



Re/work

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I. Executive Summary

I have always loved the glamor and life of the fashion industry and always wanted to be a part of it. Fashion touches our lives in so many different ways and people have different emotional attachments to the industry. Fashion really embodies who we are as people. It is a way of actively showing the world around us, our interests, our mood, and even our culture. Every article we have is a conscious decision we made. People who don't care about fashion, make an active effort in their own right to prove to the world around them that fashion does not matter.

It was not only until college when I learned the harmful effects the industry has had with regards to the environment. It was the gown that Emma Watson wore to the red carpet at the met gala in 2016. This gown was designed using recycled plastic bottles and recycled nylon. The gown was stunning and designed by Calvin Klein, it was designed in a way where it could break up into three different outfits. This was a fashion statement made by both of them regarding the disastrous effect the industry had on our environment.

The fashion industry pollutes more than the aviation and shipping industries combined and to put that into perspective, the cotton T-shirt that you probably have on now, took about 1,800 liters of water and the pair of jeans took about 6,500 liters of water. That's not all, cotton farmers in countries like India, Pakistan, and Bangladesh have the highest suicide rates in the world because of all the chemicals that they inhale due to

the high volumes of cotton required for the market. The minimum wage for a worker in the garment industry is around \$5 a month, which is less than what you paid for that T-shirt of yours which only ended up being used for a photoshoot that you wanted for your Instagram, which probably got an average of 100 likes. And one would think that's it? Sadly not..... There are close to 13,000,000 tons of clothing thrown out each year globally, and none of their clothes can decompose because they are made of 95% polyester which is plastic.

Re/work is a gender-neutral brand that is designed to be sustainable, we work with recycled fabric and upcycled clothing. Our goal is to help solve one of the world's largest and overlooked environmental issues.

In the process, we would like to create a focus on designers and artists in local areas and provide them with a voice and platform. This will help different cultures and trends to flourish while providing an aspect of individuality to the brand and our customer base. This concept will generate an aspect of reducing the supply to create a larger demand.

II. Company Description

Re/work is a sustainable and gender-neutral fashion company based in Brooklyn, NY.

We will first launch digitally, with pop-up stores in the city. Our first store will open in year three, which would allow us to provide our customers with a hyperlocal approach to

fashion in that specific location. Our goal is to create a closed-loop cycle for the way fashion is consumed in today's world. We work only with eco-friendly and sustainable brands to provide our customers with the satisfaction of being a part of the change in a positive transformation of an industry.

With our **Hyper-Local Approach**, we aim to harness the talent and creativity among designers who live in the area. These exceptionally talented creatives will help embody the culture, style, and aesthetics into the clothing that they design, to bring new life to our garments.

We are a modern take on fashion and caters to the next generation, being sustainable and gender-neutral as a brand, is a big step forward in the industry. To be successful in this day and age, we need to take into consideration the communities interest and investment in the present political climate and their open-mindedness. Hence we want to start in Brooklyn NY, The communities in Williamsburg, Bushwick and Bedstuy are extremely artistic and open to new experiences. This market segment loves to support local businesses that bring jobs to this community.

As a company and platform, we want to help educate the masses regarding the devastating damage that the fashion industry has on our environment. We want to be the solution and an alternative to the fast fashion brands that are tearing our planet apart.

The success of our products and the experience depends on various factors. One of the most important ones are, navigating local fashion trends. We need to be able to analyze the constant transformation of the culture, trends, and ecosystem of the location we are

present in. Doing this will provide us the ability to deliver the Hyperlocal focus approach to our customers.

Mission Statement

Re/work sets a new standard of sustainability within the fashion industry while promoting the use of recycled and upcycled fabric in the construction of our clothing. We provide a platform for local designers to showcase their talent and work, which magnifies local culture and trends.

Vision Statement

Re/work is the alternative to fast fashion and makes affordable sustainable clothing while closing the open fashion cycle and drastically reducing the number of garments that are being discarded every day.

Our Core Values

- **Sustainability** – We are all about upcycling clothing and using free trade recycled fabric. This is done to reduce the number of discarded clothing and create a closed-loop fashion cycle.
- **Creativity** – Re/Work is a space where local artists and designers will be provided with a platform to boost their careers and make a statement about the pollution caused by the fashion industry.

- **Collaboration** – Re/work’s goal is to evoke sustainability conversations while creating a collaborative space for designers to showcase their work. The goal is to have a conversation with the city, culture, and aesthetic of the location.
- **Ethics** – Creating a space that is welcoming to all and providing people with livable wages for self-sustenance in the fashion production capitals of the world, for example, India.

Goals and Objectives

One of our most important goals is to be a closed-loop fashion cycle company. By using recycled fabric and upcycled clothing and limiting the amount of waste that is generated by the company. This will be done in an effort to bring back as many clothes back into the fashion cycle. In the process, we want to reduce the number of garments that are thrown into landfills each year. This can be measured through the number of clothes collected and recycled into various fabrics and implemented into other garments. We hope to upcycle 70 pounds of clothing per month by year two.

The other key factor is educating the people regarding the industry. This is important as we want to help bring visibility to the company and at the same time show the true colors of the fast fashion industry. The majority of this will be done through our social media and website. We also want to work on getting some paid media as well, this will be done through digital or print publications and Instagram promotions with the help of influencers and other fashion-oriented Instagram accounts. Re/work can see the difference we are making through social media metrics and engagement.

As a company, we are all about empowering local artists and designers. We pride ourselves on creating a hyper-focus approach. We also want to provide artists with a positive platform to help them get known. It's our job to help bring visibility to the undiscovered talent and help them make a name for themselves through our brand. We want people to apply for this position and increase interest from designers and artists. This will provide us with an insight into whether we can provide people with a platform that is engaging and empowering.

Legal Structure

As per our legal structure, we will run as a Limited Liability Company (LLC) and work on being a B-corp-certified LLC in the future. The reason we want to move forward with this legal structure is that in an LLC, the business entity is separate from its owner. Forming and owning an LLC is less complex than a corporation and is a pass-through tax entity.

III. Product / Service Analysis

Product / Service

Re/work is all about sustainable and affordable clothing that is gender-neutral and relevant to the industry today. To help us encompass everything that we are as a brand, we provide our customers with two separate lines to choose from. Affordability is

different for everyone, the first line which is our **Ready to wear line** is our more affordable range of garments whereas the **Recycled Couture line**, targets the customers who have a little extra disposable income to splurge on themselves.

The **Ready to wear** is designed with recycled cotton and nylon. This is the generic line that will be available online and in stores throughout Brooklyn and is designed by the in-house team. The ready-to-wear line is also our more affordable selection of clothing. The ready-to-wear collection will include all the basic categories of clothing, such as – Shirts, T-shirts, pants, showers, heavy and light jackets, innerwear, and so on. The Ready to wear line competes with Zara in fast fashion and Madewell in sustainability.

The **Recycled Couture Line** will be designed with upcycled clothing and fabric. This line is designed by designers that are hand-selected every season, they are selected depending on how well they embody the culture and fashion of the city. This line will only be available online and in stores. The couture line is unique and limited, any additional pieces will have to be custom-made for the customer. The Recycled Couture line competes with Acne Studios for their creativity and Ralph Lauren for their long sustainable and ethical approach to fashion.

Value Proposition

Affordability - We provide customers with quality clothing at competitive market prices, to help make sustainable clothing accessible to everyone.

Innovation - Re/work provides consumers with innovative new solutions to fast fashion and the upcycling of old garments. While pushing the fashion boundaries and using local inspiration, our designer provides our customers with cutting-edge and timeless pieces of fashion.

Pricing Overview

The strategy for our pricing plan was to target a large customer segment in Brooklyn NY while having affordable and luxury sustainable garments. Each like has been placed within the range of our competitors in those specific market segments. The Ready to wear line is competing with Zara, H&M, and Asos when it comes to fast fashion companies, and Madewell, Patagonia, and Everlane in regards to sustainability. Whereas the recycled couture line will be competing with brands such as acne studios, Thom Browne and Gucci when it comes to innovation in fashion and breaking stereotypes while competing with Prada Re-Nylon, Polo Ralph Lauren, and Hermes in regards to the transformation of the fashion industry into being sustainable.

Partnerships

Re/work will have to work on creating strong relationships and bonds with established local businesses and mom and pop stores. These stores have strong roots in the community and relationships with the existing market. Us working with them will help us get our brand out there and integrate it into the local ecosystem. This relation with them would be paid partnerships for them to carry our garments in their stores.

IV. Marketing Analysis

Industry Research

Sustainability will be a priority in the fashion industry in the coming few decades. Close to 60% of the companies in the fashion industry are making a switch to a sustainable model of production. The global ethical fashion market reached a value of nearly \$6,345.3 million in 2019, having increased at a compound annual growth rate (CAGR) of 8.7% since 2015. (*Business Wire*, 2021)

Brands are consistently trying to push sustainable efforts. For example, **H&M** with its *H&M conscious program* that works on recycling old garments that are donated back into the store. They provide discounts on purchases up to 15% if you donate clothes at the stores. This also pushes people to go back to retail stores and provide foot traffic to their brick and mortar stores. Then there is **Zara** who started the *Join Life Zara* program that is designed using the remaining fabrics and older collections. This is a limited drop that they do on their e-commerce site. None of these are available in stores. **Prada** led *Prada Re-Nylon* is a collection that was launched to use 100% recycled nylon in their garments and accessories. **Madewell**, a leader in sustainability started the *Madewell*

forever, which was recently launched in 2021, the goal of this is to shop for preloved jeans and reduce the impact of each pair by 85% on the environment. (Cernansky, 2021)

The Bangladesh recycling scheme was started in early 2021. This scheme consists of close to 30 different fashion brands and manufacturers who are working together to cut down on waste and the environmental impact that fashion has on the country. *“The movement aims to achieve a long-term, scalable transition to a circular fashion system,”* (Stenzel, 2021)

Vanish, which is a garment care brand, launched a campaign with the British fashion council during London Fashion Week. This campaign was completely designed with discarded clothing along with thought-provoking imagery. *“Vanish research reveals that 64 percent of consumers wear an item of clothing just once”* - (Wightman-Stone, 2021)

There has been a paradigm shift in the way consumers treat fashion. This is reflected in the bankruptcy of a few of the biggest fast fashion brands, such as - Topman in the US and Forever 21.

During the 2021 United Nations Climate Change Conference, the fashion industry made a climate pledge to accelerate an effort to push sustainability in the industry

Our Target Markets

Re/work is a brand that prides itself in offering customers sustainable, unique, ethical, and fashion-forward clothing all bundled together with a hyper-local focus. Taking this

into consideration, we target people who live in Brooklyn, specifically – Williamsburg, Bedford Stuyvesant, Greenpoint, and Bushwick.

This includes the people who love discovering local businesses that help the community grow and come together. Our target markets work in the creative field or have an affiliation to it.

The larger scale target market includes conscious young people with an emphasis on Gen Z and millennials. While targeting the customers who have additional disposable income to spend on high quality and luxury goods, people who are active on social media and sometimes use social media to make their income or part of it.

We do have a segmented market strategy for our customers, as we have two separate lines. One line is more affordable than the other. Re/work considers our Recycled couture collection as our luxury line and the Ready To Wear collection is our more affordable product.

Customer Demographics

The demographics in Brooklyn have transformed in recent years. There has been an influx of people in a few neighborhoods. This has helped transform Brooklyn into one of NYC's most thriving and creative burrows.

Williamsburg and Greenpoint have a total population of about 151,308 individuals with 36,681.2 people per square mile. The median age range in this area is 33, with 65% of

the population flowing into the millennial and gen z group, which is our main target market. This area is majority white, which is about 61%, this is due to the gentrification that has taken place in this area in recent years. Following this is the Hispanic community which is about 25% of the area. Our target market is the ones with some amount of disposable income, the average median household income is \$98,284, with 50% of the households making more than \$100,000 annually. This market segment will heavily be driven to our Recycled couture line. (Census Reporter, n.d.)

Bushwick is an up-and-coming neighborhood in Brooklyn. There have been a lot of people in the arts and creative fields who have moved to this neighborhood in recent years. It has a thriving queen nightlife. The average age here is 32.2 with 68% of the population belonging to gen z or the millennial generation. It is an extremely diverse neighborhood, with 56% of them belonging to the Hispanic community, followed by 21% white and 15% black. Bushwick has an average household income of \$66,275 with 59% of the community making more than \$50,000. When it comes to personal life, 67% of the population is single and younger than average. (Census Reporter, n.d.-b)

Customer Psychographics

The Psychographics of consumers plays an important role in understanding who they are. Our customers pay close attention to the fashion highlights of shows and love watching red carpet moments, this includes admiration for the Met Gala. They actively follow fashion accounts and fashion influencers, for example, @diet_prada on

Instagram. They love finding small coffee shops in Brooklyn. When they shop online, they prefer shopping on Etsy or Instagram market, mostly from artists and small stores.

Customer Profiles

Nicholas graduated from Syracuse state. Studies architecture and is trying to make a career in NYC. He lives in Williamsburg with his roommate in a 3-bedroom cramped apartment and is making 90,000\$ a year. He loves volunteering in soup kitchens when he is free and trying to recycle as much as he can. Nick enjoys hosting friends and having cure dinner parties. He is currently 28 and has been working for 3 years now. He is also constantly trying to improve his current style by using sustainable products and only buying organic groceries. He is the kind of person who enjoys bike rides in and around the city while he finds cool shops and mom-and-pop restaurants with amazing food. He also writes on his blog that he updates with new finds in and around the city.

Kyland (Kye) just moved to NYC from Minnesota, they moved to the city as they wanted to find a community that accepts them for who they are. They have a basic high school degree. They can't wait to get their life started in modeling and acting. Currently working multiple part-time jobs and living with their boyfriend in a one-bedroom in Bushwick/Ridgewood. They and their partner, both are trying to make their way through the city. They love shopping and thrifting. They both love partying and enjoying their time. They even do drag on the side. They love the underground scene in Brooklyn and go often to hang out with their friends and find new spots through the night. They love

expressing themselves through the clothes they wear, and it was never an opportunity in their hometown.

PESTLE

Political Factors	<p>We as a company believe in the world of post-COVID and 2020, corporations such as Re/work will have to learn to conduct their business under the shadow of the devastations caused to the economy and people. We would have to adopt new strategies and safety measures in the process. This is also a reason why we would not want to start with a physical space, as retail in America is still trying to make a comeback. We want to make sure that our e-commerce site is fully developed and provides customers with ease to use it. <i>(How COVID-19 Triggered the Digital and e-Commerce Turning Point UNCTAD, n.d.)</i></p>
Economic Factors	<p>In the US alone, the annual household income has increased in the past few years. This provided people with an opportunity to spend money in spaces where they previously would not have. It's time we leverage the trend of the market and the interest in environmental impact. Using this we need to differentiate our marketing campaign to target a larger group of consumers. (Statista, 2021a)</p> <p>There has been an increase in the demand for sustainable alternatives in recent years. There has been an increase in environmental awareness and social media influence. <i>(Recent Study Reveals More Than a Third of Global Consumers Are Willing to Pay More for Sustainability as Demand Grows for Environmentally-Friendly Alternatives, 2021)</i></p>

<p>Social Factors</p>	<p>Re/work will conduct ethnographic research in the areas where we operate. This will provide us with a better understanding of the interest, culture, and points of view of our consumers.</p> <p>The culture of saving in the US is generally lesser than a lot of the world. It is a very credit-driven system. This proves that there is a culture for the consumption of goods and services. (Statista, 2021c)</p> <p>Re/work should carefully analyze society and how social norms impact the demand for certain products in society. For example, which section of the economy has a higher disposable income, and who are the once active on front lines trying to make a positive difference fighting towards the progress of our culture. These people will be the ones that we target as they would fall within our demographic.</p>
<p>Technological Factors</p>	<p>COVID has accelerated the growth of the e-commerce space. As re/work will initially be started as an e-commerce business we would have to leverage this momentum and infrastructure that has been created to even easily enter new markets. (<i>Global E-Commerce Jumps to \$26.7 Trillion, COVID-19 Boosts Online Sales</i> UNCTAD, n.d.)</p> <p>Re/work should analyze the way people like to make purchases in the local economy and choose a model that works in our favor while reducing the effort for digital purchases on the consumer end. For example, we need to be able to integrate apple/Samsung Pay across all our platforms.</p> <p>Re/work will have to analyze the legal status/structure of various digital property rights and intellectual rights and protections that are common in the US.</p>
<p>Environmental Factors</p>	<p>Paris Climate Agreement and Commitment of National Government under the Agreement - We need to look into the commitments of the US under the Paris agreement and what is the general level of understanding that the country has with the Paris climate agreement. For example on how Trump pulled out of the agreement when he was president. (Denchak, n.d.)</p> <p>Influence of climate change - This regards how climate change will affect Re/work's business model and supply chain. For example, if there are delays in production due to drastic climate measures and a shortage in the production of natural sustainable cotton.</p> <p>How much of the budget is spent on renewable sources of energy and how Re/work can make this investment as a part of its competitive strategy.</p> <p>Re/work needs to know the level of customer activism regarding the current</p>

	environmental concerns. This will help us to initiate and take action in both, developing environmentally friendly products and blocking PR stumble blocks. We strive to be honest with our customers and our mission.
Legal Factors	<p>Before entering new markets, it is our job to assess what the business laws are and how different they are from our home market. This will also be important as we would have a production unit based in India and fabric sourced from Spain.</p> <p>Re/work needs to pay close attention to the various consumer laws and their rate of enforcement, the attitude of authorities towards consumer protection laws, and what is the role of activist groups in the enforcement of such laws.</p> <p>What healthy and safety laws are in each country? we would have to conduct thorough research before entering a new market.</p>

Competitor SWOT analysis

	Patagonia	Zara	Madewell
Strengths	<p>Patagonia was a pioneer in the sustainable fashion market. They have a strong and loyal customer base. They provided quality natural garments and are leaders in outdoor gear. A very consumer-centric brand that puts the interest of the community first. For example, Patagonia donated \$10 million to community-based 3-week</p>	<p>Zara was the leader of the fast fashion industry. They designed the 3 weeks design to production process. Zara has 2259 stores in more than 93 countries and has a strong media presence. They refresh their digital collections every 2 weeks. This provided them with 24 different collections a year. Intedex, aka Zara's</p>	<p>Madewell has a cult-like following and has redefined the way denim is perceived. They keep refreshing their sustainable programs which provide customers with something new to look forward to. They have 140 stores nationwide with some that are designated to men and women. They are one of the few nations</p>

	<p>environmentalists and activists from president trump's tax cuts alone. Have a strong and loyal customer base. (<i>Owned and Operated Facilities - Patagonia</i>, n.d.)</p>	<p>parent company, is investing \$3billion to improve online experiences in all their brands. (Statista, 2021)</p>	<p>sustainable brands that are fashion-forward and follow trends while maintaining the 5 cycle fashion rule. (<i>All Madewell Locations Great Jeans, Shoes, Bags + More</i>, n.d.)</p>
Weaknesses	<p>Patagonia does not have a large retail store line. They only have 37 stores. They have an extremely weak online and media presence. Patagonia heavily depends on the US markets as it is the largest customer base. They are also not a fashion-forward company</p>	<p>Zara is facing difficulties with new sustainable fashion trends coming up. They have unethical work practices which they are constantly being criticized for. Zara was hit in 2020 as it relied heavily on its physical stores.</p>	<p>Madewell is also a brand that depended on the US market as its biggest customer base. They are not an inclusive brand when it comes to queerness as they still have gender-specific stores.</p>
Opportunities	<p>Patagonia needs to expand into other countries and markets. They need to invest in new designers that follow trends that can improve their customer reach. Patagonia should work on expanding its selection from outdoor gear to everyday clothing as well.</p>	<p>Zara could shorten their cycles even more. Switch to sustainable fabrics. Come up with new strategies to gear towards the sustainable market and consumer. Zara should capitalize on AI technology for predicting trends and customer segmentation to provide targeted social media advertising.</p>	<p>Madewell can expand its denim bar features to provide customers with more options for personalization. Work on providing online exclusive designs which will help drive digital traffic. Expanding stores globally and catering to different markets and increasing their customer reach.</p>
Threats	<p>Climate change can affect the productivity of</p>	<p>Zara is facing a lot of competition, especially on</p>	<p>Other brands can threaten to steam their</p>

	<p>garments for Patagonia as they heavily demand natural and sustainable fibers. As their garments are on the more expensive side, any sort of looming recession can cause a loss in sales. They face a lot of competitors in the sustainable fashion segment.</p>	<p>the e-commerce front, with brands such as shien and ASOS cutting prices drastically and having a larger collection of clothing. The use and throw attitude towards fashion is changing and customers are becoming conscious shoppers. This will affect Zara as they are a primary fast-fashion company.</p>	<p>denim bar ideas and work on them more efficiently. They need to work on providing more sustainable efforts and increasing their social media footprint. The cost of clothing is at a competitive price, especially during a time where B-corp sustainable brands in the market are growing exponentially.</p>
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Re/work has strategically positioned itself to capitalize on the largest market segment when it comes to affordability and income. Our sustainable route along with our hyper-local approach while providing customers with gender-neutral clothing, allows us to cater to exactly what our customers want from us. Compared to our competitors in the sustainable market like Patagonia or Madewell, we do focus on providing our consumers with clothing that is fashion-forward and timeless. Both our competitors have been criticized for their e-commerce presence, we will work on expanding our e-commerce site to be efficient and seamless by streamlining the checkout process. When it comes to social media, we want to leverage as much of the reach that it can provide to our favor, and will actively work to engage with our followers and increase interactions with our posts. This will help us stand out

V. Marketing + Sales Strategy

Product / Service

Re/work provides its customers with affordable and sustainable clothing while reducing fashion's negative impact on the environment. We want our customers to understand the difference we are making to the industry and the larger effect that it has on the future trajectory of fashion to a more sustainable future.

Our customers are provided with two lines to choose from. Each of these lines is catered to different market segments depending on their needs, wants, and affordability.

Pricing Strategy

Ready To Wear is the everyday line that is designed using recycled fabric and fairtrade textiles only. This product will be available on the online store and in all our brick and mortar stores as well. This mainline is designed to be durable and reliable but yet following trends going on in the market. The pricing structure for this line is designed to help us strategically position ourselves in the sustainable markets with brands such as Madewell & Patagonia, and in the fast fashion markets with brands such as Zara & H&M., The goal is to make sustainable clothing accessible while ethically producing and manufacturing clothing.

Garment	Price
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Basic T-shirts (Straight cut)	\$35 - \$45
Basic T-shirts (slim cut)	\$35 - \$50
Basic shirts (Straight cut)	\$45 - \$55
Basic shirts (slim cut)	\$50 - \$65
Shorts	\$55 - \$80
Hoodies	\$60 - \$85
Pants (straight chinos)	\$95 - \$135
Pants (skinny chinos)	\$110 - \$155
Jeans (straight cut)	\$90 - \$130
Jeans (slim cut)	\$105 - \$150
Sweatshirt (light)	\$85 - \$100
Sweatshirt (heavy)	\$95 - \$120
Jackets (light)	\$90 - \$130
Jackets (heavy)	\$110 - \$160
Winter coat short	\$180 - \$250
Winter coat long	\$200 - \$280
Sweat pants	\$85 - \$150
Loungewear	\$75 - \$115
Socks (pack of 3)	\$35 - \$50
Innerwear	\$30 - \$45

Recycled Couture Line is a hyper-focused product. This line would use 30% old garments, 55% upcycled fabric from Fabscrap, 10% natural and ethically sourced fibers, and 5% nylon-based materials. These lines will only be available where the artist will be

practicing. This will provide the artist with exposure to sustainable design. While magnifying the culture and trends that brew in the local areas. The pricing strategy for the Recycled Couture line is to target the luxury market segment. This line will be competing with brands such as acne studios, Thom Browne and Gucci when it comes to innovation in fashion and breaking stereotypes while competing with Prada Re-Nylon, Polo Ralph Lauren, and Hermes in regards to the transformation of the fashion industry into being sustainable.

Garment	Price
Basic T-shirts	\$120 - \$350
Basic Shirts	\$150 - \$480
Shorts	\$170 - \$540
Pants	\$200 - \$630
Jeans	\$260 - \$650
Winter coats	\$300 - \$1,500

Sales and Distribution Plan

The Sales and distribution plan for the first three years should aim for the growth of the company. The end goal is to open a permanent location-based in Williamsburg Brooklyn.

Year one (the 12-month startup sales plan) - The first 2 months we will focus on building inventory and bringing the brand to life. This will include developing a website, working with our Creative Director to set up our first ready-to-wear line, and getting manufacturing done in Bangalore, India.

The website will go live in month 2 and we will be expecting a minimum of \$6,000 to \$8,000 in startup sales. The majority of these sales will come from family and friends, the rest will come from our aggressive social media campaigns.

In months 4 and 5 we will have our first pop up which will be based in Williamsburg Brooklyn. This would be another heavy push on our social media channels, to help us gain as much foot traffic as we can. We expect 15 to 30 people in foot traffic a day for the first month of the pop-up and at least reach \$8000 in sales within the first month of our pop-up location. With aggressive social media campaigns, we would expect numbers to go higher in the second month of the pop-up.

Going off the success of our first pop-store, in month 5, we will build connections with stores in Brooklyn where Re/work could potentially sell garments. This would include stores such as the Friends NYC, ID mens/womenswear, and so on. This would help get the brand name out there as these are well-reputed stores in the area. Stores might be a bit hesitant to carry our garments, we would need to pay them for the space in the store rather than a portion of the profit made.

In our 6th month, we will recruit a contract designer based in Brooklyn and help them craft the first recycled couture line, they will be provided 1 month to design the line and 2 months to produce it. The line will go live in month 8 and will be available on our

online store and pop-up locations till the end of the year. The second pop-up will come to fruition in month 8 along with the new couture line. This will be in a location in Soho to increase our customer base in Manhattan and other burrows in the city. We expect to receive returning customers and will expect to make an additional \$8,000 to - \$15,000 in sales as the price for our couture products is priced higher.

Year two (12-month sales and operation) - We would lead with the same momentum for our ready-to-wear line with new products entering the market every 4th month. This would provide us with 3 new seasons every year. Each launch will be accompanied by a pop-up respectively. The recycled couture line will be launched in month 4 and month 8, these would also be previewed at the pop-up locations.

There will be 2 new contract designers for our recycled couture line. Our sales on average will be expected to grow to \$175,000 with our ready to wear line and \$65,000 with our couture line. 30% of sales will be from our three pop-up locations, with 2 being Brooklyn and one in manhattan. The next 12% will be from our retailers in the Brooklyn area. The remaining will be conducted on our website, 23% will be new traffic from social media, 30% will be returning customers and the remaining 5% will be organic and SEO implementation on our website and products.

Year three (12-month sales, operation, and location) - In this year we will follow the same production cycle and launches as we did in year two. The only difference is we will only have one pop-up location at the start of the year.

We plan on opening our first store in month 3, we expect this to boost sales and provide a space for our returning customers. In this year we expect our sales to grow to

\$250,000 with our ready-to-wear line and \$100,000 with our recycled couture line. We will also be introducing 3 new contract designers for the different seasons.

Advertising and Promotion Plan

Re/work's advertising and the promotional plan would be to educate and create awareness of the fashion industry while providing a more sustainable alternative. The following promotions will be concentrated within the region of the US. The social media algorithm will automatically promote posts to people and brands with common interests.

The next big step for us as a company is to communicate and connect with our future customers. This depends heavily on educating the public regarding the environmental devastation caused by the fast fashion industry and the unethical treatment of garment workers in the industry. The main channels we would use to communicate with them would be Instagram, TikTok, Twitter, and Paid media. Us investing time and money into communicating with the community is also a customer acquisition strategy.

In **year 1** the budget for marketing in year one would be \$80,000 this would include the budget through all our various social channels and digital advertising campaigns. The funds will be used for creating content for the brand and educational purposes (all content will be designed and handled by the designer, assistant, and me). They spend on in-app promotions and create relationships with various influencers across the platforms to reach a larger number of people. The commercial marketing budget does

include a contract PR company which will help get the name out there by unpaid articles and paid sponsorship.

Channels	Instagram	TikTok	Snapchat	Facebook	Comercial
Amount	\$20,000	\$15,000	\$5,000	\$5,000	\$35,000

In year 2 The budget will go up to \$100,000 while aiming for organic growth at the same time. This will be due to us being in various smaller locations throughout Brooklyn and the popularity of our Instagram-friendly pop-up stores in the city. Through this year we would want to grow our influencers by 25% and ones who have 50,000+ followers.

Channels	Instagram	TikTok	Snapchat	Facebook	Comercial
Amount	\$35,000	\$20,000	\$5,000	\$5,000	\$40,000

In year 3 the goal is to expand on the marketing and take professional guidance to grow our reach. The budget will go down to \$60,000. We will rely on the natural growth of our social platforms. In addition, we would work on creating content for the stores, which would include print and digital media required for the flagship store in the process.

Channels	Instagram	TikTok	Snapchat	Facebook	Comercial
Amount	\$25,000	\$10,000	\$5,000	\$5,000	\$15,000

VI. Operating Plan

Overview

During years one and two customers will engage with the brand on our website, social media platforms, pop-up stores, and other mom and pop stores where our products can be found. The reason we don't want to open a store right away is to save up money and open a store that does justice to the brand, the store will be run through 65% renewable energy. We will use this time to in turn build a bond between the customers and Rework as a company. This process will help integrate re-work into the local community and present itself as a staple. In addition, our goal is to have 3 different pop-up locations, each location would be for a new product launch and an event to go with it. Each location will be low budget but personalized to the launch. We want to create a space that is fun and exciting, not just a pop-up store, but an experience, with hopes to attract customers through Instagram posts, with the goal being to increase foot traffic (even if it's just to take photos in the space). These pop-up stores will all be based in various Brooklyn locations throughout the year. The day-to-day operations for the brand will be conducted remotely (work from home stations), but also will meet in central locations such as WeWork office spaces. The main purpose for this is to spend money on inventory and marketing campaigns rather than for ourselves. Over the last year,

COVID has proven that remote working is more sustainable and facilitates a better work ethic for employees.

In year three the goal is to open a permanent location mid-way into the year. Opening a store will provide a sense of brand identity and consistency for our consumers. The ideal location for this store would be off Bedford ave in Williamsburg Brooklyn, anywhere between N3 AND N10 street. This area has the most foot traffic in the neighborhood and is well connected into Manhattan through the L, J M, and Z trains respectively. In addition, we will still be practicing the same tactics we had in years one and two depending on the success rate of those endeavors.

Physical + Digital Location

Re/work will be a digital-first company in regards to sales. The website will be designed and managed by me. I will be using WIX for the first three years of our business, all our social channels will be integrated with stores on their respective platforms, such as Instagram Shop and Facebook Marketplace. The design of our website will follow the brand guidelines that we would have created, there will also be a blog attached to the website where customers can read articles related to the fashion industry and sustainability.

For our day-to-day work, the team will have work-from-home stations set up. In addition, we will be renting out a WeWork location in Williamsburg to conduct meetings and use the conference room available in my building. There will be a studio space in Bushwick that will be used to manufacture the Recycled couture line, this will be dedicated to the

designers and will be fully furnished with necessary machines, such as sewing machines, large scale plotters, and an industrial iron for fabric. We will rent a storage unit to store inventory, additional fabric, and supplies.

In year three, the team will move to our retail store with an office and studio space. This location will be in Williamsburg Brooklyn. Our brick and mortar store will be conducting business 7 days a week and will be open from 10 am to 8 pm from Monday to Tuesday, and from 11 am to 6:30 pm on Saturday and Sunday. This location is well connected to public transportation. The goal of our store is to be the face of the brand and also create an aspect of convenience for our customers.

The Williamsburg store will be located right between all our major competitors, including Patagonia, Madewell, and Everlane. This area is also a shopping destination for people who live in the surrounding neighborhoods.

Production and Manufacturing

The production and manufacturing of Re/works products will be conducted between the US and India. Each line will use different sources of fabric, but both will aim to work towards closing the fashion loop cycle. Through this process, we will ship products using sustainable carriers and packaging materials to help us stay true to our mission and our pledge to a sustainable future.

For our Ready wear line, 70% of our garments will be produced in Bangalore India and 30% will be manufactured in Long Island NY. We will only be shipping 2 containers a

year from India to the US. Our manufacturers in India will focus on the basic ready-to-wear line, the products that do not change every season, for example, basic Ts, jeans, pants, socks, and so on. They will be provided with upcycled cotton fabric that we purchase from Recover™, one of the leading sustainable fabric companies in the world, based in Spain. We will not be spending money on the storage of fabric or garments here as we will be using the warehouses and factories owned by my family. Re/work will be working with manufacturers that are ethical towards their workers and pay them a living wage. This will be a transparent process, all the information regarding salaries and workers will be available on our website. This will help us to build a relationship based on trust with our customers. The remaining 30% of our manufacturing that is based in the US, will focus on creating seasonal garments, like coats, jackets, and other winter accessories. Here will use fabric that is locally sourced from an upcycling factory called Fabscrap. The cost of manufacturing in the US will nearly double the price but will save on shipping costs and reduce pollution overall, as there will be lesser shipments across continents.

While considering our production costs, we should also include shipping as well. The majority of our clothing will be manufactured in India for our **Ready to Wear collections**. A 40ft container to the US before Covid cost \$2,000, now it is between \$4,200 and \$6,500.

Bellow is the guide for our production costs in the US and India respectively –

Garment	Manufacturing (USA) - 1 per 250 unites	Manufacturing (INDIA) - 1 per 250 unites
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Basic T-shirts (Straight cut)	\$5 - \$7	\$1.50 - \$2.50
Basic T-shirts (slim cut)	\$5.50 - \$7.50	\$1.75- \$2.75
Basic shirts (Straight cut)	\$6.25 - \$8.50	\$3 - \$3.50
Basic shirts (slim cut)	\$6.50 - \$8	\$3.10 - \$3.75
Shorts	\$7 - \$8.75	\$3.50 - \$4
Hoodies	\$9.75 - \$11	\$3.75 - \$4.25
Pants (straight chinos)	\$15 - \$19.25	\$6 - \$7.25
Pants (skinny chinos)	\$16.50 - \$20.25	\$6.10 - \$7.35
Jeans (straight cut)	\$12.50 - \$15.50	\$6.50 - \$7
Jeans (slim cut)	\$14.25 - \$18.50	\$6.65 - \$7.25
Sweatshirt (light)	\$10.25 - \$14.50	\$4.50 - \$5.25
Sweatshirt (heavy)	\$12.50 - \$15.25	\$4.75 - \$5.50
Jackets (light)	\$14 - \$19.25	\$9.20 - \$10.25
Jackets (heavy)	\$20 - \$27.25	\$10.50 - \$12.25
Winter coat short	\$35 - \$40	\$11.50 - \$15.25
Winter coat long	\$37.50 - \$45.25	\$12.75 - \$16
Sweat pants	\$10.50 - \$14	\$4 - \$4.75
Loungewear	\$8.50 - \$12.50	\$3.50 - \$4.25
Socks (pack of 3)	\$2.50 - \$5	\$0.50 - \$1
Innerwear	\$5 - \$7.50	\$1.25 - \$2.75

Our second line, also known as the **Recycled Couture line** will be manufactured in Brooklyn NY at our own studio spaces. This line would use 30% old garments, 55% upcycled fabric from Fabscrap, 10% natural and ethically sourced fibers, and 5%

nylon-based materials. All the contract designers for each season will be provided with the fabric, studio space, and machinery required to create and manufacture their garments. Each garment in this line will be provided with a detailed tag with an impact sheet regarding the positive change that one product is making towards the betterment of the environment and the fashion industry. This will provide our consumers with a sense of accomplishment and satisfaction that they are making the right decision.

Key Partner

Strong partnerships are important, as we have to trust our partners and their products. This is why Re/work is going to have a paid partnership with *Recover*[™]. They are one of the leading companies working on upcycling old garments into new cotton-based natural fibers. This process that they have designed is protected, this leverages strong environmental benefits, by providing naturally dyed fibers, without using chemicals or additional water to truly provide us with a closed-loop system. (*Recover | About Us, 2021*)

Recover[™] has worked with other sustainable companies around the world and has also worked on collaborations with a few fast fashion companies like Primark. The one country and market that they have not tapped into is the US fashion segment. This will help them get a leg into the market and us with a reliable and trusted source for fabric. (*Recover | About Us, 2021*)

We will have a 5 year paid partnership contract with Recover. They are one of the leading companies based in Spain that recycle old clothes into the fabric that can be

reused. The contract will include us being their first partners based in the US. For the duration of the contract, they will not be allowed to work with any of our competitors based in the US for the first year and a half of the contract. Recover™ will have to maintain their B-corp certification for the entirety of the contract. Any breach in the contract will end the partnership and will include a fine payable by Recover™. (*Recover | About Us, 2021*)

Legal Needs and Considerations

As per our legal structure, we will run as a Limited Liability Company (LLC) and work on being a B-corp-certified LLC in the future. The reason we want to move forward with this legal structure is that, in an LLC, the business entity is separate from its owner. Forming and owning an LLC is less complex than a corporation and is a pass-through tax entity. (*Limited Liability Company (LLC) | Internal Revenue Service, n.d.*)

All our digital content, from website design to photography will be copyright protected. We will make sure to analyze the terms and conditions of the social platforms we are using. All our published images will be tagged with copyright reminders, in certain cases, we will have watermarks across our images. If there has been an infringement of the copyright, we will work on taking immediate action by contacting the company or person responsible. If we do not get an answer, we will contact the domain host to inform them of the illegal activity.

One of the most important aspects of a company is its name and logo. And to protect this, our company name, logo, branding, and tagline will be subjected to trademarks as they are all considered as identifiers for who we are and the company, this will include our social media handles as well. We will consistently maintain our registration and will have a strong trademarking strategy as a defense for our brand. By keeping an eye out on the trademarks our competitors are registering, will in turn help keep us stay ahead of the game.

Privacy is key to our company, we will want our customers to trust us with their information at an age where technology is being attacked for its negative usages. All payments that would be conducted online and in-store via a digital medium will be protected. Customer information will also be protected when they create profiles on our website during purchases or sign up for email updates. We will have thorough terms of agreement available for the customers to read if they question us. They will have to agree to the terms and service to proceed through our website.

VII. Management Team

Re/work will start up as a small company, having no full-time employees for the first three years of the business. We want to be able to support the business without

additional funding added back before we hire full-time employees. The three main employees will help conduct the business for the first three years as advisors and will only start taking a salary in year four. They will be working on this alongside their full-time jobs. The three base employees will not be taking a salary for the first three years.

The Team

Dev Sreerama, the current CEO and owner, graduated from Pratt in 219 with a Bachelors in Fine Art and is currently enrolled at Purchase for a Master's degree in entrepreneurship in the arts. I currently work as a senior UX/UI designer at DIRECTV.

In years one to three, the majority of the operations will be conducted by me with the help of my advisors and mentors. My background in design and a degree in entrepreneurship in the arts will help me conduct day-to-day activities and in designing the ready-to-wear line, I will leverage both my degrees to my advantage to help move the company forward. In addition, I will not be taking a salary or compensation from the business as my visa status allows me to own an LLC but not take any profits from it. I can only start paying myself when I transition my status to a green card holder.

Re/work is all about being sustainable and ethical, **Samanvitha Danda** is our consultant for the first two years. Her responsibilities will be to synthesize data from manufacturing, shipping, and upcycling to provide detailed analysis concerning, and our environmental impact. She will develop plans to help control, fix and prevent environmental problems such as overconsumption of fabrics, increase in wastage, efficient & eco-friendly

shipping methods, and sustainable packaging. Samanvitha Danda recently received her Masters of Environmental Sustainability from the University of Pennsylvania. She has always had a huge passion for environmental protection and this has influenced every aspect of my life. She has worked with NGOs, Government agencies, Social enterprises, and Universities on energy and environmental projects. She is particularly interested in Corporate Sustainability, Energy Management, and Life Cycle Assessments.

Sara Gross will be appointed as the creative director. She will be considered a consultant for the first 3 years. Her responsibilities would be to help find local talent to bring into the company for your recycled couture line. In addition, her background in design within the fashion industry will be utilized to help create patterns for new designs and analyze trends in Brooklyn and NY to help incorporate them into Re/work.

Our contract workers will include the designers, social media manager, and digital development employees who will all be hourly workers. All the work that is created by them will be owned by Re/work. Their contracts will be for a full year with the possibility of extension. The hourly contracts will clearly state that all work created by them for Re/work will be owned and produced by us. Work annotated be shocked in any other space other than on our platforms. This will also include a non-compete clause during their time with us and will extend to 3 months after the end of their contract. This will also include a non-disclosure agreement that underlines that the sensitive company information that may be obtained cannot be shared or available to anyone who is not a part of Re/work. The contract will include a breach of a contract agreement which will be

a fine payable by the hourly worker. In addition, we would not have to cover the benefits for hourly contract workers.

VIII. Start-Up Expenses + Capital Formation

The Startup funding will be \$720,00, this excludes the sales from year one. The majority of this will be provided by parents and family. Re/work will not be taking out loans or outside investors. The company will solely be owned by me.

Income	Budget	Details
Investment - Parents	\$500,000	Would be taken out of a trust created in 2019 in the US. This would not have any tax implementations on it.
Self	\$100,000	This will come out of my savings.
Family	\$120,000	Money that will be invested from family, the family business, and grandparents.
Total	\$720,000	

The initial cost to get the company running will be \$186,320. This would be used to make sure that the company is registered as an LLC in the state of New York. We need to file the Articles of Organization with the New York Department of State Division of Corporation which comes at a price of \$250. We would do this through an agent or Legalzoom which will help reduce the cost and maintain the company information such as the address to remain private. The total cost of this would be \$520 for the first year.

The company's trademark and registration will include all the branding comments and the name. This can all be done digitally through the USPTO website.

Expenses	Budget	Details
LLC incorporation	\$520	According to the IRS, the formation of an LLC is anywhere between \$150 to \$300. This is a one-time payment of \$200 that will be made to incorporate Re/work and an LLC. With additional agent costs
Trademark registration	\$300	This includes trademarking the name and owning the name of our company. This would cost us \$250 and an additional \$50 which would be considered as the legal fees.
Collateral & Website	\$500	Buying and owning our domain name and other handles on multiple social media platforms.
Large machinery	\$8,000	Miele Rotary Iron, priced at \$2,200. Three sewing machines with an average price of \$600 each. In addition, we would have to buy needles for different fabrics which cost a total of \$300. Three sewing tables would cost \$250 each. An HP plotter would be used for painting and fabric and our print material costs \$2,700. The remaining \$250 will be used as contingencies for the purchases.
Electronics	\$5,000	Two MacBooks will be purchased for the use of the company at \$2000 each and printers which are \$300 with additional ink cartridges.
Inventory	\$172,000	\$100,000 of fabric would be purchased and the cost of manufacturing is \$72,000. This will provide us with the base inventory that we will expand on and replenish as we move forward.
Total	\$186,320	

IX. Financial Plan

Start-up costs for year one

Expenses	Budget
LLC incorporation	\$520
Trademark registration	\$300
Collateral & Website	\$500
Large machinery	\$8,000
Electronics	\$5,000
Inventory	\$172,000
Total	\$186,320

Year one - Expenses \$435,318 + Income \$830,000 = Total Net \$394,682

Income	Budget	Details
Investment - Parents	\$500,000	Would be taken out of a trust created in 2019 in the US. This would not have any tax implementations on it.
Self	\$100,000	This will come out of my savings.
Family	\$120,000	Money that will be invested from family, the family business, and grandparents.
Sales line two	\$10,000	As this line will come out at the end of the year. The projections are a lot lesser than the ready-to-wear line. The goal is to sell at least 10 garments at an average cost of \$1000 per garment.
Sales line one	\$100,000	Re/work will have to sell 1,429 articles of clothing at an average price of \$70 per garment

Total	\$830,000
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Expenses	Budget	Details
Branding and website	\$500	Buying and owning our domain name and other handles on multiple social media platforms.
Stationary	\$10,000	Cost of machines of \$8,000 and the remaining \$2,000 for print collateral
Contractor Salary	\$60,000	Three contractors at \$20,000.
Fabric	\$100,000	Bought from Recover and Fabscrap
Production	\$72,000	having 6000 garments manufactured at an average cost of \$12 per article of clothing
Bulk shipping	\$8,000	a container is around \$4000 for a 40ft
Samples	\$5,000	Samples each cost between \$50 to \$200 depending on the style and pattern.
Insurance	\$1,000	Small business insurance cost
Marketing	\$80,000	The initial cost of social media and paid media
Backup funds	\$20,000	To cover additional unforeseen expenses
Pop-up location	\$30,200	The budget for and. Average of 3 locations a year
Lawyer and legal	\$520	This includes the cost of registering an LLC
WeWork Location	\$1,800	The average is \$1000 a month for a small space we would require single usage which is \$150 per day
Work meetings	\$2,000	Budget for snacks and beverages/food provided during the meetings conducted for work
Studio space	\$15,000	Average studio space for designers in Bushwick is around \$1,250 a month
Storage unit	\$1,500	Storage units at \$125 per month
Electronics	\$5,000	Two MacBooks will be purchased for the use of the company at \$2000 each and printers which are \$300 with additional ink cartridges.
Taxes	\$16,830	LLC members are responsible for paying the entire 15.3% (12.4% for Social Security and 2.9% for Medicare). Members can deduct half of the self-employment tax paid from their adjusted gross income

Customer shipping	\$6000	average shipping is around 6\$ which will be covered for purchase over 100\$
Total	\$435,350	
Total Net	\$394,650	

In year one we project \$100,000 in sales when it comes to our Ready to wear line. To achieve this Re/work will have to sell 1,429 articles of clothing at an average price of \$70 per garment. With our heavy investment in social media marketing, we expect to target 60,000 people per month with boating posts and using Instagram analytics.

Branding and website will all be taken care of by me, this would save up money on graphic designers and the only cost we would have is for WIX and our domain name.

The salary of \$60,000 will be used to pay the recycled couture line designer about \$20,000 each for a total of 4 months. In addition, we will get in a contract social media planner to help plan for the launch of the first recycled couture line which would be \$20,000 for 3 months.

Recover will be our main source of fabric. We would buy \$90,000 worth of fabric from them in 7 different colors. The remaining \$10,000 would be used to purchase fabric from Fabscrap which would be used to create samples and in the production of your Recycled Couture line.

The studio space that we will be renting is (Huan, 2018) which is the location that will be provided for the designer and set up with equipment. All equipment will be a one-time

purchase that will be made. We would rent a medium storage unit from cube smart (CubeSmart Self Storage, n.d.) for our inventory, fabric, and Pop-up location supplies.

Bellow is the cost of our Pop-up locations in year one -

Expenses	Budget	Details
Furniture	\$10,000	One-time payments will be made to buy seating, clothing racks, changing rooms, and basic furniture for the store.
accessories	\$700	This consists of hangers and mannequins
Rent	\$12,000	The average rent of 4000 per location for 2 months
Utilities	\$1,500	Necessities and payment infrastructure
Payment to stores carrying our product	\$6,000	We will have our clothes in two main existing retail stores in Brooklyn. Each store charges \$250 a month.
Total	\$30,200	

Year two - *Expenses \$396,544 + Income \$669,650 = Total Net \$273,150*

Income	Budget	Details
Net funds from previous year	\$394,650	The net amount transferred over from the previous year
Sales line one	\$175,000	Increase sales to 2,500 garments at an average cost of \$70 per article of clothing
Sales line two	\$65,000	Increase sales to 65 garments at an average cost of \$1000 per article of clothing
Self Investment	\$35,000	Personal funds that I will be investing back into the company.
Total	\$669,650	

Expenses	Budget	Details
Website	\$250	Cost of maintenance of the site through WIX
Stationary	\$750	Replenishing stationery and other necessities from the previous year
Contractor Salary	\$80,000	Four contractors at \$20,000
Fabric	\$50,000	Bought from Recover and Fabscrap
Production	\$80,000	having 7000 garments manufactured at an average cost of \$11.42 per article of clothing
Bulk shipping	\$8,000	a container is around \$4000 for a 40ft
Samples	\$1,250	Samples each cost between \$50 to \$200 depending on the style and pattern.
Insurance	\$1,000	Small business insurance cost
Marketing	\$100,000	Cost of social media and paid media
Backup funds	\$15,000	To cover additional unforeseen expenses
Pop-up location	\$20,500	The budget for and. Average of 3 locations a year
WeWork Location	\$1,800	The average is \$1000 a month for a small space we would require single usage which is \$150 per day
Work meetings	\$2,000	Budget for snacks and beverages/food provided during the meetings conducted for work
Studio space	\$15,000	Average studio space for designers in Bushwick is around \$1,250 a month
Storage unit	\$1,500	Storage units at \$125 per month
Taxes	\$11,495	LLC members are responsible for paying the entire 15.3% (12.4% for Social Security and 2.9% for Medicare). Members can deduct half of the self-employment tax paid from their adjusted gross income
Customer shipping	\$8000	average shipping is around 6\$ which will be covered for purchase over 100\$
Total	\$396,545	
Total Net	\$273,150	

We expect to increase sales of our ready-to-wear line to \$175,000 in year two. This would mean that we need to sell around 2,500 garments at \$70 per garment. We will continue to have heavy investments into our social media channels, along with the multiple pop-up locations we will have throughout the year. The Recycled couture line will be expecting sales of \$65,000 over the year. The cost of the garments in this line is premium pricing and would only have to sell 65 garments at an average cost of \$1000 per article of clothing. We expect 45% of these sales to come from our pop-up locations for this line.

Our cost for website and branding will be drastically reduced. We will only be paying for the maintenance of the site to WIX. All updates to products and inventory will be made by me and Sara Grosso for this year.

We expect to increase our production this year by 1000 new garments, this would reduce the cost of production from our manufacturers.

As per our work locations, they would all remain the same. Moving would cost us more and would not make sense, as we will be opening our brick and mortar store in year three.

Below is the breakdown for our pop up locations in year two -

Expenses	Budget	Details
Furniture	\$1,500	Cost to refurbish damaged furniture
Rent	\$12,000	The average rent of 4000 per location for 2 months

Utilities	\$1,000	Necessities and payment infrastructure
Payment to stores carrying our product	\$6,000	We will have our clothes in two main existing retail stores in Brooklyn. Each store charges \$250 a month.
Total	\$20,500	

Year three - Expenses \$504,300 + Income \$678,150 = Total Net \$173,850

Income	Budget	Details
Net funds from previous year	\$273,150	The net amount transferred over from the previous year
Sales line one	\$250,000	Increase sales to 3,572 garments at an average cost of \$70 per article of clothing
Sales line two	\$100,000	Increase sales to 65 garments at an average cost of \$1000 per article of clothing
Self Investment	\$55,000	Personal funds that I will be investing back into the company.
Total	\$678,150	

Expenses	Budget	Details
Website	\$250	Cost of maintenance of the site through WIX
Stationary	\$750	Replenishing stationery and other necessities from the previous year
Contractor Salary	\$100,000	Five contractors at \$20,000
Fabric	\$50,000	Bought from Recover and Fabscrap
Production	\$90,000	having 9000 garments manufactured at an average cost of \$10.00 per article of clothing
Bulk shipping	\$8,000	a container is around \$4000 for a 40ft

Samples	\$200	Samples each cost between \$50 to \$200 depending on the style and pattern.
Insurance	\$1,000	Small business insurance cost
Marketing	\$60,000	Cost of social media and paid media
Pop-up location	\$2000	We will only have one smaller location mid-year
Promotions	\$10,000	Print media promotions for the store
Rent	\$40,000	The average is \$2,500 a month for a retail space
Store Set up	\$15,000	Cost of furniture and equipment
Utilities	\$3,600	With an average of 300 a month
Shipping Cost	\$10,000	average shipping is around 6\$ which will be covered for purchase over 100\$
Taxes	\$53,500	LLC members are responsible for paying the entire 15.3% (12.4% for Social Security and 2.9% for Medicare). Members can deduct half of the self-employment tax paid from their adjusted gross income
Store workers	\$60,000	The hourly wage for workers in the store.
Total	\$504,300	

Total Net	\$173,850
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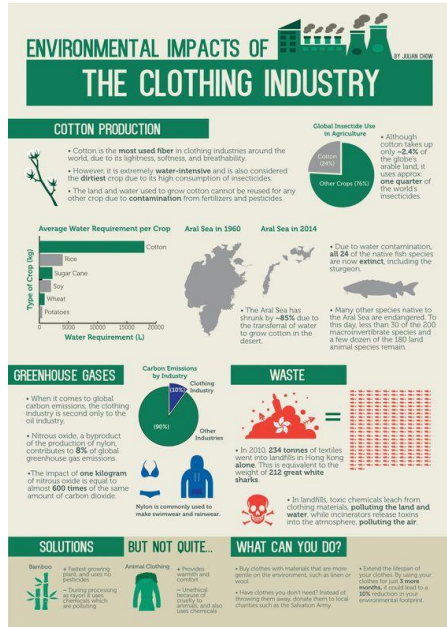
In year three one of our biggest expenses would be to open our first retail store in Williamsburg, Brooklyn NY. The store will be located off Bedford ave and close to most of our competitors (*116 Bedford Ave, Brooklyn, NY 11211 - Retail for Lease | LoopNet.Com, n.d.*) this location will be our work studio, office, and retail space. It will provide our customers to be able to interact with the brand and boost in-house sales. The store will be furnished with our pop-up location furniture pieces and new furniture that would be bought for the space. In addition, Re/work will employ 3 store workers at an hourly cost. This would include a manager for the store as well.

We will be doubling production as we want to increase the inventory that we have, this will help us expand into new locations without having to invest more money into manufacturing. We will only have one pop-up location this year, which will be based in Manhattan. This pop-up will run mid-year between May and June. The main goal of the Pop up is a third-year is a promotional event for our retail store based in Williamsburg.

X. Appendix

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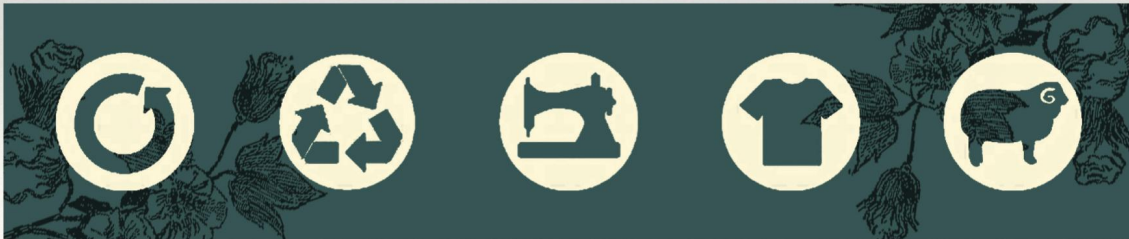
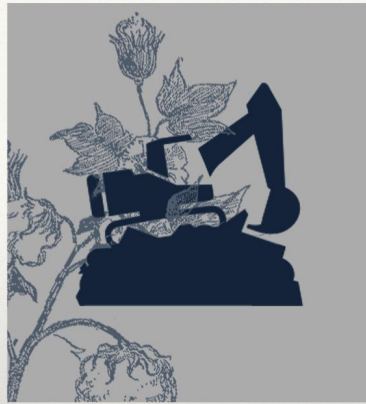
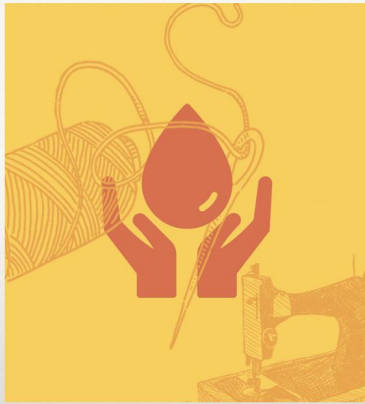
Dev Sreeama

Re/work

Capstone pitch

12/15/2021

What is fashion to you?



What is Re/work

The Company

Re/ work is a sustainable and gender neutral fashion company based in Brooklyn, NY. Our goal is to create a closed loop cycle and change the way fashion is consumed in today's world. We work only with eco-friendly and sustainable brands to provide our customers with the satisfaction of being a part of the positive transformation of an industry.

We provide our customers with a **Hyper Local Approach**. We aim to harness the talent and creativity among designers who live in the area. These exceptionally talented creatives will help embody the culture, style and aesthetics into the clothing that they design, in the aim to bring new life to our garments.



Mission

Re/work sets a new standard of sustainability within the fashion industry, while promoting the use of recycled and up-cycled fabric in the construction of our clothing. We provide a platform for local designers to showcase their talent, which helps magnify local culture and trends.



Vision

Re/work is the alternative to fast fashion and makes sustainable clothing that is affordable, while closing the open fashion cycle and drastically reducing the number of garments that are being discarded everyday.

How We Operate

Legal Structure

The company will be registered as an LLC. As an LLC, the business entity is separate from its owner.

Forming and owning an LLC is less complex than a corporation and works as a pass-through tax entity.

The company will earn the certification for a B-corp in year two. This will depend on the social and environmental performance of us as a company.

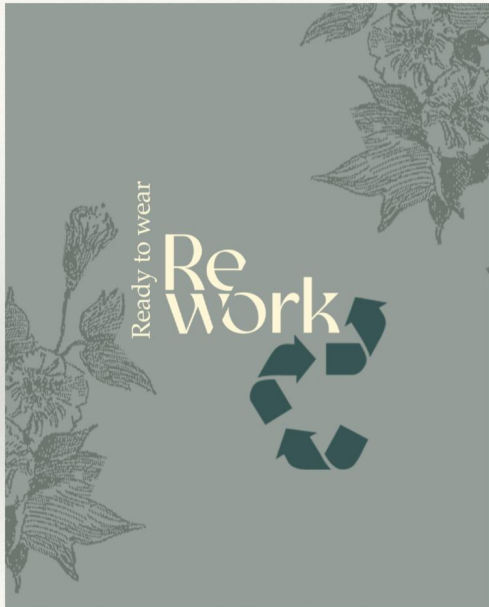




What We Offer

Our Products

Re/work has two lines. They are divided into Ready To Wear and our Recycled Couture Line. The lines have been distinguished by the materials, process and price of the garments.

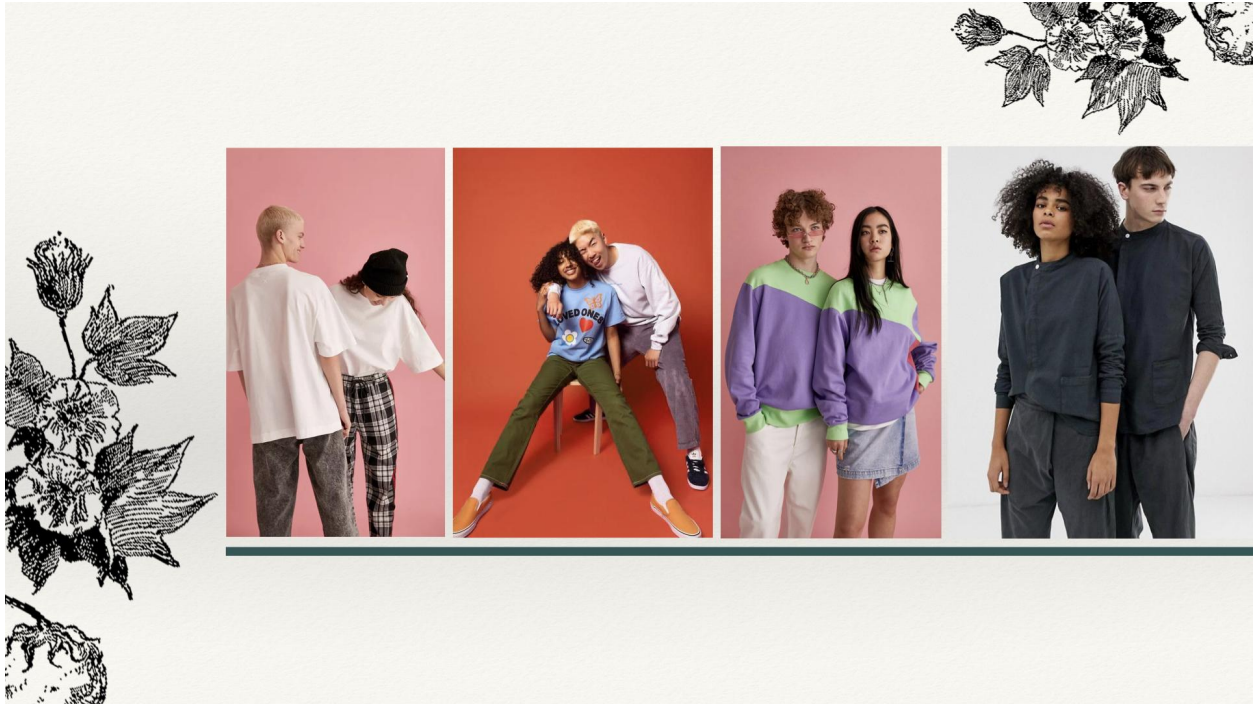


Ready To Wear

Designed with recycled cotton and nylon. This is the generic line that will be available online and in stores throughout the country and is designed by the in-house team. The ready to wear line is also our more affordable selection of clothing.

Competitors - Zara and Madewell

Garment	Price
Basic T-shirts	\$35 - \$50
Basic shirts	\$45 - \$65
Shorts	\$55 - \$80
Pants	\$95 - \$155
Jeans	\$90 - \$150
Winter coat	\$180 - \$280

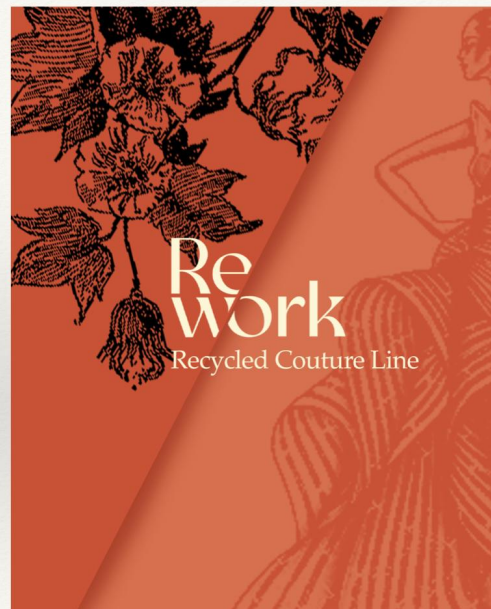


Recycled Couture

This line is designed by the designers that are hand selected every season, they are selected depending on how well they embody the culture and fashion of the city. The couture line is unique and limited, any additional pieces will have to be custom made for the customer.

Competitors - Between Ralph Lauren and Acne Studios

Garment	Price
Basic T-shirts	\$120 - \$350
Basic shirts	\$150 - \$480
Shorts	\$170 - \$540
Pants	\$200 - \$620
Jeans	\$260 - \$650
Winter coat	\$300 - \$1,500





The experience

Pop-up Stores

We will have three pop-up locations in NYC —
Two locations in Williamsburg NY.
The third location in Soho.





Who Are They

Customer Overview

Conscious young people with an emphasis on Gen Z and millennials, who live in Brooklyn NY and surrounding neighborhoods.

People who have **disposable income**, and expect the quality and value of products they pay for, but still love thrifting.

The ones who are known to **create and lead in current fashion trends**.

People that prefer to **shop sustainable** and care about the future of our planet.

The ones who **identify as independent or liberal**.



Sources, Amounts & Uses

Start-up Funding

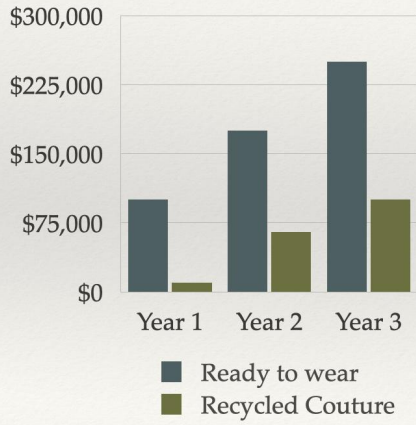
The start up funding for Re/work is - \$720,000

Expense	Price
LLC incorporation	\$520
Trademark registration	\$300
Collateral & Website	\$500
Large machinery	\$8,000
Electronics	\$5,000
Inventory	\$172,000
Total	\$186,320



Clothing sales

Income



Over All

Expense

