

Section 2
Team 12
Spring 2025



Business Plan

Business Name: Clip & Go

Business Idea: Pannier hooks with secure clips designed for attaching bags to bicycles.

Team Members:

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Executive Summary

Clip&Go LLC

Mackenzie Plunkett
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Management:

Titles: President, Operations Manager, Finance Manager, Production/Quality Manager

Industry: 331110 - Iron and Steel Mills and Ferroalloy Manufacturing

Number of Employees: 13 Full Time Employees

Amount of Financing Sought: \$2,000,000

Debt- 40%

Equity- 60%

Investment Sources:

Personal Investment - \$1,200,000 (60%)

Bank Loan- \$800,000 (40%)

Use of Funds: Equipment, materials, advertising, facilities, salaries, SG&A expenses

Product selling price: \$28.00

Business Description: Clip&Go is an LLC operating out of Greer, South Carolina. Our product is the Clip&Go, a transferrable pannier bike hook. Our goal is to eliminate the need to buy a whole new pannier bag but instead be able to use our hook on any of your current bags. We will partner with bike shops around Europe and the United States. This will allow us to reach our target markets of bikers in the U.S. and Europe.

Products/Services: Clip&Go, our primary offering, is a transferable pannier bike hook. By utilizing a strong spring clamp, the Clip&Go will be able to hold bags up to 20lbs and provide an easy pannier bag alternative for commuting bikers. We will sell approximately 55 thousand units in our first year, each unit will cost us \$7.04 in materials and labor to make and will be priced at \$28.00.

Competitive Advantage: Our product stands out in the market due to its affordability and ease of use. Unlike competitors, our hooks are easily transferable between bags, highly durable, and universally compatible. Additionally, our product is affordably priced with a sleek, one-piece design. It's discreet and visually appealing when attached to a bag.

Markets: Our primary target market is European and United States residents who commute via bicycle. The market size is 43.747 million with an annual growth rate of 1.87%.

Distribution Channels: We will sell our product on our website. We are strictly selling B2B.

Competition: Our current competition is other companies making detachable pannier hook systems. Universal Pannier Hook is our main competitor. They make 3D printed pannier hook sets that can be detached and moved from bag to bag. Some other competitors include pannier backpacks, fixed pannier bags, and DIY hook attachments.

Financial Projections (Unaudited): (dollars in thousands)

	2024	2025	2026	2027	2028	
Revenue:	1531.15	1625.18	1723.93	1811.39	1919.49	EBIT:
	22.53	73.36	116.19	165.07	219.15	

Elevator Pitch

We're reinventing the pannier bags. Instead of forcing cyclists to purchase expensive \$150 pannier bags, our product lets them convert any bag they already own into a secure, bike-ready pannier, at a better cost. A pannier bag is a type of bag designed to be mounted on the sides of a bicycle used for carrying gear

or personal items while traveling. This patent-pending solution uses a steel hook and heavy-duty spring clamp to attach almost any bag to a bike rack in seconds, no screws, no tools, no limitations. Unlike existing options limited to specific backpack styles, our universal design brings convenience and flexibility to the market. We're targeting a growing demographic of urban cyclists and commuters who value functionality, affordability, and sustainability. With a simple, scalable design and strong margins, this product is positioned to meet a demand for versatile, low cost carrying solutions.

Business Description

Clip & Go is based in Greer, South Carolina, a location chosen for its affordable operations, manufacturing accessibility, and strategic distribution advantages. Our facility includes a small warehouse and office space for assembly, packaging, and shipping. Major equipment includes light-assembly tools, spring clamp testing rigs, and sustainable packaging stations. All packaging is recyclable and eco-friendly, aligning with our commitment to environmental responsibility.

We sell our product through bike retail shops across the U.S. and the European Union, as well as through our online store, generating income from both. Our target customers include urban cyclists and those who regularly travel via bicycle who value cost-effective, flexible gear. By focusing on bike-friendly cities and communities, we serve a growing market of eco-conscious riders looking for practical and innovative solutions.

Business Flexibility

See Exhibit 10 where we show how we plan to scale our operations as demand increases throughout the five years. We cover hourly output rate and resource requirements that vary throughout our five-year plan.

Competitive Advantage

Our product stands out in the market due to its superior design and functionality. Unlike competitors, our hooks are easily transferable between bags, highly durable, and universally compatible. Additionally, our product is affordably priced with a sleek, one-piece design. It's discreet and visually appealing when attached to a bag.

Value Proposition

Our sources of income are sales from the product and Internet sales.

Location

We selected Greer, South Carolina, as the location for our business because the area offers ample space for our operations, cost-effective rental rates for our facility, and a competitive labor market with

affordable wages. Additionally, Greer presents a strong market opportunity, as bicycles are widely used in the region, making it an ideal location to promote and sell our products.

Outsourcing

Our company decided to outsource the pins, springs, and boxes that hold our entire product. Doing this is more cost-effective than making them at our warehouse. Manufacturing in-house would mean spending a lot on specialized equipment, maintenance, and labor, which doesn't make sense for components that are only being used in one product and in such small quantities. By outsourcing, we save money, keep our prices lower for customers, and can focus on improving other parts of our product.

Financial Performance

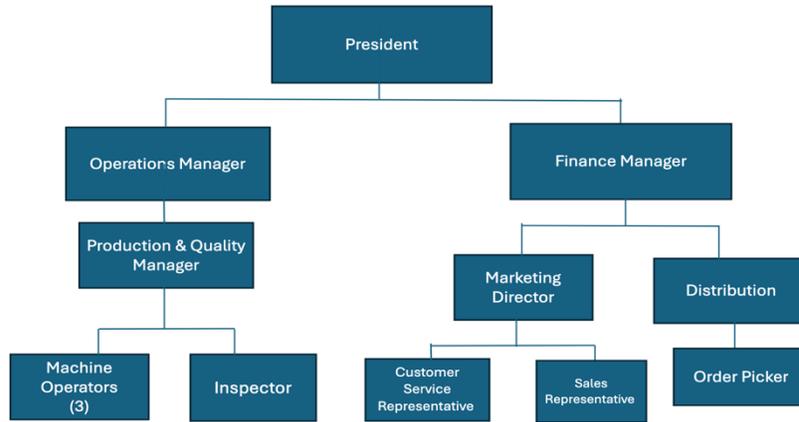
Our revenue and gross profit steadily increase. We maintain a positive EBIT and operating cash flow. Our free cash flow is negative in year one before turning positive in year two.

Business Strategy

Our startup is focused on creating high-quality, durable pannier bag hooks that make biking more convenient for commuters and premium riders. We use a focus differentiation strategy, concentrating on a niche market of cyclists and commuters who value affordability and convenience. By targeting areas that have a high number of bikers as commuters, such as Europe, and partnering with bike shops, we can keep costs low and quality high. Sustainability is also important to us, which is why our packaging is 100% recycled. Through social media marketing, collaborations with biking communities, and great customer service, we plan to build a solid customer base and establish our brand in the cycling market.

Exhibit 1: Organizational Chart

Clip&Go's Organizational Chart For 12/31/27



*All employees will be full-time employees in the company.

Footnotes:

1. President will establish long-term goals, oversee the team, and set the company's vision and strategic direction
2. Operations Manager will oversee daily operations and make sure things are running smoothly. They will also focus on inventory management, process optimization, and quality control.
3. Finance Manager will oversee the company's finances, including budgeting, cash flow management, and financial planning.

Timeline, Staffing Strategy, and Training

Days from Day One	Event	Event Description
-60	Finalize Business Plan	Complete business plan with financials, operations and Marketing
-55	Secure Key Leadership	President, Finance Manager, Operations Manager hired
-45	Apply for EIN	Apply for Employer Identification Number
-35	Choose Business Structure	Form LLC and Register Clip&Go
-30	Apply for Business License	Apply for local/state business operating License
-25	Secure warehouse Lease	Lease 9,906 sq ft in Greer,SC
-20	Open Business Bank Account	Deposit capital and Prepay books
-18	Purchase Major Equipment	Order Machines
-10	Start Facility Improvements	Setup power, layout, testing
0	Start Hiring Process	Advertise Prouction roles (LinkedIn, Indeed, Facebook)
5	Begin Hiring Management	Interview and select final leadership hires
40	Build Production Line	Assemble and install production equipment
45	Hire Production Employees	Bring on 13 full-time employees
60	Employee Orientation	Walkthrough, policies, expectations
65	Employee Training	Hands-on training for clamp assembly and QC
75	Develop Marketing Strategy	Launch plan for social meedia, B2B outreach
85	Marketing Promotion Begins	First posts, email blasts, and PR
95	Soft Launch	Trial run, QA Process Validation
110	First Product Delivery	Ship to customers, begin revenue

Our staffing strategy includes using platforms like Indeed and Handshake to reach a wide audience, with sponsored listings to increase visibility. On LinkedIn, we post job openings and also reach out directly to passive candidates who fit our needs. ZipRecruiter helps distribute our listings across multiple job boards, while Glassdoor allows us to showcase our company culture through employee reviews and photos. We also utilize Facebook Jobs to target local hourly workers and post in neighborhood-specific Facebook groups (e.g., "Richmond VA Jobs") to connect with candidates in specific communities.

We identify and train our employees through a combination of employee referrals, social outreach, and structured onboarding. We encourage employee referrals by promoting open positions through internal communication channels like email, staff meetings, and Slack. We also utilize company social media to share job openings with engaging visuals and ask employees to share these posts on their personal accounts to help expand our reach. Once hired, all employees complete a 7-hour training course tailored to Clip & Go operations. Applicants are expected to hold proper machine operating certifications prior to applying. Every new hire must complete a facility walkthrough, pass hands-on machine operation tests, sign a safety and liability form, and complete a 20-question test on machine use and workplace safety before beginning their role.

Exhibit 2: Pay, mandatory deductions, benefits, and time off table and Motivation table

Team Name: Clip&Go		Section: 2		Team:12		Date: 03/13/25										
(If wage is used for a position, do the calculation of yearly pay based on hourly wage and total hours worked)																
Compensation				Mandatory Payroll Deductions				Benefits								
Position (Salary/Wage - W) (Full-time Assumed, Part-time - PT %)	Salary or Wage for position	Bonus or Commission	# for position	Projected End of Year 2 Salary or Wage including bonus/comm. Each	FICA	FUTA*	SUTA	WC	Mandatory Deductions Total	Benefits - Health Cost	Benefits - Retirement Cost	Any other Benefit Cost-List line 17	Benefits - Total	Total Cost per Employee	Total Cost for All Employees	
President	110000	3300	1	113300	113300	8667	420	329	1598	11014	4140	13500	2000	19,640	143,954	143,954
Operations Manager	75000	2250	1	77250	77250	5910	420	329	1089	7748	4140	9270	2000	15,410	100,407	100,407
Finance Manager	75000	2250	1	77250	77250	5910	420	329	1089	7748	4140	9270	2000	15,410	100,407	100,407
Manager	70000	2100	1	72100	72100	5516	420	329	1017	7281	4140	8652	2000	14,792	94,173	94,173
Quality Inspectors	50200	1506	1	51706	51706	3956	420	329	729	5434	4140	6204.7	2000	12,344	69,484	69,484
Machine Operators	52208	1566.24	3	53774	161323	12341	420	329	2275	46095	4140	6452.9	2000	37,777	137,646	412,938
Marketing Director	50000	1500	1	51500	51500	3940	420	329	726	5415	4140	6180	2000	12,320	69,234	69,234
Packaging	36144	1084.32	1	37228	37228	2848	420	329	525	4122	4140	4467.4	2000	10,607	51,957	51,957
Order Picker	36144	1084.32	1	37228	37228	2848	420	329	525	4122	4140	4467.4	2000	10,607	51,957	51,957
Salesperson	40000	1200	1	41200	41200	3152	420	329	581	4482	4140	4467.4	2000	10,607	56,289	56,289
Customer Service	36144	1084.32	1	37228	37228	2848	420	329	525	4122	4140	4467.4	2000	10,607	51,957	51,957
Totals			13	757,314	57,994	4,620	3,619	10,678	107,581	45,535	77,399	22,000	170,119	927,465	1,202,757	

Standard Time-off Benefits *Bonuses: All Positions: 3%
Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve
Other Benefits: (include cost and descriptions for each): CNC Certification (machine operator)

Mandatory Payroll Deductions	FICA	7.65%	\$ Caps or Limits	Benefits	Enter Total Cost Per Employee per Month	Enter % Paid by Co.	Total Paid by Co.	Enter Annual Deductible	Enter Co-Pay per medical visit for Primary/Specialist
FUTA	6.00%		\$7,000	*Research how to pay 10% of FUTA	448	77	\$345	515	25/45
SUTA	4.7%		\$14,000						
WC	1.41%			Time off					

Positions Added by Year	Year					Total Employees	Salary or Wage	Enter Percent matching	Enter \$ cap or limit	Retirement Costs	How Are We Motivating Our Employees?
	Year 1	Year 2	Year 3	Year 4	Year 5						
President	1	0	0	0	0	1	\$ 113,300.00	12%	\$ 13,500.00	\$ 13,500.00	To motivate our employees, we will use a combination of Drive Theory and Needs Theory. Drive Theory focuses on fulfilling basic drives like the need for achievement and competence, so we will set clear goals and offer regular feedback to help employees feel a sense of accomplishment. At the same time, we will apply Maslow's Hierarchy of Needs to address employees' basic needs, like safety and social connections, while also fostering their esteem and self-actualization. This means providing competitive pay, a safe and supportive environment, and opportunities for growth. By meeting these needs, we aim to boost motivation, engagement, and job satisfaction among our employees.
Operations Manager	1	0	0	0	0	1	\$ 77,250.00		\$ 9,270.00	\$ 9,270.00	
Finance Manager	1	0	0	0	0	1	\$ 77,250.00		\$ 9,270.00	\$ 9,270.00	
Production/Quality Manager	1	0	0	0	0	1	\$ 72,100.00		\$ 8,652.00	\$ 8,652.00	
Quality Inspectors	1	0	0	0	0	1	\$ 51,706.00		\$ 6,204.72	\$ 6,204.72	
Machine Operators	3	0	0	0	0	3	\$ 53,774.24		\$ 6,452.91	\$ 6,452.91	
Marketing Director	2	0	0	0	0	2	\$ 51,500.00		\$ 6,180.00	\$ 6,180.00	
Salesperson	1	0	0	0	0	1	\$ 37,228.32		\$ 4,467.40	\$ 4,467.40	
Customer Service	1	0	0	0	0	1	\$ 37,228.32		\$ 4,467.40	\$ 4,467.40	
							\$ 41,200.00		\$ 4,944.00	\$ 4,944.00	
							\$ 37,228.32		\$ 4,467.40	\$ 4,467.40	

Exhibit 3: Market Segmentation Analysis/Target Market Selection

Segment Name	Segment size	Growth Projection of Segment	Segment Description	Priority level for targeting	Justification for Targeting
Segment 1: European Residents Commuting via Bicycle	31.176 million commute via bicycle	2.13% per year over the next five years	<p>Demographics: 16-55 years old, all genders and income levels.</p> <p>Geographics: Urban, suburban, and rural areas where cycling infrastructure is well-integrated</p> <p>Psychographics: Socially active, Budget-conscious, and Efficiency-driven.</p> <p>Behavior: Convenient mode of transportation and low spending on biking, and long trips.</p>	1	In Europe, biking serves as a primary mode of transportation for many, due to the region's exceptional cycling infrastructure. This strong reliance on cycling often stems from cities being compact and places being conveniently located prompting cyclists to seek practical, cost-effective, and eco-friendly solutions for carrying their belongings from point A to point B for extended periods of time.
Segment #2: United States Residents Commuting via Bicycle	12.571 million commute via bicycle	1.65% per year over the next five years	<p>Demographics: 18-40 years old, male dominated, living in cities and urban areas</p> <p>Geographics: Urban and suburban areas with high bike commuting populations</p> <p>Psychographics: Health-conscious, eco-friendly, prefer biking over public transport</p> <p>Behavior: Alternative mode of Transportation, frequent spenders, and active lifestyle</p>	2	In the United States, biking is primarily viewed as an alternative mode of transportation. With recent infrastructure improvements and a growing emphasis on environmental sustainability, many Americans have embraced cycling as a hobby or lifestyle. This has led to more frequent spending on biking accessories and gear, as cyclists prioritize performance, comfort, and customization.
Segment #3: Premium Riders	16.64 Million	86% over the next 5 years	<p>Demographics: 25-60 years old, outdoor enthusiasts.</p> <p>Geographics: Reside in/frequently travel to regions with strong outdoor cycling culture, such as the Pacific Northwest (U.S.), British Columbia (Canada), etc.</p> <p>Psychographics: Value sustainability, self-sufficiency, and adventure.</p> <p>Behavior: Frequent backpackers and touring cyclists, research gear extensively before purchasing. Engage with YouTube gear reviews. Subscribe to outdoor brand newsletters and visit retailer websites for product updates.</p>	0	Premium Riders are willing to invest in high-quality, durable, and sustainable pannier bags, making them a profitable target segment with strong brand loyalty. Their high digital engagement on YouTube, Reddit, and Instagram allows for effective marketing through content, influencer collaborations, and targeted ads.

Segment 1: For our first segment, we found that 12% of Europeans cycle daily (Statista, 2025). The total number of Europeans is 742.3 million, thus 12% is 89.076 million. We are factoring in a target population reduction of 65%. This reduction is made to factor in not all bike riders wanting/needing to use our product and are more price sensitive (Boston Consulting Group, 2024). Europeans also tend to cycle for long distances which would make panniers beneficial (Discerning Cyclist). This makes our total target market 31.416 million. Our growth rate is 2.13% per year over the next five years, which was determined by averaging projections from market research on the cycling industry's expected annual growth across Europe. (Euronews, 2023).

Segment 2: Segment 2: For our second segment we found a source that gave the number of people who have ridden a bike in the last year ages 3 and older is 32% or 105.6 million people; which was then reduced by 21% to account that the population of children ages 0-17 and (PeopleForBikes and Federal Interagency Forum on Child and Family Statistics). This number was then further reduced to account for regular bikers, which include 66% of the previous number of 83.424 million (PeopleForBikes). 71% of those people used biking to get to and from leisure events; this reduced the number from 55.060 million to 39.092 million (PeopleForBikes). The number of workers riding to work from 2006-2023. Using past trends, we calculated that the number of people commuting to work would be around 800,000 (League of American Bicyclists). For the growth rate we found a source that gave the compound annual growth rate of bicycles being used to commute to work over the next 5 years (ReportLinker). This increase is likely due to the recent improvement in bicycling and walking infrastructure initiatives (League of American Bicyclists). These numbers added give 39.892 million; to account for not everyone who rides wanting/needing a pannier bag, a survey was used that found that between 35%-45% of riders would use saddle bags and pannier bags during their different length trips. To account for bias and the short trips that people in the United States tend to take, we settled on 31.5% (Global Growth Insights and Discerning Cyclist). This leads to the arrival of our final segment size of 12.571 million.

Segment 3: We got this segment number by multiplying the number of bicycle riders in the US (52 million) by the market shares of high-end bike companies like Trek and Specialized (32%) (Zippia). The growth rate was obtained through a source that provided projections for the premium bicycle market size from 2023 to 2034. Using these figures, we calculated the annual growth rate over the next five years to estimate future market expansion (Towards Automotive).

Exhibit 4: Market Quantification

Year	Total Market Potential (# of Customers In thousands) *	Market Share **	Annual purchase frequency ***	Total Annual Unit Sales (Thousands)	Indirect Channel Price	Direct Channel (Retail) Price	Annual \$ Revenue (thousands)
2024	43,747.00	1.0000%	0.13	54.684	\$ 28.00	N/A	\$ 1,531.15
2025	44,565.07	1.0237%	0.13	57.027	\$ 28.50	N/A	\$ 1,625.26
2026	45,380.61	1.0480%	0.13	59.446	\$ 29.00	N/A	\$ 1,723.95
2027	45,789.04	1.0728%	0.13	61.403	\$ 29.50	N/A	\$ 1,811.39
2028	46,608.66	1.0982%	0.13	63.983	\$ 30.00	N/A	\$ 1,919.50

The market potential comes from our main target segments being added together. With a market segment size of 31.176 million Europeans and 12.571 million Americans (PeopleForBikes). We have factored in a compound annual growth rate of 1.87%, 1.83%, .9%, and 1.79% based on annual bicycle commuter projections done by (ReportLinker).

Small businesses represent a significant portion of our market. We anticipate claiming 1% of the market share due to the competitive advantages of our product and lack of a one-to-one competitor. It is also the NAICS code's market share that we chose to use for our product for start-ups in that industry. We see 1% as conservative and expect the market share to grow as we continue to advertise and sell our product. In terms of growth, we expect our market share to grow by 2.37% over four years, as that is the growth for small

We expect our product to last around 8 years. This would mean that the average consumer would only buy this product every 8 years, in perfect circumstances. This would make the annual purchase frequency = $1/8$ or 0.13.

We set our initial wholesale price at \$28, as it comfortably covers production costs while remaining more affordable than purchasing a full pannier bag. Retailers typically apply a 70% markup, bringing the expected retail price to approximately \$40. This aligns with one of our core value propositions—affordability. By pricing the product around \$40, we offer customers a cost-effective alternative to pannier bags, while maintaining a sustainable profit margin. Additionally, to account for an anticipated annual inflation rate of 3% (YCharts), we plan to incrementally increase the product price by \$0.50 each year.

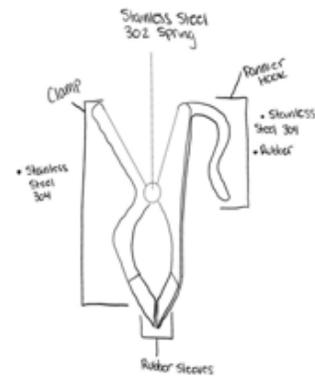
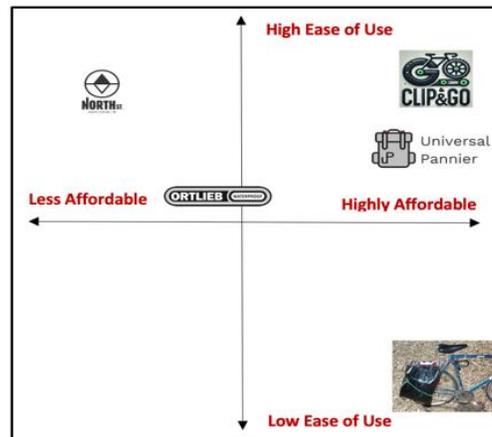


Exhibit 5: Positioning/Competitive Analysis



Competitor	Prices
DIY Hook Attachments	\$10-20
Pannier Backpacks	\$50-200
Fixed Pannier Bags	\$40-100
Universal Pannier	\$18
Our Product	Price
Clip&Go	\$40

Positioning Statement:

For urban cyclists and commuters who need a seamless way to attach their backpacks to their bike racks, Clip&Go offers an affordable, durable, easy-to-use, and versatile pannier hook system. Unlike traditional fixed pannier hooks or bulky detachable bags, Clip&Go provides a sleek, transferable solution that enhances mobility without compromising style or convenience.



DIY Hook Attachments: While this isn't a specific product offered by companies, it is a solution that our target market may consider when looking for a way to carry their belongings on a bike. These DIY attachments allow users to connect almost any bag they own to their bike using common items that can be purchased cheaply, such as bungee cords, carabiners, and duct tape. While this solution is cheaper than any commercial product, it has its flaws. These jerry-rigged contraptions have low ease of use, requiring the user to spend a significant amount of time attaching and detaching their bag. Additionally, they lack aesthetics since they are made from household items and lack durability.



Pannier Backpacks: These are backpacks with a fixed pannier hook built into the bag. Various companies, such as Rockbros, Two Wheel Gear, and Thule, offer these products, with prices ranging from \$50 to \$200 (Competitive Cyclist). The main difference between bags at different price points is quality, as they typically share the same design with limited separated storage compartments. These bags commonly resemble rucksacks, which tend to be geared toward more hardcore bikers. The high price range and limited design of these products present an opportunity for our product to gain a competitive edge.



Fixed Pannier Bags: These pannier bags are not designed to be taken on and off as frequently as backpack pannier bags. They are typically used as storage for multiday adventures rather than everyday use. However, they could still be a potential option for our target market. These bags come in a variety of designs and are generally less expensive than backpack pannier bags (Performance Bicycle). However, they are not ideal for our target market, as they can be awkward to carry and require significant effort to remove, often being attached to the bike at multiple points.

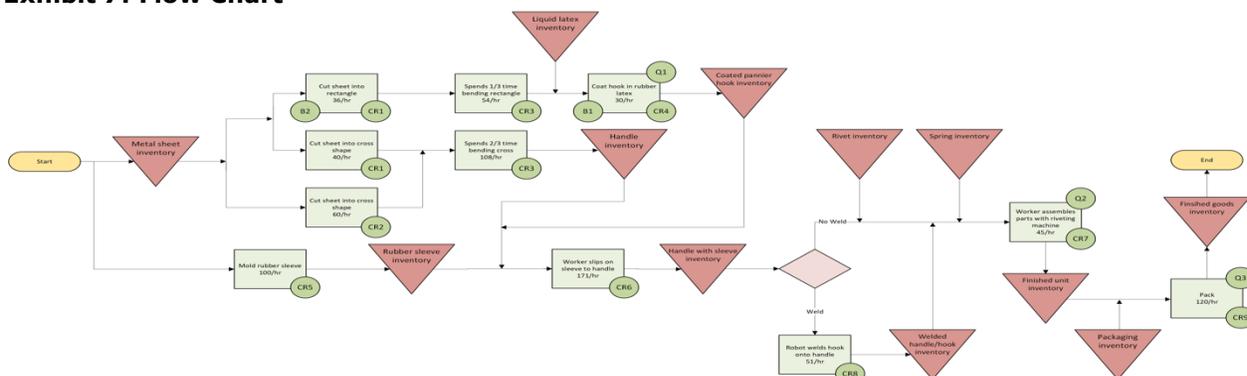


Universal Pannier: These hooks are universal screw on hooks that you can screw into your backpack, so consumers are not able to take it on and off their bags. It is made with 3D printing which reduces the quality of the product. It's also limited in use as it is only designed for backpacks (Pannier Hooks).

Exhibit 6: Marketing Mix

PRODUCT SERVICE BRANDING					
<p>"Clip. Ride. Repeat. - Clip&Go" - Clip&Go offers a transferrable pannier bike hook designed to transform any existing bag into a bike-ready pannier. Made from durable, weather-resistant materials, our product is built to hold up to 20 pounds, making it ideal for daily commutes. With a simple clip-and-release design, riders can secure their bags in seconds. Our brand name, Clip&Go, reflects this effortless convenience, while our modern logo, featuring a bold clip icon, reinforces our focus on practicality and movement. Clip&Go allows bikers to ride smarter without unnecessary purchases. Designed for bike shop displays, our compact packaging box ensures easy storage and reinforces quality and innovation through clean design and sturdy materials.</p>					
PRICING					
	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Variable Cost	\$7.04	\$7.25	\$7.47	\$7.69	\$7.92
Wholesale Price	\$28.00	\$28.50	\$29.00	\$29.50	\$30.00
Retail (Customer) Price	\$40.00	\$40.00	\$40.50	\$41.00	\$41.50
<p>Our pricing strategy ensures profitability while remaining competitive within the bike accessory market. The approach involves setting a wholesale price that covers our unit variable costs, provides a reasonable profit margin, and remains attractive to retailers. We also set a retail price that aligns with market expectations and perceived value. We anticipate a gradual increase in unit variable costs and labor costs over five years due to inflation and material cost fluctuations. Assuming a 3% inflation rate, the cost increases from \$7.04 in Year 1 to \$7.92 in Year 5 (Bizminer).</p>					
PLACE [Greer, South Carolina]					
<p>Clip&Go will only be sold through retailers. This will allow us to focus on the production and ensure that our products are made at the highest possible quality. Selling through retailers allows us to remove potential complications that may arise with more frequent shipments. We will sell Clip&Go through smaller bike shops, such as Shenandoah Bicycle Company, Carytown Bicycle Company, or Conte's Bike Shop. We chose Greer, South Carolina for financial reasons such as cost-effective rental rates for our facility, and a competitive labor market with affordable wages.</p>					
PROMOTION (in thousands of \$)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total IMC Budget:	79.3	84.1	89.0	93.4	98.8
Advertising	76.5	81.3	86.2	90.6	96
Sales Promotions	2.8	2.8	2.8	2.8	2.8
Public Relations	0	0	0	0	0
Personal Selling	0	0	0	0	0
Other					
<p>Clip&Go will focus on social media platforms like Instagram, TikTok, and Facebook to spread the word about our product, targeting a broad audience across different age groups. Through a mix of posts and targeted ads, we will highlight the product's durability, affordability, and eco-friendly cardboard packaging. This aligns with our brand's positioning as we target high-traffic, urban areas where biking and commuting are common. We elected to spend 5% of revenue each year towards advertising. Additionally, in year one, we will send 400 of our clips to rising cycling influencers across the United States and Europe and give them the opportunity to try our product. We will be sending our product to them for free and not paying them. The budget will mainly go toward social media ads and influencer collaborations to maximize reach and engagement (Australian Government). Our ultimate goal is to increase brand awareness and drive product sales by reaching commuters, students, and frequent bikers.</p>					
# of Salespeople:	1	1	1	1	1
Compensation Method: \$40,000					
<p>To sell our product to bike shops in the U.S. and Europe, we plan to utilize a dedicated salesperson who will directly call independent and chain bike retailers. This approach allows us to establish personal connections, quickly communicate our value proposition, and adapt our pitch based on regional preferences. We aim to build strong relationships and gather direct feedback from shop owners to refine our sales strategy over time. We will partner with bike shops by creating a mutually beneficial relationship where shops are incentivized to carry and promote our brand in exchange for strong margins and consistent supply. Our primary advertising method will be Instagram ads, allowing us to visually showcase our product, target specific cycling communities, and drive brand awareness among both retailers and end consumers.</p>					

Exhibit 7: Flow Chart



Quality Step	What is measured?	How often?	How will you ensure quality?
Q1	Fractures that may be present in the metal rectangles and crosses.	15/hr This number is used since it gives us a 50% chance of catching a defect if it exists. This will help monitor our defect rate on our p-chart while balancing the cost of checking to the cost a passing.	To ensure quality, the goal is to move towards Six Sigma quality. During three 1 hour-long initial sample runs, where all output was measured, it was determined that there is a defect rate equal to 5,000 defects per million opportunities (DPMO). This gives a baseline of .5% for our p-chart baseline. To get our sigma up to 6 sigma. We will use DMAIC process using a fishbone chart to brainstorm the reasons for these fracture defects. This will be used to find which critical resource the defect originated from and make changes based on these findings. A p-chart will reflect if we are percent of defects are improving.
Q2	The quality of the weld after the handle and hook are put together.	15/hr This number is used since it gives us a 50% chance of catching a defect if it exists. This will help monitor our defect rate on our p-chart while balancing the cost of checking to the cost a passing.	We will ensure quality as we continue to progress towards Six Sigma. This will be done through the DMAIC problem-solving process. This quality check will either pass or fail and has only one possible failure point. During three 1 hour-long initial sample run, where all output was measured, it was determined that 1% of them were defective. Using this as a baseline, a p-chart will be used to monitor the proportion of defects. A fishbone diagram will be used to brainstorm the different issues that could arise and cause defects. From there, adjustments will be made, and the p-chart will reflect if our changes increase or decrease the number of defects.
Q3	The quality of the parts once they are assembled.	20/hr This number is used since it gives us a 67% chance of catching a defect if it exists. This will help monitor our defect rate on our p-chart while balancing the cost of checking to the cost a passing.	We will ensure quality as we continue to progress towards Six Sigma. This will be done through the DMAIC problem-solving process. This quality check will either pass or fail and has only several possible failure points. During three 1 hour-long initial sample runs, where all output was measured, it was determined that 1.5% of them were defective. Using this as a baseline, a p-chart will be used to monitor the proportion of defects. A Pareto chart will be used to identify the most common causes of defects. Using this, changes will be made based on the part's critical resource and measured on the p-chart

For each critical resource:

Critical Resource	Brief Description	Unit Cost (in appropriate unit)	How many?
CR1	This CNC water jet uses water to cut through the stainless steel into rectangles and cross shapes to create the hooks and handles.	\$1.80/kg	Rectangle: 36/hr Cross: 40/hr
CR2	This CNC water jet only cuts cross shapes for the handles.	\$1.80/kg	Cross: 60/hr
CR3	This electric bender spends 1/3 of the time focusing on bending rectangles. The other 2/3s of the time, the electric bender bends the crosses into the shape of the handles for the clamp.	\$0.02/hr to operate the machine \$0.0012/unit	Rectangle: 54/hr Cross: 108/hr
CR4	A worker dips the bent hooks in latex rubber and transfer it into an oven to harden the liquid latex	\$0.98/hook \$0.02/kg – liquid latex	Coats hook: 30/hr
CR5	This step molds the liquid latex to a sleeve that will be later be attached to the handle	\$0.02/kg	100/hr
CR6	Worker slips on sleeve onto the handle.	\$21/hr	171/hr
CR7	Worker assembles parts with the riveting machine to put the two handles together	\$21/hr	45/hr
CR8	Robot welds hook onto one side of the handle.	\$0.23/hr to operate the machine \$0.00223/unit	51/hr
CR9	The finished product is packaged by outsourced material and getting ready to ship out	\$0.02/box	120/hr

Our Facility: Warehouse : 9906 sq. ft. | CR1 & CR2: 13.12L X 6.56W X 0.66H ft | CR3: 3.61L X 3.61W X 7.55H ft | CR4: 2.92L X 3.03W X 6.00H ft | CR5: 6.17L X 2.69W X 7.05H ft | CR8: 1.48L X 2.13W X 2.79H ft

Exhibit 8: Quality Assurance

Indicate the Dimensions of Quality on which you will focus.	Why is this dimension important, given your industry & target market?	Identify the Quality Step(s) on the Process Flowchart / Service Blueprint to which this corresponds.
Performance	If our product does not function correctly, then it is of no use to the customer. In our industry, it is crucial that the clamp and hook work as intended. Our product can hold the correct amount of weight, does not fall off the hook, and is simple to attach.	Q3
Reliability	When stainless steel is welded, it is introduced to an extreme amount of localized heat. This could cause the metal to become brittle. The weld itself could also have improper welds due to the high quantity of units being produced. Since our target market will be hauling a wide variety of potentially	Q2
Durability	While stainless steel is known for its strength, improper cutting and bending can introduce fractures and material fatigue. Since our industry is outdoor gear and bike accessories and our target market is daily riders, the product must be durable and withstand repetitive use.	Q1

Use the space below to describe any additional Proactive Quality Assurance Plans that are not connected to a specific activity on your Process Flowchart / Service Blueprint.

We will engage in preventive maintenance to ensure long-term consistency and process stability. Our focus will be on complex mechanical machines, such as the CNC water jet, where even minor issues can impact quality. Since we only have one or two of each machine, the cost of potential errors or downtime far outweighs the cost of regular maintenance. We will perform inspections and service in accordance with each machine’s manufacturer guidelines, ensuring optimal performance and reducing the likelihood of defects before they reach the customer.

Describe any reactive quality assurance plans. Include a recovery plan should a customer receive poor quality goods and/or services.

If a customer receives a poor-quality product, we will accept their return within 30 days and promptly send a replacement clip. We aim to make the return process smooth and customer-focused, ensuring their concerns are addressed quickly. As part of the return process, customers will be asked to submit a brief description of the issues they experienced. We will track this information using a Pareto diagram to monitor the frequency and types of defects reported. Over time, this will help us identify the most common issues and trace them back to the critical sources within our production process, allowing us to prioritize improvements where they will have the greatest impact.

If you will utilize a quality/process improvement methodology, indicate which:

- NA
 TQM
 Six Sigma
 ISO
 Benchmarking

Provide a specific explanation of how your chosen quality methodology relates to your business and how it will be applied:

By using principles from Six Sigma quality, we aim to significantly reduce the number of errors produced in our manufacturing process. While achieving a defect rate of 3.4 DPMO is an ideal long-term goal, we are applying Six Sigma principles to drive continuous improvement and reduce variation. We use the DMAIC problem-solving process to analyze and improve our production system. A baseline defect rate was established using the average number of defects observed during an initial test run, consisting of three samples taken at each quality inspection point. Each sample covered one hour of production. This was established as a baseline for the p-chart. Then using the sample quantity from each respective quality control step, a UCL and LCL are established. To identify root causes, we apply Pareto analysis to prioritize defect types and use a fishbone diagram to trace them back to their sources. After process changes are implemented, the p-chart helps evaluate whether those actions led to a statistically significant improvement. Over time, we expect to see the average number of defects decline, moving us steadily closer to Six Sigma-level performance.

Exhibit 9: Inventory, Suppliers & Distribution

RAW MATERIAL INVENTORY & SUPPLIER SELECTION

Item(s)	Supplier Name & Location (City, State, Country)	Reason for selecting this supplier	Supplier's lead time (in days)	Frequency of replenishment (in days)	System of Management	Mode(s) of Transportation
Stainless Steel 304 Sheet	Shandong Jiate steel CO. LTD Shandong, China	They sell stainless steel 304 which is corrosion resistant and strong, while also being cost effective. They also sell in bulk, which reduces the number of orders needed.	32 days	120 days	Fixed Quantity System	<input checked="" type="checkbox"/> Highway <input type="checkbox"/> Rail <input checked="" type="checkbox"/> Waterway <input type="checkbox"/> Air
Nitrile Synthetic Rubber Latex Liquid	NGOC CHAU TM DV Import Export Company Limited Ho Chi Minh City, Vietnam	This company offers a short lead time and a fair price. This makes us competitive in the market by reducing our variable costs.	5 days	60 days	Fixed Quantity System	<input checked="" type="checkbox"/> Highway <input type="checkbox"/> Rail <input checked="" type="checkbox"/> Waterway <input type="checkbox"/> Air
Dome Head Steel Blind Pop Rivits	Shenzhen Huiying Hardware Co. Guangdong, China	This company offers the exact item we need in bulk while at a fair price.	15 days	46 days	Fixed Quantity System	<input checked="" type="checkbox"/> Highway <input type="checkbox"/> Rail <input checked="" type="checkbox"/> Waterway <input type="checkbox"/> Air
Stainless 302 Torsion Spring	The Spring Store by Access Spring United States, Colton, CA	This company is in country and offer exactly what we need in bulk	5 days	72 days	Fixed Quantity System	<input checked="" type="checkbox"/> Highway <input type="checkbox"/> Rail <input checked="" type="checkbox"/> Waterway <input type="checkbox"/> Air

FINISHED GOODS INVENTORY

	Finished goods produced (per hour)	Frequency of shipping finished goods	Average level of Finished goods inventory on site	Amount of safety stock on site
At the end of Year 1	30	14 days	100%	5,556
At the end of Year 2	30	10 days	100%	3,213
At the end of Year 3	36	10 days	100%	12,842
At the end of Year 4	36	7 days	80%	10,885
At the end of Year 5	36	7 days	60%	8,305

DISTRIBUTION

Name of transportation provider / carrier	Reason(s) for selecting this provider / carrier	Frequency of Pick Up / Drop off
Ubest	Rates are reasonable, varying from \$3080 - \$3850, for a 20 ft container to \$4100-\$5750 for a 40-foot container. This also includes the LCL charges, which in the case we do not use the entirety of the shipping container, we only pay for the space we need.	Every 21 - 120 days depending on the required raw materials.
Method trucking	Rates are reasonable. The average cost for 2 tons of shipment from the port in Savannah, GA to Greer SC is about \$1300 -> \$1400. This is for a flat bet truck that includes max capacity. If we only take up a portion of the truck load it will decrease the price depending on the weight and size of the shipment.	This depends on the frequency of the shipping containers. It takes about 5-7 days for the ship to reach the ports. Therefor we would require trucking logistics 5-7 days after the raw material is in route to South Carolina

Exhibit 10: Capacity & Resources

	Demand (per hour)	Capacity (per hour)	Utilization (%)	Hours of Operation	Bottleneck name and description	How will you manage the bottleneck to ensure you can appropriately serve or supply your customers?
At the end of Year 1	27.23	30	90.78%	2,008	CR4: Worker coats hook in liquid latex and cooks in furnace.	Our slowest critical resource is still allowing us to meet well over the required demand. Given this we will not be putting effort into changing the output. However, due to the idea of time-motion study, it is expected for our hourly out to increase over time.
At the end of Year 2	28.39	30	94.63%	2,008	CR4: Worker coats hook in liquid latex and cooks in furnace.	Our slowest critical recourse is still allowing us to meet well over the required demand. Given this we will not be putting effort into changing the output. However, due to the idea of time-motion study, it is expected for our hourly out to increase over time.
At the end of Year 3	29.60	36	82.22%	2,008	CR1: CNC water jet cuts metal sheet into rectangles	As our demand continues to increase, we plan to adjust our CR4 to be able to produce double the rate it had in years one and two through the investment in a larger blast drying oven. This shift allows our process to produce 36 an hour, lowering our utilization and keeping our operation open to potential demand shifts that may arise in the future.
At the end of Year 4	30.57	36	84.92%	2,008	CR1: CNC water jet cuts metal sheet into rectangles	We continue to keep CR1 as our slowest critical resource as it continues to meet demand while also keeping a relatively low utilization which allows us to keep our operation open to potential demand shifts that may arise in the future.
At the end of Year 5	31.86	36	85.50%	2,008	CR1: CNC water jet cuts metal sheet into rectangles	We continue to keep CR1 as our slowest critical resource as it continues to meet demand while also keeping a relatively low utilization which allows us to keep our operation open to potential demand shifts that may arise in the future.

Show your calculations for the following parameters at the end of Year 1.

Hours of operation/month	Demand/month	Demand/hour	Capacity/month	Capacity/hour	Utilization
40hr/week * 4 weeks = 160 hours	54,684 / 12 = 4,557	54,684/2008 = 27.23	(30*8*251)/12 = 5,020	30	27.23/30 = 0.908

Describe adjustments you will make as resource requirements vary with time. Be specific regarding which key resources (beyond your bottleneck) will be adjusted, when and how. If you make multiple adjustments, explain each.

Over the five-year period, our demand increases, prompting a shift in our hourly production capacity. This shift occurs in Year 3, when our capacity increases from 30 units per hour to 36 units per hour due to the upgraded blast furnace. While this is a moderate increase, it does not require significant operational changes. To ensure the rest of our processes adapt smoothly and to prepare for potential future bottlenecks, we will expand our inventory capacity. This is an achievable adjustment given the size of our warehouse. Our material supply strategy will remain unchanged, as we already order quantities well above our output needs due to lower purchasing costs relative to storage costs. Additionally, our raw materials do not expire, and large order quantities help ensure we can meet rising demand without interruption. We believe our existing safety stock will be sufficient to handle demand surges. However, if additional output is needed, we will reallocate labor and other resources to our bottleneck operations. This can be done quickly, as all workers are cross-trained and qualified to operate any machine.

Additional resources (beyond your bottleneck) must be allocated appropriately to support operations. Identify which resources have a significant impact on capacity at start up and describe why these are appropriate amounts of resources at start up.

Our initial bottleneck is CR4, the latex coating and furnace process, which limits our output to 30 units per hour in Years 1 and 2. Beginning in Year 3, the bottleneck shifts to CR1, the CNC water jet that cuts the stainless steel 304, constraining our output to 36 units per hour for Years 3 through 5. At startup, it is essential that our workers are prepared to meet the required output, even if we are not yet producing at full capacity. Our quality inspector will play a key role not only in establishing a baseline for our p-chart but also in continuing to monitor defects at the designated inspection rate throughout production. Most of our critical resources can process well above the bottleneck rate, such as CR6 with a capacity of 171 units per hour and CR5 at 100 units per hour. While the bottleneck produces only a fraction of what these resources can handle, the output is sufficient given our demand forecasts. Over time, we plan to reduce the impact of bottlenecks to further improve efficiency.

How will you manage seasonality? At the current rate of production, we are projected to have 5,556 in safety stock. This can be used during seasons of high demand. We will have enough to over the demand while still having more than 1500 units in safety stock.

Exhibit 11: Income Statement

Common Size (as a percent of sales)

Pro Forma Income Statement

Key
Input Field
Build Formula

	Date Ending 2024		Date Ending 2025		Date Ending 2026		Date Ending 2027		Date Ending 2028	
	\$	%	\$	%	\$	%	\$	%	\$	%
Sales Revenue	\$ 1,531,152	100.00%	\$ 1,625,184	100.00%	\$ 1,723,934	100.00%	\$ 1,811,389	100.00%	\$ 1,919,490	100.00%
Materials Cost	\$ 50,309	3.29%	\$ 52,987	3.26%	\$ 55,790	3.24%	\$ 58,202	3.21%	\$ 61,254	3.19%
Direct Labor Cost	\$ 486,914	31.80%	\$ 501,521	30.86%	\$ 516,567	29.96%	\$ 532,064	29.37%	\$ 548,026	28.55%
Total Cost of Goods Sold	\$ 537,223	35.09%	\$ 554,508	34.12%	\$ 572,357	33.20%	\$ 590,267	32.59%	\$ 609,280	31.74%
Gross Profit	\$ 993,929	64.91%	\$ 1,070,676	65.88%	\$ 1,151,577	66.80%	\$ 1,221,122	67.41%	\$ 1,310,210	68.26%
Operating Expenses										
Indirect Labor	\$ 507,056	33.12%	\$ 522,268	32.14%	\$ 537,936	31.20%	\$ 554,074	30.59%	\$ 570,696	29.73%
Payroll Tax Expense	107,581	7.03%	110,808	6.82%	114,133	6.62%	117,557	6.49%	121,083	6.31%
Employee Benefits & Retirement	170,119	11.11%	175,223	10.78%	180,479	10.47%	185,894	10.26%	191,470	9.98%
Rent Expense	76,772	5.01%	76,772	4.72%	76,772	4.45%	76,772	4.24%	76,772	4.00%
Advertising and Promotion Expense	79,374	5.18%	84,159	5.18%	89,185	5.17%	93,645	5.17%	99,143	5.17%
Utilities Expense	7,000	0.46%	7,210	0.44%	7,426	0.43%	7,649	0.42%	7,879	0.41%
Insurance Expense	5,700	0.37%	5,900	0.36%	6,106	0.35%	6,320	0.35%	6,541	0.34%
Website Expense	468	0.00%	468	0.03%	468	0.03%	468	0.03%	468	0.02%
Manufacturing Licenses	2,794	0.18%	-	0.00%	2,794	0.16%	-	0.00%	2,794	0.15%
Office Expense	3,600	0.24%	5,400	0.33%	6,420	0.37%	4,560	0.25%	5,100	0.27%
Equipment Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Maintenance Expense	1,822	0.12%	-	0.00%	4,555	0.26%	-	0.00%	-	0.00%
Depreciation Expense	9,110	0.59%	9,110	0.56%	9,110	0.53%	9,110	0.50%	9,110	0.47%
Total Operating Expenses	\$ 971,395	63.44%	\$ 997,317	61.37%	\$ 1,035,383	60.06%	\$ 1,056,048	58.30%	\$ 1,091,055	56.84%
Earnings Before Interest and Taxes	\$ 22,534	1.47%	\$ 73,358	4.51%	\$ 116,194	6.74%	\$ 165,074	9.11%	\$ 219,154	11.42%
Interest Expense	68,400	4.47%	64,980	4.00%	61,731	3.58%	58,644	3.24%	55,712	2.90%
Earnings Before Taxes	\$ (45,866)	-3.00%	\$ 8,378	0.52%	\$ 54,463	3.16%	\$ 106,430	5.88%	\$ 163,442	8.51%
Income Tax Rate	5%		5%		5%		5%		5%	
Income Tax Expense	-	-	(419)	(0.0003)	(2,723)	(0.0016)	(5,321)	(0.0029)	(8,172)	-0.43%
Net Income (Loss)	\$ (45,866)	-3.00%	\$ 7,960	0.49%	\$ 51,740	3.00%	\$ 101,108	5.58%	\$ 155,270	8.09%
Operating Cash Flow	\$ 925,529		\$ 1,005,277		\$ 1,087,123		\$ 1,157,156		\$ 1,246,325	
Free Cash Flow	\$ (45,866)		\$ 7,960		\$ 51,740		\$ 101,108		\$ 155,270	

Statement of Retained Earnings

Beginning Balance of Retained Earnings	\$ -	\$ (45,866)	\$ (37,907)	\$ 13,833	\$ 114,942
Net Income (Loss)	(45,866)	7,960	51,740	101,108	155,270
Dividends to Stockholders	-				
Ending Retained Earnings	\$ (45,866)	\$ (37,907)	\$ 13,833	\$ 114,942	\$ 270,212

Exhibit 12: Balance Sheet

Pro Forma Balance Sheet		Common Size (as a percent of total assets)										Key			
		As of Inception		Date Ending		Date Ending		Date Ending		Date Ending		Date Ending		Input Field	Build Formula
		Date	%	2024	%	2025	%	2026	%	2027	%	2028	%		
ASSETS															
Current Assets															
Cash and Cash Equivalents	\$	-	#DM/0!	1,749,530	87.13%	1,686,966	85.17%	1,677,649	83.90%	1,745,088	84.33%	1,909,568	86.99%		
Accounts Receivable		-	#DM/0!	125,848	6.27%	178,102	8.99%	188,924	9.45%	198,508	9.59%	210,355	9.58%		
Prepaid Rent		-		6,398	0.32%	6,398	0.32%	6,398	0.32%	6,398	0.31%	6,398	0.29%		
Inventory		-	#DM/0!	44,155	2.20%	36,461	1.84%	62,724	3.14%	64,687	3.13%	23,370	1.06%		
Total Current Assets	\$	-	#DM/0!	\$ 1,925,932	95.92%	\$ 1,907,927	96.32%	\$ 1,935,695	96.81%	\$ 2,014,681	97.36%	\$ 2,149,690	97.93%		
Fixed (Long-Term) Assets															
Machinery and Equipment		-	#DM/0!	91,100	4.54%	81,990	4.14%	91,100	4.56%	91,100	4.40%	91,100	4.15%		
Total Gross Fixed Assets	\$	-	#DM/0!	\$ 91,100	4.54%	\$ 81,990	4.60%	\$ 91,100	4.56%	\$ 91,100	4.40%	\$ 91,100	4.15%		
Less: Accumulated Depreciation		-	#DM/0!	9,110	0.45%	18,220	0.92%	27,330	1.37%	36,440	1.76%	45,550	2.07%		
Net Fixed Assets	\$	-	#DM/0!	\$ 81,990	4.08%	\$ 72,880	3.68%	\$ 63,770	3.19%	\$ 54,660	2.64%	\$ 45,550	2.07%		
Intangibles, Net of Amortization		-		-	-	-	-	-	-	-	-	-	-		
Total Assets	\$	-	#DM/0!	\$ 2,007,922	100.00%	\$ 1,980,807		\$ 1,999,465		\$ 2,069,341		\$ 2,195,240			
LIABILITIES AND STOCKHOLDERS' EQUITY															
Liabilities															
Current Liabilities															
Accounts Payable		-		51,515	6.03%	53,172	6.49%	54,884	6.99%	56,601	7.50%	58,424	8.06%		
Accrued Salaries and Wages		-		19,449	2.28%	20,032	2.45%	20,633	2.63%	21,252	2.82%	21,890	3.02%		
Accrued Payroll Taxes and Benefits		-		22,825	2.67%	23,509	2.87%	24,215	3.08%	24,941	3.31%	25,689	3.54%		
Current Maturity of LT Debt (notes payable)		-		38,000	4.45%	36,100	4.41%	34,295	4.37%	32,580	4.32%	30,951	4.27%		
Total Current Liabilities	\$	-		\$ 131,788	15.44%	\$ 132,814	16.22%	\$ 134,026	17.06%	\$ 135,374	17.94%	\$ 136,954	18.89%		
Long-Term Liabilities															
LT Debt Less Current Maturities		-		722,000	84.56%	685,900	83.78%	651,605	82.94%	619,025	82.06%	588,074	81.11%		
Total Liabilities	\$	-		\$ 853,788		\$ 818,714		\$ 785,631		\$ 754,399		\$ 725,028			
STOCKHOLDER'S EQUITY															
Common Stock		-		1,200,000	103.97%	1,200,000	103.26%	1,200,000	98.86%	1,200,000	91.26%	1,200,000	81.62%		
Retained Earnings		0		(45,866)		(37,907)		13,833		114,942		270,212			
Total Stockholders' Equity	\$	-		\$ 1,154,134		\$ 1,162,093		\$ 1,213,833		\$ 1,314,942		\$ 1,470,212			
Total Liabilities and Stockholders' Equity	\$	-		\$ 2,007,922		\$ 1,980,807		\$ 1,999,465		\$ 2,069,341		\$ 2,195,240			

Exhibit 13: Cash Flow Statement

Pro Forma Statement of Cash Flows	Key					
	Input Field					
	Build Formula					
	As of Inception Date	Date Ending 2024	Date Ending 2025	Date Ending 2026	Date Ending 2027	Date Ending 2028
Cash Flows From (For) Operations						
Net Income	\$ -	\$ (45,866)	\$ 7,960	\$ 51,740	\$ 101,108	\$ 155,270
Depreciation	-	9,110	9,110	9,110	9,110	9,110
Changes in Current Assets						
Increase in Accounts Receivable	-	(125,848)	(52,254)	(10,822)	(9,584)	(11,847)
Increase in Inventories	-	(44,155)	7,695	(26,263)	(1,963)	41,317
Increase in Prepaid Rent	-	(6,398)	-	-	-	-
Changes in Current Liabilities						
Increase in Accounts Payable	-	51,515	1,657	1,712	1,717	1,823
Increase in Accrued Labor Costs	-	19,449	583	601	619	638
Increase in Accrued Payroll Taxes and Benefits	-	22,825	685	705	726	748
Net Cash Flow From (For) Operating	\$ -	\$ (119,370)	\$ (24,564)	\$ 26,783	\$ 101,734	\$ 197,059
Cash Flow (For) From Investing Activities						
Fixed Asset Purchases/Sales	-	(91,100)	-	-	-	-
Net Cash Flow (For) From Investing	\$ -	\$ (91,100)	\$ -	\$ -	\$ -	\$ -
Cash Flow From (For) Financing Activities						
Issuance of Common Stock	\$ -	\$ 1,200,000	-	-	-	-
Long Term Debt Borrowings	\$ -	\$ 800,000	-	-	-	-
Long Term Debt Repayments	-	(40,000)	(38,000)	(36,100)	(34,295)	(32,580)
Dividends Paid to Stockholders	-	-	-	-	-	-
Net Cash Flows From (For) Financing	\$ -	\$ 1,960,000	\$ (38,000)	\$ (36,100)	\$ (34,295)	\$ (32,580)
Net Change in Cash	\$ -	\$ 1,749,530	\$ (62,564)	\$ (9,317)	\$ 67,439	\$ 164,479
Beginning Cash Balance	0	\$ -	\$ 1,749,530	\$ 1,686,966	\$ 1,677,649	\$ 1,745,088
Net Change in Cash	\$ -	\$ 1,749,530	\$ (62,564)	\$ (9,317)	\$ 67,439	\$ 164,479
Ending Cash Balance	\$ -	\$ 1,749,530	\$ 1,686,966	\$ 1,677,649	\$ 1,745,088	\$ 1,909,568

Exhibit 14: Financial Statement Notes

Rent Expense is based on a warehouse located in Greer, South Carolina. The cost is \$7.75 per square foot per year. The warehouse we chose is 9906 square feet, so we multiplied the square feet by the cost per square foot. Rent remains the same for all five years.

Depreciation Expense is based on straight-line depreciation. Depreciation is assuming a salvage value of \$0 and a useful life of 10 years.

Website Expense is based on a monthly fee, and we multiplied that by 12 to get our annual expense.

Office Expense includes a monthly expense of \$75 per upper-level manager. So, $\$75 \times 4 \times 12$ to get our annual expense of \$3600.

Manufacturing License is renewed every two years.

Employee Benefits & Retirement is based off information from exhibit 2.

Future borrowing will be required after the forecasted five years.

The bank loan is at a 9% interest rate and a 5% annual amortization.

Exhibit 15: Financial Ratios

Financial Ratios Table						Key
						Input Field
	Date Ending 2024	Date Ending 2025	Date Ending 2026	Date Ending 2027	Date Ending 2028	Industry Average Ratios
Liquidity Ratios						
Current Ratio	\$ 14.6	\$ 14.4	\$ 14.4	\$ 14.9	\$ 15.7	\$ 1.5
Quick Ratio	\$ 14	\$ 14	\$ 14	\$ 14	\$ 16	\$ 1.0
Operating Cycle	\$ 60.00	\$ 45.75	\$ 64.00	\$ 52.51	\$ 80.00	\$ 75
Leverage Ratios						
Debt/Equity	\$ 0.74	\$ 0.70	\$ 0.65	\$ 0.57	\$ 0.49	\$ 0.75
Times Interest Earned	\$ 0	\$ 1	\$ 2	\$ 3	\$ 4	\$ 6.50
Asset Management Ratios						
Inventory Turnover	\$ 12	\$ 15	\$ 9	\$ 9	\$ 26	\$ 5
Receivables Turnover	\$ 12	\$ 9	\$ 9	\$ 9	\$ 9	\$ 10
Fixed Asset Turnover	\$ 18.67	\$ 22.30	\$ 27.03	\$ 33.14	\$ 42.14	\$ 3
Profitability Ratios						
Gross Profit Margin	\$ 0.65	\$ 0.66	\$ 0.67	\$ 0.67	\$ 0.68	\$ 0.30
Operating Profit Margin	\$ 0.01	\$ 0.05	\$ 0.07	\$ 0.09	\$ 0.11	\$ 7.50
Return on Assets	\$ (0.02)	\$ 0.00	\$ 0.03	\$ 0.05	\$ 0.07	\$ 6.50
DuPont Analysis						
Net Profit Margin	\$ (0.03)	\$ 0.00	\$ 0.03	\$ 0.06	\$ 0.08	\$ 5
Total Asset Turnover	\$ 0.76	\$ 0.82	\$ 0.86	\$ 0.88	\$ 0.87	\$ 1.25
Equity Multiplier	\$ 2	\$ 2	\$ 2	\$ 2	\$ 1	\$ 2.50
Return on Equity	-0.039740962	0.006849342	0.042625329	0.076891904	0.10561068	\$ 12.50
EBITDA	\$ 82,468					
EBITDA Multiple	\$ (10.9)					
Business Valuation	\$ (244,752)					

Exhibit 16: Financial Analysis

The financials show positive EBIT, gross profit margin, operating cash flow, and free cash flow (after the first year). The current ratio is high due to the large amount of cash being added. Revenue grows steadily each year and retained earnings turn positive after the first two years, growing to over \$270,000 in year five. The EBITDA multiple is negative due to having more cash than debt early in the company's life, which leads to an initial negative valuation.

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Meet the Team - Section #2, Team #12

<p>Jack West</p> 	<p>Suhani Mair</p> 	<p>Ryan Martinelli</p> 	<p>Mackenzie Plunkett</p> 
<p>I am a finance major from Richmond, Virginia. I transferred to JMU from VCU after my freshman year. I love to play golf and watch sports. I also enjoy learning new recipes.</p>	<p>I am a junior at James Madison University majoring in Business Management with a concentration in Entrepreneurship. I'm from Loudoun County, Virginia and some of my hobbies include travel, exercise, and spending time with friends and family.</p>	<p>I am a junior finance major from Alpine, New Jersey. I enjoy working out, hanging out with friends, and playing sports. I enjoy collaboration and working towards an objective in groups.</p>	<p>I am a marketing major from Warrenton, Virginia. I transferred from Bridgewater College, and this will be my second semester at JMU. Outside of school I am a server at a local pub and like to maintain an active lifestyle!</p>
<p>Logan Wade</p> 	<p>Valeska Gallardo</p> 	<p>Zach Soska</p> 	<p>Ritwik Rangu</p> 
<p>I am a junior Computer Information Systems major from Roanoke, Virginia. I transferred to JMU from Virginia Western Community College last semester. I enjoy running and volunteering through student organizations.</p>	<p>I am a junior finance major with a CIS minor at James Madison University. I am an international student from Lima, Peru. I enjoy doing Pilates, baking and spending time with friends.</p>	<p>I am a junior management major at James Madison University from Waterford, VA. In my free time I like to work out and play basketball. I also enjoy challenges that help me improve.</p>	<p>I am a junior CIS major from South Riding, Virginia. In my free time I like to watch and play sports, and I also enjoy critical thinking puzzles.</p>