



***THE TURNING
POINTE***

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I. Problem

For centuries the art and beauty of dance has captivated the attention of audiences around the world. With an exquisite *Saut de Chat* and a graceful triple *Pirouette* audiences are mesmerized by the power of a live performance. While most audiences appreciate the art they are witnessing, they may not understand the amount of physical effort a dancer puts into making their performance truly beautiful. Perfecting their dance requires many hours of repetitious training which quickly wears out a dancer's shoes and apparel.

Dancers purchase their dance materials from dance apparel and shoes stores, whether it be through an online platform or from a retail location. While having an online platform to purchase dance apparel and shoes creates convenience, most dancers prefer to purchase their items in person. The most significant reason for this is that dancers, regardless of their style of dance, must have perfectly fit shoes. This is especially true for dancers *en pointe*. Pointe shoes must be intricately fit to prevent injury and insure optimal performance.

The problem that Northeast Kansas dancers face is a lack of dance apparel and shoe stores. Specifically, in the northeast area of Kansas there is a deficit of dance apparel and shoe stores supporting the growing dance community. There are over twenty dance studios within a forty-five-mile radius of Kansas' capital city, and well over 3,000 dancers. There is currently only one dance apparel and shoe store serving this forty-five-mile radius. Many dancers will drive seventy-five miles away to a different dance apparel and shoe store because of the broader selection of shoes and apparel they will be offered.

II. Solution

This problem can easily be remedied through opening a new dance apparel and shoe store in the northeastern part of Kansas. By opening a new retail dance apparel and shoe store in this location, greater support will be given to the art community. Supporting the arts in this community is vital to the culture of rural Kansas.



III. Business Model

The Turning Pointe is a dance apparel and shoe store designed to satisfy the material needs of all dancers in Northeast Kansas. Providing shoes, clothing, and accessories to dancers of all styles and ages. We strive to build relationships with dance studio owners and teachers so that we can cater to their specific needs.

III.I Mission & Vision

The Turning Pointe aims to provide consistent quality and service and extensive brand selection to all dancers in northeast Kansas. We instill confidence in our customers by providing them with the quality products they need to succeed.

III.II Business Strategy

The Turning Pointe will be positioned as a broad differentiator. Because we are not focusing on one specific style of dance, The Turning Pointe will offer apparel, shoes, and accessories to all styles of dance. These dance styles include: ballet, pointe, tap, jazz, hip hop, lyrical, contemporary, modern, and Broadway jazz.

III.III Business Objective

Our business objective at The Turning Pointe is to be the solution to problem that dancers in northeast Kansas are facing. We plan on bringing these dancers the necessary tools they need to reach their full potential in the dance world.

III.IV Management Team

Chief Executive Officer and Founder

The Turning Pointe's CEO has extensive background knowledge of the dance industry, including six years as a dance instructor and seventeen years of dance training. This combined with her business education in Marketing, Management, and Entrepreneurship propels her to be at the forefront the dance industry.

Chief Financial Officer

The Turning Pointe's CFO will bring mass amount of experience with financial analysis. She will be able to bring knowledge about finance from a corporate and small business viewpoint. She will ensure that the business decisions made will be able to be financially supported in an efficient way.

Chief Operating Officer

The Turning Pointe's COO brings a wealth of marketing and communications knowledge to the company. She has experience in advertisement analysis and promotional campaigns. She also has a background in digital design production. The COO will be the key developer behind the sales force and continuous promotion of The Turning Pointe.

Chief Marketing Technologist

The Turning Pointe's CMT has a vast knowledge of the marketing and media field. He understands what customers want and when they want it. He will be key to the marketing strategies and tactics used by The Turning Pointe.

IV. Value Proposition

The Turning Pointe's first competitive advantage is that our merchandise can be purchased through both our retail location and our website. This is an uncommon practice in the dance apparel and shoe store segment. Most stores will either offer a retail location or a website, but not both.

The second competitive advantage that The Turning Pointe offers is a resell section. Often younger dance students grow out of dancewear that is still in good condition, the resell section provides dancers the ability to donate their old dance attire for others to purchase. All the proceeds from the resell section at The Turning Pointe will be put into a college scholarship fund for which dancers in their final year of high school can apply once a year. This scholarship fund will encourage local dancers to strive for a higher education post high school. Each year the scholarship winner will be recognized at an event hosted by The Turning Pointe where patrons of the store can meet the dancer. Five percent of all purchases made on this day will be added to the scholarship fund for the following year.

The Turning Pointe's next competitive advantage is partnership with Doxazo, a local mission outreach program for children living in inner-city impoverished neighborhoods. The outreach program hosts a camp each summer with a dance workshop. The Turning Pointe will lend costumes for Doxazo's end of the summer performance. Additional opportunities will also be explored for outreach to Children's Palace a section of the local Rescue Mission.

Another competitive advantage The Turning Pointe offers is tutu rentals. These tutus can be rented for performances or picture taking (senior pictures) purposes. As many people in the dance world know, tutus are very expensive, thus making it difficult to stage professional looking performances. Renting tutus gives the Northeast Kansas dance community the opportunity to present a professional ballet. The Turning Pointe will contract with a local seamstress who hand makes tutus.

The Turning Pointe's final competitive advantage is the launch of a brand-new product to the dance industry. Fit to the Pointe is a 3D foot scanner designed to assist in the process of fitting pointe shoes, which is a tedious task. This scanner will be able to measure the different dimensions of a dancer's foot needed when fitting pointe shoes. These dimensions include, but are not limited to, the following: length of the toes, width of the toes, height of the arch, width of the heel. These measurements will then be transported to an internal database with thousands of brand name pointe shoes and their measurements. Then a list of pointe shoes will be generated that are appropriate for that dancer's foot. The implementation of the Fit to the Pointe foot scanner has the potential to significantly decrease the time it takes to hand fit pointe shoes, as well as, the ability to revolutionize the dance industry.



Fit to the Pointe

V. Internal and External Environment Analysis

As of 2015, there were 13,450 dance studios located in the United States, and well over 4,000,000 dance students. In the capital of Kansas and surrounding areas there are more twenty dance studios and over 3,000 students. This population only continues to grow.

V.I Top Competitors

The Turning Pointe has three main competitors

1. **Footlights** is the only dance apparel and shoe store located within the Turning Pointe's forty-five mile radius. They offer convenience, but little selection and poor service. Below is a clip from the Footlights website.

"We are a locally, family owned store that has been in business for 30 years!
We strive to meet all your dance needs.
We offer custom shoe fitting so you get the perfect fit.
We will sew your ribbons and elastics on your pointe shoes for free!
Need a size or style that we don't have? We can order for you!
Live out of town? We can send items to you for a small shipping fee.

2. **The Dance Shoppe** is located thirty miles outside of The Turning Pointe's target forty-five mile radius. They offer a broad selection of high quality items, but they are an hour and a half drive from Topeka. Below is a clip from The Dance Shoppe website.

"For many dancers, the most important item they own is their shoes and so we make it our mission to stock only the top brands in dance shoes in Kansas City, MO. From ballet shoes to tap shoes to jazz shoes, we've got you covered. Not only do we stock these shoes, we also offer custom fittings for both dance and pointe shoes in Kansas City, MO. At Dance Shoppe Inc., we are truly your one stop shop for all of your dance apparel and supply needs. Dancers have been choosing us for nearly three decades."

3. **Discount Dance Supply** is an online store. They too offer a broad selection at a very low cost, however, it can often take more than a week to receive an order in the mail.

V.II Customer Profile

The Turning Pointe has three distinct customer segments with different needs. The first segment is the *"Conservative Dance Mom."* This segment is typically comprised of mothers of students ages 3-12 and are all about finding what brand/product will last the longest and what is the most economical. The *"Conservative Dance Mom"* is all about self-interest and rationalizing, they ask the question, *"What will give me the most benefit for the right price?"* This segment will typically make two dancewear purchases per year, spending an average of \$37.50 each time. This customer segment takes up roughly 65% of the northeast Kansas market meaning that collectively this customer segment will spend around \$24,375 annually.

The second customer segment is the *"Trendy Dancer."* The *"Trendy Dancer"* is made up of dancers between the ages of 13-18+ and they are focused on what is in style and cool. When it comes to picking out their shoes they are very picky. For example, when a ballerina is searching for new pair of pointe shoes, she is not looking for the cheapest brand, she is looking for what will provide her with the most protection for her foot and ankle. *"Who am I? And what do other dancers like me do in this kind of situation?"* are the questions that the *"Trendy Dancer"* will ask. This segment will purchase dancewear anywhere between six and twelve times per year spending around \$125 each time on replacement shoes and new dance attire. This customer segment is the remaining 35% of the Topeka market and collectively spends around \$131,250 per year. The northeast Kansas dancewear market can anticipate sales on average of \$155,625 per year.

The last customer segment is the *"Online Bargain Hunter,"* this customer is looking for quality, trendy, and cost effective dance attire. The main reason this customer is shopping online is so that they can compare prices and find exactly what they are looking for. It is anticipated that the online customer segment will collectively spend \$100,000 annually through The Turning Pointe website.

V.III Suppliers Analysis

The Turning Pointe's top suppliers will consist on BLOCH, Capezio, Russian Pointe, and Grishko, just to name a few. These companies are the top dancewear developers in the world and have sufficient production capacity and flexibility to meet our needs. They have no order minimums. The Turning Pointe will also add a software development vendor to assist with the digital technology side of our product, Fit to the Pointe.

VI. Marketing Plan

The Turning Pointe's primary target market is Northeast Kansas, which is comprised of customer segments "*Conservative Dance Mom*," and "*Trendy Dancer*". The primary target market is largely focused in the county surrounding the northeastern portion of Kansas, which has a population of 177,934. Our secondary target market is customer segment "*Online Bargain Hunter*." Below is a diagram depicting The Turning Pointe's primary and secondary target markets.

	Primary Target Market #1	Secondary Target Market #2
Description	People and households within 25 miles of the northeast Kansas area.	People all around the United States.
Demographics	Consumers ages 13-54 / \$53,953 average household income.	Online shoppers in the United States
Buying Behavior	Around four dancewear purchases per year averaging \$81.25 each time.	Varied number of purchases and purchase amounts per year

VI.I Marketing Mix

Price

The Turning Pointe intentionally prices their products to be competitive with other dance apparel and shoe stores like it. It is important not to price products to low, because customers might begin to think the products are defective, this could be detrimental to the business.

Promotion

The Turning Pointe will use several different methods for promotional purposes.

Social Media (Facebook, Twitter, Snapchat, Pinterest) – Social media pages will help create an awareness for The Turning Pointe. It is also a way to promote upcoming specials and the like. The Turning Pointe also plans on using their social media networks to share useful tips or interesting dance facts, such as, *Tip of the Day Tuesday* or *Fact Fridays*. Using social media ads will also be purchased to help spread our message and reach more online shoppers.

Direct Mail – Will be an opportune way to let the surrounding area dance studios be aware of certain specials that would be available to them. It will also be a good tactic to use right before The Turning Pointe has its grand opening. The Turning Pointe also plans on putting together special promotional packages to be mailed out to surround area dance studios. These promotional packages will include information on the Fit to the Pointe foot scanner and how to schedule a time to visit that studio with the foot scanner.

Customer Service – Customer service is crucial to every business, but especially to The Turning Pointe. This extra stress on the need for quality customer service at The Turning Pointe is that shopping at a dance apparel and shoe store is a very hands-on experience when fitting shoes.

Special Events – The Turning Pointe will utilize special events for their grand opening event and invite all surrounding area dance studio owners and teachers to come. There will be raffles for free giveaways as well as an extra discount offered. Another special event The Turning Pointe will host annually is their day honoring The Turning Pointe scholarship award winner. On this

day, patrons to the store will have the opportunity of meeting the scholarship winner, enjoy refreshments, and an extra discount on all purchases made that day.

Product

The Turning Pointe will sell all products that any type of dancer may need. First, a full line of dance shoes will be featured, including: ballet shoes, pointe shoes, tap shoes, jazz shoes, ballroom shoes, Hip Hop sneakers, and various shoes for modern, lyrical and contemporary styles. Also, a full line of dance apparel, including leotards, tights, leg warmers, warm-up attire, shorts, skirts, and costumes.

Placement

The Turning Pointe prides itself on a clean atmosphere in store and eye catching window displays. Placement of items in the store will be laid out in a spacious manor so that customers will be able to clearly see the products. Full page advertisements will also be placed in dance magazines, including *Dance Magazine* and *Pointe Magazine*.

VII. Growth Potential

The Turning Pointe has a unique opportunity ahead of them. Currently, in the United States, there are no dance apparel and shoe store chains. Dancers have either the option to shop online or at locally owned stores, which can be highly fragmented in quality of service. The Turning Pointe plans to capitalize on this weakness in the market by building a franchise model. We will focus on consistency and quality of service with a goal of making The Turning Pointe a regional and then national brand.

The Turning Pointe's second opportunity for growth is expanding to offer apparel to other artistic athletics, such as gymnastics and ice skating. The extra apparel for these expansions would include gymnastic leotards, and ice skating tights and costumes.

Lastly, The Turning Pointe will have the opportunity of further developing their Fit to the Pointe foot scanner. With further development Fit to the Pointe will be able to be used for all sports requiring precise shoe fitting. These sports would include, but are not limited to ice skating, football, soccer, and basketball.

VIII. Implementation Plan

The Turning Pointe's CEO plans to raise enough investment capital by the end of 2017 to bring the business to life. In early 2018 she will form the business legally and begin looking into a location to lease. By the summer of 2018 she will hire her employees and purchase the initial inventory for The Turning Pointe. The Turning Pointe plans to officially open for business in September of 2018, just in time for the dance season to begin in the northeast Kansas. After a few years, The Turning Pointe will begin preparing contracts to franchise the business.

IX. Contingency Plan

If The Turning Pointe does not succeed, the CEO and founder will turn her full attention to Fit to the Pointe. This foot scanner has the unique ability to revolutionize not only the dance world, but also many other athletic fields. Time and effort will be put strictly into the further development of Fit to the Pointe.

X. Financial Plan

Please see Appendices and financial statements for a full depiction of The Turning Pointe's financial plan.

XI. Appendices

Financial Statement Order:

1. Required Start-Up Funds
2. Projected Sales Forecast
3. Salaries and Wages
4. Fixed Operating Expenses
5. Balance Sheet - Year 1
6. Year End Summary

Required Start-Up Funds

Required Start-Up Funds

	Amount	Totals
Fixed Assets		
Leasehold Improvements	2,500	
Equipment	3,000	
Furniture and Fixtures	5,000	
Total Fixed Assets		10,500
Operating Capital		
Pre-Opening Salaries and Wages	16,726	
Beginning Inventory	50,000	
Legal and Accounting Fees	6,000	
Rent Deposits	2,000	
Utility Deposits	500	
Supplies	2,000	
Advertising and Promotions	2,000	
Other Initial Start-Up Costs	1,000	
Working Capital (Cash On Hand)	5,000	
Total Operating Capital		85,226
Total Required Funds		<hr/> <hr/> \$ 95,726

Projected Sales Forecast

Products and Services	Assumptions	%
Dance Shoes		
Price Per Unit	\$ 45.00	100.00%
Variable Cost Per Unit	\$ 15.00	33.33%
Gross Margin Per Unit	\$ 30.00	66.67%
Projected Unit Sales	4000	
Seasonality Factor		
Year One		
Year Two Growth	40.00%	
Year Three Growth	55.00%	
Fixed Expense Allocation	50.00%	
Projected Revenue	\$ 157,500	
Variable Costs	52,500	
Gross Margin	105,000	
Fixed Expenses	92,964	
Profit	12,036	7.64%
Breakeven Sales Revenue	\$ 139,446.00	
Breakeven Sales Units	3,099	
Apparel		
Price Per Unit	\$ 25.00	100.00%
Variable Cost Per Unit	\$ 8.00	32.00%
Gross Margin Per Unit	\$ 17.00	68.00%
Projected Unit Sales	3000	
Seasonality Factor		
Year One		
Year Two Growth	35.00%	
Year Three Growth	50.00%	
Fixed Expense Allocation	16.67%	
Projected Revenue	\$ 50,000	
Variable Costs	16,000	
Gross Margin	34,000	
Fixed Expenses	30,988	
Profit	3,012	6.02%
Breakeven Sales Revenue	\$ 45,570.59	
Breakeven Sales Units	1,823	

Salaries and Wages

Salaries and Related Expenses	#	Assumptions	Wage Base	<u>Monthly</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Percent Change							
Salaries and Wages							
Owner's Compensation	1			\$ 3,250	39,000	39,000	39,000
Salaries	0			-	-	-	-
Wages							
Full-Time Employees	2			3,033	36,400	36,400	36,400
Estimated Hours Per Week		35.00					
Estimated Rate Per Hour		\$ 10.00					
Part-Time Employees	4			2,080	24,960	24,960	24,960
Estimated Hours Per Week		15.00					
Estimated Rate Per Hour		\$ 8.00					
Independent Contractors				-	-	-	-
Total Salaries and Wages	7			8,363	100,360	100,360	100,360
Payroll Taxes and Benefits							
Social Security		6.20%	\$ 102,000	121	1,455	1,455	1,455
Medicare		1.45%		67	803	803	803
Federal Unemployment Tax (FUTA)		0.80%	\$ 7,000	33	392	392	392
State Unemployment Tax (SUTA)		2.70%	\$ 7,000	110	1,323	1,323	1,323
Employee Pension Programs		0.00%		-	-	-	-
Worker's Compensation		0.00%		-	-	-	-
Employee Health Insurance		0.00%		-	-	-	-
Other Employee Benefit Programs		0.00%		-	-	-	-
Total Payroll Taxes and Benefits				331	3,973	3,973	3,973
Total Salaries and Related Expenses				8,694	104,333	104,333	104,333

Fixed Operating Expenses

Fixed Operating Expenses	<u>Monthly</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	Notes
Percent Change			12%	15%	Rent/Utilities will not change in price
Expenses					
Advertising	500	6,000	6,720	7,728	
Credit Card and Bank Charges	650	7,800	8,736	10,046	
Customer Discounts and Refunds	1000	12,000	13,440	15,456	10% of Brick and Mortar side of business
Dues and Subscriptions	100	1,200	1,344	1,546	Employee satisfaction
Entertainment	100	1,200	1,344	1,546	
Insurance (Liability and Property)	250	3,000	3,000	3,000	
Internet/ Telephone	80	960	960	960	
Legal and Professional Fees	200	2,400	2,688	3,091	
Office Expenses	200	2,400	2,688	3,091	Paper, ink, general office supplies
Postage and Delivery	250	3,000	3,360	3,864	Free shipping for online orders over \$25
Rent (on business property)	1500	18,000	18,000	18,000	
Repairs and Maintenance	200	2,400	2,688	3,091	
Supplies	50	600	672	772	Cleaning Supplies
Utilities	<u>250</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	
Total Expenses	5,330	63,960	68,640	75,191	

The Turning Point
Balance Sheet - Year One

		<u>Base Period</u>	<u>End of Year One</u>
Assets			
Current Assets			
	Cash	10,000	15,000
	Accounts Receivable	-	-
	Inventory	50,000	50,000
	Prepaid Expenses	-	-
	Other Current	-	-
	Total Current Assets	<u>60,000</u>	<u>65,000</u>
Fixed Assets			
	Leasehold Improvements	2,500	2,500
	Equipment	3,000	4,000
	Furniture and Fixtures	5,000	6,000
	Other Fixed Assets	-	-
	Total Fixed Assets	<u>10,500</u>	<u>12,500</u>
	Less: Accumulated Depreciation	-	-
Total Assets		<u><u>70,500</u></u>	<u><u>77,500</u></u>
Liabilities and Owner's Equity			
	Accounts Payable	40,000	30,000
	Notes Payable	10,000	-
Liabilities	Mortgage Payable	-	-
	Line of Credit Balance	-	-
Total Liabilities		<u>50,000</u>	<u>30,000</u>
	Common Stock	20,500	20,500
	Retained Earnings	-	27,000
Owner's Equity	Dividends Dispersed	-	-
Total Owner's Equity		<u>20,500</u>	<u>47,500</u>
Total Liabilities and Owner's Equity		<u><u>70,500</u></u>	<u><u>77,500</u></u>

**The Turning Pointe
Year End Summary**

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Income			
Shoes	180,000	252,000	390,600
Apparel	<u>75,000</u>	<u>101,250</u>	<u>151,875</u>
Total Income	255,000	353,250	542,475
Cost of Sales			
Shoes	60,000	84,000	130,200
Apparel	<u>24,000</u>	<u>32,400</u>	<u>48,600</u>
Total Cost of Sales	84,000	116,400	178,800
Gross Margin	<u>171,000</u>	<u>236,850</u>	<u>363,675</u>
Owner's Compensation			
	104,333	104,333	104,333
Fixed Business Expenses			
Advertising	6,000	6,720	7,728
Credit Card and Bank Charges	7,800	8,736	10,046
Customer Discounts and Refunds	12,000	13,440	15,456
Dues and Subscriptions	1,200	1,344	1,546
Entertainment	1,200	1,344	1,546
Internet	960	960	960
Legal and Professional Fees	2,400	2,688	3,091
Office Expenses	2,400	2,688	3,091
Postage and Delievery	3,000	3,360	3,864
Rent	18,000	18,000	18,000
Repairs	2,400	2,688	3,091
Supplies	600	672	772
Utilities	3,000	3,000	3,000
Total Fixed Business Expenses	<u>60,960</u>	<u>65,640</u>	<u>72,191</u>
Net Income	<u><u>5,707</u></u>	<u><u>66,877</u></u>	<u><u>187,151</u></u>

