**Business Concept**

**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.

**Store:** 47,000 sq. ft. located in San Francisco. Designed minimalist in style with upbeat music and open showrooms.

**Organizational Structure:** CEO, Chief Operations Officer, Chief Financial Officer, Chief Marketing Officer, and Chief Furniture Reclamation Officer

**Merchandise and Services**
- Home Furniture & Accessories
  - Ex. Couch: $700 - $1500 & Art: $10 - $350
- Furniture take-back program to keep out of landfill.
- Furniture salvation classes by local artisans.

**Target Customer**

**Demographics**
- Age & Gender: 25 – 34 year old males and females
- Salary: $75,000 - $90,000
- Occupation: College graduate in a business position

**Psychographics**
- VALS Groups: Innovators and Experiencers
- PRIZM Groups: Midtown Mix & Connected Bohemian
- 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. Like to buy sustainable products at socially responsible retailers. 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.

**Competitive 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.
- Affordable and stylish furniture in current trends. Promotes sustainability in products and services.

**Weaknesses**
- No international locations. Do not offer “Sale” merchandise online.
- Customer assembles product unless a fee is paid. Low quality merchandise consumers throw away after short period of time.
- Most merchandise is in mid-century modern style. High price point.
- No online purchasing option. New to furniture sector, no loyal customers to begin with.

**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.
- Furniture salvation classes in-store. Partner with local designers and businesses.

**Threats**
- Some items may be too expensive for target market.
- Low quality turns some customers away due to sustainability concerns.
- Consumer trend towards buying “Made in USA.”
- Only location is in San Francisco. Some items may not be high enough quality for some customers.

**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.

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**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 use 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 and Carnegie textiles, DIRT walls.

**Budget**

**First Year Skeletal Statement**

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<thead>
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<th></th>
<th>$</th>
<th>%</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>1,052,526.30</td>
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<tr>
<td>COGS</td>
<td>578,889.48</td>
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<td>Gross Margin</td>
<td>473,636.85</td>
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<tr>
<td>Operating Expenses</td>
<td>461,194.16</td>
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<tr>
<td>Net Profit</td>
<td>12,442.69</td>
<td>1.18</td>
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The marketing budget account for 6.3% of net sales & is included in the operating expenses.

**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.
- In-store furniture re-purpose event to educate our customers about sustainability.