

Empowering Princess Holdings, LLC

*Business Plan
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Executive Summary

Empowering Princess Holdings, LLC, is poised to enter the toy industry with unique, beautiful trading cards that, in conjunction with a well designed website, tell a captivating story about magical princesses. The website encourages girls aged 7 – 12 to develop their own story; along the way, girls receive positive, self-affirming messages and learn to discover their true power within.

Sales of Empowering Princess trading cards will take place initially in the Naperville, Illinois area only. Mother-daughter home parties will generate word-of-mouth interest, and products may be purchased at these parties as well as online and in local independent toy and gift stores. Once a successful sales pattern has been established, sales will expand throughout the Midwest and then nationwide.

There is minimal competition in the girls' trading card market. Empowering Princess will need to focus on developing and maintaining a high quality, dynamic website in order to maintain successful sales. Financial projections are modest yet show a positive return on the initial investment by XX, 200X.

Business Environment

Company Overview

Cindy Harris, Founder and Executive Director of Empowering Princess Holdings, LLC, is the mother of five children, including three girls. Wanting to give her daughters more positive role models than the hyper-skinny ultra-shallow Bratz dolls, Ms. Harris began to develop fantastical stories for her children about magical princesses and their amazing adventures.

As she considered compiling these stories into a book, Ms. Harris also realized that while there are quite a lot of terrific books aimed at girls already in the market, there is a great void in the marketplace for trading cards for girls. Ms. Harris knew that girls are interested in collecting cards that are beautiful, magical, and inspiring.

Together with her husband Steven Harris, Ms. Harris founded Empowering Princess Holdings, LLC in 2007 to develop her magical princess stories via trading cards. Each Empowering Princess pack of trading cards will have a unique web access code that allows purchasers to sign on to the Empowering Princess website, where they can continue to develop the princess' story online. The website, trading cards and stories are aimed at girls aged 7 – 12. As they develop the story of the Empowering

Princesses, the girls themselves will learn the positive message that happily ever after and true empowerment come from discovering your true self.

Production of the trading cards and development of the website are currently underway. The marketing team that Ms. Harris has assembled believes sales of the trading cards will follow a path similar to that taken by Ganz' plush toy phenomenon, Webkinz™, relying primarily word-of-mouth buzz to drive consumers to seek out the product, rather than an expensive traditional advertising strategy.

In Phase One of sales, the marketing team will introduce Empowering Princess trading cards to the public via unique mother-daughter home parties. The focus on home parties serves two purposes: first, an air of "exclusivity" will help create word-of-mouth buzz to generate interest, and second, the parties give the marketing team critical feedback. Any problems with the products or distribution line can then be quickly addressed. During Phase One, the cards will also be sold at specialty toy and boutique stores in the greater Naperville area. Once a sales pattern begins to establish, Phase Two will begin with additional product distribution throughout the Midwest, eventually moving into Phase Three, national distribution.

Industry Overview

While Empowering Princess is not technically a toy company, the general public will, for all intents and purposes, treat the trading cards as toys. Therefore, any strategic analysis of Empowering Princess should also include an analysis of the toy industry as a whole.

In 2006 (the most recent year with figures available), the toy industry saw more than \$23 billion in sales, a .3% increase from the previous year. According to the Toy Industry Association's 2006 Report, "The toy industry enters 2007 with great momentum. Innovative toys... sold well and even flew off the shelves." As a result, the report says, "Originality will be pushed to even greater heights in 2007." The report concludes that the toy industry should enjoy a "bright outlook ahead".¹

Online toy sales in 2006 surprised industry experts by remaining constant at approximately 6% of total industry sales for the year, while mass marketers and discount stores represented 55% of all toy sales. Still, independent toy stores held onto a healthy 19% market share.²

A recent article in the magazine Brandweek shows that niche products are thriving in non-traditional sales channels. Alternate retail outlets offer many things the big box

¹Toy Industry Association 2006 Report, www.toyassociation.org

² Ibid.

stores lack: personalized attention from store personnel to direct potential customers to your product, the agility to move quickly on a product while a trend is hot, and the willingness to try something new.³

According to Michael Stone, president/CEO of The Beanstalk Group, a New York-based licensing agency, “There’s \$10 billion of apparel sold at shop-at-home parties. You can’t tell me that’s not a ‘real’ retail channel.” Moreover, Stone continues, “Smaller stores offer you a marketing place presence and proof of concept, proof that you can sell. There are lots of ways to grow and expand after that.”⁴

As an example, 4Kids Entertainment, Inc. launched its Chaotic Trading Card Game™ in limited quantities this summer via mom & pop hobby stores and comic book shops across the country.⁵ And Hidden City Games’ Bella Sara trading cards sell in alternate outlets such as equestrian stores, grocery stores, video stores, and convenience stores.⁶

Competition Overview

There are a plethora of trading cards/online games already in the market, but most are aimed at boys, notably Pokemon and Magic: The Gathering sold by Hidden City Games, LLC, and 4Kids Entertainment’s Chaotic. Some cards focus on novel uses of technology, such as Sony and Hasbro’s new collectable trading cards that will interact with the Playstation®3.⁷ And some focus on bigger principles, such as The Matter Group’s ecologically minded Xeko, a 2-player trading card game where players try to create the strongest ecosystem and protect endangered species.

Girls, however, have traditionally had fewer options. They were generally limited to a handful of specialty cards, such as Golden HorseShu® cards for horse lovers. Recently, however, the tides have begun to shift. Several franchises have now added trading cards to their main product line, including Mattel, Inc.’s American Girl dolls, Hasbro, Inc.’s Littlest Pet Shop toys, and Ganz’ Webkinz™ stuffed animals. And Upper Deck Entertainment, which produces the Yu-Gi-Oh trading card games, is also now producing trading card games to accompany the Bratz and Winx Club lines of toys. This bodes well for Empowering Princess, as their target users are already familiar with the concept of girls’ trading cards and will be receptive to the product.

³ Brandweek, June 11, 2007, “Licensing life: as smaller licensees are finding, there’s a way around all those mega retailers who won’t let them in.”

⁴ Brandweek, *ibid.*

⁵ Business Wire, October 18, 2007, “4Kids Entertainment releases highly-anticipated new Chaotic Trading Card Game™ at comic and hobby stores on October 24th.”

⁶ www.hiddencitygames.com

⁷ www.us.playstation.com, October 23, 2007, “Playstation®3 brings collectable trading card games to life in Eye of the Judgment™.”

The two main companies that Empowering Princess trading cards will compete against will be U Go Grl Activity Trading Cards, developed by LocaSmarts LLC, and Bella Sara, licensed by Hidden City Games. These appear to be the only two other girls' trading cards that are stand-alone products and not tied to franchised lines.

Market and Competitive Analysis

Target Market

The target audience for Empowering Princess trading cards and website is generally 7- to 12-year-old girls, with a specific focus on the core 7- to 9-year-old girl. These girls are quick to catch on to the next “cool thing”. They probably already own several Webkinz and are looking for something new. They have a busy lifestyle and face stiff competition for their time and attention – from sports, friends, school activities, dance and gymnastics classes, and homework – but they still enjoy reading and being drawn into a good story. In fact, according to research sponsored by American Girl, girls in this age group still spend 5 to 10 hours per week reading for fun, and the books they most often choose are series and chapter books.⁸

To succeed with these girls, Empowering Princesses must offer something they cannot get from their current toys or activities, must allow them to interact with their friends online, and must keep adding layers – either new products or other activities – to hold their interest. For example, Webkinz has successfully demonstrated the importance of adding accessories like charm bracelets and trading cards or retiring old products – thereby increasing caché for owning one. Likewise, American Girl's yearly rollout and careful branding of new dolls and related items like clothing and accessories are critical to their highly successful brand maintenance.

It is also important to remember that adults, mostly mothers, will be the main purchasers of the products. These mothers are actively involved in raising their daughters. They want to purchase products for their daughters that will develop positive values and self-esteem, but are often daunted by the lack of such products on the market. According to Adrienne Citrin, Toy Industry Association spokeswoman, “Parents are now looking more at the whole-child perspective, and they're focusing on these types of skills, such as listening, taking turns, inspiring creativity. There's a lot of new products that are also inspiring role play, and imaginative and creative play, music and art.”⁹

⁸ www.americangirlpublishing.com/aboutus/aboutus.aspx

⁹ Orlando Sentinel, October 3, 2006, “Old-time fun still has appeal for the iPod set.”

The strength of sales for such inspirational toys as American Girl dolls and Bella Sara trading cards indicates the desire in this market for toys that are not only beautiful and fun, but also that carry with them certain core values. Girls and mothers alike are looking for products that develop and reinforce a message of positive self-esteem and self-image. Empowering Princesses trading cards and website can fill this need.

Competitive Analysis

Minor Threats:

There are only a few trading cards geared to girls, but most, like Golden HorseShu®, lack an online presence and therefore will not compete directly with Empowering Princesses.

And while the American Girl Trading Cards feature beautiful illustrations from the American Girl books on the front and fun activities for girls to do on the back, the cards are not interactive online and do not hold a girl's interest for long. Indeed, they almost appear to be an afterthought for the company, as they were completely omitted from the holiday-themed November 2007 American Girl catalog. While these cards could in the future be a serious threat to the Empowering Princesses line, until American Girl and Mattel decide to put more emphasis on the development and marketing of the cards, the current threat to Empowering Princess is minimal.

Ganz has recently added a line of 80 Webkinz™ trading cards that enhance users' play with their stuffed animals online. The cards, however, are meant to complement the purchase of the main product, the plush toy. The feature codes on the cards unlock virtual prizes for Webkinz pets, but you must already have an active Webkinz account (that is, have purchased a Webkinz stuffed animal) to use the feature codes. The cards are cute, and the Webkinz website is well done, but since the trading cards are not a stand-alone product, they will not be a direct threat to Empowering Princesses.

Likewise, the trading card games geared around the Bratz, Littlest Pet Shop, and Winx Club franchises are not intended to be the focal points of those product lines. Rather, the games are meant more as an accessory to the main toys. Like American Girl and Webkinz trading cards, in the big picture of these franchises, these trading card games do not receive much marketing emphasis, and therefore will not be a direct threat to Empowering Princesses.

U Go Grl trading cards:

U Go Grl cards may be different. In 2005, LocaSmarts, LLC developed U Go Grl Activity Collectible Trading Cards designed specifically for girls between the ages of 7 and 12. The 150-card set features original artwork of 24 girl characters enjoying an active lifestyle. The cards offer girls positive tips and activities, and the website has a few simple games. The cards are sold via their website and in limited retail locations

at a retail price of \$3.49 per 8-card pack. Although the cards have a vibrant, trendy design, the website is poorly designed, with too many audio and flash players that make downloading the site very slow. Once the site does download, the flash players are distracting and make navigation of the site difficult. The online games are not very sophisticated, and the cards do not have a unique web access code, so users need not purchase the cards to get onto the website and play the games. The cards in their current format do not sell well, which underscores the importance of web design in attracting and retaining consumers in this age group.

However, LocaSmarts is currently overhauling their website. They are also in negotiations with a major retailer and hope to have their cards sold nationwide by Easter 2008. It is unclear at this time whether they are also overhauling the cards. Should the new website work well, and if the cards are readily available across the country, U Go Grl trading cards could be a serious threat. Until that time, however, the competition will be minimal, as they are not currently sold in the state of Illinois.

Bella Sara trading cards:

Bella Sara is the only true competition Empowering Princesses will immediately face. Their cards, aimed at girls aged 7 to 12, feature beautiful, imaginative illustrations of horses with inspirational messages such as “Beauty comes from within” and “Believe in the goodness of life”. The cards come with a code that activates an online version of the horse pictured on the card. At the website, users can care for their horses in the online stable, read stories about their horses, and play games with their horses. The cards are sold in random 5-card packs for approximately \$2.00.

Gitte Odder Braendgarrd, a Danish mother inspired by her daughter’s love for horses, developed the Bella Sara cards to encourage young girls to accept and express their feelings. The cards quickly became a hit throughout Scandinavia, and in 2006, US-based Hidden City Games, LLC (the company that introduced Pokemon to America) purchased the worldwide distribution rights to Bella Sara. The cards sell throughout Europe, Australia, South Africa, the United States and Canada at both mega-retailers and independent toy stores, and non-traditional outlets such as bookstores, equestrian stores, grocery stores, video stores, and convenience stores.

The cards have received numerous awards from child-development and parenting authorities, including the “Seal of Approval” from the National Parenting Center, the “Seal of Excellence” from Creative Child magazine, the “2007 Excellent Product” and “2007 Outstanding Product” designations from iParenting Media and the “Best Products – Spring 2007” award from Dr. Toy.

Hidden City Games has recently begun its third flight of national TV advertising to correspond with a new series of Bella Sara cards, and in August 2007 they announced their expansion into additional merchandising in time for the upcoming holiday

season, including plush toys, board games, a tin, and a selection of clothing and accessories for girls.¹⁰

Despite this apparent success, however, the cards have some problems, mostly with the usability of the website. The site is frequently so overloaded with participants that it runs painfully slow and often freezes a user's computer. Girls this age have short attention spans; if a site takes too long to download or repeatedly freezes, users will quickly become frustrated and abandon the product. Additionally, girls like to see themselves in the products with which they play; these trading cards do not picture any people (girls in particular), and this may be an important weakness.

The success of Bella Sara cards indicates the potential of this target market, while the problems with Bella Sara open the doors for Empowering Princesses to compete with a better-designed website and well developed human characters that will entice users to further explore the story of the princesses and remain faithful to the Empowering Princesses business.

Operating Plan

Description of Product and Website

The first products Empowering Princess will offer are the trading cards, a small book, and the website. There will be a total of 110 unique cards available, printed on heavy card stock in a glossy UV finish. The starter pack of cards will also include a small book introducing the user to the story of the Empowering Princesses; the book will be the same size as the trading cards.

There will be six categories of cards:

- Good Princesses – there are 9 good princesses, with diverse ethnic backgrounds and abilities, and each with their own mission.
- Evil Princesses – there are 6 evil princesses; each one has a plan to thwart the good princesses.
- Wisdom Gems – each good princess has a wisdom gem which is the source of her powers. The wisdom gem card will have the web access code that draws the user to the website.
- Powers – each princess has her own special power granted by the wisdom gem.
- Castles – each princess lives in a castle that contains its own dark secrets.

¹⁰ www.HiddenCityGames.com

- Character – each character card will hold a positive message for girls to develop their self-esteem and self-image.

Starter packs of cards will include the book and five random cards (1 good princess, 1 evil princess, 1 wisdom gem, 1 power, and 1 character card) inserted in a clear fin seal package. The set will be sold in a beautiful, reusable cardboard box printed on heavier stock with a glossy UV finish. Starter packs will be sold at a suggested retail price of \$9.99.

The refill kits will be sold in a slightly smaller, still reusable cardboard box printed on the same stock in the same finish. These kits will contain seven random cards (1 good princess, 1 evil princess, 1 wisdom gem, 2 powers, 1 castle, and 1 character card). Refill kits will retail at a suggested price of \$3.99.

The website is as important as the trading cards in the Empowering Princess strategy. Users will log onto the website with the special access code from the wisdom gem card. The home page of the Empowering Princesses website will allow users to navigate to several pages:

- Once Upon a Time: Gives a summary of the booklet included in starter packs and introduces the user to the Empowering Princesses story line.
- Princess Plea: Rotates through four good princesses at a time, each with her own “plea” encouraging the user to help the princess in her mission – and enticing the user to continue to explore the website.
- Evil Ones: Rotates through three to four evil princesses and their stories.
- Winzor’s Book of Wisdom: The most important page of the website. This page explains each of the wisdom gems that give specific powers to each of the princesses. This page will be interactive and will be the main story-telling tool of the website.
- Reflection Pool: Rotates through the princesses and features their “reflections” in the pool.
- Deshay’s Wand: “Sees” into the future and highlights upcoming products.

The website will have a shopping cart to allow users to buy the full line of products online. The site will also include corporate information (such as a mission statement), will allow users to contact the company, and will display company privacy policies in accordance with the Children’s Online Privacy Protection Act.

Production Process

JohnsByrne Co. will handle the printing of the trading cards, books, and packaging. There will be a total of 110 unique 3.5” x 2.5” cards available, printed on heavy card stock (12 pt. Tango C2S) in a glossy UV finish. The starter pack of cards will also

include a small book introducing the user to the story of the Empowering Princesses; the book will be the same size as the trading cards, printed as a 12-page body with 4-page cover and saddle stitched to bind. The starter pack of cards will be sold in a beautiful, reusable cardboard box printed on heavier stock (16 pt. C1S) and also with a glossy UV finish. The refill kits will be sold in a slightly smaller, still reusable cardboard box printed on the same stock in the same finish.

The initial product order will be for 10,000 each of starter books, 5-card packets, 7-card packets, custom boxes for starter packs, and flap boxes with a gold pressure-sensitive seal for refill packs. JohnsByrne will also do the fulfillment, or insertion of the packs of cards into the cardboard boxes. This order will have a total cost of \$XXX. Some of the cost for this initial order is in set-up fees. The cost for subsequent orders of 10,000 each will drop to \$XXX. The cost per unit will be further reduced as increased sales warrant larger orders.

Ms. Harris is currently investigating the best options for inventory storage and shipping.

Website Development

Ms. Harris and Creative Director Margaret Lee are working with Red Olive to design and develop the website. Red Olive expects to publish the website by the end of 2007.

Ms. Harris and Ms. Lee will work with Red Olive to add games and new features to the website on an ongoing basis. A dynamic website will be critical to maintaining the interest of the users.

Marketing Plan

Benefits of Empowering Princesses Trading Cards

While there are a variety of trading card games for boys, there is a definite void in the girls' marketplace. A Google search of "girls trading card games" reveals such uninspiring choices as Bratz Party Girl and Boy Crazy. Empowering Princesses trading cards are designed to fill the void for 'tweens who are too old for Disney princesses, but too young for the Hollywood images that focus on the negatives. Empowering Princesses provide role models who are beautiful, positive, and have discovered their true selves.

Girls will love Empowering Princesses because the cards and website are fun, smart, engaging and exciting. Moms will trust Empowering Princesses because the company is wholesome, age-appropriate, safe, high quality, educational, and fun.

Sales & Distribution/Advertising & Promotions Plan

Empowering Princess will roll out their products in three distinct phases.

Phase One:

This phase will focus on the slow, methodical development of sales channels in the greater Naperville area. Growing too big too fast is a concern, and Empowering Princess understands the importance of working any kinks out of the system before any large-scale sales plan will be successful. The focus during Phase One will be to develop word-of-mouth buzz for the product, modeling after the success that Ganz has enjoyed with their Webkinz line of stuffed animals. Instead of advertising, Ganz relies on sales reps, retailers, media outlets and devoted young customers to spread the word. Local newspapers stories and bloggers' first hand accounts made up the majority of media Webkinz received until the 2006 holiday season, when they received national exposure on several morning talk shows.¹¹

Sales of Empowering Princesses trading cards during Phase One will start with unique, mother-daughter at-home parties. This will serve as a focus group testing period for product development and will introduce young girls in Naperville to the Empowering Princesses as something fun and cool to do. Mothers will also come to understand that Empowering Princess shares their values and that the trading cards are a wholesome product. At the parties, mothers and daughters will learn about the Empowering Princesses story and will be able to play with the trading cards and the website. Guests will be able to take home a set of trading cards, they will be able to make additional purchases at the party or online, and they will also receive a special party favor.

Concurrent with the development of the home parties, the marketing team will establish sales channels at several Naperville-area independent stores, including Butterflies & Bugs, Just Ducky, Flava 4 Girls, Anderson's Book Shop, and Ginny's Hallmark stores.

A coordinated public relations campaign will also begin during Phase One, including press releases and cultivation of a relationship with the local media, participation in events such as local art and craft fairs, and Empowering Princess parties at book and toy stores or even dance or gymnastics studios.

¹¹ Marketing VOX: The Voice of Online Marketing, January 23, 2007, "WOM, Social Media help Webkinz sell by the millions".

Additions to the Empowering Princesses product line during Phase One might be gift packages, gift certificates, and/or a monthly Empowering Princesses Club, where for a monthly subscription fee girls would receive a packet of cards and a poster of a different princess each month. These ideas are currently in the concept stage and require further study, but would be helpful to increase the potential income from the home parties.

The goal of Phase One will be to create word-of-mouth interest in the Empowering Princesses and to perfect the product line. Potential consumers will be able to purchase the products at a home party, online, or at an area store. Empowering Princess will place an initial order with JohnsByrne of 10,000 each of starter books, 5-card packets, 7-card packets, custom boxes for starter packs, and flap boxes for refill packs, at a total cost of \$XXX. Sales are expected to reach \$XXX by XX, 2008.

Phase Two:

During Phase Two, sales will gradually expand to independent and alternate retail sites in the surrounding Naperville areas and greater Chicagoland, and eventually throughout the Midwest, including Illinois, Wisconsin, Minnesota, Michigan, and Ohio.

Ms. Harris and Ms. Lee will continue to work with Red Olive, the website developer, to add on to the Empowering Princess story. At this time, princes or animals may be added to the story line, and licensing options will be explored. Empowering Princess may consider joining industry trade groups such as the American Specialty Toy Retailing Association (ASTRA) or the Toy Industry Association (TIA). This may also be the time to participate in one or more toy industry trade shows, such as ASTRA's annual Marketplace convention or TIA's annual Toy Fair.

During this phase, advisor Dave Kissel, a retired advertising executive who helped develop McDonald's "I'm Lovin' It" campaign, will begin to take a greater role in the marketing of the Empowering Princesses product line. Empowering Princess expects to be ending Phase Two by XX, 200X with sales approaching \$XXX.

Phase Three:

Empowering Princess will expand sales nationally during Phase Three under the direction of Mr. Kissel. It is possible that Empowering Princess may seek out a relationship with a national retailer, or sales may remain with the independent stores. Licensing options, such as clothing, plush toys, and chapter books, will also continue to be of interest and actively pursued. Empowering Princess may consider retiring certain princess cards at this time, to pique the interest of consumers and maintain the aura of desirability.

Management Plan

Ownership

Ownership of Empowering Princess Holdings, LLC is divided equally among three individuals: Cindy Harris, Steven Harris, and Margaret Lee.

Cindy Harris is the founder and President of Empowering Princess Holdings, LLC. Ms. Harris writes the storyline for the trading cards and websites, and manages the production process and day-to-day operations of the company.

Steven Harris is the Director of Finance and also serves as the company's CPA. Mr. Harris has extensive financial background via his employment as a Principal with Deloitte & Touche.

Margaret Lee is the Creative Director who creates the artwork on the trading cards. She currently works as an artist in Utah.

NEED BETTER BIOS/BACKGROUNDS, JOB DESCRIPTIONS

Contractors

Ms. Harris has assembled a team of contractors and advisors to assist with the operations of the company.

Website Development:

Ms. Harris has employed the Utah-based web developer Red Olive to work in conjunction with Ms. Lee. Red Olive's specific duties include to design and develop the website, incorporating into the design comprehensive search optimization tools and ecommerce capabilities. Red Olive is also managing the hosting of the website. They expect to publish the website by the end of 2007. Red Olive has extensive experience with large companies, including Flying J Truck Stops, Little Giant ladder systems, the Utah Symphony, and Alpine Credit Union.

Production & Fulfillment:

After an extensive search of the printing market, Ms. Harris has decided on JohnsByrne Co. to handle the printing and fulfillment of the trading cards, booklets, and packaging. JohnsByrne is local (based in Nilis, Illinois), he specializes in the finishings which will be so important to the quality of the products, he is able to meet all of Empowering Princess' printing needs and is therefore a one-stop-shop, and he has been very communicative throughout the quoting process.

Marketing:

Karen Pomazal and Beth Carter will work with Ms. Harris on the marketing of the Empowering Princesses product line throughout Phases One and Two and perhaps into Phase Three. Ms. Pomazal is a 15-year veteran of the marketing industry specializing in brand development; during her tenure, Ms. Pomazal grew the Royal Bank of Scotland's U.S.-based Asset Finance Division from a startup level to \$6 billion. Ms. Carter is a freelance writer specializing in business writing, public relations, and marketing; Ms. Carter recently helped a local children's theater double its student body in a six-month period.

During Phases Two and Three, David Kissel will become more involved with the marketing functions of the company. Mr. Kissel is a recently retired advertising executive who helped develop McDonald's "I'm Lovin' It" campaign.

Inventory Storage/Shipping:

Ms. Harris is currently researching the best inventory storage and shipping options for the company.

Legal:

Ms. Harris is currently considering establishing relationships with one or several attorneys regarding various legal matters, notably copyrights, trademarking, and intellectual property.

Future Staffing Needs

As Empowering Princess grows, Ms. Harris will need to add staff to the company, such as one to two administrative employees, a bookkeeper, and a logistics manager. Additional salespeople will also be critical; during Phase One, if sales are highly successful, Ms. Harris may need to hire a salesperson to help expand upon the initial retail sales channels the marketing team will develop. During Phase Two, Ms. Harris will need to add at least one to two sales staff to increase sales throughout the Midwest. As the company moves into Phase Three, Ms. Harris may need to establish three to four regional sales divisions, with several salespeople staffed in each.

Financial Plan

NEED CURRENT AND PROJECTED FINANCIAL STATEMENTS, DETAILED FINANCIAL GOALS.

See the appendices for current and projected balance sheets, income statements, and cash flow statements.

Conclusion

Empowering Princess Strengths

Empowering Princess enjoys several strengths as they enter the marketplace. Demand is high for products that engage the minds of young girls and develop their self-esteem, and the handful of recent entries into the girls' trading card market means that girls are becoming increasingly familiar with the products. Empowering Princess will not have to blaze a new trail as they market their trading cards; rather the beautiful design, the inspiring message, and the interactive website will naturally draw girls into the story of the princesses.

Ms. Harris has assembled a solid team of management and contractors to help with the development, production and sales of the Empowering Princesses product line. The marketing plan will allow the company the chance to grow slowly and carefully, which will enable Empowering Princess to sustain their success and build a powerful company built on positive messages. The company has realistic financial projections, and Ms. Harris can expect a positive income by XX, 200X and to be paid back her initial investment by XX, 200X.

Empowering Princess Weaknesses

The single biggest challenge that Empowering Princess will face is developing a high-quality website with new components regularly added to maintain user interest. As shown by U Go Grl's initial lack of success in the marketplace, beautiful trading cards alone cannot be successful for long. A dynamic, challenging, exciting website will be critical for Empowering Princess' success.

Empowering Princess Opportunities

The current growth of competitor Bella Sara may actually help Empowering Princesses trading cards, as users become familiar and comfortable with girls' trading cards and will therefore more readily try the Empowering Princesses line.

Additionally, given the lack of other significant competition, there may be room in the market for two girls' trading card games.

Empowering Princess Threats

Although there may well be room for two girls' trading card games, Bella Sara will still be stiff competition. Their trading cards are beautiful and highly desirable among target users. Its website, while not without its problems, is generally very well designed. And if U Go Grls is able to successfully redesign its website (and possibly its trading cards) and negotiate a profitable relationship with a major retailer, they could also provide serious competition. And finally, other companies such as American Girl could easily decide to strengthen their position in the girls' trading card market.

There is also a financial risk to Empowering Princess' success. All financial projections are made on sales projections that may not materialize as hoped.

Conclusion

Empowering Princess brings a great many strengths to this venture, including a beautiful product, well designed website, and solid management team. Ms. Harris, Ms. Lee and Red Olive will work hard to develop and maintain the high quality website, thereby minimizing its key weakness. The timing appears to be perfect for entry in the girls' trading card market, and while key competitors will be a threat, it appears that for the near and intermediate future there will be room for several companies to operate in this market. Because of the slow, methodical marketing plan, if sales fail to develop as predicted, Empowering Princess can change tactics or adapt its product line before burning through large-scale investments. Financial projections are modest, and show a return on Ms. Harris' initial investment by XX, 200X.

Appendix 1: Marketing Timeline

Phase	Activities/Focus	Expected Start/Finish Date
One	<ul style="list-style-type: none"> • Focus on Naperville area • Mother-daughter home parties • Develop sales channels in local independent toy and gift stores, including Butterflies & Bugs, Just Ducky, Flava 4 Girls, Anderson's Book Shop, and Ginny's Hallmark stores • Gather feedback on products, website and delivery; make changes as necessary • Consider and possibly develop additional products to increase sales and revenue such as gift packages, gift certificates, and Princess of the Month Clubs 	???
Two	<ul style="list-style-type: none"> • Expand focus first in Naperville's surrounding counties and cities, then in surrounding states throughout the Midwest • Increase the role of advertising executive David Kissel in the development of new sales channels • Expand sales channels, still primarily through independent stores and chains • Pursue membership in industry associations and participate in industry trade fairs • Pursue industry awards and designations • Continue to add new games and storylines to the website • Continue to consider and develop new products to the line, such as animals and princes 	???
Three	<ul style="list-style-type: none"> • Expand focus on nationwide sales • Leverage relationships and experience of Mr. Kissel in large-scale product campaigns • Continue to add new games and storylines to the website • Continue to consider and develop new products to the line • Consider retiring certain princess cards • Investigate licensing options such as toys, clothing, accessories, and chapter books • Investigate whether sales remain with independent stores or whether should negotiate relationship with major retailers 	???

Appendix 2: Competitors' SWOT analysis

Product / Company	Strengths	Weaknesses	Opportunities	Threats
<p>U Go GRL LocaSmarts LLC</p> <p><i>Overview: U Go Grl cards are sold in packs of 8 random cards, and each pack includes 1 sticker or girl-style tattoo. Each pack costs about \$3.50.</i></p> <p>www.ugogrl.com</p>	<ul style="list-style-type: none"> • Cards are 'cool,' fun to collect. • Positive focus on activities and things interesting to 'tween girls. • Ethnically diverse. • Based on real girls and are highly relatable to girls. • Creative Child Preferred Choice Award, National Parenting Center Seal of Approval, The Toy Man Seal of Approval. 	<ul style="list-style-type: none"> • Weak online presence, not very interactive. • Focus group child became bored of it quickly and didn't return. 	<ul style="list-style-type: none"> • Have been utilized by the Girl Scouts badge program and in schools for self esteem programs for middle school girls. • They have online party ideas, (but not products.) • Brand is expanding to include tins, apparel, accessories, school supplies, books, food/ beverages, sporting goods, health and beauty, home décor, & video games. • Also have their own music single. • Line is expanding to include pets. • Cards are available online and in specialty stores in certain states. 	<ul style="list-style-type: none"> • Webkinz, TY Girls and other highly interactive websites. • Focus on girls 7-14.

Product / Company	Strengths	Weaknesses	Opportunities	Threats
<p>Bella Sara Hidden City Games</p> <p>Overview: Each Bella Sara card pack retails for approximately \$2.00 and contains 5 random horse and/or energy cards.</p> <p>www.bellasara.com</p>	<ul style="list-style-type: none"> • Beautiful cards, some are shiny. • Positive, self esteem building, inspirational. • Fun, interactive website – horses need daily attention. Focus group child returned to the site first thing the next day. • Each card has a positive phrase, i.e. “With me you will be safe and protected by heaven.” • Dr. Toy Best Products Winner, Seal of Approval from the National Parenting Center, Seal of Excellence from Creative Child Magazine, 2007 Excellent Product from iParenting. • History of successful trading card games – Magic: The Gathering, Pokemon. 	<ul style="list-style-type: none"> • Website sometimes freezes. • No focus on people, esp. girls. 	<ul style="list-style-type: none"> • Different types of animals are included: horses, Pegasus, burros, donkeys, etc. • Different series: Ancient Lights, Northern Lights. • Distributed throughout the U.S. and Canada in both mainstream and boutique retailers. • Supported by television advertising. • Each card includes an individual code. 	<ul style="list-style-type: none"> • Focus on girls ages 5 and up. • Competition from cards and products that have a focus outside of animals.

Appendix 3: Website map

Appendix 4: Financial statements