



Swirl: Business Plan

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Executive Summary

Business Description:

Swirl is a sustainable jewelry company that is based in Marin County, California. Swirl uses old electrical cords to create beautiful rings. By repurposing these cords, Swirl is keeping them out of the landfill, where they would become hazardous waste. Swirl is also reducing the demand for valuable metals, many of which are acquired through unethical means.

Market Opportunity:

Swirl addresses a need for stunning jewelry that is made in a responsible and manner. Swirl's target market has two main groups: people who wear jewelry, and people who buy jewelry for others. Swirl's primary market, residents of Marin County, are wealthy enough to afford to spend their income on luxury items like jewelry. A survey of Marin County residents highlighted many of Swirl's competitive advantages. Residents said that they would pay more money for a ring that is handmade or made in a sustainable way. Because Swirl's products fulfill these requirements, they are more desirable to customers, giving Swirl a competitive advantage. As Swirl grows into a larger business, we plan on expanding our market by creating an online platform where we can sell rings to the huge number of people on the internet.

Marketing Strategy:

Swirl's advantages and branding are key to our marketing strategy. In marketing, Swirl's prospective customers will be presented information about how Swirl is an environmentally friendly, equitable, and economically viable company. This information, in addition to aesthetically appealing branding and products, will attract customers. At Swirl, we plan to use these strategies while marketing ourselves at events hosted by the Marin School of Environmental Leadership and local farmers' markets. We also plan to develop an email system to maintain connections with existing customers and market our products to new customers.

Operations:

Swirl is a business with a relatively small footprint. This minimizes negative environmental impacts and saves money. Because of the size and nature of Swirl's product, handmade rings, no major storage or manufacturing spaces need to be rented or purchased. Swirl's supply chain has three simple steps. Our raw materials will be sourced locally from electricians or recycling companies, turned into rings by hand, and then sold directly to the customers by Swirl employees. The process of making Swirl's rings includes bending, wrapping, and shaping copper wire into an adjustable ring. As the company's name implies, Swirl's ring designs incorporate swirls and organic lines.

Management Plan:

Swirl's management will rely heavily on its owner and founder, Charlotte Kamman. Charlotte is well-qualified for this position because of her experience making award-winning jewelry and her environmentally focused education. Swirl's employees will be sourced from Charlotte Kamman's class in the Marin School of Environmental Leadership. Students in this school are experienced in collaboration, communication, creativity, and critical thinking, so they will make great Swirl employees. When making decisions, Swirl's staff will vote and keep in mind Swirl's values of equity and fairness. Swirl's management will be a collaborative process.

Financials:

Research and financial calculations have predicted that Swirl will be a financially viable business. Based on research about raw materials and the jewelry industry, we believe that Swirl can become a functional business with a very small amount of start-up capital. Financial calculations predict that Swirl will breakeven after only three or four months of operations. When setting an initially price for Swirl's rings, we have taken into account a predicted increase in operating expenses as Swirl grows. This will help ensure that Swirl is profitable.

Business Description

Positioning Statement:

Swirl is the jewelry for conscientious jewelry-wearers which helps protect the environment by reducing contamination in landfills because it is made out of valuable materials that are hazardous when put into landfills

Business Description:

Swirl is a sustainable jewelry company that makes recycled rings. Swirl's rings are designed by Charlotte Kamman, who is studying environmental stewardship and sustainability in the Marin School of Environmental Leadership and has been creating award-winning jewelry for many years. Swirl makes these wire rings out of recycled electrical cords. Electrical cords are considered "hazardous waste," and cannot be put into a landfill. They also contain valuable metals. By repurposing these electrical cords, Swirl helps to reduce hazardous contamination in landfills and conserve valuable materials.

Market Opportunity

Need:

Swirl addresses a need for beautiful jewelry made in a way that is responsible and sustainable.

Target Market:

Swirl's target market has two main groups. The first group is made up of people who wear jewelry. Swirl predicts these clients will be mostly women. We also think that these clients will be relatively wealthy and well-educated, having enough money to buy jewelry and enough knowledge to make a sustainable choice about what they buy. The second group of Swirl's target market is made up of people who buy jewelry for other people. This second group will probably include friends, family, and relatives of people in the first group.

Persona Profile:

A typical Swirl client is Eleanor Green. Ms. Green is a 45 year old chef who lives in Marin County, California. She is married but has no children. Ms. Green has two dogs, and she enjoys hiking and walking with them in her free time. Ms. Green's other hobbies include baking, reading, and art. Ms. Green is an independent and creative person who cares about the world around her. She also values interpersonal relationships and likes to get to know the people she does business with.

Here is a representative photograph of Ms. Green:



Market Demand:

Swirl's main market is women over 18 in Marin County, California. This target population is made up of about 106,545 women, according to data from the U.S. census of 2017. Because this is a very large market and Swirl is a very small business, Swirl is currently planning to capture about 2% of this target population annually. 2% of a target

population of 106,545 people is about 2,131 customers per year. Swirl expects a typical customer interaction to be a purchase of one ring at a price of \$20.00. As Swirl intends that its rings be of good quality, replacement will not be needed, and we expect each customer to make only one purchase per year. With an estimated 2,131 customers annually making a \$20.00 purchase each, Swirl estimates its annual revenue would be \$42,620. Initially, it is most likely that Swirl will only reach a fraction of these customers. If Swirl was able to reach every single potential customer in Marin County, its revenue would be \$2,130,900. Though incredibly unrealistic, this figure provides motivation for expansion in the future. Another goal for Swirl's expansion is to create a website that would serve as an online store. An online store would allow Swirl to access the huge market that exists on the internet, greatly expanding Swirl's reach.

Market Research:

Although the jewelry industry in the United States of America is enormous, recent trends may help small companies, such as Swirl, be competitive. This year, 2018, the jewelry industry is predicted to bring in \$17,822 million dollars of revenue. The jewelry industry in the U.S. is also growing steadily at about 2% per year. Last year, just over half of people ages 18-49 bought jewelry, while only around one quarter of people over the age of 50 bought jewelry. According to this data, Swirl should target potential customers ages 18-50 to maximize the chance that they make a purchase. While huge brands dominate the jewelry industry, the popularity of smaller brands is steadily growing. This is due to the increased availability of platforms where artists can easily sell their wares online. Also, because of this online ordering and selling system, made-to-order jewelry is becoming increasingly popular, especially with younger generations. As the environmental movement gains momentum, customers are becoming increasingly interested in the origins of the products they are buying and if those products are being made in a sustainable manner. This is especially true in Marin County, where the local government supports environmental stewardship and green businesses. For Swirl, a sustainable business located in Marin County, this emphasis on environmentalism can be a key selling point. In the United States' massive jewelry industry, trends focusing on smaller brands and sustainability could help to give Swirl an edge.

Primary research conducted by Swirl provided results that solidified assumptions made about Swirl's target customers and the values of those customers. Primary research was conducted using a survey from SurveyMonkey.com, which was circulated to Marin County residents on the website Nextdoor.com. This survey received 36 responses. The majority of responses (61.11%) were given by adults ages 45-64. This confirms the assumptions that the majority of Swirl's target market will be made up by middle-aged adults. This fact also matches Swirl's secondary market research. The responses from this survey conveyed important information about the values of Marin County residents. Knowledge of these values will be useful when Swirl begins marketing campaigns,

because Marin County is where Swirl plans to focus its business. The majority of respondents agreed that they would pay more for jewelry that is made sustainably or is handmade. Most respondents also said that they definitely or probably buy a ring made out of recycled metals. When asked how much they would pay for such a ring, most people said the price depended on other factors such as how the ring looks, the quality, and what it is made out of. Customers want to buy attractive, high-quality jewelry. Swirl plans to continue to collect data using this survey into the near future. This data, along with secondary market research, will be foundational to Swirl's development as a business.

Competitive Analysis:

Swirl's competition can be divided into three categories: large jewelry brands, small jewelry brands, and DIY (do it yourself) jewelry. Huge jewelry names such as Tiffany & Co. dominate the jewelry industry in the United States. Many of these brands have solid reputations for luxury, high-quality products that have been developed over decades. Because brand such as Tiffany & Co. are iconic, they are able to charge more for their products. Customers are willing to pay extra for the Tiffany & Co. label on their jewelry. These large brands have a huge customer bases and many stores across the nation, in addition to websites. However, it is uncommon for these large companies to incorporate equity and sustainability into their businesses. Swirl can compete with large companies by emphasizing how Swirl's jewelry is environmentally friendly and good for society. In addition to the enormous, well-established jewelry corporations, Swirl must also compete with smaller jewelers and jewelry brands. In smaller jewelry companies, sustainability and equity are much more common. For example, one brand called Stella and Dot uses their business to advocate for women's rights. In addition to this, many smaller jewelry companies are able to sell their products all over the world by using the internet. Websites like Etsy have allowed for the number of artists selling their products online to skyrocket. This has flooded the market, making it very difficult to sell large quantities of jewelry on these websites. A flooded online market may give Swirl, which plans to operate primarily in person, a competitive edge against these smaller brands. Developing personal relationships with their customers will also help ensure that customers spread the word about Swirl. The final category of Swirl's competition is DIY jewelry. In this situation, potential customers would choose to try to make their own jewelry instead of purchasing it from a vendor. Books and the internet have spread information about how to make practically anything, including Swirl's product: wire rings. Swirl can combat this option by using original designs, skillful craftsmanship, and recycled materials. In addition to previously mentioned advantages, Swirl can highlight the fact that it is a student-run business to attract customer who want to support education. Although competition in the jewelry industry is fierce, Swirl can emphasize its

sustainability, personal connections with customers, and other qualities to remain competitive.

Strength, Weakness, Opportunity, and Threat Analysis:

As a developing business, Swirl has many strengths, weaknesses, opportunities, and threats. Swirl's strengths come from its founder, Charlotte Kamman. Charlotte has been designing jewelry for many years and owns some of the tools needed to make jewelry. Charlotte's jewelry has won awards in the Marin County Fair. In addition to this, Charlotte is developing Swirl while taking a business class. This class and its teacher provide support and experience for Swirl. Although Charlotte contributes many strengths to Swirl, she is also the reason for some of its weaknesses. Charlotte is an inexperienced business owner. She has limited knowledge about marketing, economics, and business management. Also, when she makes jewelry, she does so slowly. In addition to this, Swirl's major weaknesses include that it currently does not have a source for recycled metal or a platform to sell its products. Despite these weaknesses, there are many opportunities for Swirl to succeed. Because the electronics industry is evolving very rapidly, many old electronics are being disposed of. Therefore, there should be lots of unwanted wires around to take advantage of. Swirl is also based in Marin County, California. Marin's population is wealthy, which means that the people have money to spend on jewelry. Marin also has a farmer's market where Swirl could sell its products. Just as there are opportunities that may help Swirl, there are threats that may hurt it. These threats include recycling systems in place for old electronics which may make it difficult to acquire those electronics. In addition to this, the jewelry industry is very competitive. There are already many, many people selling handmade jewelry online using websites such as Etsy. The internet also has lots of tutorials that teach people how to make jewelry. This means that people may make their own product instead of buying something Swirl has created. In the future, a donation of old electrical wires or increased demand for jewelry would impact Swirl positively. As wireless charging becomes a reality for technology, Swirl's supply of materials may dwindle. This would negatively impact Swirl. These strengths, weaknesses, opportunities and threats will be key in determining Swirl's success as a business in the future.

Marketing Strategy

Mission, Vision, and Values:

Mission Statement:

Swirl's mission is to create jewelry that makes a positive impact. To achieve this, Swirl employs upcycled materials and dedication to make responsible choices for our customers, communities, and the world.

Vision Statement:

Our vision is to create wearable art and new standards for sustainability and the use of equitable materials in the jewelry industry.

Values Statement:

At Swirl, we try to incorporate our four core values into everything we do:

Quality - maintaining high artistic and moral standards

Creativity - innovating and expressing our mission through art

Connections - developing trusting personal relationships with our customers and suppliers

Sustainability - making choices that will benefit our communities and the environment today and in the future

Branding:

Swirl is a sustainable and equitable jewelry brand. Swirl's mission has three prongs: environment, equity, and economics. Swirl's branding, because it targets the customers, focuses mostly on the environment and equity. One of the major values of this brand is a devotion to its communities. These communities include the smaller area of Marin County, where customers are located, and the larger San Francisco Bay area, where suppliers are located. Swirl aims to have personal relationships with all of our customers and suppliers. At Swirl, we want to be a positively contributing member of the local community. Creating trusting interpersonal connections is one of Swirl's key values. Employees will attempt to build trust with customers by being honest, being kind, and showing genuine interest in their lives. In addition to this, Swirl employees will engage customers with stories about the jewelry's unique designs and origins. "Personable," "thoughtful," and "trustworthy" accurately describe Swirl because of its employees' devotion to develop good relationships with the people they work with. In addition to this, Swirl has made a commitment to make responsible, environmentally-friendly choices. Nature and the environment are reflected in the organic lines of Swirl's logo and even in the company's name. Overall, Swirl's branding paints and image of a classy and friendly company that fulfills its missions to help its community and the world.

Slogan: "Swirl: elegant jewelry from reclaimed metals"

Logo:

relatively small footprint. These rings are small, so they can be stored in a small area and do not require any large equipment for production. The necessary equipment for starting this business will be pliers, wire strippers, and wire cutters. All of these items can be purchased for relatively low prices and stored in a small box. In addition to tools, Swirl will need raw materials to begin manufacturing and selling our product. The only material needed is recycled copper wire. Swirl plans to develop relationships with local electricians or electronics recycling companies to acquire this wire. In addition to this, Swirl plans to find a place to sell product before we become operational. Initially, Swirl employees will be selling products in person directly to the customers. Overall, Swirl has a relatively small supply chain. This is because we will be manufacturing and selling products ourselves. Swirl's supply chain has three steps. The first step involves raw materials from the electricians or recycling companies going to Swirl's manufacturing facilities. Then the raw materials will be turned into the finished product. Then the finished product will be sold to the customers. Because Swirl's supply chain is so simple, Swirl will be able to begin selling product roughly ten days after we receive the raw materials. These ten days will be spent making the product. Although Swirl's product is small, it takes a relatively long time to create because it is a form of art. Swirl's rings are made by bending, wrapping, and shaping copper wire into an adjustable ring. As the company's name implies, Swirl's ring designs incorporate swirls and organic lines. Overall, Swirl's operations just after the business has launched will be simple but will move slowly due to Swirl's product being handmade art.

Operations for the next twelve months (after June 2019):

The operations needed to create Swirl's products are relatively straight forward. For this reason, not much change will be needed when Swirl goes from smaller scale to larger scale after the first six months. There will be three major changes needed for Swirl to expand our business. The first change is that the manufacturing and business center will have to be moved out of Charlotte Kamman's house as it grows. It is most likely that the operations will be moved to a small office or workshop. This facility could possibly be in a rented office complex or workshop. Secondly, as Swirl's business grows, we will need to acquire more raw materials to make more product. The demand for more raw materials may require that Swirl finds more suppliers for recycled wire, expanding the companies that we are working with. Finally, as Swirl conducts more business, it will be important for us to have a safe place to store our profits. It is likely that Swirl will open a company bank account. Even as Swirl's business grows, the company will be able to maintain a small facility due to the nature of creating wire rings.

Management Plan

Swirl's management style will involve members with different strengths working in a team. As Swirl's founder, Charlotte Kamman will be an important visionary and leader in this business. Charlotte has been creating jewelry for many years, and her skills as an experienced artist will make her incredibly valuable to Swirl's jewelry design and creation processes. Because of her experience creating jewelry and vision of what Swirl could be, Charlotte is the right leader for this business. Despite the fact that Charlotte will be Swirl's primary leader, decisions made for Swirl will not be controlled solely by her. Within Swirl, major decisions will be voted upon by all employees. As the founder, Charlotte's vote will count as two votes. The idea with the majority of votes will be implemented. To make Swirl as successful as possible, employees with certain skills will be hired. In order to function as smoothly as possible, Swirl will seek to hire individuals with specializations in marketing, managing finances, design, communication, and negotiation. In addition to this, all Swirl employees should be invested in collaboration and be productive team members. Although people with different specializations will be hired, all of Swirl's employees will contribute to all the aspects of running this business during the first six months. Swirl's employees will be sourced from Charlotte Kamman's class in the Marin School of Environmental Leadership. Students in this school are experienced in collaboration, communication, creativity, and critical thinking, so they will make great Swirl employees. At the end of the first six months, all of Swirl's employees will equally split any profits made. After the first six months, employees will negotiate the best method of fair compensation, which will most likely be hourly wages. Overall, running Swirl will be a group effort and a collaborative process.

Financials

Unit Cost Analysis:

Based on research that has been conducted, Swirl has been able to create a financial plan to ensure that our business plan is financially viable. Long-term considerations were made before Swirl decided on a price for our rings. This price, which is an even amount of \$20.00, is just over twice the cost of creating a ring after the first six months. It is important to note that the cost of creating a Swirl ring rises sharply after the first six months of Swirl's business. This is because for the first six months, there will be no set wages for Swirl employees. Employees will be compensated through the equal division of any profits made and stock in the company. During the first six months, the cost of creating a Swirl ring will be \$0.67. After these first six months, factors such as employees' hourly wage will greatly increase the cost of creating a ring to \$8.23. This cost of creating a Swirl ring includes labor, raw materials, and packaging. The higher, long term cost of creating a Swirl ring was used to derive the unit cost of \$20.00.

Start-up Capital:

To kick-start Swirl, only a small amount of money will be needed. Swirl's start-up capital is only \$16.39. This money will be used to purchase a multi-purpose wire cutting and stripping tool and to create an initial inventory of 10 rings. Swirl plans to acquire start-up capital from a fund created specifically for the purpose of supporting business run by students in the Marin School of Environmental Leadership, like Swirl. Because the start-up capital is so small, it is very likely that Swirl will be able to receive this amount. Swirl's initial financial decisions of unit cost and desired start-up capital are supported by financial analysis that shows that Swirl will be profitable within the first year.

Forecasted Income Statement:

Swirl has predicted the net loss and profit for the first year after we have started to function as a business. Based off of calculations and research-backed inferences about the jewelry industry, Swirl has predicted that we will be able to sell a total of 700 rings in the first year. Those 700 rings will be made up of 208 rings in the first six months and 492 rings in the second six months. When calculating Swirl's annual expenses, informed assumptions have been made about the prices of raw materials, transportation, marketing, and a website. Initially, Swirl expects to be in debt. However, by the end of the year, financial calculations predict that Swirl will bring in a net income of \$3,413, making it a profitable business. The initial expenses that will put Swirl in debt are mainly for advertising, transportation, and payroll. All of these expenses are necessary for Swirl to begin to function as a successful business. In addition to this, the nature of Swirl's product, small rings, means that no large storage or manufacturing facilities are needed, which eliminates a major expense. At Swirl, we predict that we will break even for the year between March and April, when roughly 75 rings have been sold. Swirl's financial projections for the first year can be seen in the graphs below.

Break-Even Graph Projections 2019



Monthly Profit Projections 2019

