



Executive Summary 2022-2023



ABOUT THE BUSINESS Company Description

The term "don't forget where you come from" can often be heard, but in this day and age, some feel disconnected from their culture. In a country with millions of cultures and different customs, we can often feel overwhelmed and lose the bond with our own heritage. This is where Rekindle steps in to help! We strive to help people reconnect to their culture by purchasing authentic products from their country through specializing in the care package business. Our products contain contents from all over the world. These range from musical instruments, recipes, books, jewelry, traditional games, clothing, and so much more imported from the country itself, depending on the box size chosen by a patron.

Located at the Academy of Finance and Enterprise in Long Island City NY, there are advantages such as having multiple VE firms around us. We are organized as a functional firm divided into 7 different departments with a total of 31 employees. Our organizational structure is designed to increase our efficiency and productivity through a variety of our employee's skills. Considering we are a heritage-embracing company, our firm believes in spreading awareness to involve our community in activities or events that connect them to their roots and peers. Our legal form of ownership has been chosen to be a C corporation. Some advantages are: being publicly traded, having limited liability, and obtaining funding from investors to grow the company as quickly and effectively as possible.



Mission Statement

Rekindle strives to reconnect people to their roots with packages that bring the authenticity of a country right to their doorstep. We will do this in a way that increases cultural awareness for our patrons, allows us to flourish financially as a company, and provide many opportunities for personal and intellectual growth for our employees.



BUSINESS RATIONALE

Problem

With over 44.9 million immigrants living in America, we are solving the problem of cultural disconnect. Targeting second-generation immigrants, we surveyed 200 students and we found out that 80% missed their home country, and have difficulty finding their cultural items in the US.



We will solve Gen Z's problem of cultural disconnect through the use of carefully crafted imported goods, such as clothing, musical instruments, games, jewelry, and so much more. Each item is specific to a country and will help raise cultural awareness. We will bring a sense of comfort to our patrons no matter the distance from home.

Solution

Products



Non-perishable snacks & drinks, Home Decor,
Novelty Items, Recipes, Stickers, Flags,

Pathfinder
\$420



Books, Activities/Games, Fashion accessories/Jewelry,
Spices, Pictures/Postcards, Currency
(PLUS PATHFINDER)

Voyager
\$540



Collectibles, Musical Instruments, Fragrances, Skin &
Body Care, Clothing
(PLUS PATHFINDER & VOYAGER)

Expedition
\$700



Who? Why?



Culture makes up our identity and who we become, and it is essential that everyone has access to it. Rekindle is perfect for anyone looking to experience the lifestyle of their ancestors or experience foreign customs from around the globe. Using our premium pricing strategy demonstrates that we only provide our customers with high-quality, authentic products that are imported directly from the country itself. Rekindle offers a variety of items to choose from, whether you're looking for a way to spice up your kitchen with traditional recipes or want to learn some beauty hacks with traditional makeup and beauty supplies, Rekindle has you covered!



Company Goals





SHORT TERM GOAL	STRATEGY
Achieve Profitability by April 2023	We will utilize promoting heavily on social media platforms and attending as many trade shows as possible. Our finance department will also use our monthly statements to analyze projected vs actual results in order to assure we're on the right track. As of December 14, we have reached approximately 70% towards profitability.
\$200,000 from each Trade Show	As we approach each trade show, our social media and marketing departments will promote our firm heavily and arrange pre-trade show meetings with other VE firms, and also promote on social media.

LONG TERM GOAL	STRATEGY
Expand the number of countries that are available to explore from our service from 25 to 50.	To raise more representation, we will be splitting our team into groups to research different countries and its customs.
Decrease our customer acquisition cost from \$57 to \$25 by the end of the fiscal year.	In order to obtain repeat customers, we will be implementing certain programs such as a loyalty program and a customer targeting campaign that allows us to contact customers for feedback on our product.

MARKETING PLAN

Target Market

All businesses need to know who their potential clients are, therefore we had to create a target market. When determining our target market we needed people who were willing and able to purchase our products. We segmented our market using demographics, geographic, psychographics, and socio-economic factors. Aiming for our target market is important in making sure that we are properly reaching out to potential customers using the proper marketing tools. This will assure a more effective and affordable way to generate our business.

Demographic 	We will be targeting middle schools and high schools that participate in the Virtual Enterprise program, specifically GenZ that are between 13-18 years of age . Additionally, we will market to adults associated with the VE program that attend trade shows and can spend virtual currency.
Geographic 	Domestically we are primarily targeting NY, Florida, and California as these states contain the most VE program locations, in addition to other states. We are also targeting countries internationally such as Germany, Brazil, and Belgium . We are targeting these locations since this is where the majority of VE employees reside.
Psychographic 	We are focusing on people that are interested in reconnecting with their own culture , or learning about other cultures in an accessible, hands-on way . Also, people who do not have others to teach them first hand about their culture, or those who want to teach other family members about their heritage .
Socio-Economic Factors 	Generation Z has proven to be the most desirable target market as they wield the most buying power and have shown signs of interest in learning about other cultures as certain social media trends involve show casing certain aspects of different cultures begin to skyrocket.



Marketing Mix

Product



Here at Rekindle, we hope to satisfy your cultural needs. We offer care packages containing a variety of different items pertaining to different cultures from around the globe with items such as clothing, jewelry, musical instruments, snacks, recipes, and way more! **We offer 3 different sizes** for our packages as well as a monthly pick box to highlight each cultural holiday or event. However, we don't only offer a box, we offer an experience and a doorway to knowledge, or a way to bring home a little closer to you.

Pricing

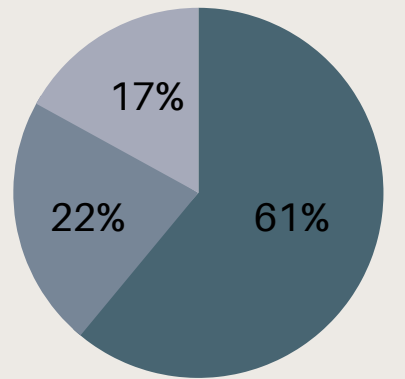


Pricing is one of the key components of every product. Here at Rekindle, we use authentic products with only the most excellent quality, and we want our prices to reflect that. Our products range from **\$420 to \$700**. Utilizing a **premium pricing strategy** allows for the following: higher profit margins, enhances the value of the company, and confirms to customers our products are culturally authentic and of the highest quality.

Placement



Our placement strategy will determine the success of our business. Rekindle will use a direct distribution channel due to the advantage of building a better connection with our customers and allowing us to be more responsive to customer feedback. Products will come to us before being shipped to our customers to ensure quality control. Purchases will be made directly from our website. We are projected to have **61%** of our sales from trade shows, and **22%** of our sales through our website. Lastly, the remaining **17%** will be non-virtual sales.

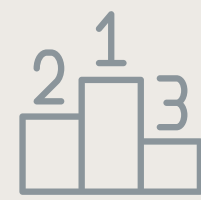


Promotion





Like every business, we need a useful promotion strategy to put us out there for our market. Our marketing team provides promotional materials such as creating enticing and exciting content that is posted on our social media accounts. This is expected to reach our target market best by choosing the types of videos that'll best relate to our demographic and psychographics. Expected expenses for regional trade shows are estimated to be about \$5,000 per event. Because we use our website and social media outlets no expenses are allocated. This includes promoting our brand using social media platforms such as Instagram, TikTok, and Facebook, as well as attending and hosting live trade show events. We are budgeting approximately \$60,000 in order to promote Rekindle by also partnering with firms such as Nuapps and Matariki Media. The result of this allows us to have a customer acquisition cost of \$57, which is below the national VE average of \$105, according to the VE insights page.

Positioning



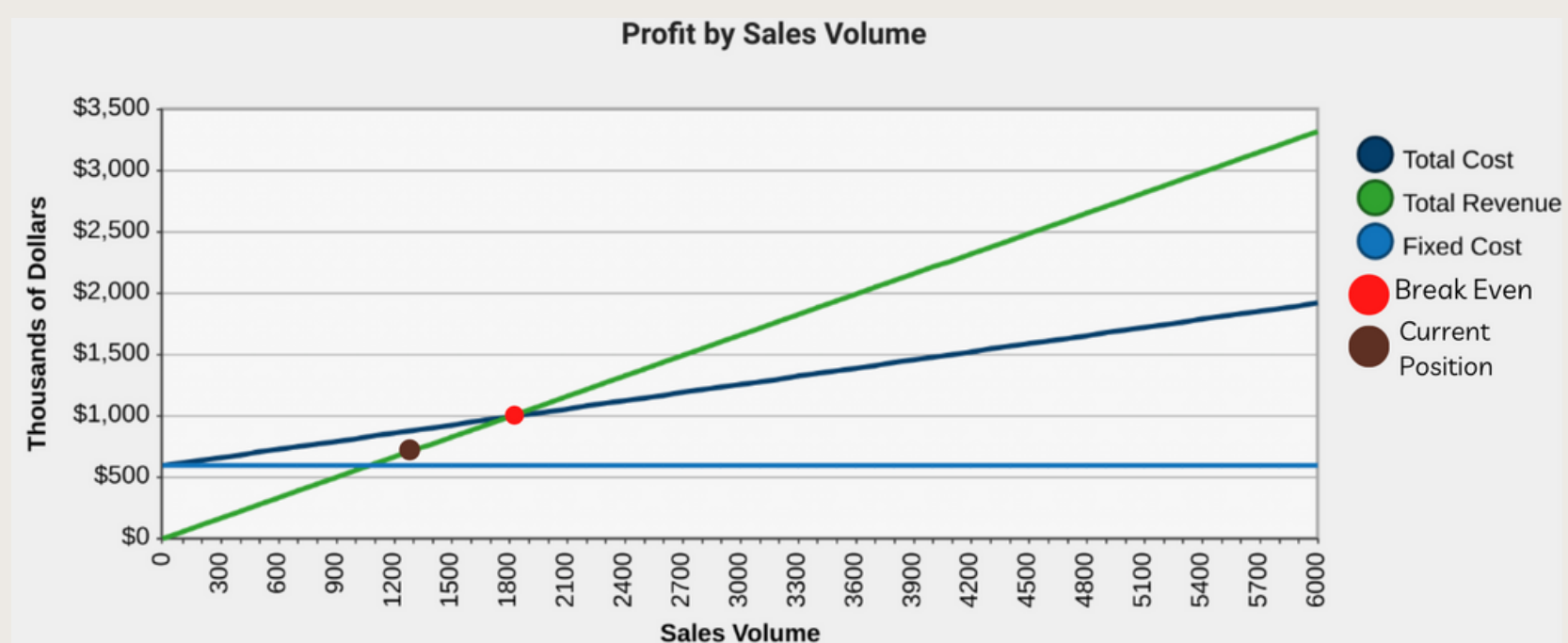
Competition is something that is inevitable but how we position ourselves in the marketplace is significant. We are positioned as a leading culture-related online retail business in the VE market. Using our authentic products combined with our premium pricing, promotional plan, and direct distribution strategy, our customers will think of us as soon as they need to open the doors to cultural reconnection and exploration.

Business Risks

RISK TYPE	PROBLEM	SOLUTION
Supply Chain Issues 	Shipping from another country comes to a halt. This could be of natural disasters, or economic problems in the foreign country.	Work with small businesses: Utilizing many culturally driven small business in the U.S, we will work with them. Being located in the most diverse city, we will also utilize local small business to expedite shipping time. This will allow us to continue selling authentic products without the importing difficulties.
Not Obtaining Repeat Customers 	Many customers may not want to repurchase with the thought of getting the same products again from one culture.	Contents change: Through our top monthly pick system we will be able change the items in each package. We will also strive to change the items for each culture in order to continue to drive in customers.

FINANCIAL HIGHLIGHTS

Break-Even



Projected to break even at **1,792 packages** by April 2023



Break-Even Analysis

All businesses need a break-even analysis to aid them to reach their goals. Based on our **average sales price of \$553**, the **cost of goods sold at \$221**, and **fixed expenses of \$594,854**, we will need to sell 1,790 boxes or \$989,870 to break even. We will achieve this by April 30, 2023, in order to break even. This will be achieved through website sales, trade fair sales, and Non-VE sales. As of December 14, we have sold \$688,635, which is approximately **70% toward reaching profitability**.

Rekindle Profit and Loss Statement For the month Ending 04/30/23

Sales Revenue		
Trade Fair Revenue	\$1,114,000	61%
Non-VE Sales	\$306,000	17%
Website Sales	\$409,000	22%
Total sales revenues	\$1,829,000	100%
Cost of goods sold or services provided	\$731,600	40%
Gross profit	\$1,097,400	60%
Gross profit margin	60%	
Operating expenses		
Salaries	\$403,334	22%
Rent	\$40,264	2%
Depreciation	\$5,754	0.30%
Payroll tax	\$30,855	2%
Advertising*	\$60,160	3%
Insurance***	\$13,265	0.70%
Pension or 401(k)	\$26,400	1%
Interest	\$6,922	0.40%
Supplies	\$3,500	0.20%
Utilities	\$4,400	0.20%
Total operating expenses	\$594,854	32%
Net income before taxes	\$502,546	28%
Corporate income tax**	\$105,534	5.8%
Net income after taxes	\$397,011	22%

*Represents cost of advertising with Nuapps & Matariki Media

**21% Corporate Business Tax

***Insurance policies with Guardian Insurance

Includes: General Liability & Commercial Property, Workers Compensation, and Disability)

Projected Total Sales VS Actual Sales



As displayed on our chart, Rekindle has successfully exceeded our projections for our first two months. For **October we projected \$180,000** and in **November we projected \$250,000** in sales. These expectations were surpassed during both months. Specifically, we exceeded projections by 49% in October and 7% on November. This was with the help of trade shows and our structured marketing plan which included launching our website and social media campaigns as well as partnering with Nuapps and Matariki Media to help promote Rekindle.

Projected Profit/Loss

For all startups, it is important to keep track of our income and expenses. We have constructed our projected income statement for the fiscal year ending April 2023. Rekindle's income statement shows that we are **projecting sales of \$1.8 million**. A majority of our sales come from trade fairs (61%). Our **expenses come to a total of \$594,800**. The largest expense is for salaries which make up 68%. After all expenses and taxes, we are **projecting a net profit of \$397,011**. We then conducted a vertical analysis which allowed us to understand how the money is being spent as a percentage of sales. Due to the fact that our largest expense is salaries, we did research and smallbusinesschron.com stated that salary expense for a start-up should be between 15%-30% of total revenue, since our salaries are 22%, it demonstrates that our resources are effectively used. As a startup company, we have placed ourselves in a successful financial position.

Balance Sheet

The balance sheet allows us to visually understand how our assets and liabilities are connected and how they affect our finances. According to our November 30, 2022 balance sheet, we received debt and equity financing in order to fund Rekindle. First, we received a \$150,000 loan from VE as well as \$20,000 in seed money, and \$150,000 from investors at the Lightning Business Pitch competition. This was in exchange for common stock. Our **total assets are \$608,800** and our **total liabilities of \$260,400**. Our **largest asset is cash** which is **\$560,504**. Our current largest liability is our loan balance. With our balance sheet, we have been able to establish a current ratio of 4.9. Investopedia.com stated that a healthy current ratio is between 2-3. **This displays that we are able to meet our financial obligations.**

Rekindle Balance Sheet As of November 30, 2022

Assets		Liabilities and Stockholders' Equity	
Current Assets		Current Liabilities	
Cash	\$560,654	Accounts payable*	\$89,264
Accounts Receivable	0	Sales tax payable	\$25,249
Merchandise Inventory	0	Salaries payable	0
Supplies	\$500	Payroll tax payable	0
Total current assets	\$561,154	401(k) payable	0
Fixed assets		Total Current Liabilities	\$114,513
Computers	\$20,400	Long Term Liabilities	
Less: accumulated depreciation**	\$680	Loan payable***	\$145,930
Furniture and Fixtures	\$22,980	Total Liabilities	\$260,442
Less: accumulated depreciation	\$198	Stockholder Equity	
Office equipment	\$5,950	Common Stock	\$170,000
Less: accumulated depreciation	\$766	Additional paid-in-capital	
Total fixed assets	\$47,686	In excess of par value	
Total assets	\$608,833	Retained earnings	\$177,941
		Total Stockholders' Equity	\$347,941
		Total Liabilities and Stockholders' Equity	\$608,383

*Inventory we had to purchase from trade show

**5-year straight-line depreciation

***\$150,000 loan at 8.25% interest rate

