



# **BUSINESS PLAN**

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## **Executive Summary**

CaseBloks is a partnership that incorporates a new type of interchangeable parts phone case into the market. The company's goal is to satisfy the customer and provide a unique and elegant phone case manufactured with the highest-quality materials. The company's CEO & CFO, Jai Patel, has participated in the Young Entrepreneurs' Academy and has had former experience in starting up businesses. The COO & CMO, Sameer Mumtaz, has also gained a wide variety of experience through working with Ampex Restaurant Management and overseeing their affairs.

In the current market, a phone case has not been introduced that allows the customer to personalize their case through the use of interchangeable parts in the way that CaseBloks allows. Up to date, each of the other cases that has already incorporated the interchangeability function are used for technological purposes. CaseBloks has retained a focus on the aesthetic appeal of the case and as a medium of expressing one's personality through various customizable blocks.

By filling a void in the market, CaseBloks has the potential to surface a new kind of revolutionary concept in phone cases. This design has not been previously presented in the market and is the first of its kind which will be the reason for its success.

## Company Summary

CaseBloks has been registered as a DBA (Doing Business As) and the company is a partnership.

The mission of CaseBloks is to create a customizable case experience for the customer with high quality materials. CaseBloks envisions the future of case technology and brings a unique idea to the public. It was founded upon keeping formidable relationships with the customer and presenting an interactive environment.

CaseBloks will market to people between the ages of 13 to 35 as they are part of a generation which is highly involved in new developments in technology, specifically focusing on those who possess handheld electronic devices. Since the owners of CaseBloks currently attend Frisco High School, primary marketing and promotion efforts will be targeted to the students that attend the school. After reaching Frisco High School, CaseBloks will move to other schools in the Frisco Independent School District. Eventually, the customer base will grow and CaseBloks will shift its focus to market to the older individuals in the target market.

By March 1, 2017, CaseBloks will have a working prototype phone case and will have gained consumer opinion/suggestions on ways to improve the case. Additionally, by May 1, 2017, the company will have sold five cases. One long term goal for CaseBloks is to have sold 5,000 phone cases by January 1, 2020. Also by January 2025, the company will aim to be in stores such as Best Buy and Target.

In order to be successful, CaseBloks must offer each customer a 100% satisfaction guarantee in order to ensure that the customer will continue to purchase from the company. The company's cases must always be improving in order to retain the customer's interest and allow the customer to have a wide variety of designs to choose from. Furthermore, the company must file for a patent to ensure that no other company/large business can steal the idea and foundation for CaseBloks.

CaseBloks will be selling all its products online and through word of mouth. It is best for the company to stay away from retail stores in the beginning stages as they will want to buy the cases for a lower price and sell for a much higher price. This will limit the ability for CaseBloks to make a large profit from sales. However, in later stages, the company will try to expand into large retail stores such as Apple, Target, and Best Buy.

In terms of existing business connections, CaseBloks has established a relationship with Ampex Restaurant Management. Through Tabbassum Mumtaz, there will be promotions for the phone cases within restaurants and company websites. Also, the company has established a secure relationship with Newcrest*Image*, a company in the hospitality industry. As gifts for special

holidays, employees that work for Newcrest *Image* will receive custom CaseBloks phone cases. The contact for this company is the Asset Manager, Yogesh Patel. By selling cases to these two large companies, many sales will be generated and others may recommend the case to their friends and family.

## **Product/Service Description**

CaseBloks is in the retail industry. The company produces protective, elegant, and customizable phone cases for the consumer.

The phone cases will be made out of an aluminum outer casing and interchangeable silicon back plates. The silicone back plating will be smooth to the touch and gives the user's phone extra grip. The aluminum outer casing makes the phone look more professional and elegant. These materials underline the durability and superior quality of the phone case. This interchangeability gives the consumer the capability of choosing the colors, designs, and engravings they would like on the back plate. CaseBloks is distinguished from the competition due to its flexibility towards the consumer. The consumer will be given the option to change how their phone case looks in order to create a unique and refreshing look on their electronic devices. They can also choose from original cases which the company has designed to bring a flash of elegance to a rather mundane element of their lives.

In the future, the company plans to create a plethora of new designs relative to the targeted market's interest. There will be new designs for special occasions (holidays, trends, etc.) and will also formulate ways to make the case more protective, stylish, and flawless. CaseBloks will continue to make the interchanging of the silicon back plates more seamless and efficient in the future.

Many surveys were distributed through various platforms in order to compile people's opinions on the idea and design of the phone case. Many issued a concern for the interchangeable blocks, making sure that they are easy to slid in or snap on. When developing the prototype, the company will place emphasis on the manufacturer to pay special attention to the way in which the blocks are changed. When asked for the types of colors they would like the blocks to be, many responded that they would like not only colors but also personalities. For example, if there is a student at the University of Texas at Austin, they would like a block that expresses that characteristic. This would allow for the case to be fully-customizable and retain individuality. By being able to customize and change the phone case as desired, each person is able to express their own personality. We informed each survey participate that the case will constructed with silicon and aluminum. This proved to be an effective combination as the silicon allows for the customer to have grip on the phone. Out of all of the survey participants, 90% would recommend the phone case to a friend. In addition, on a scale from 1 to 10, people responded with an 8 as the likeness to purchase the phone case.

The designated manufacturer to produce CaseBloks phone cases is Zooby Promotional Novelties. The company is located in the United States but outsources from China and will be shipping the phone cases to the United States. The cost of producing a single phone case is

approximately \$1-1.50 with a one-time fee for a mold of \$2,500. The manufacturer will be responsible for creating the mold and obtaining the supplies needed for the production of the phone case. The product packaging will be outsourced from an outside packaging agency. The cases will be stored in the garage of the CEO's home. The customer will be able to choose their designated method of shipping from FedEx and UPS. The shipping rates will be determined by the chosen medium of shipment.

## Market Research

The company has conducted extensive market research on the future of CaseBlok.

Through conducting primary research with a multitude of people, there have been many positive remarks about the business and the idea for the product. Through speaking with people in high school, they claimed to be very interested in having a new type of phone case in the market and would be willing to purchase it for around \$30 to \$35. The company believes this may be due to the fact that people want change and the ability to change the look of their phone case day to day intrigues them. After reaching out to people from the ages of 18 to 35, there has been the same amount of interest in the phone case and what it is able to do. They have said that it would be definitely something they would be willing to try out. Customization and self expression are very important trends in modern day, so why not apply them to phone cases?

The number of smartphone users in the United States for 2017 is estimated to reach 222.9 million with the number of smartphone users worldwide to exceed 2 billion by that time. This industry is projected to grow to approximately 264.3 million users by the year 2021 in the United States. CaseBlok will be starting out with iPhone users; in 2015, there were 82.5 million iPhone users in the United States. In 2011, 29% of iPhone users were between 25 and 34 years old in the United States which fits the company's targeted market. Also in 2011, 45% of the iPhone users had an income of over \$100,000 which shows that they would be able to afford this luxury. With 52% of iPhone users in the United States being male in 2011, it shows that there is an evenly distributed market for males and females. In September of 2013, 23% of Android users did not have a phone case due to the claim that it is too bulky. 87% of iPhone owners used the protective case while only 66% used it in Android in 2013. Thus, the iPhone market would be a better place to start out. In terms of phone accessories, the case market is most popular as it made up 36% of all accessories purchased in 2012.

By contacting various manufacturers, the company found that the barriers to entry include the process by which the case is manufactured. This includes the expensive fee required for the molding of one design of the case. In addition, the moving parts bring complexity to the project. Also, when negotiating with the manufacturers, there is not a clear approach to the construction of the case. The company is required to provide measurements and each of the specific specifications of the phone case. In order to accomplish this, CaseBlok must reach out to many other professionals for the completion of the entire project. Within this process, there will be trial and error in order to determine the perfect measurements and scaling for the case. Also, with the many different styles of the iPhone such as the iPhone 4, 5, 6 and 7, there is not a single case that fits all of the phones. Thus, CaseBlok must determine which case to produce initially. The order quantity cannot be too high since Apple continues to produce additional phones and alters the design each time.



In order to overcome these barriers, the company must find additional manufacturers in countries outside of the United States and see if they can produce a mold at a cheaper cost. In addition, the company must research the process behind creating mobile cases and each of the steps that are involved. CaseBloks must research a wide variety of phone cases and find all the measurements in order to eliminate error in designing the case. In order to combat the multiple product dimensions of the phones, the company must have the measurements to produce each of the cases. Also, research must be done to determine the iPhone model with the most amount of users.

The target market consists of individuals between the ages of 13 and 35. Between this age, individuals are more likely to make a purchase decision based on the aesthetic look of the case instead of pure functionality. The company is targeting a market of individuals who keep up with the latest trends and are willing to try new accessories.

In the current industry for phone cases, there is a protective aspect as well as a design aspect. CaseBloks role is to combine the two to create a revolutionary phone case capable of interchangeable parts while maintaining the protective aspect of the case. Other companies such as Nexpaq create phone cases with interchangeable parts focusing on the technological aspects such as being able to change the storage or camera lens on the phone. Companies such as Otterbox and Tech21 are not in the interchangeable parts business but are still large competitors for CaseBloks. There are, however, no companies in the marketplace that allow the customer to change the parts of the phone case solely for the look of the phone case. CaseBloks phone case is more attractive than the other cases and has an aspect to it which makes it like no other case in the market.

### S.W.O.T. Analysis

#### Strengths:

- No other phone case similar to this in the market
- Creative, unique, and customizable
- Owner's past experience with starting businesses and growing them
- Relatively cheap price compared to companies such as Otterbox
- Not stuck to one design, may change the parts as desired

#### Weaknesses:

- Molding and designing processes is complicated
- Must go to multiple companies for manufacturing
- Overseas production means less control over the final product

#### Opportunities:

- Large and increasing market size for iPhones
- Promotional Products Industry could want this as gifts to workers for holidays
- Different blocks allow for the change of the design based on the market trends

Threats:

- Replication of the case idea by other companies

## **Strategy Implementation**

### Price

By speaking with Zooby Promotional Novelties, the cost of producing a quantity of 3,000 cases would come out to be approximately \$1.00-1.50 per case. This cost includes the freight of shipping the cases to the United States from China which takes approximately 45-60 days. In order to produce the case, a mold must be created. This would be a one-time fee of roughly \$2,500.

Each phone case will be priced from the range of \$30-35. The shipping and handling fees are not included in this price. These costs, of the shipping and handling, will be automatically calculated through the website by the weight of the package and the size of the box that is shipped. By analyzing other startup phone case companies in the market, it was determined to be a reasonable price. From the costs, the company has secured a large profit margin. CaseBloks is competitively priced according to the competition. Major companies, such as Otterbox, offer phone cases priced at approximately \$60 due to the other features and benefits that come with the purchase of the case.

The decisions that lay behind the purchase of CaseBloks include the design of the phone case, professional nature, and high quality materials. Through the usage of durable materials and cases created with precision, the target customers will be highly satisfied with the revolutionary phone case.

### Place

The company will be a home-based business, operated from the home of the CEO & CFO (Jai Patel). By purchasing a domain from GoDaddy.com, under the domain [www.casebloks.us](http://www.casebloks.us), the company will establish an email to be reached at. In addition, customers will be able to contact CaseBloks through a "Contact Us" form on the website and by calling on the phone. The phone number will be created through Google Voice, thus having the ability to record messages and leave voicemails. In addition, through the various social media pages that the company creates, customers will be able to reach the executives and share their views on the product.

### Promotion

Initially, CaseBloks will spread the word through the owner's high school by placing flyers around the school, speaking with other students, and writing the website name on the teacher's whiteboard (teachers have already approved of this). After reaching students at Frisco High School, the owners will move to other high schools in the district and start advertising the

company there. The targeted market of individuals aged from 13 to 18 will be reached throughout the high schools. In order to reach those older than 18, the company will be going to local stores and asking to leave business cards and flyers at the front to get the word out about the business. Furthermore, CaseBloks will engage in web-based marketing in order to generate awareness of the business and product information. Web-based advertising is a cost-effective method to reach large audiences. Through Instagram, Twitter and other social media platforms, the company will run targeted ads to particular markets in various areas. By constantly updating these platforms, the market will remain engaged and the most amount of people will be reached in an efficient manner. Also, CaseBloks representatives will attend various trade shows and events around the area in order to spread the word.

CaseBloks is a business designed to become one of the market leaders in web-based sales. Through an easy-to-use website and efficient system, many customers will be attracted to the interface. The long-term goal of CaseBloks is to create an iconic brand. Through community marketing, the company will create and maintain connections with customers.

In terms of online marketing, the main focus will be on Search Engine Marketing. This is a tactic that allows the company to pay for advertisements in order for the ads to appear on the search engine results page. Also, keywords are important and serve as the foundation for search engine marketing. Keywords help clients find what they are looking for when performing searches. The company will use SEO, Pay-Per-Click, and PPC Campaigns with the mission of increasing visibility across the web.

An email newsletter will be available for sign-up on the website or via other social media platforms, this offers information about specials and other promotions. Also, small items (freebies) will be offered in order to entice customers to make an initial purchase. Other promotional marketing strategies include contests, coupons, sampling, giveaways, and promoting the product while supporting a cause.

## **Management Summary**

Jai Patel (CEO & CFO) and Sameer Mumtaz (COO & CMO) are the co-founders and owners of CaseBloks.

Jai Patel (CEO & CFO) participated in the Young Entrepreneurs' Academy in the eighth grade and started his own business through the end of the year. He was required to complete a business plan and present his company to a board of investors to help him launch the business. Through the organization, he improved his speaking and leadership skills while also gaining a wide variety of knowledge on the topic of entrepreneurship. He has interned at NewcrestImage and expanded his knowledge about the hotel business and assisted employees on their daily tasks. He spent time working in housekeeping, front desk, bistro, maintenance, and sales. Mr. Patel also participates in the National Honors Society, DECA, Independent Study and Mentorship program, and plays for the school basketball and track team.

Sameer Mumtaz (COO & CMO) has been a part of Ampex Restaurant Management for the last two years. He has dealt with mergers and acquisitions, business relations, and company organization. He has also designed Ampex's company website. Through his experience at Ampex, Mr. Mumtaz has procured an extensive amount of business experience while improving his own qualities as a leader. He has also developed a better understanding of the relationship between an employer and an employee. Since he has worked from the ground up at Ampex, Sameer Mumtaz has also obtained the ability to provide good customer service, formidable hospitality with other parties, and also a focused work ethic. Sameer also is involved in the DECA program, National Honor Society, and BPA (Business Professionals of America).

At this point, CaseBloks will be manufacturing the phone cases by outsourcing through the company Zooby Promotional Novelties. This company has an in-house design team that will aid with the creation of the prototype after being provided with the proper dimensions and specs of the phone case. In addition to the outsourcing of the phone case, CaseBloks will be outsourcing the product packaging in order to obtain the highest quality with minimum expense.

**Financial Information**

Cost of Supplies

	<b>Definition of One Unit: 1 Phone Case</b>	
<b>Item Description</b>	<b>Cost/Qty</b>	<b>Cost Per Unit (\$)</b>
Phone Case	\$3000-4500/(3000 Units)	\$1-1.50
	<b>TOTAL</b>	<b>\$1-1.50</b>

Economics of One Unit

<b>Definition of One Unit</b>	1 Phone Case
<b>Selling Price per Unit</b>	\$35.00
<b>Cost of Supplies for 1 Unit</b>	\$1-1.50
<b>Gross Profit per Unit</b>	\$33.50-34

Monthly Sales Projections

<b>Month</b>	<b>Units Sold</b>	<b>Month</b>	<b>Units Sold</b>
April 2017	5	October 2017	100
May 2017	10	November 2017	125
June 2017	20	December 2017	300
July 2017	25	January 2018	200
August 2017	40	February 2018	175
September 2017	60	March 2018	250

Average Monthly Operating Costs

Type of Operating Cost	Monthly Cost
<i>Chase Business Checking Account*</i> <i>*fee waived when account balance exceeds \$1,500</i>	\$10.00
<i>Domain 1st 12 Months*</i> <i>Months After*</i>	\$0.08 \$1.67
<i>Website Hosting*</i>	\$8.50
<i>Company Email*</i>	\$5.00
<i>Logo</i>	\$148.00
<i>DBA</i>	\$20.50
<i>Prototype</i>	\$500.00
<i>Mold</i>	\$2,500
<i>Retainer Fee for Manufacturer</i>	\$250
<b>Total Fixed Costs</b>	\$3,418.50
<b>Total Variable Costs*</b>	\$23.58
<b>Total Operating Costs</b>	\$3,442.08

Projected Monthly/Yearly Income Statement

<b>Projected Monthly Income Statement</b>		<b>Projected Yearly Income Statement</b>	
Units Sold	109	Units Sold	1,310
Selling Price per Unit	\$35.00	Selling Price per Unit	\$35.00
Total Sales	\$3,815.00	Total Sales	\$45,850.00
C.O.G.S (Cost of Goods Sold)	\$1-1.50	C.O.G.S (Cost of Goods Sold)	\$1-1.50
TOTAL C.O.G.S	\$109-163.50	TOTAL C.O.G.S	\$1,310-1,965.00
Gross Profit	\$3,706-3,651.50	Gross Profit	\$44,540-43,885.00
Fixed Costs	\$284.88	Fixed Costs	\$3,418.50
Variable Costs	\$1.97	Variable Costs	\$23.58
Total Operating Cost	\$286.85	Total Operating Cost	\$3,442.08
Profit Before Taxes	\$3,419.15-3,364.65	Profit Before Taxes	\$41,097.92-40,442.92
Estimated Taxes (8.25% )	\$282.08-277.58	Estimated Taxes (8.25% )	\$3,390.58-3,336.54
Net Profit	\$3,137.07-3,087.07	Net Profit	\$37,707.34-37,106.38



Start Up Investment

<b>Item</b>	<b>Where I Will Buy</b>	<b>Cost of Item</b>
Logo	48hourslogo.com	\$148.00
Prototype	Fiverr.com	\$500.00
DBA	Collin County Clerk Office	\$20.50
Mold	Zooby Promotional Novelties	\$2,500.00
3,000 Phone Cases	Zooby Promotional Novelties	\$3,000-4,500.00
Website	wix.com	\$1.00
Chase Business Checking Account	Chase	\$10.00
Retainer Fee for Mold	Zooby Promotional Novelties	\$250.00
Company Email	GoDaddy.com	\$5.00
	<b>TOTAL</b>	<b>\$6,434.50-7,934.50</b>

Financing Strategy

<b>Source</b>	<b>Amount</b>
Jai Patel	\$1,000.00
Sameer Mumtaz	\$1,000.00
Parents	\$6000.00
<b>TOTAL</b>	<b>\$8,000.00</b>