

Sole Cycle



Business Plan

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Draft Copy

This is a business plan. It does not imply an offering of Securities.

BUSINESS PLAN FOR SOLE CYCLE

Sole Cycle

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1.1 Executive Summary

Sole Cycle is positioning itself in development of a unique shoe refurbishing business in the Bahamas.

Sole Cycle will provide a more balanced alternative to traditional commercial shoe refurbishing available. Moreover, Sole Cycle will provide service experience that rivals other commercial competitors. This is what will make Sole Cycle the ideal alternative for customers who are not willing to sacrifice quality for convenience and value.

Sole Cycle will add tremendously to the shoe refurbishing industry and sets a standard that will be in a class all by itself. We are extremely confident that Sole Cycle will succeed, because of the following:-

- ❑ The opportunity to own a unique shoe refurbishing entity, based in Nassau, Bahamas
- ❑ A full compliment of solutions, which enables us to maximize our market's potential
- ❑ The assistance of an entire support center without the overhead of other rental companies
- ❑ Full support and training on all aspects of the business
- ❑ Sole Cycle' extensive network of community support

It is predicted that sales for Sole Cycle will climb from \$315,900 in the first year to \$550,424 in the fifth year. Cash is expected to grow proportionately from \$73,710 in the first year to \$210,524 in the fifth year.

The amount required of \$25,000 at a projected interest rate of 8.5% is the only external financial undertaking that Sole Cycle is considering. We are proud of what Sole Cycle will bring to the People of the Bahamas. We can expect to enjoy returns on investment of an average of 19% per annum over the first five year period. This is a major accomplishment, when compared to the average investment which yields approximately 11-15%.

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2.1 Mission

The mission of Sole Cycle is to become a leading shoe refurbishing company in Nassau, Bahamas. Each element of the Company's strategy is designed to differentiate and reinforce Sole Cycle brand identity and to create a high degree of customer loyalty. The key elements of this strategy include brand marketing, dedication to high quality service, an inviting atmosphere and world-class customer service.

2.2 Positioning Statement

Sole Cycle will become the industry leader in providing the customer the most satisfying shoe refurbishing experience that they have ever experienced. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our products and services will exceed the expectations of our customers.

3.1 Company

Sole Cycle is a new organization, but brings a wealth of experience to the industry. The company saw the need to commence operations to fill the void due to an expanded industry, Sole Cycle will establish relationships with organizations that specialize in this unique industry.

The shoe refurbishing industry provides an adequate service for persons or companies looking for complete shoe satisfaction. Sole Cycle will enable clients to engage on a long term product outlet in a stable industry. We will provide this service to the whole of the Nassau area, and hope to expand from this base area within the first five years of operation.

Located in Nassau, Bahamas, Sole Cycle is completing its structure necessary to capitalize on this most significant market.

4.0 Business

4.1 Description

Sole Cycle service will feature a wide variety of unique and flexible shoe refurbishing opportunities. We will provide a competitive solution for the discerning traveler with a range of shoe refurbishing services tailored to budgets and travel plans. Sole Cycle is a niche shoe refurbishing company and will provide a superior service in linking to individuals and organizations requiring our type of service.

4.2 Focus

Our company, locally, is at the start-up stage of business, having completed our feasibility study for the opening of our Nassau based location.

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Our business solution makes it easier for customers to access our range of shoe refurbishing products and services to enable the improvement of performance on a consistent basis..

We are focus and committed to providing our clients with the best service on a personal level. We strongly believe that our customers are best served when communicated with personally, even with using the latest computer technology. We will provide our customer with the most accurate fastest and most economical mains of availability. The concept's high-quality shoe refurbishing service, brand design, simplicity of operations and moderate initial investment, provide for an attractive business opportunity in the Bahamas.

5.1 History

The proprietors, Mr. Trez Grant and Ms. Jamie Johnson saw the need to commence the commercial shoe refurbishing operations for more than five years. The opportunity now has proven to be realizable as he prepares to open an entity that is poised to bring satisfaction to herself and the people of the Bahamas.

Sole Cycle, although is new, is a concept that has been worked on for some five years ago. In fact, much preparation and geographical reviews have been undertaken to reach to this point.

6.1 Products

All of Sole Cycle' services will be offered with the highest degree of service warranty. We believe that our serious approach to quality provisioning of commercial shoe refurbishing provides a distinguishable difference in satisfaction from similar competition.

Our extensive service consists of distinctive offerings that appeal to a diverse Customized of customers the finest in shoe refurbishing and safety on the roads. Sole Cycle will create potential for a full scale of business opportunities. Additionally, the flexibility of our shoe refurbishing will allows our organization to integrate some regional preferences in our shoe refurbishing links, thereby, satisfying regional consumer demands.

We will also provide shoe refurbishing related services to our clients that includes reservations from overseas. Owing to a strong network of transportation agents we can deliver refurbished shoes strictly adhering to schedules.

Our clients can depend on us for availability of the requested refurbished shoes in the most efficient and protective manner.

While quality of service and goodwill is the most critical factor in pleasing customers, the experience in the service of commercial shoe refurbishing plays a significant role in customers satisfaction. Two factors contribute to the

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experience: atmosphere and service. Our line of services and projected volume are as follows:-

6.2 Product Revenue Source

Local Shoe refurbishing
International Shoe refurbishing Agents
Customized Shoe refurbishing
Wholesale Refurbishing Shoe Sales
Shoe Accessories Sale
Online Sales
Repair While You Wait Sales

Our product revenue source includes revenue generating from the following:-

7.1 Atmosphere

Sole Cycle atmosphere is consistent with our brand personality. It is upscale, sophisticated, and inviting. The quality of our shoes will be sufficient to generate significant revenues. There will always be a line-up of sales and services and opportunities that will be available on a twenty-four hour basis.

7.2 Service

Sole Cycle believes and teaches that every customer is a link to its success. Our sales and services will benefit our customers through: Operational Process Improvements, Improved Supply Chain Efficiency, Reduced Labor Costs, Increased Sales Volume Capacity, Improved Marketplace Image. Employees will be hired for personality and will be asked to treat every customers with friendliness, respect, and professionalism. The goal of Sole Cycle service is for every customers to have a continuous desire to use Sole Cycle as a first option, as opposed to an alternative.

8.0 The Market

The presence of Sole Cycle in the Bahamas and in strategic global places will inherited a self-driven marketing philosophy. In fact, our existence, is in itself, positioned to meet the needs of the market and create an extension to other markets. Although our marketing agenda with additional awareness of our services will attract a wide range of customers, the Bahamas have a need that will be filled by Sole Cycle.

Our Location is in a convenient and gives tremendous visibility of the beauty of our outside display, our shoe refurbishing vessel, as well as, the inquisitive desire to try our quality, but inexpensive products and services.

8.1 Marketing Strategy

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The Company's marketing strategy is to build a strong brand identity and establish Sole Cycle as the leading sophisticated commercial shoe refurbishing establishment in the Bahamas. This strategy is implemented by promoting the distinctive qualities of management services, transportation services, reservation services, information technology, transportation broker services, and retail services. Local Shoe refurbishing, International Shoe refurbishing Agents, Customized Shoe refurbishing, Wholesale Refurbishing Shoe Sales, Shoe Accessories Sale, Online Sales, and Repair While You Wait Sales

Sole Cycle marketing efforts are based on the belief that the Company is filling an unmet consumer need for great customized and original refurbished shoes.

Sole Cycle marketing efforts leverage our core competencies in providing an inviting and sophisticated atmosphere and serving our customers through the provisioning of professional care, ethics and stability. This coupled with an effective public relations program will indeed attract first time customers.

Prior to our opening, we will provide marketing tools, such as "Coming Soon" posters, "Sole Cycle" banners, business cards, "Be Our Customers" cards, print ads and the like. These items are used to begin the process of establishing Sole Cycle in the Bahamas. We will join the Bahamas Chamber of Commerce and introduce ourselves to business leaders in our communities. In addition, our Company's public relations representative will research the local media options, develop and distribute press releases and pitch letters and secure feature articles leading up to the grand opening event.

About a month after the operations, a turnkey, grand-opening marketing plan will be implemented. This program will include a ribbon cutting ceremony, a VIP night, an intense community relations effort, a customer's hotline launch, great mailings, product deliveries to local media, management of grand opening banners, signs and give-away items and intensive press relations.

Sole Cycle promotions after the Grand Opening will focus on base service items. The Company does not allow discounting, as it is not consistent with the brand identity. Instead of price reductions, Sole Cycle promotions work to either highlight the benefits (i.e. value) of our international and local opportunities, or introduce a new line of products and services to complement the existing products and services. The Company's promotional efforts are key to keeping the concept fresh and driving incremental sales volume.

Our marketing program does not end with driving customers to do business with Sole Cycle. Our marketing program works with operations to optimize the customers experience. The key marketing events for Sole Cycle are:-

- A national bulletin board which is well organized and easy to read.

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- A display case in various islands in the Bahamas, which will be used to feature special items and to display our shoe refurbishing services.
- Giant size item posters, which work to drive shoppers to move urgently.

On an on-going basis, Sole Cycle will use a blend of local public relations and local advertising to keep the brand top-of-mind for consumers. Outdoor advertising, newspaper advertising, local media coverage and involvement in community events are the key tactics employed in our marketing plan. Once we are developed to a point of critical mass, additional media vehicles will be used as appropriate.

Sole Cycle will be marketing our business through several different outlets. The first is the Internet. A lot of the industry has moved to the Web as means for communication regarding prices. Sole Cycle will be developing a website where a customer can go to find out all information about our products sales and services.

8.2 Customer Profile

The customers of Sole Cycle will be made up of the following grouping:-

- Business and individual Customers
- Local and international Customers
- Local and International Manufacturers
- Noted Shoes buyers
- Hotels and Accommodating Entities
- Schools and Sporting Organizations
- Shoes Fund Raising Groups
- Etc.,

Each group of customers will become fully aware of the sophistication and uniqueness that Sole Cycle will bring to the Bahamas at large.

8.3 Target

Shoe Cycle will focus its marketing budget on a selected industry niche. A narrow-served market focus will help strengthen the company's reputation of a reliable shoe refurbishing company and will generate favorable referrals.

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The major customer segment the company is focusing on is the highly industrialized entities. Companies in this segment have varying needs, and Sole CycleRJ's will gain valuable experience serving such customers. The company management believes that by increasing its shoe refurbishing vessels from time to time can capture additional clients and provide better service to existing clients.

8.4 Concept

Positioned in the developing sophisticated commercial shoe refurbishing arena, the company's objective is to build a relationship with the shoe refurbishing community and partner to maintain a loyal array of clientele.

Sole Cycle will offer unique commercial shoe refurbishing services that will branded special to none. Sole Cycle experience is complete with world class service and a unique experience.

The concept's high-quality service line, simplicity of operations and low moderate initial investment, provide for an attractive business opportunity.

8.5 Pricing

All of Sole Cycle services will be revised on a frequent basis. Because we will consistently monitor the prices that we charge, for the most part, we will be in a position to offer the greatest of products and services at the most reasonable prices in the local industry. We believe that this focused approach provides a distinguishable difference in quality and demand from the competition. The extensive product and service listing will consist of distinctive offerings that will appeal to a diverse of customers seeking traditional and non-traditional commercial shoe refurbishing. Our competitively priced services make it easy for customers to select Sole Cycle.

Our products are reasonable priced for the following class of items:-

Local Shoe refurbishing
International Shoe refurbishing Agents
Customized Shoe refurbishing
Wholesale Refurbishing Shoe Sales
Shoe Accessories Sale
Online Sales
Repair While You Wait Sales

9.1 Competition

Although we will be in a highly competitive environment, Sole Cycle is positioned to overcome all competition due to the abnormal sophistication of our products and services. The market share is sufficient for all competitors to enjoy good customer successes, due to the need for refurbished shoes. In fact, what we are

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after is the sophisticated commercial shoe refurbishing market. The Company's objective is to build an easily recognized shoe refurbishing industry that dominates the upscale industry in the Bahamas.

10.1 Research and Development

The Company is dedicated to introducing new, innovative commercial shoe refurbishing and products in hopes of establishing the authority of Sole Cycle expertise and firmly positioning the brand as the category leader and trendsetter.

11.1 Risk/Opportunity

The greatest risks we have in our business today are :

Market Risk

Our only market risk is the possibility that our present size will quickly become inadequate to meet the growing demands in the Bahamas.

Pricing Risk

Our prices are extremely competitive, and as a result of the growing demands, our prices will have to be restructrued to supply the demand at an even pace.

Product Risk

We run the risk of offering too much low priced services due to the shared marketing arrangement within the community.

Management Risk

Local management team has very little experience in the commercial shoe refurbishing industry, however, we will employ skilled workers who will remain at the front line of our customer and service environments.

Risk Resolution

Sole Cycle feels that it can overcome the above mentioned risks because of the exposure and knowledge of our shoe refurbishing and community partners.

The opportunities before us are significant; we have the opportunity to dominate the marketplace and become a major force in the industry when the following is achieved:

- Granting of a significant wholesale supply contract
- Granting of a commercial shoe refurbishing license
- Purchasing the raw material for Shoe refurbishing
- Obtaining the Required Financing

12.1 Management Team

The management team of Sole Cycle will include the proprietor Mr. Trez Grant and Ms. Jamie Johnson, coupled with a team of experienced individuals to

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mobilize this great undertaking. Our team brings enthusiasm, charisma and desire to operate the best run commercial shoe refurbishing program in the Bahamas.

12.2 Vendor Support

In addition to management efforts from our management team, Sole Cycle is dedicated to training and support.

12.3 Other Support

Other management support will come from our external professional team which is made up of:-

Accountant

Willis Johnson
Joe Farrington Road
Nassau, Bahamas
Tel. (242) 323-9466

Attorney

Attorney
Address
Nassau, Bahamas
Telephone

12.4 Ownership

Mr. Grant - President and Ms. Jamie Johnson - Executive Vice President are the sole proprietors of Sole Cycle. The company is not considering any partnership relations in the near future.

13.0 FINANCIAL PLAN

13.1 Capital Requirements

We seek \$25,000 of external financing which will enable us to achieve our objectives through the following:

- i. Complete the improvement of the area earmarked for Sole Cycle.
- ii. Purchase state-of-the-art vehicles, and educate individuals about commercial shoe refurbishing.
- iii. Execute our marketing plans through a broad-based network of distributive arrangements.
- iv. Introduce an all-inclusive local sensitivity, whereby Sole Cycle will become an essential commercial shoe refurbishing program universally accepted.

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- v. Focus on commercial shoe refurbishing research development for Sole Cycle services, to improve and upgrade our current capability.

Following five years of providing Sole Cycle services in the Bahamas we anticipate opening additional chains in throughout the Bahamas.

The required funding will be used to: complete development, purchase a ten vehicles, introduce and market our line of services and products, and fund working capital.

The amount of loan that we are seeking will be amortized over a five year period. At a general interest rate of 8.5%, we will have no difficulty with such amortization due to our potential marketing and sales strategy.

13.2 Assumptions

The following are the assumptions used by Sole Cycle to complete the projections of the financial statement.

Sole Cycle Customers

It is anticipated that of Sole Cycle will capture approximately 40% of the commercial shoe refurbishing patrons in the Bahamas within an eight month period.

Rate of Increased Customers

We expect our customer to grow by a rate of 11% per annum.

Operational Expenses

Sole Cycle Operating expenses are in lined with the comparable operating expenses that are currently being experienced by similar commercial shoe refurbishing operators. Factors that will cause a decrease in operating expenses are; higher volume of sales, and the ability to purchase some items locally at cost below the purchased amounts. Expenses for the Next five years are estimated as follows:-

<u>Year</u>	<u>Amounts</u>
2017-2018	\$205,335
2018-2019	\$225,869
2019- 2020	\$271,043
2020- 2021	\$298,146
2021- 2022	\$357,776

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13.3 Income statements

Sales will increase with the introduction of the additional commercial shoe refurbishing products. However, the next five years, sales are budgeted as follows:-

<u>Year</u>	<u>Sales</u>
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2017-2018	\$315,900
2018-2019	\$347,490
2019- 2020	\$416,988
2020- 2021	\$458,687
2021- 2022	\$550,424

13.4 Balance Sheet Summary

Our Balance Sheet is projected to show stockholders equity as follows for each of the next five years:-

<u>Year</u>	
2017-2018	\$90,000
2018-2019	\$211,622
2019- 2020	\$357,567
2020- 2021	\$518,108
2021- 2022	\$710,756

13.5 Cash Flow

Our cash flow is a careful presentation of all cash movement in our Village store during the next five years. We expect our cash to grow moderately each year. Our cash flow for the next five years are projected as follows:-

<u>Year</u>	
2017-2018	\$73,710
2018-2019	\$95,824
2019- 2020	\$124,570
2020- 2021	\$161,940
2021- 2022	\$210,524

We have assumed that our suppliers will be willing to grant Sole Cycle reasonable terms of payment.

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