

*“Making kids happy, one backpack at a time.”*

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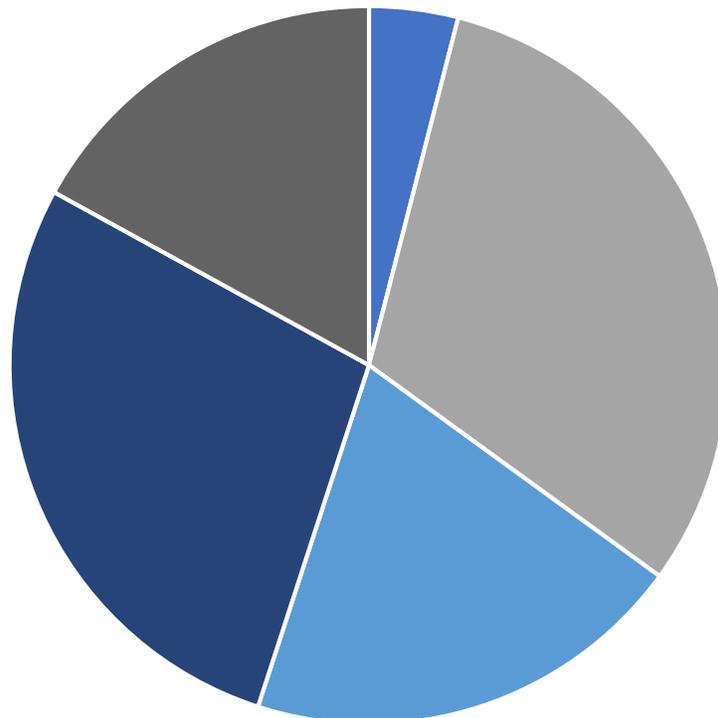
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## **BUSINESS PROFILE**

**Houk's Happy Packs** is a sole proprietorship, home-based, for-profit organization that creates personalized backpacks for children that participate in extracurricular activities requiring travel, and which include age appropriate toiletries, games, and toys. For every backpack that is purchased, one backpack will be donated to a child in the foster care system in San Antonio and the greater surrounding areas in order to avoid the use of black trash bags to carry belongings when the children move from shelters, group homes, and foster families. Unlike products such as TOMS® shoes with a one-for-one system impacting foreign countries, **Houk's Happy Packs** will impact a local system, T-CPS. According to the U.S Department of Health & Human services, it is estimated that there are 428,000 children in the foster care system in the United States on any given day. In Bexar County in 2015, there was a total of 496, 981 "eligible" children for neglect and/or abuse, with an alleged 47 confirmed abuse cases per 1,000 children. 19.8% of these cases were confirmed as re-victimized cases, proving that the abuse and neglect of children in Bexar County may be dropping statistically, however, is still an impending quandary. The average foster child moves seven times before their eighteenth birthday. The self-esteem issues and emotional turbulences that occur with having to place your belongings in a bag designed for trash is something that would be difficult for an adult to handle, let alone a child. Low self-esteem often leads to teenagers with depression, anxiety and other emotional difficulties that may lead to these children searching for ways to cope such as drugs and alcohol, thus creating a vicious cycle that could ultimately wind up with their own children in the foster care system years from now. According to Thelma Gutierrez, Executive Director at Seton Home of San Antonio©, when a social worker is assigned to a foster child's case, they are trained to arrive at the child's temporary location with a black trash bag in order for them to carry their belongings. The ultimate goal for **Houk's Happy Packs** is to provide quality travel bags to consumers while lessening the use of black trash bags for transportation of foster children's

belongings. Other target objectives include, but are not limited to, reducing plastic waste in the greater Bexar county area by limiting the use of plastic bags. Plastic bags are inexpensive, lightweight, and durable, however, they are not readily biodegradable. According to the EPA, “Worldwide, as many as one trillion plastic bags are used each year and less than 5 percent of plastic is recycled. In the United States, according to the EPA, we use over 380 billion plastic bags and wraps yearly, requiring 12 million barrels of oil to create.” Although reducing plastic waste in the foster care system will not call for a dramatic change in the pollution worldwide, it is a step towards having not only happier children, but a healthier planet as well. In order to properly run and be employed with **Houk’s Happy Packs**, a passion for creating quality travel backpacks for children, awareness of CPS, and a passion for helping others is required.

Average Time Spent In the Foster Care System



■ Less than 1 month ■ 1 month to 1 year ■ 1 to 2 years ■ 2 to 4 years ■ 5 years or more

## TARGET MARKET

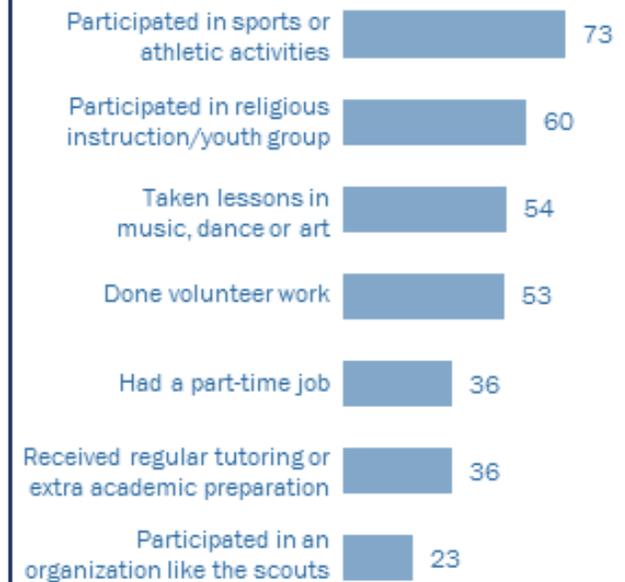
**Houk's Happy Packs** covers the need of on-the-go, ready to use customized travel bags for children, while providing these backpacks to children in the foster care system at no cost to them, the foster families, or social workers. Ideal customers for **Houk's Happy Packs** include children ages 3-18 who are involved in extracurricular activities that require consistent travel. These backpacks are designed specifically for children ages 3 and up, due to the fact that it includes toys and games that can pose a choking hazard for infants.

Children involved in club sports, cheer and dance companies, choirs, and other extracurricular activities often have to travel to games and competitions that may require overnight stays. Having a backpack filled with toiletries and something to keep the child busy on the road readily available and ready to use minimizes the hassle of having to pack all the smaller

necessities that are often forgotten. This provides less trouble for the parents and guardians of these children, making a backpack from **Houk's Happy Packs** a wise purchase. For future growth of **Houk's Happy Packs**, partnering with local area schools can provide options on customizations of the backpacks that include mascots, logos, colors, and slogans. Children in the CPS are on the move frequently as well, on average seven times before their eighteenth

### Seven-in-ten parents say their school-aged kids participated in sports in the past year

% saying any of their children have \_\_\_\_\_ in the past 12 months



Note: Based on parents with children ages 6 to 17. Figure for "Had a part-time job" is based on parents with at least one child ages 13 to 17.

Source: Pew Research Center survey of parents with children under 18, Sept. 15-Oct. 13, 2015

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birthday. These backpacks filled with basic hygienic necessities and a toy or game can make the transition between homes more comfortable. Due to the fact that one backpack is donated for every purchase, not only are consumers' busy lives less burdensome, they are also making a difference in children's lives whom they do not know in the San Antonio area.

## **MARKETING PLAN**

**Houk's Happy Packs** is providing personalized, hassle-free, on the go bags for children with busy schedules. According to the United States Census, 57% of children ages 6-17 participate in at least one extracurricular activity. These include sports, dance, and other activities that require travel for games and competitions. Traveling for these events are hassle enough, and overnight stays are challenging as well. The backpacks created by **Houk's Happy Packs** provide a simple solution to the stress of packing. For every backpack purchased, one backpack will be donated to children in T-CPS, limiting the use of black trash bags. Competition for a product and service like this is virtually nonexistent in the San Antonio area. There is a company known as **comfortcases**©, which provides backpacks to foster children, however this company primarily serves Virginia, Maryland, and Washington D.C., therefore leaving San Antonio and surrounding areas lacking a company like **Houk's Happy Packs**. Travel kits and on-the-go toys and games are often sold separately, making a backpack from **Houk's Happy Packs** practically one-of-a-kind. One purchase not only includes toiletries and a toy or game, but also a durable backpack that can be used for school, sleepovers, or other outings children go on, saving time and money for the consumer. Each backpack will be sold for \$40, and costs \$9.81 to assemble. This creates a \$30.19 profit per backpack. After an additional backpack is donated, the total profit after each sale is \$20.38, a 50.95% profit. In order to reach potential customers, **Houk's Happy Packs** will have a website and advertisements on various social media accounts such as Instagram, Facebook, and Twitter. Fliers and informational posts will be made on public

Facebook pages for nonprofit organizations that focus on the needs of children to spread the word about ***Houk's Happy Packs***.

## **OPERATIONS**

Since ***Houk's Happy Packs*** is a home-based company, two spare rooms in my current household are going to be dedicated solely to the needs of the business. One room will be an inventory room stocked with shelves that feature the backpacks, toiletries, and toys that are on hand. The other room will be where the backpacks are embroidered with names or initials and packed to get ready for delivery. Each backpack will contain travel sized shampoo, conditioner, body wash, toothpaste, toothbrush, lotion, deodorant, and a comb. They will also include either a game, toy, or journal specified for each child's age. To place an order, customers can go to the ***Houk's Happy Packs*** website, where they will specify:

- Color of backpack (choosing from 11 colors)
- Embroidered name or initials
- Color of thread (choosing from 150 colors)
- Embroider font (choosing from 5 fonts)
- Choice between toy, game, or journal

After each backpack is customized with the specifications provided by the customer, they will be packed with one of each item included. As orders are placed, they will be shipped by USPS to customers. Each backpack that is being donated to a child in CPS most likely cannot be customized with names due to privacy issues, however ***Houk's Happy Packs*** will offer the choice of a motivational quote, bible verse, or other embellishment to be embroidered on these bags in lieu of names. There is a satisfaction guarantee, assuring if a backpack provided by ***Houk's Happy Packs*** ever sustained any unfixable damage, the consumer may provide a picture of the damage and we would happily replace it with no questions asked. The donations

based on purchases of backpacks will be collected weekly and delivered to CPS locations in Bexar county and surrounding counties. As a donation is created, a meter on the **Houk's Happy Packs** website monitoring our monthly goal will fill, which will serve as motivation for customers to purchase another backpack to do good for children in T-CPS.

### FINANCIAL REQUIREMENTS

In order for **Houk's Happy Packs** to become a reality, I will need approximately \$10,000. To obtain this money, I will take a small business loan of \$10,000 from Lending Tree. I will make monthly payments of 4% using part of my salary from my full-time job, which will have the loan paid off in 25 months.

### GENERAL EXPENSES

Advertisement on Facebook, Instagram, and Twitter	\$1000/month
Copyright of logo and name	One-time fee of \$45
Website, Email Address, Business Profiles (Personal Maintenance)	\$12/month
Three Commercial Grade 4 Tier Shelves	\$49.99 each/ \$149.94 in total
Business Cards (500 via Vistaprint)	\$20.00/as needed
Business license & Sellers Permit	\$300
Tax Identification Number & Sales Tax Permit	Free
Startup inventory of materials to create backpacks (504 backpack yield)	\$6561.72
Business, Liability, Damage Insurance	\$500 yearly

Salaries for employees are not counted into general expenses for funds due to the fact that I personally will be running **Houk's Happy Packs** (including maintenance of website, packing items, and connecting with CPS locations) as an online store until the business begins to create profit that would give me the opportunity to open a brick and mortar store and hire employees.

### PRODUCT MATERIAL EXPENSES

Item	Supplier	Amount	Cost Per Item	Cost in Total	Products Yielded
Backpacks	Bags in Bulk	21 cases of 24 backpacks	\$2.80/bag	\$1,411.20	504 backpacks
Shampoo	All Travel Sizes	42 cases of 12 shampoos	\$1.00/shampoo	\$504.00	504 shampoos
Conditioner	All Travel Sizes	42 cases of 12 conditioners	\$1.00/conditioner	\$504.00	504 conditioners
Toothbrush	All Travel Sizes	11 cases of 48 toothbrushes	\$0.62/toothbrush	\$327.36	528 toothbrushes
Toothpaste	All Travel Sizes	42 cases of 12 toothpastes	\$0.75/toothpaste	\$378.00	504 toothpastes
Lotion	All Travel Sizes	6 cases of 96 lotions	\$0.87/lotion	\$501.12	576 lotions
Deodorant	All Travel Sizes	42 cases of 12 deodorants	\$1.00/deodorant	\$504.00	504 deodorants
Combs	All Travel Sizes	42 cases of 12 combs	\$0.77/comb	\$388.08	504 combs
Embroidery Floss	Ebay	150 colors of 8-meter thread	\$0.10/spool	\$15.99	1200 meters of thread
Brother Embroidery Machine	JoAnn's	3 machines	\$339.99/machine	\$1019.97	3 machines
CoolNotes Journal	Dollar Days	21 cases of 24 journals	\$1.00/journal	\$504.00	504 journals
Variety Toys/Games	Bulk Toy Store	21 cases of 24 toys	\$1.00/toy	\$504.00	504 toys

## EXPENSES PER 20 BAGS

Item	Supplier	Amount	Cost Per Item	Cost in Total	Products Yielded
Backpacks	Bags in Bulk	20 backpacks	\$2.80/bag	\$56.00	20 backpacks
Shampoo	All Travel Sizes	20 shampoos	\$1.00/shampoo	\$20.00	20 shampoos
Conditioner	All Travel Sizes	20 conditioners	\$1.00/conditioner	\$20.00	20 conditioners
Toothbrush	All Travel Sizes	20 toothbrushes	\$0.62/toothbrush	\$12.40	20 toothbrushes
Toothpaste	All Travel Sizes	20 toothpastes	\$0.75/toothpaste	\$15.00	20 toothpastes
Lotion	All Travel Sizes	20 lotions	\$0.87/lotion	\$17.40	20 lotions
Deodorant	All Travel Sizes	20 deodorants	\$1.00/deodorant	\$20.00	20 deodorants
Comb	All Travel Sizes	20 combs	\$0.77/comb	\$15.40	20 combs
Toy	Bulk Toy Store	20 toys	\$1.00/toy	\$20.00	20 toys

If 20 backpacks are sold monthly (yielding 20 donated), our total annual revenue would be \$9,600.00, creating a \$4,891.20 annual profit, a \$407.60 monthly profit. As time progresses, shifts in the budget will need to occur in order to keep the business running smoothly. Prices of items are constantly fluctuating, leaving the budget for materials unfixed. This will require me to make frequent adjustments to the funds needed in order to keep the business afloat. Until I begin to make a steady profit, I will not be taking a personal salary.

## PERFORMANCE

**Houk's Happy Packs** will measure success by the satisfaction of the customers that receive our products and by total number of donated backpacks. After ordering and receiving a backpack from our company, customers will receive a survey in their email inbox with questions about the ratings of their experience with **Houk's Happy Packs**. Each satisfaction question will include a rating from one to five, with one being highly dissatisfied and five being highly satisfied. Free response questions will include a space to answer. While the survey will not be required of customers, completing a survey will earn a consumer either a 10% off coupon for their next purchase, or an additional backpack being donated to a child in CPS, a choice to be made by the consumer themselves. Questions on this survey will include:

- How satisfied are you with your purchase?
- How did you hear about **Houk's Happy Packs**?
- How likely are you to recommend **Houk's Happy Packs** to someone?
- How likely are you to purchase again from **Houk's Happy Packs**?
- How satisfied were you with the quality of your purchase?
- How satisfied were you with the price of your purchase?
- In what ways, if any, can we improve our products or your shopping experience?

After these questions, there will be a general comments box for consumers to leave feedback on anything they feel necessary.

Monthly goals of donated backpacks will be tracked on the **Houk's Happy Packs** website. If these goals are easily obtained and we are able to raise the bar, we will do so.

## COMMITMENT

As a seventeen-year-old involved in a number of extracurricular activities, I constantly have to have a bag to pack for performances and traveling that I spend most of my time doing. I understand the need for a quality bag due to my never-ending need for one and still want to somehow make a difference in the world. Although I was fortunate enough not to grow up in the foster care system as a child, I grew up around it. I was a seven-year-old witness to families being broken and the long hours that went into being a social worker, as my mother gave it her all while battling two forms of cancer. In second grade, we were assigned an essay to write on what we wanted to be when we grew up, and why. The essay I came up with was a slew of words dedicated to how I wanted to be a social worker like my mother one day because she was the strongest person I knew, and seeing children like myself hurt gave me a sick feeling in my stomach. The same year of school, I had a friend named Cara. One afternoon, sitting in my mom's office, I accidentally stumbled upon a file on her desk with Cara's name on it. While I did not truly understand what this meant, the reality hit me like a truck as I got older. Not only was I witnessing what happened to children I didn't know, but children that were also my friends. My heart sank, and I knew then I desperately wanted to make a change. As I grew up, I realized my passions had not changed, but shifted, and I now am looking at elementary education as my profession. Despite this shift, my passion to change something in the foster care system still burned somewhere deep inside me and now surfaces with the opportunity to create this business. Working as an elementary school teacher will give me many hours to dedicate to making **Houk's Happy Packs** successful. Due to the schedule I will have, my weekends off and school organized breaks can be dedicated to solely making sure the company is thriving. Until I have the company running smoothly, I will not take a personal salary. The passion and drive I have to run this business is not for personal gain, but to make a difference in the lives of others.

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