



E-Commerce Business Plan


Big store for little onces


Business Plan


2020 - 21

Prepared By

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Executive Summary

Business Overview



Firstcry.com, headquartered at Rochelle Park, NJ is a new eco-friendly baby supplies e-commerce website that seeks to offer an alternative resource to the mass-market of baby care items. It will feature products that specialize in all-natural, environmentally friendly baby, feminine, and maternity items.

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[FirstCry.com](#) will sell an exclusive collection of baby care items with a focus on eco-friendly and environmentally safe products. Product offerings also include an array of feminine and maternity items. It is a priority of [FirstCry.com](#) to offer only the best products with all-natural ingredients and materials.

[FirstCry.com](#) is also dedicated to providing educational information on baby care, pregnancy, and holistic lifestyles.

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Products and Services

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Firstcry.com's target market is comprised primarily of online consumers with a specific focus on moms and eco-friendly consumers.

The demographics of these customers are as follows:

- Roughly 200 million Americans shop online
- The average income of \$76,000

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Customer Focus

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Firstcry.com is led by **John Doe** who has been in the e-commerce business for 10 years. While Mr. Doe has never run an e-commerce portal himself, he was previously director of strategic development for an e-commerce site. As such Mr. Doe has an in-depth knowledge of the e-commerce business as well as the needs of mothers, including the operations side (e.g., running day-to-day operations) and the business management side (e.g., staffing, mar

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Management Team

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Success Factors



TIP

Firstcry.com is uniquely qualified to succeed for the following reasons:

- There is currently no e-commerce site dedicated to eco-friendly baby and feminine products. [Company Name]'s focused approach on eco-friendly products is unique in a market where websites look to offer a broad range of products.

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Financial Highlights

Firstcry.com is seeking total funding of \$430,000 to launch its business. The capital will be used for funding capital expenditures, manpower costs, marketing expenses, and working capital.

Specifically, these funds will be used as follows:

- Website design/build and startup business expenses: approximately \$120,000.
- Working capital: approximately \$310,000 to pay for Marketing, salaries, and lease costs until firstcry.com reaches break-even.

Top line projections over the next five years are as follows:

	Year1	Year2	Year3	Year4	Year5
Revenue	\$731,250	\$2,687,401	\$5,358,945	\$7,650,990	\$10,229,809
Total Expenses	\$960,000	\$2,472,423	\$4,438,003	\$5,792,613	\$7,105,296
EBITDA	(\$228,750)	\$214,978	\$920,943	\$1,858,377	\$3,124,513
Depreciation	\$7,440	\$7,440	\$7,440	\$7,440	\$7,440
EBIT	(\$236,190)	\$207,538	\$913,503	\$1,850,937	\$3,117,073
Interest	\$27,768	\$24,297	\$20,826	\$17,355	\$13,884
PreTax Income	(\$263,958)	\$183,241	\$892,677	\$1,833,582	\$3,103,189
Income Tax Expense	\$0	\$0	\$284,186	\$641,754	\$1,086,116
Net Income	(\$263,958)	\$183,241	\$608,491	\$1,191,828	\$2,017,073
Average customers/day	102	339	615	798	970

	Year1	Year2	Year3	Year4	Year5
Number of orders	36,563	122,155	221,444	287,415	349,355

Business Overview

Who is firstcry.com?



TIP

Firstcry.com headquartered at [insert location here] is an eco-friendly baby supplies website that seeks to offer an alternative resource to the mass-market of baby care items. Our goal is to shift consumer sentiment to a more eco-conscious attitude through education of eco-friendly baby care products and practices.

The website aims to increase accessibility to these products and lifestyle by

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Firstcry.com's History



TIP

After surveying the e-commerce landscape, John Doe incorporated Firstcry.com as an S-Corporation on 23rd June 2012.

Mr. Doe has selected a technology director with project management experience in the development of e-commerce websites.

Since incorporation, the company has achieved the following milestones

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Firstcry.com's Products

Below is firstcry.com's initial product list. As you can see all items are classified under the following five main categories:



Diapering

Diapers, wipes, creams, cloth diapers, diaper bags



Feeding

Bottles, utensils, breastfeeding, formula, bibs



Toys & books

Infant toys and board books



Safety

Baby monitors, gates, first aid, medicine and baby proofing items



Gear

Strollers, high chairs, car seats, swings, portable cribs

The website will feature a rotating display of featured and new products on its homepage as well as a searchable database. Products will be sent directly via manufacturer to the client's home.

Website Design



TIP

Firstcry.com will develop a website whose key elements will include the following:

- Homepage
- Search Engine



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Industry Analysis

Industry Statistics & Trends



TIP

The following industry size facts and statistics bode well for Firstcry.com.

- The E-Commerce industry will attract a larger customer market as more households purchase items online. In the five years to 2020, revenue is expected to increase at an annualized 13.4% to \$526.6 billion. However, the looming threat of regulation may hamper sales, and high competition is projected to slow profit growth in the coming years.

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Customer Analysis

Demographic Profile of Target Market



TIP

Firstcry.com will primarily serve e-commerce customers. The demographics of these customers are as follows:

- According to Invesp, 79% of females and 77% of males who have internet access have purchased something online in the past 12 months. Those aged 50 to 64 are the most likely to make an online purchase closely by those aged 30 to 49.

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Customer Segmentation



TIP

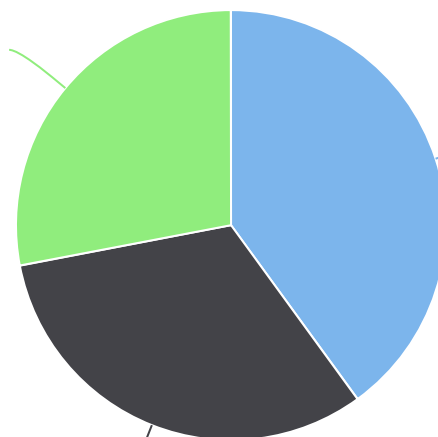
We will primarily target Consumer age groups that have the greatest exposure to the internet for work and leisure are most likely to shop online:

- **Consumers aged 18 to 30** – Consumers in this segment have the least discretionary income to spend on e-commerce. This segment's purchases are mostly in clothing and footwear and small electronics devices.

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Consumers aged 45 to 54: 28.0 %



Consumers aged 18 to 30: 40.0 %

Consumers aged 31 to 44: 32.0 %

Competitive Analysis

Direct & Indirect Competitors

The following e-commerce sites are expected to be the key competitors for Firstcry.com due to their current brand and resources:



TIP

Diapers.com was founded in 2005 and is currently the largest online specialty retailer for baby products. Initially founded as 1800 DIAPERS, the company set out delivering consumables, such as diapers, wipes, and formula, to parents with free 1-2 day shipping and a focus on customer service. In late 2008, Diapers.com expanded its selection into far-reaching baby categories, including clothes, car seats, strollers, and toys. Today, Diapers.com is the largest online specialty retailer for baby products.

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Diapers.com

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TIP

Babies "R" Us is owned and operated by Toys" R" Us. Founded in 1948, as a toy and juvenile-products retailer, the company expanded into baby care products in 1996 with the launch of the first Babies "R" Us location. Babies "R" Us operates as a specialty baby products retailer and has grown to approximately 260 locations across the country since its first store opened. The stores offer new and expectant parents a broad assortment of baby products, including clothing, toys, and baby care products.

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Babies "R" Us.com

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Competitive Advantage

Firstcry.com enjoys several advantages over its competitors. These advantages include:



Niche Market Focus

By serving the niche market of eco-conscious products, Firstcry.com will be able to focus its products on the needs of these customers more so than larger, entrenched competitors.



Relationships

Firstcry.com and the technology director know many of the best programmers and web development companies. As such, it will be relatively easy for us to build the website's functionality.



Community

By developing a community of moms and online shoppers, Firstcry.com will strengthen its brand loyalty

Website and Technology



It will be critical that our audience enjoys the layout and design of our Web site and adapt to the interactive nature of our programming. Our layout and design will have to be user-friendly and cutting edge in the eyes of our audience to be successful in attracting repeat users. The features, functionality, and content can be able to be replicated by competitors, but the brand and the consumer experience must differentiate the value proposition to our customer.

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Marketing Plan

The Marketing Plan describes the type of brand Firstcry.com seeks to create and the Company's planned promotions and pricing strategies.

The Firstcry.com Brand



TIP

The Firstcry.com brand will focus on the Company's unique value proposition:

- Offering a wide variety of eco-friendly baby and feminine items
- Making the online shopping experience easy, enjoyable and informative
- Providing excellent customer service, with dedicated customer service representatives.

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Promotions Strategy

The Company's promotions strategy to reach the target market of e-commerce customers includes:



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We will contact family and baby magazines, family and life sections of newspapers, and television stations and send them a press release describing the opening and unique value proposition of Firstcry.com.

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Public Relations

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TIP

The Company will develop its website in such a manner as to direct as much traffic from search engines as possible. The original website designer will use knowledge of search engine optimization to orient the website's content towards this end and begin a program of link exchange to move up the search engine rankings (particularly Google). Ongoing search engine optimization of this type will be executed by an experienced SEO firm contracted e

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Search Engine Optimization

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TIP

Additionally, Firstcry.com will use highly-focused, specific keywords to draw traffic to its website through text pay-per-click advertising on Google Adwords and banner ads on other appropriate websites (brokered by Google or another ad placement company). Advertisements will be targeted at potential clients who will find our content-rich site to be a valid resource and applicable to their interests, rather than an interruption or distraction.

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Pay-Per Click Advertising

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TIP

Firstcry.com will publish a monthly email newsletter to tell customers about trends in motherhood, baby products, and child care. Email addresses will be gathered from users who opt-in when using the website and the email newsletters will support the brand of the site as an expert in baby care. In addition, emails presenting exciting new offers or products may be sent as often as once a week to customers who have opted-in to keep them

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Email Marketing

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TIP

Firstcry.com's affiliate web program will allow other businesses and websites to earn commissions on products sold on the [Company Name] website by referring their site visitors to our website through links to the homepage or to specific products.

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Affiliate Website Partnerships

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Firstcry.com will initially advertise in family magazines and mom-focused websites and blogs in order to gain awareness.

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Print Advertising

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Firstcry.com pricing will be appropriate for the digital medium. That is, they will be priced lower than other big-box retailers. The store will carry products offered at a range of prices to allow even those with modest budgets to have options.

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Pricing Strategy

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TIP

The Company will establish strategic alliances with key companies that help bring credibility, positive public relations, as well as qualified traffic to the site. These alliances typically result in extensive co-marketing by both organizations with the goal of each company driving traffic and awareness of the other company's products and services. For example, Firstcry.com could partner with YZX.com and utilize their fulfillment services in return for prov

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Strategic Alliances

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TIP

Offer new viewers rebates or free subscriptions as an added incentive to purchase from Firstcry.com's Web site. This promotional feature will be marketed through our online affiliations, strategic partners, and grass roots efforts.

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Incentives

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Operations Plan

Functional Roles

In order to execute on Firstcry.com's business model, the Company needs to perform many functions including the following:



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- General & administrative functions including legal, marketing, bookkeeping, etc.
- Sourcing suppliers of content and managing supplier relations
- Hiring and training staff

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Administrative Functions

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TIP

- Developing additional website features
- Site maintenance, updates, and bug-fixing
- Ongoing search engine optimization

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Website Functions

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- Customer service
- Writing and producing copy for monthly newsletter and blog
- Periodical website development and updates

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Service Functions

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Milestones

Firstcry.com expects to achieve the following milestones in the following 5 months:

Date	Milestone
[Date 1]	Finalize web development contract
[Date 2]	Complete prototype design of the website
[Date 3]	Hire and train initial staff
[Date 4]	Launch [Company Name]website
[Date 5]	Reach break-even

Management Team

Management Team Members



JOHN DOE

CEO & Founder John.doe@example.com

Firstcry.com is led by John Doe who has been in the e-commerce business for 10 years. While Mr. Doe has never run an e-commerce portal himself, he was the director of strategic development for an e-commerce site devoted to baby products previously. As such Mr. Doe has an in-depth knowledge of the e-commerce business as well as the needs of mothers, including the operations side (e.g., running day-to-day operations) and the business management side (e.g., staffing, marketing, etc).

Mr. Doe graduated from the University of ABC where he majored in Business.

The technology director, Ms. Jane Doe, has 15 years of web development management experience. He has experience managing web development projects for e-commerce at for squidoo.com, creating an e-commerce portal much like that of Firstcry.com. He received an MBA in Business Information Systems from XYZ College.

Hiring Plan



TIP

In order to launch the e-store, we need to hire the following personnel:

- Sourcing Product Assistants (2 – responsible for finding products and making deals with wholesalers and manufacturers)
- Customer Service Representatives (2– responsible for fielding emails and calls from customers about potential, current, and past c

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Financial Plan

Revenue and Cost Drivers



TIP

Firstcry.com's revenues will come from the sale of baby and feminine products.

The major costs for the company will be the cost of goods, internet connection fees, and salaries of the staff. In the initial years, the company's marketing spend will be high, as it establishes itself in the market.

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Capital Requirements and Use of Funds



TIP

Firstcry.com is seeking total funding of \$430,000 to launch its business. The capital will be used for funding capital expenditures, manpower costs, marketing expenses, and working capital.

Specifically, these funds will be used as follows:

- Website design/build and startup business expenses: approx

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Key Assumptions & Forecasts



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Below please find the key assumptions that went into the financial forecast and a summary of the financial projections over the next five years.

	Number of customers per day	Per location
Year 1		4

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Income Statement (5 Year projections)

	Year1	Year2	Year3	Year4	Year5
Revenues					
Product/Service A	\$151,200	\$333,396	\$367,569	\$405,245	\$446,783
Product/Service B	\$100,800	\$222,264	\$245,046	\$270,163	\$297,855
Total Revenues	\$252,000	\$555,660	\$612,615	\$675,408	\$744,638
Expenses & Costs					
Cost of goods sold	\$57,960	\$122,245	\$122,523	\$128,328	\$134,035
Lease	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229
Marketing	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Salaries	\$133,890	\$204,030	\$224,943	\$236,190	\$248,000
Other Expenses	\$3,500	\$4,000	\$4,500	\$5,000	\$5,500
Total Expenses & Costs	\$271,850	\$412,775	\$435,504	\$454,131	\$473,263
EBITDA	(\$19,850)	\$142,885	\$177,112	\$221,277	\$271,374
Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
EBIT	(\$56,810)	\$105,925	\$140,152	\$184,317	\$234,414
Interest	\$23,621	\$20,668	\$17,716	\$14,763	\$11,810
PRETAX INCOME	(\$80,431)	\$85,257	\$122,436	\$169,554	\$222,604
Net Operating Loss	(\$80,431)	(\$80,431)	\$0	\$0	\$0
Income Tax Expense	\$0	\$1,689	\$42,853	\$59,344	\$77,911
NET INCOME	(\$80,431)	\$83,568	\$79,583	\$110,210	\$144,693
Net Profit Margin (%)	-	15.00%	13.00%	16.30%	19.40%

Balance Sheet (5 Year projections)

	Year1	Year2	Year3	Year4	Year5
ASSETS					
Cash	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389
Accounts receivable	\$0	\$0	\$0	\$0	\$0

	Year1	Year2	Year3	Year4	Year5
Inventory	\$21,000	\$23,153	\$25,526	\$28,142	\$31,027
Total Current Assets	\$37,710	\$113,340	\$184,482	\$286,712	\$423,416
Fixed assets	\$246,450	\$246,450	\$246,450	\$246,450	\$246,450
Depreciation	\$36,960	\$73,920	\$110,880	\$147,840	\$184,800
Net fixed assets	\$209,490	\$172,530	\$135,570	\$98,610	\$61,650
TOTAL ASSETS	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066
LIABILITIES & EQUITY					
Debt	\$317,971	\$272,546	\$227,122	\$181,698	\$136,273
Accounts payable	\$9,660	\$10,187	\$10,210	\$10,694	\$11,170
Total Liabilities	\$327,631	\$282,733	\$237,332	\$192,391	\$147,443
Share Capital	\$0	\$0	\$0	\$0	\$0
Retained earnings	(\$80,431)	\$3,137	\$82,720	\$192,930	\$337,623
Total Equity	(\$80,431)	\$3,137	\$82,720	\$192,930	\$337,623
TOTAL LIABILITIES & EQUITY	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066

Cash Flow Statement (5 Year projections)

	Year1	Year2	Year3	Year4	Year5
CASH FLOW FROM OPERATIONS					
Net Income (Loss)	(\$80,431)	\$83,568	\$79,583	\$110,210	\$144,693
Change in working capital	(\$11,340)	(\$1,625)	(\$2,350)	(\$2,133)	(\$2,409)
Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
Net Cash Flow from Operations	(\$54,811)	\$118,902	\$114,193	\$145,037	\$179,244
CASH FLOW FROM INVESTMENTS					
Investment	(\$246,450)	\$0	\$0	\$0	\$0
Net Cash Flow from Investments	(\$246,450)	\$0	\$0	\$0	\$0

	Year1	Year2	Year3	Year4	Year5
CASH FLOW FROM FINANCING					
Cash from equity	\$0	\$0	\$0	\$0	\$0
Cash from debt	\$317,971	(\$45,424)	(\$45,424)	(\$45,424)	(\$45,424)
Net Cash Flow from Financing	\$317,971	(\$45,424)	(\$45,424)	(\$45,424)	(\$45,424)
SUMMARY					
Net Cash Flow	\$16,710	\$73,478	\$68,769	\$99,613	\$133,819
Cash at Beginning of Period	\$0	\$16,710	\$90,188	\$158,957	\$258,570
Cash at End of Period	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389