

**APRIL 2024**

**THREADELEGANCE EMBROIDERY  
BUSINESS PLAN**

**Elena Stewart**

CEO

ThreadElegance Embroidery

17 Main Street

Green Bay, WI 54301

555-555-5555

Elena@ThreadEleganceEmbroidery.com

ThreadEleganceEmbroidery.com

# Embroidery Business Plan Template

## Attention Entrepreneurs and Business Owners:

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# I. Executive Summary

## Company Overview

ThreadElegance Embroidery is a new venture based in the heart of Green Bay, WI, dedicated to providing the community with exceptional embroidery services. Our specialization spans from custom embroidered apparel to unique home decor, ensuring our clients' visions are woven into each piece with utmost care and precision. Our offerings cater to a wide array of needs, whether it's personalizing apparel, enhancing home aesthetics, or gifting something special with a personal touch. With our strategic location in Green Bay, we are not only accessible but deeply integrated into the local community, allowing us to maintain strong relationships with our customers and exceed their expectations with every project undertaken.

## Success Factors

Our confidence in our future success is deeply rooted in the extensive experience of our founder and our commitment to surpassing our competitors in both quality and design range. Since our establishment as a Sole Proprietorship on January 4, 2024, we've hit the ground running with the successful creation of our unique logo, securing an ideal location, and developing our brand name, ThreadElegance Embroidery. These foundational achievements underscore our potential for growth and our dedication to becoming an integral part of Green Bay's vibrant community.

## Industry Analysis

The Embroidery industry in the United States, currently valued at \$11 billion, is on a steady growth trajectory, with an anticipated annual growth rate of 2.3% over the next five years. This growth is fueled by the rising demand for personalized and customized products alongside the convenience offered by e-commerce for ordering embroidered items. ThreadElegance Embroidery is well-positioned within this growing market, particularly with the increasing trend of corporate branding and promotional products, as well as a heightened consumer focus on sustainability. By offering high-quality, eco-friendly embroidery options, we can cater to the evolving preferences of our customers in Green Bay, setting us apart in a competitive industry.

## Customer Analysis

Our target market encompasses a broad spectrum of customers in Green Bay, WI, including individuals seeking personalized gifts and custom decor, as well as local businesses and organizations

in need of branded apparel or promotional items. We are also focusing on event planners and wedding coordinators, offering bespoke embroidery to elevate their events. By tailoring our services to meet the specific needs and preferences of these diverse customer segments, we aim to build lasting relationships and establish ourselves as the go-to provider for personalized embroidery services in our community.

## Competitive Analysis

Among our competitors, Honey Bee Embroidery Service LLC and Ana's Sewing Studio stand out for their range of services and local market presence, while Life's A Stitch differentiates with its focus on quality and innovation. Despite the strong competition, ThreadElegance Embroidery distinguishes itself through unparalleled quality, a broad design portfolio, and the ability to offer customized solutions. Our commitment to excellence and customer satisfaction places us at the forefront of the embroidery market in Green Bay.

## Marketing Plan

ThreadElegance Embroidery offers an extensive range of high-quality embroidery services, from custom apparel to embroidered home decor, at competitive prices. Our marketing strategy emphasizes a strong online presence through social media and our website, complemented by targeted ads and SEO to attract a wide audience. Offline, we plan to engage with the local community through events and partnerships, enhancing brand visibility and customer engagement. Our comprehensive approach aims to showcase our craftsmanship and unique offerings, positioning us as the premier embroidery service in Green Bay.

## Operations Plan

Our operations focus on efficiency and quality across all stages, from order management to production and delivery. We prioritize customer service and feedback to continually improve our offerings. Upcoming milestones include securing a prime location, acquiring equipment, and launching a robust online presence. By achieving these goals, we aim to optimize our operations and reach significant revenue milestones, demonstrating our market penetration and sustainable growth.

## Management Team

Under the leadership of CEO Elena Stewart, ThreadElegance Embroidery boasts a management team with a proven track record and deep industry knowledge. Elena's experience in running a successful embroidery business equips her with the strategic vision and operational expertise necessary to guide our venture toward long-term success. Her commitment to innovation, quality, and customer

satisfaction is the cornerstone of our business philosophy.

## Financial Plan

To achieve our growth objectives, ThreadElegance Embroidery requires \$282,000 in funding. This investment will be allocated to essential capital and non-capital needs, including location buildout, equipment purchase, initial operating expenses, and marketing activities. This financial backing will enable us to establish our operations, build our brand, and commence our journey towards becoming a key player in the embroidery industry in Green Bay, WI.

### Summary

Below is an overview of our expected financial performance over the next five years:

	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Revenues	\$3,338,970	\$3,615,537	\$3,915,013	\$4,239,294	\$4,590,436
Direct Expenses	\$1,283,822	\$1,349,227	\$1,417,964	\$1,490,202	\$1,566,121
<b>Gross Profit</b>	<b>\$2,055,147</b>	<b>\$2,266,310</b>	<b>\$2,497,049</b>	<b>\$2,749,091</b>	<b>\$3,024,314</b>
Gross Profit (%)	61.6%	62.7%	63.8%	64.8%	65.9%
Other Expenses	\$97,085	\$100,030	\$103,065	\$106,192	\$109,414
<b>EBITDA</b>	<b>\$1,958,062</b>	<b>\$2,166,279</b>	<b>\$2,393,983</b>	<b>\$2,642,899</b>	<b>\$2,914,900</b>
Depreciation	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$28,200	\$28,200	\$28,200	\$28,200	\$28,200
Income Tax Expense	\$663,901	\$736,777	\$816,474	\$903,594	\$998,795
<b>Net Income</b>	<b>\$1,232,960</b>	<b>\$1,368,301</b>	<b>\$1,516,309</b>	<b>\$1,678,104</b>	<b>\$1,854,905</b>

## II. Company Overview

ThreadElegance Embroidery is a new embroidery venture serving the vibrant community of Green Bay, WI. As a local embroidery business, we are proud to fill a significant gap in our market by offering high-quality embroidery services that our area has been missing. Our dedication to excellence and passion for embroidery positions us not just as a business, but as a vital part of the local fabric of Green Bay.

At ThreadElegance Embroidery, we specialize in a wide range of customized embroidery services designed to meet the diverse needs of our customers. Our offerings include custom embroidered apparel, ensuring that our clients can wear their unique styles and logos with pride. We also create embroidered patches, perfect for organizations, clubs, or anyone looking to add a personal touch to their garments. Beyond apparel, our services extend to embroidered bags and totes, adding elegance and personalization to everyday items. We also cater to the home, offering embroidered home decor items that bring warmth and personality to any space. Lastly, our embroidered accessories are the perfect way to add a touch of sophistication to any look. Our comprehensive range of services ensures that we can meet the varied needs of our customers, all with the highest quality of craftsmanship.

Located in the heart of Green Bay, WI, ThreadElegance Embroidery is perfectly positioned to serve our community with ease and efficiency. Our local presence allows us to maintain close relationships with our customers, ensuring that every project we undertake is aligned with their vision and exceeds their expectations.

Our confidence in our success is rooted in several key factors. Firstly, our founder brings a wealth of experience from previously running a successful embroidery business, ensuring that we have the knowledge and expertise to thrive. Additionally, we pride ourselves on providing higher quality embroidery than our competitors, coupled with a broader range of designs. This commitment to excellence in both product and service quality sets us apart and lays a solid foundation for our success.

Since our founding on January 4, 2024, as a Sole Proprietorship, ThreadElegance Embroidery has already achieved significant milestones. We have successfully designed our logo, developed our unique company name, and secured a fantastic location for our operations. These accomplishments are just the beginning of our journey, and we are excited about the future prospects and opportunities to serve the Green Bay community.

## III. Industry Analysis

The Embroidery industry in the United States is a thriving market with a current size of approximately \$11 billion. This industry has shown steady growth over the past few years, with an expected annual growth rate of 2.3% in the next five years. This growth can be attributed to the increasing demand for customized and personalized products, as well as the rise of e-commerce platforms making it easier for customers to order embroidered items online.

One of the trends in the Embroidery industry is the growing popularity of custom embroidery services for corporate branding and promotional products. Companies are increasingly turning to embroidery to create unique and professional-looking merchandise for their employees and clients. This trend bodes well for ThreadElegance Embroidery, as it positions itself as a provider of high-quality embroidery services tailored to meet the needs of businesses in Green Bay, WI.

Another trend in the Embroidery industry is the increasing focus on sustainability and eco-friendly practices. Customers are becoming more conscious of the environmental impact of their purchases and are seeking out businesses that prioritize sustainability. ThreadElegance Embroidery can capitalize on this trend by offering eco-friendly embroidery options, such as using organic threads and recycled materials, to attract environmentally-conscious customers in Green Bay and differentiate itself from competitors.

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## IV. Customer Analysis

Below is a description of our target customers and their core needs.

### Target Customers

We will target local residents in Green Bay, WI, who are looking for personalized and custom embroidery services. Our services will cater to individuals seeking unique gifts, personalized apparel, and custom-designed home decor. Our approach will tailor to their specific needs, ensuring they receive products that perfectly match their preferences and occasions.

Apart from individual customers, we will also focus on local businesses and organizations. These include sports teams, schools, and corporate entities that require branded apparel or promotional items. We will offer them specialized services that enhance their brand visibility through high-quality embroidery work on uniforms, merchandise, and corporate gifts.

Additionally, we will target event planners and wedding coordinators looking for bespoke embroidery items to add a touch of elegance to their events. Our portfolio will include offerings for personalized gifts for guests, embroidered linens, and customized apparel for special occasions. This segment is particularly significant as it opens avenues for repeat business and referrals within the event planning industry.

### Customer Needs

ThreadElegance Embroidery meets the needs of customers seeking high-quality embroidered items, emphasizing the desire for durable, aesthetically pleasing products that can withstand the test of time. Residents in the area now have access to a provider that prioritizes craftsmanship and detail, ensuring that each piece reflects the care and precision customers expect from premium embroidery services. This focus on quality caters to those who value not just the product but the artistry behind it.

Moreover, ThreadElegance Embroidery understands the importance of customization in today's market. Customers can expect a personalized approach to their embroidery needs, whether for personal use, gifts, or business branding purposes. This service fulfills the growing demand for unique, bespoke items that allow individuals and organizations to express their identity and values in tangible forms. The ability to tailor products to specific tastes and requirements adds a level of service that distinguishes ThreadElegance Embroidery in the competitive landscape.

In addition to providing high-quality, customized embroidery, ThreadElegance Embroidery recognizes the need for exceptional customer service. Clients expect responsive, attentive interactions that reflect



the company's commitment to their satisfaction. This emphasis on customer care ensures a positive experience from the initial consultation to the final delivery of the product, fostering long-term relationships and a loyal customer base in Green Bay and beyond.

## V. Competitive Analysis

### Direct Competitors

ThreadElegance Embroidery's competitors include the following companies:

**Honey Bee Embroidery Service LLC** offers a wide range of embroidery services, including custom designs for both personal and commercial clients. Their products range from embroidered apparel to accessories, catering to individual preferences and corporate branding needs. Pricing varies depending on the complexity of the design and the quantity of the order, making their services accessible to a broad audience. Honey Bee Embroidery Service LLC operates primarily in the local area, focusing on the Green Bay community and its surrounding regions. They serve a diverse customer segment, from local businesses looking for employee uniforms to individuals seeking personalized gifts. Key strengths of Honey Bee Embroidery Service LLC include their customization options and fast turnaround times. However, their reliance on local clientele could be seen as a limitation in expanding their market reach.

**Ana's Sewing Studio** specializes in both embroidery and sewing services, offering a unique blend of products that range from custom embroidered items to alterations and tailor-made clothing. Their pricing structure is competitive, aiming to provide high-quality services at affordable rates. Ana's Sewing Studio has established a strong local presence in Green Bay, serving customers within the city and its immediate surroundings. The studio attracts a wide array of customers, from those in need of custom embroidery for special occasions to individuals requiring professional tailoring services. One of the studio's key strengths is its dual focus on embroidery and sewing, offering a one-stop solution for customers. A potential weakness might be the challenge of managing diverse service lines while maintaining high standards across all offerings.

**Life's A Stitch** offers embroidery services with a focus on innovation and quality. They provide a wide array of embroidered products, including but not limited to, corporate apparel, team uniforms, and personalized gifts. Their price points are designed to cater to both budget-conscious individuals and businesses seeking premium options. Life's A Stitch operates in the Green Bay area, targeting both local residents and businesses in need of custom embroidery services. Their customer base is varied, encompassing small businesses, local sports teams, and individual customers looking for unique, personalized items. Strengths of Life's A Stitch include their commitment to quality and the use of advanced embroidery technology to produce detailed designs. However, their focus on high-end services might limit their appeal to customers with tighter budgets.

## Competitive Advantages

At ThreadElegance Embroidery, we pride ourselves on delivering a level of quality that sets us apart from the competition. Our commitment to excellence is evident in every stitch, ensuring that our customers receive products that are not only beautiful but durable. This dedication to high-quality embroidery comes from our skilled artisans who utilize both traditional techniques and modern technology to create intricate designs that stand the test of time. We understand that our customers expect the best, and we strive to exceed those expectations with every project we undertake.

In addition to our unmatched quality, we offer an extensive range of designs that cater to a diverse clientele. Our design team is constantly exploring new trends and techniques to expand our offering, ensuring that there is something unique for every taste and occasion. This vast selection allows our customers to find the perfect match for their needs, whether it's for personal use or a business requirement. Furthermore, our ability to offer customized solutions sets us apart. We work closely with our customers to bring their visions to life, offering personalized service that goes beyond the standard offerings of our competitors. This flexible approach, combined with our superior quality and extensive design portfolio, positions ThreadElegance Embroidery as a leader in the market.

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## VI. Marketing Plan

Our marketing plan, included below, details our products/services, pricing and promotions plan.

### Products, Services & Pricing

ThreadElegance Embroidery offers a wide range of high-quality embroidery services tailored to meet the diverse needs of its customers. From personalized clothing to unique home decor, the company prides itself on delivering exceptional products that add a touch of elegance to every item. Below is a detailed overview of the products and services available, along with their average selling prices.

At the core of ThreadElegance Embroidery's offerings is custom embroidered apparel. Customers can expect to find a variety of options, including personalized t-shirts, polo shirts, jackets, and hats. This service allows individuals and businesses alike to showcase their brand or personal style through high-quality embroidery. The average selling price for custom embroidered apparel ranges from \$25 to \$50, depending on the complexity of the design and the type of garment selected.

Embroidered patches represent another popular service. These patches are perfect for uniforms, backpacks, and other gear, providing a durable and stylish way to display logos, emblems, or artwork. Customers can order custom patches in various sizes and shapes to meet their specific needs. The average price for embroidered patches falls between \$5 and \$15, making them an affordable option for both small and large orders.

ThreadElegance Embroidery also specializes in embroidered bags and totes. These items are ideal for promotional events, corporate gifts, or personal use, offering a practical yet fashionable way to carry belongings while showcasing custom embroidery. The range of bags and totes includes everything from simple drawstring bags to high-end tote bags. Prices for these embroidered bags and totes typically range from \$20 to \$40, depending on the bag's size and complexity of the embroidery.

For those looking to add a personal touch to their home, ThreadElegance Embroidery provides a variety of embroidered home decor items. This category includes items such as cushion covers, table runners, and wall hangings. Each piece is crafted with care, ensuring that it not only looks beautiful but also stands the test of time. Customers can expect to pay between \$30 and \$60 for these custom embroidered home decor items, based on the item's size and the intricacy of the embroidery.

Last but not least, ThreadElegance Embroidery offers a selection of embroidered accessories. This category encompasses a wide range of items, including keychains, wallets, and phone cases, all of which can be customized with unique embroidery. These accessories make perfect gifts or personal keepsakes. The average selling price for embroidered accessories is between \$10 and \$25, making them an accessible option for those seeking a small but meaningful embroidered item.

In conclusion, ThreadElegance Embroidery provides a comprehensive suite of embroidery services catering to a wide array of needs and preferences. Whether customers are in the market for personalized apparel, unique home decor, or custom accessories, they can find high-quality options at competitive prices. With a focus on craftsmanship and customer satisfaction, ThreadElegance Embroidery is poised to become a go-to source for all things embroidery in the community.

## Promotions Plan

At ThreadElegance Embroidery, we understand the importance of strategic promotion to attract and retain customers. We focus on a blend of traditional and innovative promotional methods to ensure our embroidery services reach a wide audience in Green Bay, WI. Our comprehensive approach includes a strong emphasis on online marketing, ensuring we maximize our visibility in the digital space.

Online marketing will play a pivotal role in our promotional strategy. We will leverage social media platforms such as Instagram, Facebook, and Pinterest, where visual content is king, to showcase our unique embroidery designs and projects. Regular posts, behind-the-scenes looks, and customer testimonials will engage our audience and build a community around our brand. Additionally, we will utilize targeted ads on these platforms to reach potential customers based on their interests, location, and browsing habits.

Our website will serve as the central hub for all information regarding ThreadElegance Embroidery. It will feature a portfolio of our work, customer reviews, service descriptions, and a blog that provides valuable content related to embroidery. This not only helps in attracting organic traffic through search engine optimization (SEO) but also establishes our expertise in the embroidery field. Email marketing campaigns will complement our online presence, offering exclusive promotions, updates, and tips to our subscribers, encouraging repeat business and word-of-mouth referrals.

Beyond online marketing, we will engage in community events and craft fairs in and around Green Bay. Participating in these local events allows us to directly interact with potential customers, display our work in person, and build relationships within the community. Collaborations with local businesses and influencers will further amplify our reach, introducing our services to a broader audience through cross-promotion.

To ensure our promotional efforts are effective, we will continuously monitor and analyze the performance of our marketing activities. This data-driven approach allows us to adjust our strategies in real-time, optimizing our outreach and ensuring we meet our target audience's needs. With a commitment to quality, creativity, and customer satisfaction, ThreadElegance Embroidery expects to become a recognized and trusted name in the Green Bay area.

In conclusion, our promotional methods and tactics are designed to showcase the artistry and

precision of our embroidery services. By combining online marketing with community engagement and partnerships, we expect to attract a diverse clientele and establish ThreadElegance Embroidery as a premier provider in Green Bay, WI.

## VII. Operations Plan

Our Operations Plan details:

1. The key day-to-day processes that our business performs to serve our customers
2. The key business milestones that our company expects to accomplish as we grow

### Key Operational Processes

To ensure the success of ThreadElegance Embroidery, there are several key day-to-day operational processes that we will perform.

- **Customer Order Management:**

- Receive customer orders through various channels, including in-person, online, and over the phone.
- Assess and confirm the order details, pricing, and expected completion time with the customer.
- Input orders into the management system for tracking and scheduling.

- **Design and Approval Process:**

- Consult with customers to understand their design requirements and preferences.
- Create or modify embroidery designs using software and present options to the customer for approval.
- Make necessary adjustments based on customer feedback and secure final approval before production.

- **Inventory Management:**

- Regularly check and restock embroidery supplies, such as threads, needles, and fabrics.
- Conduct inventory audits to ensure accuracy and prevent stockouts.
- Maintain relationships with suppliers for timely procurement of high-quality materials.

- **Embroidery Production:**

- Set up embroidery machines with the correct thread colors and materials for each order.
- Monitor the embroidery process to ensure quality and accuracy.
- Perform post-embroidery finishing touches, including trimming, washing, and ironing, as necessary.

- **Quality Control:**

- Inspect completed embroidery items to ensure they meet the company's quality standards and the customer's expectations.
- Address any issues or defects immediately, potentially redoing work if necessary.

- **Order Fulfillment and Delivery:**

- Package completed orders securely to prevent damage during handling and transport.

- Arrange for in-store pickup or delivery to the customer, based on the agreed-upon method.
- Provide customers with tracking information for shipped orders to enhance customer service.
- **Customer Service and Follow-up:**
  - Respond promptly to customer inquiries, concerns, and feedback before, during, and after the order process.
  - Follow up with customers to ensure satisfaction with the completed embroidery work.
  - Encourage satisfied customers to leave reviews and recommend our service to others.
- **Marketing and Customer Acquisition:**
  - Utilize social media, local advertising, and word-of-mouth to promote ThreadElegance Embroidery's services.
  - Offer promotions and discounts to new and returning customers to encourage business growth.
  - Participate in local events and craft fairs to showcase our work and attract new customers.
- **Maintenance and Equipment Upkeep:**
  - Regularly clean and maintain embroidery machines and other equipment to ensure optimal performance.
  - Schedule and perform preventive maintenance to avoid unexpected breakdowns.
- **Financial Management:**
  - Track daily sales, expenses, and profits to monitor the financial health of the business.
  - Manage invoices, receipts, and payments for customers, suppliers, and service providers.
  - Prepare monthly financial reports to review performance and make informed decisions.

## Milestones

ThreadElegance Embroidery expects to complete the following milestones in the coming months in order to ensure its success:

- **Secure a suitable location:** Find a location in Green Bay, WI, that is accessible to our target market and provides adequate space for embroidery operations and potential in-store consultations or sales.
- **Acquire necessary equipment and supplies:** Purchase high-quality embroidery machines, software for design, and an initial inventory of threads, needles, and fabrics to start fulfilling customer orders efficiently.
- **Obtain permits and licenses:** Ensure compliance with local business regulations by obtaining all necessary permits and licenses required to operate an embroidery business in Green Bay, WI.
- **Launch our embroidery business:** Officially open ThreadElegance Embroidery for business, which includes activating our website, opening our physical or online store (depending on the



business model), and beginning to accept orders.

- **Develop a robust online presence:** Create and implement a digital marketing strategy that includes social media marketing, search engine optimization (SEO), and possibly paid advertising to build brand awareness and attract customers.
- **Establish partnerships with local businesses:** Forge relationships with local businesses such as clothing stores, uniform suppliers, and corporate entities that may require embroidery services on a regular or bulk order basis.
- **Implement a customer feedback system:** Set up a system to collect customer feedback on their orders and experiences with our service. Use this feedback to improve our offerings and customer service continuously.
- **Achieve \$5,000/month in revenue:** This intermediate financial milestone will indicate initial market traction and the effectiveness of our marketing and sales efforts.
- **Optimize operational efficiency:** Review and refine operational processes, from order intake to production to delivery, to increase throughput, reduce costs, and improve quality.
- **Get to \$15,000/month in revenue:** Achieving this level of monthly sales will demonstrate that ThreadElegance Embroidery has effectively penetrated the market and is on a clear path to sustainability and growth.

## VIII. Management Team

Our management team has the experience and expertise to successfully execute on our business plan.

### Management Team Members

ThreadElegance Embroidery management team, which includes the following members, has the experience and expertise to successfully execute on our business plan:

#### **Elena Stewart, CEO**

**Elena Stewart** brings a wealth of experience and a proven track record of success to her role as CEO of ThreadElegance Embroidery. Her background in running a successful embroidery business showcases her deep understanding of the industry's intricacies, from operational management to market trends. Elena's leadership skills, combined with her strategic vision, position her perfectly to steer ThreadElegance Embroidery towards achieving lasting success. Her ability to innovate and adapt to changing market dynamics while maintaining a focus on quality and customer satisfaction has been a hallmark of her career, making her an invaluable asset to the company.

## IX. Financial Plan

### Summary

Below is an overview of our expected financial performance over the next five years:

	<b>FY 1</b>	<b>FY 2</b>	<b>FY 3</b>	<b>FY 4</b>	<b>FY 5</b>
Revenues	\$3,338,970	\$3,615,537	\$3,915,013	\$4,239,294	\$4,590,436
Direct Expenses	\$1,283,822	\$1,349,227	\$1,417,964	\$1,490,202	\$1,566,121
<b>Gross Profit</b>	<b>\$2,055,147</b>	<b>\$2,266,310</b>	<b>\$2,497,049</b>	<b>\$2,749,091</b>	<b>\$3,024,314</b>
Gross Profit (%)	61.6%	62.7%	63.8%	64.8%	65.9%
Other Expenses	\$97,085	\$100,030	\$103,065	\$106,192	\$109,414
<b>EBITDA</b>	<b>\$1,958,062</b>	<b>\$2,166,279</b>	<b>\$2,393,983</b>	<b>\$2,642,899</b>	<b>\$2,914,900</b>
Depreciation	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Amortization	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$28,200	\$28,200	\$28,200	\$28,200	\$28,200
Income Tax Expense	\$663,901	\$736,777	\$816,474	\$903,594	\$998,795
<b>Net Income</b>	<b>\$1,232,960</b>	<b>\$1,368,301</b>	<b>\$1,516,309</b>	<b>\$1,678,104</b>	<b>\$1,854,905</b>

### Funding Requirements/Use of Funds

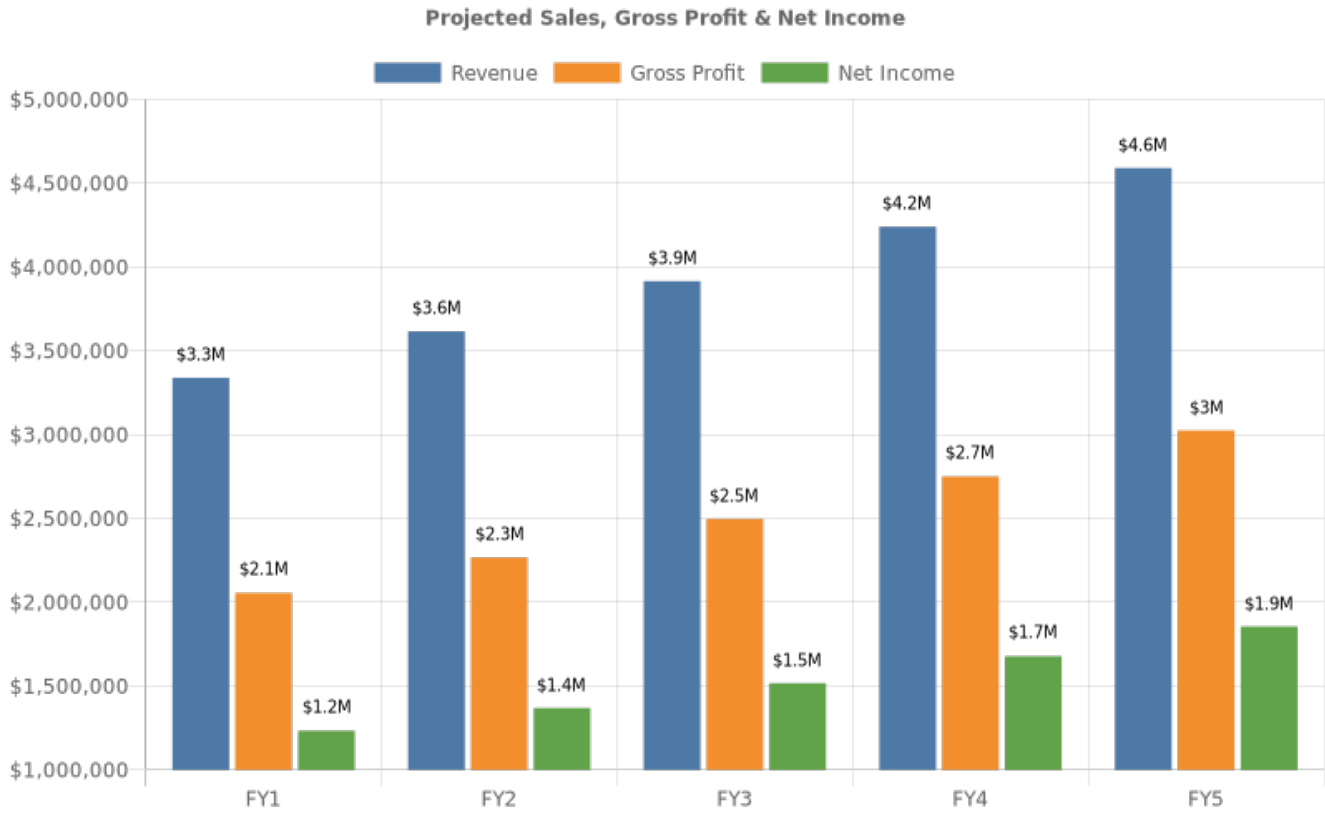
To accomplish our growth goals, ThreadElegance Embroidery needs \$282,000 in funding. Key uses of this funding will be as follows:

<b>Capital Investments</b>	
Location Buildout	\$50,000
Furniture	\$10,000
Equipment and Machines	\$100,000
Computers	\$5,000

<b>Non Capital Investments</b>	
Working Capital	\$50,000
Initial Rent/Lease	\$10,000
Staff Salaries for the First 3 Months	\$30,000
Initial Marketing and Advertising	\$20,000
Supplies	\$5,000
Insurance	\$2,000

## Financial Projections

### Projected Sales, Gross Profit & Net Income



## 5 Year Annual Income Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
Revenues						
	Revenues	\$3,338,970	\$3,615,537	\$3,915,013	\$4,239,294	\$4,590,436
<b>Total Revenues</b>		<b>\$3,338,970</b>	<b>\$3,615,537</b>	<b>\$3,915,013</b>	<b>\$4,239,294</b>	<b>\$4,590,436</b>
Direct Costs						
	Direct Costs	\$1,283,822	\$1,349,227	\$1,417,964	\$1,490,202	\$1,566,121
<b>Total Direct Costs</b>		<b>\$1,283,822</b>	<b>\$1,349,227</b>	<b>\$1,417,964</b>	<b>\$1,490,202</b>	<b>\$1,566,121</b>
<b>GROSS PROFIT</b>		<b>\$2,055,147</b>	<b>\$2,266,310</b>	<b>\$2,497,049</b>	<b>\$2,749,091</b>	<b>\$3,024,314</b>
<b>GROSS PROFIT %</b>		<b>61.6%</b>	<b>62.7%</b>	<b>63.8%</b>	<b>64.8%</b>	<b>65.9%</b>
<b>Other Expenses</b>						
	Salaries	\$72,814	\$75,023	\$77,299	\$79,644	\$82,060
	Marketing Expenses	\$6,067	\$6,251	\$6,441	\$6,637	\$6,838
	Rent/Utility Expenses	\$6,067	\$6,251	\$6,441	\$6,637	\$6,838
	Other Expenses	\$12,135	\$12,503	\$12,883	\$13,274	\$13,676
<b>Total Other Expenses</b>		<b>\$97,085</b>	<b>\$100,030</b>	<b>\$103,065</b>	<b>\$106,192</b>	<b>\$109,414</b>
<b>EBITDA</b>		<b>\$1,958,062</b>	<b>\$2,166,279</b>	<b>\$2,393,983</b>	<b>\$2,642,899</b>	<b>\$2,914,900</b>
	Depreciation	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
	Amortization	\$0	\$0	\$0	\$0	\$0
<b>EBIT</b>		<b>\$1,925,062</b>	<b>\$2,133,279</b>	<b>\$2,360,983</b>	<b>\$2,609,899</b>	<b>\$2,881,900</b>
	Interest Expense	\$28,200	\$28,200	\$28,200	\$28,200	\$28,200
<b>PRETAX INCOME</b>		<b>\$1,896,862</b>	<b>\$2,105,079</b>	<b>\$2,332,783</b>	<b>\$2,581,699</b>	<b>\$2,853,700</b>
	Net Operating Loss	\$0	\$0	\$0	\$0	\$0
	Use of Net Operating Loss	\$0	\$0	\$0	\$0	\$0
	Taxable Income	\$1,896,862	\$2,105,079	\$2,332,783	\$2,581,699	\$2,853,700
	Income Tax Expense	\$663,901	\$736,777	\$816,474	\$903,594	\$998,795
<b>NET INCOME</b>		<b>\$1,232,960</b>	<b>\$1,368,301</b>	<b>\$1,516,309</b>	<b>\$1,678,104</b>	<b>\$1,854,905</b>
	Net Profit Margin (%)	36.9%	37.8%	38.7%	39.6%	40.4%

## 5 Year Annual Balance Sheet

		FY 1	FY 2	FY 3	FY 4	FY 5
<b>ASSETS</b>						
	Cash	\$1,213,523	\$2,596,886	\$4,126,580	\$5,824,434	\$7,407,672
	Other Current Assets	\$286,605	\$310,344	\$336,050	\$353,274	\$382,536
	<b>Total Current Assets</b>	<b>\$1,500,128</b>	<b>\$2,907,231</b>	<b>\$4,462,631</b>	<b>\$6,177,709</b>	<b>\$7,790,209</b>
	Intangible Assets	\$0	\$0	\$0	\$0	\$0
	Acc Amortization	\$0	\$0	\$0	\$0	\$0
	<b>Net Intangibles</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	Fixed Assets	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000
	Accum Depreciation	\$33,000	\$66,000	\$99,000	\$132,000	\$165,000
	<b>Net fixed assets</b>	<b>\$132,000</b>	<b>\$99,000</b>	<b>\$66,000</b>	<b>\$33,000</b>	<b>\$0</b>
	Preliminary Exp	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ASSETS</b>		<b>\$1,632,128</b>	<b>\$3,006,231</b>	<b>\$4,528,631</b>	<b>\$6,210,709</b>	<b>\$7,790,209</b>
<b>LIABILITIES &amp; EQUITY</b>						
	Current Liabilities	\$117,168	\$122,968	\$129,059	\$133,032	\$139,628
	Debt outstanding	\$282,000	\$282,000	\$282,000	\$282,000	\$0
	<b>Total Liabilities</b>	<b>\$399,168</b>	<b>\$404,968</b>	<b>\$411,059</b>	<b>\$415,032</b>	<b>\$139,628</b>
	Share Capital	\$0	\$0	\$0	\$0	\$0
	Retained earnings	\$1,232,960	\$2,601,262	\$4,117,571	\$5,795,676	\$7,650,581
	<b>Total Equity</b>	<b>\$1,232,960</b>	<b>\$2,601,262</b>	<b>\$4,117,571</b>	<b>\$5,795,676</b>	<b>\$7,650,581</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$1,632,128</b>	<b>\$3,006,231</b>	<b>\$4,528,631</b>	<b>\$6,210,709</b>	<b>\$7,790,209</b>

## 5 Year Annual Cash Flow Statement

		FY 1	FY 2	FY 3	FY 4	FY 5
<b>CASH FLOW FROM OPERATIONS</b>						
	Net Income (Loss)	\$1,232,960	\$1,368,301	\$1,516,309	\$1,678,104	\$1,854,905
	Change in Working Capital	(\$169,436)	(\$17,938)	(\$19,614)	(\$13,250)	(\$22,666)
	Plus Depreciation	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
	Plus Amortization	\$0	\$0	\$0	\$0	\$0
	<b>Net Cash Flow from Operations</b>	<b>\$1,096,523</b>	<b>\$1,383,362</b>	<b>\$1,529,694</b>	<b>\$1,697,853</b>	<b>\$1,865,238</b>
<b>CASH FLOW FROM INVESTMENTS</b>						
	Fixed Assets	(\$165,000)	\$0	\$0	\$0	\$0
	Intangible Assets	\$0	\$0	\$0	\$0	\$0
	<b>Net Cash Flow from Investments</b>	<b>(\$165,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CASH FLOW FROM FINANCING</b>						
	Cash from Equity	\$0	\$0	\$0	\$0	\$0
	Cash from Debt financing	\$282,000	\$0	\$0	\$0	(\$282,000)
	<b>Net Cash Flow from Financing</b>	<b>\$282,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$282,000)</b>
	<b>Net Cash Flow</b>	<b>\$1,213,523</b>	<b>\$1,383,362</b>	<b>\$1,529,694</b>	<b>\$1,697,853</b>	<b>\$1,583,238</b>
	Cash at Beginning of Period	\$0	\$1,213,523	\$2,596,886	\$4,126,580	\$5,824,434
		<b>\$1,213,523</b>	<b>\$2,596,886</b>	<b>\$4,126,580</b>	<b>\$5,824,434</b>	<b>\$7,407,672</b>

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