

Business Concept

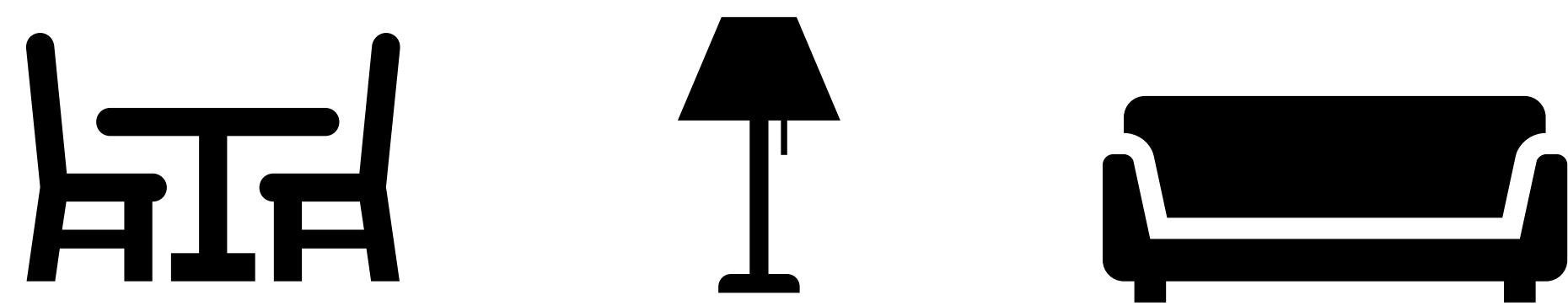
Mission & Vision

Mission – To provide stylish & functional products for the home. To create spaces to live in & enjoy. To give back to our global community. To build lasting relationships.

Vision – To create spaces that enhance our customer’s quality of life by offering design inspiration to create a place for them to live & enjoy, while focusing our business around sustainability efforts.

Merchandise and Services

- Home Furniture & Accessories
- Furniture take-back program
- Furniture salvation classes by local artisans



Target Customer

Demographics

Age & Gender: 25 – 34 year old males and females
Salary: \$50,000 - \$75,000
Occupation: College graduate in a business position

Psychographics

VALS Groups: Innovators and Experiencers
Attitudes: Spontaneous, first to adopt trends, sociable, & like to experiment.
Civic-oriented, has spiritual values, love physical activity, draws inspiration from minimalism.

Behavioristics

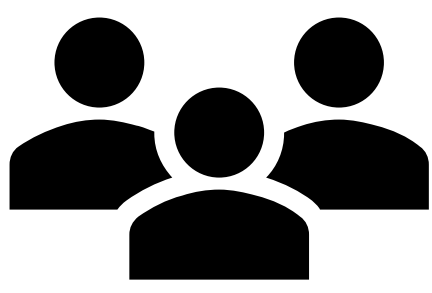
The target customer explores stores with trendy items. Their homes are a reflection of themselves. The customers are price conscious and brand loyal. They redecorate often.



Industry Segment & Market Analysis

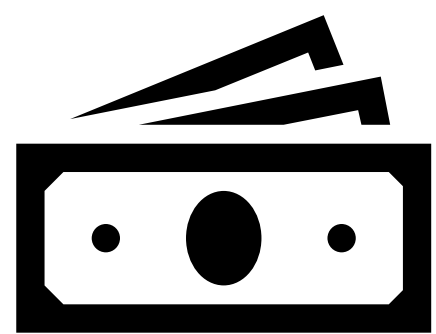
- Millennials market share is worth \$27 billion and account for the largest number of households buying furniture.
- The furniture industry is expected to reach \$122 billion by 2020 (Bryne, 2017).
- Downsizing trend continues while millennials hope to keep furniture out of landfills.
- Major players are Room & Board, Wayfair, Design Within Reach, Joss & Main, and Ikea.

T r i p l e B o t t o m L i n e



People

- Annual community project to remodel local non-profits.
- Furniture donation to families in need through take-back program.
- Option for customers to donate to local charities at checkout.
- Cove provides employee benefits like paid vacation and dental insurance.
- Store design exceeds ADA requirements allowing everyone to feel welcome.



Profit

- Local artisans teach furniture salvation classes keeping money and business in San Francisco’s economy.
- Keep retail mark-up percent low to satisfy our customers’ needs for low prices.
- Help build the economy of the United States by sourcing some products locally.
- Employ San Francisco natives to decrease local level of unemployment.
- DIRT walls reduce remodeling costs.



Planet

- Source from ISO 14001 manufacturers.
- Install solar panels on the roof to reduce energy consumption.
- Store flooring is Cradle to Cradle certified from Armstrong Commercial Flooring.
- Furniture Take-Back Program
- Eco-friendly merchandise
- GreenGuard certified interior materials and cleaning products.



For the modern, millennial home.

Competitor Analysis

Strengths

- Large selection of trendy merchandise.
- Option to customize most furniture.
- Very low price-point.
- Strong brand recognition with developed consumer base.
- Brick and mortar store internationally.
- High quality merchandise.

Room&Board

IKEA

DESIGN
WITHIN
REACH

Opportunities

- Offer free interior design services.
- Option to order online.
- Online presence with international shipping.
- Product appeals to many target markets.
- Collaborations with famous designers focused on sustainability.

Room&Board

IKEA

DESIGN
WITHIN
REACH

Weaknesses

- No international locations.
- Do not offer “Sale” merchandise online.
- Customer has to assemble furniture.
- Low quality merchandise.
- Furniture often damaged in shipping.
- Most merchandise is in mid-century modern style.
- High price point.

Threats

- Some items may be too expensive for target market.
- Low quality turns some customers away.
- Consumer trend towards buying “Made in USA” products.
- Merchandise is expensive and most millennials are unable to afford it.

Budget



First Year Skeletal Statement

	\$	%
Net Sales	1,052,526.30	100
COGS	578,889.48	55
Gross Margin	473,636.85	45
Operating Expenses	461,194.16	43.82
Net Profit	12,442.69	1.18

Sourcing Structure

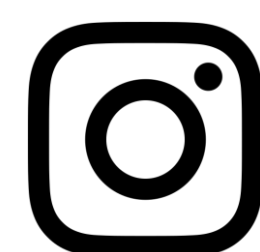
- Cove outsources from full-package manufacturers to keep costs low until we are profitable enough to move into CMT with an in-house design team.
 - Local and global sourcing helps those in developing countries as well as increases the U.S. economy.
 - Companies like All Across Africa make sure their employees are not only getting a fair wage, but are using it to invest in livestock, education, and farms.
 - GoodWeave and All Across Africa make sure they are using natural and local materials to make their artisanal products.
 - Manufacturing facilities must be paying fair wages and have adequate working conditions.
- Suppliers: All Across Africa baskets and vases, GoodWeave rugs, Xorel x Carnegie textiles, DIRT walls.

DIRTT



Marketing Strategy

- Use social media platforms like Instagram, Pinterest, & Facebook to inspire our customers.
- Host in-store events with guest designers.
- Loyalty programs for frequent shoppers.
- Cove website shows customers current trends and how to incorporate them into their spaces.



hulu