



# HORIZON

**A NEW WARDROBE IS ONLY ONE BOX AWAY**

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## EXECUTIVE SUMMARY

According to Global Citizen, each year around 92 million tons of textile waste is generated yearly throughout the world. At Horizon, we combat these problems by cutting down waste and selling vintage-inspired clothing and shoes made from sustainable materials in a convenient subscription box. We also offer clothes, accessories and sneakers in our marketplace that can be bought individually and delivered straight to your door. One dollar of all purchases will be donated to our partner organization: The Ellen McArthur Foundation, which promotes a circular economy that supports our promise of a sustainable future.

**Our Mission: To provide sustainable, fashionable options to add to your wardrobe that maintain a concern for clothing waste and environmental stressors delivered straight to your door.**

Horizon is a clothing and subscription box company based in Upstate New York, at Pittsford Mendon High School. We are registered as an S Corporation because of the fact that taxes are reported on personal income. This helps avoiding "double taxation" which is important to our company's bottom line. We are a team of 15 ambitious and aspiring entrepreneurs, led by our CEO, Noah Lucia. Our company launched in October 2022, with financial assistance of Virtual Enterprise International and three angel investors. The generous \$20,000 in seed funding from VEI, along with \$150,000 from our angel investors, allowed us to get our business up and running for a November 1st, 2022 launch.

Our target market is males and females, ages 15-30, all ethnicities, in the middle to upper class. There are many advantages of shopping online, which we have found appeal to Millennials and Gen Z. We are targeting Millennials and those from Generation Z because of the sudden rise in the vintage clothing industry. The resale market was 24 million dollars in 2021 (Statista), with most of those shoppers being Millennials and Gen Zs. Something to notice with Gen Zs is that they usually check their phones, and to be more specific, their social media apps. Along with that, Millennials are also engaging with their social networks. According to Forbes, "62% of millennial shoppers state that interacting with a brand on social media makes them more likely to become a customer." Our company believes in and employs a strong social media presence. The statistics give us full confidence in the viability of our idea. With these facts in mind Millennials and Gen Z's are the ideal target market for Horizon.



## EXECUTIVE SUMMARY

Our product offerings include subscription boxes that contain vintage-inspired clothing and shoes for those customers committed to a life outside of "fast-fashion". For customers just beginning to dip their toes in to the world of sustainable fashion, we offer individual clothing and accessory items within our marketplace, allowing us the opportunity to showcase what quality, sustainable fashion can be and prove that Horizon products will stand out amongst its competitors. Prices of subscription boxes range from \$75-\$390 with affordable marketplace items ranging from \$19-\$69. When customers visit the Horizon website they are sure to find something for every budget and every taste.

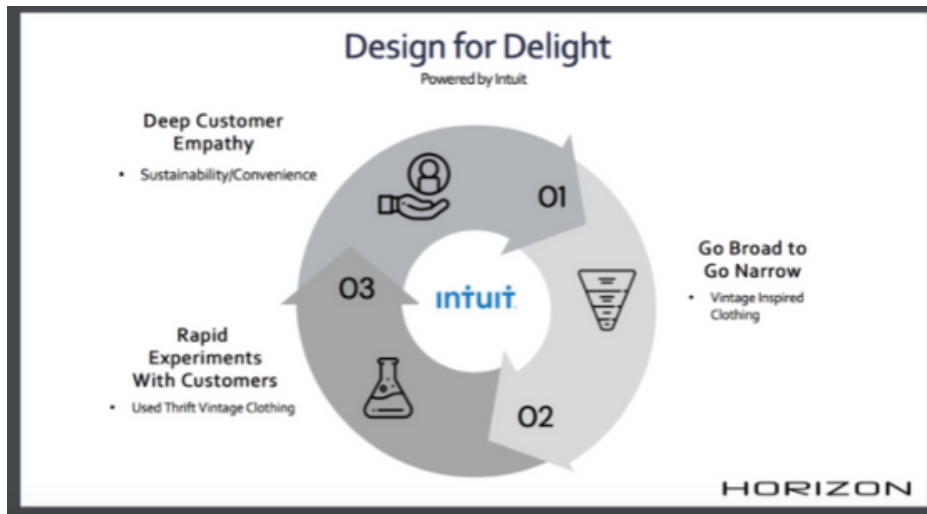
"A New Wardrobe is Only One Box Away"

We have ambitious goals as we launch this new venture. With increased brand recognition and demand generation we will move closer towards our break-even point of 1,617 units. To drive interest in the short-term we will develop regular newsletters to distribute to subscribers, partner with customer favorite brands such as Nike and Under Armor, and develop an integrated marketing campaign. For the future, we will utilize technology to leverage a thorough understanding of our customer with the use of customer data analysis, cookie data, AR Technology, and a unique user experience within our custom-designed Horizon App.

With any new business venture, profitability is at the forefront of every investor's mind and drives many of our business decisions. Our break-even analysis shows that we need to sell 1,617 units. We will continue to work towards this number through participation in regional and national tradeshows, social media marketing, direct-contact with customers via phone contacts, and email promotions.



## CUSTOMER EMPATHY



### DEEP CUSTOMER EMPATHY

We started off by understanding the idea that our customers want convenience and value companies that are looking for sustainable solutions. When it comes to online shopping, around 57 percent of customers look for convenience when they are browsing from product to product and browsing the online store according to business wire . Also, 56 percent of online shoppers prefer the convenience of checking out online, rather than in store. Knowing this, we will focus to bring this to our potential incoming customers.

### GO BROAD TO GO NARROW

We gathered that our customers are interested in sustainability. In the US, 22 percent of consumers indicate major changes towards sustainability, but that number jumps to 55 percent when including those who say they've at least made some modest changes from business wire. Therefore, the ideas we decided to focus on were thrift vintage, recycled plastics, and the impacts of climate change. We then narrowed down our company to vintage fashion to appease our customers' interests.

### RAPID EXPERIMENTS WITH CUSTOMERS

Then, we experimented with used vintage clothing and vintage inspired clothing and pivoted our idea due to the fact we gathered that our customers would like newer clothing as opposed to used. The secondhand ,arket is projected to double in the Next 5 Years, going from 36 billion dollars in earnings to \$77 billion dollars in 2025. We not only want to meet our customers' expectations, but we want to exceed these expectations so that our customers spread and share our company's products with others, which is our overarching goal.



## PROBLEMS & SOLUTIONS



### Climate Crisis Looming

According to Global Citizen each year around 92 million tons of textile waste is generated around the world<sup>1</sup>. To combat this problem Horizon curates clothes in our vintage box that is made from sustainable based fabrics. In addition our vintage clothes are made from recycled materials. We have partnered with the Ellen McArther Foundation to donate \$1 per order. This foundation funds a circular economy concept where waste materials are repurposed to create clothes, products and more.



### Teens/Adults Are Short on Time

Forbes Magazine states that convenience is key for millenels and Gen Z generations<sup>2</sup>. We have seen the rise of food delivery and ecommerce direct to consumer. At Hoirzon we regnoize that teens/adults are short on time and need an easy subscription box that can be delivered staright to your door. On top of that our stylist ar Horizon analyze social media trends to truly understand what styles are customers are into.



### Clothes Can be Expensive

At Horizon, since we have a subscription based model, we wholesale our clothes and then ship it out once every two months. This gives us ample amount of time to find the lowest prices and purchase the clothing in bulk. Using this method, we acquire clothing/sneakers at a lower cost ultimately making the consumer pay less for our boxes and marketplace items.



### Consumers Want Clothes That are Trendy

According to Thred Up, sustainable clothes are part of a 77 billion dollar industry<sup>3</sup>. Vintage styled clothing has created a large market. Many millennials/gen z people are interested in the nostalgic look from previous decades. We cater to sourcing vintage inspired look in a sustainable way. In addition to complete your style our sneaker box provides a unique new pair of shoes every two months. Our stylist research popular shoes, source it through our wholesale partners and distribute through our subscription box.



## COMPANY GOALS

At Horizon, we're focused on utilizing the latest technologies to increase customer engagement. Our team believes in continual improvement and refinement of our practices to further brand awareness, customer satisfaction, and ultimately to contribute to the sustainability of our world. We've built an online dashboard and established KPIs (Key Performance Indicators) to measure and monitor our short- and long-term goals.

Long Term	Short Term
<ul style="list-style-type: none"> <li>✓ Create an app that lets customers engage via a digital experience with the subscription box</li> <li>✓ Add customer insights – a survey that includes a styling guide that personalizes to your preferences using a quiz</li> <li>✓ Create a customer database and use cookie data to understand trends certain customers may have viewed</li> <li>✓ Use Horizon AR technology to perfectly size you – so all boxes and clothing are in the exact size, measured via camera/artificial intelligence</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increase brand recognition through consistent and engaging social media posts</li> <li>✓ 50% Month-over-month revenue growth through in-and-out of network contracts</li> <li>✓ Add customer newsletter – inform our loyal box customers of inspired styles.</li> <li>✓ Create Subscription boxes that are partnered with specific companies (i.e., Nike box)</li> <li>✓ Create an effective ad campaign - video production</li> </ul>

## COMPANY OVERVIEW

According to Global Citizen, each year around 92 million tons of textile waste is generated yearly throughout the world. At Horizon we combat these problems by cutting down waste and selling vintage-inspired clothing and shoes made from sustainable materials in a convenient subscription box. We also offer clothes, accessories and sneakers in our marketplace that can be bought individually and delivered straight to your door. One dollar of all purchases will be donated to our partner organization: The Ellen McArthur Foundation, which promotes a circular economy that supports our promise of a sustainable future.



## OUR MISSION

To provide sustainable, fashionable options to add to your wardrobe that maintain a concern for clothing waste and environmental stressor, delivered straight to your door.

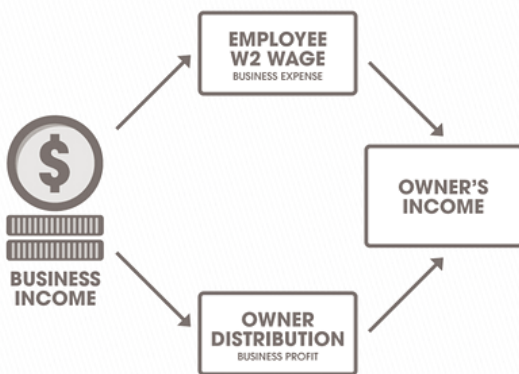


Building a sustainable planet for a better future for generations to come.

## LEGAL STRUCTURE

Horizon is a clothing and subscription box company based in Upstate New York, at Pittsford Mendon High School. As a registered S-Corporation our business has advantages as compared to other forms of ownership. A partnership has increased liability for the partners; and for an LLC, it would be very costly and is subject to increased taxes on profits. We are registered as an S-Corporation because of the fact that taxes are reported on personal income, which avoids "double

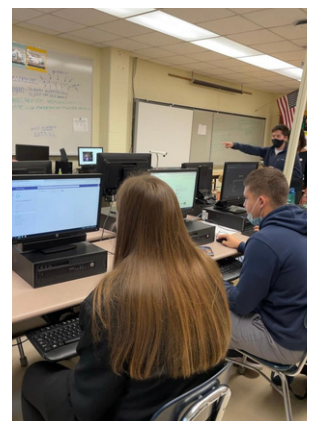
### How to pay yourself as an S-Corp Owner



taxation," an important factor to our company's bottom line. Additionally, shareholders are exempt from personal liability for business debts. S-Corporations provide an easy transfer of shares, favorable tax characterization, reduced burden of taxation and allows for shareholders to take out a distribution. Limitations of this type of business include having no more than 100 shareholders, closer IRS scrutiny and tax qualification obligations. Overall, the benefits of an S Corporation make it the best option for Horizon.

## INTERNAL ORGANIZATION

We follow a hierarchical structure with Noah Lucia as CEO. Noah Lucia is an experienced business owner that currently runs Sidekick Films – a creative agency providing video solutions to startup organizations. As CEO of Horizon Noah brings a wide array of prior experience and looks forward to applying his learnings to bring Horizon's success. Noah as well as our COO oversee the entire company and all departments which include Sales, Accounting, Human Resources, Marketing, Public Relations and Digital Media, which involves 14 employees. These departments communicate when working collaboratively to curate products and solve problems that arise and fix them to progress with our company.



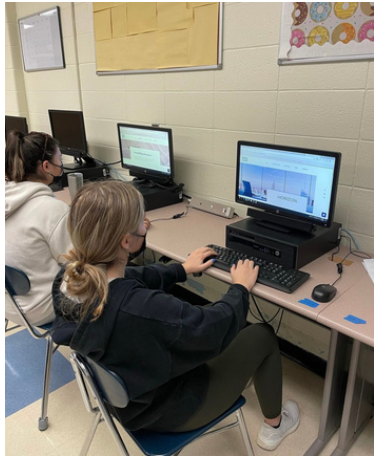


## INTERNAL ORGANIZATION, CONT.

As the Chief Operating Officer of Horizon, our COO Maris is ready to use her strong organizational skills and has the ambition to drive the company to success. With numerous business classes throughout high school including Business Dynamics I and II, Advanced Microsoft Applications, Financial Planning, Accounting, Entertainment and Hospitality Marketing, Virtual Enterprise, and Leadership Development Seminars, our COO has the academic knowledge to bring our company to success. Additionally, she is a fixture and valuable employee of Straight A Coaching in Pittsford, NY assisting students in school work and helping to strengthen their executive functioning skills.



Collaboration is a key to our success at Horizon. The 12 employees that round out Horizon's success have a variety of skill sets, both academic and real-world, that make our organization strong. The employees of this company have coursework in Career and Financial Management, Computer Applications, Accounting, Business Law, Marketing, Leadership, Financial Planning, Photography, and Digital Media to name a few. In addition, we employ multiple individuals with sales experience from retail industry roles.



Noah Lucia- CEO				
Maris Lindley- COO				
Tyler Shadders- Accounting Manager	Kate Hennessey- HR Director	Mark LoMaglio- Sales Director	Carly Liberman- Marketing and PR Manager	Michael Gallant- Digital Media Director
Dhruv Dave- Staff Accountant	Ben Hales- HR Specialist	Ava Bjornholtz- Brand Ambassador	Maddie Tran- Marketing Coordinator	Owen Delaney- Digital Media Coordinator
Chip Moynihan- Brand Ambassador			Claudia Zarnakoupis- Marketing Coordinator	
Catherine Meath- Marketing Coordinator				



# SWOT ANALYSIS

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- **Wide range of products:** The clothing industry brings a lot of different products to the table for companies to sell
- **High quality items:** We offer higher quality items, which customer can enjoy knowing that they are getting some of the best
- **Easily accessible online:** Easy to find, sell, and market. Customers can enjoy the ease of going online from wherever they chose and shop online
- **Price Tiers:** Makes our products affordable for a multitude of consumers

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- **Rapidly changing:** Clothing industry is always changing, meaning we need to change with it which can be difficult at points
- **High quality:** Higher cost to customer since higher quality and sustainable fabrics can be more expensive
- **Brand Recognition:** Difficulty competing against online businesses that promote “fast-fashion” and established customer bases
- **Time and Experience:** Limited amount of minutes (200) per week devoted to the business. Additional business specialization/training needed

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- **Few competitors for subscription boxes:** Shopping online brings potential with a new target market
- **Customer Interest:** Trend data supports an increase customer interest in vintage inspired clothing and the importance of sustainability
- **Growing online:** Focus on our strong presence online, along with social media to bring brand awareness.
- **Creating partnerships:** Partner with customer favorite brands such as Nike to sell on our site
- **Out of Network Partnerships:** Partner with retail stores to carry our curated boxes
- **Expand Supplier Network:** To offset inventory/shipping issues







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- **Slower shipping:** High online shopping rates and driver shortages cause slower shipping
  - **Weather:** Storms, floods, and other weather events can cause delay and potential damage to products
  - **Competition:** Close competition around us, fighting for the customers purchase
  - **Inflation:** Due to current economic conditions prices are higher
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## COMPETITIVE ANALYSIS

Horizon is uniquely positioned to stand out among the competitors within the Virtual Enterprise and real-world fashion businesses. As pictured below, competitors fall short in their ability to fulfill the target market's desires for unisex clothing and vintage-inspired fashions within the convenience of a subscription box model. We do our best to use the knowledge gained from the Design for Delight process to meet the needs of our customers.

Competition in the  marketplace

Features:	Recap Clothing	Opal	Adastra	Horizon
Support Male/Female/ Unisex Clothing				
Vintage Clothing				
Subscription Box				

Competition in the Real World

Features :	Stitch Fix	Unique Vintage	Horizon
Support Male/Female/ Unisex Clothing			
Vintage Clothing			
Subscription Box			

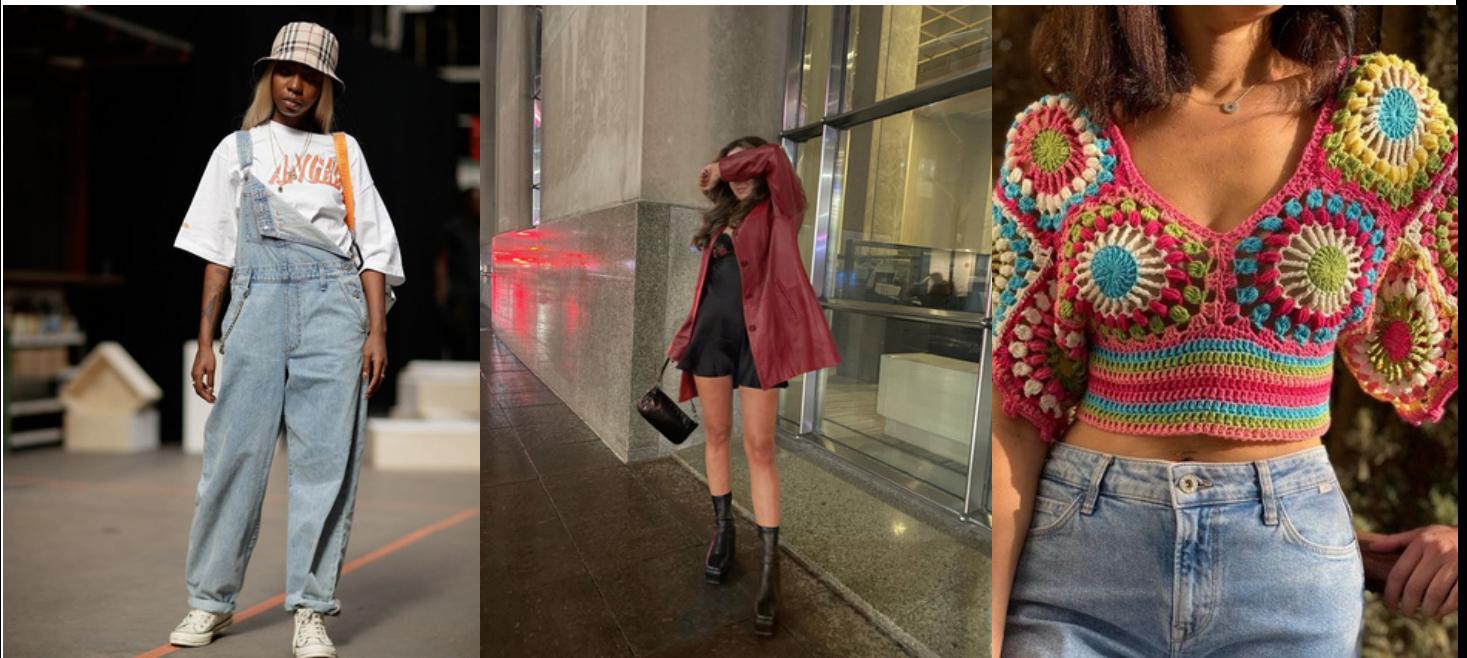
"Why should the consumer shop with Horizon when they can just get an individual item elsewhere?" At Horizon, we make things easy for our customers. Instead of bouncing from site to site, trying to find the best products, we make things easier with our subscription boxes. Customers can have the ease of ordering a box with a variety of products in there, and in a few days it can be delivered right to their front door. They don't have to worry about paying several fees from different websites, and it's channeled down one page. On top of that, we offer a variety of products on our website.

It may be obvious, but we also have competitors online such as Amazon. Despite the capabilities and the wide variety it has, there are also some flaws. At Horizon, we focus on providing the best products, meaning that our range of products may not be as large as Amazon, but they are quality items. With Amazon, you may not find quality products since there are so many to pick from. On top of that, it's difficult to trust products and their reviews. Companies occasionally pay users to leave a good review to promote their product. At Horizon, that is not the case.



## COMPETITIVE ANALYSIS, CONT.

"Why should customers shop with this subscription box over others?" In addition to keeping up with the latest trends our customers crave, we focus on giving back to our community, as we donate our profits to organizations such as the Ellen McArthur Foundation. Our target market will feel compelled to shop with us since they are "giving back to their community," a key characteristic of Millennials and Gen Z. We have also listened to customer feedback when determining the length of the length of the subscription, as well as incorporated vintage-inspired looks made from sustainable materials.



"Why shop online when I can go in stores?" That may be true, but we have several reasons why shopping online at Horizon will be more convenient. For starters, you don't have to bounce between stores or sections when shopping in person. On our website, we have easy access to multiple name brands. Also, it saves you the trip out to stores, so that you can make time for other things to do. It's fast, convenient, and easy with Horizon. Lastly, with COVID 19 being a lingering issue, consumers have been moving to online shopping, where it has been growing on the rise. Therefore, the opportunity within the online space continues to grow.

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## CURRENT ECONOMIC CONDITIONS

GDP – Is an measurement of the market value of all the final goods and services produced in a specific time period.

According to CNBC, the conclusion of the fourth quarter of 2022, GDP grew at 6.9% pace, which was stronger than expected despite the Omicron spread in late of 2021. The estimate was 5.5%, showing signs of significant growth. Consumer activity and business spending led the gains, which helped the U.S. economy have the strongest full year since 1984. Jobless claims remained at 260,000 slightly higher than expected, while orders for long-lasting goods have hit their lowest point since April 2020, showing an end of year slowdown (for 2021).

Recently the Fed has signaled that they will begin increasing interest rates, after nearly two years of near zero interest rates. This comes as inflation is the highest (7%) since 1982, as consumer prices continue to increase, affecting many households on spending.

In our business, we rely heavily on foreign supply chains. Via our wholesale suppliers we rely on specifically on international trade, purchasing clothing from brands like Nike, Shein, ASOS, Zara, Adidas, Royalapparel and Knownsupply. All these companies have supply chains located abroad causing our company to have reliance on supply chains. At Horizon, we will do our best to curate products months in advance to ensure boxes are fulfilled with the correct products. Our company will contribute to the nations GDP, by providing a final good/service being our boxes offered, in addition to our marketplace. Inflation will affect our company, with rising costs to our company as a wholesaler, we will have to put our increased costs onto our customers, due to the nature of the current economic environment.

COVID-19 supply chain disruptions have affected our business. Ecommerce fulfillment costs are rising, causing a ripple effect on shipments, curations of our products, and keeping our sourcing consistent. Even though supply chain disruptions have affected our company, we have managed to minimize disruptions by curating products months ahead of schedule, establishing operating rules for responses related to supply chain interventions, and implanting contingency plans to mitigate issues that may arise. Customers that do not receive our products promptly will receive store credit for the total amount. During the end of the fourth quarter, we increased our prices by around 3% due to our rising costs and the impacts of inflation. Over the next couple of months, our accounting team will continue to monitor inflation rates and will take further action if our costs continue to rise.



# INDUSTRY ANALYSIS

## REAL-WORLD

According to OBERLO, the global apparel market hit 1.7 trillion dollars this year. With that, the industry is expected to grow 7.8% over the next 4 years. In the average American household 3.8% of income goes towards clothing which is around \$2500 a year. Due to COVID, the rate of online shopping has skyrocketed. An estimate of 2.14 billion people online shop and ecommerce sales are expected to grow by 6.4 trillion by 2024 (Statista). Since we are an online company, this makes our company accessible and easy for our customers. With over 232,000 stores in the textiles business, the market is highly competitive, with leading competitors being Gap and Nike who each made around 35 billion in 2021 (Statista). Over the past few years, sustainability has become more important to others. Our company has a promise of sustainable clothing to help reach this market.

## VIRTUAL

There are 540 companies under the “Clothing & Accessories” category within the Virtual Enterprise Marketplace. Although this category is only 6th out of 27 categories in the amount of money made with \$4,219,332, it has made the highest number of transactions with 94,575 (VE Insights). This makes it one of the largest markets and most competitive. Since we are a new business, and due to the competitiveness of the market, we are at a disadvantage. Many companies have already established themselves and since there are so many companies, Horizon must work to increase brand recognition and differentiate from other Virtual Enterprise businesses.

Horizon is the only vintage subscription clothing company on the VE market. Horizon and Stitch Fix are similar since they are both subscription-based companies, but Horizon focuses on vintage clothing. Our company distinguishes itself by donating our proceeds to the Ellen MacArthur foundation and creating sustainable clothing. None of the clothing companies on the VE market are subscription based and none sell shoes and clothes with that surprise factor of what the customer will get. Vintage clothing is popular currently and rather than spending one's valuable time searching for pieces, Horizon has boxes specifically curated. We also have the option to choose individual pieces of clothing in the Marketplace.

Category Breakdown (Jun '20 - Mar '22) 06/30/2020 03/10/2022

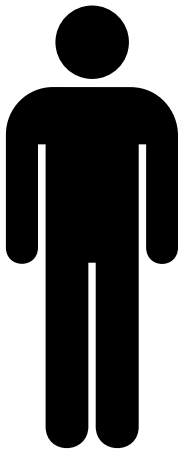
CATEGORY	TRANSACTIONS	INCOMING	INCOMING VOLUME (\$)	AVG. SALE (\$)	OUTGOING	OUTGOING VOLUME (\$)	NET (\$)
Advertising & Marketing	21,611	13,157	\$23,505,923	\$1,786	8,454	\$22,991,599	\$514,324
Animals & Pet Supplies	17,460	10,200	\$14,763,005	\$1,447	7,260	\$15,403,632	-\$640,627
Books, E-books, DVDs & Videos	10,081	5,778	\$14,053,946	\$2,432	4,303	\$13,314,510	\$739,436
Business Services	59,224	37,516	\$74,570,354	\$1,987	21,708	\$66,581,465	\$7,988,889
Cameras & Optics	8,199	4,533	\$11,536,673	\$2,545	3,666	\$8,903,682	\$2,632,991
Clothing & Accessories	94,575	60,190	\$101,109,279	\$1,679	34,385	\$96,889,947	\$4,219,332



## TARGET MARKET

We are targeting Millennials and those from Generation Z. Millennials consists of 25 percent of the U.S. population. With over 80 million of them, this makes them the largest target market according to “Social Media today”. According to Vanatge.com, the purchasing power of Millennials is at 170 billion per year.

Millennials and members of Gen Z have many characteristics that would make them an ideal target market for Horizon. To start off, convenience is key for these groups. According to Forbes.com, Gen Z shoppers are focused on convenience. Trends in the marketplace have shown convenience services such as grocery or food delivery have been on the rise. On top of that, those in Gen Z usually check their phones, and to be more specific, their social media apps, putting Horizon in prime position to capitalize on these trends.



**Demographic:** Our target Market is males and females ages 15-30 for all ethnicities in the middle to upper class. Family size will be smaller, around 1-3. Since we are aiming for a younger target market, most families won't be as developed yet.

**Geographic:** We will be available to everyone throughout the United States, and we will plan to expand internationally as well. If we were to market in a specific location, we would prefer to market in urban areas such as cities or large towns. More specifically, artsy neighborhoods, college towns and large cities as vintage clothing has been well known in those specific spots.

**Psychographic:** Shoppers can get access to a variety of different trends for clothes.

**Benefit:** Someone who wants to give back to their community, someone who wants to save their time, getting the ease of things, and interest in fashionable clothing, but may not have the time to shop for it.

**Behavioral:** Younger people may want the ease of just getting a box, instead of bouncing from store to store looking for different clothes. They also are environmentally aware.

**Socioeconomic:** Middle to Upper Class. Boxes are the “Big ticket” money maker for us, and we are aiming for those with a little extra cash (i.e. disposable income) to spend their earning on our boxes.

Millennials also share some characteristics that would fit our target market. According to a Gallup Study, 42 percent of Millennials make a purchase of one item impulsively per month according to emarketer.com. Impulse buys are always good for any business, so we want to focus on the target market with the highest likelihood of it.

Millennials are also engaging with their social networks. According to Forbes, “62% of millennial shoppers state that interacting with a brand on social media makes them more likely to become a customer”. We focus on a strong social media presence, so this would work perfectly with us.

Lastly, they want brands that give back. 50 percent of millennials support companies that support charities or causes. On top of that, 75% of millennials report that it is important to them that a company gives back to society. At Horizon, we work with the Ellen MacArthur Foundation. They focus on promoting a circular economy, which is a model of production and consumption. This involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. So knowing that, our target market could enjoy shopping with us knowing that we give back to our community.



# MARKETING MIX

PRODUCT	PRICE	PLACE	PROMOTION (FURTHER DETAIL ON PAGES 13-14)
<p>Business to Consumer</p> <p>We do this by shipping our products from our warehouses to the consumers footsteps.</p>	<p>Prices range depending upon subscription box length, as well as whether the customer is purchasing a clothing or shoe box</p>	<p>Company website</p>	<p>Social Media- Instagram, Twitter, and move to add in Tik-Tok</p>
<p>Subscription boxes for vintage-inspired clothing and shoes.</p>	<p>Boxes range from \$75-\$390</p>	<p>Virtual trade shows</p>	<p>Emails to not only bring in new customers, but also encourage repeat purchases from existing customers.</p>
<p>Individual clothing and accessory items available in the marketplace.</p>	<p>Marketplace items range from \$19-\$69</p>	<p>Personal selling via social media, email, and phone calls</p>	<p>Pay-per-click and Search Engine Optimization</p>



## POSITIONING

As for our product positioning, we are a company that focuses on a strong vision of offering sustainable, vintage clothing. Along with our traditional Marketplace items, we offer a unique type of product to our customers with our subscription boxes. Customers can have the ease of receiving new sustainable clothing fresh out of our boxes at a reasonable price for our target market. This can separate us from our competitors, as we will be able to bring out the latest trends with our boxes, and our subscribers may enjoy that over the other brands. For these reasons, we are well positioned as the leaders for the online clothing industry.

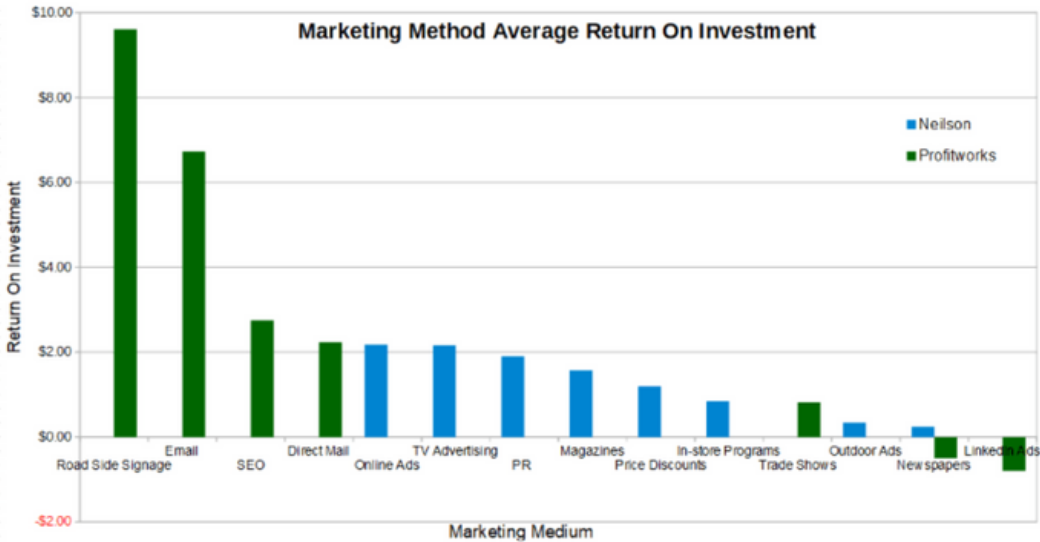




# INBOUND MARKETING

We strive to have a strong presence when it comes to our Inbound marketing strategies. Inbound marketing is a strategic approach to creating valuable content that aligns with the needs of our target audiences and inspires long-term customer relationships. At Horizon, we push to carry out several of these strategies.

To start, we want to invest in a strong Search Engine Optimization, or SEO. Keywords can include “Horizon Vintage” “Vintage Clothing” “Shoe Box” “Subscription Box” and “Clothes”. When consumers search for our type of clothing in the Internet, we want our name and website higher up the list, meaning that we need to be part of the algorithm. According to Profitworks.com, SEO has the second highest return on investment rate behind email marketing.



Source: Profitworks.com



To go further, we will focus on posting our content on our free posts for our social media accounts such as Instagram.

We will push to post on our Instagram stories, along with general posts as well. Content will include, “This or that” posts, FAQs, Employee and Client Highlights, and sharing a story. It’s a good way to keep our current customers following us in the loop, and up to date on what is going on. We will track to see if this is successful or not based on how many likes, comments, shares, and views we will receive.

On top of that, we will focus on paying for advertisement on our social media marketing. By that we will be using Pay per click and cost per impression advertisements on our social media platforms. The content will include, influencer posts, standard advertising to show off our products, and highlighting key sales or bundles. We understand there is a cost going into it, as we expect it to range from \$0.20 cents to \$2 dollars (for pay for click advertising) and \$6.70 per 1000 impressions (for impression advertising).



## **EMAIL MARKETING**

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We also would like to include email marketing in our inbound marketing strategies. As of today, there are more than 3.2 billion email accounts, with 95 percent of consumers using email. Along with that, email marketing is a great way to keep customers informed, as 28 percent of US online shoppers subscribe to store or product emails to stay informed, and 59 percent of US consumers would sign up for email updates from brands if rewards were offered.

Emails are a great way for inbound marketing as it is Easy to reach our customers. Emails are free for all consumers, and when it comes to content, emails allows us to put more in, such as promotions and coupons.

After evaluating our needs, the cost would be around 11 dollars a month based on every 500 contacts. This is according to the client Intuit MailChimp, a platform to help you push your email marketing out.

Emails also have a strong return on investment, according to Marketing expert Letisha Romas. For every 1 dollar spent, \$44.25 is the average Return on investment. According to the numbers, email marketing still accounts for more than 50 percent of revenue. Since we are aiming for a younger target market as well, we will focus on mobile email accounts, as 66% of Gmail messages are opened in mobile accounts. So what is our plan of attack? Knowing that email marketing and SEO have a stronger ROI, we will focus a good amount of our spending there. To hone in new customers, and gain more email addresses, we will also focus on social media marketing. The idea is to bring the customer in with a Instagram advertisement, where at some point we ask for their email. Once obtained, we will push to advertise through email marketing, since it has a stronger return on investment.

## **BUSINESS RISKS**

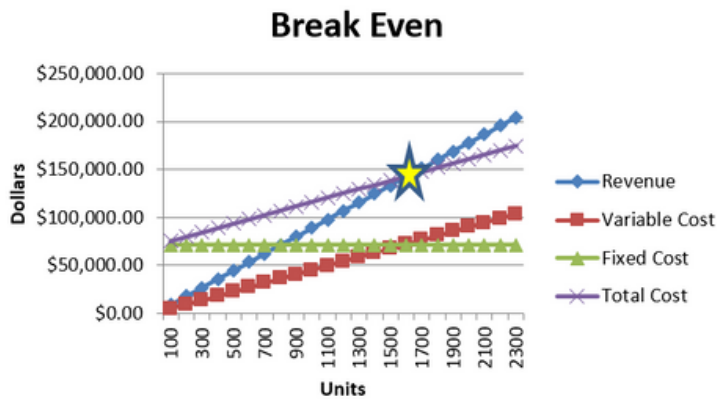
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Our business risks can include a multitude of factors. These include recent risks with the COVID-19 Pandemic. The Great Resignation has been a significant impact of businesses operations and staffing. Our company has been lucky to find reliable employees, but the future seems uncertain with many other industries having trouble finding work and spending more time to onboard new staff members utilizing more training resources. Obtaining talent is one of the biggest risks going into the first and second quarter of 2022. Organizations are still grappling with skills shortages from the pandemic and changing candidates interest in certain sectors. We are still facing pandemic related shortages/supply chain disruptions. Government policies/regulations continue to change, COVID-19 cases keep fluctuating in certain areas making it a challenge to project sales, inventory and more. Due to pandemic related issues and the current Canada vaccine protest, we have seen a shortage of CDL truck drivers. This has minimally impacted our business, but the future remains uncertain in regards to what domestic shipping costs could be with a truck drive shortage. In addition, with climate change impacting many different regions, weather can be an unexpected effecting inventory and delivery of our boxes. As more extreme climate events happen, weather is posing a serious threat when it comes to procurement and delivery of our products.



## FINANCIALS

### BREAK EVEN ANALYSIS



The break even-point of 1,617 units was calculated by averaging the amount of each sale, the amount of each item, and the cost of goods sold per unit. Horizon's average selling price per sale is \$88.96 and the average cost of goods sold per sale is \$45.00.

Horizon has \$71,071.80 on expenses such as rent, utilities and payroll. Horizon is making steady progress towards our break even point. To reach this point sales will need to exceed \$145,824.01 or 1,617 units. With an increase in brand awareness, branded subscription boxes, newsletter, and ad campaigns Horizon is well positioned to be successful for Q1 and Q2 of 2022.


### SALES PROJECTIONS

Horizon Sales Forecast Summary						
	Actual	Actual	Actual	Actual	Projected	Projected
Units Sold	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Vintage	12	16	9	8	12	15
Sneaker	4	7	3	4	6	9
Marketplace	59	43	29	21	35	41
<b>Unit Price</b>						
Vintage	\$248.00	\$291.00	\$291.00	\$291.00	\$19.99	\$19.99
Sneaker	\$182.00	\$194.00	\$194.00	\$194.00	\$14.99	\$14.99
Marketplace	\$81.00	\$84.00	\$84.00	\$84.00	\$49.99	\$49.99
<b>Sales Growth Rate</b>						
Vintage	0%	50%	-50%	-11%	50%	25%
Sneaker	0%	75%	-57%	33%	50%	50%
Marketplace	0%	-27%	-33%	-28%	67%	17%
<b>Revenue (Units Sold * Unit Price)</b>						
Vintage	\$2,976	\$5,238	\$2,619	\$2,328	\$240	\$300
Sneaker	\$728	\$1,358	\$582	\$776	\$90	\$135
Marketplace	\$4,779	\$3,612	\$2,436	\$1,764	\$1,750	\$2,050
<b>Total Revenue</b>	<b>\$8,483</b>	<b>\$10,208</b>	<b>\$5,637</b>	<b>\$4,868</b>	<b>\$2,079</b>	<b>\$2,484</b>
<b>Unit COGS</b>						
Vintage	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Sneaker	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10
Marketplace	\$1.55	\$1.55	\$1.55	\$1.55	\$1.55	\$1.55
<b>Margin Per Unit (Unit Price - Unit COGS)</b>						
Vintage	\$243.50	\$286.50	\$286.50	\$286.50	\$15.49	\$15.49
Sneaker	\$178.90	\$190.90	\$190.90	\$190.90	\$11.89	\$11.89
Marketplace	\$79.45	\$82.45	\$82.45	\$82.45	\$48.44	\$48.44
<b>Gross Profit (Revenue - COGS or Margin Per Unit * Units Sold)</b>						
Vintage	\$2,922	\$5,157	\$2,579	\$2,292	\$186	\$232
Sneaker	\$716	\$1,336	\$573	\$764	\$71	\$107
Marketplace	\$4,688	\$3,545	\$2,391	\$1,731	\$1,895	\$1,986
<b>Total Gross Profit</b>	<b>\$8,325</b>	<b>\$10,039</b>	<b>\$5,542</b>	<b>\$4,787</b>	<b>\$1,953</b>	<b>\$2,325</b>

Our Sales forecast includes increasing sales for the months of March and April. As competitions and VE assignments have wrapped up, our marketing and sales team can put more efforts into acquiring leads. We had an increase in unit cost from November to December due to increasing costs related to inflation. We do not project for the months of March and April having to increase our costs. We have negative sales growth rate due to our decrease in sales for the first months of the year. Although our sales are lower, we will implement commission per sale policy with our employees in the coming months, incentivizing them to want to sell more.

## FINANCIALS, CONT.

### SUMMARY PROFIT AND LOSS STATEMENT(PROJECTED)

	
Horizon	
PROJECTED Profit and Loss Statement	
For the Year Ending 4/30/2022	
Sales revenues	
Sales	100,000
Trade fair revenues	22,000
Contractual sales to non-VE entities	0
Other revenues	0
<b>Total sales revenues</b>	<b>122,000</b>
Cost of goods sold or services provided	34,520
<b>Gross profit</b>	<b>87,480</b>
<b>Gross profit margin</b>	<b>72%</b>
Operating expenses	
Salaries	85,093
Rent	1,370
Depreciation	
Payroll tax	6,510
Advertising	3,500
Promotion	
Insurance	1,407
Pension or 401(k)	
Interest	
Supplies	376
Utilities	342
Other	
<b>Total operating expenses</b>	<b>98,598</b>
<b>Income from operations</b>	<b>-11,119</b>
Other revenues/gains and expenses/losses	
<b>Net income before taxes</b>	<b>-11,119</b>
Corporate income tax	
<b>Net income after taxes</b>	<b>-11,119</b>

Horizon	
Cost of Goods Sold	
For the Year Ending 4/30/2022	
Inventory, beginning of the year	0
<b>Add: Purchases</b>	<b>50000.4</b>
<b>= Cost of goods available</b>	<b>50000.4</b>
<b>Less: Inventory, end of year</b>	<b>15480</b>
<b>= Cost of goods sold</b>	<b>34520.4</b>

For the fiscal year ending April 30, 2022, Horizon is projected to generate \$122,000 in Revenue. Our P & L shows that we need to generate an additional \$11,119 to cover expenses this period. While our profit and loss shows that we will be in the red this period, we hope that our website being open to sales, a new bracket style sales competition for our employees and a more intensive sales effort so we can maximize our selling potential. Additionally, we can explore VE out of network contracts to help increase revenue.



# FINANCIALS, CONT.

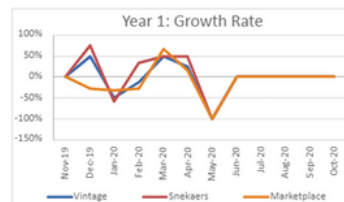
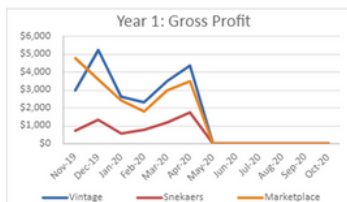
# HORIZON

## BALANCE SHEET

The balance sheet is a financial statement that reports the company's assets, liabilities, and equities as of February 28th, 2022. Horizon's Net Worth is approximately \$244,248. A majority of equity in the business can be attributed to Angel Investors and Retained Earnings. We rolled over approximately \$95,000 from the previous year and had 3 angel investors invest at \$50,000 each. Our Assets = Liabilities + Owners Equity showing that the balanced sheet will remain balanced.

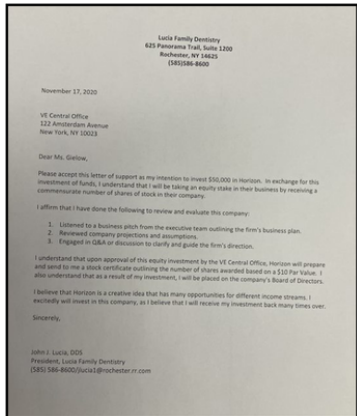
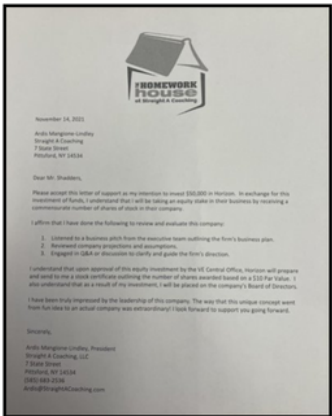
Our units sold for marketplace items have been a more popular sell, but our subscription box service continues to increase every month. During the months of March and April, our marketing and sales teams will focus their efforts on increasing subscription box awareness and sales. Subscription box products are more expensive and generate more revenue, as indicated from our Year 1 Revenue Chart. Our gross profit projections indicate that our Vintage Subscription Box will generate the most revenue in the coming months. Our growth rate projections through April show that subscription boxes will continue to grow and are ideal for generating a consistent revenue stream from our most loyal customers.

Horizon	
Balance Sheet	
As of February 28, 2022	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	217,105
Investments in stocks	0
Accounts receivable	4,151.43
Merchandise inventory	5,987.00
Supplies	375.81
<b>Total Current Assets</b>	<b>227,619</b>
<b>Fixed Assets</b>	
Computers	10,583.64
Less: accumulated depreciation	352.78
Furniture and fixtures	8,488.14
Less: accumulated depreciation	282.94
Office equipment	4,263.46
Less: accumulated depreciation	142.12
<b>Total Fixed Assets</b>	<b>22,557.40</b>
<b>Total Assets</b>	<b>250,176.64</b>
<b>Liabilities and Stockholders' Equity</b>	
<b>Current Liabilities</b>	
Accounts payable	0
Sales tax payable	862
Salaries payable	4,394
Payroll tax payable	672
401(k) payable	0
Other payable	0
Corporate tax payable	0
<b>Total Current Liabilities</b>	<b>5,928</b>
<b>Long Term Liabilities</b>	
Loan payable	0
<b>Total Liabilities</b>	<b>5,928</b>
<b>Stockholders' Equity</b>	
Common stock, \$10 par value, * # shares issued	150,000
Additional paid-in-capital	
In excess of par value	0
Retained earnings	94,248.40
<b>Total Stockholders' Equity</b>	<b>244,248</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>250,176.64</b>



## APPENDIX

### ANGEL INVESTOR LETTERS



### BANK BALANCE

US Network Bank					
Account details					
Account:	Horizon (Interest Checking) - 100003681				<a href="#">Download account details (Excel)</a>
Period:	from	03/11/2021	until	03/11/2022	Show
Date	Name/Description/Acct#	Ref#	Amount	Balance	
March 2, 2022	Jabin Ahmed.62577.62577 (US012677), New York, NY VE Checkout transaction #673024 03/02/2022 08:18 AM CT Acct #630953007	6089579	\$69.55	\$217,505.00	
March 1, 2022	Jacob Gustaltis.64690.64690 (US06551), Aurora, IL VE Checkout transaction #672479 03/01/2022 09:39 AM CT Acct #630958297	6084358	\$223.63	\$217,435.45	
March 1, 2022	Monthly Service Charge 02/01/2022 - 02/28/2022	6078701	-\$10.00	\$217,211.82	
March 1, 2022	Interest 02/01/2022 - 02/28/2022	6077766	\$116.14	\$217,221.82	
Feb. 28, 2022	VE Realty, New York, NY Monthly Rent Acct #630907080	6073507	-\$1,370.11	\$217,105.68	
Feb. 23, 2022	Jack Trusty.50481.50481 (US013608), Montville, NJ VE Checkout transaction #670745 02/23/2022 05:53 PM CT Acct #630935041	6067698	\$29.37	\$218,475.79	
Feb. 23, 2022	Ashley Qiu.59357.59357 (US013196), Hopewell Junction, NY VE Checkout transaction #670736 02/23/2022 04:41 PM CT Acct #630935181	6067680	\$28.89	\$218,446.42	



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