



Athena Jewels

Business Plan

Prepared

2022-04-07

Contact Information:

Malta, Athena

(778)-941-7878

athenajewels@gmail.com

<https://athenamalta.myshopify.com/>

Table of Contents

Executive Summary..... 3

Business Overview 4

Marketing Research..... 5

Marketing Plan..... 6

4 P's:..... 6

Operations Plan 7

Business Model..... 8

Financial Plan 9

Cost of Goods: 9

Income Statement: 10

Cash Flow Year 1:..... 10

Revenue per Month (3 year period): 11

References 12

Executive Summary

Athena Jewels is a small, sole proprietorship side hustle, located in Vancouver B.C, and completely online. I, the founder and owner, Athena Malta, am the only employee and am in charge of all operations from buying supplies, making product, and running social media accounts. In the near future, I intend to keep Athena Jewels very small, I want to remain as a full time student at Capilano University, and keep my part-time job as a server; jewellery making is a passion of mine and I want to share that with my customers. Athena Jewels wants to make customers feel confident and special, like they are wearing a unique piece that is an extension of themselves. All pieces are handmade with love, care and the end customer in mind.

Athena Jewels sells hand beaded jewellery, currently necklaces and bracelets, that are all under \$30 and sold strictly online. Promoted through social media accounts on Instagram, TikTok and Facebook. Supplies for jewellery is bought from Michael's with the cost of a necklace being \$2.62, and a bracelet \$1.67. The average sale price of a necklace is \$25.50, and the sale price of a bracelet is \$15.00. Necklace prices vary due to style and design as some styles require more time and human labour. Shipping materials are purchased from Amazon, and Athena Jewels uses Canada Post to ship orders. All orders are placed through Shopify, with the cost of Shopify being \$36.33 per month. No external financing is needed in the near future as Athena Jewels is to remain small scale, and I am able to contribute \$3,000 to the company. Due to the low costs and high price margin, projected net income, and revenue over the next few years is expected to be positive, and Athena Jewels will earn a small, but steady income.

The target market for Athena Jewels is women between the ages of 16-26, who likely earn a small income and do not have much disposal income, that is why our products are all currently under \$30. Over the last few years, there has been an increase in consumers substituting high priced jewellery such as gold and diamond, for lower priced 'costume jewellery' (Statista, 2021). There has also been immense growth in the online jewellery business sector, consumers are searching for more and more products online (Statista, 2021). While, there are now more online consumers, there are also more businesses entering the online space, including small online jewellery companies and big brand names attempting to dominate the space (Statista, 2021).

All of Athena Jewels marketing is going to take place online in the near future. Social media pages are going to be ran by my-self and pages will be created on Instagram, TikTok and Facebook. This is where Athena Jewels will promote new products, share behind the scenes of product making, interact with customers, gain opinions, and show brand personality. Athena Jewels is going to attempt to create a warm and friendly environment on the internet and truly connect with customers.

Business Overview

Athena Jewels is an online jewelry business. All of our pieces are handmade, and unique designs are created and hand beaded by my-self. I started making beaded necklaces for my own enjoyment, and as I started to wear them, and begin to make them for my friends more and more people were asking to buy them. That is when I decided to turn my hobby into an online business. Athena Jewels is currently a sole proprietorship, side hustle. As I am still a business student and work as a server part time.

Ever since I started making pieces for myself, the vision of Athena Jewels has always been to make unique and different pieces that suit my own style. Now, creating a small business out of my hobby, I want others to feel the same way as I do about wearing something that is different, and cannot be bought in any chain retailers. My pieces are all hand beaded which adds extra care and appreciation into each piece that I make. The mission is to make each customer who purchases a piece from Athena Jewels to feel confident about themselves, and express themselves through the jewellery they wear, like it is an extension of themselves. Wearing pieces of jewellery that our unique frequently become a topic of conversation when interacting with people, having my own pieces become a topic of conversation is a heart-warming feeling, and I want more people to experience that through my pieces.

For the next two years, until I graduate university, I plan to keep Athena Jewels a small scale side hustle; because of this my goals for the next two years are relatively small. I want to grow my social media following and engagement on Instagram, TikTok and Facebook. Instagram to 1,500 plus, TikTok to 3,000 plus and Facebook to 800 plus. I'm hoping to increase conversion rates of my website over the next two years, and double my orders each year, I think this will be manageable as my business is small scale and orders will mainly be in the Vancouver area.

Marketing Research

The target market for Athena Jewels is women between the ages of 16-26. 20% of the market for e-commerce accessories in Canada is 18-24 year old's (Statista, 2021). There are 9.8 million users of watches and jewellery in Canada, so 1.96 million is in the 18-24 year old category (Statista). The 1.96 million is the approximate value of 18-24 year old women with an interest in jewellery in all of Canada, while I will initially be targeting women in British Columbia.

Since I am targeting young women who are likely students or working low wage jobs the income level of my target is low. However, according to Statista there is a fair balance of users by income who are consumers of e-commerce accessories, low income users obtain 30.8% of the market, medium income, 36.5%, and high income 32.8% (Statista, 2021).

The penetration rate of users of watches and jewellery in 2020 was 20.4%, this rate is expected to increase to 32.6% in 2025 (Statista, 2021). The COVID-19 pandemic slowed the growth of online jewellery business's, the projected annual growth from 2020-2025 is 1.8% (IBIS World, 2020). According to IBIS World, many consumers have begun to substitute high priced gold, silver and diamond jewellery pieces for lower priced 'costume jewellery', there is a growing demand for lower priced jewellery pieces (IBIS World, 2020). With the increased popularity of online shopping, the online jewellery industry has experienced consistent growth, and this growth is continuing to expand, even after the slower rates due to the COVID-19 pandemic (IBIS World, 2020). With a predicted steady growth rate, and consumers increased demand for low priced items and handmade pieces, it is expected for competition of small online businesses selling low priced and handmade items to increase at an annualized rate of 2.5% over 2020-2025 (IBIS World, 2020). Within the industry there has been an influx of globally successful brick and mortar stores entering the online market successfully, this is creating an immense amount of competition for small players (IBIS World, 2020). Even though the demand for high priced luxury jewellery pieces is diminishing, big players entering the online world, such as Tiffany & Co. are looking to change consumer opinion and compete with lower priced retailers such as Amazon and Etsy, which leads to a more challenging environment for small, niche, online businesses (IBIS World, 2020).

Market share concentration in online jewellery sales is low as the top four players (Amazon, Signet Jewelers Inc, and Blue Nile Inc, in the US) account for 29.0% of revenue in 2020, this is expected to increase over the next five years as top industry players advance their marketing and attempt to overtake smaller businesses (IBIS World, 2020). While the market share concentration is low, the competition is high and consistently increasing

Marketing Plan

The main means of marketing will be through social media. Athena Jewels will have business accounts on Instagram, Facebook, and TikTok. Through social media we will promote all of our pieces, promotions, sales, and allow our consumers to be interactive through story posts and comments. When Athena Jewels is first launched, we will host an Instagram giveaway where the applicant must tag friends in the comments and repost the giveaway post on their Instagram story. This will allow Athena Jewels to get a further reach on social media, and creates virtual word of mouth as applicants are sharing my business with their friends in a positive manner. The giveaway will be an exciting way to launch and create awareness, attracting new customers.

After launch, Athena Jewels will utilize small micro influencers to post about the brand. Sending them Athena Jewels pieces to style and promote on Instagram and/or TikTok. Since we will be contacting micro influencers, they will be paid through product rather than monetary compensation. We want the aspect of handmade jewellery to be clearly translated. This is a major aspect of our brand, so influencers will be required to include this in their promotion.

I will be personally running all social media accounts. I want to encourage our consumers to get engaged, ask questions, and leave their opinions. So, the use of story interaction will be greatly utilized. This will increase engagement and provide us with feedback. Athena Jewels wants our marketing to be personal, genuine, and small scale. This is why we want to use micro influencers, and word of mouth to promote our brand.

As for the marketing costs, the costs will be low. Athena Jewels will be paying influencers through product; so if we were to send one person two necklaces and a bracelet, the cost to Athena Jewels would be \$6.91 worth of product, plus shipping expenses (see financial summary below). All TikToks, Instagram, and Facebook posts will be done by myself, and I do not need to hire anyone for assistance. I enjoy posting on social media and know how to operate accounts through experience of running my personal accounts for fun.

4 P's:

1. Product: Athena Jewels jewellery pieces, all handmade. Currently including necklaces and bracelets
2. Promotion: All promotion is to be done through social media (TikTok, Facebook and Instagram). Micro influencers will be hired for promotion as well.
3. Price: Athena Jewels pieces are all \$30 and under, average cost of a necklace is \$25.50, and bracelets are sold for \$15.00. We are an affordable, sustainable company.
4. Place: Athena Jewels is to sell strictly online through our website powered by Shopify. All jewellery pieces are made in my home.

Operations Plan

Athena Jewels wants to remain as a small online retailer, sole proprietorship, and side hustle with the only employee being myself; handmaking pieces, packaging and shipping orders, monitoring email's and operating social media accounts. This will be manageable as Athena Jewels is to remain very small-scale into the near future. I will be making all of my pieces in my home, and I own a car to drive and ship packages out to customers. Since I am the only employee, for my business to run smoothly and reasonably, before each product drop I will pre make a certain number of pieces and once orders are placed it will be easy to put together orders and ship them out in a reasonable time frame.

I buy all of my supplies at Michaels craft store. Supplies is minimal as I only need, string, a variety of beads, rings and clasps. I then bead the jewellery pieces myself according to the specific style, and all pieces are one size. I use Shopify to power my website and payment with credit card is handled on their end. I then receive notice of what orders have been placed, package them accordingly with mailing envelopes I have bought from Amazon, drive to the post office and ship them out to the customers.

Before new product drops, I will promote on Instagram, TikTok, and Facebook in order to get the word out to my customers and build up excitement. All promotion will be done by myself.



Business Model

Using the Startegyzer Business Model Canvas I have created a business model describing my key partners, resources and activities, my value propositions, customer relationships and segments, different channels of importance, cost structure and revenue streams. This is an overview of how Athena Jewels operates and what relationships are of importance in successfully operating the business.

The Business Model Canvas

Designed for: **Athena Jewels**

Designed by: **Athena Malta**

Date: **April 4, 2022**

Version: **2**

| | | | | |
|--|--|--|---|---|
| <div style="font-size: 0.8em; font-weight: bold;">Key Partners </div> <ul style="list-style-type: none"> - Craft stores such as Micheals to carry supplies - Shopify to power my website - Instagram, TikTok and Facebook to interact with customers and promote my business - Influencers hired to promote my pieces - Canada Post to ship my orders | <div style="font-size: 0.8em; font-weight: bold;">Key Activities </div> <ul style="list-style-type: none"> - All supplies hand picked and hand made by my self - Small sole proprietorship allows for greater connection with customers - Costs of supplies is very low <div style="font-size: 0.8em; font-weight: bold; margin-top: 5px;">Key Resources </div> <ul style="list-style-type: none"> - Human resources needed to make product (myself) - Access to car to get supplies, and drop off orders at post office - Human resources to run social media accounts (myself) | <div style="font-size: 0.8em; font-weight: bold;">Value Propositions </div> <ul style="list-style-type: none"> - All products are handmade - Sustainable and Ethically ran business - Inclusivity - Diversity - Building genuine relationships with customers | <div style="font-size: 0.8em; font-weight: bold;">Customer Relationships </div> <ul style="list-style-type: none"> - Communication through social media and e-mail - Very interactive on social media, asking opinions, advice, and feedback regularly - Want to build a genuine, warm connections with customers <div style="font-size: 0.8em; font-weight: bold; margin-top: 5px;">Channels </div> <ul style="list-style-type: none"> - Online website (Shopify) - Instagram store - Social media (Instagram, TikTok, Facebook) - Canada Post for shipping | <div style="font-size: 0.8em; font-weight: bold;">Customer Segments </div> <ul style="list-style-type: none"> - 16 to 26 year old women who have an interest in fashion and are trendy - Someone who wants to stand out and use the way they dress as means of expression - Customer segments located in BC - Targeting smaller market as business is to initially remain small scale |
| <div style="font-size: 0.8em; font-weight: bold;">Cost Structure </div> <ul style="list-style-type: none"> - Fixed cost: Shopify website (\$36) - Fixed cost: car insurance - Variable cost: Supplies - Variable cost: Gas - Variable cost: Product being sent to influencers | | <div style="font-size: 0.8em; font-weight: bold;">Revenue Streams </div> <ul style="list-style-type: none"> - All revenue from profit on product sales - Pricing is low, as the company is affordable for the target market - Customers pay on website through Shopify, where there are multiple credit options | | |

This work is licensed under the Creative Commons Attribution-ShareAlike 4.0 International License. To view a copy of this license, visit <https://creativecommons.org/licenses/by-sa/4.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

DESIGNED BY: Strategyzer AG
 The makers of Business Model Generation and Strategyzer

strategyzer.com

Financial Plan

The main cost of my business is my supplies, and the cost of making beaded jewellery is very low. I currently purchase all of my supplies from Michaels, where a 23g of seed beads, one pack, is \$5.99, the cost of the string is \$13.99 for 25m, a pack of 20 lobster clasps is \$5.99, and a pack of 144 jump rings, 2 are needed for each piece, costs \$4.99 (Michaels, n.d). Below is a breakdown of the cost to make a single bracelet and necklace.

Cost of Goods:

Cost of Goods

Necklace

| | |
|--------------|---------------|
| Beads | \$2.00 |
| String | \$0.25 |
| Claps | \$0.30 |
| Jump rings | \$0.07 |
| Total | \$2.62 |

Bracelet

| | |
|--------------|---------------|
| Beads | \$1.20 |
| String | \$0.10 |
| Clasps | \$0.30 |
| Jump rings | \$0.07 |
| Total | \$1.67 |

Other expenses would include my car, insurance, and gas, however, due to the nature of a side hustle business the cost to use and operate my car is very minimal. It would only be used for trips to Michael's and the post office, which are both very close to my home where I operate my business. As for shipping, the customer will pay for shipping expenses, and I will drop off the packages at the Canada Post, post office. For shipping supplies, I am able to purchase a 100 pack of shipping envelopes off Amazon for \$19.45, costing \$0.19 per order (Amazon, n.d). I will also have to pay for a Shopify membership in order to keep my website running the monthly cost is \$36.33 per month (Shopify, n.d). I am the only employee and will pay myself based off of profits that are earned, I do not have to pay wages to anyone else. I have estimated these expenses as a percentage of sales in selling and administrative expenses on my income statement below.

Income Statement:

| Athena Jewels | | | |
|--|---------------|---------------|---------------|
| Income Statement | | | |
| | Year 1 | Year 2 | Year 3 |
| Sales | \$1,801.50 | \$3,526.50 | \$4,218.00 |
| COGS | 278.79 | \$370.06 | \$442.01 |
| Selling and Administrative Expenses | 535.96 | 589.96 | 635.96 |
| Earnings Before Tax | \$986.75 | \$2,566.48 | \$3,140.03 |
| Taxes (20%) | \$197.35 | \$513.30 | \$628.01 |
| Earnings After Tax | \$789.40 | \$2,053.18 | \$2,512.02 |

I am willing to put \$3,000 of my own money into Athena Jewels, to cover starting costs as well as giving myself safety cash. I am not planning to seek out investors in the near future as I want to keep Athena Jewels to a small side hustle and due to the low costs I do not need any external funding. I am not yet expecting Athena Jewels to be my main source of income. I am expecting a net income, and to receive earnings for the business, but not a significant amount. I will still be a full time student and working a part-time serving job. Below, you can find an estimated cash flow statement for year 1, as well as, estimated revenue per month for 3 years. Since my product and operation costs are very low, there is an expected inflow of cash each month.

Cash Flow Year 1:

Cash Flow

Year 1

Starting Cash:

\$3,000

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cash-in | \$0 | \$154.39 | \$236.36 | \$223.03 | \$154.39 | \$226.81 | \$295.45 | \$354.54 | \$259.24 | \$131.51 | \$118.18 | \$226.81 |
| Cash-out | \$67.95 | \$20 | \$25 | \$25 | \$20 | \$25 | \$30 | \$40 | \$35 | \$20 | \$15 | \$20 |
| Balance | \$2,932.05 | \$3,066.44 | \$3,277.80 | \$3,475.83 | \$3,610.22 | \$3,812.03 | \$4,077.48 | \$4,392.02 | \$4,616.26 | \$4,727.77 | \$4,830.95 | \$5,037.76 |

Revenue per Month (3 year period):

| | | | |
|---------------------|--|---------|---------------|
| Necklace Sale Price | | \$25.50 | Cost = \$2.62 |
| Bracelet Sale Price | | \$15.00 | Cost = \$1.67 |

Revenue Per Month Year 1

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------|-----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Product amount: | | | | | | | | | | | | |
| Necklaces | 0 | 5 | 8 | 8 | 5 | 7 | 10 | 12 | 9 | 4 | 4 | 7 |
| Bracelets | 0 | 3 | 4 | 3 | 3 | 5 | 5 | 6 | 4 | 3 | 2 | 5 |
| Sales | \$0 | \$172.50 | \$264.00 | \$249.00 | \$172.50 | \$253.50 | \$330.00 | \$396.00 | \$289.50 | \$147.00 | \$132.00 | \$253.50 |
| COGS | \$0 | \$18.11 | \$27.64 | \$25.97 | \$18.11 | \$26.69 | \$34.55 | \$41.46 | \$30.26 | \$15.49 | \$13.82 | \$26.69 |
| Gross Margin | \$0 | \$154.39 | \$236.36 | \$223.03 | \$154.39 | \$226.81 | \$295.45 | \$354.54 | \$259.24 | \$131.51 | \$118.18 | \$226.81 |

Revenue Per Month Year 2

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Product amount: | | | | | | | | | | | | |
| Necklaces | 5 | 8 | 6 | 6 | 7 | 10 | 12 | 14 | 10 | 8 | 7 | 10 |
| Bracelets | 5 | 6 | 4 | 4 | 5 | 5 | 6 | 6 | 4 | 4 | 5 | 6 |
| Sales | \$202.50 | \$294.00 | \$213.00 | \$213.00 | \$253.50 | \$330.00 | \$396.00 | \$447.00 | \$315.00 | \$264.00 | \$253.50 | \$345.00 |
| COGS | \$21.45 | \$30.98 | \$22.40 | \$22.40 | \$26.69 | \$34.55 | \$41.46 | \$46.70 | \$32.88 | \$27.64 | \$26.69 | \$36.22 |
| Gross Margin | \$181.05 | \$263.02 | \$190.60 | \$190.60 | \$226.81 | \$295.45 | \$354.54 | \$400.30 | \$282.12 | \$236.36 | \$226.81 | \$308.78 |

Revenue Per Month Year 3

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Product amount: | | | | | | | | | | | | |
| Necklace | 7 | 10 | 8 | 8 | 9 | 11 | 14 | 18 | 12 | 9 | 8 | 12 |
| Bracelets | 3 | 7 | 4 | 3 | 5 | 7 | 7 | 8 | 6 | 6 | 4 | 7 |
| Sales | \$223.50 | \$360.00 | \$264.00 | \$249.00 | \$304.50 | \$385.50 | \$462.00 | \$579.00 | \$396.00 | \$319.50 | \$264.00 | \$411.00 |
| COGS | \$23.35 | \$37.89 | \$27.64 | \$25.97 | \$31.93 | \$40.51 | \$48.37 | \$60.52 | \$41.46 | \$33.60 | \$27.64 | \$43.13 |
| Gross Margin | \$200.15 | \$322.11 | \$236.36 | \$223.03 | \$272.57 | \$344.99 | \$413.63 | \$518.48 | \$354.54 | \$285.90 | \$236.36 | \$367.87 |

References

- Amazon (n.d.) *QNP Supplies 100 Pack Pink Poly Mailers Waterproof Self Sealing Envelopes Mailers Plastic Shipping Mailing Bags 15cmx25cm (6 x 10")*. Retrieved April 6, 2022, from https://www.amazon.ca/QNP-Supplies-Waterproof-Envelopes-15cmx25cm/dp/B09HNK6HZF/ref=sr_1_4_sspa?crid=3I2SPF1LX6YAQ&keywords=shipping%2Benvelopes&qid=1649272457&sprefix=shipping%2B%2Caps%2C125&sr=8-4-spons&spLa=ZW5jcnlwdGVkUXVhbGlmaWVyPUExQUc3OVJUQVI0NFg4JmVuY3J5cHRIZEIkPUExMDM4NDAxMzhLSUFUVk9PWIZXJmVuY3J5cHRIZEFkSWQ9QTA4MDE3MDYzQUExTk9NMkg1Nki5JndpZGdldE5hbWU9c3BfYXRmJmFjdGlvbj1jbGlja1JlZGlyZWNOJmRvTm90TG9nQ2xpY2s9dHJ1ZQ&th=1
- Lombardo, C. (2020, September). *Online Jewelry and Watch Sales*. Retrieved April 03, 2022, from <https://my-ibisworld-com.ezproxy.capilanou.ca/us/en/industry-specialized/od5099/industry-at-a-glance>
- Michael's (n.d.) *Seed Beads*. Retrieved April 6, 2022, from <https://canada.michaels.com/en/beads/seed-beads/20000184>
- Michael's (n.d.) *Stringing Materials*. Retrieved April 6, 2022, from <https://canada.michaels.com/en/beads-and-jewellery/stringing-materials/809188168>
- Michael's (n.d.) *Tools*. Retrieved April 6, 2022, from <https://canada.michaels.com/en/beads-and-jewellery/tools/809188175>
- Shopify (n.d.) *Shopify Pricing*. Retrieved April 6, 2022, from <https://www.shopify.ca/pricing>
- Statista. (2021). *Accessories – Canada*. Retrieved April 03, 2022, from <https://www-statista-com.ezproxy.capilanou.ca/outlook/dmo/ecommerce/fashion/accessories/canada?currency=CAD>