

Southeastern Illinois College

Illinois Phi Beta Lambda

Small Business Management Plan

2018-2019



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Executive Summary

The concept behind Sew Blessed was to meet the needs for a seamstress in Carmi, Illinois. Sewing has become a dying trade that is very much needed.

As a freshman in High School, owner EmmaLee Pruitt took a Family and Consumer Sciences class (FACS) where she learned how to sew and cook. EmmaLee has always had a passion for design and wants to be able to help the community grow. Since EmmaLee's freshman year, she has learned how to make different items and continues to grow her skills by watching online tutorials and taking lessons.

Sewing is a trade that will always be needed in every community. Everyone has a need for a seamstress, from the tailoring needs to the ability to have custom work done. Being able to offer custom gifts, such as curtains, baby blankets, bibs, and burp rags gives her customers a chance to have a one of kind gift or item in their home.

Since Sew Blessed has been in business a little over a year, the customer base is already in place and a few stores in town carry her products since the company doesn't currently have a store. Once the store is open, she will start to sell the products at her location. Since Sew Blessed is a developed business there is a need to expand the business to meet the needs of the customers and to better serve them.

Company Description

Legal Form of Business

Sew Blessed is a sole proprietorship, owned by EmmaLee Pruitt, registered with the state and the federal government and operates using an EIN.

Effective Date of Business

Sew Blessed founded on Wednesday, January 25, 2017.

Hours of operations are:

- Thursday 3:00 p.m. – 7:00 p.m.
- Friday 3:00 p.m. - 7:00 p.m.
- Saturday 9:00 a.m. – 12:00 p.m.

Sew Blessed will be closed for the following holidays:

- New Year's Day
- Thanksgiving
- Christmas Eve
- Christmas
- New Year's Eve

Mission Statement

The mission of Sew Blessed is to specialize in custom alterations, baby items, and home décor to meet our customer's needs. The company also provides top of the line sewing lessons for adults and children.

Vison Statement

The vision of Sew Blessed is to give buyers one of a kind items that they can treasure forever.

Company Governance

Since Sew Blessed is a sole-proprietorship, EmmaLee will be in control of the rules, practices, and procedures by which the company is ruled. There will be a demerit system in place for all employees to ensure they are living the values of the company and that all customers are treated with proper ethical behavior.

Location

Sew Blessed is operated out of EmmaLee's home, in Carmi, IL. The storefront will be located in a spare room at her home with its own outside door making it easily accessible to customers. Having the store at her home will be very cost efficient. There will be signage out by the road and in front of the door so customers know where the store is.

Immediate Goals

- ❖ Renovate a room in EmmaLee's home to create a storefront.
- ❖ Order materials and make items for sale.
- ❖ Advertise to the community about the store opening.
- ❖ Open the store.

Overview of Company's Financial Status

Sew Blessed currently has a checking account at The First National Bank of Carmi. This account is a non-interest-bearing account that has no fees or account requirements. Sew Blessed doesn't have any liabilities. The assets that the company currently has includes a sewing machine, embroidery machine, serger, miscellaneous supplies (tables, chairs, scissors, cutting boards, etc.) and

materials. The value of these assets is listed in a table under Financial Management.

Industry Analysis

Description of Industry

According to the Bureau of Labor Statistics, as of May 2017, there were 20,440 seamstresses in the U.S., compared to 21,660 in 2016, with only 3,210 of them owning their own businesses. It is estimated that there are 400 tailors in Illinois and the town closest to Carmi that has a professional seamstress is Evansville, IN, which is an hour away. There are 110 employed in Evansville, and they average about \$25,000 annually. These statistics prove that there is a need for a seamstress, on a professional level, in our area. The average age of seamstresses across the nation is 50 years old. Considering that most of the people who work in this trade will be retiring soon, there will be a greater need for a seamstress in the future. A 10-year projection estimates that the job growth for this industry will be -109%. ("United States Department of Labor," 2017)

Trends and Strategic Opportunities

The opportunity exists for personal tailoring, as well as customized hand-made items like curtains, pillows, and baby blankets. The specialty of Sew Blessed will continue to be alterations while also offering custom gifts. Since there is such a big need for a seamstress, many of the customers who come in with a sewing need will also buy a pre-made item from the store.

Target Market

Sew Blessed appeals to all age groups and genders because everyone needs alterations. Most of the alterations currently received by the company come from business professionals, brides, bridesmaids, and teenage girls attending homecoming and/or prom. These people will continue to be a target market for Sew Blessed. Most orders are received from women; a goal of the company is to be more appealing to men. To achieve this goal, Sew Blessed will target men by offering a 'repair drive' every July. During that month, a 10% discount will be given to repair work clothes. This gives men a chance to get their work clothes mended before harvest starts and then they will remember that Sew Blessed offers this service next time they need another repair.

The custom gifts and baby items will be geared toward millennials but are open to any age. The products will be appealing to all customers because most of them will be based on customer orders, so they will be able to pick out their own

materials and designs. The business will be targeting people in the following surrounding towns to help bring in more business:

- ❖ 5,500 people live in Carmi, IL
- ❖ 1,100 people live in Norris City, IL (10 minutes away)
- ❖ 1,500 people live in Grayville, IL (15 minutes away)
- ❖ 3,700 people live in McLeansboro, IL (20 minutes away)

Competition

Key Competitors

The need for a seamstress in our community is growing as most of the people who have done it in the past are aging. The following are key competitors to Sew Blessed:

- ❖ Palace Cleaners, Carmi, IL - 3 miles
Palace offers alterations, has a storefront, and is available for drop-offs but they do not offer fittings. Therefore, a customer would have to pin their own clothes before dropping them off. They also don't advertise.
- ❖ Walmart, Carmi, IL - 5 miles
This store is not a supercenter, which means they don't have any curtains available for purchase. They only have throw pillows and baby items, but their quality doesn't compare to those that Sew Blessed makes, nor do they offer personalization.
- ❖ Online Competitors
Even though there aren't many local competitors, there are many competitors online that offer custom products. The online competitors can be ordered and bought online, which is a major strength for them, but they don't offer an easily accessible custom ordering system and personal contact like Sew Blessed does. Ordering custom orders online can be very difficult because every order is different.
- ❖ Older women sewing out of their homes, Carmi, IL- Average 5 miles
One of the strengths for these women is that they are very experienced, but their weakness is that they don't offer a professional or easily accessible atmosphere. They also don't attract new customers because they don't advertise.

Potential Future Competitors

Many home economic classes are being cut in the local high schools, there is no identified threat to future competitors besides individuals who choose to self-teach, which is not very likely. The people that Sew Blessed gives sewing lessons to could be seen as future competitors, but most of them simply learn the basics and that is all. Sew Blessed does not offer an advanced sewing class.

In most industries, the trade workers job is being threatened by technology. While there are always new and improved sewing machines entering the industry, a seamstress's job cannot be completely replaced by a machine. There are machines that can feed and sew the material on their own, but there will always be a need for a human laborer to cut and line up the material. These machines are mainly used in factories where clothes, rugs, furniture, etc. are being made. These machines do not pose as a threat to Sew Blessed.

Barriers to Entry for Future Competitors

Since the only people who would know how to sew are those that self-teach or take a Sew Blessed class there is a big barrier for future competitors. Online platforms are constantly growing, but as mentioned before, the inconvenience of these types of businesses makes them unpopular with a small community like Carmi.

Marketing Plan and Sales Strategy

The key message that Sew Blessed wants to communicate to its customers is that customer service and loyalty come first. In a small community, those services can determine the fate of a business. It is important to let them know if they trust their items to Sew Blessed, they will not be disappointed with the outcome of their alteration or product.

Social Media and Marketing

Sew Blessed currently uses Facebook for all sales and promotions. 'Like and share' giveaways are done to acquire more followers. It is used to reach the younger generation and traditional media sources will be used for the older generation through radio ads and flyers. People are able to contact the company through messenger, by phone number, or by email. Twitter and Instagram are not used by the business because they have been viewed as unpopular by the target market. This was determined through trial and error early in the opening of Sew Blessed.

Trade Show Marketing

Sew Blessed will attend trade shows in different towns to help advertise. There will be a banner to let people know what the company's booth is about along with business cards. There will be items for sale in the booth. Even if items are not bought at the booth, orders can be taken for custom items and appointments can be made for alterations.

Advertising

Advertising will all be local. In order to market Sew Blessed, the following items will be used:

- Business cards
- Banner to hang in trade show booth
- T-Shirts to wear while working in the store and for family, friends, and customers for advertising
- Radio Ads
- Flyers will be posted at local businesses to promote the store opening

There will be immoderate advertising during homecoming, prom, and wedding seasons to promote dress alterations. These seasons include the following months: April, May, June, August, September, and October.

Sew Blessed will also coordinate with the local high schools to offer discounts on costume and jersey alterations in exchange for advertisement at the schools.

Sales Procedure

Since the company is a small community business ordering can be done over the phone, through text, or through Facebook, but will now be offered in store as well. This gives the customer a chance to really explain their wants and needs for the product. Pre-made items will be posted and in store for purchase. If personalization is desired, then an order will be placed. The product can then be picked up in-store or shipped. Customers will be billed for shipping expenses.

Operations

Business Facility

A renovation is currently being planned to accommodate the storefront at EmmaLee's house. The storefront will be located in a sunroom attached to her house. This room has its own outside door for customer's easy access. In the sunroom, shelving, work tables, and a counter will be installed in addition to the windows being replaced.

Production Plan

The production of most of the products can be completed in 30 minutes each. After the material is cut, the products have to be sewn twice. Once while they are turned inside out to put the pieces together and then again once the piece is turned the correct way for reinforcement and detail.

Wholesale Dealers

Some of the material is bought online from a wholesale dealer, Fabric Finders, which is 60% cheaper than buying from a store. All of the material is then cut and sewn from scratch. The material that can't be bought from the wholesaler will be purchased from JoAnn's Fabric in Evansville, IN. When purchasing material from JoAnn's Fabric, a tax ID number is used to receive everything tax-free.

Impact and Use of Technology

Sew Blessed accepts debit cards through PayPal. Excel is an essential use of technology for the company; it is used to track all sales, income, and expenses.

Management and Organization

Key Employees

EmmaLee Pruitt is the only employee of Sew Blessed. She is responsible for making the products and running the store during hours of operation. She also deals with all financial, creative, and administrative aspects of the business. She has an associate degree in arts and science from Southeastern Illinois College and is pursuing her bachelor's degree in Business Administration from the University of Southern Indiana.

Sew Blessed currently has a couple of part-time workers that help with production when needed. They would also be able to help in the store in case of illness or vacation.

Since Sew Blessed is a sole-proprietorship, there will not be a board of directors, advisory committee, or any other consultants.

Compensation and Incentive Plans

EmmaLee is paid \$15 per hour. Customers are charged \$20 an hour for labor on custom items; therefore, there is a \$5 an hour profit. This will be used to help pay for future materials and other fixed expenses. The part-time workers are paid minimum wage (\$8.25 per hour); therefore, a profit of \$11.75 per hour is made while they are working.

Long-Term Development

Long-Term Goals

The development of the following will be done once enough profit has been made:

- Purchase of commercial building in town.
- Open the storefront 5 days a week (Tuesday-Friday 11:00 a.m.-7:00 p.m. Saturday 9:00 a.m.-12:00 p.m.).
- Start an online platform to expand sales of pre-made items outside of Carmi.
- Hire an employee that is able to sew to help speed up production.
- Hire an employee to oversee sales.

Risks and Potential Adverse Results

Opening a store in town has many financial risks, including rent, insurance, and location. Expansion of the store also means the expansion of the team. Hiring new employees is a big risk because their attitude, service, and people skills will represent the company. They will need to be reliable and trustworthy.

Strategy for Long-Term Goals

The majority of buildings for rent in Carmi are around \$500 a month. To ensure that rent will be able to be made during the course of a lease, at least \$10,000 will need to be set aside. This would be acquired after the few years after the storefront is opened at EmmaLee's home. Each employee would be paid minimum wage. Therefore, the expenses for the two employees would be approximately \$450 a week (20 hours for a seamstress and 31 hours for a sales employee). Employees will not be offered insurance or retirement plans.

Financial Budget

The overhead cost for Sew Blessed will be relatively low considering many of the larger items, like the sewing and embroidery machine, have already been purchased. Prices will vary for each custom item and will be determined based on the cost of materials and the time spent on the order. The items made on a regular basis, such as baby blankets, bibs, burp rags, pillows, etc. will have set prices and be available for purchase in the store. Alterations are the main source of income for Sew Blessed at this point in time. Making this process more convenient for customers is an essential part of growing this business.

Expenses

The projected cost of expanding Sew Blessed includes the renovation of the sunroom and material to make pieces to be sold in the store.

Items	Price
Advertising	\$500
Material	\$1,000
Room Renovation	\$5,000
Direct Labor (500 hours-\$15 an hour)	\$7,500
Total	\$14,000

Other costs associated with the company are listed in the table below:

Expenses/Items Total	Price
Office Supplies \$100	\$100
Miscellaneous Supplies	\$100
Sewing Supplies	\$200
Total	\$400

Revenue

The price for regularly made products will be:

Product	Price
Patch Holes	\$5
Hem	\$7
Embroidery (\$1 per 1,000 stitches)	\$7 Min
Blind Hem	\$8
Burp Rag	\$8
Bib	\$8
Pillow (materials not included)	\$10
Burp Rag/Bib Set	\$15
Pillow	\$20
Valance Curtain (materials not included)	\$20
Window Fit Curtain (material not included)	\$23
Receiving Blanket	\$25
Large Curtain (materials not included)	\$28
Large Two-Color Curtain (materials not included)	\$30
New zipper in pant	\$35
Crib Blanket	\$40

Note: Price for custom products will be based on material costs and time needed to complete the project. Customers will be charged \$20 an hour for

labor on custom items. Products bought for resale will be marked up double the wholesale price.

The 2020 gross revenue is projected to be \$19,160. This will include revenue from the following:

Group Sewing Lesson	4 people per class/3 per year (\$100 each)	\$1,200
Trade Show Sales	6 shows- \$200/show	\$1,200
Individual Sewing Lesson	2 students- 1 lesson a week (\$15/lesson)	\$1,560
Store Sales	\$100 per week of pre-made items	\$5,200
Tailoring	500 hours - \$20/hour	\$10,000
Year One Projected Revenue		\$19,160

Financial Management

The following data was retrieved from Sew Blessed's financial records in 2018. In 2018, labor costs were \$15 per hour and costs of services were, on average, \$2 cheaper than they have been projected to be once the store opens. Since sales are currently only done online and appointments have to be made to drop off projects, sales are expected to increase greatly once a storefront is open and the process is more convenient for customers. EmmaLee will be in charge of the financial statements and records that will be sent in quarterly to the state for tax purposes. Katrina S. Roberson Accounting Services out of McLeansboro, Illinois will perform audits yearly.

2018 Sales

	Materials	Labor	Profit	Total
Quarter 1	\$54	\$448	\$203	\$705
Quarter 2	\$88	\$495	\$247	\$830
Quarter 3	\$46	\$490	\$213	\$749
Quarter 4	\$115	\$657	\$173	\$945
Totals	\$303	\$2,090	\$836	\$3,229

2018 Expenses

Expenses/Items	Price
Design of business cards	\$5.31
Business Supplies	\$6.93
Office Supplies	\$7.02
Supplies	\$13.17
Office Supplies	\$16.22
Fabric	\$18.18
Business Cards	\$30.78
Thread and Embroidery Stabilizer	\$31.42
Fabric	\$41.94
Fabric and Scissors	\$44.70
Embroidery Machine Maintenance	\$54.95
Fabric	\$65.30
Fabric	\$78.95
2 Bolts of Fabric	\$100.92
Supplies	\$112.12
Fabric (Terry and Dot)	\$206.81
Fabric	\$228.23
Sewing Machine	\$500
Total	\$1,562.95

Current Assets

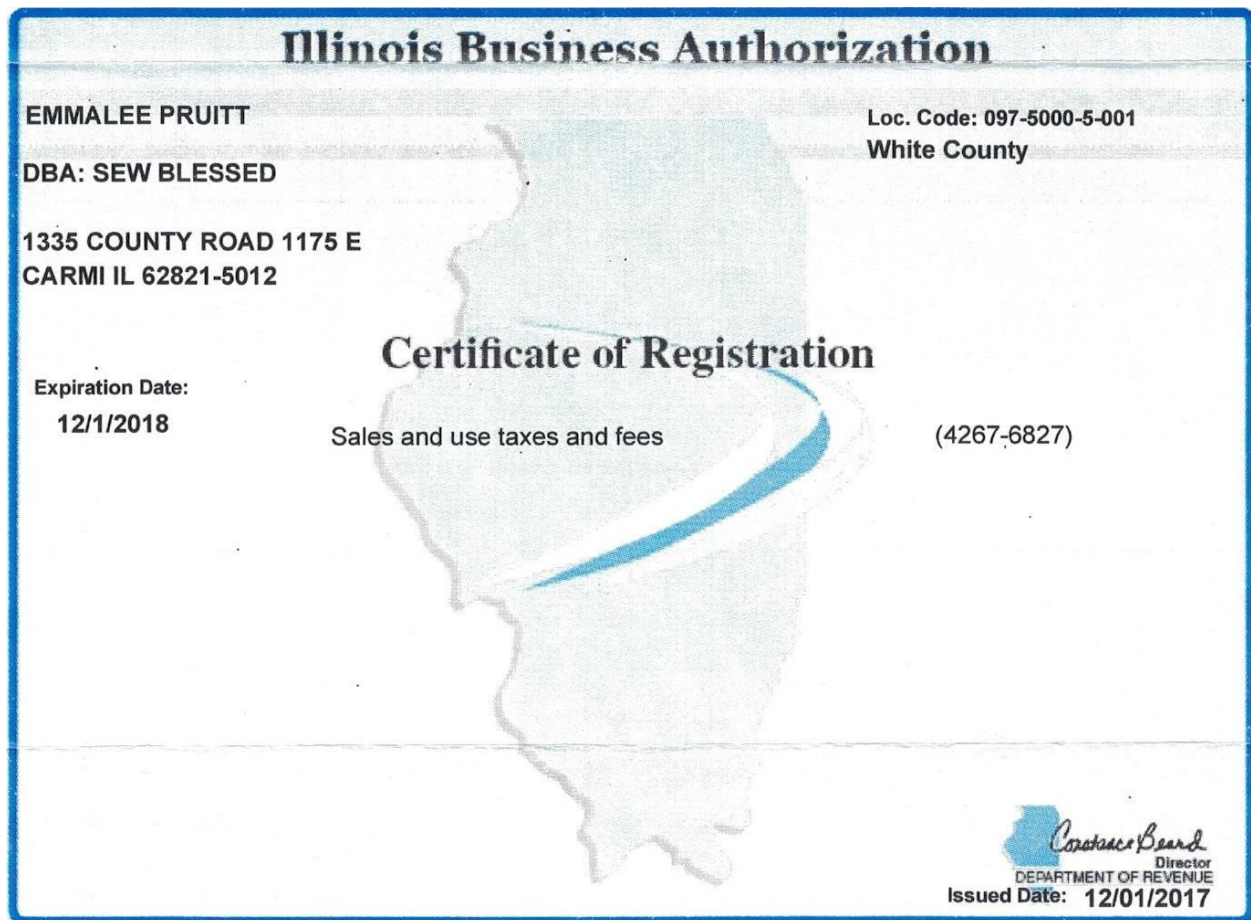
Asset	Value
Embroidery Machine	\$1,500
Miscellaneous Supplies	\$700
Sewing Machine	\$400
Serger	\$200
Miscellaneous Materials	\$200
Total	\$3,000

Supporting Documents

Works Cited

Bureau of Labor Statistics. United States Department of Labor. *Occupational Employment Statistics*. Tailors, Dressmakers, and Custom Sewers, May 2017, <https://www.bls.gov/oog/art-and-design/floral-designers>. Accessed 8 May 2019

Illinois Business Authorization



Illinois Business Authorization

EMMALEE PRUITT Loc. Code: 097-5000-5-001

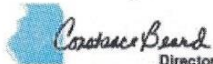
DBA: SEW BLESSED White County

1335 COUNTY ROAD 1175 E
CARMI IL 62821-5012

Expiration Date:
12/1/2018

Certificate of Registration

Sales and use taxes and fees (4267-6827)


Director
DEPARTMENT OF REVENUE
Issued Date: 12/01/2017

Resume

EmmaLee J. Pruitt

1335 Co Rd 1175 E
Carmi, IL 62821

E-Mail: emjopruitt@gmail.com
(618) 384-8057

Education

Southeastern Illinois College | Harrisburg, IL.

Major: Business Administration | May 2019 | GPA: 3.70/4.0

Norris City-Omaha-Enfield High School | Norris City, IL.

High School Diploma | May 2017 | GPA: 4.01/4.0

Experience

Seamstress | Owner of Sew Blessed | Carmi, IL.

January 2017 – Present

- Specialize in alterations, baby items and curtains
- Keep track of billing and financials in Excel
- Host group sewing lessons three times a year, nine hours per course

Customer Service Representative | First Bank | Carmi, IL.

June 2017 – Present

- Run approximately 100 deposit and loan transactions per day to help clients
- Answer phone calls to help clients order checks, and debit cards
- Efficiently work with coworkers to help clients solve problems
- Resolve issues with debit card fraud

Secretary Assistant | Roark Trucking | Carmi, IL.

December 2016 – May 2017

- Organized files for over 50 drivers daily
- Maintained computer logs for all of the drivers
- Answered phone calls from clients about dispatch and billing problems

Creating Entrepreneurial Opportunities | White County | Carmi, IL.

August 2016 – May 2017

- Created individual business plan and resume
- Started a business as a group and individually
- Created network opportunities with local members of the community
- Visited local businesses to learn business techniques

Activities/Awards

Southeastern Illinois College | Harrisburg, IL.

- SIC Vice President's List | Fall 2017 | Spring 2018 | Fall 2018 | Spring 2019
- Phi Beta Lambda President | August 2018-Present
- Phi Beta Lambda Member | August 2017-Present
- 1st Place – Job Interview – IL PBL SLC | April 2019
- 1st Place – Business Plan – IL PBL SLC | April 2019
- 1st Place – Community Service Project – IL PBL SLC | April 2019
- 4th Place – Business Presentation – PBL National Conference | June 2018
- 1st Place – Business Presentation – IL PBL SLC | April 2018
- 2nd Place – Business Plan – IL PBL SLC | April 2018
- 3rd Place – Job Interview – IL PBL SLC | April 2018

Hoopla Committee | First National Bank | Carmi, IL.

April 2018 – Present

- Ensure that employees understand and are living First National Bank's values and standards
- Roll out new service standards based on customer service
- Mystery shop employees and branches on standards
- Organize activities to celebrate employee successes
- Plan quarterly celebrations

Pictures



Sewing lessons
finished projects

Handmade baby
blanket, bib, and
burp rag with
embroidery



Handmade
Throw Pillows

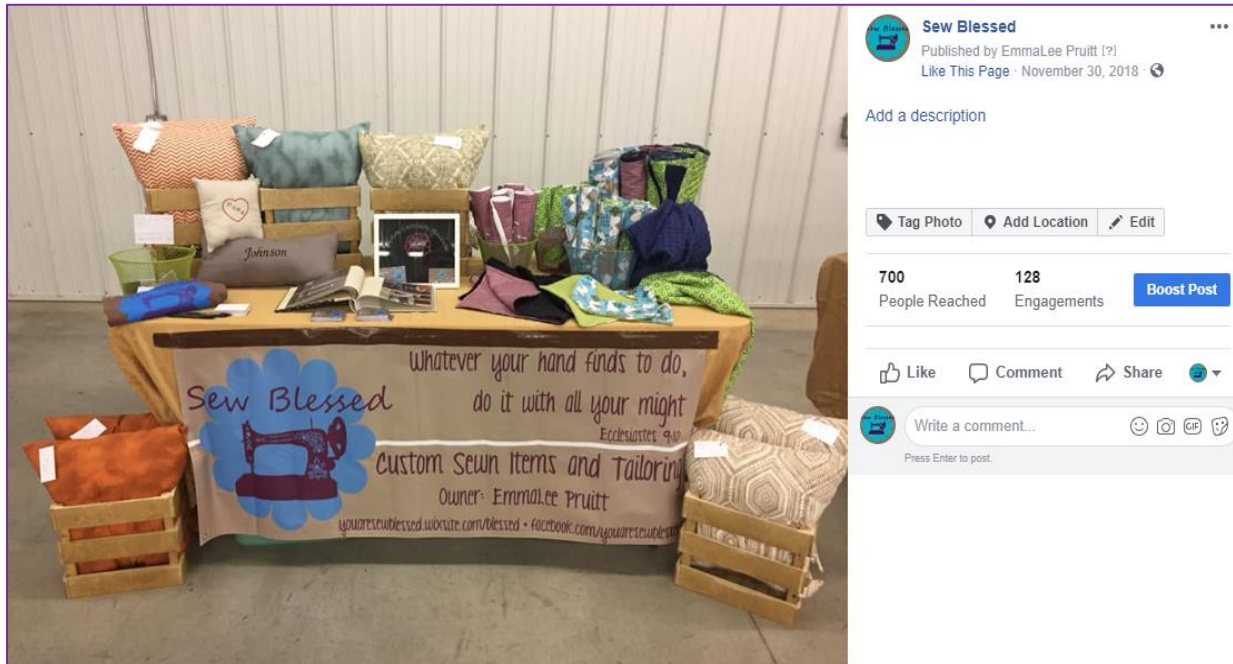


Handmade back
tab curtain with
matching throw
pillows

Dress
Transformation!



Samples of Social Media Posts



“Come check us out at the floral hall tomorrow from 9-2
#itsawhitecountychristmas 🎄”



“Need your pants hemmed but don't want to lose that original hem?
Original hem reattached-\$8 a pair
Regular hem-\$7 a pair”



"We are now carrying items made by Sew Blessed! We have Burp Rag/Bib Sets, Crib Blankets and Receiving Blankets!" -La-D-Da Boutique in Norris City, IL



Homecoming has come and gone, and I had the privilege of altering 6 dresses this year. Big thank you to everyone who trusted me with their dresses. #homecoming #CWC #sewblessed