



Creating a Start-Up Company-Retail Chain Business Plan

Name

Affiliation

Date

I. Executive Summary

The Company

Fine Retail Corporation is a new retail company. The company intends to start the business in the United States of America. New York City is the main destination of the firm. The market is highly competitive, and some competitive strategies are to be implemented to gain the success and survive for a long run.

The Company's Mission

The mission of the company is to provide some interesting options to customers at the bargain prices along with the sustained quality and promising benefits in the next 2 to 3 years

Products and Services

Products of the company are the Home improvement, Clothing, Party Supplies, and Grocery Footwear, Jewelry, Toys, Food, Pet Supplies, Electronics, Movies and music Sporting goods and fitness.

Marketing and Sales Strategy

The marketing strategy is the differentiation. The firm is looking to design products or services, which are inimitable in the competitive market. The appropriate sales strategy is to drive the sales through low prices and training of sales representative.

The Competition

The competition is extremely high, as local and multinational retailers have emerged with some remarkable product or service option at affordable prices. Wal-Mart and Amazon are examples of it.

Target Market

The target market is the retail market. The firm can target working families, students, and elder citizens. Accordingly, product and customer segments will be made in this target market.

Management

The democratic management approach will be used by the management. The management structure is small. It includes CEO, marketing, finance, operations, sales, distribution, human resource, business support an information technology.

Operations

Retail operations are visible in retail stores along with the on job training process and 360 feedbacks to assess the performance of employees and make some improvements accordingly.

Stages of Development

The Fine Retail Company will be established in December 2018. After establishing the store, the firm can make further development plans.

Financials

The financial strategy of the company is to reinvest the profit or income of the company for further growth. The financial capability is effective for further business expansion in the retail industry.

Funds Sought and Utilization

The company is starting with \$100,000. The management will use these funds for start-up. Further expansion is based on the business profitability and sales.

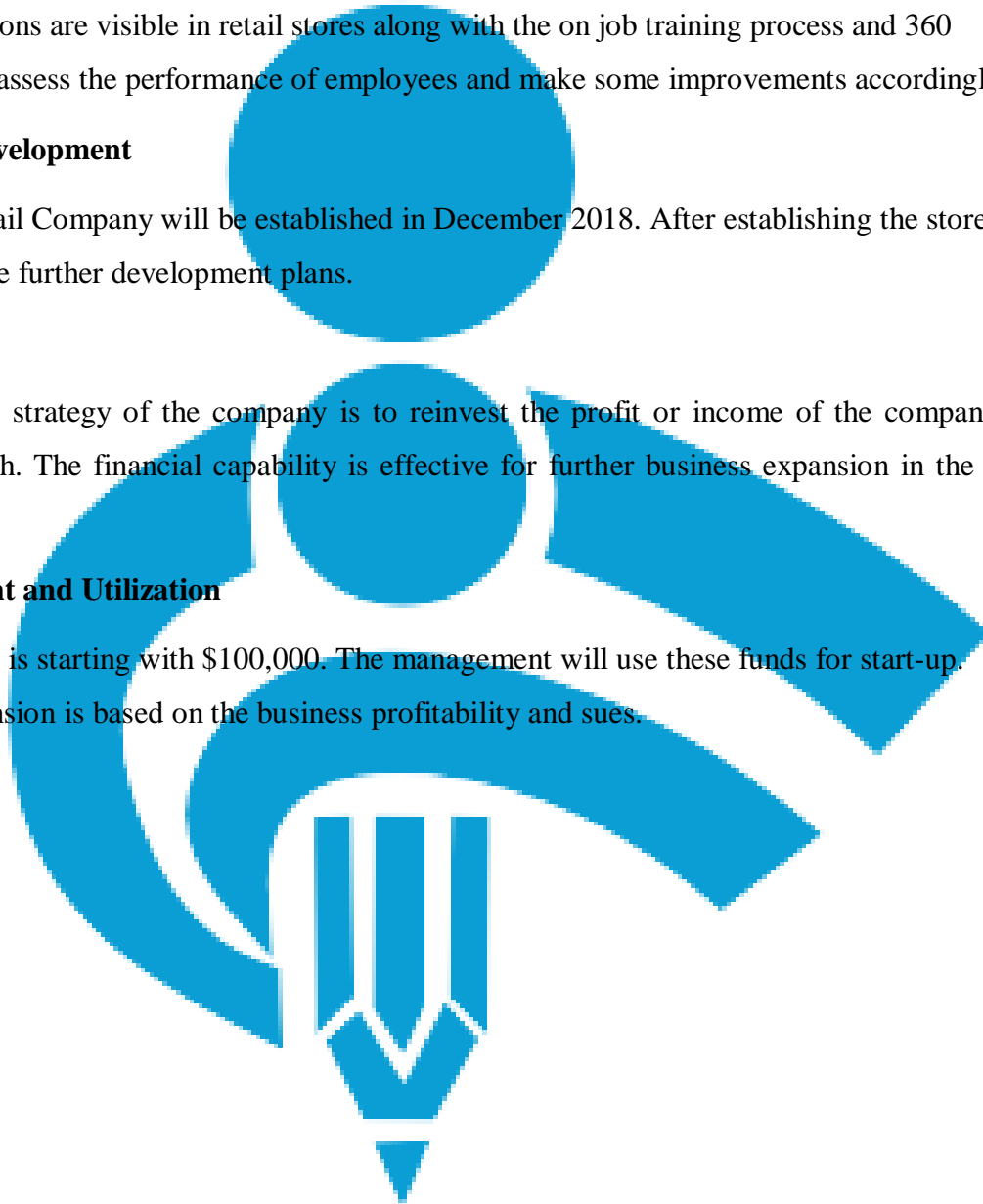


Table of Contents

I.	Executive Summary.....	2
II.	Company Description.....	5
	<input type="checkbox"/> Vision.....	5
	<input type="checkbox"/> Mission.....	5
	<input type="checkbox"/> Product and Services.....	6
	<input type="checkbox"/> Development to Date.....	6
	<input type="checkbox"/> Legal Status & Ownership.....	6
III.	Industry Analysis and Trends.....	6
	<input type="checkbox"/> Retail products on the Rise.....	7
	<input type="checkbox"/> Newly Developing Industry.....	7
	<input type="checkbox"/> Open Competitive Environment.....	8
	<input type="checkbox"/> Barriers to Entry.....	9
	<input type="checkbox"/> Long-Term Opportunities.....	10
	<input type="checkbox"/> Retail Ease Can Develop Strong Position in Region.....	10
IV.	Target Market.....	11
	Market Description.....	11
	Market Size and Trends.....	12
	Target Customers.....	13
	Market Readiness.....	13
	Strategic Opportunities.....	13
V.	Competition.....	14
	<input type="checkbox"/> Local Competitors.....	14
	<input type="checkbox"/> Other Competition.....	15
	<input type="checkbox"/> Market Share Distribution.....	15
	<input type="checkbox"/> Advantages over Competition.....	16
	<input type="checkbox"/> Competitive Positions.....	17
	<input type="checkbox"/> Barriers to Entry.....	17
	<input type="checkbox"/> Strategic Opportunities.....	18
VI.	Strategic Position & Risk Assessment.....	18
	<input type="checkbox"/> Industry Trends.....	18
	<input type="checkbox"/> Target Market.....	18
	<input type="checkbox"/> Competitive Environment.....	19
	<input type="checkbox"/> Our Strengths.....	19
	<input type="checkbox"/> Risks.....	19
	<input type="checkbox"/> Strategic Position.....	19
VII.	Operations.....	20
	<input type="checkbox"/> Training Program.....	20
	<input type="checkbox"/> Cost and Time Effective Programs.....	20
	<input type="checkbox"/> Competitive Advantage.....	20
	<input type="checkbox"/> Problems Addressed.....	20
VIII.	Management.....	21
	<input type="checkbox"/> Key Employees.....	21
	<input type="checkbox"/> Board of Directors.....	21
	<input type="checkbox"/> Consultant.....	21
	<input type="checkbox"/> Advisory Committee.....	21
	<input type="checkbox"/> Management Structure.....	21
IX.	Developments, Milestones & Exit Plan.....	22
	<input type="checkbox"/> Long-Term Goals.....	22
	<input type="checkbox"/> Strategy for Achieving Goals.....	23
	<input type="checkbox"/> Greater Expansion Plans.....	23
	<input type="checkbox"/> Risks Associated with Expansion.....	23
X.	Financial Forecasting.....	24
	<input type="checkbox"/> Income Statement.....	24
	<input type="checkbox"/> Balance Sheet.....	24
	<input type="checkbox"/> Cash flow.....	25

CREATING A START-UP COMPANY

RETAIL CHAIN BUSINESS PLAN

II. Company Description

Starting a new retail business in the United States of America is a good idea. The retail industry is growing in different parts of the world. Both Brick & Mortar and online retail businesses are successful in this region. The name of the new retail chain is Fine Retail Corporation. The company intends to come up with a good product line. In the competitive retail market, the management of the company is looking to streamline some creative ideas and innovative approaches to develop the finest retail products and enhance the visibility of customer satisfaction and assertiveness. The company will be using the Brick & Mortar business model, as it is still in the limelight in the competitive retail industry.

- **Vision**

The vision of the company is to target people who contain, low or moderate income level and help them to improve their living standards. A low-cost product for low-income people is the main priority to contribute to the society.

- **Mission**

The mission of the company is to provide some interesting options to customers at the bargain prices along with the sustained quality and promising benefits in the next 2 to 3 years.

- **Product and Services**

The main products and services of this retail chain are Electronics, Movies and music, Home improvement, Clothing, Footwear, Jewelry, Toys, Food, Pet supplies, Sporting goods and fitness, Party supplies, and Grocery.

- **Development to Date**

The Fine Retail Corporation will be started in December 2018. The organization will come up with an appropriate product line at the retail store to attract local customers. The retail store will be opened or started in the New York City. This location can provide a platform for the management to make different target segments and target people effectively.

- **Legal Status & Ownership**

The fine Retail Corporation is a private organization. This firm is to be managed by two owners with 60% and 40% shares. Moreover, it is to mention that the retail chain is triggered by the federal regulations. The business regulations are to be integrated with the federal regulations for the business sustainability. The business is to be started with the personal saving and bank loan. The personal saving is 40 %, and the bank loan is 60%.

III. Industry Analysis and Trends

The retail industry of the United States of America is in the limelight due to high competition. Different competitors such as Wal-Mart, Amazon, and target have created many barriers to new arrivals. It has been revealed that the sale in the retail industry has grown 4%. Interestingly, retail chains in the retail industry usually take benefits from the holiday seasons tax privileges. It has also been revealed that retailers recorded the sales of \$3.53 trillion in 2017. It is a 3.9% increase

as compared to 2016. It indicates the growth and success of the retail industry, and the fine retail corporation is looking to emerge in this potential industry (Ganapathy, 2018)

Some industry insights are to be illustrated along with several insights.

- **Retail products on the Rise**

Increasing retail growth is possible due to high quality and differentiated retail products to the customer. The most important thing is to come up with some retail goods or services, which have never been experienced before. Interestingly, in retail stores, people depict their positive buying behavior or assertiveness. It has been observed that households played a vital role in increasing the sales of retail goods. The rise of different personalized products in the retail industry is quite visible. In the noise and cluttered market, it seems important for retailers to enhance the visibility of the differentiation process. From food to clothing, retail stores contain the personalization to make the difference. Recently, the rise of different retail product segments such as beauty, consumer packaged product, and lawn and garden has been observed. In all these product segments, the personalization is possible, and it enables the prominent rise in the industry. Interestingly, the management of companies carries an intense market research to derive several markets or customers trend. They usually shape and streamline some products according to the needs of the customer. It enables the rise of retail products in the retail industry (Ferreira, 2017).

- **Newly Developing Industry**

The retail industry is developing due to some new trends. The new business has to be sharp and active to integrate with some new retail trends. In the competitive retail market, the buying power of the millennial generation is increasing. It is a huge development in the retail industry. These people are tech-savvy and contain discretionary spending. Thus, it is to be said that these

customers are demanding the experience, and retail chains are transforming accordingly. Another top development is the emergence of e-commerce and Mobile commerce, these new trends have increased the market share of retail chains (Anders, 2018). Buying online has enhanced the buying experience of customers in the newly developing retail industry. Another new development in the retail industry is the visibility of Omni Channels and modern technology. The development process in the retail industry is an ongoing process. Retailers are still reinvesting the business process to align with the modern retail industry in an effective and lucrative manner. In the newly developing industry, localization, customization, and personalization are some key factors. Online and Brick & Mortar business processes need to implement these approaches or strategies to increase the market share (Scott, 2018).

- **Open Competitive Environment**

The open competitive environment triggers the retail business. Many local and international competitors exist in the competitive retail market. Retailers are free to develop different products and streamline them through different marketing approaches. Some developments in the retail industry have been elaborated. It is a fact that there are many ways that are closed for retailers. However, the retail environment is still open because it also opened some new ways. For instance, the retail environment is quite different due to online shopping trends. Retailers, which are contained the Brick & Mortar business model, are free to transform their business process. However, they usually fail to transform the business. It seems tough for some retail stores to adjust to the new retail environment. For the new retail chain, the business strategy is to start from the Brick & a Mortar business model then shape or transform the process. The open retail environment provides a platform to new or old retail chains to evolve with the passage of the time (Klingel, 2018).

- **Barriers to Entry**

Entering the retail market of the United States of America is not a big challenge. However, the management has to keep some barriers in minds to contain the successful entry.

The economics of scale are the biggest entry barriers. For Instance, retailers are maximizing their production, and it decreases the unit cost in an absolute period. Thus, it seems tough for many retailers like the Fine retail corporation to come up with the maximum retail products and keep the unit cost low. The product limitation may create the probe initially, and it seems the prominent entry barrier. Another entry barrier for the new retail company is the product differentiation. Retailers in the US retail market are intended to make the difference through adopting the differentiation as a main marketing strategy. It seems the organizational capability that enables the firm to make products, which cannot be imitated. The product differentiation enables the brand loyalties, and it seems tough for new arrivals to break these loyalties and convert customers. Thus, the start-up must come up with a new or different product on the market (Marsdd, 2013).

The capital requirement is also a big entry barrier. There is a need for heavy capital investments in advertising, distribution, and many other aspects of the business. Retailers have invested heavily in marketing and distribution in the United States. Therefore, due to limited capital, the company may not contain the successful entry. Also, local distribution channels have been locked up by the incumbents. Finding an effective distribution channel is a big challenge for the new company. Moreover, the government policy or business regulation can also create the barrier for the new company or arrival. Start-up is highly regulated by the government in the United States of America.

- **Long-term Opportunities**

As mentioned, the fine retail corporation is going to exist in the open retail environment. Therefore, the firm management will be looking to utilize long-term retail opportunities for a long run. For Instance, the first opportunity is the merger or acquisition. The organization can find the local retailer to contain the acquisition. The strategic alliance has also become a good option for the company to share the culture of the company. It is also effective to increase or grab the market share early. It is an interesting opportunity for the fine retail corporation to reduce the business risk and eliminates all entry barriers. This opportunity is related to the market entry. Another opportunity is the business transformation in the retail industry. For Instance, trends in the retail industry have been changed. Thus, the company can evolve by establishing some online platforms for customers. It looks the better and timely approach that can be implemented effectively after 3 or 4 years. The retail chain has to strengthen its E-branding. With the perspective of the customer, the buying experience can be changed through speed and convenience. The use of technology and data is also a great opportunity to bring the efficiency in operations. The company management can derive the availability of the product in no time in different stores. Also, some data tools also provide some insights regarding customers. Thus, the adaptation of different data tools is a long-term retail opportunity (McMillon, 2017).

- **Retail Ease Can Develop Strong Position in Region**

To develop the strong position in the retail market, the management has to implement some key strategies. The retail market is triggered by some major competitors. Therefore, the strategy execution must be successful.

To be successful in the US retail market, the company must have to contain the clear vision. For Instance, when transforming the business, there is a need to change the vision statement to align

with the new business approaches and strategies. By streamlining some competitive offerings, the company can survive and grab the immense range of customers. Offerings are to be evolved with the time to enhance the customer attraction and to be relevant. The most important thing is to streamline the localization. Integrating the culture and values with the national culture of the country can make the business quite relevant (McGee, 2018).

Developing the strong position in the market is possible for the Fine Retail Corporation by meeting the unmet need of customers. Customer oriented products and strategies are to be depicted by the management. The focus on the customer can enable the large customer conversion and target in the retail industry.

Beating competitor in the retail industry is tough. However, effective business traits or strategies are needed to take control of the business and survive for a long run in the presence of many other rivals. The Fine retail corporation is intended to become the best and most preferred alternative in the US retail market. The success is possible by enabling the strong position.

IV. Target Market

The retail chain intends to target customers and make some segments accordingly. It is important to understand the customer demographics and other aspects of the targeting process. The targeting process is linked with the different marketing trends.

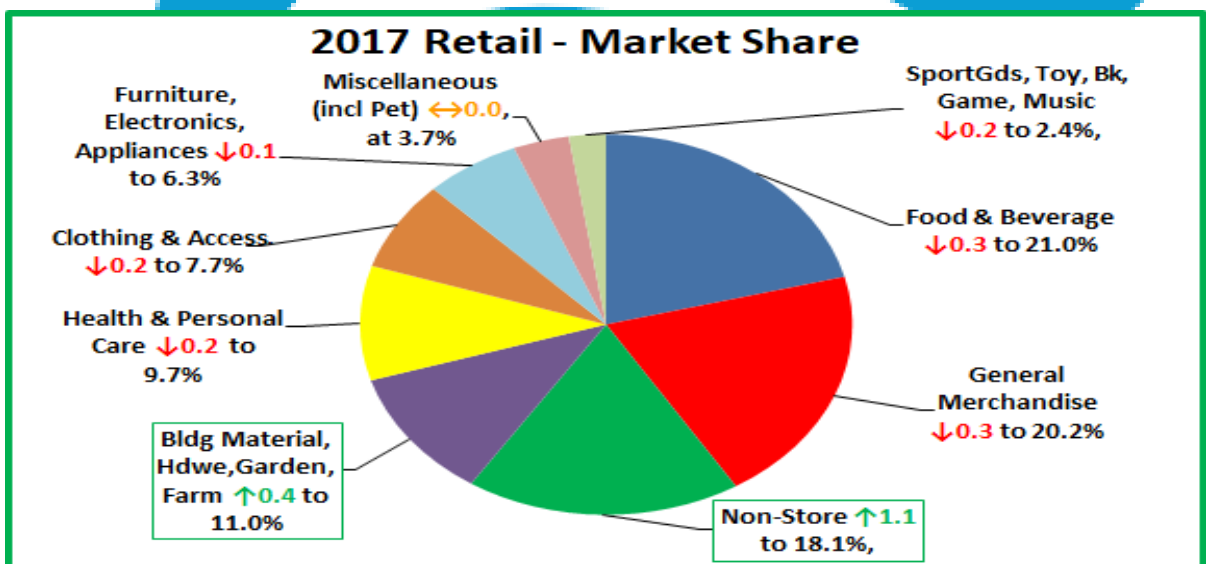
Market Description

The retail market in the New York City is quite competitive. Both large and small retail companies exist in this region. Companies usually make different customer segments when conducting the retail operation. Competitors in this market contain the adequate market share. It is a fact that millions of millennial is driving the retail market of the United States of America.

In this contemporary business era, the retail market is linked to some new trend. To enable the business sustainability, retailers are focusing on different strategic options. Due to some thoughtful considerations, these retailers gain the competitive advantage. The excellence and consistency can also enable the sustainable competitive advantage in the presence of other competitors (Thomson, 2018).

Market Size and Trends

The retail market is growing due to its diversity. Many product segments have been introduced by the retailer. The purpose is to make everything available for customers. For Instance, food and beverages, general merchandise, clothing, furniture, electronics, health, personal, sports, toy, game, music, building material, and non-store items have increased the overall retail market size. Including all these items in the retail store has been emerged as key trends to gain and sustain the success (Gibbons, 2017). The retail market size is shown as under.



<http://www.petbusinessprofessor.com/petmarket/u-s-retail-trade-2017-ales-update-by-channel-going-for-the-gold/>

Target Customers

The Fine Retail Corporation has made the different segment. For Instance, the main targets are elderly, students and working-class families. It is to mention that it is a discounted store, and the company wants to target those people who contain low or moderate income level. People who contain income under \$25,000 are the main target. Poor, middle class, lower-middle-class and upper middle class are further segments of this new retail corporation. Overall, people who are containing the age of 10 to 60 are targeted customers. The success of the target market and this comprehensive segmentation is based on the availability of different products and services.

Market Readiness

The market readiness depicts the whole picture of the retail sector in this region as far as the new trends are concerned. The retail market of the United States contains the readiness. For Instance, retailers have to predict the use of new technologies. New trends regarding technology and marketing are to be adopted, which increased the readiness of the retail sector. It is imperative to predict some possibilities through the new technology. US retail sector is sharp and ready to utilize or explore some new opportunities. In this region, the Fine Retail Corporation has to consider the only viable thing. The market readiness is high as compared to other industries, and it is a key consideration to make the difference. The market readiness can also be shown through customer-driven strategies. The intense market research indicates the customer desirability. Thus, versatility and adaptation are two key factors or element to boost the market readiness.

Strategic Opportunities

Some strategic opportunities are to be utilized by the management. Broad ideas are to be streamlined by the company to gain long-term benefit. For Instance, the first strategic

opportunity for the new retail company is to track every marketing campaign. Due to the modern technology, the company can predict the return on investment regarding the marketing campaign. It opens ways for the management to make some strategic decisions as well. Another strategic opportunity for the retail company is to enhance the merger and acquisition. It seems the best opportunity to increase the top line and bottom line growth of the revenue. Moreover, depending on the modern retail trends, the company has to grow in a particular section. For example, Wal-Mart is becoming the fashion destination, and it depicts its growth in a particular section. Thus, the strategic option for Fine Retail is to streamline Food and beverages first to grow and drive the sales. Another strategic opportunity is to streamline the E-Commerce strategy. It looks a great opportunity to utilize the internal and external resources and come up with the innovative business model.

V. Competition

- **Local Competitors**

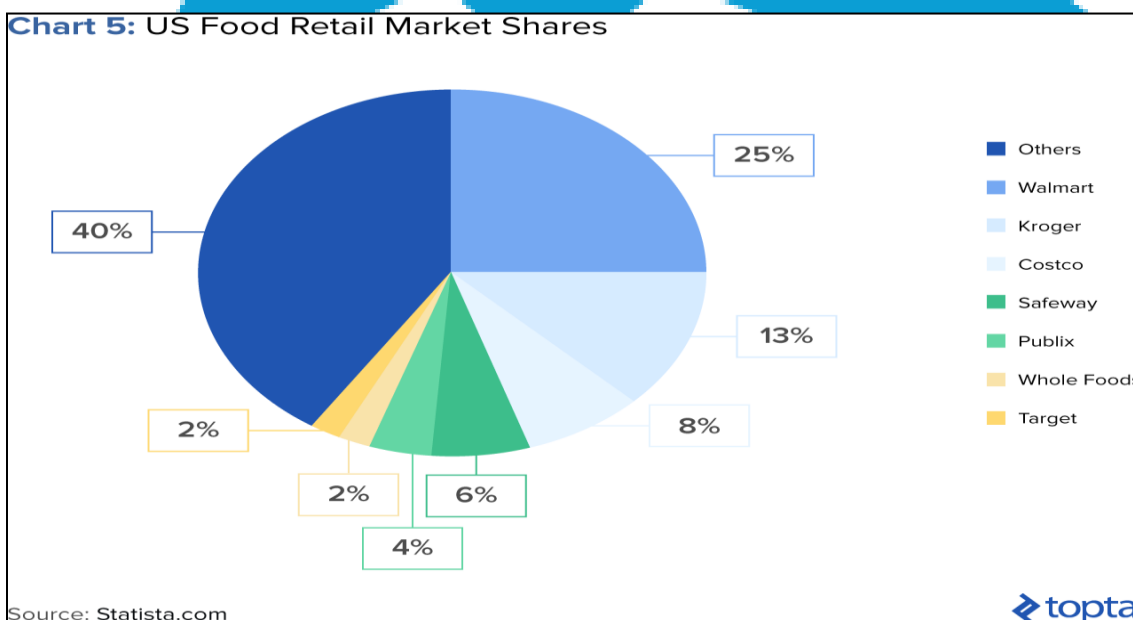
Wal-Mart, Target, Amazon, Costco, Home Depot, Walgreens Boots Alliance, CVS Health Corporation, and the Kroger Co. these are any local competitor, which are in the limelight due to higher sales and revenues. These retailers contain the immense range of customers. Customer satisfaction and loyalty have become a competitive factor in the local retail market due to the competitive products and prices. For Instance, Wal-Mart took the initiative of everyday low prices to let people, save money and come up with low prices for customers. On the other hand, Amazon makes everything available on its website at the lowest cost along with the sustained quality. A sale of Wal-Mart is \$374.80 billion. A sale from Amazon is \$102.96 billion. Costco depicts the sales of \$93.08 billion. Kroger shows the sales of \$115.89 billion. Due to high sales

volume, it seems better to analyze local competition regarding sales to make pertinent strategies (Tyler, 2018).

- **Other Competition**

Metro AG, Carrefour, and Tesco PLC are some multinational retailer in the United States. Along with the local retailers, these companies are also creating the entry barriers for new arrivals. However, the fine retail corporation aims to contain the complete start-up, which can help to understand retail market dynamics. Along with these competitors, many small retail stores exist. The competition I quite high, and to be relevant, the firm has to make some competitive strategies.

- **Market Share Distribution**



<https://www.toptal.com/finance/mergers-and-acquisitions/amazon-vs-walmart-acquisition-strategy>

The market share of Wal-Mart is 25%. Kroger depicts the 13% market share. Costco has shown the significant growth and shows the market share of 8%, Target and whole food show the low market share. Other retail chains, including small and large, portray the 40% market share in the retail industry. The Fine Retail Corporation demonstrates the low market share. However, depicting the strategies and competitive actions, there are possibilities for growth and expansion. The market share is also triggered by the business expansion, and it can also be one of the main priorities of the company (Clarence, 2017).

- **Advantages over Competition**

The main strategy to gain the competitive advantage in the retail industry is to understand the market and its segments. The most important thing for the management of the company is to engage our target niche. These target market segments may not be served effectively by the competitors. Thus, the competitive advantage can be gained by facilitating this target group. Moreover, it has been revealed that the cost advantage of different retailers is a big competitive factor. For Instance, the low-cost product along with the high-quality product is possible due to the effective cost and efficiency measures. If the firm sustains its quality in the retail market and offer products at the lowest prices as compared to its competitors, the competitive advantage can be ensured. Delivering value proposition has become the top competitive factor or consideration. Along with the quality and price, the firm has to gain the competitive advantage by maintaining its service standards. The biggest competitive element or factor is the difference. The market is full of alternatives. Designing, pricing, and packaging are some aspects, which can be used by the company to get an edge over competitors. Importantly, products are not to be imitated by others, and it looks the biggest advantage. Internally, the strong employee force and pertinent work culture can maintain the quality and efficiency, and it also opens ways to get the edge over

rivals. These are some considerations for the Fine retail Corporation to take a competitive advantage (Edels, 2017).

- **Competitive Positions**

The competitive position is necessary to streamline to survive in the market. The company wants to be different as compared to its competitors. Thus, this difference can be depicted regarding strategies, offerings, and many other aspects. The Fine retail Corporation will depict its competitive position through the differentiation strategy. Product differentiation is the best approach to protect products and services from imitators. The price, distribution, and relationship differentiation can be the competitive positions.

- **Barriers to Entry**

The economy of scale is the major entry barrier in the retail industry. In the US retail market, it has been revealed that retailers present an immense product line for the customer. Due to mass production, the unit cost of each product has been reduced. On the other hand, the new retail firm may have a limited budget or capital to start the production or operations. Thus, it can be a poor start if the company starts from the high process of products and services for the customer. The second entry barrier is the brand loyalty. Already, people have shown their preferences, and it is tough to convert the big customer range. The geographical barrier is also a big entry barrier. Urban areas can be targeted, but it is difficult to find the suitable location. Competitors are already fighting with each other. The rivalry is extremely high, and it can be a huge threat to the business.

- **Strategic Opportunities**

Top strategic opportunities for the company to exist in the intense competition are cost leadership and differentiation. Strategically, the company can make the reputation in the market regarding low-cost products for low-income people. To get products and services to streamline and engage the customers effectively, the firm has become the prominent online influence. Leveraging the new technology, which can emerge in the retail sector, is a great opportunity to be swift and sharp. Invest in the deep customer relationship is a good approach for this retail company to hold the strong competitive position (Phibbs, 2017).

VI. Strategic Position & Risk Assessment

- **Industry Trends**

Moving forward towards the industry trend, the community involvement has become a top retail industry trend. Retailers, including local and multinational, are trying to enhance the social connection. In future, the product scarcity will be sidelined due to human and social connections. Moreover, the personalization is also a big industry trend. However, it will be streamlined online, depending on customer demands. Including the Fine retail corporation, all retailers intend to use big data tools to derive customers and market insights. It is effective when making and streamlining the rational decision making.

- **Target Market**

The target market is the retail sector. In this market, the demand for retail products is high. The company can find groups of customers, and accordingly, shape or design of products and services. It is a potential target market that can enable the high profitability and market share.

- **Competitive Environment**

The competitive environment is integrated with many competitors, industry trends, distribution channels, and marketing campaign. It depends on the company's capability to integrate with the technology and move forward in this competitive retail environment.

- **Our Strengths**

Low prices, loyal customers, effective work culture, business expansion, high brand image, and high financial capability are some key strengths of the Fine retail Corporation. Now, it is a perfect time to move forward and evolve with the passage of the time.

- **Risks**

High competition may cause the brand failure. This market entry in the competitive market is risky. Second, the transformation risk is always here. The change, according to new trends may cause the resistance from internal and external factors. Information security, compliance with regulations, taxation, and technology disruption are any possible risks for the firm.

- **Strategic Position**

Strategically, when making the risk mitigation strategy, the firm must have to create some measures to assess the success. The strategic position of the company can be maintained by assessing different risk on time. Characterizing the cause is a good approach in this regard. Streamlining the common causes, and risk mitigation strategies are helpful to maintain the strategic position.

VII. Operations

- **Training Program**

The training program will be initiated by the company management along with the 360 feedback process. On the job training will be conducted to identify the strengths and weakness of employees and provide the feedback accordingly. The purpose of this training program is to build the strong employee force.

- **Cost and Time Effective Programs**

The cost of training is moderate. It is a fact that the on job training program is less costly as compared to other training programs. Training of employees in retail stores, especially sales team training is mandatory to drive sales effectiveness and build the long-term customer relationship. On job training also requires less time, as it can be conducted during the working hour (Elearningindustry.com, 2014).

- **Competitive Advantage**

The big advantage of this effective training operation is the reduction of employee turnover, work efficiency, increase in productivity, rapid sales, and strong work culture. It opens ways for the firm to get the competitive advantage through the internal workforce. The purpose is to develop brilliant people that are inimitable.

- **Problems Addressed**

Some problems such as customer struggle in stores, inefficient work process, low productivity, lack of creativity, and customer engagement are to be addressed by this company through these training operations.

VIII. Management

- **Key Employees**

Key employees in the retail store are sales representatives, sales assistant, sales manager, store manager, management trainee, inventory manager, and lifter. Each store is to be managed by the store manager and report to the top management. The sales force of the company is the main employee force, as they have to interact with customers and drive the sales.

- **Board of Directors**

Owners of the company will be playing the role of the company directors. There are two directors of this company, and all other key stakeholders have to report and work under them.

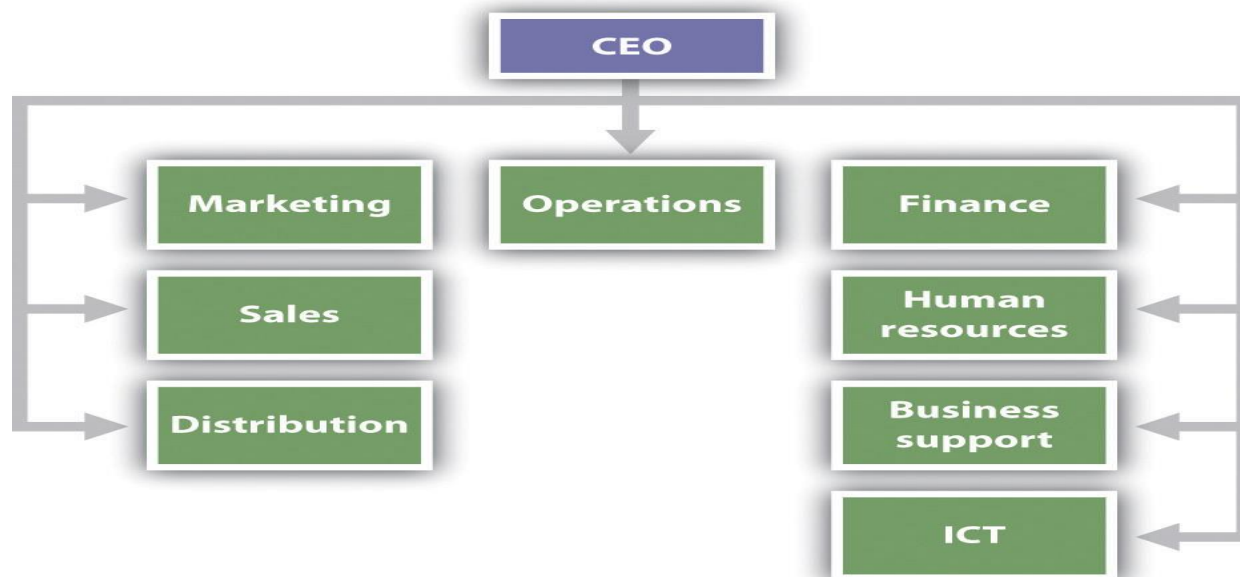
- **Consultant**

The company will hire the external consultants in the strategic planning process. These consultants are experienced business professional in the retail industry and help the company rationalize some key business approaches to gain the success for a long run.

- **Advisory Committee**

The advisory committee will be working under directors. Directors will have each advisor in each department to review strategies and approve the decision. The advisory committee comes under the broad of directors, and they can also share meetings.

- **Management Structure**



The management structure includes human resource, financing, marketing, information technology, operation, merchandising, and human relation. CEO and directors are playing the same role in this new company. Marketing, operation, and finance are three major management sections. The marketing department will lead the sales and distribution. The human resource, business support, and information technology will be working separately. Each department contains its own goals and objectives, and interestingly, these goals and objectives are aligned with the vision, mission and other strategic considerations of the company.

IX. Developments, Milestones & Exit Plan

- **Long-Term Goals**

The long-term goals have been made by the management. The long-term big goal of the company is to become the retail market leader in this competitive industry. The company predicts the time of 10 to 15 years to achieve this goal. Another long-term goal is to enhance the visibility of corporate social responsibility to engage people or communities and contribute to the

social and sustainable environment. The third long-term goal is to gain the sustainable competitive advantage through driving the customer satisfaction, loyalty, and preferences.

- **Strategy for Achieving Goals**

The main strategy to achieve these goals is to evolve with the passage of the time. The firm has to increase its adaptation capability with the time. The adaptation also needs the change urgency in an organization. Fine retailer Corporation will create the urgency in case of any change that can lead towards the long-term goal (Anders, 2018).

- **Greater Expansion Plans**

The greater expansion plan of the company is to introduce or add new products and services in the existing product or service mix. Increasing the product line is a good approach that enables some expansion options. Also, to expand the business, Fine Retail will be looking to accelerate the sales process to the existing customers. The business or store expansion is based on the revenue generation, and it is possible due to higher sales. Another possibility is to target new markets or customers after generating revenue. Improvisation and consistency are needed when executing these plans.

- **Risks Associated with Expansion**

The biggest risk in the business expansion process of this firm is the underdeveloped operational infrastructure. The business expansion may fail if there is no operational excellence in term of efficiency. At a different location or region, products and services may be rejected due to decline in quality or better alternatives. Therefore, the whole expansion investment is at risk. In the expansion process, the firm's inability to grab the new data or information about customers and the market can create problems. When exploring the new market, it looks tough to become just

relevant in the presence of new rivals. Again, further, expansion needs some thoughtful considerations to attain the long-term business benefits (Klingel, 2018).

X. Financial Forecasting

- **Income Statement**

PRO FORMA INCOME STATEMENT			
	Year 1	Year 2	Year 3
Sales	\$325,500	\$488,250	\$732,375
Direct Cost of Sales	\$162,750	\$179,025	\$196,928
TOTAL COST OF SALES	\$162,750	\$179,025	\$196,928
Gross Margin	\$162,750	\$309,225	\$535,448
Expenses			
Payroll	\$145,200	\$159,720	\$175,692
Sales and Marketing and Other Expenses	\$12,000	\$13,200	\$14,520
Depreciation	\$1,143	\$1,143	\$1,143
Rent	\$36,000	\$36,000	\$36,000
Utilities	\$3,300	\$3,630	\$3,993
Insurance	\$3,600	\$3,600	\$3,600
Payroll Taxes	\$21,780	\$23,958	\$26,354
Other	\$2,400	\$2,640	\$2,904
Total Operating Expenses	\$225,423	\$243,891	\$264,206
Net Profit/Loss	(\$62,673)	\$65,334	\$271,242

- **Balance Sheet**

PRO FORMA BALANCE SHEET			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$21,441	\$131,073	\$335,114
Inventory	\$23,650	\$28,380	\$34,056
Other Current Assets	\$1,000	\$1,100	\$1,210
TOTAL CURRENT ASSETS	\$46,091	\$160,553	\$370,380
Long-term Assets			
Long-term Assets	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$1,143	\$2,286	\$3,429
TOTAL LONG-TERM ASSETS	\$8,857	\$7,714	\$6,571

TOTAL ASSETS	\$54,948	\$168,267	\$376,951
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$32,221	\$18,733	\$22,709
Current Borrowing	\$2,900	\$1,700	\$500
Other Current Liabilities	\$500	\$500	\$500
SUBTOTAL CURRENT LIABILITIES	\$35,621	\$20,933	\$23,709
Long-term Liabilities	\$0	\$0	\$0
TOTAL LIABILITIES	\$35,621	\$20,933	\$23,709
Paid-in Capital	\$82,000	\$82,000	\$82,000
Earnings	(\$62,673)	\$65,334	\$271,242
TOTAL CAPITAL	\$19,327	\$147,334	\$353,242
TOTAL LIABILITIES AND CAPITAL	\$54,948	\$168,267	\$376,951

- **Cash flow**

PRO FORMA CASH FLOW			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$325,500	\$488,250	\$732,375
SUBTOTAL CASH FROM OPERATIONS	\$325,500	\$390,600	\$468,720
Additional Cash Received			
New Current Borrowing	\$3,000	\$0	\$0
New Investment Received	\$2,000	\$0	\$0
SUBTOTAL CASH RECEIVED	\$330,500	\$390,600	\$468,720
Expenditures			
Expenditures from Operations			
Cash Spending	\$145,200	\$151,100	\$162,200
Bill Payments	\$219,294	\$241,402	\$272,314
SUBTOTAL SPENT ON OPERATIONS	\$364,494	\$392,502	\$434,514
Additional Cash Spent			
Principal Repayment of Current Borrowing	\$100	\$1,200	\$1,200
SUBTOTAL CASH SPENT	\$364,594	\$393,702	\$435,714
Net Cash Flow	(\$34,094)	(\$3,102)	\$33,006

References

- Anders, M. (2018) *Retail Industry Expects More Sales Growth In 2018*, 8 February, [Online], Available: <https://www.forbes.com/sites/melissaanders/2018/02/08/retail-industry-poised-for-more-sales-growth-in-2018/#7bfef154fa7b> [25 September 2018].
- Clarence, S.T. (2017) *Amazon vs. Walmart: Bezos Goes for the Jugular with Whole Foods Acquisition*, 1 January, [Online], Available: <https://www.toptal.com/finance/mergers-and-acquisitions/amazon-vs-walmart-acquisition-strategy> [25 September 2018].
- Edels, N. (2017) *The true competitive advantage in retail*, 11 May, [Online], Available: <https://www.dunnhumby.com/true-competitive-advantage-retail> [24 September 2018].
- Elearningindustry.com (2014) *5 Best Practices: Corporate Training for Retail Sales Associates*, 16 April, [Online], Available: <https://elearningindustry.com/5-best-practices-corporate-training-for-retail-sales-associates> [24 September 2018].
- Ferreira, N.M. (2017) *Rev Up Your Revenues: 10 Trending Products to Sell in 2018*, 14 December, [Online], Available: <https://www.shopify.com/blog/best-products-sell-2018> [24 September 2018].
- Ganapathy, V. (2018) *Four Tech Trends Transforming the Retail Industry*, 21 August, [Online], Available: <https://www.chainstoreage.com/technology/four-tech-trends-transforming-the-retail-industry/> [23 September 2018].
- Gibbons, J. (2017) *U.S. Retail Trade – 2016 Sales Update by Channel – Going for the Gold!*, 29 August, [Online], Available: <http://www.petbusinessprofessor.com/petmarket/petmarketdistributionchannels/u-s-retail-trade-2016-sales-update-by-channel-going-for-the-gold/> [24 September 2018].

- Klingel, L. (2018) *Retail renaissance: These stores thrive in 'new' retail environment*, 24 August, [Online], Available: <https://www.foxbusiness.com/economy/retail-renaissance-these-stores-thrive-in-new-retail-environment> [24 September 2018].
- Marsdd (2013) *Barriers to entry: Factors preventing startups from entering a market*, 6 December, [Online], Available: <https://www.marsdd.com/mars-library/barriers-to-entry-factors-preventing-startups-from-entering-a-market/> [24 September 2018].
- McGee, T. (2018) *In Strong Retail Economy And Tight Labor Market, Retailers Tout Incentives*, 7 May, [Online], Available: <https://www.forbes.com/sites/tommcgee/2018/05/07/in-strong-retail-economy-and-tight-labor-market-retailers-tout-incentives/#72e4ddf22cef> [23 September 2018].
- McMillon, D. (2017) *3 predictions for the future of retail – from the CEO of Walmart*, 6 January, [Online], Available: <https://www.weforum.org/agenda/2017/01/3-predictions-for-the-future-of-retail-from-the-ceo-of-walmart/> [23 September 2018].
- Phibbs, B. (2017) *8 Proven Strategies For Retail Success*, 10 January, [Online], Available: <https://www.retaildoc.com/blog/8-proven-strategies-for-retail-success> [23 September 2018].
- Scott, K. (2018) *The Five Trends Transforming the Future of Retail*, 21 September, [Online], Available: <http://www.netsuiteblogs.com/the-five-trends-transforming-the-future-of-retail> [24 September 2018].
- Thomson, M. (2018) *How technology is driving the millennial retail market*, 16 May, [Online], Available: <http://www.bizcommunity.com/Article/196/185/177113.html> [24 September 2018].
- Tyler, J. (2018) *These are the 20 biggest retailers in America*, 13 August, [Online], Available: <https://www.businessinsider.com/biggest-retailers-in-america-based-on-sales-2018-8> [23 September 2018].