

BUSINESS PLAN

2Ride Again









Business plan

Making more things possible
for horse people and equine
rescue organizations in
Michigan.



BUSINESS PLAN

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-  Company Description
-  Product / Service
-  The market
-  Strategy and Implementation
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BUSINESS PLAN

Personal Information

Personal information

- Dawn Simpson
- 3284 Gold Dust, Belmont, MI
- 616.813.0700
- dsimpson@2rideagain.org
- BA – Western Michigan University
- 40 years in the Equine Industry
- Tack Store proprietor, Marketing specialist
- BOD - WMAHA

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Personal Information

Values and Visions

The leader in Michigan helping people experience growth and joy through equine assisted services. 2Ride Again is a 501 (3)c charity that will accept gently used and new items into our retail storefront for withdraw and use by horse related charities who provide a variety of services – including but not limited to Hippotherapy or Therapeutic riding. In addition, items that are resalable will be inventoried, priced and sold through the store with proceeds available for scholarships and emergency provisions for the purpose of augmenting special riding programs and horse welfare organizations.

Missions and Goals

Our Mission

Changing lives by supporting organizations that offer equine related services to under-privileged, disabled or those in need.

The Goal

2Ride Again will support individual and organizational long-term self-sufficiency by developing donation programs, growing financial resources, and practicing environmental stewardship. Our organization makes it easy for other non-profits to access funds and items that will benefit the riders, and horses in their care.



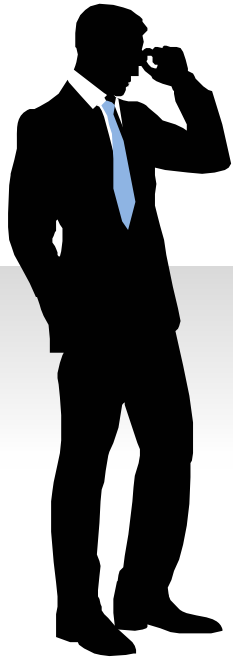
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● Highlights



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Company Description



Start-up Plan / Company History

- Based on a strong desire to combine multiple passions into a single opportunity to leave a legacy.
- Converging – assistance for those less fortunate, support of horse related cause(s), and the love of a good tack sale!
- Leveraging a business model with proven financial growth and viability.(see Goodwill Industries)

Ownership

- Primary ownership shall be in Dawn Simpson's name with options to purchase shares as the company matures

Facilities and Location(s)

- Initial donations and operations will be conducted at CN Sawdust & Feed, 4700 14 Mile Rd., Rockford, MI 49341
- Business Office: 3284 Gold Dust, Belmont, MI 49306

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Product / Service

Products / Lines / Services offered:

- 1 Gently used tack and rider appointments donated by private individuals
- 2 New or refurbished items donated by organizations, Individuals or companies direct

Differences in products / Lines / Services compared to competitors

- 1 Sale proceeds are placed into funds for use by other Hippotherapy or therapeutic riding programs
- 2 Funds can also be made available for support of rescue operations where rescued animals may be placed
- 3 Articles can also be drawn out of the inventory for either group's general purpose.

Purchase frequency/product life span

- 1 Articles not selling within 12 months should be evaluated for alternative handling to include raw material recycling but not limited to.

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Product / Service

Horse care Items

Blankets, brushes, leg wraps, preparations

Apparel and accessories

Show clothes, boots, hats, gloves, chaps, jewelry, defects etc.

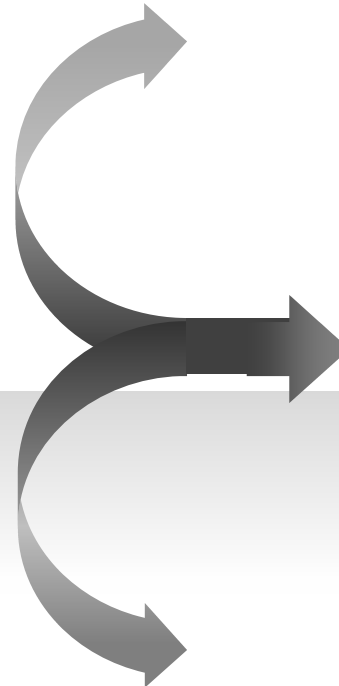
Saddlery, Tack, Strap goods

Saddles, bridles, halters, bits, whips,

Product / Service

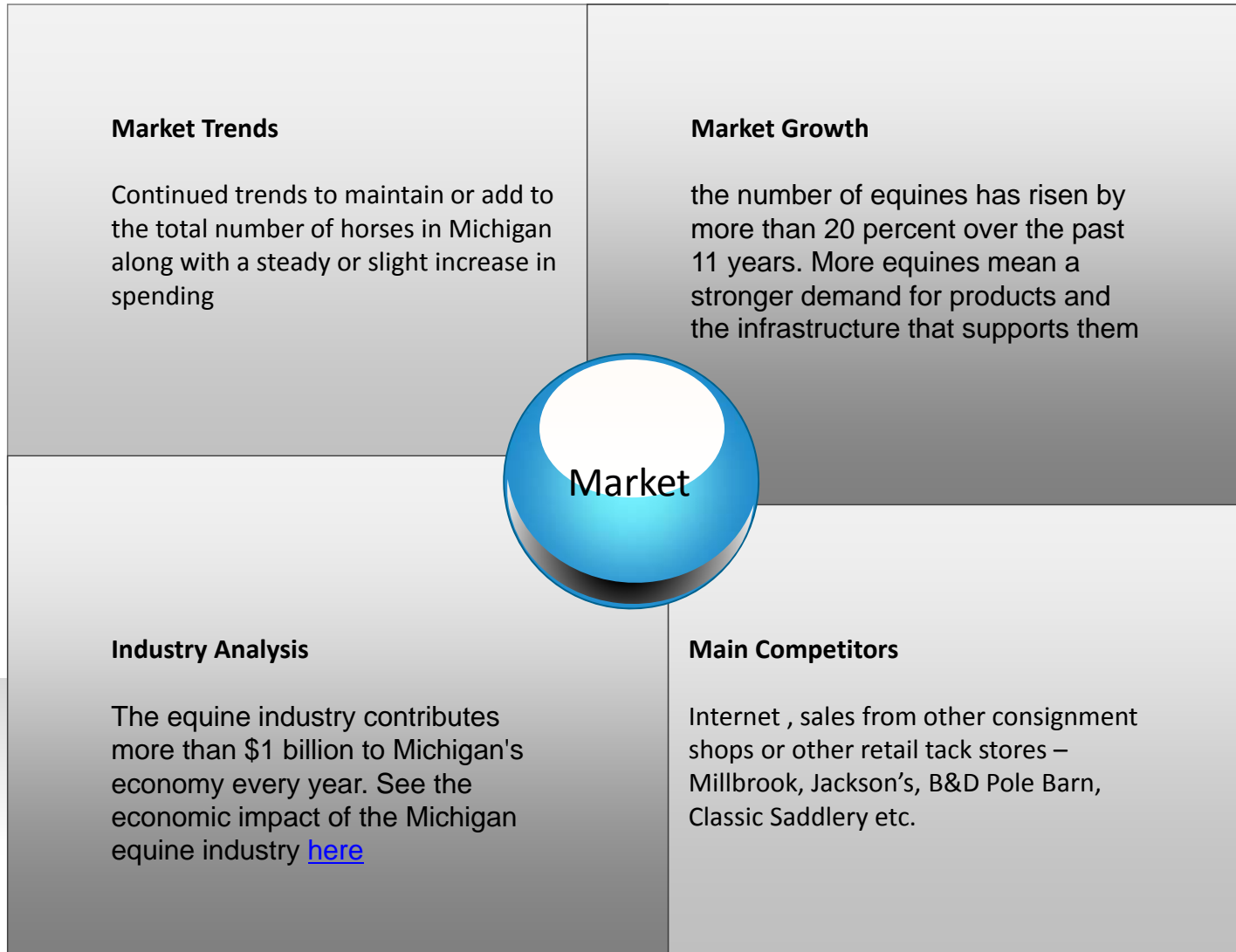
- Items will be collected
- Sorted
- Priced if salable
- Displayed for sale
- Repurposed, recycled, brokered for raw materials
- Disposed

All proceeds will be distributed to either general and Administrative costs incurred by the business and reasonable compensation or placed into funds that will be made available to the eligible non-profits who exhibit need.



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The Market



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The Market

The typical private customer

Gender: Female

Age: 19-49

Education: Varies

Occupation: varies

Lifestyle/culture: varies

Spends about \$700 per year on self and horse

The typical business customer

Line of business: Stables, Training, Therapy

Size/staff:1-3

Age: 19-49

Geographical factors / limits

Domestic: none

International: minimal

Physical or online? Both

2,970,000 total women in the state within our basic age demographic (50% of the population uses Facebook. FB reports 103,000 FB users who like horses, in MI in our age demographic – this would equate to 205,000 horse enthusiasts) or roughly 8% of the population in MI. approx 5.9% live in the greater grand rapids area or 12,095

Assumed number of customers

Arguments and supportive facts: 115,700 horses in MI meeting our demographic population

2,970,000 total women in the state within our basic age demographic (50% of the population uses Facebook. FB reports 103,000 FB users who like horses, in MI in our age demographic – this would equate to 205,000 horse enthusiasts) or roughly 8% of the population in MI. Approx 5.9% live in the greater grand rapids area or 12,095 people.

Average amount spend per customer?

\$250-270 per horse – or \$700 on horse and customer together

One or more items?

Multiple items

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The Market

Important competitors

All retail outlets create a competitive environment, however, the most important competitors will be other tack shops and online sales.

Millbrook is the “well worn path” for buyers. It will be important to have a consistent strategy to reshape the consumer behavior to lead them to shop with us.



Competitive parameters on the market

The thrift stores that get the items for free," Confair said. "Naturally, they're making a larger profit ... it helps to have some kind of specialty, whatever that might be."

Source:
<http://www.allbusiness.com/company-activities-management/company-structures-ownership/8912565-1.html#ixzz1jY4qLUpK>

Assesment of possibilities on the market

Equine operations by primary activity

There were 155,000 equine animals housed on 35,000 operations as of June 1, 2007. Most of the operations were private residences which had an average of about three animals.

Nationwide, the resale industry has experienced a growth rate of about 5 percent each year

Source:
<http://www.allbusiness.com/company-activities-management/company-structures-ownership/8912565-1.html#ixzz1jY5kywHx>

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The Market

Market Segmentation

- 45% of the people are between 19 and 49
- The four breeds that make up over 50% of the population are: Quarter Horse, Paints, Arabian, Standardbreds.

Market Needs

- More than 37% are pleasure riders/horses
- Our target market consists of approximately 75% of the total (Show, Pleasure,Trail)

Industry Participants

- The vast majority of equestrians are Female
- Most between 19 and 49

Distribution Patterns

- The East side of Michigan has the greatest distribution of horses – still reachable via web or online sales
- Eventually, we would consider an east side presence/franchise opportunity to capitalize

Buying Patterns

- Tack and a Clothing is approximately 4.1% of the spending
- Consignment and used equipment has been a growing trend in retail in general

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The Market

Market

The equine market has continued to grow over the past 11 years despite the economy. The Private Sector numbers are shown below for the last census conducted in 2006-7.



	# of Operations	# of Equines
Private Residence	26,600	86,000
Boarding Stable	1,000	11,500
Training Stable	550	7,500
Breeding Farm	1,600	21,000
Lesson Stable	200	2,800
Other Farm	4,400	20,000
Other	650	6,200
Total	35,000	155,000

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○ The Market

The use or purpose will drive the type of customer and their particular needs.
115,700 Equines fit our demographic model
– nearly 75% of the total market share.



Use	2007 # of Equines	1991 # of Equines
Pleasure, idle	79,000	60,500
Breeding	21,000	19,000
Racing	5,700	16,000
Work(draft)	12,600	8,500
Competition(show)	19,400	18,000
Trail riding	17,300	8,000
Total	155,000	130,000

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The Market

Per the chart below – survey respondents reported spending 4.1% of their total expense on tack and apparel. We will use this as the general target for our business will be 4.1% as a percentage of possible revenue dollars. Of the total \$703.9 Million spent in direct dollars – this presents our total market dollars roughly \$28,859,900. This equates to approximately \$267 per horse per year spent in just tack and supplies.

Annual Expense categories

Expense	Type	Annual Expenses*
	(\$ millions)	%
Grain and supplements	59.1	12.8
Hay	44.3	9.6
Capital improvements	43.5	9.5
Property taxes	40.4	8.8
Veterinary and medicine	36.1	7.8
Boarding	28.5	6.2
Training fees	26.9	5.8
Farrier	26.1	5.7
Travel	20.8	4.5
Tack and clothing	18.9	4.1
All other expenses	115.4	25.1
Total Expenses	460.0	100.0

The majority of equine animals were used for pleasure or were idle in 2007.

These values are revisions to previous NASS estimates.

*Excludes labor expenses.

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Management Team

The Board:

- Dawn Simpson
(visionary/horsewoman)
- Bennett Wright (business
development specialist)
- Tim Parris (Software Projects and
Implementation Manager/horseman)
Diane Zandstra (business and fund
raising specialist/horsewoman)
- Dwin Dykema (retail
specialist/business owner)
- Amy Weaver
(communications/horsewoman)
- Jeff Burns – Registered Agent and
CPA



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Financial Analysis

Initial Capital

•This business can be launched with minimal capital as the infrastructure needed is already in place.

Investment

•The board members personally work to secure donations, grants and other personal investments to launch the business finances.

Loan

•We are hoping to not have to secure any loaned funds. The goal would be to start this business debt free and maintain that status

Total Funding Needs

- Advertising – TBD based on need – much of our exposure can be obtained free through Facebook, Telemarketing, email, Twitter, local news outlets and more.
- Paperwork and filings - \$1000
- Office supplies – tagging, pens, paper, print supplies as needed
- Rent and utilities – 2Ride Again will reimburse 10% of the sales of donated goods to CN Sawdust and Feed for the use of their facilities and infrastructure. Another 10% will be provided as commission to EquuSwap USA for labor.

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Financial Analysis

	2013 Jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
Expense	0	0	0	0	0	0	5	5	5	5	5	5	30
revenue	0	0	0	0	0	0	50	50	50	50	50	0	300
growth		0	0	0	0	0	50	50	50	50	50	0	300%
Net growth													
2015					2016				2017			2018	
5 customer per day					5 Customers per hour				10 Customers per hour			12 Customers per hour	
\$20 Avg Sale					6 Working hours per day				8 Working hours per day			8 Working hours per day	
\$100 Daily Gross sales					30 Avg. Sale				30 Avg. Sale			30 Avg. Sale	
21.67 Selling days per month					900 Daily gross sales				2400 Daily gross sales			2880 Daily gross sales	
\$2,167 Gross Receipts per month					21.67 Selling Days per month				21.67 Selling Days per month			21.67 Selling Days per month	
\$217 Rent					19503 Gross Monthly Revenue				52008 Gross Monthly Revenue			62409.6 Gross Monthly Revenue	
\$217 wages					234036 Annual Projected Sales				624096 Annual Projected Sales			748915.2 Annual Projected Sales	
\$1,133.40 operating budget needed					4680.72 2% potential NOI				24963.84 Donatable funds			74891.52 Donatable funds	
\$26,004 Protect Sales					or Donatable funds								
\$520.08 2%NOI or Potential Donatable													
Estimated monthly costs	2016	2017	2018										
Monthly Wage estimate person 1	520.08	1040.16	2773.76										
Monthly Wage estimate person 2		520.08	693.44										
Management Costs	520.08	1950.3	8668										
Rent	500	1000	1000										
Util	50	50	50										
Gas/Exp	50	50	50										
Advertising	500	1000	2000										
Legal/Financial	100	100	100										
Taxes/Government	100	100	7801.2										
Total	2340.16	5810.54	23136.4										

Dawn Simpson:
assume 21.67 selling days in a month at \$100 per day in total gross sales