customer service, and a way to show off your personality through clothing.

Introduction: My business partner and I plan to open the storefront nearby the new Chicago Bears stadium opening in 2030. The inventory will be sourced from various thrift shops in the Chicago-Land area. Inventory can also come from those who are looking to trade in their clothing for cash. The inventory, for example, will consist of rare vintage sports clothing and memorabilia, concert tees, and other unique vintage styles.

Management: My business partner and I plan to take upon the marketing, store management, and inventory components of the shop. We are qualified through our experience and education. The positions needed to fill within the store are the assistant manager and sales positions. In searching for employees, it is important to fill the assistant store manager and sales positions with others who are just as passionate about reducing the carbon footprint of the fast fashion industry.

Marketing: Our primary target market is focused on the Gen-Z population. Our strategy to reach our target audience is to utilize social media, influencers, and word of mouth to drive people to our online shop and store.

Financial Projections: We approximate a 5% growth over the first 3 years in business. The business will grow at a strong rate through our marketing and business-to-customer relationship. We project a net profit of \$57,996 at the end of year 3.

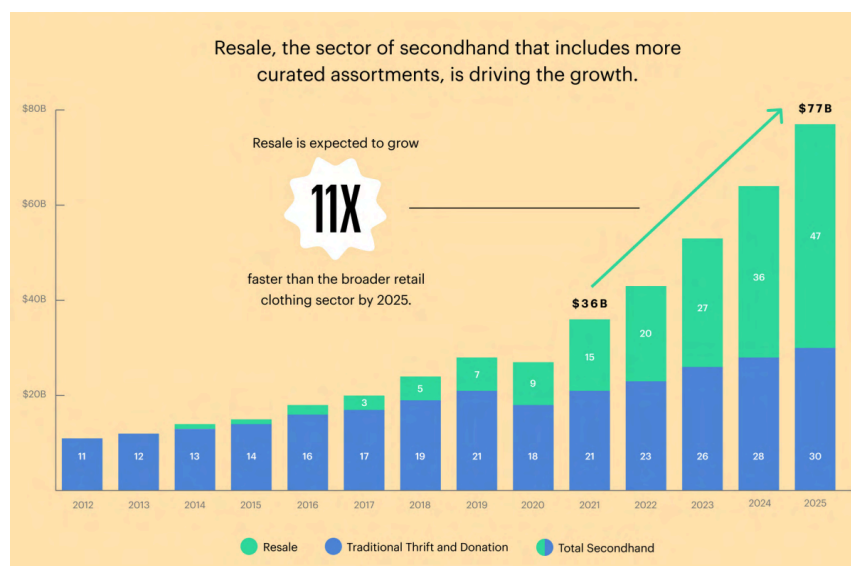
Financial Need: Our main financial need for our business is start-up funding for operating expenses. To run our business, it would cost approximately \$331,428 to operate for the first year. We currently have approximately \$200,000 in startup funding, leaving a total of \$131,428 needed to get the business running.

Introduction:

My business partner and I have had a long-lasting passion to open a vintage resale clothing storefront and online shop in Arlington Heights, Illinois. The location would be placed nearby the new Chicago Bears Stadium opening in 2030. The store would be a retail spot and the shop would contain hard-to-find clothing from a variety of decades. For example, rare vintage sports clothing and memorabilia, concert

tees, and other unique vintage styles. The inventory for the business will come from searching within various thrift shops like Goodwill, Goodwill Bins, Buffalo Exchange, and Village Discount at a low cost. The inventory can also come from individuals looking to recycle their rare and unique clothing for cash. Our goal is to supply our consumers with unique sustainable clothing and reduce the carbon footprint created by the fast-fashion industry. What makes this storefront and online shop special is the experience involved in the consumer's purchasing process. In particular, the experience supplies nostalgic value, a one-of-a-kind wardrobe, social interaction within the vintage community, and the satisfaction of treasure hunting for special clothing.¹

Market Size: The size of the resale vintage clothing market is large and growing, with strong demand. The resale industry is expected to hit 47 billion dollars and grow 11 times faster than the broader retail clothing sector by 2025.² There have already been large and fast amounts of growth within the market. But, with societal and political goals to reduce carbon emission, the potential growth in the future is boundless.



Competition: Within the growing market, the competition consists of online apps such as DePop and Instagram, and other vintage resale clothing shops in Illinois. Our approach to stay ahead of the competition is to utilize our location, inventory, marketing, and social media presence to gather long-lasting consumers who have the desire to live by the reduce, reuse, and recycle motto.

Challenges to overcome: In order to maintain position in front of the competition, there are some challenges to overcome. The first challenge is finding a strong and viable location for the shop. The plan is to open the shop in Arlington Heights, Illinois, near the new Chicago Bears stadium opening in 2030. But, it is important to find a good-sized location in a strong area that will drive in traffic. One retail spot

¹ Han, J. (n.d.). *Understanding second-hand retailing: A resource based perspective of best practices leading to business success*. Iowa State University Digital Repository. Retrieved November 30, 2021, from <https://lib.dr.iastate.edu/etd/13636/>.

² Inc., T. (n.d.). *2021 fashion resale market and trend report*. ThredUp. Retrieved November 17, 2021, from <https://www.thredup.com/resale/#size-and-impact>.

location I looked at is at 8 Northwest Hwy, Arlington Heights, IL.³ This potential spot is off the highway and it is a great size for the shop, with just a 4-minute drive from the new Chicago Bears stadium opening in 2030. But, we hope to find a retail location for sale within a closer walking distance. One other challenge for our business is our financial start-up needs. We are looking at many ways to help overcome this challenge. The financial need is to help pay for operating expenses for the first year.

Long Term Plan: In the future, we hope to grow our business to other locations in the Chicago-Land area. The resale market is continuing to grow immensely. Once our first store has a strong foundation, we believe that we can continue to expand our business.

Management:

Our Role in Management:

For management in our shop, my business partner and I will be in charge of handling store management, inventory, and marketing. In particular, I will be in charge of digital marketing and store marketing. This involves completing the necessary steps for building a brand and getting our name out through social media. At the University of Iowa, I have studied Enterprise and Leadership with a focus on marketing. In addition, I have taken a graphic design course to teach me the basics of graphic design and I have a desire to learn more to grow the shop. My experience and knowledge, in marketing and entrepreneurialism, is what qualifies me to handle these positions.

On the other side, my business partner, Ivan Deato, will be in charge of being the store manager. The store manager position involves someone who is a self-motivated leader, has strong sales ability, and has strong customer service skills. My business partner Ivan has already embedded himself in the vintage clothing community and is more than qualified to manage the store. His passion and experience in the resale clothing industry are what make him a good manager.

Lastly, Ivan and I will both be in charge of gathering inventory. The inventory position involves someone who is committed, dependable, and has a good eye for unique vintage clothing. Our long-term experience in searching in various thrifts is what qualifies us to find the inventory for the store. Below are the positions needed to fill in the store:

Positions needed to fill:

- 2 Assistant Store Manager
- Cashiers/Sales (2-3 on the floor)

What qualifies our employees to fill these positions:

³ LoopNet.com. (n.d.). 8 Northwest Hwy, Arlington Heights, IL 60004 - 8 E. northwest highway. LoopNet. Retrieved December 15, 2021, from <https://www.loopnet.com/Listing/8-Northwest-Hwy-Arlington-Heights-IL/22932662/>

It is important to fill the assistant store manager and sales positions with others who are just as passionate about reducing the carbon footprint of the fast fashion industry. Our employees will work hard and be dependable at any moment. The assistant manager position will be filled with someone who can communicate, adapt, and organize and the sales positions will be filled with those who are knowledgeable about the product and good when it comes to customer service. Applicants will be sought out carefully as their ability to make a strong customer-to-business relationship is a necessity to maintain returning customers.

Marketing:

Primary Target Market

- **Demographic:** Gen-Z, males and females, upper-middle-class
- **Psychographic Segmentation:** Values sustainability and the environment, strong interest and appreciation in clothing, lifestyle includes getting out in the world and utilizes clothing to show personality.

Why Gen-Z is our primary target audience: The large growth in the resale vintage clothing market can be pointed towards the Gen-Z population. Surveys and studies have shown that the Gen-Z demographic is the most sustainably-minded shoppers yet. In addition, the search for one-of-a-kind clothing allows the Gen-Z demographic to revolt against the ever-increasing presence of cookie-cutter fast fashion.⁴ This helps display our customer's personalities through clothing. The Gen-Z demographic shows to be a strong target audience for us.

Customer decision-making process: Our target market sees unmet value when it comes to purchasing our clothing. The experience involved in the decision-making process connects with our target audience emotionally. The experience supplies nostalgic value, a one-of-a-kind wardrobe, social interaction within the vintage community, and satisfaction of treasure hunting for special clothing.⁵ This is what will help ease the customer decision-making process.

How new customers will be attracted: New customers will be attracted through word of mouth and social media. When it comes to word of mouth, we plan on utilizing our strong customer-to-business relationship. This will help spread the word and draw in our target audience through the consumer experience within the store. We also plan on using social media to grow our brand and advocate the

⁴ Depop survey confirms Gen-z are the most sustainably-minded shoppers yet. Futurevworld. (2021, August 5). Retrieved December 7, 2021, from <https://futurevworld.com/fashion/depop-gen-z-survey-buying-habits-sustainability-futureproof-bain-and-company/>.

⁵ Han, J. (n.d.). *Understanding second-hand retailing: A resource based perspective of best practices leading to business success*. Iowa State University Digital Repository. Retrieved November 30, 2021, from <https://lib.dr.iastate.edu/etd/13636/>.

reduction of the clothing industry's carbon footprint. This will help attract new customers who are looking to live by the reduce, reuse, and recycle motto. In addition, We plan on making an Instagram shop to expand our business and draw in new customers from around the country. Finally, we hope to partner with various athletes and influencers. To find a good fit we plan on researching for someone known for their unique clothing style and strong social media presence. For example, Lonzo Ball would bring good recognition for his style and large social media following. This will help with marketing our business on a larger scale.

What is our competitive advantage: Our competitive advantage within the market is our urge to have a strong social media presence, location, and customer-to-business relationship with consumers. We are likely to succeed and thrive against the competition through these factors.

Financial Projection

Below is a chart that provides the sales activity, operating expenses, and net profit. you can see that we will begin to make a slight profit after year one. We approximate that the business will have a 5% growth from years 1-3. We believe that our business will grow at this rate through our strong social media presence, location, and customer-to-business relationship with consumers. It is very likely that our projections will hold true because of the attraction and experience our business holds.

Income Statement	Year 1	Year 2	Year 3
Sales Activity			
Net Revenue	\$ 360,000	\$ 378,000	\$ 396,900
Cost of Goods	\$ 5,000	\$ 5,250	\$ 5,512
Gross Profit	\$ 355,000	\$ 372,750	\$ 391,388
Operating Expenses			
Wages	\$ 176,000	\$ 176,000	\$ 176,000
Marketing	\$ 500	\$ 500	\$ 500
Owners' Salary	\$ 73,000	\$ 73,000	\$ 73,000
Rent	\$ 35,000	\$ 35,000	\$ 35,000
Utilities Expense	\$ 20,000	\$ 20,000	\$ 20,000
Payroll Taxes	\$ 26,928	\$ 26,928	\$ 26,928
Total Operating Expenses	\$ 331,428	\$ 331,428	\$ 331,428
Operating Profit Before Taxes	\$ 23,572	\$ 41,322	\$ 59,960

Income Taxes	\$	1,782	\$	1,871	\$	1,964
Net Profit	\$	21,790	\$	39,451	\$	57,996

Below you can find the net profit our business will make from year one to year 3. As you can see in the chart, we expect steady growth as consumers grow awareness of our business through our marketing. We expect a net profit of \$57,996 by year 3.



Financial Needs

Our main financial need for our business is start-up funding for operating expenses. To run and operate our business, it would cost approximately \$331,428 to run for the first year. Currently, we have \$200,000 in startup funding.

Start-Up Funding	
Friends and Family	\$100,000
Bank Loan	\$60,000
Personal Investment	\$40,000

This leaves a total of \$131,428 needed for start-up funding.

Conclusion

Today, there is a large societal and political need to make a positive contribution to the environment. The fast-fashion industry has made a strong everlasting impact on global warming. Our business goal is to combat the carbon footprint caused by the industry and give our consumers an easy way to live by the reduce, reuse, and recycle motto. Overall, given funding, we can create a strong business with even more potential.

Resources

1. Han, J. (n.d.). *Understanding second-hand retailing: A resource based perspective of best practices leading to business success*. Iowa State University Digital Repository. Retrieved November 30, 2021, from <https://lib.dr.iastate.edu/etd/13636/>.
2. Inc., T. (n.d.). *2021 fashion resale market and trend report*. ThredUp. Retrieved November 17, 2021, from <https://www.thredup.com/resale/#size-and-impact>.
3. LoopNet.com. (n.d.). *8 Northwest Hwy, Arlington Heights, IL 60004 - 8 E. northwest highway*. LoopNet. Retrieved December 15, 2021, from <https://www.loopnet.com/Listing/8-Northwest-Hwy-Arlington-Heights-IL/22932662/>
4. Han, J. (n.d.). *Understanding second-hand retailing: A resource based perspective of best practices leading to business success*. Iowa State University Digital Repository. Retrieved November 30, 2021, from <https://lib.dr.iastate.edu/etd/13636/>.
5. *Depop survey confirms Gen-z are the most sustainably-minded shoppers yet*. Futurevworld. (2021, August 5). Retrieved December 7, 2021, from <https://futurevworld.com/fashion/depop-gen-z-survey-buying-habits-sustainability-futureproof-bain-and-company/>.

Revisions:

- Use more information to clarify possible locations for the storefront. This will help become more transparent for investors and show research and initiative.
- Add:
 - The location would be a retail store and the shop would contain hard-to-find clothing from a variety of decades.
 - One retail spot location I looked at is at 8 Northwest Hwy, Arlington Heights, IL. -It has great size for the shop, off the highway, and just a 4-minute drive from the new Chicago Bears stadium opening in 2030. But, we hope to find a retail location for sale within closer walking distance.
- Use resale not resell when talking about the shop and industry
- Clarify that business will be opened with a business partner earlier in the plan to show transparency to investors (Add in executive summary and introduction)
- Add:
 - My business partner and I plan to open the storefront nearby the new Chicago Bears stadium opening in 2030.
 - My business partner and I have had a long-lasting passion ~~is~~ to open a vintage resale clothing storefront and online shop in Arlington Heights, Illinois.
- Expand on financial need as a challenge in the introduction
- Add:
 - One other challenge for our business is our financial need to start up. We are looking at many ways to help overcome this challenge. The financial need is to help pay for operating expenses for the first year.
- Add headers in the management section. This will help ease readability for investors
- Add:
 - **Our Role in Management:**
 - **What qualifies our employees to fill these positions:**
- Add more information on what is needed from the role my business partner and I plan to fill and what qualifies us. This will help the investor understand our credibility and how we plan to fill these spots.

- In particular, I will be in charge of digital marketing and store marketing. This involves completing the necessary steps for building a brand and getting our name out through social media. At the University of Iowa, I have studied Enterprise and Leadership with a focus on marketing. In addition, I have taken a graphic design course to teach me the basics of graphic design and I have a desire to learn more- to grow the shop. My experience and knowledge, in marketing and entrepreneurialism, are what qualifies me to handle these positions.
 - On the other side, my business partner, Ivan Deato, will be in charge of being the store manager. The store manager position involves someone who is a self-motivated leader, has strong sales ability, and has strong customer service skills. My business partner Ivan has already embedded himself in the vintage clothing community and is more than qualified to manage the store. His passion and experience in the resale clothing industry are what make him a good manager.
 - Lastly, Ivan and I will both be in charge of gathering inventory. The inventory position involves someone who is committed, dependable, and has a good eye for unique vintage clothing. Our long-term experience in searching in various thrifts is what qualifies us to find the inventory for the store. ~~Below are the positions needed to fill.~~
-
- Add headers to ease readability for investor
 - Add:
 - ***Why Gen-Z is our primary target audience:***
 - ***How new customers will be attracted:***
 - Include how and where we will advertise our business through social media. This will help our investors get a clearer picture of how we plan to go about advertising.
 - Add:
 - We plan on making an Instagram shop to expand our business and draw in new customers from around the country. Also, we hope to partner with various athletes and influencers to market our business.
 - Fix the formatting under the income statement
 - Remove long-term plan for financial projections. Does not fit with the information given.
 - Remove:
 - ***Long Term Plan:***
In the future, we hope to expand our business to other locations in the Chicago-Land area. The resale market is continuing to grow immensely with a strong community. Once our first store has a strong foundation, we strongly believe that we can continue to expand and grow our business.
 -
 -

Why Gen-Z is our primary target audience: The large growth in the resale vintage clothing market can be pointed towards the Gen-Z population. Surveys and studies have shown that the Gen-Z demographic is the most sustainably-minded shoppers yet. In addition, the search for one-of-a-kind clothing allows the Gen-Z demographic to revolt against the ever-increasing presence of cookie-cutter fast fashion.⁶ The Gen-Z demographic shows to be a strong target audience for us.

Customer decision-making process: Our target market sees unmet value when it comes to purchasing our clothing. The experience involved in the decision-making process connects with our target audience emotionally. As said before, the experience supplies nostalgic value, a one-of-a-kind wardrobe, social interaction within the vintage community, and satisfaction of treasure hunting for special clothing.⁷ This is what will help ease the customer decision-making process.

Marketing Strategy:

How new customers will be attracted: New customers will be attracted through social media and word of mouth. We plan on making an Instagram shop to expand our business and draw in new customers from around the country. Also, we hope to partner with various athletes and influencers to market our business. We plan on researching a good fit for an influencer. For example, Lonzo Ball would bring good recognition for his unique style and large social media following. In addition, the value of our inventory and the advocacy of reducing the clothing industry's carbon footprint online will bring customers to shop online and in the store. ~~The Gen-Z demographic shows to be a strong target audience for us. The large and growing market can be pointed towards the Gen-Z demographic. Surveys and studies have shown that the Gen-Z demographic is the most sustainably-minded shoppers yet. In addition, the search for one-of-a-kind clothing allows the Gen-Z demographic to revolt against the ever-increasing presence of cookie-cutter fast fashion.⁸ Our competitive advantage within the market is our urge to have a strong social media.~~ Lastly, we plan on using our social media presence, location, and customer-to-business relationship with customers to attract and maintain customers. We are likely to succeed and thrive through these factors.

⁶ *Depop survey confirms Gen-z are the most sustainably-minded shoppers yet.* Futurevworld. (2021, August 5). Retrieved December 7, 2021, from <https://futurevworld.com/fashion/depop-gen-z-survey-buying-habits-sustainability-futureproof-bain-and-company/>.

⁷ Han, J. (n.d.). *Understanding second-hand retailing: A resource based perspective of best practices leading to business success.* Iowa State University Digital Repository. Retrieved November 30, 2021, from <https://lib.dr.iastate.edu/etd/13636/>.

⁸ ~~*Depop survey confirms Gen-z are the most sustainably-minded shoppers yet.* Futurevworld. (2021, August 5). Retrieved December 7, 2021, from <https://futurevworld.com/fashion/depop-gen-z-survey-buying-habits-sustainability-futureproof-bain-and-company/>.~~

What is our competitive advantage: Our competitive advantage within the market is our urge to have a strong social media presence, location, and customer-to-business relationship with customers. We are likely to succeed and thrive through these factors.