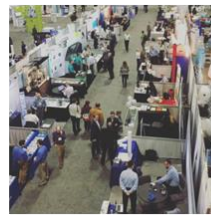




Re-TAIL THRIFT SHOP & PET DEVELOPMENT CENTER BUSINESS PLAN FOR 4055 E 3RD, POST FALLS, ID



UPSTAIRS *No wheelchair access

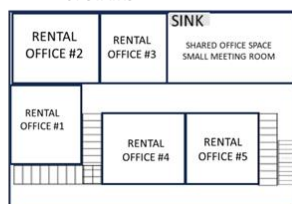


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1.0 Executive Summary

TAILS Foundation Inc is a 501c3 nonprofit organization founded in April 2016 in response to an increasing need for pet assistance services, especially among low-income and senior families often due to a temporary financial or medical situation.

The TAILS Foundation Inc's Re-TAILS Thrift Shop and Pet Development Centers (TAILS) purpose is to provide the community with low cost goods with a garage sale style, and to educate others on pet responsibility, including having available options for care for those in need.

Due to the economy, the community enjoys purchasing items they need or want at a bargain. TAILS will have a variety of donated items for the customer to browse from clothing to tools, from books to dishware and everything in between! Most items will be on a 'by donation' basis. TAILS will follow the rule of always low prices instead of playing the games of daily discounts. TAILS will also offer FREE clothing and collaborate with other non-profits to help those in need.

As the population increases, there is a noticeable need for pet care. People are unable to care for their pets due to finances, or they just don't know how to take care of their pets as a whole. Classes teaching pet responsibility, nutrition, behavior and more is needed in this community, as there is nothing like it in our local area. Instead of trying to fix the problem afterwards, it is imperative we teach to stop it from happening in the first place.

Fundraising, sponsorship and Re-TAIL dollars will go towards education and pet needs such as spay & neuter, emergency medical, pet food, and more. The goal is to provide as much assistance as possible so our pets do not suffer due to the financial situation of their people. This also includes working with other non-profits and pet-related businesses to have the best services possible.

Our goal is to open for business at the end of summer or beginning of spring. This will give us the opportunity to collect donations from closing garage sales and those that are "spring cleaning" and want to just get rid of their items without the hassle of having a sale. We will also be able to hand out flyers to schools letting kids and their parents know of upcoming activities they can enjoy throughout the summer.

2.0 Company Summary

2.1 General Business Overview

This plan outlines the structure and operations of the Re-TAILS Sales & Community Center, a business venture TAILS Foundation Inc. The purpose of this venture is to support the mission of the organization by generating additional financial revenue, increased visibility, and broader community engagement.

2.2 Company Structure

The Re-TAIL Thrift Shop and Pet Development Center will be operated as a business under the ownership of TAILS Foundation Inc (TAILS). TAILS is incorporated as a charitable, non-profit organization under Idaho State and Federal guidelines, with a designation of 501c3 tax-exempt status from the United States Internal Revenue Service.

2.3 Location

TAILS will be located in Post Falls, Idaho making shopping and participation in activities easy and accessible, but central along side of the border of North Idaho and Washington.

This location places the TAILS Foundation Inc Re-TAIL Thrift Shop within walking and biking distance from senior low to moderate income housing, apartment, duplex and local homes and a variety of downtown shops, restaurants, and service businesses.

2.4 Key Personnel

The Director of Operations of TAILS Foundation Inc will be LaRain Saige of Post Falls, Idaho. LaRain has 30+ years experience in retail, including a major corporation as well as managing a thrift store for a local humane society. LaRain also has 7 years experience working with youth as a Day Camp Director, and over 15 years experience working with various non-profit associations helping the local community in need.

2.5 Goals & Objectives

1. To increase pet responsibility and awareness in our local community
2. To launch the business and develop sales to fund programs and services
3. To increase sales by 20% per year in the second and 30% third year

2.6 Strengths & Key Concerns

Areas of strengths for the TAILS Board include:

1. The Re-TAIL Thrift Shop has already developed a customer base that is loyal and supportive of the shop and the work of the TAILS Foundation Inc. This is confirmed by community members who expressed interest in the programs and services.
2. The shop appeals primarily to adult women, college students, and people with limited budgets. However, because of the variety of inventory, customers also include men, people of all income levels, and all ages.

Areas of concern for the TAILS Board include:

1. Recruiting and scheduling volunteers so that the operation of the Thrift Shop does not drain human resources from other TAILS programs and activities such as education classes and fundraising events.
2. Managing the Re-TAIL Thrift Shop in a way that
 - a. Requires minimal TAILS staff and board involvement.
 - b. Is financially successful and fiscally responsible.
 - c. Establishes appropriate oversight, safeguards, and security

2.7 Mission & Vision Statements

Our mission at TAILS Foundation Inc is to help families care for their pets by providing services, resources, and education necessary to obtain optimal health and well-being for their animals.

The vision is to create a world where all pet owners have access to basic, affordable pet health care regardless of economic status.

This includes pet care service resources, pet supplies, training and other educational classes and clubs. Our operations will instill in owners confidence in their ability to care for their pets in appropriate ways, and help the community be responsible, caring and healthful pet guardians.

3.0 Products and Services

3.1 Product Description

1. Recycled Items: donated for free by community members are offered for re-sale at discounted prices. These may include: books, videos, DVD, kitchen items, housewares, office supplies & equipment, toys, sporting goods, craft supplies, artwork, plants, jewelry, baby items, electronics and furniture. Specialty clothing items may be accepted on a limited basis. No fur of any kind will be accepted.
2. Consignment Items: Items can be sold at a 60/40 rate, and must be pre-approved by staff members. Paperwork must be filled out to be given proper payment to each party. All items will be clearly marked and labeled
3. TAILS Foundation Inc Promotional Items: Re-TAIL items for sale including: dog/cat collars and leashes, T-shirts, and other items with the TAILS logo, etc.

3.2 Future Projections

1. TAILS plans to incorporate education classes as part of the Pet Development Center. These classes will further our mission of pet responsibility for all ages.
2. A Resource Center will be available for locals needing services for their pets. Information and special events will be made available for customers, pet owners, and the general public such as:
 - a) Brochures, flyers, and handouts on animal care, licensing, adopting a pet, TAILS activities, fundraising efforts, and programs
 - b) Bulletin board of currently adoptable animals;
 - c) Bulletin board of Lost & Found animals.
 - d) Special meet-the-pets events, ask-the-Vet events, training presentations etc.

3.3 Legal Considerations

1. All income and expenses from the Re-TAIL Thrift Shop will be clearly identified in the financial records of the TAILS Foundation Inc. All income from the Re-TAIL Thrift Shop will be designated as “unrelated business income”. Net profits from unrelated business income are subject to taxation.

4.0 Marketing Strategies

The market for TAILS Foundation Inc are pet owners in the Post Falls area and surrounding areas of the city. We believe that this is going to be 1/3 of the population, and we have a goal of gaining a 50% market share. We have a target of a 20%+ yearly profit increase as the business continues.

4.1 Customer Base

The primary customer base of the TAILS Foundation Inc Re-TAIL Thrift Shop is comprised of the year-round residents of Post Falls, Idaho and surrounding areas including Coeur d'Alene, Rathdrum, Hayden, etc (Kootenai County)

Sales of special inventory items may be offered online through sites such as Marketplace, Craigslist, eBay, and Amazon, which will potentially reach a broad, local and national customer base.

4.2 The Competition

Our primary competition for the thrift shop is St. Vincent's, Goodwill, Youth Ranch, Hospice and the Real Life Ministries Thrift Store. A secondary level of competition includes corporate retail stores including: Walmart, Dollar Store, Walgreens, and online retail outlets. There is also seasonal and short term competition from garage sales, yard sales, auctions, and church bazaars.

There is very little to zero competition for a Pet Development Center, as it is unique for this area. There are no other organizations that do this work.

4.3 Service Business Analysis

Our familiarity with this business indicates that the service we offer is not currently available anywhere within the Post Falls area. We think our marketing problem will be more a matter of making pet owners aware of TAILS Foundation Inc, than it will be related to the competition.

4.4 Market Segmentation

The shop appeals primarily to adult women, college students, and people with limited budgets. However, because of the variety of inventory, customers also include men, people of all income levels, and all ages.

5.0 Operational Information

TAILS Foundation Inc Re-TAIL Thrift Shop will finance the start-up of our company mainly through personal investment and apply for business grants and sponsorships to expand and put special features in place, and provide necessary maintenance. TAILS will finance growth through the profits from services and fundraising efforts.

5.1 Start-up Summary

The start-up for TAILS Foundation Inc Re-TAIL Thrift Shop will be simple and cost efficient. Rent and utilities will be the main expense, which will consist of a large Re-TAIL space. There will be many advertising expenses in the beginning that will promote the service, and this expense will lessen as months go on and people become aware of our service. Start-up inventory will be mainly office supplies, marketing materials equipment and infrastructure.

We will be investing some of our own funds, as well facilitating fundraisers and submitting various grant applications to participating agencies. Donations and volunteers will help with startup expenses.

5.2 Assets and Equipment

1. **Supplies** – A small amount has been allocated in the budget for supplies to support operations, this includes items such as receipt books, price tags, bags, masking tape, etc. This expense may be slightly more or less in any given month, but the total should not exceed the annual budgeted amount.
2. **Credit Card Processing** – Fees are estimated, and increasing in months that have higher sales, and increasing generally in future years. The actual amount of this expense will depend on the frequency with which customers use credit cards to pay for their purchases, and any future rate increases from the merchant account company.
3. **Fixtures & Equipment** – Start-up cost for fixtures and equipment will vary as TAILS will be seeking donations for these expenses and will be purchased second hand when available. This expense in the budget allows for the eventuality that new equipment may be needed, or old equipment may need to be replaced, as the shop develops.
4. **Reserve Fund** – TAILS will budget a monthly amount for a reserve savings account for TAILS that accumulates from year to year for emergency expense and/or expansion.

5.3 Licenses and Permits

1. Idaho State Articles of Incorporation
2. Post Falls Business License
3. State of Idaho Resale License

5.4 Insurance Policies

Insurance through Redman Insurance Company

1. Liability
2. Fire & Theft
3. Worker's Compensation
4. Employment Insurance

5.5 Employees

1. LaRain Saige, Director of Operations
2. Part-time Re-TAIL sales associate in the future
3. + Volunteers

5.6 Advisory Board

1. LaRain Saige, Director of Operations/President
2. Johna Nelson – Board Member/Secretary
3. Laura Heape – Accounting/Treasurer

6.0 Financial Information

6.1 Financial Objectives

1. To pay all expenses for operations from TAILS Foundation Inc Re-TAIL Thrift Shop sales revenue.
2. To keep expenses low using donations, volunteers and fundraising
3. To clear 20% per month over expenses to support the mission of the TAILS Foundation Inc.
4. To increase sales and proceeds to TAILS each subsequent year for the first 5 years.
5. To establish a reserve fund that will support TAILS in the case of shortfalls, unforeseen expenses, and emergencies.

6.2 Overhead Costs

Break-even Analysis: According to our break-even projections, TAILS needs at least \$2 per square foot of retail space to cover expenses. This is a manageable sales amount per sales and market analysis. Furthermore, a significant portion of our fixed cost is salaries, so that reduces risk as well by using volunteers.

END

*Additional
Information*

MONTHLY EXPENSES & INCOME PROJECTION SUMMARY

EXPENSES:	YEAR 1:	YEAR 2:	YEAR 3:
RENT (+\$1,000 Charitable Contribution tax write-off)			
PAYROLL +10% TAXES, UNEMPLOYMENT INS, ECT	1FT MGR\$20/HR 3200 1FT(2PT) \$15/HR2400 \$5,600 \$400 . \$6,000	1FT MGR\$20/HR 3200 1FT(2PT) \$15/HR2400 \$5,600 \$400 . \$6,000	1FT MGR\$20/HR 3200 1FT(2PT) \$15/HR2400 \$5,600 \$400 . \$6,000
EXPENSES Electric, utilities, maintenance, etc	3,000	3,000	3,000
MISC office supplies, maintenance, etc	1,000	1,000	1,000
TOTAL EXPENSES:			
3750 sq ft Retail	X\$2/sqft 7,500	X\$3/sqft 11,250	X\$4/sqft 15,000
5,026 sq ft Office	1,500	2,000	3,000
3900 sq ft Community Room	1,250	1,600	2,500
600 sq ft Program	900	1,125	1,500
MONTHLY FUNDRAISER	1000	1000	1500
SPONSORS/GRANTS	1000	1000	1000
TOTAL INCOME	13,150	17,975	24,500
GRAND TOTAL: INCOME-EXPENSES			
X12 MONTHS END OF YEAR P&L			
ANNUAL FUNDRAISER	START UP FUNDRAISER 5000 ANNUAL 5000	10,000	15,000

MONTHLY EXPENSES & INCOME PROJECTION SUMMARY

EXPENSES:	YEAR 4:	YEAR 5:	
RENT (+\$1,000 Charitable Contribution tax write-off)			
PAYROLL +10% TAXES, UNEMPLOYMENT INS, ECT	1FT MGR\$20/HR 3200 1FT(2PT) \$15/HR2400 \$5,600 \$400 . \$6,000	1FT MGR\$20/HR 3200 1FT(2PT) \$15/HR2400 \$5,600 \$400 . \$6,000	
EXPENSES Electric, utilities, maintenance, etc	3,000	3,000	
MISC office supplies, maintenance, etc	1,000	1,000	
TOTAL EXPENSES:			
3750 sq ft Retail	X\$5/sqft 18,750	X\$5/sqft 18,750	
5,026 sq ft Office	3,000	3,000	
3900 sq ft Community Room	3,000	3,500	
600 sq ft Program	1,500	2,000	
MONTHLY FUNDRAISER	1500	1500	
SPONSORS/GRANTS	1000	1000	
TOTAL INCOME	28,750	29,750	
GRAND TOTAL: INCOME-EXPENSES			
X12 MONTHS END OF YEAR P&L			
ANNUAL FUNDRAISER	\$20,000	\$25,000	

EXPENSES:

The Thrift Shop/Garage Sale would be the main source of income to pay all expenses for the building space.

Would be staffed mostly with volunteers + 1-2 paid staff

Based on a 12,565 sq ft retail space:

EXPENSES:

RENT \$9,424

UTILITIES \$4,000 (electric, phone, internet, etc)

MISC \$2,000 (office supplies, maintenance, etc)

TOTAL: \$15,424

PAYROLL:

1 FT MANAGER \$20 x40hrs/wk = 3200/MO

1 FT (or 2 PT) EMPLOYEE/S \$15 x 40/hrs/wk= 2400/MO

+\$500/mo for taxes, unemployment ins, etc (7.65%)

TOTAL = \$6,100

EXPENSES \$15,424

PAYROLL \$7,000

GRAND TOTAL: \$22,424 per month

REQUIRED INCOME PER MONTH:

- **YEAR 1: \$22,424 (1 FT, 1 PT EMPLOYEES)**
- **YEAR 2: \$24,824 (2 FT, 2 PT EMPLOYEES)**
- **YEAR 3: \$27,224 (2 FT, 4 PT EMPLOYEES)**

ReTAIL THRIFT SHOP (INDOOR GARAGE SALE):

TAILS FOUNDATION RETAIL THRIFT SHOP INCOME

- Most items will be donated to us from the community = Free inventory
- Offer free pick-up of left-overs from garage sales = Free inventory
- Offer consignment, including charitable fundraising = Inventory & marketing
- Educate the community to bring only sellable items to store. Best case scenario is to have items cleaned and ready to put on shelf immediately. = less time processing
- All donations are tax-deductible as a charitable contribution = benefit to donator
- Specifically request gently-used pet supplies

A portion of the shop will carry various brand-new items. Mostly everyday useful pet supplies, such as basic collars, leashes, bowls, etc. No extra fancy stuff. Some trainers may want to have specific supplies that customers can purchase for their classes.

ITEMS NEEDED FOR STORE:

- Clothing racks
- Shelving
- Tables
- Front Desk/Counter
- Front Desk office supplies
- Cash register or iPad with cash box
- (possibly computer if helping with scheduling/admin stuff)

TEMPORARY SOLUTIONS – IDEAS

- Tables from plywood & sawhorses (corners cut off or rounded) with tablecloths
- Ask contractors to get old counters/cabinets from housing that were pulled
- Start as “rummage” sale to start income and community awareness flow while building

YEAR 1: \$2 SQ FT = 7,500

YEAR 2: \$3 SQ FT = 11,250

YEAR 3: \$4 SQ FT = 15,000

OFFICE SPACE 1,500 SQ FT:

1 x 10x10 office space for TAILS

Shared office spaces for trainers, pet sitters, non-profits etc who want an office, but can't afford a larger space

8 - Office spaces

\$250/mo for office rent (x8=\$2,000)

- Includes office, electricity, internet, shared meeting areas

\$100/mo Subscription shared meeting areas (x10=1000)

- Includes electricity, internet, shared meeting areas

1 X 250 sq ft CAFÉ MEETING/SOCIAL AREA

1 X 200 sq ft for small meeting area (2nd floor)

Total Office Space Income: \$3,000/mo

First year, 2 month set up time, ½ income: \$1,500

Second year, 2/3 income: : \$2,000

Third year, 100% income: \$3,000

COMMUNITY ROOM SPACE:

3,900 SQ FT

Approx 20-100 people per class

20 people X \$10/class = \$200 x 10 classes/month

= **\$2,000/mo**

- Pet First Aid/CPR classes
- Pet Nutrition classes
- Pet Care / Pet Responsibility
- Become a Pet Sitter, Dog Trainer, etc
- Herbs, Aromatherapy, etc for Pets
- Day Camps during school breaks
- Spay/Neuter/Vaccination/MC events

Community Room can be rented out by the hour

Approx rented out 10x/month at \$25/hr (2 hr minimum)

=**\$500/month**

- Conferences
- Parties
- Training
- Fundraisers

Total income per month: \$2,500

First year, 2 month set up time, ½ income: \$1250

Second year, 2/3 income: : \$1600

Third year, 100% income: \$2,500

BUSINESS PROGRAMS:

TAILS411 Pet Business Directory

- Business Office
- Business Center for Members

1 x \$50 Non-Profit Members

4 x \$100 Classic Members

1 x \$250 Premier Members

= \$700/month

TAILSRewards Discount Card

- Business Office
- Business Center for Merchants

*See 5 year goal sheet for amounts

*Minimum goal 10 cards/mo at \$20 = \$200/month

TAILS411 CALENDARS

- 1st Year: 100 X \$12 = \$1,200
- 2nd Year: 150 X \$12 = \$1,800
- 3RD Year: 200 X \$12 = \$2,400

NOT COUNTED IN
MONTHLY TOTALS,
PAYS FOR ITSELF

Total income per month:

YEAR 1: \$900

YEAR 2: \$1,125 (25% increase)

YEAR 3: \$1,500 (30% increase)

OTHER INCOME:

SPONSORSHIPS

- \$1,000/MONTH

Total income per month: \$1,000

ONE TAILS FUNDRAISER EVENT PER MONTH

Total income per month: \$1000

ANNUAL FUNDRAISER:

TAILS Pet-Pawlooza!

- Vendors, food trucks, demonstrations, pet adoptions plus services such as nail trims, microchips, vaccinations, etc.
- 3k/5k fun run and dog trot

YEAR 1: \$5,000

YEAR 2: \$10,000

YEAR 3: \$15,000

NOT COUNTED IN
MONTHLY TOTALS