



**APPENDIX**

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**The Hundred Story House: A Reading Adventure for Children**

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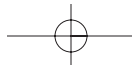
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Business plan prepared by  
Laura Susan Jacobs, partner

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## EXECUTIVE SUMMARY

In this age of movie rentals, video games, and other electronic entertainment, a child who requests to visit the bookstore is a responsible parent's dream. **The Hundred Story House** will be a children's bookstore that aims to make those requests occur frequently.

A partnership formed by Jamie Harris, Laura Jacobs, and Erin Mishkin, **the Hundred Story House** will be located in Greenwood, South Carolina. Its owners bring to the business a special combination of creativity, business knowledge, and people skills that will propel the establishment to success. In addition, a team of experienced consultants will guide the owners in different aspects of their venture.

**The Hundred Story House** strives to reach its target market of children ages 0 to 14. While recognizing that its paying customers will be mostly parents, the store will market to children in hopes that an inviting store will attract children who will bring their parents with them. Core competencies of atmosphere and knowledgeable service will separate **the Hundred Story House** from its competitors.

The store itself will be a haven of fantasy adventure for children. Each unique room will be filled with books, decorations, and furniture—all for kids. Advertising, sales promotions, related community service programs, and competitive prices will round out the establishment's marketing mix.

Financing will be provided by the owners and a banking line of credit. Each owner has gathered start-up capital in the form of personal savings and gifts from family and friends, putting the business initially in a very positive financial position. Careful financial records and forecasts will keep **the Hundred Story House** on solid ground.

Children deserve the attention of retailers who sell children's products. **The Hundred Story House** intends to give its target market that deserved attention and to delight its small customers continually. **The Hundred Story House** also intends to be a contributing member of the Greenwood community and to encourage among the children of Greenwood the wonderful adventure that some call reading.

## STATEMENT OF PURPOSE

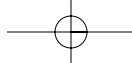
**The Hundred Story House** will be a partnership established by Jamie Harris, Laura Jacobs, and Erin Mishkin. Located in a 1,300-square-foot house at 339 Calhoun Avenue in Greenwood, South Carolina, **the Hundred Story House** is a reading adventure for children. The business will sell children's books and related sideline items such as bookmarks, clothing, posters, greeting cards, and character toys. This plan represents the first stages of operation and exists in part to request a banking line of credit established to cover short-term loans during the first three years of operation. Funding will be used to keep inventory at an appropriate level as well as to cover variable expenses during low-sales months.

## BUSINESS ATTRIBUTES

### Description of the Business

#### *Inventory*

**The Hundred Story House** will be a retail store that sells children's books and related sideline items. The store will sell both hardcover and softcover books appropriate for gifts



or for personal reading. Inventory will include books for very young children, beginning readers, and middle school children who read “chapter books.”

In addition to selling books, **the Hundred Story House** will increase its profit margin by selling sidelines. These sidelines will be items intended to complement and encourage the reading experience. For example, the store will carry posters of children’s book covers and T-shirts with reading-related themes. It will also stock bookmarks, bookplates, character dolls and animals (Heidi, The Cat in the Hat, and Corduroy the Bear, for instance), gift baskets, and simple toys.

Examples of stocked books:

<b>Type</b>	<b>Author / Book</b>
New Hits	Audrey Wood
New Classics	Ezra Pound
Old Classics	Robert Louis Stevenson
Kids’ Poetry	Shel Silverstein
Activity	Gardening and Art Books
Religious	Children’s Prayer Books, Children’s Bibles
Interactive	Pop-Up Books, Guided Journal
Special Occasion	Christmas Books
Collections	Grimm’s Fairy Tales, Uncle Remus
Instructional	Boy Scout / Girl Scout Manuals

*Suppliers*

**The Hundred Story House** will purchase books mainly from jobbers such as Baker & Taylor and Ingram. These book brokers allow purchases to be composed of books from many different publishers. The discount from retail (40 to 42 percent) is significantly less than the 48 percent discount offered by publishers, but publishers require minimum orders of each book. In a store with a low level of inventory, the benefits of buying from jobbers outweigh the costs, and **the Hundred Story House** will order directly from publishers only during peak sales times.

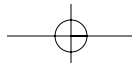
*Location*

The store is located in a house zoned for retail sales on Calhoun Avenue. Calhoun Avenue is convenient to most of the city of Greenwood, including the bypass area with Crosscreek Mall and the Wal-Mart Supercenter. It is also convenient to downtown Greenwood and to Highway 25. The bypass, Highway 25, and the downtown Greenwood areas are the three main business centers in town. By choosing a location central to these three areas, **the Hundred Story House** maximizes its potential to reach customers.

The building is perfect for the atmosphere that **the Hundred Story House** intends to provide. It is, in fact, the atmosphere of the store that will make it unique. The store itself makes shopping fun for kids and their parents. It reflects the fantasy world available in books and represents that world in physical, tangible form. The philosophy of the business is that books are fun for children and should be bought in an environment that is also fun.

*Competitive Advantage*

The competitive advantage, then, of **the Hundred Story House** will be its atmosphere, both physical and personal. The store will be a place where children want to come, where they feel at home. The store’s owners, all experienced and knowledgeable about children’s books, will provide the personal service and advice that parents seek elsewhere but rarely find in stores that carry children’s and adult books. The owners know not only children’s



books but also children themselves, and they seek to develop children through reading and related activities.

### Physical Retail Space

Because the core competency of **the Hundred Story House** is its whimsical environment, a description of its retail space is warranted. The house in which the business will locate is currently occupied by the Wicker Shop, a gift and flower shop. The yellow house has a large front porch and two big windows in front. Inside is a myriad of open but cozy rooms. (See floor plan and house photos, Supporting Document A.)

#### *Room A*

The inviting foyer branches into a room on either side, the first of which (Room A) will serve as an office and checkout area as well as a space with tables for coffee, hot chocolate, and cookies. There will be an adult table, of course, but also a smaller children's table in keeping with the store's devotion to kids, its most important customers. Stools in front of the checkout counter will allow children to watch as the salesperson rings up their purchases. Gift wrapping, an element of the personal service provided by **the Hundred Story House**, will also take place in Room A. The focal point of the room will be the new releases display shelf, a four-sided shelf of new inventory, divided according to age group. Room A will be painted white, but each wall will be a monumental canvas for children's expression. Quotations about books and children will be written in primary colors as a border around the wall close to the ceiling. Similar borders will provide a framing effect for the bulletin board that will span one wall. Children entering the store will be encouraged to write (or have their parents write) their comments on books they have recently read. These comments as well as their artwork and other creative efforts will be on constant display on the bulletin board. (See Room A layout, Supporting Document B.)

#### *Room B*

Room B is directly across the hall and will be the "occasion room." Decorated for different seasons or holidays, the room will serve as a forum for books on special topics and as a display area for special sidelines. Characterized by a fireplace and two large windows, Room B will begin the fantasy adventure for young shoppers. For instance, during Christmas, children coming to the store will be able to hang their own paper stocking by the fireplace. A purchase will allow the child to pick a bookmark from among those that decorate the Christmas tree in the corner. A large area rug and bean bags will make a comfortable space around the fireplace for trying out a promising book. Several display areas will be devoted to seasonal books (Christmas, winter, snow) and related sidelines.

During the fall, a camping tent might be set up in Room B, and visitors could write their names on colored leaves and attach them to the large paper tree trunk on the wall. Pumpkins and hay bales will be placed around the room, and a small hay loft constructed where children can climb and read. The bean bags will stay, but shelves will now be stocked with harvest, back-to-school, and Halloween books. Gift baskets, offered all year long, might include a tiny pumpkin, a fall book, orange pencils, and Halloween stickers during this season.

For the spring, there will be a "book garden" in one corner of the room filled with activity books on growing gardens, bird watching, and bug collecting. Books will be "planted" in a plot designed by the owners and also piled in a wheelbarrow or a bird bath. A white picket fence made of poster board will circle the room, and children can write their names on the pickets. Sidelines might include seed packets, child-sized gardening tools and

gloves, or flower-shaped erasers. A tree will be hung with plastic eggs filled with coupons. Bringing an egg to the cash register with purchase might reveal 10 to 50 percent off the purchase.

During the summer, Room B will have a sandbox filled with books (wrapped in plastic, of course!). Fish bowls all around the room will serve as homes to inexpensive gold fish. A fishing net hung from the ceiling will be strewn with starfish, sand dollars, paper fish, and fun sideline items such as beach toys and summer T-shirts. A small boat in the corner will be a place where children can sit and read, and a big paper sun will decorate the wall. (See Room B layout, Supporting Document C.)

#### *Room C*

Room C opens to the right off the hall. It will be a room for “standards,” books the store will always stock. This will be a quiet room, painted navy with white stars and a big moon suspended from the ceiling. The central feature of the room will be an enormous bed with lots of pillows where children can wallow and play. There will also be a reading table and child-sized overstuffed chairs. Sidelines in Room C will be purely book related, since many sidelines exist to complement classic books. Most books in Room C will be hardcover, gift-quality books. There will be a big list of “The Most Popular Children’s Books of All Time” in Room C, as well as a “Readers’ Choice” area where each month a child will be picked to highlight his or her favorite classic, which will be on display there with the child’s picture and “review” of the book. (See Room C layout, Supporting Document D.)

#### *Preteen Hallway*

The hallway of **the Hundred Story House** will be a particularly special area. In the middle of the hallway is a small open area that will be devoted to books for ages 10 to 14. The preteen and early teen years are a time when children don’t feel like children anymore and don’t enjoy shopping in children’s stores. **The Hundred Story House**, however, cannot afford to lose this segment of its target market. Setting aside a special “cool” area for older children will give them a place to go shop away from their parents and younger siblings.

No space will be wasted in the store. Even the bathroom will be wallpapered with old book jackets and the bathtub filled with books about water. An additional room will serve as inventory and supply storage, and two large back rooms provide space for expansion and promotional activities. (See photos of individual rooms, Supporting Document E.)

## **Structure**

#### *Legal Structure*

**The Hundred Story House** will be a partnership formed with a unique combination of skills and talent. The partnership form of organization will allow for ample start-up capital as well as a reasonable workload for each partner. (See partnership agreement, Supporting Document F.)

#### *Ownership and Management*

The three owners of **the Hundred Story House** share equal ownership and rights to profits. Each partner brings something to the business that the others lack.

Jamie Harris is a lifelong resident of Greenwood. Through her education in the Greenwood public school system and her membership at First Baptist Church, of which her father is a pastor, she has formed an extensive network of friends and connections

who will make up part of the firm's customer base. Jamie has had a great deal of experience with children, having been a baby-sitter since age 12 and an aunt since age 15. Her personable nature and vivacious personality are sure to attract and keep customers. Her dedication to education and to Christian service will drive her attention to customers and devotion to community service public relations efforts. A graduate of Furman University, Jamie has also formed networks of suppliers around the Greenwood area and has knowledge of the competition in the Greenwood area where many local customers are drawn to shop.

Laura Jacobs is also a lifelong resident of Greenwood. Her education was divided between elementary and middle school at Cambridge Academy, Greenwood's private school, and grades 7 to 12 in the public school system, so she knows about children from both segments of the population in Greenwood. She also knows their parents, having babysat for numerous families in Greenwood and having been a dedicated member of Westminster Presbyterian Church, USA, where children form a greater percentage of the congregation than in any other church in the county. Laura's creativity will contribute to the unique atmosphere of **the Hundred Story House**. A self-taught expert in interior design, she even managed to make her rental house in Clinton look like an inviting, homey place by spending only \$5 and borrowing furniture from family, friends, and green dumpsters around the state. A graduate of Presbyterian College, home to unquestionably the finest and most demanding business program in the nation, Laura will be able to manage both financial and human resources effectively and to form reasonable sales forecasts and projections. A student of renowned and highly esteemed small business management professor Norman Scarborough, Laura has an extensive knowledge of what it takes to make a small business work.

Erin Mishkin is an English major from Clemson University, originally from Charleston, South Carolina. Her emphasis of study at Clemson has been children's literature. An aspiring children's author and graduate of the Rice University Summer Publishing Institute in Houston, Texas, Erin has a well-formed network of publishers and children's authors from which to draw. Having read over half of the children's books in publication, Erin will be able to recommend selections to customers tailored to their special interests. Having worked three consecutive summers at a children's day camp in Charleston, Erin also has a good idea of the way children think and what they like. Erin will be able to take care of the publicity efforts for **the Hundred Story House**. She is the editor of *Reveille*, the literary magazine at Clemson, and has thus had experience with page layout programs that will allow her to design effective, attractive newsletters. Erin loves children, and she loves reading, attributes which will be sure to attract customers. (See owner résumés, Supporting Document G.)

#### *Employees*

In the third year of operation, **the Hundred Story House** will add one part-time employee, preferably a mother or father with an interest in children and children's books. The employee will work 18 days per month, 8 hours per day, at \$10 per hour.

#### *Advisors*

An advisory board elected by the partners will lend their experience and expertise to the management of **the Hundred Story House**. The members will be the following:

1. Bill Jacobs—Laura's father, a successful manager and all-around great guy, will be able to give advise on management and financial matters as well as on the market profile of Greenwood. Having been in business in Greenwood for 25 years, Bill Jacobs can spot trends in the local market.

2. David Mishkin—Erin’s father, a pediatric dentist in Charleston, will be able to provide advice on child psychology and updates on children’s preferences and trends.
3. Theresa Jacobs—Laura’s mother and children’s book expert taught her daughter to read at age 3. Theresa will lend invaluable expertise and knowledge of children’s literature. Able to talk to a brick wall, Theresa will also be a great source of publicity for the business.
4. Norman Scarborough—A small business professor at Presbyterian College, Norman knows everything about running a retail store. He will be a good all-around resource for **the Hundred Story House**’s business needs.
5. Flora Hobson—A former children’s bookstore owner in Greenwood, Flora knows the customers likely to frequent **the Hundred Story House** as well as the intricacies of running this type of business in Greenwood.
6. Elizabeth Holman, age 7, and John Holman, age 11—Avid readers and experts on the children’s book market in Greenwood, the Holmans will be able to suggest inventory items and publicity ideas.

#### *Support Network*

Legal Firm: Adams and Hart  
Atlanta, Georgia

Accounting Firm: Holder, Howell, Gatewood, and Sessions  
Clinton, South Carolina

Jobbers: Ingram  
Baker & Taylor

Publishers: Penguin  
Scholastic

Insurance: Allstate Insurance Company  
Clinton, South Carolina

Associations: Greenwood County Chamber of Commerce  
American Booksellers Association

## **MARKETING PLAN**

### **Market Analysis**

#### *Target Customers*

The potential customers of **the Hundred Story House** are middle- and upper-class parents of children ages 0 to 14 in Greenwood County. These are educated, literate parents who often love to read themselves. They are concerned about their children’s education and well-being. These are people who place intrinsic value on a book, people who love to hold books and collect them for their personal libraries. They are people who love books for the ways in which they encourage children’s imaginations and creative play and for the educational value a book can provide. Many customers will be buying books for gifts. These customers will include friends of people with children as well as grandparents and other relatives.

Yet even though **the Hundred Story House** sells to parents, its target customers are, without a doubt, children. Children will want to bring their parents to the store so that they can see what is new there. They will want to read books because they will associate the books with the fun atmosphere they find at **the Hundred Story House**. So often marketers of children's products overlook the children themselves. Not **the Hundred Story House**; every promotional effort will be aimed at children who will in turn bring funds in the form of their parents into the store. Very few parents can refuse such a responsible request from a child as a new book. The goal of the marketing program of **the Hundred Story House** is to encourage as many of those requests as possible.

The children targeted by the business will be bright, not necessarily excited by reading yet, but looking for entertainment. They will be curious, fun-loving adventurers and will have been exposed to literature through their schools and their homes.

The parents of the target market will look to teachers, librarians, and other parents when asking what to buy for their children and where to shop. They will be people who prefer to deal with small businesses and people who enjoy the shopping experience. These people will probably read the local newspaper and parenting magazines. Their children will read *Highlites*, *Cricket*, and *Scholastic* magazines.

Target customers will be involved in the community. They will attend events such as the Greenwood Spring Fling and the annual Festival of Flowers. Most will be church members as well as members of the PTA and other organizations with educational focus. They will attend book fairs, school festivals, and events such as their children's P.E. night. They will be carpoolers, and they will encourage their children's extracurricular activities such as dance, soccer, and piano lessons.

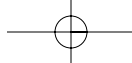
#### *Local Market*

The city of Greenwood represents a prime market for children's books. According to 1990 census data 25 percent of the population of the city is younger than 17. That means there are about 12,000 potential customers in the Greenwood area. (See demographic profile, Supporting Document H.)

Other relevant statistics include the level of education of the population: 36 percent have had some college, and 23 percent have earned a college degree. A third of the population, then, is educated at a high level and will probably have appreciation and desire for our product for their children or friends' children. Median family income is \$29,000; the target market for **the Hundred Story House** will probably be formed of those families making the median income or above. (See graph of book purchases by income distribution, Supporting Document I.)

#### *National Market and Industry Profile*

Independent bookstores face price competition from superstores such as Barnes & Noble and an environment that, according to the American Booksellers Association (ABA), is "highly competitive." According to the ABA, however, bookstore sales continue to grow, and bookstores came through the recession of the early 1990s in better shape than other retail establishments. There are also many organizations available to help booksellers improve their operations. The most obvious and helpful of these organizations is the American Booksellers Association, which publishes books on bookselling as well as the *Booksellers' Weekly* periodical. The association also has a Web site at <[www.BookWeb.org](http://www.BookWeb.org)>, which contains invaluable information updated periodically to inform and educate booksellers about their trade.



### *Cultural Environment*

The cultural environment, too, is conducive to bookselling. After the technology craze of the 1980s, more emphasis is being placed on basic entertainment such as art and literature. Additionally the market trend away from anything “big” is a plus for small, independent bookstores looking to compete on bases other than price. Independent bookstores seem to be recovering well from the boom of book superstores; their sales decline continues to slow yearly. Campaigns such as the White House’s Prescription for Reading profile and the ABC/CBC Children’s Book Issues committee help to push national awareness of the importance of children’s reading. The trend toward adult reading with efforts such as Oprah Winfrey’s book club is filtering to adult readers’ children, too.

### **Marketing Strategy**

**The Hundred Story House** must take advantage of national trends by developing a business that promotes not just books but a reading experience. It must dedicate marketing efforts not only to selling books but also to selling literacy and reading as a leisure activity. A number of marketing techniques will be employed.

#### *Grand Opening*

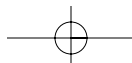
A grand opening will start **the Hundred Story House** off with an interested potential customer base. Appropriate publicity for the opening will be of utmost importance. Erin will design a newsletter to be sent to families with children in Laura’s and Jamie’s churches. The newsletter will describe the new business and include a copy of the mission statement. It will also detail our future plans and describe the unique experience available to the customers of **the Hundred Story House**. Two new book reviews will be included as well as information about upcoming promotional events and national book news. The newsletter will introduce the logo that will appear on the sign as well as all correspondence of **the Hundred Story House**. (See logo, Supporting Document J.)

A separate newsletter will be sent to the children of each household, specially addressed to the child and attractively presented to draw the child’s attention. Children rarely get mail. By sending its first publication directly to its most important target audience, **the Hundred Story House** will not only attract and please its youngest customers but will generate goodwill and excitement among them.

Additionally, **the Hundred Story House** will place an advertisement in the bookstores section of the Greenwood County Yellow Pages. The pages are distributed among Greenwood, Laurens, Greenville, Abbeville, and McCormick counties. For two Sundays prior to opening, an advertisement will also appear in *The Index-Journal*, Greenwood’s only newspaper. Fliers will be placed around town announcing the grand opening.

#### *Advertising*

Continuing advertising efforts will include monthly newsletters to parents and children. First-time customers will be placed on the mailing list and added to the initial customer base. They can also sign up to receive e-mail announcements, a very effective, inexpensive, and easy advertising vehicle for the store. Another newspaper ad will appear in *The Index-Journal* Thanksgiving weekend in preparation for Christmas sales. Fliers will be distributed periodically at PTA meetings, in school report cards with permission from elementary school principals, at Greenwood Community Theater events, and at local festivals. These



are the places where our target market is likely to look, so these are the places where we will advertise. There will also be a sidewalk sign on sales days.

### *Pricing*

Although **the Hundred Story House** will not attempt to compete on the basis of price with large chain bookstores, its prices will be competitive with other bookstores of the same size. A standard 100 percent markup will be applied to most books, with sidelines having a slightly lesser markup.

### *Public Appearances*

Marketing for **the Hundred Story House**, however, will go far beyond advertising. Promotional efforts will be a key part of the marketing for the store. For example, public appearances and talks by the owners will help to promote the store. Churches in Greenwood often seek speakers for their Wednesday night supper programs, and the owners will provide these programs free of charge. The Greenwood Women's Club, the PTA, the library, and the Rotary Club also often invite speakers. Spokespeople for **the Hundred Story House** will be qualified to talk about literacy, recommended children's books, methods for encouraging children to read, and age-appropriate reading lists. Doing so free of charge will generate enormous favorable publicity for the store as well as a benefit for the children of the Greenwood community and their parents.

### *Customer Service*

Other promotional efforts will center on the superior customer service offered by **the Hundred Story House**. We will keep a record of the birthdays of our customers and send out birthday cards with our logo and 10 percent discount coupons to each child near his or her special day. We will also hold a semiannual "How to Read to Your Child Seminar." As simple as it may sound, many very competent parents do not know how or when to start reading to their children, and many do not know that the 20 minutes each day they spend reading to or with their children may be some of the most productive time they could spend. A free seminar held in the store would introduce parents not only to reading to children, ensuring their future purchase of children's books, but also to **the Hundred Story House**, ensuring their purchase of children's books from this particular store.

Book lists with age-appropriate popular and classic titles will be available in the store as will book club memberships. The Lucky Thirteenth book club will be a buying incentive program in which customers will keep track of purchases on a card to be kept in the store. After 12 book purchases, the book prices will be averaged, and that amount will be applied to the purchase of a thirteenth book. Children will also be able to keep a "Wish List" on file at the store for people who come in to buy them birthday or Christmas presents. Special orders will be made once a week for books not in stock. In a small town such as Greenwood, the more personalized the marketing idea, the better.

### *Community Service*

When profits allow, **the Hundred Story House** will participate in community service, working in cooperation with the Greenwood Literacy Council to promote literacy and reading in Greenwood County. The business will provide its building after hours for tutors and students to meet to learn to read. The store will also make periodic donations of books to church and school children's libraries, as well as to pediatricians' reading programs. It will help the Literacy Council and the pediatricians' program by distributing their literature

and signing up volunteers. While the primary purpose of such efforts will be to contribute to the community, the resulting favorable publicity will be welcome.

#### *Sales Promotions*

Special promotions will be central to the marketing mix of **the Hundred Story House**. Promotions may be connected with national efforts such as National Children's Book Week, with holidays, or with certain books. Ideas include a story hour in which an adult comes in character to read a book to children. The comfortable rooms in the store would lend themselves well to such an activity. At Halloween, the store will hold a costume contest with prizes for children who come dressed as their favorite book character. During the fall, **the Hundred Story House** will host an "Indoor Campout" where children can bring their sleeping bags for a few hours one evening and pretend to camp out around the fireplace. They can roast marshmallows, and an owner will read ghost stories. At Christmas, Santa can hold story hour around the Christmas tree, and the store can host a bookmark-making party for children who want to create their own gifts.

The idea with promotional activities is to promote reading as an experience and to show children that **the Hundred Story House** is a fun place to come.

### **Competitor Analysis**

**The Hundred Story House** has three main competitors in Greenwood: MacCaslan's, The Book Store, and Waldenbooks. Competitor analysis of each follows.

#### 1. Competitor: MacCaslan's Book Store

Location: Main Street, downtown Greenwood

Description: MacCaslan's is a privately owned bookstore with a long history of serving Greenwood. It occupies retail space in the downtown Greenwood shopping area and carries a wide range of adult books. MacCaslan's also has a small selection of children's books as well as gift items, stationery, school supplies, and a floor devoted to teaching supplies and aids.

#### Strengths: Reputation

Teachers' supplies attract educators who buy children's books for classroom use.

School and science fair supplies attract children.

Weaknesses: Children's area is cramped and obviously secondary in importance to adult stock.

Area is uninviting for children.

The store itself is old-fashioned, does not appeal to children's market.

Children's area is right next to the display shelves of breakable gift items.

Children's books are not displayed attractively and are not easily accessible.

#### 2. Competitor: The Book Store

Location: Montague Avenue

Description: The Book Store has been in existence for two years. It carries a very good selection of both popular and classic selections as well as

Mary Engelbreit sidelines (shirts, calendars, throws, and gifts), easy listening CDs, and other gift items. The Book Store has a separate children's room well stocked with children's books and limited sideline items.

Strengths: Large, well-defined children's section.

Appropriate sidelines.

Well organized into different ages and categories (crafts, biography, etc.).

Variety of books for children ages 0 to 14.

Inviting chairs and tables.

Weaknesses: Store has a very "adult atmosphere," is very quiet.

Sales staff does not enter children's section, is more knowledgeable and interested in adult books.

Sidelines are not extensive.

Advertising not geared to children's selection.

### 3. Competitor: Waldenbooks

Location: Crosscreek Mall

Description: Waldenbooks is one of a large chain of bookstores. The largest competitor, it also has the largest children's section. Waldenbooks carries a wide selection of adult and children's books. The adult books are divided into subjects, and the store often carries several copies of each one. Waldenbooks also carries calendars and bookmarks.

Strengths: Low prices.

Wide selection of popular children's books, especially those related to television programs.

Good location.

Lots of preteen and young adult stock.

Weaknesses: Unknowledgeable sales staff.

Children's area not well separated from the rest of the store.

Children's books located on shelves too high to reach.

Few children's sidelines.

Relatively few "gift-quality" books. Stock is geared more toward inexpensive paperbacks.

Other competitors: Dee's Bookworm—used books

Discount bookstore—discounted books, often not in good shape

Children's book sections of Wal-Mart and Kmart

Amazon.com and other online book services

School libraries

Public libraries

**The Hundred Story House** will be devoted entirely to children's and preteens' books and sidelines. Because its target market will be children only, its advertising will be designed to attract its entire target market rather than to attract adult readers such as The Book Store and MacCaslan's. Prices will be comparable to those of The Book Store and MacCaslan's; the inviting and fun atmosphere and selection of children's sidelines will

make **the Hundred Story House** the favored choice over Waldenbooks. Its focus on children as a target market will differentiate it from MacCaslan's and The Book Store. Its promotional activities and focus on children's literacy will be effective vehicles for getting its name out in the community.

**The Hundred Story House** will sell a children's reading experience rather than just a children's book and will attempt to form relationships with children, our customers, who will soon see **the Hundred Story House** as a fun place to go. The store will be an end in itself, a place to encourage reading and reading-related activities and, thus, encourage sales. A knowledgeable and friendly sales staff will be able to help customers pick out appropriate books and will learn the preferences of return customers to better help them select books they might enjoy. Responses from children who read our books will be central to our future inventory choices.

Interestingly, the most threatening competitors of **the Hundred Story House** might not be other bookstores at all but other entertainment and leisure products for children. Children's choices for entertainment have moved from traditional products such as books, art supplies, and blocks to electronic toys and games. **The Hundred Story House**, however, will be able, through its unique environment, to associate children's books with activity, thereby attracting active children with varied interests.

## FINANCIAL PLAN

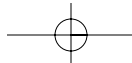
### Assumptions for Financial Information

#### *Sales Assumptions*

1. Most likely sales figures are based on Flora Hobson's estimates of sales at the Best Children's Bookstore Ever.
2. Pessimistic sales figures are 85 percent of most likely sales figures.
3. Optimistic sales figures are 115 percent of most likely sales figures.
4. Sales cycle is based on Hobson's suggestion that peak times occur in quarters 2 and 4.

#### *Cash Flow Assumptions*

1. Each partner will bring \$17,500 to the business, \$2,500 from personal savings and \$15,000 in gifts from family and friends.
2. Sales will begin the first month of operations.
3. **The Hundred Story House** will not offer credit sales until year 3 of operation.
4. The owners will make small draws based on performance for each month of the first three years, reinvesting profits instead of taking them out in salaries and benefits.
5. The company will hire a part-time employee in year 3.
6. Direct-mail costs are based on a start-up customer base of 200 multiplied by \$0.32 apiece for newsletter mailings. Subsequent direct-mail costs are based on a 10 percent increase per month in customer numbers.
7. Insurance costs are based on a premium quotation from David Ramage of Allstate Insurance in Clinton, South Carolina. (See premium quotation, Supporting Document K.)



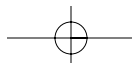
Sales Forecast Years 1-5						
		January	February	March	April	May
Sales Year 1	<i>Pessimistic</i>	4,250	3,400	2,975	3,400	4,250
	<i>Most Likely</i>	5,000	4,000	3,500	4,000	5,000
	<i>Optimistic</i>	5,750	4,600	4,025	4,600	5,750
*Sales Year 2	<i>Pessimistic</i>	4,675	4,208	3,740	4,675	5,610
	<i>Most Likely</i>	5,500	4,950	4,400	5,500	6,600
	<i>Optimistic</i>	6,325	5,693	5,060	6,325	7,590
**Sales Year 3	<i>Pessimistic</i>	5,865	5,621	7,650	6,843	7,820
	<i>Most Likely</i>	6,900	6,613	9,000	8,050	9,200
	<i>Optimistic</i>	7,935	7,604	10,350	9,258	10,580
		First Quarter		Second Quarter		
***Sales Year 4	<i>Pessimistic</i>		23,375	34,000		
	<i>Most Likely</i>		27,500	40,000		
	<i>Optimistic</i>		31,625	46,000		
Sales Year 5	<i>Pessimistic</i>		26,563	40,375		
	<i>Most Likely</i>		31,250	47,500		
	<i>Optimistic</i>		35,938	54,625		

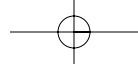
\*Figures inflated 10 percent to account for addition of sideline items.

\*\*Figures inflated 15 percent to account for addition of more sideline items.

\*\*\* These figures and those in all subsequent years inflated 25 percent to account for a quarter of sales in sideline items.

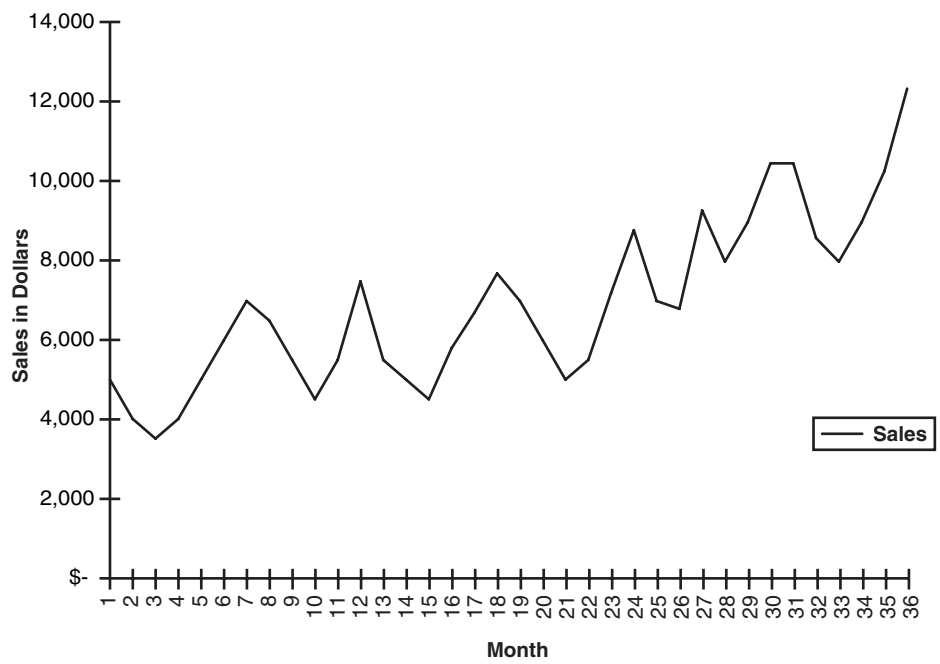
8. Purchases are projected at 48 percent of cost of goods sold for the following month, based on an average of figures from Hobson and comparative historical data from the Robert Morris Associates.
9. Loan repayments will occur in the month following the loan. Repayment will consist of the principal plus 8 percent interest.
10. Fixture and furniture costs are relatively low because owners already possess many of the fixtures and computer equipment needed.
11. Minimum cash balance to be maintained is \$1,000 at the end of each month.
12. Accounting and legal fees will be minimal after start-up costs.
13. Gas and electricity bills fluctuate seasonally because the Hundred Story House has air-conditioning and gas heat.



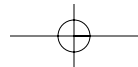


<b>Sales Forecast Years 1-5 (continued)</b>						
June	July	August	September	October	November	December
5,100	5,950	5,525	4,675	3,825	4,675	6,375
6,000	7,000	6,500	5,500	4,500	5,500	7,500
6,000	8,050	7,475	6,325	5,175	6,325	8,625
6,545	6,078	5,143	4,208	4,675	6,078	7,480
7,700	7,150	6,050	4,950	5,500	7,150	8,800
8,855	8,223	6,958	5,693	6,325	8,223	10,120
8,798	8,798	7,331	6,843	7,820	8,798	10,753
10,350	10,350	8,625	8,050	9,200	10,350	12,650
11,903	11,903	9,919	9,258	10,580	11,903	14,548
Third Quarter			Fourth Quarter			
		28,688			35,063	
		33,750			41,250	
		38,813			47,438	
		31,875			41,438	
		37,500			48,750	
		43,125			56,063	

**Most Likely Sales Years 1-3**

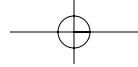


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### Most Likely Sales Years 1-3 (continued)

Year 1	Cash Flow Projections				
	Pre-Start-up	January	February	March	April
<i>Beginning Cash Balance</i>	52,250	16,067	15,881	14,929	12,954
<i>Cash Receipts</i>					
Sales Revenues	0	5,000	4,000	3,500	4,000
Receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Cash Available</i>	<u>52,250</u>	<u>21,067</u>	<u>19,881</u>	<u>18,429</u>	<u>16,954</u>
<i>Cash Payments</i>					
Purchases	12,000	1,920	1,680	1,920	2,400
License	36	0	0	0	0
Renovation	2,000	0	0	0	0
Utilities Deposit					
Phone	32	0	0	0	0
Electricity	100	0	0	0	0
Gas	100	0	0	0	0
Water	40	0	0	0	0
Office Equipment	300	0	0	0	0
Rent Deposit	200	0	0	0	0
Rent	1,200	1,200	1,200	1,200	1,200
Utilities					
Phone	100	100	100	100	100
Electricity	75	75	85	110	115
Gas	150	150	140	115	90
Water	20	20	20	20	20
Office Supplies	1,000	200	200	200	200
Accounting/Legal	1,500	0	0	0	0
Maintenance	0	150	150	150	150
Direct Mail	64	70	77	85	94
Advertising	800	200	200	200	200
Fixtures and Furniture	15,000	0	0	0	0
Insurance	366	0	0	275	0
Wages	0	0	0	0	0
Loan Payment in month following borrowing w/8% interest	0	0	0	0	0
Owner Draws	600	600	600	600	600
Other	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Cash Before Borrowing	16,067	15,881	14,929	12,954	11,285
Borrowing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash After Borrowing	<u>16,067</u>	<u>15,881</u>	<u>14,929</u>	<u>12,954</u>	<u>11,285</u>

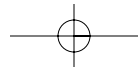


**Most Likely Sales Years 1-3**

**Cash Flow Projections**

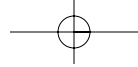
May	June	July	August	September	October	November	December
11,285	10,022	9,084	9,629	10,137	10,111	8,595	6,902
5,000	6,000	7,000	6,500	5,500	4,500	5,500	7,500
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>16,285</u>	<u>16,022</u>	<u>16,084</u>	<u>16,129</u>	<u>15,637</u>	<u>14,611</u>	<u>14,095</u>	<u>14,402</u>
2,880	3,360	3,120	2,640	2,160	2,640	3,600	2,640
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
100	100	100	100	100	100	100	100
130	160	180	160	135	120	100	80
80	60	60	85	110	120	140	150
20	20	20	20	20	20	20	20
200	200	200	200	200	200	200	200
0	0	0	0	0	0	0	0
150	150	150	150	150	150	150	150
103	113	125	137	151	166	183	201
300	200	200	200	200	200	400	400
0	0	0	0	0	0	0	0
0	275	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
600	600	600	600	600	600	600	600
<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
<u>10,022</u>	<u>9,084</u>	<u>9,629</u>	<u>10,137</u>	<u>10,111</u>	<u>8,595</u>	<u>6,902</u>	<u>8,162</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>10,022</u>	<u>9,084</u>	<u>9,629</u>	<u>10,137</u>	<u>10,111</u>	<u>8,595</u>	<u>6,902</u>	<u>8,162</u>

(Continued)



### Most Likely Sales Years 1-3 (continued)

Year 2	Cash Flow Projections				
	January	February	March	April	May
<i>Beginning Cash Balance</i>	8,162	6,803	5,803	3,701	1,889
<i>Cash Receipts</i>					
Sales Revenues	5,500	4,950	4,400	5,500	6,600
Receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Cash Available</i>	<u>13,662</u>	<u>11,753</u>	<u>10,203</u>	<u>9,201</u>	<u>8,489</u>
<i>Cash Payments</i>					
Purchases	2,376	2,112	2,640	3,168	3,696
License	0	0	0	0	0
Renovation	0	0	0	0	0
Utilities Deposit	0	0	0	0	0
Phone	0	0	0	0	0
Electricity	0	0	0	0	0
Gas	0	0	0	0	0
Water	0	0	0	0	0
Office Equipment	0	0	0	0	0
Rent Deposit	0	0	0	0	0
Rent	1,200	1,200	1,200	1,200	1,200
Utilities					
Phone	100	100	100	100	100
Electricity	75	85	110	115	130
Gas	150	140	115	90	80
Water	20	20	20	20	20
Office Supplies	200	200	200	200	200
Accounting/Legal	300	0	0	0	0
Maintenance	150	150	150	150	150
Direct Mail	221	243	267	294	323
Advertising	200	200	200	200	300
Fixtures and Furniture	0	0	0	0	0
Insurance	366	0	0	275	0
Wages	0	0	0	0	0
Loan Payment in month following borrowing w/8% interest	0	0	0	0	0
Owner Draws	1,000	1,000	1,000	1,000	1,000
Other	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Cash Before Borrowing	6,803	5,803	3,701	1,889	789
Borrowing	0	0	0	0	211
Cash After Borrowing	<u>6,803</u>	<u>5,803</u>	<u>3,701</u>	<u>1,889</u>	<u>1,000</u>

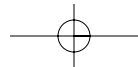


**Most Likely Sales Years 1-3**

**Cash Flow Projections**

June	July	August	September	October	November	December
1,000	1,095	1,065	1,000	1,000	1,000	1,000
7,700	7,150	6,050	4,950	5,500	7,150	8,800
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>8,700</u>	<u>8,245</u>	<u>7,115</u>	<u>5,950</u>	<u>6,500</u>	<u>8,150</u>	<u>9,800</u>
3,432	2,904	2,376	2,640	3,432	4,224	2,484
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,200	1,200	1,200	1,200	1,200	1,200	1,200
100	100	100	100	100	100	100
160	180	160	135	120	100	80
60	60	85	110	120	140	150
20	20	20	20	20	20	20
200	200	200	200	200	200	200
0	0	0	0	0	0	0
150	150	150	150	150	150	150
356	391	431	474	521	573	630
200	200	200	200	200	400	400
0	0	0	0	0	0	0
0	275	0	0	0	0	0
0	0	0	0	0	0	0
227	0	0	332	2,279	4,689	6,638
1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
1,095	1,065	693	-1,110	-3,342	-5,146	-3,753
<u>0</u>	<u>0</u>	<u>307</u>	<u>2,110</u>	<u>4,342</u>	<u>6,146</u>	<u>4,753</u>
<u>1,095</u>	<u>1,065</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

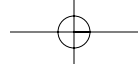
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### Most Likely Sales Years 1-3 (continued)

#### Cash Flow Projections

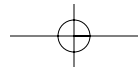
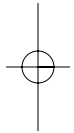
Year 3	January	February	March	April	May
<i>Beginning Cash Balance</i>	1,000	6,803	5,803	3,701	1,889
<i>Cash Receipts</i>					
Sales Revenues	6,900	6,613	9,000	8,050	9,200
Cash Sales	5,175	4,960	6,750	6,038	6,900
Receivables first month	0	776	744	1,013	906
Receivables second month	0	0	259	248	338
<i>Total Cash Available</i>	<u>13,075</u>	<u>19,152</u>	<u>22,556</u>	<u>19,049</u>	<u>19,232</u>
<i>Cash Payments</i>					
Purchases	2,381	3,240	2,898	3,312	3,726
License	0	0	0	0	0
Renovation	0	0	0	0	0
Utilities Deposit	0	0	0	0	0
Phone	0	0	0	0	0
Electricity	0	0	0	0	0
Gas	0	0	0	0	0
Water	0	0	0	0	0
Office Equipment	0	0	0	0	0
Rent Deposit	0	0	0	0	0
Rent	1,200	1,200	1,200	1,200	1,200
Utilities					
Phone	100	100	100	100	100
Electricity	75	85	110	115	130
Gas	150	140	115	90	80
Water	20	20	20	20	20
Office Supplies	200	200	200	200	200
Accounting/Legal	300	300	300	300	300
Maintenance	150	150	150	150	150
Direct Mail	693	763	839	923	1,015
Advertising	200	200	200	200	300
Fixtures and Furniture	0	0	0	0	0
Insurance	366	0	0	275	0
Wages	1,440	1,440	1,440	1,440	1,440
Payroll Taxes	199	199	199	199	199
Loan Payment in month following borrowing w/8% interest	5,133	3,275	0	0	0
Owner Draws	2,000	2,000	2,000	2,000	2,000
Other	500	501	502	503	504
Cash Before Borrowing	<u>-2,033</u>	<u>5,339</u>	<u>12,282</u>	<u>8,022</u>	<u>7,867</u>
Borrowing	<u>3,033</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash After Borrowing	<u>1,000</u>	<u>5,339</u>	<u>12,282</u>	<u>8,022</u>	<u>7,867</u>



**Most Likely Sales Years 1-3**

**Cash Flow Projections**

June	July	August	September	October	November	December
1,000	1,095	1,065	1,000	1,000	1,000	1,000
10,350	10,350	8,625	8,050	9,200	10,350	12,650
7,763	7,763	6,469	6,038	6,900	7,763	9,488
1,035	1,164	1,164	970	906	1,035	1,164
302	345	388	388	323	302	345
<u>20,449</u>	<u>20,717</u>	<u>17,711</u>	<u>16,446</u>	<u>18,329</u>	<u>20,449</u>	<u>24,647</u>
3,726	3,105	2,898	3,312	3,726	4,554	3,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,200	1,200	1,200	1,200	1,200	1,200	1,200
100	100	100	100	100	100	100
160	180	160	135	120	100	80
60	60	85	110	120	140	150
20	20	20	20	20	20	20
200	200	200	200	200	200	200
300	300	300	300	300	300	300
150	150	150	150	150	150	150
1,117	1,228	1,351	1,486	1,635	1,799	1,978
200	200	200	200	200	400	400
0	0	0	0	0	0	0
0	275	0	0	0	0	0
1,440	1,440	1,440	1,440	1,440	1,440	1,440
110	110	110	110	110	110	110
0	0	0	0	0	0	0
2,000	2,000	2,000	2,000	2,000	2,000	2,000
505	506	507	508	509	510	511
<u>9,161</u>	<u>9,642</u>	<u>6,989</u>	<u>5,174</u>	<u>6,499</u>	<u>7,427</u>	<u>13,007</u>
0	0	0	0	0	0	0
<u>9,161</u>	<u>9,642</u>	<u>6,989</u>	<u>5,174</u>	<u>6,499</u>	<u>7,427</u>	<u>13,007</u>



### Balance Sheet for Year I

#### Assets

Cash	\$ 1,000
Inventory	12,084
Receivables	0
Fixtures	<u>15,000</u>
<i>Total Assets</i>	<u><u>\$28,084</u></u>

#### Liabilities and Owners' Equity

##### Liabilities

Accounts Payable	\$ 4,753
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##### Owner's Equity

Jamie Harris, Capital	7,777
Laura Jacobs, Capital	7,777
Erin Mishkin, Capital	<u>7,777</u>

<i>Total Liabilities and Owners' Equity</i>	<u><u>\$28,084</u></u>
---	------------------------

### Income Statement for Year I

Net Sales Revenue	\$74,250
Cost of Goods Sold:	
Beginning Inventory 1/1/XX	\$12,240
Purchases	<u>35,484</u>
Goods Available for Sale	<u>47,724</u>
Less Ending Inventory 12/31/XX	<u>12,084</u>
Cost of Goods Sold	\$35,640
Gross Profit Margin	\$38,610
Variable Expenses:	
Electricity	\$ 1,450
Gas	1,300
Accounting/Legal	300
Direct Mail	4,724
Advertising	1,800
Interest Expense	<u>1,049</u>
Total Variable Expenses	<u>\$10,623</u>
Fixed Expenses:	
Rent	\$14,400
Phone	1,200
Water	240
Office Supplies	2,400
Maintenance	1,800
Insurance	<u>916</u>
Total Fixed Expenses	<u>\$20,956</u>
Total Expenses	<u><u>\$31,579</u></u>
<b>NET INCOME</b>	<u><u><b>\$ 7,031</b></u></u>

## OPERATING STRATEGY

### Mission Statement

The **Hundred Story House** is more than a bookstore. It is a reading adventure for children. We sell excitement, imagination, and lifelong learning. We are dedicated to our most important customers, children, right down to the smallest one. **The Hundred Story House** seeks to encourage the reading endeavors of children and to make the process of buying a book as fun as reading the book itself, and we strive to share quality books, advice, and guidance with our customers. We are also dedicated to our community and to the literacy of the children of Greenwood. We will not forget that while children are indeed the future they are, for a children's bookstore, the present. We will serve them as effectively and considerately as possible. **The Hundred Story House** will be a testament to the importance of the child and to the wonder and the joy of reading.

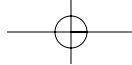
### Performance Goals and Objectives

1. To open for business in January 200X
2. To make a profit in the first year of operations.
3. To build the mailing list by 10 percent each month.
4. To increase owner draws by 35 percent each year.
5. To add sideline items in year 2.
6. To raise sales of sideline items to 25 percent of total sales in two years.
7. To do one promotional event per quarter in year 1 and one per month by year 3.
8. To add credit sales in two years.
9. To expand into the two back rooms in year 5.
10. To be an example of social responsibility to the community.
11. To hire a part-time employee in year 3.

### Action Plan

**The Hundred Story House** will buy books at the lowest cost possible and sell them to customers for the suggested retail price. It will engage in advertising and marketing promotions aimed at children. The atmosphere provided by the physical location will be a core competency, as will the suggestions given by the knowledgeable staff. Sideline items will complement the book inventory and help to increase the profit margin for the store. Public relations will come in the form of community service and will enhance the image of **the Hundred Story House** in the Greenwood community.

Each partner of **the Hundred Story House** will have an area of specialty: Jamie's will be public relations, Laura's creative and financial matters, and Erin's inventory and publications. The owners will work together to integrate marketing strategies, financial plans, and customer service into the best business possible. The sales objective will be either to make a sale or to make such an impression on the customer that he or she returns to the store.



**Controls**

Success will be measured by sales and customer satisfaction. Inventory preferences will be modified according to customer preferences indicated on a questionnaire such as the following:

Name\_\_\_\_\_

Address\_\_\_\_\_

Phone\_\_\_\_\_

E-mail\_\_\_\_\_

For whom do you buy?

- |               |                   |                        |
|---------------|-------------------|------------------------|
| Your children | Friends' children | Grandchildren          |
| Classroom use | Relatives         | Other (please specify) |

For what occasion?

- |          |         |                 |
|----------|---------|-----------------|
| Birthday | Holiday | General reading |
|----------|---------|-----------------|

How did you hear about us?

If you have children, please describe their reading interests and indicate their birthdays and ages.

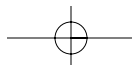
Continuing education will be gained through the owners' individual subscriptions to booksellers' periodicals as well as through weekly viewings of the ABA Web site and related Web sites. An updated copy of *Children's Books in Print* will be retained for reference purposes at **the Hundred Story House**.

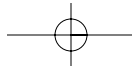
Impeccable and continually updated financial records will be first planning and then benchmarking tools for the business. Costs will be minimized through the use of the owners' own materials for creative decorations and interior design and through close monitoring of utility and phone usage and bulk postage rates.

**Acknowledgments**

**The Hundred Story House** gratefully acknowledges the following people for their time, input, and shared wisdom:

- Flora Hobson, former owner, the Best Kids' Bookstore Ever, Greenwood, South Carolina
- David Ramage, Allstate Insurance, Clinton, South Carolina
- Nature's Oven business plan by Melissa Boyett
- ABA BookWeb
- Effective Small Business Management* by Norman Scarborough and Thomas Zimmerer
- Sam Howell, CPA
- Ruth Sessions, computer whiz





*The Anatomy of a Business Plan* by Linda Pinson and Jerry Jinnet

Lori Adams, humorist

Phil Lindler, Greenwood County, South Carolina, assistant city / county planner

Shundra Jennings, the Wicker Shop, Greenwood, South Carolina

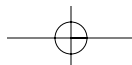
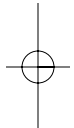
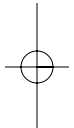
PC Public Safety, for overlooking the blatant disregard of computer lab hours

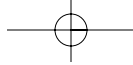
John Scott, helper of people who are dumb with computers

### Supporting Documents

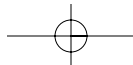
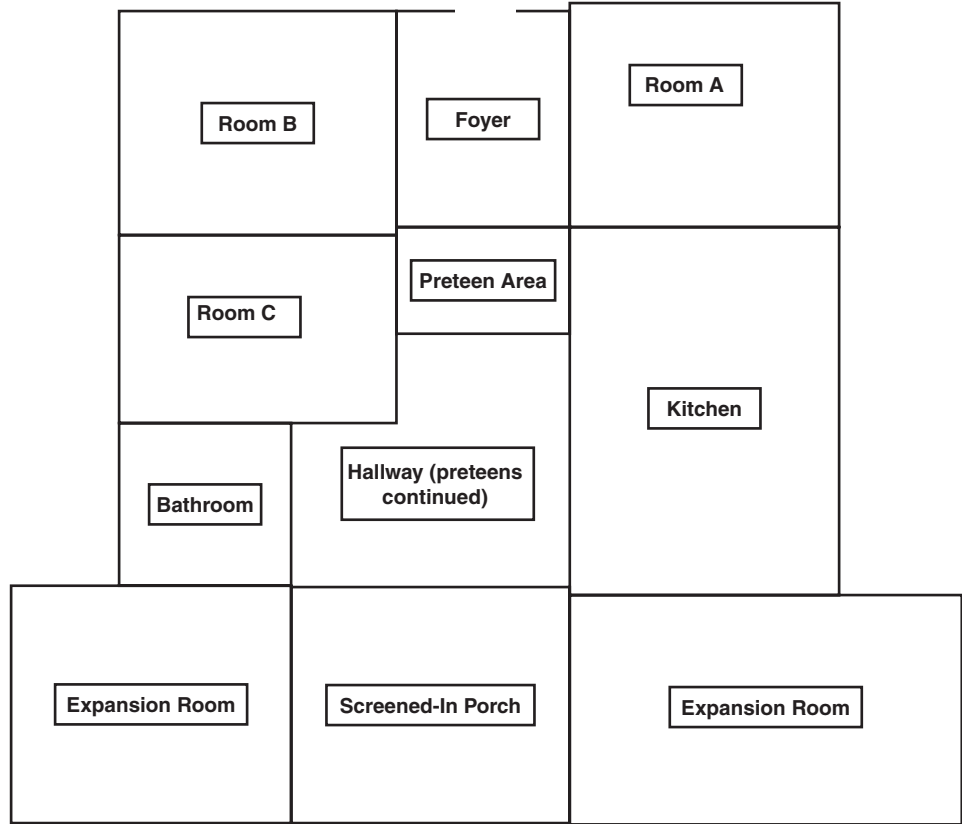
Floor Plan and House Photos*	A 1-2
Room A Layout	B
Room B Layout	C
Room C Layout	D
Room Photos*	E 1-3
Partnership Agreement	F
Partner Résumés	G 1-3
Demographic Profile*	H
Graph of Book Purchases by Household Income	I
Logo*	J
Insurance*	K

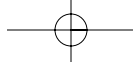
\*These documents are not provided in this example but should appear in a typical business plan.



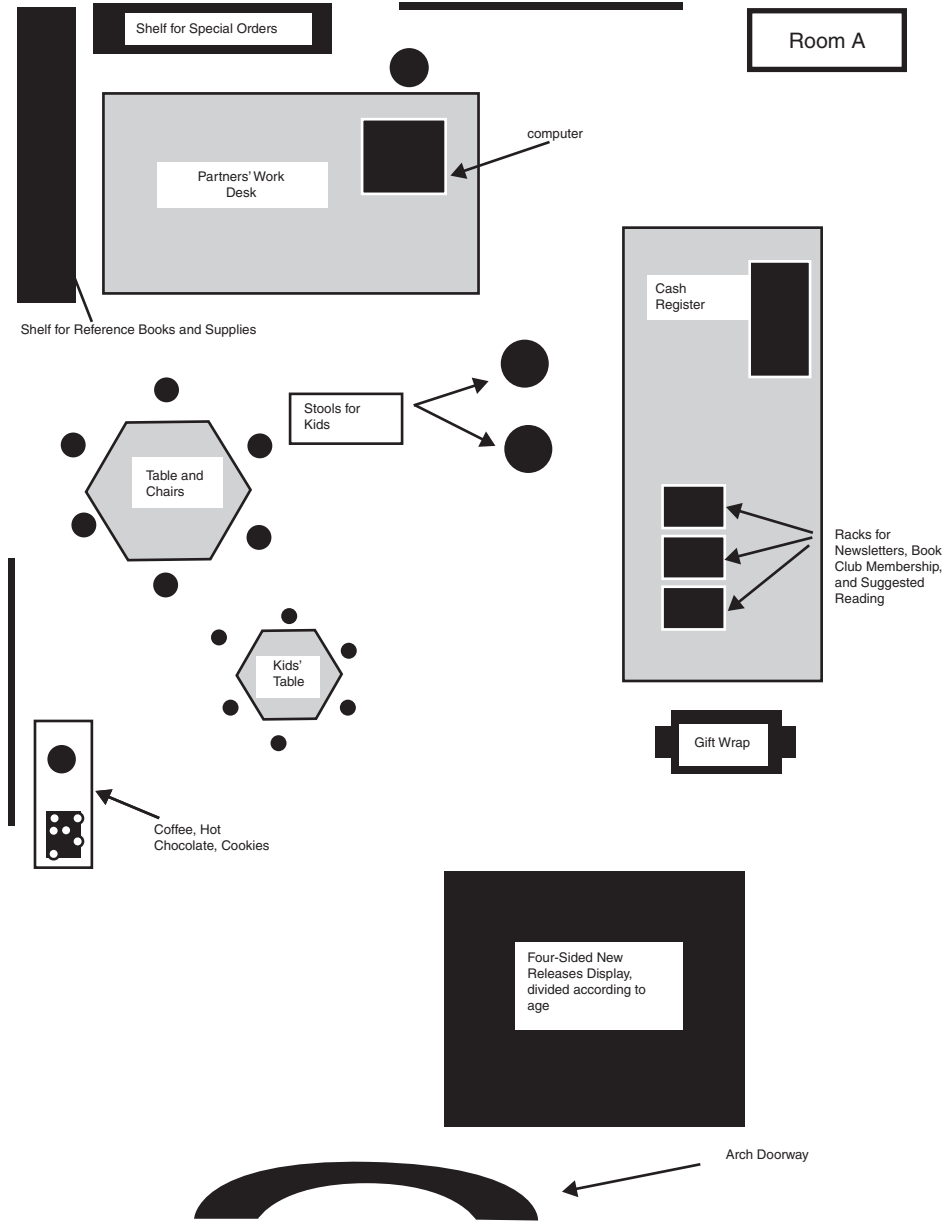


**Floor Plan**

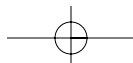


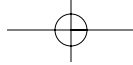


### Floor Plan (continued)

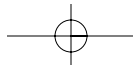
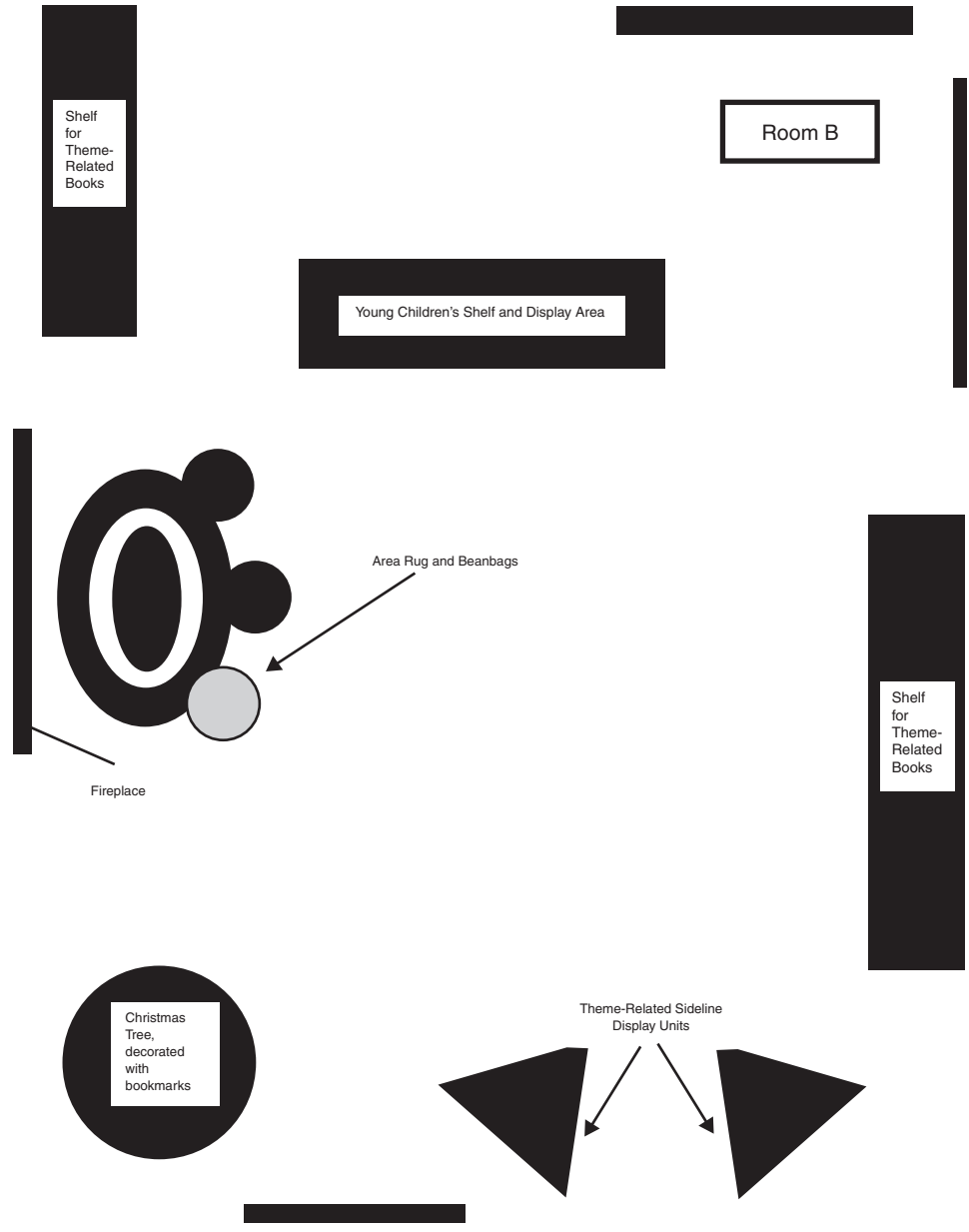


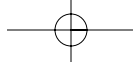
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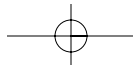
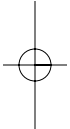
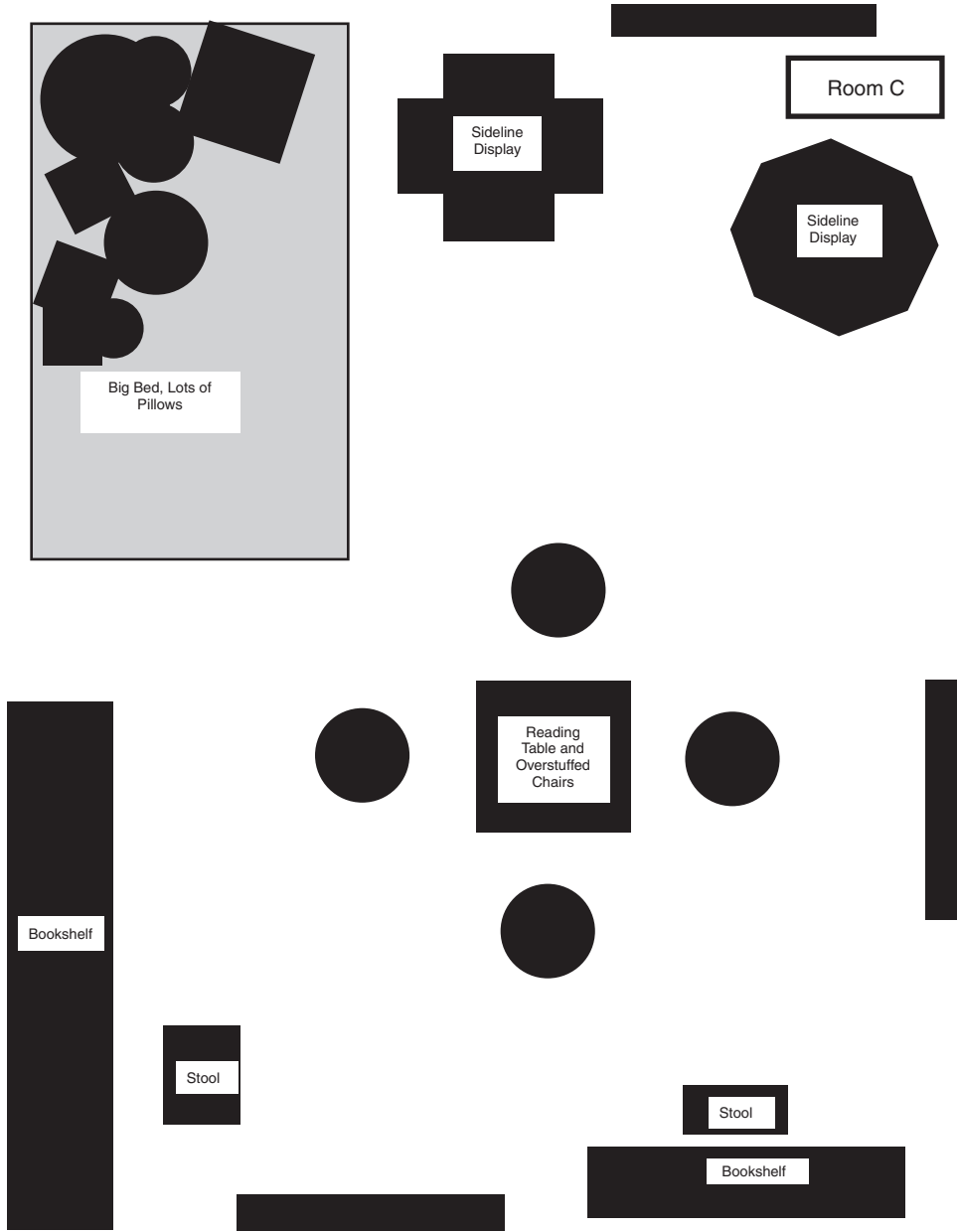


### Floor Plan (continued)





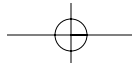
**Floor Plan (continued)**



## PARTNERSHIP AGREEMENT

### The Hundred Story House

1. This agreement marks the beginning of a partnership, **the Hundred Story House**.
2. The purpose of the business is to sell children's books and related items.
3. **The Hundred Story House** will be located at 339 Calhoun Avenue, Greenwood, South Carolina 29646.
4. The partnership will endure until one or more partners wishes to dissolve it at which time the remaining partner(s) may form a new partnership.
5. **The Hundred Story House** has three partners:
  - a. Jamie Edna Harris  
105 Amherst Drive  
Greenwood, SC 29649
  - b. Laura Susan Jacobs  
106 Young's Drive  
Clinton, SC 29325
  - c. Erin Beth Mishkin  
2384 Erskine Avenue  
Charleston, SC 29414
6. Each partner will contribute \$17,500 in start-up capital. Jamie Harris will also contribute contacts and public relations skills. Laura Jacobs will contribute business management knowledge and creativity. Erin Mishkin will contribute knowledge of children and children's books and page layout expertise for publications.
7. Profits will be divided equally if not reinvested in the business.
8. Partners have no specified drawing rights. Owners will participate in equal, agreed upon draws when profits allow. Each partner may spend \$100 per month in reimburseable business expenses without consulting other partners.
9. Every partner must agree upon the addition of new partners. Prospective new partners must be discussed among the present partners before the opportunity is mentioned to the prospective partner. A unanimous affirmative vote will be grounds for reforming the partnership with the addition.
10. Should the partnership be voluntarily dissolved, assets not used to pay creditors will be divided equally among the partners except for personal assets of partners used in the business. These will be returned to the original owner.
11. A partner may not sell her business interest to an outsider without the unanimous consent of other partners.
12. If a partner is absent or disabled, the partnership will continue for one year at which time the active partners have the option to dissolve the present partnership and sell the disabled partner's interest to a new partner. The disabled partner will receive 85 percent of the money from the sale.
13. Alterations to this agreement must be approved unanimously.



## Jamie Edna Harris

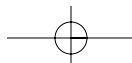
*e-mail address:* Jamie\_Harris@Furman.Furman.edu

PO Box 866  
Furman University  
Greenville, SC 29325  
(864) 997-2534

Home Address:  
105 Amherst Drive  
Greenwood, SC 29649  
(864) 223-9545

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<b>Education</b>	<p><b>Furman University</b>, Greenville, SC Majors: <b>Chemistry</b> and <b>Political Science</b> GPA: 3.72 on a 4.0 scale. BS expected May 2002.</p> <p><b>American University</b>, Washington, DC, Fall Semester 2000. Studied American Government and interned for Senator Fritz Hollings.</p>	
<b>Honors</b>	<p>Furman Presidential Scholarship, half tuition, room, board National Merit Scholarship Palmetto Fellows Scholarship for Academics and Leadership Robert C. Byrd Scholarship for Academics and Leadership Furman Golden Key Honor Society Omicron Delta Kappa National Leadership Fraternity Chi Pi Chemical Honor Society Phi Omicron Academic Greek of Distinction Academic Sorority Woman of the Year</p>	<p>1998–2001 1998–2001 1998–2001 1998–2001 1998–2001 2001 1998–1999 2001 2001</p>
<b>Campus Activities</b>	<p>Furman Golden Hearts Volunteers, <b>President</b>, <b>Volunteer</b> Society for Chemical Study, <b>Vice President</b> Delta, Delta, Delta Sorority, <b>Chaplain</b> Paladins, Campus Tours and Public Relations, <b>Tour Guide</b>, <b>Speaker</b> Woman's Council, <b>Treasurer</b> Dissection Committee Debate Team Freshman Friends College Democrats Furman Choir Society for the Advancement of Management First Baptist Church Affiliate Member Intramural Sports: Volleyball, Tennis</p>	<p>1998–2001 1999–2001 1998–2001 1999–2001 2000 2001 1999–2000 1999–2000 1999–2000 1998–1999 2000–2001 1998–2001 1999–2001</p>
<b>Work Experience</b>	<p><b>Chemical Researcher</b>, Furman University, Greenville, SC Assisted professors in research of the reproductive function of the <i>aglosci</i> virus. Performed electrophoresis, used electron microscope, cleaned lab, assisted undergraduate summer school students. <i>Summer 2001</i></p> <p><b>Teller</b>, Greenwood County Bank, Greenwood, SC Handled money for customers, helped with bookkeeping, answered customer inquiries via telephone, advanced to position of Assistant Head Teller. <i>Summers 1998–2000</i></p> <p><b>Intern</b>, Senator Strom Thurmond, Washington, DC Assistant to the senator. Answered phone calls, typed correspondence, guided Senate office tours, performed event scheduling, data entry. <i>Spring 1997</i></p>	
<b>References</b>	Provided upon request.	



## Laura Susan Jacobs

*e-mail address:* lsjacobs@cs1.presby.edu

PC Box 50753  
Presbyterian College  
Clinton, SC 29325  
(864) 833-1413

Home Address:  
103 Portsmouth Road  
Greenwood, SC  
(864) 229-6503

### Education

**Presbyterian College (PC)**, Clinton, SC  
Majors: **Business Administration** and **English**  
GPA: 3.9 on a 4.0 scale. BS and BA expected May 2002.

**Oxford University**, Oxford, England, Summer 2000.  
British-American Political Relations; Arthurian Literature.

**University of St. Andrews**, St. Andrews, Scotland, Spring Semester 1997.  
International Marketing; Human Resources Management; Scottish Poetry.

### Honors

Quattlebaum Scholarship, PC, tuition, room, board	1998–2001
National Merit Scholarship	1998–2001
Palmetto Fellows Scholarship for Academics and Leadership	1998–2001
Robert C. Byrd Scholarship for Academics and Leadership	1998–2001
Sigma Kappa Alpha Academic Honor Society	2000–2001
Omicron Delta Kappa National Leadership Fraternity	2001
Dean's Honors Seminar	1998–1999

### Campus Activities

Student Volunteer Services, <b>Project Coordinator, Secretary, Volunteer</b>	1998–2001
<i>The Blue Stocking</i> PC newspaper, <b>Senior Writer</b>	1999–2001
VP for Academic Affairs Search Committee, <b>Student Representative</b>	2001
Stirlings, Campus Tours and Public Relations, <b>Tour Guide, Speaker</b>	1999–2001
Judicial Council Appeals Board	2000
International Studies Committee	2001
Mock Trial Team	1999–2000
Freshman Orientation Board	1999
Student Publications Board, Russell Student Media Subcommittee	1999–2000
PC Choir	1998–1999
Society for the Advancement of Management	2000–2001
First Presbyterian Church College Connection	1998–2001
Intramural Sports: Softball, Basketball, Soccer, Football	1999–2001

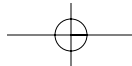
### Work Experience

**Customer Service Assistant**, VELUX-America, Greenwood, SC  
Assembled and updated notebooks for sales representatives, performed data entry for orders and marketing leads, mailed overnight orders to other VELUX locations.  
*Summer 2000*

**Receptionist/Secretary**, Southern Brick Company, Ninety Six, SC  
Handled payroll for hourly workers, including adjustment of time clock tracking on a Lotus 1-2-3 spreadsheet and dispersal of checks.  
*Summer 1999*

### References

Dr. Suzanne J. Smith Associate Professor Business Administration Presbyterian College Work: (864) 833-8454 Home: (803) 957-6184	Dr. Jody Lipford Associate Professor Economics Presbyterian College Work: (864) 833-8353	Dr. Rachel Stewart Professor English Presbyterian College Work: (864) 833-8356 Home: (864) 833-2780
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## Erin Beth Mishkin

*e-mail address:* emishki@hubcap.clemson.edu

Student Box 97685  
Clemson University  
Clemson, SC 28144  
(864) 828-0076

Home Address:  
2384 Erskine Avenue  
Charleston, SC 29414  
(864) 442-4494

### Education

**Clemson University**, Clemson, SC  
Majors: **English** and **History**  
GPA: 3.8 on a 4.0 scale. BA expected May 2002.

**National Publishing Institute**, Houston, TX, Summer 2001.  
Studied book and magazine publishing under publishers from Simon and Schuster, Penguin, and Scholastic and magazine layout with representatives from *Reader's Digest*, *Newsweek*, *Time*, and *Scholastic*. Became proficient in Aldus Pagemaker and AmiPro page layout systems. Developed a new layout for *Sport* magazine.

### Honors

Clemson Fellows Scholarship	1998–2001
National Merit Scholarship	1998–2001
Palmetto Fellows Scholarship for Academics and Leadership	1998–2001
Robert C. Byrd Scholarship for Academics and Leadership	1998–2001
Kappa Kappa Kappa Honor Society	1998–2001
Omicron Delta Kappa National Leadership Fraternity	2001
Epsilon Nu English Honor Society	1998–1999
Student Publisher Award	2001
Student Writer of Excellence Award	2001
Excellence in Student Publications Award	2001

### Campus Activities

Reach Out to Clemson's Children, <b>Head Tutor</b>	1998–2001
Student Publications Board, <b>President</b>	1999–2001
<i>Reville</i> Literary Magazine, <b>Editor</b>	1999–2001
Welcome Tigers Freshman Orientation Committee, <b>Chairperson</b>	1999–2001
Women's Council	2000
Mock Trial Team	1999–2000
Freshman Friends	1999–2000
College Democrats	1999–2000
Clemson Radio Host	1998–1999
Creative Writing Club	2000–2001
Tigerama School Spirit Committee	1999–2001
Homecoming Queen	2001

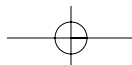
### Work Experience

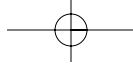
**Assistant Publisher**, *Charleston Today*, Charleston, SC  
Assisted publisher with layout and copywriting duties. Oversaw printing of local tourism magazine. Appeared on local talk shows to defend controversial article. Revamped Table of Contents section to be more readable.  
*Summer 2001*

**Camp Counselor**, Camp Happy, Charleston, SC  
Assisted low-income children in camp activities. Advanced to the position of head counselor. Managed team of 12 counselors. Planned activities and field trips. Sent out parental correspondence.  
*Summers 1998–2000*

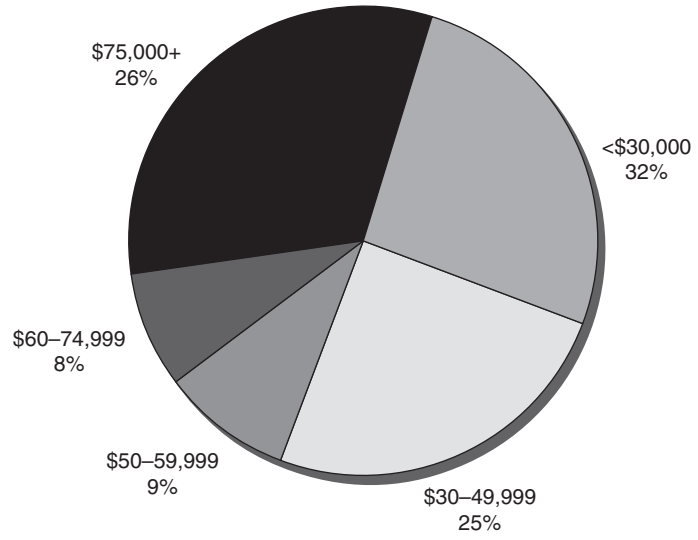
### References

Provided upon request.





**Percentage of Total Books Purchased by Household Income**



Courtesy of <[www.BookWeb.org](http://www.BookWeb.org)>.

