1. **Executive Summary**

**1**

**2**

**4**

**5**

**6**

**7**

**9**

**10**

**11**

**12**

**13**

**14**

**16**

**17**

Rack Room Shoes is a shoe store that sells all types of quality and popular name brand shoes, exclusive private brand shoes, and accessories such as backpacks, shoe care products, shoelaces, and socks at lower prices. We sell various types of athletic, casual, and dress shoes for all ages. We are opening up a Rack Room Shoes in Ang Mo Kio, Singapore because it is located in the center of the country so it will be less than 20 miles away to get to our location from any point in the country. Our target market however is parents, specifically mothers, ages 25 to 54 in the middle class because they need to provide for their family and will probably want to save money while still looking presentable. Also, people in this age range are typically in the workforce so they have the extra money to spend on what they want.

Singapore is the 8th most fashionable city in the world so many people in Singapore care about the way they dress so Rack Room Shoes provides a place where people can buy the fashionable shoes they want for a lower price. Singapore is also a developed country with a democratic parliamentary republic with a unicameral parliament for their government. Their economic system is a mixed economy, with characteristics of both capitalism and socialism.

Furthermore, working conditions in Singapore are very good and ideal because the government places regulations, such as the Employment Act, which states that workers should not work for more than 8 hours a day and shift workers should work for more than 12 hours a day. This means that most employees in Singapore are not allowed to work for more than 44 hours per week, although there are some exceptions. Also, Singapore does not have import or export tariffs so we do not have to pay taxes on the shoes that are being imported.

One of our biggest competitors is Bata shoes because they are rising in popularity and offers a wide selection of designs for shoes, handbags and accessories and personalized services. However, Rack Room Shoes carries shoes that are branded and more fashionable and affordable than those of Bata shoes.

We import most of our products directly from China by boat, except for a few brands that we will get from our warehouse in the United States because transportation costs will be cheaper. Customers will be able to shop in stores or online on our website for our products. We will use special sales for our promotion plan during holidays in order to advertise our company. We will also use press kit and new release to promote our business because they will best reach our target audience. By following our business plan, our projected profit is $53,775 in the first year and $177,995.25 in our third year.

1. **Introduction**

We are looking to put a Rack Room Shoes in Singapore where we will be selling quality and popular name brand shoes, exclusive private brand shoes, and accessories such as backpacks, shoe care products, shoelaces, and socks at lower prices. We will carry athletic, casual, and dress shoes for all age and personality types with the majority of our product mix consisting of athletic shoes. Items sold will be shipped in from different locations to our distribution center, then to Singapore.

Singapore is a developed country located in Southeast Asia that has recently been named the 8th most fashionable city in the world, ranking above cities such as Tokyo, Japan. This is important to us because it emphasizes the interest in appearance amongst consumers as well as reinforces the belief that a large percentage of disposable income is available to be spent on clothing and footwear. Singapore also has the 4th highest GDP per capita, attractive tax rates and low inflation rates. Their government is a democratic parliamentary republic, which indicates they have a unicameral parliament, the leader is the prime minister, and the executive power is held by cabinet which is appointed by the president. Singapore’s economic system consists of mainly capitalism in a mixed economy. This means that although Singapore has an economy that contains both characteristics of capitalism and socialism, more characteristics of capitalism is reflected in their economy. Capitalism allows people to have privately owned businesses, competition amongst businesses and individual freedom of personal choice. Their mixed economy allows us to build a Rack Room Shoes in Singapore and compete with other stores in the country.

Our store will be located in the city of Ang Mo Kio because it is located in the center of Singapore. This will allow the store to be accessible to everybody in the country because it will be less than 20 miles away in all directions. By locating in Ang Mo Kio, we will be able to easily start a business as well as have access to efficient workers. Singapore has a high literacy rate of 95.9% and a low unemployment rate of 1.9%, which shows that the workers are highly intelligent, skilled, and motivated. Singapore is also a modern city-state that feels like a small and cozy town with an overwhelmingly large population of our target market. This is important for our business because it provides a comfortable place where people can come to buy popular and fashionable shoes without feeling intimidated or out of place. Our largest buying group consists of adults between the ages of 25 to 54 years old. In Singapore, 50.3% of the entire population consists of this age group which makes it a highly desirable location for our business endeavor. Our business also appeals to our age group because most people in this group earn money and enjoy buying fashionable and popular items for themselves and their families while saving money.

Some obstacles we may face through this process would be competing with other name brand stores and popular existing companies. Online stores may also pose a threat to our business due to the convenience of ordering products without having to physically go to a store. In order to make this business happen, we will find information on how to start up and run this business using a variety of sources. The manager of Rack Room Shoes in Charlotte, North Carolina will help serve as an advisor to us in the formation of this plan. Since the manager has experience in starting and running a Rack Room Shoes store, he will be an ideal advisor for our business. Some secondary sources that we will use are websites from the internet because they contain a plethora of information that can be useful for starting and running businesses in foreign countries such as Singapore. Some websites we would use to help build our business would be the CIA World Factbook and the infopedia website regarding Ang Mo Kio. In addition to websites regarding our destination country; we will also look at sites that specialize in starting a small business and the steps it takes to get a business plan implemented.

**International Business Situation Analysis**

Singapore has a mixed economy with more characteristics of capitalism. It has a population size of approximately 5,399,000 and has a large labor force from the ages of 25 to 64. Of the entire population in Singapore, 66.2% of the people are a part of the labor force while 1.9% of the population is unemployed. Singapore also has a high GDP of $297.94 billion and GDP per capita of $62,400. Some key natural resources that can be found in Singapore are water and petroleum which are mined and exported to other countries. These are significant resources for our business because they are both used in the production of shoes.

Additionally, Singapore is also one of the most technologically advanced countries in the world. They have highly advanced transportation management systems, communication systems and play a large role in electronics by creating computer products. Furthermore, working conditions in Singapore are known to be very good due to regulations placed by the government. According to the Employment Act, workers should not work for more than 8 hours a day and shift workers should work for more than 12 hours a day. All employees in Singapore are not allowed to work for more than 44 hours per week. However, employees can work only 72 hours overtime per month. Some principal industries in Singapore are tourism, biomedical sciences, logistics, banking and finance, construction, and chemicals. All of these industries have combined to create a strong economy in Singapore and have led to great growth and development in that area.

Singapore also has a high level of foreign investment and is the 8th largest recipient of foreign direct investments in the world. Some opportunities of direct investment are in the services, construction, and manufacturing industries. Singapore has a total export value of $351.2 billion and primarily exports machinery/equipment, electronics, consumer goods, pharmaceuticals, chemicals and mineral fuels to primary trading partners such as Hong Kong (11.6%), Malaysia (11.5%), US (11.2%), Indonesia (9.7%), China (9.7%) and Japan (4.6%). Singapore also has a total import value of $310.4 billion USD and primarily imports machinery/equipment, chemicals, mineral fuels and consumer goods to primary trading partners such as the United States (14.7%), Malaysia (11.6%), China (10.5%), Japan (7.6%), Indonesia (5.8%) and South Korea (5.7%). Through trading, Singapore has created a trade surplus of 6,797,000 Thousand SGD ($5,339,383.35 USD) and a balance of trade averaging 464,302.50 Thousand SGD ($341,401.99 USD). The exchange rate for Singapore and the US is 1 US Dollar (USD) equals about 1.25 in Singapore Dollars (SGD).

Singapore is a democratic parliamentary republic with a unicameral parliament. The leader is the prime minister and executive power held by cabinet, which is appointed by the president. Singapore has many types of political parties, but the 3 main parties are the People’s Action Party, Workers' Party and National Solidarity Party. Some other active parties are the Singapore Democratic Party, Reform Party, Singapore People's Party and Singapore Democratic.  Singapore’s government has been very stable since becoming independent from Malaysia in 1963.  Although Singapore does not have local governments or hold elections for local governments, they have five community development councils (CDCs) that provide local administration within the country. Their economy has also grown rapidly from an underdeveloped country to a developed country within the past 50 years. Despite their geographic disadvantages, they have become a leader in global commerce by accepting and embracing globalization, free market capitalism, education, and strict pragmatic policies.

Singapore’s government controls trade and private businesses by placing several trade barriers on services such as media services, legal services and banking and highly taxing goods such as alcohol, motor vehicles and petroleum products. However, Singapore does not have import or export tariffs. Some countries Singapore embargoed are the Democratic Republic of the Congo, Eritrea, Iran, Libya, Liberia, North Korea and Sudan. The government of Singapore has decided to place a quota on the number of foreign workers in the country. Custom duties in Singapore states that all goods are subject to the Goods and Services Tax, especially tobacco products.

Recently in 2014, the US and Singapore established a free trade agreement with each other. This affects our product and service because we can import our shoes without tariffs or hindrances. Furthermore, Singapore’s government is strongly committed to maintaining a free market and takes a leadership role in planning Singapore's economic development. One law that affects our product is the Employment Act, which covers every employee (regardless of nationality) who is under a contract of service with an employer. Exceptions include people who are employed in a managerial or executive position and earn a basic monthly salary of more than $4,500, seafarers, domestic workers and people employed by a Statutory Board or the Government. This law also affects our service because we must limit the amount of hours our employees can work.

**III. Trade & Cultural Analysis**

**A.**    **Geographic & Demographic Information, Customs, Traditions, Comparative Advantages and Disadvantages of the proposed service.**

Our business is located Ang Mo kio, which is in the center of Singapore. It is also located about 20 minutes away from the Changi Airport of Singapore. The climate is tropical and stays hot and humid throughout the year. The average temperature is around 31º C (88º F) during the day with little seasonal variation, although it’s slightly cooler in December and January, and hottest in April and May. Temperatures are unlikely to dip below 23º C (74º F) at night; the lowest temperature ever recorded was just over 19º C (66º F).

Singapore offers a high-quality education and has attracted many leading educational institutions from all over the world to set up operations in the country.  The tremendous diversity and choices available have made Singapore a center of global educational excellence, attracting 86,000 international students to develop their skills in Singapore. Students have a wide selection of quality education options that range from business, engineering and life sciences to digital animation, fashion, culinary arts, luxury brand management and hospitality.

Most of the people living in Singapore today have a business because of the low taxes. Meaning most people in Singapore are usually middle class. The average income levels are $1,500 to $5,000 per month for the middle class, less than $1,500 per month for the poverty class and more than $5,000 per month for the wealthy class. Of the 3.77 million people living in Singapore, 57% of the people live in the 10 planned areas, which are Bedok, Jurong West, Tampines, Woodlands, Hougang, Yishun, Ang Mio Kio, Choa Chu Kang, Sengkang and Bukit Merah.  Also, 50.3% of people living in Singapore are between the ages of 25-54. Singapore is heavily populated with Chinese 76.8%, Malay 13.9%, and Indian 7.9% people.  The most common religions in Singapore are Buddhism, Islam, Hinduism and Christianity.  Some of parties in Singapore include the reform party, Singapore people’s party and People’s action party.  In Singapore townhouses and condos are common and single family homes are available as well. People usually wear shorts and a t-shirt that are in fashion because of the humidity.  For leisure activities or sports, people enjoy playing soccer, cricket, rugby, swimming, badminton, basketball, cycling and table tennis.  The four nationally spoken languages in Singapore are Tamil, English, Standard Mandarin, and Malay.

A huge competitor of business will be Bata shoes because of their enormous rising popularity and their excellent quality of shoes. They also offer a wide selection of designs for shoes, handbags and accessories and personalized services. However, Rack Room shoes carries shoes that are more fashionable and affordable than those of Bata shoes. We also carry many different well-known brands that are of great quality, fashionable and affordable such as Nike, Adidas, Vans and Ralph Lauren.

**B.**    **Target Market**

Our target market is adults, more specifically mothers, 25-54 years old that are married have children and economically in the middle to upper middle class. The average family income range we are targeting is between $1,500 and $5,000 per month. We are also targeting people of all races and religions who have had at least a high school education. Our customers will come from all areas of Singapore because it is a small city-state and nobody will have to travel more than 20 miles from any place in Singapore. The psychographics for our customers would be families and individuals that value their appearance have an interest in fashionable shoes and accessories such as socks, shoelaces, backpacks and shoe care products. Customers will buy our items in store and online through our website a few times every year to keep up with current fashion styles and to update their image. Our customers, who are mostly parents, will be regular and repetitive customers that are loyal to our brand because they will be able to buy great quality shoes at a cheaper price for their entire family in one convenient location. Their purchases would be researched based on the type of shoe such as casual, fashionable and professional styled shoes in accordance with their daily activities such as working or exercising.

We picked Ang Mio Kio because it was located in the center of Singapore so that our store is only about 20 miles away or less from anywhere in Singapore. In order for the companies that are creating the different brands to trade with and export their shoes to the Rack Room Shoes in Singapore, they will have to register with The Accounting and Corporate Regulatory Authority (ACRA), which is the national regulator of business entities and public accountants in Singapore. It eases trade because it provides a responsive and trusted regulatory environment for businesses and public accountants.

**IV. PLANNED OPERATION OF THE PROPOSED BUSINESS/PRODUCT/SERVICE**

**A. Proposed organization**

In order to organize Rack Room Shoes in Singapore, we will use the functional global organizational structure because people can be split up according to their expertise and responsible for their own function.  However, some disadvantages are lack of teamwork and conflict of interests because the employees may want to do what is most beneficial for their own area of expertise instead of working together to do what is best for all areas the company. The store will make decentralized decisions where several individuals will be in charge of running the business and making business decisions. Although we have a functional structure, we will do this by having the president, marketing manager, accounting manager and purchasing manager share their varying expertise to then come to an agreeing consensus that would best benefit the company. The role of the country organization will be an implementer who adds value to the company and supports strategic and innovative processes. The store will contribute strategic knowledge about sales and business in Singapore to the firm and have access to critical information. Ultimately, the president, also referred to as the store owner, will control the organization with bureaucratic or formalized control. The owner will utilize rules, policies, written documents and reward systems to encourage and influence employees and assess their performance and contributions to the company. In order to expand our business into the international marketplace, our business will use sole proprietorship for full ownership of foreign direct investment. We will own a building in the Ang Mo Kio Hub with other businesses that offer retail, entertainment, learning and community services to create an ultimate shopping experience.

Marketing research can give us a business picture of what kind of new products and services may bring us a profit. We will obtain a secure loan from DBS (Development Bank of Singapore). In addition we will obtain supplies from local factories. The insurance we are considering is MSIG insurance because it is one of the leading general insurance companies in Singapore and provides a wide range of solutions customized to all businesses. They offer a cost effective 8-in-1 basic pack with the option of additional sums or covers to meet certain requirements. We will set up a store in Singapore and hire employees through newspaper and online advertisements. We will also advertise on the internet and aim our marketing mix strategies at our intended target market of 25-54 year old married mothers.

We are looking to hire 20 to 30 experienced and hardworking employees in our store depending on the store size and location. Specifically, we are looking to hire experienced store managers, department managers, stockers and store clerks. We require our employees to be at least 16 years old and exhibit responsibility and maturity. Workers should follow company procedures, work diligently and utilize their understanding of products to increase sales.

The following organizational chart shows the chain of command of the Rack Room Shoes store in Ang Mo Kio, Singapore.

In order for employees to know what is expected of them, job descriptions are essential in any organization.  The following are job descriptions for the workers at Rack Room Shoes.

**The marketing manager** implements sales plans and researches and develops marketing plans and opportunities to accomplish business development activities.

**The accounting manager** develops and implements systems that will collect, analyze, verify, and report financial information to establish financial status.

**The purchasing manager** plans, directs, and coordinates the activities of customers and sales by ordering the goods and maintaining records of goods ordered and received.

**The cashier** receives and disburses money in establishments other than financial institutions by using electronic scanners, cash registers, or related equipment.

**The stocker** fills and restocks the shelves with shoes in the store.

**The sales clerk** is an assistant that helps to sell shoes to the customers in the store.

**B. Proposed product/service**

1. **Details of the product(s)/service(s) to be offered; include potential suppliers, manufacturing plans, inventory policies, if applicable.**

Rack Room Shoes is a branded business that is focused on providing quality products at a fair price for consumers.  Our mission is to be the family footwear retailer of choice by consistently providing quality products, great styles, great prices and a sincere respect and appreciation for the customer. We sell selected quality shoes from certain brands such as Adidas, Calvin Klein, Converse, and Crocs for men, women, and children of all ages.  The types of shoes we sell range from running shoes to dress shoes. When a customer walks into one of our stores, an employee will politely greet them and then ask if they need assistance in finding a specific product or finding shoes in their size. In addition, we also sell various types of socks and laces in our stores. This fits our target market because when people buy our shoes, they will likely want a pair of socks and maybe different colored laces. Our product standards are high and we will be adapting our product to the culture in Singapore by changing and varying the types of shoes we order and stock in our store and ordering shoes from brands with a high demand in the country. Our strategy is a very good one because quality shoes will sell in any country and the mentality of changing the style to fit the culture will attract consumers.

We will receive most of our products directly from China, except for a few brands that we will get from our parent company in the United States. We chose to import most our shoes from China because it cheaper to transport it directly from the country it is manufactured in instead of paying to transport it to the United States, then to Singapore. We plan to keep a year worth of inventory. Customers can order the product online or come physically to the store to try on and buy the product. This strategy makes it easier for consumers to buy our products because they can access it from whichever platform they prefer.

1. **How the product/supplies will be transported to/from the home country; costs, benefits, risks of the transportation method; documents needed to transport the product/supplies**

Most of our products will be transported from China to Singapore by boat, which is more beneficial for our company, because the transportation costs of directly importing from China will be much cheaper than trying to ship it from China to our warehouse in the United States to Singapore. However, a small percentage of shoes that are not made in China will be shipped from the country it is manufactured in to our warehouse in the United States to Singapore. Risks to our transportation method are that some of our shoes may be lost or damaged while transporting or not receive on time, which will give us a hard time in making sure all of the shoes we receive from China are of quality and match up with what we ordered so we can keep track of inventory. Commercial invoices will be needed to transport the products and we require a large warehouse in Singapore in order to store all of our inventory.

**C. Proposed strategies**

1. **Proposed pricing policies, what currency will be used, costs, markups, markdowns, relation to competition, factors that could affect the price of the product**

Our pricing objectives are high sales volume. We will use Singapore’s currency called the Singapore dollar (SGD) with the conversion of 1 SGD equaling .80 USD. Compared to Bata Shoes and other competitors, most of our items will be priced lower so that we can compete with them and stay in business. The demand for our products are high because we sell brands that are well known all around the world at a cheap price and customers will be able to afford them because the prices are matched with or cheaper than the original price. Most shoes we sell cost from $20 to $50. Additional exporting costs that need to be considered are insurance and freight. We will escalate our prices as much as we can while still offering the cheapest price compared to other stores to our customers. Singapore’s sales tax, which is 7%, affects pricing because will need to escalate the price enough where we can make a profit while still being able to compete with low prices. Our ideal escalation would be at least 50% mark up in prices. We will provide customer loyalty programs where if they become a member for $30, they can get 5% off of every purchase they make at Rack Room Shoes. We will also have a discount every 6 months where customers can get a buy one get one of equal or lesser value 40% off.

1. **Proposed promotional program, promotional activity(ies), media availability, costs, one-year promotional plan outline**

The objective for our promotion plan is to offer special sales, such as back to school or holiday sales, to attract new customers and increase the sales of shoes. Our main methods of utilizing communications tools to convey our message to our target market are through direct marketing with paper mail, email, internet and personal promotion activities. We will use personal selling as a component of our promotion plan by having sales clerks.

We will advertise our business by using print and internet because they are the most cost-effective for our business and target market. We will use print by advertising our store in the newspaper and with direct mail. We will use email and the internet by creating our own website and banners so people are aware of the promotions we are offering. Our budget for these promotions is $5,500. Most people who still read the paper, receive mail often and commute to work are our target market of parents from the ages of 25-54.

In order to supplement advertising and personal selling, we will use different sales promotion methods such as coupons and special sales events. We will promote and advertise during the Christmas, New Years, and back to school season, from December to January, and in the middle of the year in July. We will use coupons for a percentage off the total price and special sales events such as buy one pair and get the second pair that is of equal or lesser value 40% off.

The forms of publicity we will use to promote our business that will best reach our target audience are press kit and new release. We will use press kit by sending a series of articles and photographs that tell about the successes we have with our business in America and the popular and trendy shoes that are always offered at the most convenient price for all people of all ages. We will also use new release by writing articles about our store that is new to Singapore and how we can provide the average middle class families with shoes that are high quality, fashionable and shoes, unlike other stores that sell low quality and unbranded shoes at a low prices or high quality fashionable shoes at an unreasonably expensive price.

Sponsorships will be used to promote our business and gain a competitive advantage by increasing our credibility, enhancing our image, create a positive image for our company and attracting our target market by sponsoring our advertisements and events. Sponsorships will also shape our consumer’s attitudes, increase our sales and differentiate us from our competitors.

**V. PLANNED FINANCING**

A. Projected income statements for first year’s operation (sales, expenses, profit/loss)

Income Statement for Rack Room Shoes

For the period ending 31st of December 2016

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | 100% |
| Sales | 896,306 | 224,076.50 | 224,076.50 | 224,076.50 | 224,076.50 | 896,306 |
| Cost/goods sold | 472,921 | 118,230.25 | 118,230.25 | 118,230.25 | 118,230.25 | 472,921 |
| Gross Profit | 333,385 | 83346.25 | 83346.25 | 83346.25 | 83346.25 | 333,385 |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Owner Salary | 60,000 | 5,000 | 5,000 | 5,000 | 5,000 | 20,000 |
| Other Salaries | 30,000 | 75,000 | 75,000 | 75,000 | 75,000 | 30,000 |
| Rent | 100,000 | 11,250 | 11,250 | 11,250 | 11,250 | 45,000 |
| Advertising | 5,500 | 1,375 | 1,375 | 1,375 | 1,375 | 5,500 |
| Supplies/postage | 1,800 | 450 | 450 | 450 | 450 | 1,800 |
| Utilities  (Water & Electricity) | 45,000 | 5,000 | 5,000 | 5,000 | 5,000 | 20,000 |
| Insurance | 4,650 | 1,162.50 | 1,162.50 | 1,162.50 | 1,162.50 | 4,650 |
| Payroll Tax & Benefits | 20,500 | 2,550 | 2,550 | 2,550 | 2,550 | 10,200 |
| Legal | 5,300 | 1,325 | 1,325 | 1,325 | 1,325 | 5,300 |
| Misc. | 2,800 | 700 | 700 | 700 | 700 | 2,800 |
| Loan | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit Card Fees | 2,560 | 640 | 640 | 640 | 640 | 2,560 |
| License/Fees | 500 | 125 | 125 | 125 | 125 | 500 |
| Bad Debt | 1,000 | 250 | 250 | 250 | 250 | 1,000 |
|  |  |  |  |  |  |  |
| Total Expenses | 279,610 | 69,902.50 | 69,902.50 | 69,902.50 | 69,902.50 | 149,310 |
|  |  |  |  |  |  |  |
| Net Profit | $53,775 | $13,443.75 | $13,443.75 | $13,443.75 | $13,443.75 | $184,075 |

B. Projected balance sheet for the end of the first year

Rack Room Shoes

Three Year Plan

|  |  |  |  |
| --- | --- | --- | --- |
|  | Year One | Year Two | Year Three |
| Sales | $896,306 | $985,936.60 | $1,084,530.26 |
| Cost of Goods Sold | $472,921 | $520,213.10 | $572,234.41 |
| Gross Profit | $333,385 | $366,723.50 | $403,395.85 |
| Expenses | $279,610 | $307,571 | $338,328.10 |
| Net Profit | $53,775 | $59,152.5 | $65,067.75 |

Rack Room Shoes

First Year Cash Flow

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
| Cash on Hand | 53,753 | 93,203 | 132,512 | 184,865 |
| Sales | 224,076.50 | 224,076.50 | 224,076.50 | 224,076.50 |
| Cash Available | 280,430 | 340,483 | 410,109 | 489,598 |
| Paid Outs | 150,498 | 150,498 | 150,498 | 150,498 |
| Cash on Hand | 102,031 | 164,387 | 233,192 | 300,695 |

C. A brief narrative description of the planned growth of the proposed business, including financial resources, needs and a brief three-year plan projection

In our first year of business, our projected profit is $53,775, along with the specific breakdown listed in the Projected Income Statement Chart. We will look for a 1,800 square foot building, with a fee of $7.00 per square foot, averaging $12,600 per month. Supplies and utilities will cost $45,000. We calculated our sales by estimating 120 customers per day, averaging each shoe purchase at $40. Our products have a 40% markup, resulting in our gross profit to be $333,375, before expenses. Our total expenses are $279,610. After three years of businesses, we will have accumulated $177995.25.