Beyond Outdoor Clothing:

A Business Feasibility Analysis

by

MELISSA ERIN BEATY

A THESIS

Presented to the College of Business
and the Honors College of the University of Oregon
in partial fulfillment of the requirements
for the degree of
Bachelor of Arts

June 1998

APPROVE[redacted]
Randy Swangard

An Abstract of the Thesis of

Melissa Erin Beaty for the degree of Bachelor of Arts

in the College of Business to be taken June 1998

Title: BEYOND OUTDOOR CLOTHING: A BUSINESS FEASIBILITY ANALYSIS

Approved: [redacted]

Randy Swangard

Successful business-owners must understand all aspects of their businesses in order to operate profitably, plan appropriately, and acquire outside funding. Often, owners organize all relevant information into one document where it can be analyzed in order to improve the business. This one document, often labeled a business plan, can be structured to address many different audiences: management personnel, employees, and financial lenders.

This thesis analyzes the feasibility of a small manufacturing business located in Eugene, Oregon. It is intended primarily for internal use by the owner. The structure is based on a traditional business plan format, which includes information concerning all aspects of a business: operations, management, marketing, and finance. Information was gathered in close consultation with the business owner. Analysis of the information was then conducted. Finally, recommendations for improving the business were made.

ACKNOWLEDGEMENTS

The author would like to thank Randy Swangard for all his valuable insight, Frances Cogan for her continual support, and Scott Jones for his cooperation in completing this project.

The author would like to dedicate this thesis to her parents, Charlene and Melvin, who always believe she can accomplish anything she sets out to do.

Table of Contents

Executive Summary

Beyond Outdoor Clothing (Beyond) is an innovative outdoor clothing manufacturer which has been in operation for one year. The purpose of this business feasibility analysis is to analyze the feasibility of moving this company from a part-time endeavor to a full-time, self-sufficient company. Beyond's owner will graduate from the University of Oregon in June, 1998. He hopes to expand Beyond's current operations with the purpose of making Beyond a successful, well-known, financially feasible company. This business feasibility analysis will provide information essential for future operations, organize that information into a structured format, and provide options for how Beyond can proceed in its growth and development.

Beyond exists to create and sell unique, innovative outdoor clothing which meets the demanding performance standards of outdoor enthusiasts. Beyond operates on the belief that quality outdoor clothing with unique features can be provided at reasonable prices.

Beyond currently sells primarily to high school and college students in the Eugene area. It will continue to serve this market while expanding into other geographical areas and related markets, such as parent groups. Beyond's marketing and promotion activities support these goals. Beyond pursues relationship with sports teams and outdoors organizations to gain sizable orders and promotional advantages through logo displays on all garments. Beyond also attends outdoors swaps and events to promote itself and create brand awareness.

Forecasted financial statements are based on very specific circumstances. These statements indicate that Beyond is a financially feasible company under these circumstances. According to these assumptions, Beyond's current pricing structure covers costs and provides a profit. In addition, it will require no outside funding and will not require any over the next three years. If any of these circumstances change, financial statements and future profits will change accordingly.

Vision & Goals

Vision

Beyond Outdoor Clothing was founded on the idea that large, mainstream outdoor clothing manufacturers do not provide certain products which customers desire. Beyond's mission is to fill this void by providing unique, custom outdoor apparel at reasonable prices. To achieve this mission, Beyond operates in accordance with three primary objectives:

1) To offer superior design in fit, color, and custom options
2) To maintain high product quality and performance
3) To charge reasonable prices to its customers

Beyond will never deviate from these principles.

Goals

During 1998-1999, Beyond will achieve four goals which will enable it to achieve its Vision and Mission Statement.

1) Establish a permanent manufacturing and presentation site
2) Establish a company website and begin developing a mail order service conducted via that website
3) Ascertain the most profitable mix of employing part-time sewers and / or contract sewers to meet increasing customer demand
4) Achieve annual revenues of at least $30,000

During 1999-2000, Beyond will achieve four goals which will enable it to achieve its Vision and Mission Statement.

1) Acquire an additional serger and sewing machine
2) Ascertain the most profitable mix of employing part-time sewers and / or contract sewers to meet increasing customer demand and production goals
3) Continue developing its website mail order service
4) Achieve annual revenues of at least $45,000

During 2000-2001, Beyond will achieve annual revenues of at least $60,000.

Company Overview

Legal Business Description

Company Name & Legal Form of Business

The legal name of the company is Beyond Outdoor Clothing. The legal form of Beyond is a sole proprietorship.

Business Location

The business location of Beyond is 1238 East 22nd Avenue in Eugene, Oregon. This location will change in September, 1998.

Management

Beyond's management consists of Scott Jones, owner and founder. His background consists of many years participating in the sports for which he now makes clothing.

Staffing

Currently, the sole full-time employee of Beyond is Scott Jones, owner and founder. As production quantities increase, Beyond will hire part-time sewers to handle additional orders. As growth continues or as large orders occur, Beyond has the option to outsource some of its sewing to local contract sewers. These production strategies will give the owner more time to focus on marketing, sales, and research activities.

Strategic Alliances

Beyond develops and maintains relationships with organizations which are highly visible in the community, including the University of Oregon Outdoor Program and the Tandem Taxi service. These relationships provide discounts for the organization and publicity for Beyond. Because Beyond's logo is displayed prominently on the fleece garments, the public associates Beyond with these organizations and becomes familiar with the brand name.

In addition, Beyond works on forming some very important relationships with major retailers in the local outdoor clothing and fleece industry, including Berg's Ski Shop in Eugene. These relationships are important because they may result in sizable orders at some point in the future.

Market Analysis

Market Definition

Industry Analysis

The "State of the Market" report published by *Outdoor Retailer* magazine indicates that the specialty outdoor industry is almost free of the high-to-low oscillations which often plague more fashion-dominated markets. Instead, this industry has continually provided steady increases in sales. In 1995, 80% of outdoor retailers responding reported an increase in overall sales. 60% of those experienced increases of 1-10%, 23% gained between 11-29%, and 17% boosted sales 21% or more. The total gross annual sales for 1996 were approximately $5.2 billion.

The specialty apparel market in particular increased from 23% to 31% of the total outdoor specialty market from 1985 to 1995. Although apparel increased as a percentage of the total market, apparel sales for outdoor retailers have decreased some since 1994. This decrease in specialty apparel sales is most likely due to mass-market retailers (such as Costco) who have begun to sell generic outdoor apparel.

The majority of specialty outdoor stores are single-store operations. In 1986, these accounted for 69% of all stores, while in 1996, these accounted for 70% of all stores. In 1996, nearly half (47%) of retailers reported gross annual sales of less than $50,000. 64% of outdoor stores exist in relatively small spaces of 3,000 square feet or less. As store size increases, average sales per square foot actually decreases.

Each year more and more retailers are on-line and have Internet access. In 1996, nearly half (47%) were surfing the Net.

For many years, the core customer base for the specialty outdoor industry has been between the ages of 26 and 40 years old. A few years ago the profile was predominantly male, but in 1996, half of the market was female. Growth has occurred in the 19-25 and 41-55 age groups. But the under 19 age group has been difficult to tap.

The largest retailers in specialty outdoor apparel in 1996 were Patagonia, Gramicci, The North Face, Columbia Sportswear, and Woolrich. However, Beyond does not directly compete with these big-name retailers.

In the "softgoods" category of the specialty outdoor industry (as opposed to "hardgoods" which consists of equipment and gear) apparel is the dominant selling item. Technical apparel ranked first, casual apparel ranked second, and women's apparel ranked fifth.

Market Segment

Key characteristics of the typical customer in the target market segment for Beyond's outdoor clothing are:

- Active in the outdoors
- Involved in outdoors sports
- Primarily students aged 14-24
- Primarily geographically located in Pacific Northwest
- Fall, winter, and spring usage

(see data under "Customer Profile")

The major market segments are:

- Local individuals aged 14-24, active in the outdoors
- Regional sports teams
- Other regional groups and organizations

Strengths

In terms of product strength, Beyond's outdoor clothing has several distinct advantages over the competition.

- Custom options
- Custom colors
- Sport-specific clothing designs
- Excellent personal customer service
- Customer satisfaction guaranteed

In marketing, Beyond's most powerful assets are:

- Sport-specific clothing designs
- Prices nearly half those of the competition
- Small, local company
- Adventurous, innovative image
- Friendly, knowledgeable customer service

Weaknesses

There are certain handicaps inherent in being a small company. Beyond operates on a small scale, and therefore cannot take advantage of certain quantity discounts when ordering materials. Also, its production is not as efficient as larger companies and its capacity is constrained. Changes in production will have to occur as demand for Beyond's products increases.

Another marketplace weakness is the lack of name recognition that larger companies enjoy. However, as Beyond continues to establish itself within the local and state market, positive name recognition will result.

Beyond has experienced some growing pains in garment durability as it has developed new, unique products for certain customers. However, these customers recognize the learning curve inherent in developing new products, and have been patient until a perfected, final product is provided.

Opportunities

Beyond has a great opportunity to tap into the market of regional high school and collegiate sports teams, as well as other organizations. This is because there are no other companies which provide custom fleece clothing outside of the Portland area (see "Competition"). From the sports teams market, another market arises: the parent and alumni groups which support these teams.

Customer Profile

For this feasibility analysis, Beyond conducted a survey of its current customers. Results applicable to this discussion are included in the appendices and referenced when necessary.

In contrast to the industry market age of 26-40, Beyond's customers usually range between the ages of 14 and 24. This is due to its current focus on the high school and college student markets. Appendix A shows that 81% of past customers are students ages 14-24. Appendix A also shows that approximately half Beyond's customers are male (53%) and half are female (47%).

Appendix B shows that the majority of Beyond's customers (70%) owned from 1-5 articles of fleece clothing prior to purchasing from Beyond.

Beyond's customers use its products for daily wear as well as a variety of outdoor athletic pursuits including mountaineering/climbing, skiing/snowboarding, biking, hiking/running/walking, and crew. (See Appendix C) The fact that so many of Beyond's customers use its products for daily use indicates that fleece clothing is becoming, or has become, an integral part of the lifestyle of its customers, not just an athletic-specific product.

Beyond expects potential customers to fit its current customer profile. Therefore, it expects them to be familiar with national brand names in fleece such as The North Face, Patagonia, and Columbia Sportswear. (See Appendix D) Potential customers will accept Beyond's products provided the company assures them of top quality and educates them about its custom options and lower prices. In addition, Beyond believes some customers will choose to buy from Beyond partly because it is a small, locally owned company whose goal is to provide unique products at reasonable prices.

Competition

According to market research, the primary local stores from which customers have bought fleece garments are REI, McKenzie Outfitters, and Berg's Ski Shop. The most often bought brand names include REI and McKenzie Outfitters' store brands, The North Face, and Patagonia. (See Appendix D) Although Beyond does not expect or attempt to compete directly with these companies in terms of market share, it does compete with them in attracting similar customers.

Beyond has no local competitors similar in company size and price range. However, there are two companies located in Hood River, High Gear and Airtime, who focus on custom fleece products. These two companies currently can better serve the Portland market than can Beyond.

The major strengths of Beyond's competitors (large, mainstream manufacturers) are name recognition, convenience and quickness of purchase, and production experience, as well as greater financial and personnel resources. The major weaknesses of its competitors are higher prices, generic colors and options, and images as large corporations.

Competitive threats today could come from new synthetic fabrics which could replace fleece. However, Beyond will keep abreast of these developments and incorporate them into its product line as necessary.

Risk

Business Risk

A specific risk that may affect Beyond's business is the seasonality of its products. In general, its products are used in the fall, winter, and spring seasons. Beyond plans on addressing this risk by using the summer season to establish team orders and to store up inventory for fall and winter demand.

Product Strategy & Marketing Plan

Beyond's current product strategy is to offer outdoor jackets, vests, and pants, in a variety of materials, colors, and options. Beyond's current product line is based on the owner's perception of and reaction to current customer needs which are not being fulfilled by large, mainstream outdoor manufacturers.

Beyond's marketing strategy focuses on enhancing, promoting, and supporting the fact that its products are unique, dependable, comfortable, and reasonably priced.

Current Product

Beyond Outdoor Clothing currently offers six products: Polar Fleece vests, jackets, pants, hats, mittens, and earbands. It is also developing a line of Gore-tex garments. The company does not yet have licenses from the manufacturers of Polar Fleece or Gore-tex to advertise the use of these materials, but it plans to have such licenses soon. Beyond must go through a process to prove to the manufacturers that his products are of good, consistent quality.

Beyond's principal product is outdoor clothing made of water-resistant Polar Fleece or water-proof Gore-tex materials. Beyond uses top-quality YKK zippers and the strongest thread available, Tex-40.

The first products developed by Beyond were termed Classic garments and were introduced in 1997. These garments consist of traditional Polar Fleece 200.

Since then, Beyond has introduced five other types of Polar Fleece garments. "Belay" garments consist of two layers of Polar Fleece 100 with a wind-proof membrane (which adds greater resistancy to water). "Fast and Light" garments consist of one layer of Polar Fleece 100 with an inner wind-proof membrane. "Cold Blooded" garments consist of Polar Fleece 300, which is slightly thicker than 200. Finally, "100" garments consist of one layer of Polar Fleece 100.

In January of 1998, Beyond introduced a line of Gore-tex garments including technical pants and bibs.

Proprietary Technology

Beyond is currently working on acquiring protection for its name and logo.

Useful Features & Benefits

Beyond conducted extensive research to find the highest quality fleece available (see "Production and Delivery"). Polar Fleece, manufactured by Malden Mills, provides nonpilling, durable, water-resistant fleece.

Beyond offers a multitude of custom options with each Polar Fleece garment. For jackets, options include chest pockets, cargo pockets, back pockets, side ventilation zippers, and Taslan (a material like Cordura) shoulder and elbow panels. When making Polar Fleece jackets and vests, Beyond can combine different levels, such as 200 for the arms and 300 for the body, according to customer preference. For pants, options include side zips for ventilation and easy removal, Taslan butt and knee panels, side hand-warmer pockets, and back pockets. All options provide versatility for customers with specific needs for particular sports and activities.

Examples of past custom jackets and vests are shown in Appendix E.

Beyond's Gore-tex pants offer custom options as well. These include side zippers and removable bib systems. To better water-proof the garments, Beyond adds sealed butt and knee panels, along with sealed and taped seams.

Beyond provides customers with a wide variety of colors from which to choose in all Polar Fleece levels. Beyond also offers specific sizing for those customers desiring exact fit.

Beyond's prices are generally half those of its competitors'.

Research and Development

Product Selection Criteria

Beyond continually examines trends in the outdoor clothing industry in order to determine possible additions to its product line. Recent possibilities include Gore-tex jackets, Polar Fleece sleeping bag liners, and Gore-tex sleeping bag shells (also known as bivy sacks).

Beyond decides to produce additional garments primarily due to customer demand. Often, when looking in large retail establishments, customers cannot find the product they are looking for or the custom size they need. Beyond exists to fill this void. In addition, Beyond conducts research with customers to discover sport- and activity-specific garment needs which are not being met by other manufacturers. This approach to new product selection solidifies Beyond's strategy for custom options, and for developing and retaining satisfied customers. Wise product selection is therefore critical to Beyond's success. Test garments are easily developed with excess materials. To aid in the selection process, Beyond has developed contacts in the outdoors industry who can provide fast feedback on any newly developed products.

Production and Delivery

Production

Beyond recognizes that moving to a separate production location would be of benefit to the company. However, according to current estimates on facility costs and probable revenues, this option does not appear feasible at this time (see "Financial Plan" and Appendices). According to this feasibility analysis, Scott will continue to operate out of his home.

Raw and prefabricated materials, components, and subassemblies required for production are:

Industrial serger (necessary for heavy fabrics such as Polar Fleece)
Industrial sewing machine
Tex-40 thread (multiple colors)
YKK zippers
Nylon edging tape
Elastic
Polar Fleece material
Gore-tex material
Taslan material

Elastic and Tex-40 thread are readily available locally. All materials except elastic and Tex-40 thread are bought from Outdoor Wilderness Fabrics, Inc., located in Napa, Idaho. There are options for receiving Polar Fleece from Rose City Textiles, Seattle Fabrics, and directly from Malden Mills. Outdoor Wilderness Fabrics currently offers the broadest color selection and best prices. At this time, Beyond does not anticipate any changes in acquisition of supplies as its production quantities increase.

Prices

Depending on order size, quantity discounts are possible. Beyond wants to develop lasting relationships with groups in order to ensure long-term customers. However, due to capacity constraints, some economies of scale may be negated by the use of contract sewers.

In comparison to other companies, Beyond's products are completed quickly to customer specification, and economically due to lower overhead and marketing expenditures.

Satisfaction Guarantee

Beyond guarantees 100% customer satisfaction because it is committed to providing quality products at affordable prices. If at any time a customer is not fully satisfied, Beyond will reimburse the customer or provide a new, satisfactory garment.

Facilities

The new manufacturing facility location has not been determined at this time.

Our current production capacity is approximately 27 garments per week, or 108 garments per month.

Beyond expects to find qualified, experienced part-time sewers from the University of Oregon student population.

Product Fulfillment

Local customers will receive their garments directly from the production and service facility. For customers outside the local area, shipping services will be provided by the U.S. Postal Service or UPS. As an extra benefit for its customers, Beyond will pay for all shipping and handling charges, including reimbursements for returns. Currently, Beyond only has a small percentage of orders coming from outside the local area. This benefit may need to be re-evaluated as the percentage of Beyond's orders from outside the local area increases. Prices may need to be increased, or the benefit dropped. Beyond's competitors normally charge for shipping and handling.

By October, 1998, Beyond will have established a company website for providing company and product information, as well as a detailed order form and a toll free phone number for placing orders for those customers living outside the local area. A website provides inexpensive exposure for small companies such as Beyond. In addition, the number of retailers developing websites increases each year (see "Industry Analysis").

Sales Strategy

The target market segments Beyond focuses on are local individuals aged 14-24; sports teams of regional high schools, colleges, and youth groups; parent and alumni groups associated with these sports teams; and in the near future, website orders.

Positioning

Beyond's customers perceive its products as being of good quality and durability. They see its garments as unique because the company provides many custom colors and options. Customers perceive Beyond as a small, local company, which for them, is an attractive alternative to a big-name, faceless corporation. Beyond's customers appreciate its personal customer service and concern for customer satisfaction.

Pricing

On average, Beyond's current mark-up on direct costs is approximately 40%. Beyond will readjust prices on a few products to raise that average mark-up to 50%. (See

Appendix M) This calculation does not include fixed overhead costs. When Beyond moves into a new production space in the fall of 1998, production costs will be higher. This will affect mark-up percentages and/or garment prices.

According to market research, large-scale manufacturers such as The North Face mark up their prices by approximately 50% over costs when selling to retailers. The retailers then mark these prices up by 100%. This results in a retail price to consumers roughly 100% higher than the price which Beyond charges its customers.

Beyond plans to review its pricing policy on a consistent basis each six months or as changes in costs or competition occur.

Margin Structure

Retail

As stated above, retailers normally mark clothing up by 100%. Beyond does not currently wish to pursue this market because it will decrease profit margins. He can charge higher prices when selling directly to customers than when selling to retailers who must mark up his original prices. However, Beyond has spoken with local retailers in the past and will maintain a dialogue with them. If a large enough order is made, Beyond may accept it and work with a local contract sewer to fulfill the order. By doing this it will be able to maintain a reasonable profit margin on the order due to quantity discounts from its supplier.

Direct Sales

For specialized orders, the process of taking the order consumes between ten minutes and one hour. Beyond plans to decrease the average time by creating a detailed order form.

Discounts

Because Beyond is a manufacturer, its supplier of Polar Fleece allows Beyond to buy at its wholesale prices which are approximately 22% off the retail prices. Wholesale prices apply to orders of up to 35-50 yards. If Beyond orders more than 35 yards, and a full roll is available in the amount it needs, the company receives a further discount of 11% off the wholesale price.

Current Selling Methods

Appendix F shows that the majority of past sales have been a result of direct contact with the owner of Beyond or from word of mouth promotion. As one customer commented, "My interactions with Scott cemented the decision [to buy from Beyond]." The company will continue this direct and personal approach to generating sales.

Customer Service

Beyond places emphasis on friendly, knowledgeable one-on-one customer service, especially when taking a custom order.

Returns and Adjustments Policy

Beyond guarantees 100% customer satisfaction on all its garments. The company wants to maintain a top-quality image in its customers' minds.

Advertising and Promotion

Beyond recognizes the key to success at this time requires extensive promotion. This must be done aggressively and persistently in order to get its name out. Beyond's strategy will focus on developing name recognition in local communitities. This strategy will include explaining how the name "Beyond" was decided upon and what it stands for.

Objectives

- To position Beyond as a manufacturer of high quality, unique Polar Fleece and Gore-tex outdoor clothing.
- To increase company awareness and brand name recognition among local students and outdoors enthusiasts.
- To generate group sales leads among outdoors groups and teams in regional high schools, colleges, and youth groups.
- To create product advertising campaigns supporting the "Go Beyond" company slogan. These will include baseball caps and t-shirts.
- To establish a permanent company website to provide company and product information, an order form, and possibly links to partner companies.
- To establish and maintain relationships with groups such as the University of Oregon Outdoor Program and the Tandem Taxi service to reach potential customers and keep abreast of industry changes and developments.

Advertising Campaign

While Beyond does not plan to budget significant amounts to advertising, it is considering placing ads in local outdoors newsletters, beginning with Eugene and Corvallis.

Ads will convey the outdoors-based, down-to-earth image of Beyond, possibly incorporating and developing the "Go Beyond" slogan. The tone of the statements will be focused on the customers' orientation on challenging themselves and experiencing new adventures.

Promotion and Publicity

Beyond will create awareness of itself by attending local outdoors and ski swaps, events sponsored by the UO Outdoors Program, and possibly the UO Street Fair (held twice annually).

Beyond has already given discounts to groups who can promote the company through their prominence in the community. Two of these groups are the Tandem Taxi service and the UO Outdoors Program. Beyond embroiders the garments for these groups with its logo, which provides continual advertising for a low price.

Beyond may soon begin to attend outdoors trade shows in Seattle and San Francisco.

Beyond is considering a specific design item for its Polar Fleece jackets and vests which will identify it from other brands. This item is an inch-wide vertical stripe along the left-arm side of the zipper seam, from the collar to the chest panel line.

Financial Plan

Assumptions

Beyond's financial numbers for Year 1 are and straightforward and easily analyzed. From these numbers certain percentages were calculated to forecast financial statements for Years 2, 3, and 4. Direct materials costs, not including research and development materials, are assumed to be 40.61% of total sales. Shipping and handling costs from suppliers are assumed to be 4.7% of total materials costs.

Research and development costs were decided based upon the owner's estimation of necessary materials and the increased production experience of the company each year.

Production space rent is assumed a 1500 square foot facility charged at $.45 per square foot per month. This information was provided by Sue Prichard of Prichard, Evans, and Elder, Inc., a local commercial real estate agency.

Taxes were assumed to be 30% of operating income.

In order to estimate annual revenues, some averages from year 1 sales needed to be calculated. The percentages of jackets, vests, and pants sold out of the total number of garments sold were calculated. The average prices of jackets, vests, and pants, respectively were also calculated. These numbers were used to calculate revenues from each type of garment for each year based on the total number of garments to be sold each year. The number of production hours needed for each week was calculated based on seasonal production variations. Assuming the owner of Beyond would work fifteen hours per week on production, the necessary production hours for which Beyond would need to hire part-time sewers were then calculated.

All of these assumptions are outlined in detail in Appendix G.

Financial Statements

All financial statements for Year 1 do *not* include labor or overhead costs.

Summary/Analysis of Financial Statements

The following table highlights the primary income-related items. Any items dealing with gross profit, operating income or net income are left out for Year 1. Because these numbers do not include labor or overhead costs for Year 1, they are not good indicators of financial performance for Year 1.

Year	1	2	3	4
Sales	$10,653	$29,000	$43,500	$58,000
% Growth		175%	50%	33%
Gross Profit Dollars		$12,888	$20,445	$26,279
% Growth			59%	29%
Operating Income Dollars		$3,768	$9,475	$13,959
% Growth			151%	47%
Net Income Dollars		$2,638	$6,633	$9,772
% Growth			151%	47%

Income Ratios:

Year	2	3	4
Gross Profit Margin	44.44%	47.00%	45.31%
Operating Income Margin	12.99%	21.78%	24.07%
Net Income Margin	9.10%	15.25%	16.85%
Return on Equity	78.73%	184.24%	260.58%

Budget Possibilities

The spreadsheet in Appendix H shows budget possibilities for years 2, 3, and 4. Each year has two scenarios, one including rent expense, and one excluding it. Under current conditions, rent cost significantly decreases operating income. The negative affect of rent on operating income is significant enough that Beyond should not rent an outside production space at this time. Therefore, all further financial statements are based on the budget scenarios which exclude rent.

Advertising costs increase dramatically from Year 2 to Years 3 and 4. This is to account for advertising and promotion expenditures planned for those years.

Accounting costs decrease from Year 2 toYears 3 and 4. This shows an initial purchase of accounting and record-keeping computer software programs and subsequent upgrades.

Depreciation is calculated from $2100 in machinery, straightline over seven years. This calculates to $300 per year. This amount doubles in Year 4 due to the acquisition of the second industrial serger and sewing machine.

Income Statements

The income statements in Appendix I come directly from the scenarios outlined in "Budget Possibilities."

No taxes are included in the income statement for Year 1 as Beyond's actual income reported to the IRS, included labor and overhead costs, was negative for the year.

Balance Sheets

For the balance sheets included in Appendix J, accounts receivable were calculated as approximately 2% of total annual sales, based on data from Year 1. Accounts payable were calculated as approximately 6% of total annual sales, based on data from Year 1.

Machinery and equipment increases in both Years 2 and 4 due to purchases of new industrial sergers and sewing machines.

Common stock increases by $2000 in Year 2 due to additional personal investment from the owner.

Cash Flows Statements

Cash flows statements are included in Appendix K.

Break-Even Analysis

Break-even analyses are included in Appendix L.

Gross Profit Analysis by Product

The analyses included in Appendix M shows the current gross profit percentages according to current prices and costs of each individual garment (excluding fixed costs). It also shows what prices should be if Beyond wanted to achieve 50% gross profit on all its garments. If implemented, these price changes would improve revenues and net operating income in future years.

Conclusion

Key Issues

Beyond Outdoor Clothing has three key issues it must address in order to become a successful small business.

1) The owner must see his company in its entirety, as a complete entity with many interrelated parts.
2) The owner must understand the necessity of niche marketing and promote Beyond accordingly.
3) The owner must recognize Beyond's margin structure in order to operate profitably.

Recommendations

This feasibility analysis will help the owner understand his business as a whole. It includes the essential aspects of a complete business. For further information, the owner can become familiar with business plan software programs, such as Business Plan Pro or Biz Plan Express.

Beyond operates in a very small niche of the overall outdoors industry. In order to capture this niche and succeed in it, Beyond must identify groups and teams which could provide sizable group orders. The owner must develop and hone his skills at salesmanship in order to achieve these large orders. This will become increasingly important as production goals increase.

The company's margin structure should be re-evaluated to maintain a consistent mark-up. The current structure was not decided upon using any established criteria for consistency. An improved margin structure could greatly impact Beyond's net income.

Impact

Every business has a greater chance of success when the owner or manager understands all the interdependent aspects of the business. If Beyond's owner can maintain a complete perspective of his business it will be much more likely to thrive and prosper.

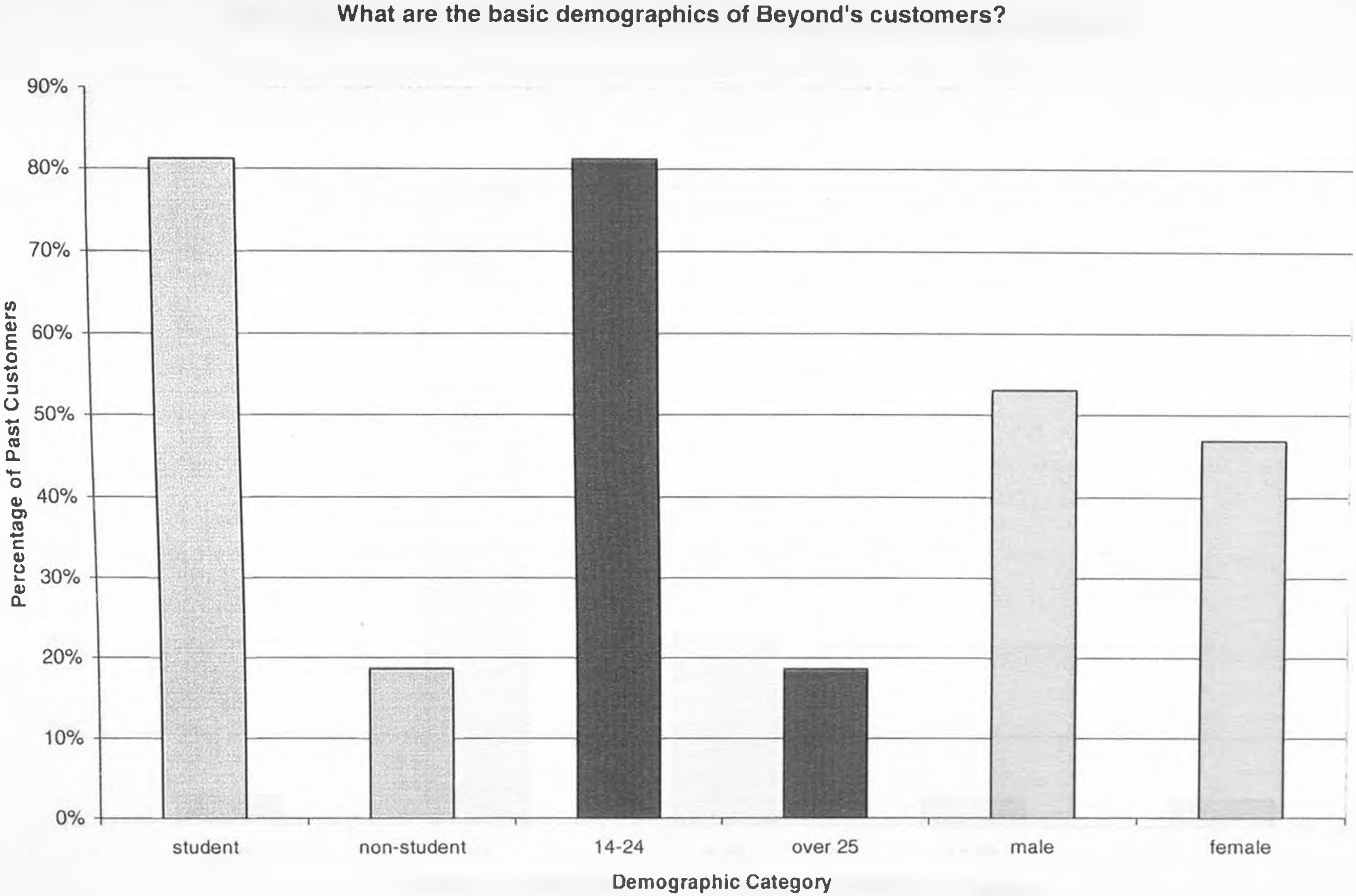
If the owner of Beyond can focus on its market niche and develop orders successfully in order to meet production goals, the company will be able to operate profitably according to the financial statements including in the analysis.

If Beyond's owner analyzes and adjusts his margin structure he will increase revenues and probitably which will increase the likelihood of success.

Conclusion

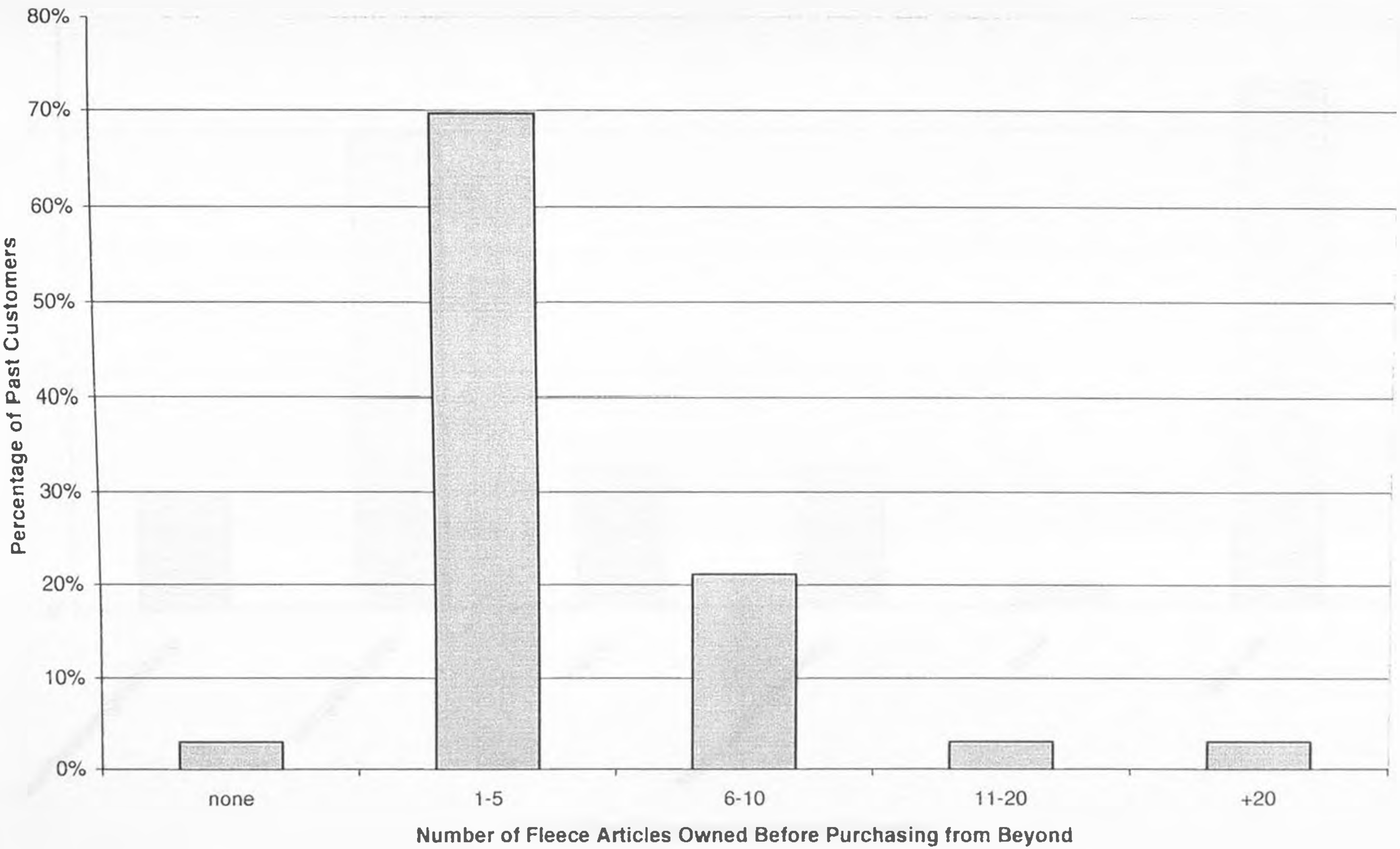
This feasibility analysis organizes the many interrelated aspects of Beyond Outdoor Clothing into a structured format. It will serve as a planning tool for the owner as he attempts to transform his company from a part-time endeavor to a successful, full-time business.

Appendix A


What are the basic demographics of Beyond's customers?
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Percentage of Past Customers
student
non-student
14-24
over 25
male
female
Demographic Category

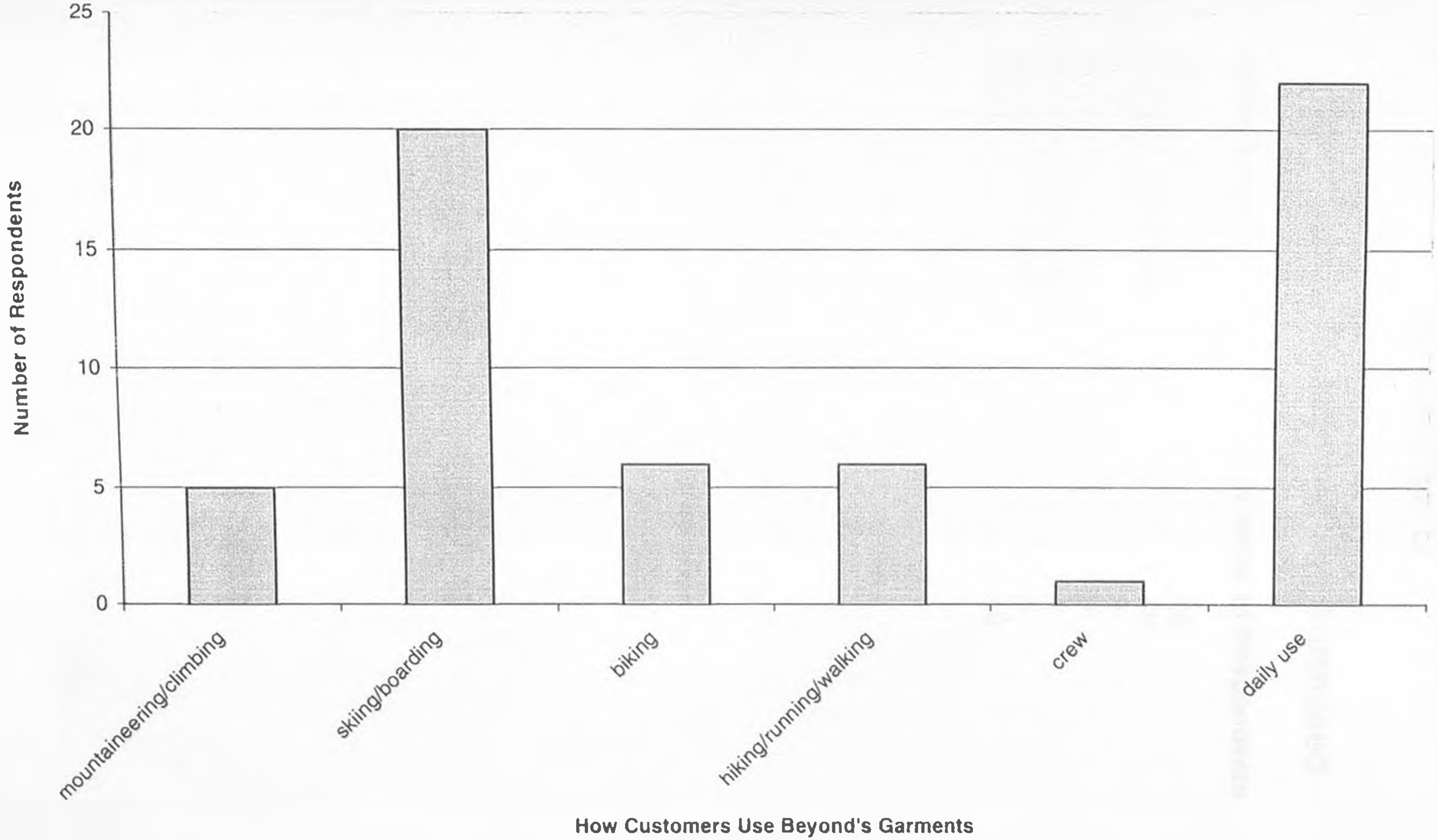
Appendix B

How many fleece articles did customers own before purchasing from Beyond?



Appendix C

For what purposes and activities do customers use Beyond's garments?



Appendix D

Brand Names Recognized and Purchased

Brand Name	Number of Respondents
REI	25
McKenzie Outfitters	16
North Face	9
Patagonia	9
Columbia Sportswear	4
Mountain Hardware	3
Others	10

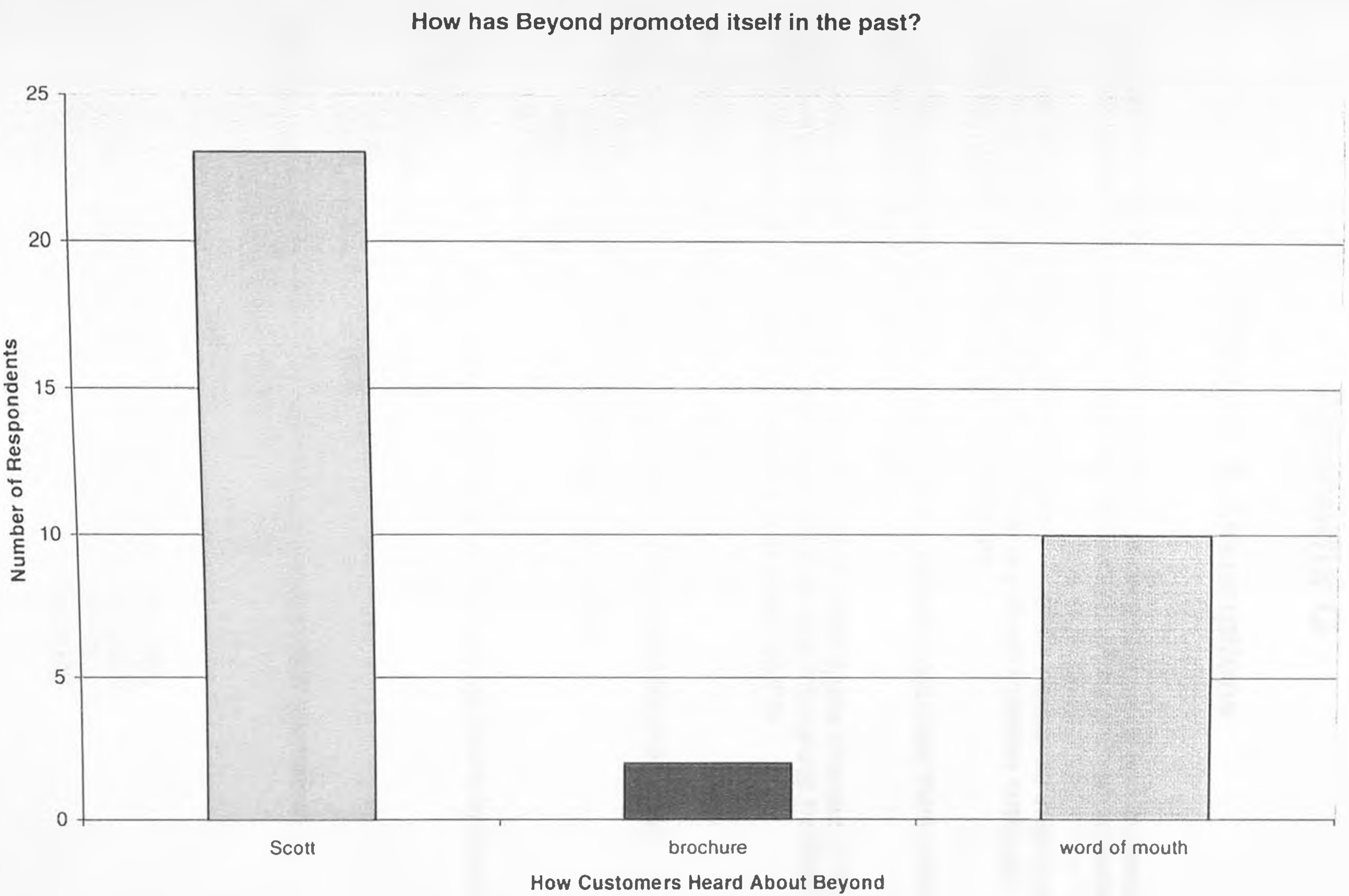
Appendix E

Photos of past custom garments

Appendix E

Photos of past custom garments

Appendix F



How has Beyond promoted itself in the past?
Number of Respondents
25
20
15
10
5
0
Scott
brochure
word of mouth
How Customers Heard About Beyond

Appendix G

Analysis & Assumptions

In order to understand Beyond's current business operations and to predict its future business operations, I made the following analysis and assumptions.

To predict direct materials costs for Years 2, 3, and 4 I assumed them to be 40.61% of total sales for each year. These are direct materials costs, not including Research & Development materials.

To predict shipping & handling costs from suppliers I assumed them to be 4.7% of total materials costs including R &D.

For rental space cost, I assumed a 1500 square foot space charged at $.45 per square foot. This information was obtained from Sue Prichard at Prichard, Evans, & Elder, Inc., a local commercial real estate agency.

For taxes I assumed a 30% tax rate.

From Year 1 sales data I calculated the following garment production percentages by type of garment:

jackets = 83/188 =	44% of total Year 1 sales
vests = 88/188 =	47%
pants = 17/188 =	9%

From Year 1 sales data I calculated the following average prices by type of garment:

jackets =	$64
vests =	$52
pants =	$60

For Budget Scenarios 1 & 2 with annual sales of 500 garments:

# of jackets = 44% * 500 =	220
# of vests = 47% * 500 =	235
# of pants = 9% * 500 =	45

Revenues from jackets =	220 * $64 =	$14,080
Revenues from vests =	235 * $52 =	$12,220
Revenues from pants =	45 * $60 =	$2700
Total revenues =		$29,000

Appendix G

Hours needed for production:

220 * 2 =	440
235 * 2 =	470
45 * 1.5 =	68
Total =	977

Seasonal variations:	Avg/season	Avg/week	Hire hrs
1 = Apr, May, Jun = 2% * 977 =	19.5 =	1.63	none
2 = Jul, Aug, Sep = 13% * 977 =	127 =	10.58	none
3 = Oct, Nov, Dec = 43% * 977 =	420.1 =	35	20
4 = Jan, Feb, Mar = 42% * 977 =	410.3 =	34.19	19

For Budget Scenarios 3 & 4 with annual sales of 750 garments:

# of jackets = 44% * 750 =	330
# of vests = 47% * 750 =	353
# of pants = 9% * 750 =	68

Revenues from jackets =	330 * $64 =	$21,120
Revenues from vests =	353 * $52 =	$18,330
Revenues from pants =	68 * $60 =	$4080
Total revenues =		$43,500

Hours needed for production:

330 * 1.5 =	495
353 * 1.5 =	529.5
68 * 1 =	68
Total =	1092.5

Seasonal variations:	Avg/season	Avg/week	Hire hrs
1 = Apr, May, Jun = 2% * 1092.5 =	21.9 =	1.82	none
2 = Jul, Aug, Sep = 13% * 1092.5 =	142 =	11.84	none
3 = Oct, Nov, Dec = 43% * 1092.5 =	469.8 =	39.15	24
4 = Jan, Feb, Mar = 42% * 1092.5 =	458.9 =	38.24	23

For Budget Scenarios 5 & 6 with annual sales of 1000 garments:

# of jackets = 44% * 1000 =	440
# of vests = 47% * 1000 =	470
# of pants = 9% * 1000 =	90

Revenues from jackets =	440 * $64 =	$28,160
Revenues from vests =	470 * $52 =	$24,440
Revenues from pants =	90 * $60 =	$5400
Total revenues =		$58,000

Appendix G

Hours needed for production:

440 * 1.5 =	660
470 * 1.5 =	705
90 * 1 =	90
Total =	1455

Seasonal variations:	Avg/season	Avg/week	Hire hrs
1 = Apr, May, Jun = 2% * 1455 =	29.1 =	2.43	none
2 = Jul, Aug, Sep = 13% * 1455 =	189.2 =	15.77	none
3 = Oct, Nov, Dec = 43% * 1455 =	625.7 =	52.14	37
4 = Jan, Feb, Mar = 42% * 1455 =	611.1 =	50.93	36

Appendix H

BUDGET POSSIBILITIES (Years 2,3,4)

	Year 2 Scenario 1 500 garments 20hrs,19hrs yes rent	Year 2 Scenario 2 500 garments 20hrs/wk, 6 mths no rent	Year 3 Scenario 3 750 24hrs,23hrs yes rent	Year 3 Scenario 4 750 garments 24hrs,23hrs no rent	Year 4 Scenario 5 1000 garments 37hrs,36hrs yes rent	Year 4 Scenario 6 1000 garments 37hrs,36hrs no rent
Sales						
Jackets	$14,080.00	$14,080.00	$21,120.00	$21,120.00	$28,160.00	$28,160.00
Vests	$12,220.00	$12,220.00	$18,330.00	$18,330.00	$24,440.00	$24,440.00
Pants	$2,700.00	$2,700.00	$4,050.00	$4,050.00	$5,400.00	$5,400.00
Total Sales	**$29,000**	**$29,000**	**$43,500**	**$43,500**	**$58,000**	**$58,000**
Cost of Goods Sold						
Material	$11,776.90	$11,776.90	$17,665.35	$17,665.35	$23,553.80	$23,553.80
Shipping & Handling	$591.11	$591.11	$877.27	$877.27	$1,158.73	$1,158.73
Labor	$3,744.00	$3,744.00	$4,512.00	$4,512.00	$7,008.00	$7,008.00
Total Variable COGS	$16,112	$16,112	$23,055	$23,055	$31,721	$31,721
% of Total Sales	55.56%	55.56%	53.00%	53.00%	54.69%	54.69%
Fixed Cost of Goods & Services						
Production Management Salaries	$0	$0	$0	$0	$0	$0
Production Facility Rental	$8,100	$0	$8,100	$0	$8,100	$0
Production Equipment Rental	$0	$0	$0	$0	$0	$0
Small Tools / Supplies	$0	$0	$0	$0	$0	$0
Packaging Supplies	$0	$0	$0	$0	$0	$0
Other Production Expenses	$0	$0	$0	$0	$0	$0
Total Fixed Cost of Goods & Services	$8,100	$0	$8,100	$0	$8,100	$0
% of Total Sales	27.93%	0.00%	18.62%	0.00%	13.97%	0.00%
Total Cost of Goods Sold	**$24,212**	**$16,112**	**$31,155**	**$23,055**	**$39,821**	**$31,721**
Gross Profit	**$4,788**	**$12,888**	**$12,345**	**$20,445**	**$18,179**	**$26,279**
% of Total Sales	**16.51%**	**44.44%**	**28.38%**	**47.00%**	**31.34%**	**45.31%**
Operating Expenses						
Sales & Marketing						
Advertising	$200	$200	$1,000	$1,000	$1,000	$1,000
Commissions	$0	$0	$0	$0	$0	$0
Entertainment	$0	$0	$0	$0	$0	$0
Literature	$0	$0	$0	$0	$0	$0
Promotions	$0	$0	$0	$0	$0	$0
Salaries	$0	$0	$0	$0	$0	$0
Trade Shows	$0	$0	$0	$0	$0	$0
Travel	$0	$0	$0	$0	$0	$0
Total Sales & Marketing Costs	$200	$200	$1,000	$1,000	$1,000	$1,000
% of Total Sales	0.69%	0.69%	2.30%	2.30%	1.72%	1.72%
Research & Development						
Consulting	$0	$0	$0	$0	$0	$0
Equipment (Expensed Purchases)	$0	$0	$0	$0	$0	$0
R & D Materials	$800	$800	$1,000	$1,000	$1,100	$1,100
R & D Salaries	$0	$0	$0	$0	$0	$0
Total R & D Costs	$800	$800	$1,000	$1,000	$1,100	$1,100
% of Total Sales	2.76%	2.76%	2.30%	2.30%	1.90%	1.90%
General & Administrative						
Accounting	$500	$500	$200	$200	$200	$200
Admin Salaries	$0	$0	$0	$0	$0	$0
Bad Debts	$0	$0	$0	$0	$0	$0
Depreciation	$300	$300	$300	$300	$600	$600
Equipment Rental/Small Purchases	$0	$0	$0	$0	$0	$0
Insurance	$1,500	$750	$1,500	$750	$1,500	$750
Bank Charges	$420	$420	$420	$420	$420	$420
Licenses and Permits	$0	$0	$0	$0	$0	$0
Office Expenses	$550	$550	$500	$500	$550	$550
Office Rental	$0	$0	$0	$0	$0	$0
Taxes (non-Income Taxes)	$0	$0	$0	$0	$0	$0
Web Page	$650	$650	$650	$650	$650	$650
Telephone	$900	$900	$900	$900	$900	$900
Utilities	$3,000	$3,000	$4,200	$4,200	$5,400	$5,400
Total G & A Costs	$7,820	$7,070	$8,670	$7,920	$10,220	$9,470
% of Total Sales	26.97%	24.38%	19.93%	18.21%	17.62%	16.33%

Appendix H

Total Operating Expenses	**$8,820**	**$8,070**	**$10,670**	**$9,920**	**$12,320**	**$11,570**
% of Total Sales	**30.41%**	**27.83%**	**24.53%**	**22.80%**	**21.24%**	**19.95%**
Income From Operations	**($4,032)**	**$4,818**	**$1,675**	**$10,525**	**$5,859**	**$14,709**
% of Total Sales	**-13.90%**	**16.61%**	**3.85%**	**24.20%**	**10.10%**	**25.36%**
Interest Income	$0	$0	$1	$2	$2	$2
Interest Expense	$0	$0	$1	$2	$2	$2
Income before Taxes	($4,032)	$4,818	$1,675	$10,525	$5,859	$14,709
Taxes on Income	$0.00	$1,445.40	$502.61	$3,157.61	$1,757.84	$4,412.84
Net Income After Taxes	**($4,032)**	**$3,373**	**$1,173**	**$7,368**	**$4,102**	**$10,297**
% of Total Sales	**-13.90%**	**11.63%**	**2.70%**	**16.94%**	**7.07%**	**17.75%**

Appendix I

INCOME STATEMENTS (Years 1,2,3,4)

Sales	Year 1	% of Total Sales	Year 2 Scenario 2	% of Total Sales	Year 3 Scenario 4	% of Total Sales	Year 4 Scenario 6	% of Total Sales
Total Sales	$10,653	100.00%	$29,000	100.00%	$43,500	100.00%	$58,000	100.00%
Cost of Goods Sold								
Material	$4,326	40.61%	$11,777	40.61%	$17,665	40.61%	$23,554	40.61%
Labor	$0	0.00%	$3,744	12.91%	$4,512	10.37%	$7,008	12.08%
Shipping & Handling	$272	2.55%	$591	2.04%	$877	2.02%	$1,159	2.00%
Total Variable COGS	$4,598	43.16%	$16,112	55.56%	$23,055	53.00%	$31,721	54.69%
Total Fixed Cost of Goods & Services	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Total Cost of Goods Sold	$4,598	43.16%	$16,112	55.56%	$23,055	53.00%	$31,721	54.69%
Gross Profit	$6,055	56.84%	$12,888	44.44%	$20,445	47.00%	$26,279	45.31%
Operating Expenses								
Sales & Marketing	$244	2.29%	$200	0.69%	$1,000	2.30%	$1,000	1.72%
Research & Development	$600	5.63%	$800	2.76%	$1,000	2.30%	$1,100	1.90%
Miscellaneous	$151		$0		$0		$0	
G & A (without Depreciation)	$0	0.00%	$7,070	24.38%	$7,920	18.21%	$9,470	16.33%
Depreciation	$400	3.75%	$300	1.03%	$300	0.69%	$600	1.03%
Total Operating Expenses	$1,395	13.09%	$8,370	28.86%	$10,220	23.49%	$12,170	20.98%
Income From Operations	$4,660	43.74%	$4,518	15.58%	$10,225	23.51%	$14,109	24.33%
Interest Income	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Interest Expense	$32	0.30%	$0	0.00%	$0	0.00%	$0	0.00%
Income before Taxes	$4,628	43.45%	$4,518	15.58%	$10,225	23.51%	$14,109	24.33%
Taxes on Income	$0	0.00%	$1,355.40	4.67%	$3,067.61	7.05%	$4,232.84	7.30%
Net Income After Taxes	$4,628	43.45%	$3,163	10.91%	$7,158	16.45%	$9,877	17.03%

Appendix J

BALANCE SHEETS (Years 1,2,3,4)

	Year 1	Year 2	Year 3	Year 4
Assets				
Current Assets				
Cash	$250	$1,368	$2,318	$718
Investments	$0			
Accounts Receivable	$110	$600	$900	$1,200
Notes Receivable	$0			
Inventory	$200	$500	$700	$900
Other Current Assets	$0			
Total Current Assets	$560	$2,468	$3,918	$2,818
Plant & Equipment				
Land	$0	$0	$0	$0
Buildings	$0	$0	$0	$0
Building/Leasehold Improvements	$0	$0	$0	$0
Machinery & Equipment	$1,932	$2,732	$2,732	$5,032
Office Equipment	$0	$50	$50	$100
Automobiles	$0	$0	$0	$0
Less Accumulated Depreciation	($400)	($300)	($600)	($1,200)
Total Net Plant & Equipment	$1,532	$2,482	$2,182	$3,932
Other Assets	$0	$0	$0	$0
Total Assets	$2,092	$4,950	$6,100	$6,750
Liabilities & Owners' Equity				
Current Liabilities				
Short Term Debt	$0	$0	$0	$0
Accounts Payable	$800	$1,600	$2,500	$3,300
Other Payables	$0	$0	$0	$0
Accrued Liabilities	$0	$0	$0	$0
Total Current Liabilities	$800	$1,600	$2,500	$3,300
Long Term Debt	$0	$0	$0	$0
Total Liabilities	$800	$1,600	$2,500	$3,300
Owner/Stockholder Equity				
Common Stock	$1,000	$3,000	$3,000	$3,000
Retained Earnings	$292	$350	$600	$450
Less Dividends Payable	$0	$0	$0	$0
Total Owners' Equity	$1,292	$3,350	$3,600	$3,450
Total Liabilities & Equity	$2,092	$4,950	$6,100	$6,750

*** RATIOS ***

Current Ratio	0.70	1.54	1.57	0.85
Quick Ratio (Acid Test)	0.45	1.23	1.29	0.58
Total Debt to Total Assets	0.38	0.32	0.41	0.49
Total Debt to Owners' Equity	0.62	0.48	0.69	0.96

CAUTION: These ratios are only valid if your Balance Sheet is in balance.

Current Ratio =	Current Assets / Current Liabilities
Quick Ratio (Acid Test) =	Quick Assets (Cash + Receivables) / Current Liabilities
Debt to Assets =	Total Liabilities / Total Assets
Debt to Equity =	Total Liabilities / Total Owners' Equity

Appendix K

CASH FLOWS STATEMENTS (Years 1,2,3,4)

Sources of Cash:	Year 1	Year 2	Year 3	Year 4
Operations during the year:				
Net Income After Taxes	$4,628	$3,163	$7,158	$9,877
Add items not decreasing cash				
Depreciation	$400	$300	$300	$600
Increase in Accounts Payable	$800	$800	$900	$800
Increase in Other Payables	$0	$0	$0	$0
Increase in Accrued Liabilities	$0	$0	$0	$0
Deduct items not increasing cash				
Increase in Accounts Receivable	$110	$490	$300	$300
Increase in Inventory	$200	$300	$200	$200
Cash from Operations	$5,518	$3,473	$7,858	$10.777
Financing & Other:				
Sale of Stock	$0	$0	$0	$0
Proceeds from Short Term Loans	$0	$0	$0	$0
Proceeds from Long Term Loans	$0	$0	$0	$0
Sale of Investments	$0	$1,100	$0	$0
Collection of Notes Receivable	$0	$0	$0	$0
Reduction of Other Current Assets	$0	$0	$0	$0
Reduction of Other Assets	$0	$0	$0	$0
Cash from Operations & Financing	$5,518	$4,573	$7,858	$10.777
Applications of Cash:				
Payment of Dividends	$5,268	$1,255	$6,908	$10,077
Purchases of Fixed Assets	$0	$2,200	$0	$2,300
Repayment of Short Term Loans	$0	$0	$0	$0
Repayment of Long Term Loans	$0	$0	$0	$0
Purchase of Investments	$0	$0	$0	$0
Increase in Notes Receivable	$0	$0	$0	$0
Increase in Other Current Assets	$0	$0	$0	$0
Increase in Other Assets	$0	$0	$0	$0
Increase/(Decrease) in Cash	$250	$1,118	$950	($1,600)
Change in Cash Balance				
Beginning Cash Balance	$0	$250	$1,368	$2.318
Increase/(Decrease) in Cash	$250	$1,118	$950	($1,600)
Ending Cash Balance	$250	$1,368	$2,318	$718

Appendix L

BREAK-EVEN ANALYSIS (Years 1,2,3,4)

	Year 1	% of Total Sales	Year 2 Scenario 2	% of Total Sales	Year 3 Scenario 4	% of Total Sales	Year 4 Scenario 6	% of Total Sales
Sales	$10,653		$29,000		$43,500		$58,000	
Fixed Costs								
Fixed Cost of Goods & Services	$0	2.29%	$0	0.00%	$0	0.00%	$0	0.00%
Sales & Marketing (w/o Commissions)	$244	5.63%	$200	0.69%	$1,000	2.30%	$1,000	1.72%
Research & Development	$600	0.00%	$800	2.76%	$1,000	2.30%	$1,100	1.90%
G & A (w/o Depreciation)	$0	3.75%	$6,770	23.34%	$7,620	17.52%	$8,870	15.29%
Depreciation	$400	0.00%	$300	1.03%	$300	0.69%	$600	1.03%
Less Reclassified Fixed Costs	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Total Fixed Costs	$1,244	0.00%	$8,070	27.83%	$9,920	22.80%	$11,570	19.95%
Variable Costs								
Material and Labor	$4,326	2.55%	$15,521	53.52%	$22,177	50.98%	$30,562	52.69%
Shipping and Handling	$272	0.00%	$591	2.04%	$877	2.02%	$1,159	2.00%
Plus Reclassified Fixed Costs	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Total Variable Costs	$4,598	0.00%	$16,112	55.56%	$23,055	53.00%	$31,721	54.69%
Income from Operations	$4,811	0.00%	$4,818	16.61%	$10,525	24.20%	$14,709	25.36%
Machine Repair	($151)	-0.30%	$0	0.00%	$0	0.00%	$0	0.00%
Interest Income (Expense) - "Fixed"	($32)	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Income Taxes - "Variable"	$0	0.00%	$1,445.40	4.98%	$3,157.61	7.26%	$4,412.84	7.61%
Net Income After Taxes	$4,628	0.00%	$3,373	11.63%	$7,368	16.94%	$10,297	17.75%

Appendix L

Income from Operations Analysis								
Contribution Margin	56.84%		44.44%		47.00%		45.31%	
Break-Even Sales Volume	$2,189	20.55%	$18,159	62.62%	$21,106	48.52%	$25,536	44.03%
Sales Volume Above Break-Even	$8,464	79.45%	$10,841	37.38%	$22,394	51.48%	$32,464	55.97%
Net Income After Taxes Analysis								
Contribution Margin	56.84%		39.46%		39.74%		37.70%	
Break-Even Sales Volume	$2,133	20.02%	$20,453	70.53%	$24,961	57.38%	$30,689	52.91%
Sales Volume Above Break-Even	$8,520	79.98%	$8,547	29.47%	$18,539	42.62%	$27,311	47.09%

Appendix M

GROSS PROFIT ANALYSIS BY PRODUCT

	Year 1		Price Estimates for 50% GP
Classic Jacket		**Classic Jacket**	
Price	$50	Price	$60
Material	$16	Material	$16
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$20	**Gross Profit**	$30
% of Price	39.95%	% of Price	49.96%
Classic Vest		**Classic Vest**	
Price	$40	Price	$51
Material	$12	Material	$12
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$14	**Gross Profit**	$25
% of Price	36.15%	% of Price	49.92%
Fast & Light Jacket		**Fast & Light Jacket**	
Price	$60	Price	$65
Material	$19	Material	$19
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$27	**Gross Profit**	$32
% of Price	45.46%	% of Price	49.65%
Fast & Light Vest		**Fast & Light Vest**	
Price	$50	Price	$55
Material	$13	Material	$13
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$23	**Gross Profit**	$28
% of Price	45.32%	% of Price	50.29%
Belay Jacket		**Belay Jacket**	
Price	$65	Price	$88
Material	$30	Material	$30
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$21	**Gross Profit**	$44
% of Price	32.48%	% of Price	50.13%
Belay Vest		**Belay Vest**	
Price	$55	Price	$70
Material	$21	Material	$21
Labor	$12	Labor	$12
Logo	$2	Logo	$2
Gross Profit	$20	**Gross Profit**	$35
% of Price	36.76%	% of Price	50.31%

Appendix M

100 Jacket	
Price	$45
Material	$12
Labor	$12
Logo	$2
Gross Profit	$19
% of Price	43.18%

100 Vest	
Price	$35
Material	$9
Labor	$12
Logo	$2
Gross Profit	$12
% of Price	35.51%

Classic Pant	
Price	$45
Material	$14
Labor	$8
Logo	$2
Gross Profit	$21
% of Price	46.67%

Fast & Light Pant	
Price	$55
Material	$17
Labor	$8
Logo	$2
Gross Profit	$28
% of Price	50.91%

100 Jacket	
Price	$51
Material	$12
Labor	$12
Logo	$2
Gross Profit	$25
% of Price	49.86%

100 Vest	
Price	$45
Material	$9
Labor	$12
Logo	$2
Gross Profit	$22
% of Price	49.84%

Classic Pant	
Price	$48
Material	$14
Labor	$8
Logo	$2
Gross Profit	$24
% of Price	50.00%

Fast & Light Pant	
Price	$54
Material	$17
Labor	$8
Logo	$2
Gross Profit	$27
% of Price	50.00%

Appendix N

Beyond Outdoor Clothing

Customer Questionnaire

How did you hear about *Beyond Outdoor Clothing*? ______________________

____

____

Please rate the factors which influenced your decision to buy from *Beyond*:

	No influence					High influence
➢ Fit:	0	1	2	3	4	5
➢ Colors:	0	1	2	3	4	5
➢ Price:	0	1	2	3	4	5
➢ Company size:	0	1	2	3	4	5
➢ Knew owner:	0	1	2	3	4	5
➢ Group purchase:	0	1	2	3	4	5

Are there any other factors which influenced your decision to buy from *Beyond*?

____

What do you use your purchase for? (i.e. specific sport, daily use)

____

____

Was your purchase part of a group purchase? If so, which group?

____

How many articles of fleece clothing did you own before buying from *Beyond*?

____

Please evaluate the performance of your fleece garment.

	Worst performance				Best performance
➢ Sewing quality:	1	2	3	4	5
➢ Durability:	1	2	3	4	5
➢ Fit/sizing:	1	2	3	4	5

Please outline any problems you have had with the item you purchased.

____

____

continued on next page

Appendix N

What fleece items do you own now, and would you purchase in the future? Please check.

	Own	Would buy
➢ Vest	________	________
➢ Jacket	________	________
➢ Pants	________	________
➢ Gloves	________	________
➢ Hats	________	________
➢ Earbands	________	________

If you owned fleece items before, are there any particular brand names you bought?

____

If you were to buy these brand names again, what local stores would you have gone to in order to buy them?

____

Would you purchase clothing over the Internet? If so, what concerns would you have in doing so? (i.e. ease of purchase, sizing, credit card protection)

____

____

Would you purchase from *Beyond* again? Why or why not? ________________

____

____

Would you recommend *Beyond Outdoor Clothing* to your friends? Why or why not?

____

____

Any other comments or suggestions?______________________________

____

____

What is your age?________________ Are you a student?______________

What is your gender?_____________

Thanks again for your time!!! I truly appreciate it!

Appendix O

BIBLIOGRAPHY

Business Plans Handbook. Kristin Kahrs, ed. New York: Gale Research, 1995.

Marrus, Stephanie K. Building the Strategic Plan: Find, Analyze, and Present the Right Information. New York: Wiley, 1984.

McLaughlin, Harold J. Building Your Business Plan: A Step-by-step Approach. New York: Wiley, 1985.

McLaughlin, Harold J. The Entrepreneur's Guide to Building a Better Business Plan. New York: Wiley, 1992.

O'Hara, Patrick D. The Total Business Plan: How to Write, Rewrite, and Revise. 2nd edition. New York: Wiley, 1995.