

# TRACE

SAFE. SOUND. FOUND.

## BUSINESS PLAN 2023-2024

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# TRACE

SAFE. SOUND. FOUND.

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# EXECUTIVE SUMMARY

Did you know that more than 800,000 children are kidnapped in the U.S. in one year alone(1)? Yes, you read that correctly. That's around one life every forty seconds, meaning that in the time it takes to finish reading our business plan, the lives of 10s of children will face the consequence. The first 48 hours following the disappearance of a child are the most critical in terms of finding and returning that child safely home, but they can also be troublesome and chaotic(2). Kidnapping is not the only threat to our children's safety, children can be lost in a myriad of situations and locations. It could be a day at the mall, or a walk in the park. We can all relate to the experienced stress that comes from trying to keep an eye on your loved ones in the crowd. And all too often, a nice outing ends in disaster. Trace is here to help, and will not let you or any of your loved ones become part of any statistic.

## PRODUCT

Trace offers peace of mind for you and safety for your loved ones in the form of our Tracelet. This simple yet effective bracelet contains premium features such as a customizable geo-fence perimeter, an emergency SOS button, and an easy-to-use app while allowing you the ability to customize all features and choose how, when, and where you get alerts.

This bracelet along with all of its features helps children call for help when it's needed and helps parents rest easy knowing that their kids are only one tap away.



## MISSION STATEMENT

**"TRACE'S MISSION IS TO USE THE EVER-GROWING FIELD OF TECHNOLOGY TO EMPOWER PARENTS ACROSS THE WORLD TO ENSURE THE SAFETY OF THEIR LOVED ONES, OUR FUTURE."**



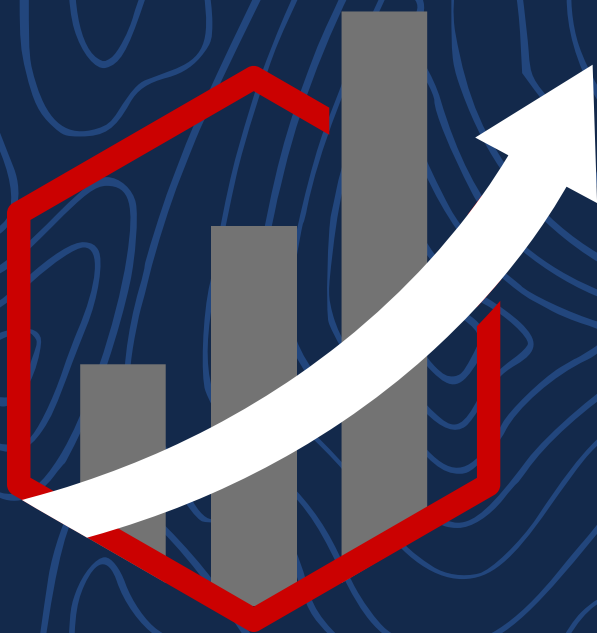
## COMPANY GOALS

With the creation of the Tracelet along with more products such as a pet tracker on the way, Trace is constantly making strides toward fulfilling its mission. Trace has set many other goals which it is constantly taking steps towards accomplishing. The company is happy to share that it has already completed one of its primary goals of breaking even, and has now set its sights on transitioning into a subscription-based service which it plans to accomplish by the end of this fiscal year. One of Trace's long-term goals is to expand to smart home security. Trace plans to accomplish this by building trust with its customers, and slowly offering a wider range of products for them to love.



## FINANCIAL HIGHLIGHTS

Trace has seen great success since its founding as a C corp, in September of 2023 located in Durham CT. Trace's start-up funding consisted of \$50,000 in seed money and \$100,000 from angel investors. With this start-up funding, Trace was able to finance its initial operating expenses. With an average unit price of \$36.9, and an average cost of goods of \$10.35, Trace has a healthy profit margin of 72%. Through the tireless work of our team, the company has consistently exceeded its projected sales, and surpassing expectations, broke even on February 13, passing the company's sales threshold of \$300,000 a month early. Trace projects just over \$550,000 in sales by the end of this fiscal year, leaving it with a net profit of \$127,955.



## BUSINESS RATIONALE

### CUSTOMER EMPATHY

Whether it's as urban as New York City or as green as Paradise Ohio, lifestyles may shift but one thing stays the same, the fear for a loved one's safety as revealed in Trace's research. Survey results concluded that 43% of parents say they do not feel safe with someone else watching their child and 76% said they would feel uncomfortable with them being brought outside of the house. Trace wondered why, so it asked. The response the company received was overwhelmingly similar amongst all of Trace's interviewees, even ones that responded they would feel comfortable with their children being brought outside. This was fear of the known as well as the unknown. The fear of what may happen to their precious child. This fear goes further than just parents, children feel it too. A Roper poll survey found that 76% percent of children "feared being kidnapped" as their number one concern(1).



### PROBLEM STATEMENT

Life nowadays can be daunting, especially with some little ones in tow. It's hard enough to balance work and home life, without worrying about whether your five-year-old is safe with the sitter. According to the Pew Research Center, 59% of low-income parents are worried about their child being kidnapped, half of those being, "extremely worried." They also showed that 57% feared their child being hurt or attacked(2), and they are not wrong. The Child Watch of North America reports that an estimated 2,00 children are reported missing each day(3). We need to go back to the time when we felt safe letting our little ones play in the yard or go over to a friend's house.



# Solution Statement

Trace's solution incorporates a variety of tools. Trace combined GPS tracking, a panic button, and customizable geofence perimeters, into one simple yet effective "Tracelet," to ease the burden on parents and maximize protection for their little ones. Whether lost in a crowd or even worse, kidnapped, children can press that panic button to notify their parents that they need help. Trace's geofence allows parents to set an area where if their kid leaves the pre-set parameters, they instantly receive a notification, ensuring their ability to locate their child with no delay. By empowering parents with necessary safety tools, Trace provides a way for them to keep their children safe without needing to constantly worry about them.

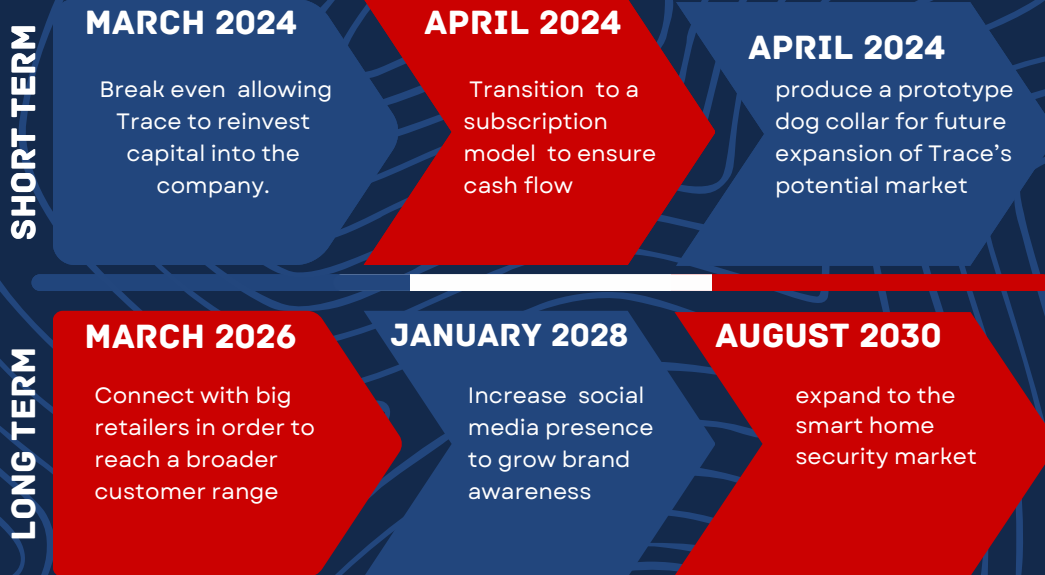


## ABOUT THE BUSINESS

### COMPANY OVERVIEW

At Trace, the company's primary focus is offering parents a means to monitor their young children's whereabouts. Trace has accomplished this by creating a kid-friendly wristband tracker, called the Tracelet, that allows you to monitor your kids' whereabouts in real-time, while still keeping it inconspicuous and cost-friendly. Founded in September 2023, Trace is a C-Corp. that operates out of Yeshiva Gedolah of Waterbury in Durham, Connecticut. Trace decided that a C corporation would be the most suitable for the company since the company plans to raise capital through investors, and a C corp is the most attractive for investors due to there being no pass-through taxation on shareholders. Additionally, Trace plans to invest a large margin of its profits back into the company, and a C-corp allows us to do so without being double-taxed. Trace is part of the smart tracker industry, which was valued at \$44.5 billion in 2022 and is expected to grow to \$160 billion by 2030(1).





## SHORT TERM

**Goal:** Break-even by early March 2024 allowing Trace to free up capital to reinvest into the company.

**Strategy:** Proactively engage VEI firms and develop strategic partnerships, while simultaneously leveraging social media promotions to maximize sales.

**Goal:** Transition from a single purchase model to a combined purchase and subscription model by April 2024 in order to ensure cash flow and long-term functionality of the company's products.

**Strategy:** Enhance Trace's website by repurposing the buy buttons to include the subscription package in the cart, and contact previous customers to notify them of upcoming charges.

**Goal:** Utilize Trace's technology to expand its product line to include pet-friendly products, by July 2025 thus massively expanding the company's potential market.

**Strategy:** Have Trace's R&D team repurpose the Tracelet into a "Tracklet" with more sizing options and leash attachments.

## LONG TERM

**Goal:** Increase brand awareness and social media (LinkedIn Facebook Instagram) presence to a combined total of over 100,000 followers by January 2028.

**Strategy:** Trace will continue posting content on its social media, as well as partner with trusted family-oriented influencers with the company's influencer sponsorship program.

**Goal:** Establish connections with domestic retailers such as Walmart, Target, and Best Buy, by March 2026, enabling Trace to reach an even broader customer base and ensure easy access to its products.

**Strategy:** Grow our relations with consumers by slowly offering a wider variety of products, and building trust in our brand, ensuring long-term repeating customers. (revolutionize by speaking and partnering with leading tech professionals)

**Goal:** Expand to the market of smart home security by August 2030 and dominate the tech/security space.

**Strategy:** Develop relationships with big retailers within the United States and have shorter lead times.





# MISSION STATEMENT

**“ TRACE'S MISSION IS TO USE THE EVER-GROWING FIELD OF TECHNOLOGY TO EMPOWER PARENTS ACROSS THE WORLD TO ENSURE THE SAFETY OF THEIR LOVED ONES, OUR FUTURE.”**

# ORGANIZATION



Trace operates under a functional organizational structure, encouraging collaboration and open communication between the company’s five departments: marketing, sales, finance, HR, and technology. Trace has 14 employees, with its Chief Executive Officer at the core, followed by a Chief Operating Officer and Chief Marketing Officer. These executives, along with the Vice President of Operations, direct the vision of the company and delegate ideas outward to their fellow employees. This provides a direct chain of command that combats internal issues, such as potential communication difficulties.

# STRENGTHS

## 1. TEAM COMMITMENT:

One of Trace's greatest strengths is the team's strong commitment to the company's goal of providing safety to children. A big factor behind the team's motivation for this stems from the majority of Trace's employees having younger siblings, and of course, they want to know their brothers and sisters are safe. The team knows that bringing the Tracelet to the market and making it a household name is one step closer to achieving that goal.

## 2. Affordability:

Another one of Trace's greatest strengths is its products' affordability. Trace's prices begin at the low cost of \$39.99 for 1 bracelet and descend in price as you scale your order. When compared to the competition in the space such as InvisaWear, whose cheapest product starts at \$149.99, it's clear that Trace's prices are as strong as it gets, making it affordable regardless of socio-economic status.



# WEAKNESSES

## 1. LACK OF DIVERSITY:

A weakness Trace has identified in the company is the team's lack of diversity. Being a fully Jewish male school, Trace is aware that it lacks the input of many races and ethnicities. The company combats this by polling a broad spectrum of communities, absorbing their feedback, while simultaneously remaining active on Trace's social media platforms and gathering input from there as well.

## 2. STIGMATIZATION:

Another weakness Trace has identified that may arise is the stigmatization surrounding the company's product(s) due to it being a constant monitoring system. To remove concern from its customers Trace partners with trusted parenting gurus to promote the safe and responsible use of trackers. Trace also focuses heavily on parents using the product(s) to empower children with more freedom, not as a restrictive item.



**S.W.O.T ANALYSIS**

**OPPORTUNITIES**



**1. TRADE SHOWS:**

An opportunity that Trace utilizes is VE trade shows. By clinging to this opportunity, Trace is given the ability to show people that the Tracelet is a reliable product for child safety, allowing the company to boost awareness while simultaneously increasing its revenue stream.

**2. REACHABLE TARGET MARKET:**

Trace's primary target market is millennial parents of children, who on average spend more time on social media(1) than they do with their own children(2). By implementing current media trends, Trace can target its customers through tailored advertisements to initiate the sales of its product(s).

**THREATS**

**1. SUPPLY CHAIN ISSUES:**

Trace anticipates future supply chain delays, and combats this by establishing connections with U.S. manufacturers, lowering the profit margin, but ensuring continuation of sales.

**2. TECHNOLOGICAL ADVANCEMENTS / COMPETITION:**

Another threat that may arise stems from technology constantly changing, and the potential of new fish entering the pond. Trace is addressing this by focusing on adaptability and flexibility, while concurrently improving its systems with the latest technology, and finding new ways to differentiate and put Trace above its competitors.



## COMPETITIVE ANALYSIS VIRTUAL

Trace is unique amongst the Virtual Enterprise world as it has no direct competitors. Its closest competitor, Noti Find is a virtual firm that created multiple products. They developed the Noti Key and Noti Card, which is a tracking tile or card that fits onto a key chain or wallet and functions similarly to an Apple Airtag.

Although Trace also developed a tracking product, it is not in direct competition with Noti Find. Trace differs from Noti Find in multiple areas. Trace designed the Tracelet specifically with children's safety in mind and contains suitable features such as a panic button and an inconspicuous design.



While Noti-Find has created an easily recognizable tracking device with the sole intention of tracking objects. These differences become clear when comparing the tracking range of both companies. Noti-find provides tracking up to a 70 ft radius and gives an option to upgrade to 140 Ft with the purchase of their subscription plan. Trace on the other hand utilizes cellular connection which allows tracking anywhere in the world with cell service.

To sum things up: Trace is designed to wear, has a near infinite range, is extremely affordable, totally discreet, and child friendly. Noti-Find however possesses only two of these essential qualities, namely its long range and its discreetness. This makes Trace the obvious choice for your child's safety.

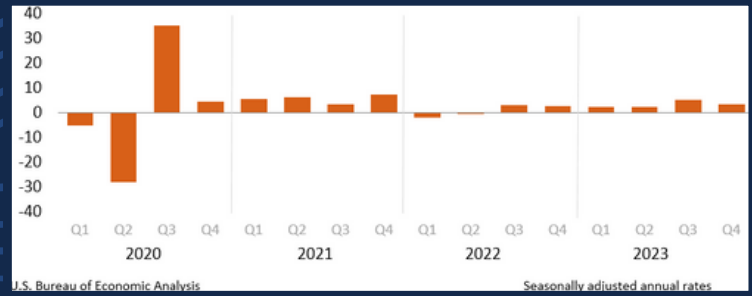


# CURRENT ECONOMIC CONDITIONS

## GDP

The G.D.P. of the United States surpassed expectations growing by 3.1% from the fourth quarter of 2022,(1) and is continuing this upward trend, already having grown almost 1.5% since December 2023(2). This indicates an expanding economy, indicating a strategic time to found our compay.

## REAL GDP: PERCENT CHANGE FROM PRECEDING QUARTER



## UNEMPLOYMENT RATE

The US Unemployment Rate measures the percentage of total employees in the United States that are a part of the labor force, but are without a job. It is one of the most widely followed indicators of the health of the US labor market and the US economy as a whole. Historically, the US Unemployment Rate reached as high as 10.80% in 1982 and 9.9% in November of 2009. Both of these times were notable recessionary periods. The US Unemployment Rate is currently at 3.90%, significantly lower than the long-term average of 5.7%(3). Low unemployment is usually regarded as a positive sign for the economy, unless it's far too low, which the current rates would generally not be considered(4) Overall, the current unemployment rate as well as future predictions indicate a robust economy which has recovered enormously since the Covid-19 pandemic.



# COMPETITIVE ANALYSIS

	DESIGNED TO WEAR	LONG RANGE	AFFORDABLE	DISCREET	KID FRIENDLY
	✓	✓	✓	✓	✓
	✗	✓	✓	✗	✗
	✗	✓	✗	✓	✗
	✓	✗	✗	✓	✗

## REAL

Trace is part of the smart tracking industry, a subdivision of the technology sector. In 2022 the smart tracking market was valued at \$44.5 billion. Analysts expected the global market to rise to \$161.6 billion by 2030(5). Smart trackers provide consumers the convenient ability to have the constant location of whatever they desire. This allows extreme ease in locating lost items and this convenience is highly valued by consumers. A factor in the growth of the smart tracker market may be attributed to the lower cost for the smart trackers. This allows people from all financial backgrounds to see a smart tracker as a worthwhile investment, either for safety or convenience. When you combine this with the current unstable global climate people are more motivated to invest in safety, especially the low cost

Trace's smart tracking bracelet provides an easy way to connect users to their loved ones through our state-of-the-art technology. Although Trace has no direct competitors in the real-world market, several indirect competitors are currently involved in the smart tracking space.

Apple is one of these indirect competitors, providing users with a tracker to locate missing items with their Airtag. While sharing the joint mission of providing tracking services for their clientele, The Airtag has only been a reliable option for consumers looking to track items. Trace's mission is to provide their users themselves with security, knowing their loved ones are safe. Additionally, as Apple's focus is not mainly targeted on their Airtag, it gives Trace a significant advantage.

Invisawear is another company whose focus is on manufacturing discreet trackers. Invisawear created a tracker that attaches to a necklace or bracelet, and it has some features similar to those of the Tracelet. Although Invisawear has goals somewhat comparable to Trace's, Invisawear only targets adult women, whereas Trace reaches a broader audience as its products are curated for all genders and ages. Additionally, as Trace is more focused on complete discreteness and comes at a way more affordable price, both Invisawear and Trace will pull from different customer bases, causing little to no competition between their respective brands.

## MARKETING PLAN

### PRIMARY TARGET MARKET

Trace's Primary target market is parents of children ages 1 - 11. These parents are mostly Millennials, and command over 275 billion dollars in spending power, and like all good parents are concerned for their child's safety. These parents need a way to keep tabs on their children from a distance without having to give them a phone at such a young age.



PARENTS OF CHILDREN 1-11

### SECONDARY MARKET

Although Trace's primary target market is parents, safety goes beyond just one group of individuals. This is why Trace has expanded our target market to include Gen Z such as our fellow Ve students. These Gen Z customers worry for their own safety or the safety of a loved one, such as a sibling or a close friend. Which is why the Tracelet is perfect for them.



- Jacky; 48
- lives in the Suburbs
- Suburban
- mom of 2 "very" high-energy kids
- constantly worrying about her children's safety
- finds it very hard to keep track of her children



- Emily; 17
- Lives in the city
- low-income
- high school senior
- likes to go out but is concerned for her safety
- uses public transport as primary mode of travel

### TERTIARY

Traces tertiary market consists of schools with young children who go on field trips, such as your typical kindergarten or elementary school. Instead of having to constantly do headcounts and stressing whenever one head is missing. The teacher can now simply check an app that connects to every kid's Tracelet and locate the missing child in an instant. With the immense amount of safety and security that Trace can offer these schools, it's a no-brainer why it's a perfect market for the company to dip its toes into.

## MARKET SEGMENTATION

### DEMOGRAPHIC

Ages 12-43  
All genders  
All races

### PSYCHOGRAPHIC

Values child activity outside the home.  
Concerned about safety.



### SOCIO-ECONOMIC

ALL INCOME LEVELS

### GEOGRAPHIC

lives in United States

## SOCIO-ECONOMIC



Trace targets people of all incomes due to the company's extremely competitive and low pricing. Additionally, Trace recognizes the importance of zoning in on a target market, and therefore targets millennial parents due to their yearly spending power being extremely high at over 2.5 trillion dollars per year(1).

## Geographic

Trace focuses on retailing in the online market and Ve online trade shows with plans to expand to big retail in the coming years, currently, Trace only sells domestically in the U.S meaning the company doesn't have to worry about the high costs and slow speeds of shipping its products outside the U.S. Though Trace has the capabilities to reach anywhere in the U.S. Trace's sales team primarily focuses on selling and promoting on the east and west coast as they contain the highest concentration of Ve firms.



## psychographic



Trace targets people who worry about the safety of a child under their care. Whether it be a sibling a nephew, or their own child. These people are busier and would like to let their loved ones play outside, but they can't keep an eye on them all the time and are rightfully concerned about the dangers of letting kids play outside unsupervised. Trace understands and relates to this dilemma and designed the Tracelet in an effort to combat this, which is why Trace chose to target these people.



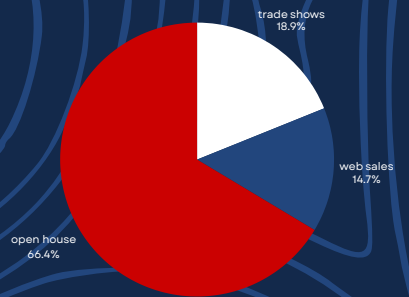
MARKETING MIX

PRODUCT



Trace sells safety for children and peace of mind for parents in the form of its flagship product, the Tracelet. The Tracelet is a trendy bracelet that comes in a variety of colors and designs that contains a discreet safety system containing state-of-the-art technology such as GPS Tracking, Geo Fences, and a Panic button. All these features come together in the Trace app allowing Trace to empower its customers to ensure the safety of their loved ones.

The Tracelet integrates a GPS component alongside its cellular module for internet connectivity, facilitating location transmission. We've partnered with Tello, a Mobile Virtual Network Operator (MVNO) leveraging T-Mobile towers, to offer an economic cellular connection for our trackers. Tello has devised a tailored plan providing 100 MB of data, ample for location transmission, priced at \$2 per month.



PLACEMENT

Trace has a presence on the online marketplace and generates sales from its E-commerce website, open houses, and VE in-person and online trade shows. The company does not have a brick-and-mortar store, however, Trace's website allows customers to easily find and purchase the company's products and the company is working on getting into retail stores across the country as well.

Trace's sales team puts great effort into making sales through open houses and trade shows, and this is evident in the company's sales distribution. With the brand awareness the company will gain from its refined promotional strategy, Trace expects the company's web sales to shoot up and create a new definition when you hear the word "Trace".

\$ PRICE

Trace offers an affordable safety system for parents to keep their loved ones safe. Trace sources cost-effective materials to create its signature product. The Tracelet starts at a low cost of \$39.99 for the individual pack, then goes down to \$37.5 per unit with the two-pack, and bottoms out at \$33.33.

Trace conducted surveys and the responses showed the vast majority of customers are very happy with a price of \$40 or less. After adding the company's c.o.g.s. Trace found that if it sold its products for an average price of \$36.9 Trace could satisfy its customers and maintain a very healthy profit margin of 72%, and there's no arguing with the results! Trace uses the charm pricing strategy, in which the company reduces the rounded price by one cent, to make it appear more affordable. Each online order includes free shipping, so customers may feel that they are getting a better deal than if they had to pay for shipping separately.

# PROMOTION

Trace understands the vitality of promotion for the success of a new company. This is why the company has allocated a significant portion of the company's financial power and manpower towards developing and executing Trace's marketing campaign. Trace understands the difficulty parents may have to put a tracking bracelet from a previously unestablished company onto their child's wrist. That's why Trace's chosen marketing strategy starts by primarily focusing on pursuing partnerships with pre-established brands and people that parents already trust such as Oprah Winfrey, or designing a Hello Kitty or superhero-themed bracelet. After establishing Trace as a trusted brand, the company will then shift gears to focus primarily on customer retention and expanding outreach. Trace's strategy for this is to grow the company's social media presence through Trace's own social media accounts and influencers. Trace is confident in its promotional strategy due to the quality of our product. The company knows that once a customer has a Tracelet on their hands they will be more than satisfied. The only difficulty would be getting them to trust the bracelet enough to put it on their hand, which is why Trace chose this route for the company's promotional campaign, and why the company is so confident in its future success.



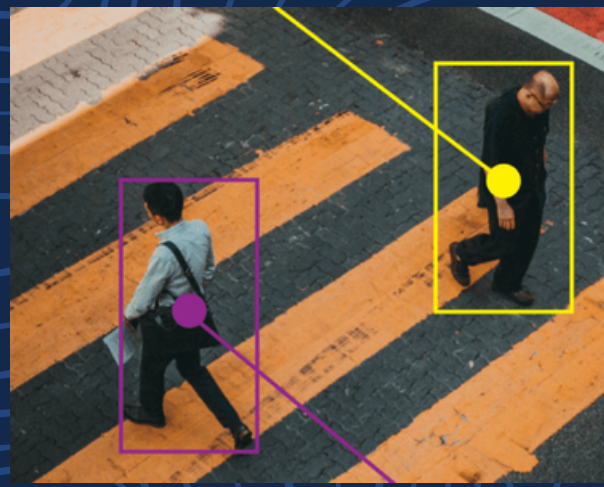
# POSITIONING

Through reasonable pricing and creative use of state-of-the-art technology, Trace has positioned itself as the best option for providing safety to low, middle, and upper-class families with younger children. When a customer buys a Tracelet they aren't just purchasing a product, but the feeling of security and peace of mind that comes with it, something priceless, just as how they should feel every time they think of their loved ones. Trace does a great job of representing this with the company's graphic design. Trace's choice color combination of red white and blue in the company's color palette symbolizes safety, urgency, and clarity. The red is to symbolize the danger of the matter that the Tracelet is addressing. The blue and white combine to emulate that feeling of safety and peace of mind that you acquire when you purchase a Tracelet. Trace also uses shields throughout the company's graphics in order to reinforce that message of safety. With the strength of the company's product, price, placement, and promotion, Trace is confident in its positioning, and will continue to pursue the company's goals and take great leaps in all these areas.

# BUSINESS RISKS



When the company first formulated the idea for the Tracelet, it soon became aware of the potential risks that may come along with it, the most pressing of which is the illegal use of the company's products, such as non-consensual tracking.



Although Trace cannot control the general use of its products, it can try and prevent people from using them improperly. By inscribing a warning on the inside of the products that only the person wearing it can see, and designing the product with a 1-week battery life, Trace has made its products an unlikely option for any non-consensual tracking, while still keeping the battery life long enough that the companies real customers (who can recharge the device) remain satisfied.

Another serious risk is cyber security. Parents may be concerned that the company is tracking their children.

Trace combats this by only storing minimal data on the company's servers and making sure the customers know that Trace encrypts their private information, and does not see when they get notifications. Additionally, Trace employs ethical hackers and is constantly working on improving the company's cyber security.



# FINANCIAL HIGHLIGHTS

## FINANCIAL WRITE UP

Trace started operation on September 21st, 2023 when the company obtained a \$50,000 seed investment and \$100,000 from outside investors. Trace allocated these funds towards the initial startup costs, such as Payroll, rent, and utilities. Trace chose to sell a small portion of its stock for funding as the company did not want to have debt which might stunt growth. The company decided to sell a minority share of 30% to maintain majority control while obtaining enough capital to fund operations

### SEED MONEY

VE Seed Money  
\$50,000

### ANGEL INVESTMENTS

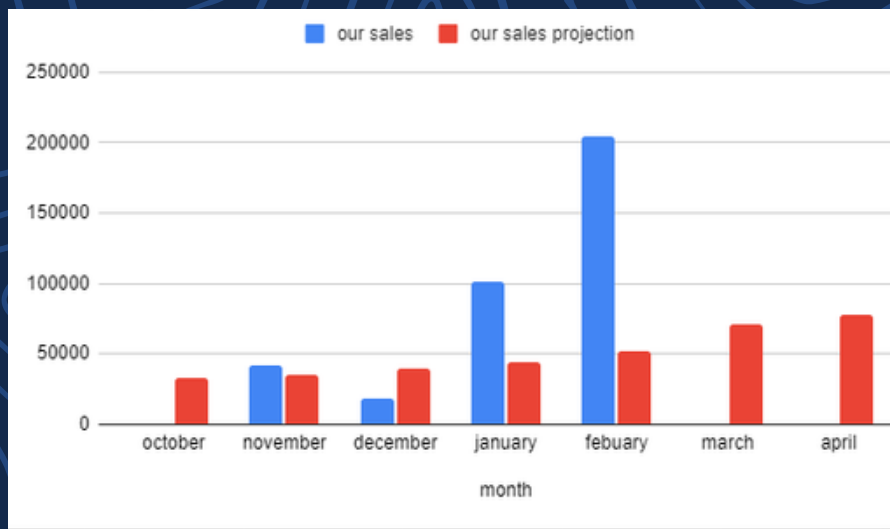


Mendy Elin C.E.O.  
Best Tix  
\$50,000



Ezra Borck Supervisor  
Y.A.S.W.  
\$50,000

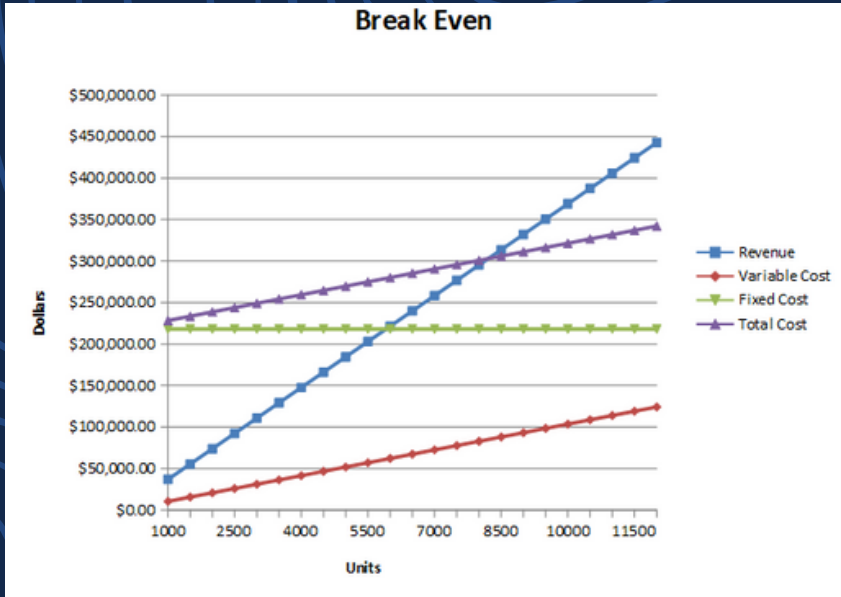
## PROJECTIONS AND ACTUALS



Trace is currently well on the way to meeting the projections made in the below P&L statement.

Trace's dedicated sales and marketing teams make sure that the company has a steady flow of revenue to rely on. When Trace broke the sales threshold of \$302,955 on the 13th of February 2024 the company passed a major financial milestone. Our initial projections showed that Trace would break even a month later, however, a large surge in sales occurred before Valentine's Day. This surge was fueled by our Valentine's Day marketing, which VE students valued highly. This is evident as a majority of sales in February occurred before Valentine's Day, and quickly returned to the predicted sales days after. We intend to further capitalize on major holidays and the large influence they carry.

# BREAK-EVEN ANALYSIS



**FEB. 13 2024**

**8,210 UNITS SOLD**

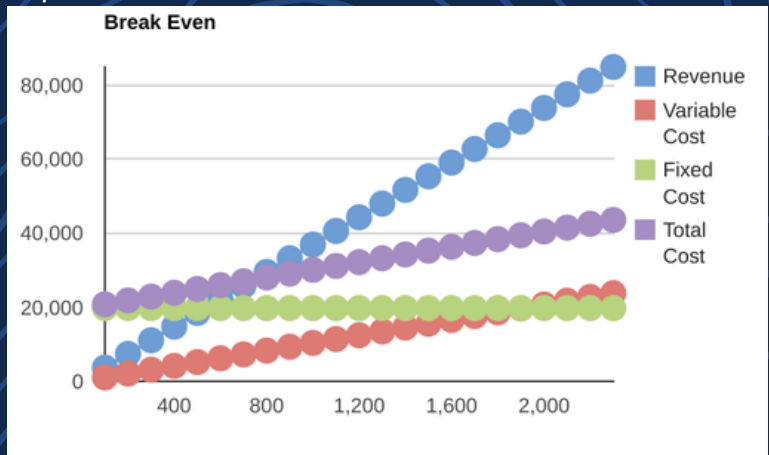
**\$302,955**

Trace broke even on the 13th of February 2024, when the company broke the sales threshold of \$302,955 or 8,210 units. Trace's original break-even analysis projected that the company would break even in early March, however, due to an extremely dedicated sales team the company reached this financial milestone earlier than expected. Another reason for the company's early success may be attributed to the unstable times in which safety became a highly valued commodity.

Trace's break-even point is based on a unit price average price of \$36.90, calculated with the fixed and variable costs of the company. The unit price average is based on the average price-per-bracelet of Trace's three sales packages. The company's cost of goods sold is \$10.35 which leaves Trace with a profit of \$26.55 on average, which is a 72% profit margin. Trace's fixed costs include rent, payroll, utilities, insurance, and advertisements, and equal a total of \$227,980 each year. Trace's fixed costs are extremely reasonable due to the company's high-efficiency work environment that requires a low square footage.

To break it down further, Trace created a month-by-month break-even point. Monthly fixed costs total \$19,748.33, and variable costs are \$7,698.46, meaning Trace must sell 744 units per month.

## MONTHLY BREAKDOWN



# PROFIT AND LOSS

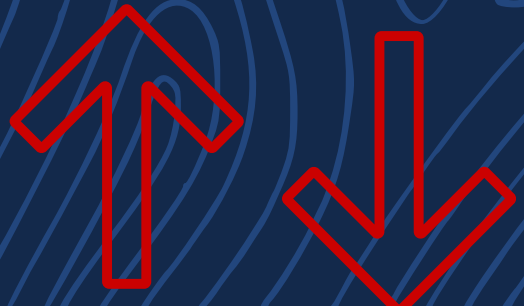
	October (Actual)	November (Actual)	December (Actual)	January (Actual)	February (Actual)*	March (Projection)	April (Projection)	Sales	totals
<b>Total Sales Revenue</b>	\$989.79	\$42,106.22	\$18,921.62	\$101,109.10	\$204,536.63	\$88,060.64	\$97,276.00	<b>Total Sales Revenue</b>	\$553,000.00
Units sold	40	1,099	501	2,640	5,438	2,446	2,836		
<b>Total C.O.G.</b>	\$414.00	\$11,374.65	\$5,185.35	\$27,324.00	\$56,281.30	\$25,316.10	\$29,352.60	<b>Total C.O.G.</b>	\$155,248.00
<b>Gross profit</b>	\$575.79	\$30,731.57	\$13,736.27	\$73,785.10	\$148,255.33	\$62,744.54	\$67,923.40	<b>Gross profit</b>	\$397,752.00
<b>Total Operating Expenses</b>	\$33,854.29	\$33,854.29	\$33,854.29	\$33,854.29	\$33,854.29	\$33,854.29	\$33,854.29	<b>Total Operating Expenses</b>	\$236,980.00
<b>Net Income Before C.T.</b>	-\$33,278.50	-\$3,122.72	-\$20,118.02	\$39,930.81	\$114,401.04	\$28,890.25	\$34,069.11	<b>Net Income Before C.T.</b>	\$160,772.00
Corporate Tax	-\$6,988.48	-\$655.77	-\$4,224.78	\$8,385.47	\$24,024.22	\$6,066.95	\$7,154.51	Corporate Tax	\$33,762.12
<b>Net Income After C.T.</b>	-\$26,290.01	-\$2,466.95	-\$15,893.23	\$31,545.34	\$90,376.82	\$22,823.30	\$26,914.60	<b>Net Income After C.T.</b>	\$127,009.88

**\*NOTE THAT THE CMPNY C.O.S.G. FOR A TEST SUBSCRIPTION OF 2 DOLLERS**

## P AND L THRU APRIL 2024

We understand that 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 2024. Trace's Profit and Loss statement shows that it is projecting sales of \$553,000 by April 2024. After removing the Cost of Goods Sold of \$155,248 Trace is left with a gross profit of \$397,752. Our operating expenses come to a total of \$236,980. Our net income is \$160,772 before corporate tax and \$127,010 after. The largest expense is salary which makes up 70%. We conducted an analysis and found that our payroll is 30% of our sales, inside the safe zone according to Marc Holliday Sr. Product Marketing Manager at Oracle NetSuite(1). As a startup company, we have placed ourselves in a successful financial position.

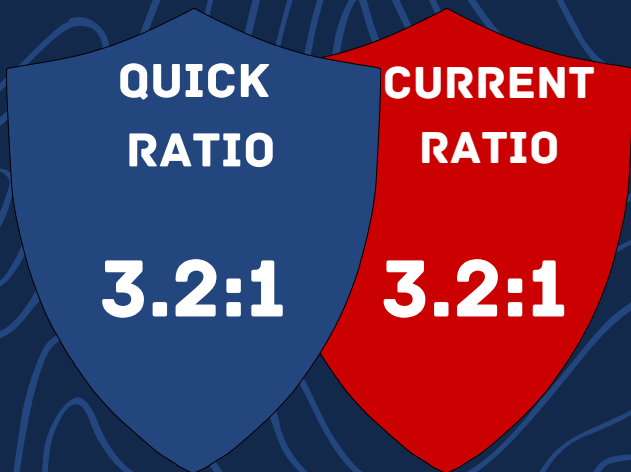
<b>Sales</b>	
Online Sales	\$352,261.00
Trade Show Sales	\$200,739.00
<b>Total Sales Revenue</b>	<b>\$553,000.00</b>
<b>Costs of goods sold</b>	
Online	\$98,805.00
Trade Show	\$56,443.00
<b>Total C.O.G.</b>	<b>\$155,248.00</b>
<b>Gross profit</b>	<b>\$397,752.00</b>
<b>Operating expenses</b>	
Salaries	\$168,000.00
Office Rent (All Inclusive)	\$8,200.00
Fica (Medicaire)	\$12,852.00
Buisness Insurance	\$4,500.00
Utilities	\$4,200.00
App Develepment & Maintenance	\$6,000.00
Workers Comp Insurance	\$3,228.00
Charitable donation (\$1 per)	\$15,000.00
Trade Shows	\$15,000.00
<b>Total Operating Expenses</b>	<b>\$236,980.00</b>
<b>Net Income Before C.T.</b>	<b>\$160,772.00</b>
Corporate Tax	\$33,762.12
<b>Net Income After C.T.</b>	<b>\$127,009.88</b>



# 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 February 29th, 2024 balance sheet, Trace received equity financing in order to fund Trace. First, the company received \$50,000 in seed money from Ve, and then \$100,000 from angel investors in exchange for common stock. Trace's total assets are \$318,525 and its total liabilities equal \$98,980. The company's largest and only asset is cash because rent includes all supplies and furniture. Trace has no inventory since it employs just-in-time methods of fulfillment. With our balance sheet, we have established a current ratio of 3.2. Trace's current ratio is high because, as sales slowly grow, the company needs the additional capital to pay off debts it may incur. ( payroll, rent, etc.)

# AS OF FEBRUARY 29, 2024



<b>Current Assets</b>	
Cash	\$318,524.99
Supplies (included in rent)	\$0.00
<b>Total Current Assets</b>	<b>\$318,524.99</b>
<b>Fixed Assets</b>	
Office Equipment	\$0.00
Inventory	\$0.00
<b>Total Fixed Assets</b>	<b>\$0.00</b>
<b>Total Assets</b>	<b>\$318,524.99</b>
<b>Liabilities</b>	
Sales Tax Payable	\$20,684.14
Payroll Tax Payable	\$12,852.00
Accounts Payable	\$40,549.13
Corporate Tax Payable	\$24,895.20
Salaries Payable	\$0.00
<b>Total Liabilities</b>	<b>\$98,980.47</b>
<b>Stockholders Equity</b>	
Common Stock \$10 Par Value	
# Shares Sold 15,000	\$150,000.00
Additional Paid in Capital	\$0.00
in Excess of Par Value	\$0.00
Retained Earnings	\$69,544.52
<b>Total Stockholders Equity</b>	<b>\$219,544.52</b>
<b>Total Liabilities + Stockholders Equity</b>	<b>\$318,524.99</b>

Trace's quick ratio is the same as its current, because the company utilizes just-in-time delivery methods, meaning we have no inventory on hand. By ensuring its ability to cover debts, as well as slowly scale, Trace has placed itself in a position of financial strength, and able to meet its financial obligations.

# APPENDIX

## BANK STATEMENT

# 02/29/2024

**Account details**

Account:

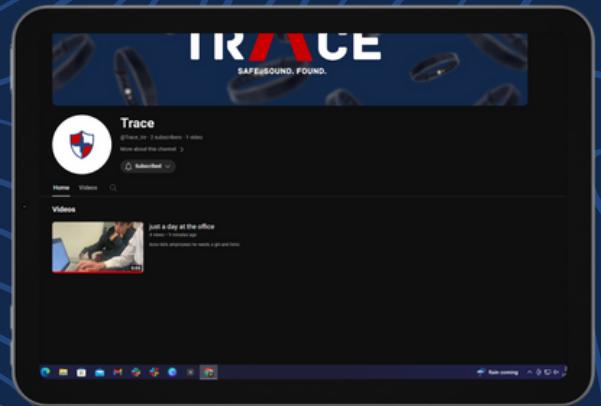
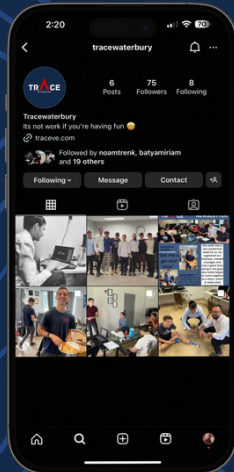
Period: from  until   [Download account details \(Excel\)](#)

Date	Name/Description/Acct#	Ref#	Amount	Balance
Feb. 29, 2024	Sara Shaik (US061218), Aurora, IL VE Checkout transaction #870677 02/29/2024 11:42 PM CT Acct #631203737	7389634	\$48.13	\$318,524.99

## PRODUCT OFFERINGS The Tracelet



## MARKETING EXAMPLES



Merchandise



Packaging





# CITATIONS

## EXECUTIVE SUMMARY

- (1)[Facts & Stats on Missing Children](#)
- (2)[Checklist: What You Should Do When Your Child Is First Missing](#)

## BUSINESS RATIONALE

- (1)<https://www.baltimoresun.com/1990/11/23/why-parents-are-so-afraid/>
- (2)[Parenting in America Today: A Survey Report \(2023\)](#)
- (3)[Parenting in America Today](#)
- (4)[Child Watch of North America](#)

## ABOUT THE BUSINESS

- (1)[Smart Tracker Market 2023 Development Status, Competition ...](#)
- (2)<https://www.cnn.com/2016/12/06/health/parents-screen-use-attitudes-tweens-teens/index.html>
- (3)[The Average Amount Of Time Parents Spend With Their ...](#)

## EXTERNAL ENVIRONMENT

- (1)[By the Numbers: U.S. Economy Grows Faster than Expected ...](#)
- (2)[US GDP - YChart](#)
- (3)[US Unemployment Rate](#)
- (4)[The Downside of Low Unemployment](#)

## MARKETING PLAN

- (1)<https://brkthru.com/2023/07/17/millennials-and-their-spending-power/>

## FINANCIALS

- (1)[How Much of Sales or Gross Revenue Should go Toward my ...](#)



# ANGEL INVESTOR LETTERS

October 30th 2023

VE Central Office  
122 Amsterdam Avenue  
New York, NY 10023

Dear Paul Presti

Please accept this letter of support as my intention to invest \$ 50,000 in Trace. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I affirm that I have done the following to review and evaluate this company:

Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.  
Reviewed company projections and assumptions.  
Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, Trace will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

When I was approached about this investment opportunity, working with kids, I liked the idea a lot. I think it's truly a great product, and I am confident in my investment with Trace.

Sincerely,

Ezra bork  
Supervisor  
9172026184

October 28th 2023

VE Central Office  
122 Amsterdam Avenue  
New York, NY 10023

Dear Paul Presti

Please accept this letter of support as my intention to invest \$ 50,000 in Trace. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I confidently confirm that I have done the following to review and evaluate this company:

I have listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.  
Reviewed the company's projections and assumptions.  
Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, Trace will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

When I was approached about this investment opportunity, having children of my own, I really connected with the idea. I think it's truly a great product, and I am excited about this investment.

Sincerely,

Mendy Elin  
CEO Best Tx  
203-747-2004 mendyelin23@gmail.com

