



MOUSSE ADVERTISING LLC



BUSINESS INVESTMENT PLAN

Mousse Advertising LLC

A Reliable Business Partner to Effectively Grow Your Company



June 2018

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Executive Summary

Mousse Advertising (MA) LLC is a company with experienced marketers, producers and vendors of hardware goods. They have a cumulative experience of over 50 years in the hardware business. Their expertise ranges from national brand advertising to retailer operations.

The firm was originally established to provide effective advertisement programs that are highly sought after by renowned national and international brands worldwide.

MA LLC derives its competitive edge from its expertise in positioning value to companies. The goal is to gain endorsement and enhanced support for clients to maximize their customer retention. The firm is an advertising company, which meets the marketing needs of both retailers and national brands. It is focused on providing advertisement promotions to clients to help increase their market share.

The advertisement itself is placed in select stores for branding items. All advertisement tools are utilized in stores where around 60% of purchase decisions are made. Clients will pay the fees and costs of all promotional programs that are designed by Mousse Advertising (MA).

Over the years, MA LLC has established its name as a prominent industry leader in producing advertisement tools for retailers and brands. The firm has also established strategic relationships with companies, many of which are industrial leaders in their own right.

All our business partners have cordial relationships with retailers across the market. They produce items which are excellent promotional products that serve key household usage benefits and have untapped potential in the market. MA will strategically use these relationships with its manufacturers to increase retailer contracts faster and more effectively.

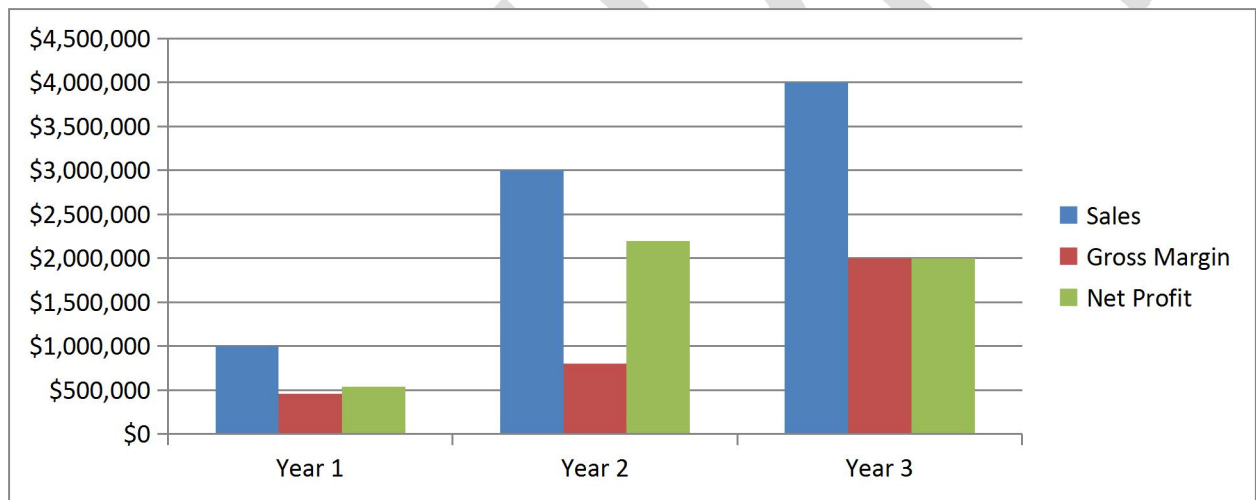
At MA, we believe that our key to success is fostering relationships with national key decision makers in the United States. The firm will price its services suitably in order to target as many medium sized businesses as possible. The advertisement service quality will be maintained at a higher level compared to other marketers. The pricing will reflect the positioning of the firm as a high value advertisement company.

Sales are projected to triple between the first and second year, as such, we do not believe that cash flow will be an issue. This analysis is irrespective of whether there are economic disruptions in the marketplace or not, because there will always be a need for advertisement companies that can provide clients with a large number of leads.

MA LLC is also offering 30% of ownership to an investor who will be entitled to appropriate share in the annual dividends. As such, MA is established as a limited liability company, owned by its principal operators and sole principal investor.

Objectives

- Maximize advertisement opportunities with retailers in the industry. Within the next twelve months, it is our objective to establish our services to the top 50 targeted retailers and establish permanent relationships with five of them. This will grow to 10 retailers in the next year.
- Offer high quality advertisement tools to convert as many leads to sales as possible.
- Generation of high quality leads which have a good chance of conversion into sales.
- Utilizing online services such as Google Adwords and Facebook Ads to attract customers and increase retention of clientele.



Mission

MA, LLC is an advertisement company that is dedicated exclusively to providing advertisement programs for both national and international brands. These promotions are typically offered to key products found in most hardware stores.

We strategically make use of advertisement tools so that they provide new avenues of promotional effectiveness to business brands. This will help our clients to secure larger and exclusive merchandising with hardware retailers. One way to accomplish this is by coupling together various brands together and combining their products in a practice known as 'tie-in' advertisement.

Key to success

With over 50 years of experience in the hardware industry, including sales, marketing and national manufacturers, the founders will derive advertisement sales using their expertise.

Founders

Generic Name 1 – He has over 20 years of experience in the hardware advertisement industry. Having served as VP Sales at International Architecture Hardware, Ltd, he has successfully garnered over \$4 million in revenue, Prior experience as VP of Marketing and Advertisement with Mobile Agency, INC, he managed over \$1 billion in advertisement sales, successfully mentoring and managing a sales a team of over 100 seasoned professionals.

Generic Name 2 – With 25 years of experience in the hardware industry, Green has increased the sales and profit of Kindling Group of Companies by over \$1.0 billion and a profit margin of 50%.

Together their cumulative experience and expertise will allow MA, LLC to grow their sales and key clients by delivering confidential, trustworthy and solid execution in services.

Company Summary

MA, LLC is a startup owned and operated by two seasoned marketing professionals. Both have a cumulative experience of over 50 years in the industry. In addition, they are highly motivated and are fully capable of handling sales, management and administration areas effectively.

Company Ownership

MA LLC will be created as a limited liability company in New York City, owned by two principal owners and one principal investor.

Services

MA, LLC will provide advertisement support to national brands and key hardware retailers. Our purpose is to generate sales through advertisement and grow the potential list of clientele. We have experience with tie-in advertisement where we bundle products together to maximize customer awareness and increase sales.



Market Analysis Summary

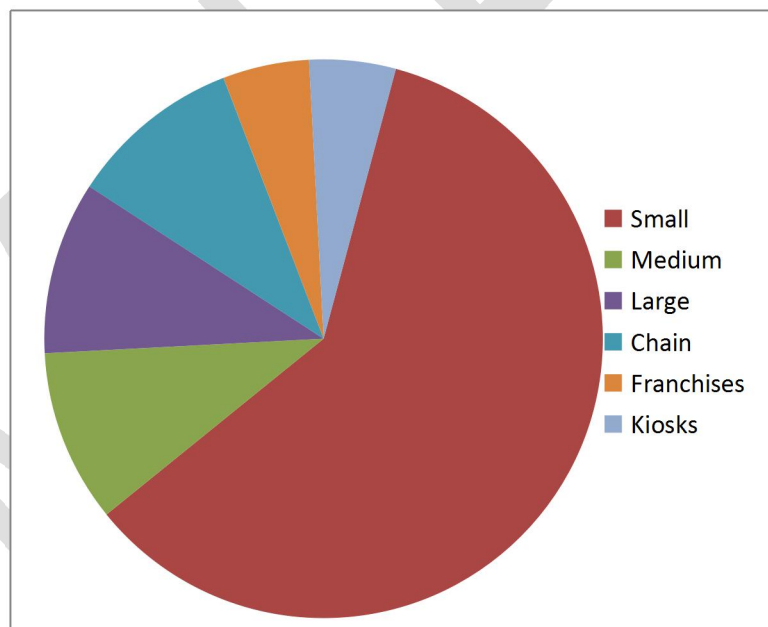
Our advertisement methodology differs from our immediate competition because we focus on the one important tool that influences a customer’s purchase decision. There is a reason why most brands spent over \$330 million on advertisement last year and over 80% of it was ineffective.

This is because they failed to take into account the effectiveness of in-store advertisement, which is responsible for 60% of purchase decisions. Research has further backed up this study by showing data that tie-in and in-store advertisement increases sales by as much as 85%.

Market Segmentation

MA’s founders assert that the hardware retailer industry mostly stays immune to economical downturns, and irrespective of the size of the client base, they all stand to benefit from advertisement. Beyond the hardware market, there are several other trade classes that we plan on adding to our list of services. These include but are not limited to;

- Small retailers
- Medium retailers
- Large retailers
- Chains
- Franchises
- Kiosks



Market Analysis	Year 1	Year 2	Year 3
Potential Customers			
Small stores	15	20	25
Medium stores	2	3	4
Large stores	2	3	4
Chain stores	2	3	4
Franchise stores	2	3	4
Kiosks	2	3	4
Department stores	2	3	4

Target Market Segment Strategy

Our core expertise lies with the hardware class of trade businesses. This is because there is maximum financial benefit that can be derived from this class due to the sheer scale and size of capital spent in promotions.

Our founders possess a full and complete understanding of the industry branded goals and objectives as well as how to properly apply these principles with hardware retailers to make this segment the most valuable.

Once our firm expands across the hardware trade, we will expand our ventures into other classes, starting with the ones who give higher financial rewards and funding practices.

Service Business Analysis

The advertisement industry is filled with companies that promise a lot of opportunities but do not meet the specific needs and requirements of retailers or brands. Often companies are not able to provide a situation which benefits both retailers and brands together, because one will stand to gain at the expense of the other.

At MA, LLC, we will provide tailor made services which fit the specific needs of both brands and retailer objectives. This will provide them both with win-win situations.

Strategy and Implementation Summary

Emphasize Performance

MA will stand out from their competition through their high quality of services. Our services will offer a distinct and viable alternative for the target market, from the scores of sales generated using our advertisement programs.

Relationship oriented business

Our aim is to build a long-term relationship with clients. The services provided by MA will continuously deliver results and clients will understand the value of a long term relationship with us.

Strong focus on target markets

MA LLC isn't the type of business that tries to become the jack of all trades in one go. Instead, we focus on specific retailers and provide them with specialized services which are designed for them. If a particular industry type doesn't fit well with our expertise, we won't take them on.

Competition edge

MA LLC's competitive edge lies in their specialized advertisement services which are strategically designed to maximize product endorsement. This allows brands and retailers to gain participation from customers and gain enhanced support.

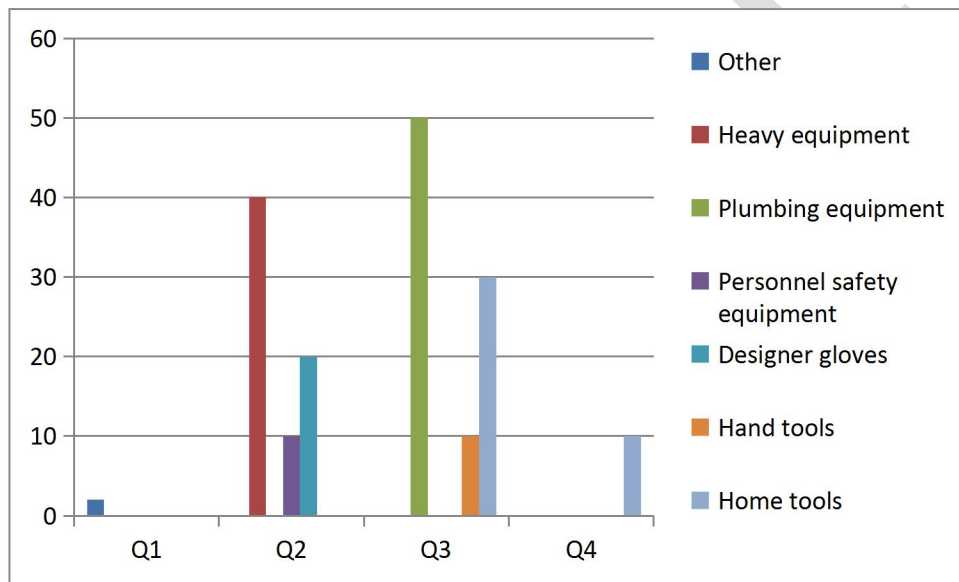
Our founders have full knowledge of that fact that sales growth is the key objective for most retailers in the hardware industry. We possess extensive knowledge of sales, profits and advertisement guidelines that give firms unparalleled expertise in their advertisement programs.

We design action plans which are not only detailed but to-the-point, and are delivered with precision, knowledge and a humble demeanor which makes our client all the more satisfied.

Expected Milestones

It is important for any business to declare their list of milestones, and at MA LLC, we have provided a detailed analysis of what we plan to do in the coming years. A timeline can be seen below, the set point of which will be determined once our firm is fully funded and open for business.

- Secure contract with hardware retailers
- Secure contract with small retailers
- Extend terms as needed



Sales Strategy

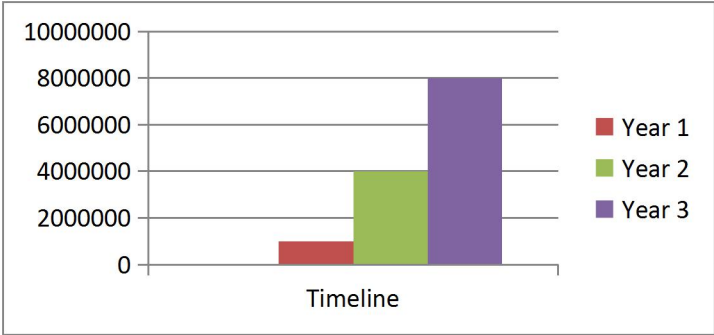
The business will establish contact with retailers and establish five year contracts with them and help them achieve advertisement promotions. Once they are under contract, their potential growth is identified and targeted. The firm starts to make sales by using our relationships with key industrialists.

In order to continue giving a high quality of service, it is important to adopt an organized and professional approach to each client. Notes need to be kept and follow-up calls need to be made. Our founders have the necessary know how on closing sales in the shortest period of time.

Sales staff will be compensated with a commission paid on each sale to increase their engagement levels and recognition in the firm. All of these fees are paid by brand and retailers for their participation.

Sales forecast

Sales forecast for the first three years are as follows. MA LLC will deliver sales of approximately \$1,000,000 in the first year followed by sales of \$4,000,000 in the second year. We will retain the client list and add more clients to it each year.



Sales for year three will increase more so by about \$4,000,000. A few more relationships might be added along the way. The projections are not finalized and could be much higher given that our firm is known for fostering relationships with many clients.

Sales Forecast	Year 1	Year 2	Year 3
Sales	\$300	\$300	\$300
Hand tools	\$300	\$300	\$300
Power tools	\$400	\$400	\$400
Mechanic tools	\$0	\$200	\$200
Tool boxes	\$0	\$200	\$200
Heavy equipment	\$0	\$300	\$300
Auto tools	\$0	\$0	\$400
Hardware	\$0	\$0	\$500
Painting hardware	\$0	\$0	\$200
Door supplies	\$0	\$0	\$30
Total sales	\$1,000	\$1,700	\$2,830
Direct Cost of Sales	Year 1	Year 2	Year 3
50% of revenue	\$500	\$850	\$1,415
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$500	\$850	\$1,415

Marketing Strategy

The most important marketing strategy is to first let the retailer sell to the brands. Focusing on the value positioning with retailers lets brands know the message in the shortest period of time.

Other strategies that we can deploy to maximize the number of opportunities can be done in the following ways.

- 1. Internet, search engines and social media** – A lot of research can be done via the web. The firm will create an effective website which will demonstrate the effectiveness of advertisement benefits to retailers and national brands.
- 2. Trade advertisement** – Many brand managers who have access to trade publications will read them for innovative programs. Our firm will place ads in those publications to increase coverage.
- 3. Hardware associations** – MA, LLC will join hands with various associations.
- 4. Private associations** – Participation in showcases endorsed by private associations is one of the better means of increasing brand awareness among retailers.

Advertising and marketing through the above mentioned ways must be carried out strategically. Our sales team wouldn't just jump into the market without any preparation.

The most important tool we can work with is the utilization of a logo. Once we have portfolio of samples and results, it would be important to present them to attract clientele. Sometimes, as our founders have noted, a casual face-to-face meeting is all that is needed to establish contacts.

Management Summary

There are two main principles which will define our approach to brands and retailers, the critically acclaimed, almost 'celebrity' status of our founders, and their extensive relationships which have been cultivated throughout the years.

Personnel Plan

The personnel plan has been thoroughly detailed in the table below. Our firm plans on growing the sales department over the years, these people will become the soul of our company, who will carry the legacy of the two founders.

To get them enticed enough to continue working alongside us, a reward of 10% commission will be given to them. The sales department will increase according to demand.

Personnel Plan	Year 1	Year 2	Year 3
Sales people	\$100,000	\$150,000	\$200,000
Total people	5	10	20
Total payroll	\$500,000	\$1,500,000	\$4,000,000

Financial Plan

The financial estimates for MA LLC are drawn primarily from conservative estimates and a few assumptions that are essentially leap of faiths. While our firm promises much in terms of profitability, there is a need for capital investment to lift the project off the ground.

Start up funding

MA LLC will require funding, the details of which are given below.

Funding	Numbers
Start up Funding	\$50,000
Start up expenses to fund	\$100,000
Start up assets to fund	\$150,000
Total funding required	
Assets	\$0
Non cash assets from start up	\$100,000
Cash requirement from start up	\$150,000
Additional cash raised	\$250,000
Cash balance on starting date	\$250,000
Total assets	
Liabilities and capital	
Liabilities	
Current Borrowing	\$0
Long term liabilities	\$0
Amounts payable	\$0
Other current liabilities	\$0
Total liabilities	\$0
Capital	
Planned investment	
Investor	\$300,000
Additional investment requirement	\$0
Total planned investment	\$300,000
Loss at start up	(\$50,000)
Total capital	\$250,000
Total capital and liabilities	\$200,000
Total funding	\$300,000

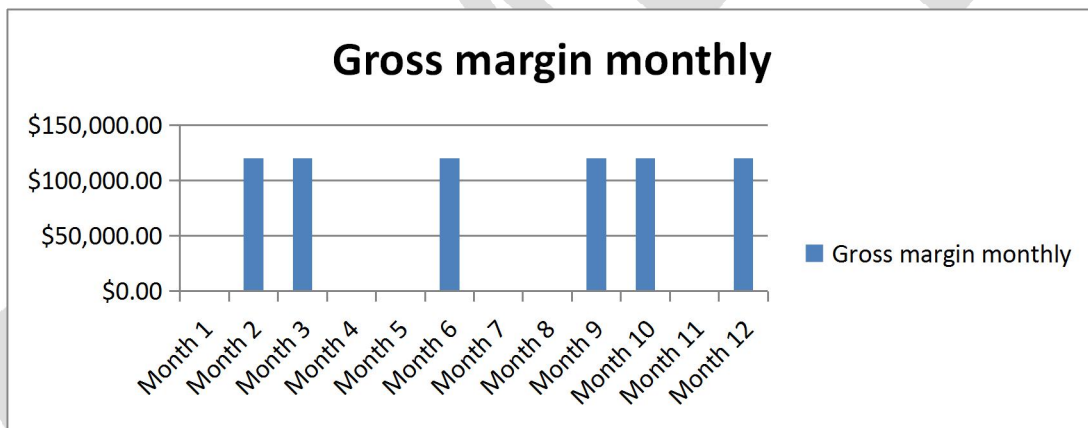
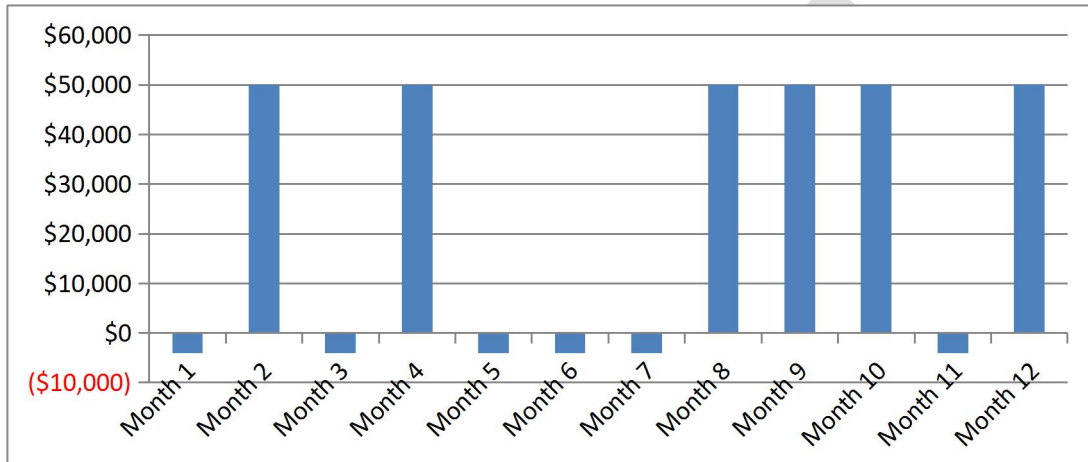
The Investment Offering

MA offers up to 40% of ownership of the company to an outside investor with an investment of at least \$300,000 in investment capital. The owner will be given dividends. MA, LLC headquarters will be established in New York City and is owned by its two principal founders and sole principal investor.

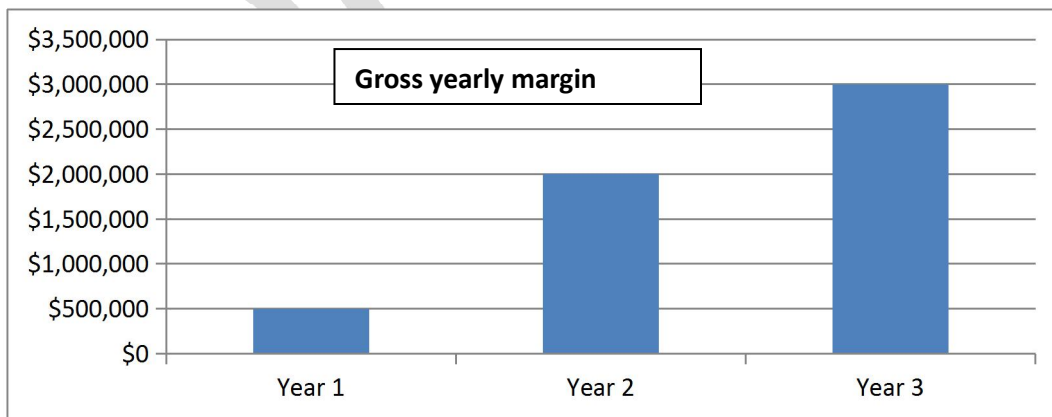
Investment Offering	
Proposed year	Year 1
Valuation and Investment	\$300,000
Investment amount	40%
Equity Share Offering Percentage	\$600,000
Valuation	\$1,300,000
Investor Exit Payout	4
Investor Year Until Exit	
Investor IPR	48%
Share Ownership	Year 1
Founder's shares	300,000
Stock Split Multiple	0
Stock Options Multiple	
Investor Shares Issues	132,312
Price per Share	\$2.00
Options Holder's shares	0
Year 1 investor's share	132,312
Year 2 investor's share	
Year 3 investor's share	
Total shares outstanding	432,312
Equity Ownership Percentage	Year 1
Founder's equity	70%
Option Holder's Equity	0%
Year 1 Investor's equity	30%
Year 2 Investor's equity	
Year 3 investor's equity	
Total equity	100%
Investor's equity	30%
Founder's' and employees' equity	70%

Projected Profit and Loss

The annual estimates of profit and loss of the firm are included in the table below. The gross monthly margins are expected to hit \$100,000 within the first year.



Annual margins are expected to reach over \$2,000,000 by the second year.



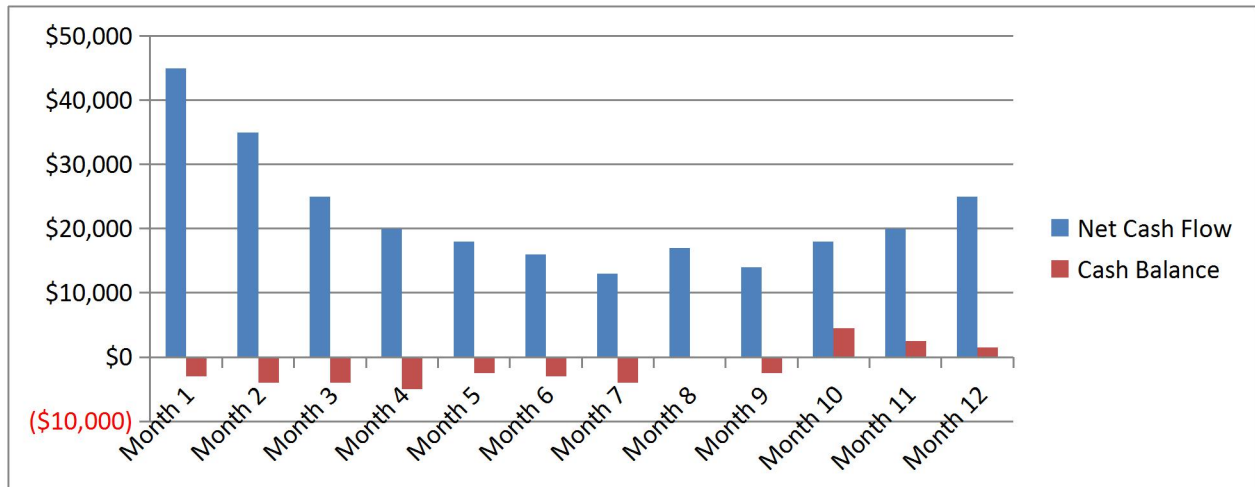
Projected Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
Assets			
Current Assets	\$20,320.00	\$40,434.00	\$60,000.00
Cash	\$23,453.00	\$45,932.00	\$4,999.00
Accounts Receivable	\$4,532.00	\$5,412.00	\$6,754.00
Inventory	\$1,000.00	\$2,500.00	\$3,000.00
Total Current Assets	\$49,305.00	\$94,278.00	\$74,753.00
Long term assets			
Long term Assets	\$4,000.00	\$4,000.00	\$4,000.00
Total Depreciation	\$1,768.00	\$1,891.00	\$1,982.00
Total Long term assets	\$2,232.00	\$2,109.00	\$2,018.00
Total assets	\$51,537.00	\$96,387.00	\$76,771.00
Liabilities and capital			
	Year 1	Year 2	Year 3
Current liabilities			
Accounts payable	\$5,421.00	\$5,421.00	\$5,421.00
Subtotal current liabilities	\$5,421.00	\$5,421.00	\$5,421.00
Long term liabilities			
Total liabilities	\$5,421.00	\$5,421.00	\$5,421.00
Paid in capital	\$58,000	\$58,000	\$58,000
Retained Earnings	-\$4,500.00	-\$13,000.00	\$15,000.00
Earnings	-21000	-\$34,000.00	\$46,000.00
Total capital	\$32,500	\$11,000.00	\$119,000.00
Net worth	\$32,000	\$11,000.00	\$119,000.00

Projected Cash Flow

We can clearly see that while the first year isn't exactly profitable, it does provide provisions for ongoing expenses needed to meet the needs of the firm and allow it to generate sufficient cash flow for the next year. Furthermore, clients pay within 60 days after their promotion airs.

Pro Forma Cash Flow			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations	\$30,531	\$59,012	\$56,000
Cash Sales	\$56,000	\$120,000	\$156,000
Cash from receivables	\$80,531	\$168,012	\$212,000
Subtotal Cash from Operations			
Additional Cash Received	\$0	\$0	\$0
Sales Tax, VAT, HST/GS Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New liabilities (interest free)	\$0	\$0	\$0
New long term liabilities	\$0	\$0	\$0
Sales of current assets	\$0	\$0	\$0
Sales of long term assets	\$0	\$0	\$0
New investment received	\$10,000	\$0	\$0
Subtotal Cash Received	\$86,000	\$160,000	\$200,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$56,000	\$70,000	\$80,000
Bill Payments	\$60,000	\$80,000	\$90,000
Subtotal Spent on Operations	\$116,000	\$150,000	\$170,000
Additional Cash Spent			
Sales, Tax	\$0	\$0	\$0
Principal Repayment of current borrowing	\$0	\$0	\$0
Other liabilities	\$0	\$0	\$0
Long term liabilities	\$0	\$0	\$0
Purchase other current assets	\$0	\$0	\$0
Purchase long term assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$116,000	\$150,000	\$170,000
Net Cash Flow	(\$23,000)	\$14,000	\$30,000
Cash Balance	\$15,981	\$34,000	\$70,000



Use of funds

The table below will outline the intended use of funds acquired throughout the investment. The largest portion is preserved to cover operation expenses for the first few months of operation to enable the company to gain market share and contracts.

Use of Funds	Amount
Use	\$60,000
Start up expenses	\$100,000
Working capital reserves	\$12,000
Establish office space	\$40,000
Computer and hardware	\$30,000
Communications equipment	\$15,000
Total	\$257,000

Payback to the owner

We want to find an investor who has the foresight to recognize the long term gain that can be derived by working with us. The payback period on their investment will be three years, which means that the investor should be willing to keep their investment at MA LLC for at least that much time.

Payback calculation	Investment	Year 1	Year 2	Year 3
Investment	\$400,000			
Cash returns by year		\$50,000	\$200,000	\$200,000
Combination as income stream	(\$400,000)	\$50,000	\$200,000	\$200,000
Cumulative net cash flow to investors	(\$400,000)	(\$350,000)	(\$150,000)	\$50,000
Payback period	3 years			

Exit Strategy

The owners of MA, LLC believe that their years of experience in the industry will allow the firm to aggressively grow in the future. They plan to actively participate in the expansion of the business in the years to come. By the end of year 5, the original principal investor will have been compensated for their efforts many times over.

They believe that several of their employees will become fully fledged legal partners and will get all the associated investment. If the original investor wishes to exit the company, this will be the right time.