

BUSINESS PLAN - 2021

project

BAM WOOD

Manufacturing &
Distribution of
Solid Wood Products



BOIS ARTISANAL & MURAL



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Word from the President - Founder

Hello,

I founded BAM WOOD in 2011, the company started with a retail boutique in 2012, then I established a production shop in 2014. I combined retail sales and production under the same roof in 2018, a necessary step to optimize the profitability of the company in 2018. Since 2016, the company generates around 1 million in annual sales revenues, with an average net profit margin of 22% (gross profit margin 40%).

To reach the 1 million in annual sales milestone, the financial investment was relatively modest considering the potential of the company. The company is currently without debts, with a great potential for expansion. Since our line of products generates a lot of demand.

While building up the Montreal boutique, I've pushed the visibility of my brand online and by distributing my line of standardized products in hardware stores (Home hardware, Rona, BMR, Kent, etc.). BAM WOOD is currently established in over a hundred points of sale in Canada. We know our products are selling well and that we can continue to develop more products while adapting to interior decoration trends, which foreshadows a great future for the company.

I believe the key to success in our domain is to conceive simple products that are easily duplicable and, most of all, profitable. Our products mainly have a rustic aesthetic, which greatly reduces returns related to damage incurred during transport, since imperfections and wear and tear add to the cachet people look for when buying rustic products. We also import products from Asia and resell them with a 50% to 100% profit margin.

In this business plan, you will find all the necessary information to decide if my company represents a good business opportunity for you. I thank you for your interest in BAM WOOD, and do not hesitate to contact me if you have further questions.

Cordially,



Dave Garneau
Président, BAM WOOD
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History of the company / nature of activities

Ten years ago, Dave Garneau founded BAM WOOD by combining his passion for wood, and his experience in Design and Marketing. His business model aims to fill a void in the fields of construction and interior decoration.

The know-how and support of BAM WOOD's supply network enabled the company to conceptualize and create high quality products at highly competitive prices. The very essence of the company is to create products that are trendy, authentic and, of course, entirely entirely made of solid wood.

BAM WOOD products are standardized, wrapped and sold in large surface retailers, online, as well as in BAM WOOD retail boutique (and franchise prototype). Our products line includes barn doors, rustic shelves and counters, antique style flooring, wall paneling, beams and faux beams, etc. Our show room allows us to exhibit featured items of the company and to meet clients for custom orders.

Since its first year of operation in 2011, BAM WOOD has developed a recurring clientele in Montreal, as well as privileged links with several suppliers like J.L.Ouellette Centre de Pin, Bois Exxium, Bois Maron, Irving, etc. Since 2015, BAM WOOD has also signed contracts for the sale of our products with several renowned chains like Home Hardware, Kent, Rona and BMR.

The company has established a brand image and reputation with thousands of customers in its 10 years of business. We have developed an attractive and authentic brand on social media, and we currently have nearly 20,000 people following us on the likes of Facebook, Pinterest and Instagram.

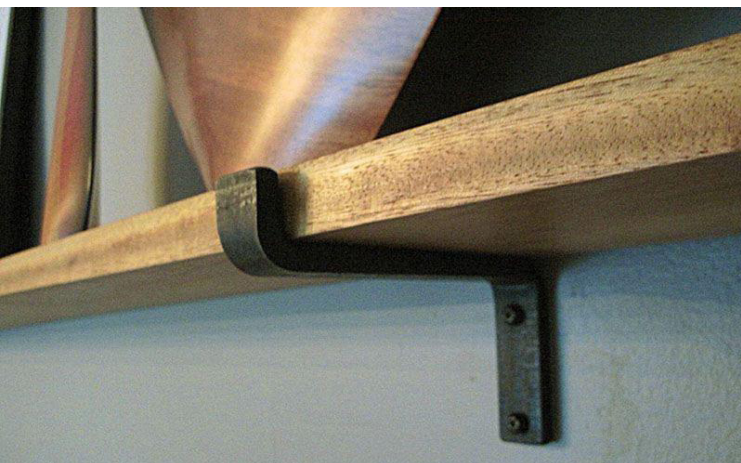
With the structure we are setting up, we are certain to reach revenues of 3 millions by the end of 2022. Wood does not go out of style, on the contrary, it just keeps getting more popular. So we know that the style of our products will always be fashionable.



History of the company / nature of activities

What's more, Dave is always keeping up with new trends, and has always been an innovator since the company's inception. For example, by going on Radio-Canada's "Dans L'Oeil du Dragon" (the Quebec version of CBC's "Dragon's Den") in 2015, Mr. Garneau presented barn doors sold with a sliding rail kit. There were no hardware stores selling such products at the time, while BAM WOOD had been producing barn doors in large quantities for 3 years already. The same year, we started selling through hardware stores with our barn wood style wall paneling (that we had already been selling in our BAM WOOD boutique for 3 years), a product that is still selling very well in 2021. We are now doing the same with our decorative faux beams, people are starting to know the product, which we have been producing for 10 years.

We have a transactional website and an effective method of delivering outside of our region. Our site is very user-friendly, people will discover a new way to buy wood products such as beams, shelves, doors, etc. That's why we believe BAM WOOD will become a leader in the field, since with our unique products at a competitive price, we know people will eventually think BAM WOOD when they need wood products for their home.



Objectives

BAM WOOD's main objectives for the coming year are :

- Reach 1,5 millions in sales revenues
- Acquire a new reseller with at least 20 stores
- Open a new boutique in the Québec City region.



Summary of executives

Mr. Dave Garneau (President - Founder) owns 100% of the company's shares. He has 15 years of experience in the wood and interior design fields, as well as 15 years in publicity and marketing. His experience molded the concept and image of the BAM WOOD company, based on the conception of trendy wood products.

Dave works in collaboration with several subcontractors and contributors; here are the key members of his team:

- Daniel Matte: Sales Director
- Stephen Paradis: Marketing Manager
- Amir Ghoorchyan: Administrative Assistant
- Yves DeMontigny: Sales and Project Management - Department: Retail Sales
- Nadia Latauro: Sales, Customer service, logistics - Department: Distribution to Resellers
- Anthony: Production Manager and Quality Control



Location and facilities

The company is currently renting a 6700 square feet space in Ville St-Laurent, in tandem with a company that handles production and distribution. The boutique area is around 1000 square feet. Monthly cost of rent is \$5000, our producer/distributor pays \$4000, and BAM WOOD pays \$1000 (including costs of electricity and heat). The location is perfect for our enterprise, being near 3 major Montreal highways, and thus easily accessible for our clientele. It is an industrial and commercial area with high traffic, so there are many potential customers for our interior decoration products. Since 2012, we've built a regular clientele in the Montreal region. With some local publicity, our customer base will keep growing in our sector of activities. Rent being affordable considering location and size of our facilities, it is thus easy to monetize the company.

Our boutique displays our leading products such as furniture, beams, barn doors, etc. Our retail space brings in average annual revenues of \$500,000 since 2014 (not accounting for online and resellers sales). We forecast that each Franchise can reach 1 million in sales revenues within 2 years with local sales.



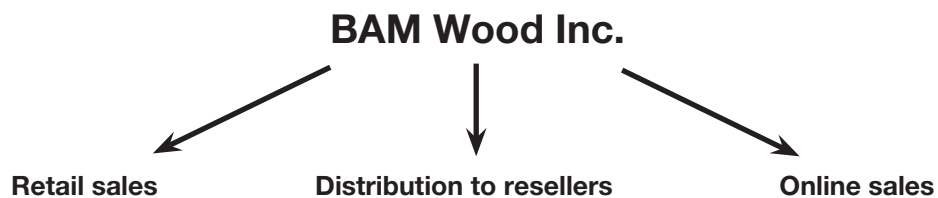
Main demographic, economic, social and cultural factors

After 10 years of operations, we have no doubt that we own a winning concept. We are noticing the generational and cultural differences among our clientele, the long distances they are willing to travel to buy our products, it is quite simply impressive and that is why there is a golden opportunity for BAM WOOD to take over this still nearly virgin market sector in 2021.

Everyone loves wood, there will always be customers for our products. Living in an age where synthetic products surround us more and more, wood is gaining in nobility with each passing year. The products we offer add a touch of authenticity, purity, harmony with nature, and this in many styles, from modern to rural. They are affordable, well presented, and of exceptional quality. People prefer to bet on quality; they want a product of ecological design and made to last. We are thinking beyond the present moment, which is the base of BAM WOOD's brand image, to offers products entirely conceived and developed locally with natural resources from Canada and the United States, which is what people are looking for nowadays. BAM WOOD products remind us of our origins and introduce a warm and natural touch to our homes. This trend that carries on through the years mixes well with contemporary and industrial style currents, which is the reason our products will always be in demand.



BAM WOOD has three channels of sale and distribution, which assures a sustained sales production all year long and allows for gradual expansions through all three channels, bringing security to the company. The sales structure of BAM WOOD is set up in the following manner:



The sales strategy of BAM WOOD products is organized through the maintenance of three portals built around one brand name:

Retail sales in BAM WOOD boutiques:

In BAM WOOD boutiques, we are able to take on contracts for custom projects for residential as well as commercial purposes.

Online sales:

Our website is geared for the online sale of BAM WOOD products, sold and shipped anywhere in the world. So far we generate around \$250,000 in annual online sales.

Sales through our resellers:

BAM WOOD displays are already found in over 100 hardware stores in Eastern Canada, and currently generate over a million in annual sales revenue. This number is always growing and will soon generate even more per year, since our current restructuring should enable us to supply larger chains like Lowes or Home Depot. What's more, we are currently working in collaboration with Irving to set up a program of "BAM WOOD space" in several Kent Building Supplies stores. This concept could later be sold in other large surface retail chains.

Description of products and services

BAM produces and sells a vast array of solid wood products destined for interior decoration. We sell wood provided by several sawmills in Eastern Canada. We supply wood to various Quebecois cabinet makers, who manufacture some custom items, and we internally produce our standardized collection. We counsel customers, and we can elaborate 3D plans with them in the approbation process. We also sell antique style flooring, rustic-industrial shelves, and all kinds of wall sidings.

Some of our specialized products are unique on the market. For example: our Red Pine tongued and grooved flooring, made of 3/4" thick solid wood, that comes in 5 different widths (up to 12") and up to 16 feet long, or our wall sidings in barn wood or round timber styles. Simply put, we have unique, trendy products of superior quality that are in high demand.

All our products must meet our high quality standards. The moisture content of our wood may not exceed 10%. For custom projects, we have set up an approbation system to minimize the margin of error. Up to this day, the quality control is still carried out by Mr Garneau (president and founder), to ensure that our standards are always respected with consistency.

Our standard products line is already selling repeatedly in hardware stores and online. These items can be shipped anywhere. We've sold some of them in Western Canada, in the U.S. and even in Europe, and our new transactional site will allow us to sell to many countries.



Standardized BAM Wood products

Here are the standardized BAM WOOD products:

Barn Doors: We produce 4 standard barn door models for our resellers, with around 10 finish options. Doors can also be custom ordered in hardware stores, in BAM WOOD boutiques as well as online.

Barn Wood Style Wall Coverings: Wall coverings made of raw tongued and grooved pine wood, easy to install, available in several colors, each pack covers 10 square feet.

Furniture: So far, we have standardized tables, benches and shelves. They are simple and fast to produce, which allows for competitive pricing, while relying on the beauty of solid wood.

Beams: Beams and faux beams made of pine wood and offered in various sizes. Standard beams sold in hardware stores are 3”X6”X8’. Our standard faux beams are 5”X7”X8’. These items are highly sought after right now, and figure among our most profitable products.

Rustic shelves: Rustic shelves packed with its industrial hardware, sold online and in stores. We manufacture hundreds of these shelves every month.

Custom order production: So far these orders are generally sold at our BAM WOOD boutique, because these projects usually require more personalized management. However we are currently working on a “Custom” portal on our website, which would allow any employee to take on such a mandate by entering all the details required for the manufacturing of the customized items.



Marketing and distribution

BAM WOOD's strategy is to develop a line of standardized products, wrapped and ready to be distributed at our resellers and on our transactional website, as well as on Amazon, Wayfair, Etsy, etc. A marketing push has been made since 2015 on nearly a dozen of our leading products to set them up under the BAM WOOD brand.

Market sectors

Market segmentation is set up as such:

- Products sold in large retail surfaces : Kent, Home Hardware, BMR, Rona, etc.
- Sale of a wide variety of solid wood products at BAM WOOD boutique.
- Sale to commercial clients of custom made projects (Millwork).
- Online sale of standard products.

BAM WOOD offers its products and services to two types of customers: public and commercial. The company Entrepôt La Grange the subcontracted manufacturing of our most of our products. Production is standardized to insure the marketing in mass quantity of the company's leading products:

- Sliding barn doors
- Barn wood style wall sidings
- Red pine flooring
- Beams and faux beams
- Rustic shelves with their steel hardware
- Items for home decoration and solid wood furniture

These leading products are part of a catalog distributed to resellers, designers and commercial clients. The conception and manufacturing of custom orders includes furniture, interior decoration items, floors, wall sidings, etc. The BAM WOOD boutique feature standard and custom products, while also offering exoric and rustic furniture as well as finishing products and decorative hardware. Commercial clients sales target hardware stores, construction contractors and designers.

The www.bamwood.ca portal features in a transactional website the whole line of standardized BAM WOOD products that can be shipped by mail courriers. It also contains more specialized products that can be delivered in a 500 km radius of a store. On the facebook page of the company, which counts nearly 18,000 followers, we feature some of the best creations made for both individual and commercial clients.

Marketing and Distribution

We have developed an integrated management system allowing customers to track their orders and to stay updated on the progress and technical questions relating to their custom orders. Tools facilitating orders, such as price calculators, are part of the website to submit project evaluation applications as well as to obtain real-time submissions.

The web portal of the BAM WOOD standard product line (www.bamwood.ca) is a transactional site featuring all the standardized products that can be shipped anywhere in North America.

BAM WOOD gained a certain notoriety online by reaching a vast amount of followers on social media sites, as well as with affiliate links on major external sites that bring great traffic to the many BAM WOOD sites.

On top of that, we have installed BAM WOOD displays in nearly a hundred large surface hardware stores in Eastern Canada. These bring in a steady flow of sales, as well as provide significant exposure to our brand.



Comparative advantages in terms of production

Since do business with several subcontractors, we can adjust accordingly and rapidly if production demands increase, while still offering a fast service. We possess a deep knowledge of our products, so we are able to maintain very high standards of quality control. We can counsel our customers and focus on their needs. We work on the approbation of custom projects. We manage deliveries to ensure total customer satisfaction on reception of their merchandise.

We maintain tight control on the management of our points of sale (boutique, resellers and websites), as well as on project management and logistics of deliveries.

We benefit of a strong purchasing power with our suppliers, which is a very important factor in the wood sector. This is why our value for money ratio is unbeatable, while still allowing for an interesting profit margin. BAM WOOD is a very competitive company when it comes to retail prices.

Market knowledge

In our first 10 years of operations, we took notice of which products were the most profitable and set aside those that were not. We've adapted to new market trends of interior decoration and renovation. We have now reached the phase of growing our network of resellers and to give a major push to online sales (website, Amazon, Etsy, etc.).

We make between 30% and 80% of gross profit on the sale of our products and it is not rare to see orders over \$10,000. Therefore it is sufficient to get just a few good sales in the boutique, combined to regular sales at resellers and online, and the profitability of the company is not difficult to attain on a monthly basis.

Importance of sector

Our geographical location is perfect, our products and services are on point, and our infrastructure is organized to factor in a rapid expansion. We work with trusted and fast subcontractors, and it is easy for us to find more as needed. Since 2013, BAM WOOD has proven to be a lucrative company whose products are in high demand. Now we only need to kickstart the promotion of our products, so that more people are aware of their easy accessibility.

Our transactional website allows us to sell across Canada and the United States. We devise more and more standardized products to sell in higher quantities, create repeat sales, and maximize the profitability of our products.

Segmentation of leading products

The interior decoration sector is growing and our products have been in fashion for years. Whether it be for any room in your home, a hotel lobby or a conference room, we can enhance the warmth of its ambiance with our solid wood products.

The sector of interior decoration, like the majority of other sectors, is tightly connected to the economy. However, the majority of finance experts agree that the economy will only get better in the coming years. People will continue to invest in their homes to own something unique and personalized.

People are more and more up to date on new processes that let them bring their own ideas and they participate more to their interior decor. This is why a boutique offering small or large quantities of wood, at wholesale price represents a winning concept in any city with a population over 300,000. It's the reason BAM WOOD markets its solid wood products. Our product line gets people's interest because it is a part of our history, it reminds us of our homes of yesteryear. By mixing with a modern decor, our products bring warmth and character to any environment. BAM WOOD is a unique concept that is welcome in the industry of interior decoration.



Processes and criterias of purchases

People expect that the companies they do business with can ensure a proper understanding of their need in the development of their decoration projects. They are interested in innovative solutions focused on the ambiance they wish to create inside their business or home. Customers must trust in our capacity to perfectly understand their needs. They also expect quick deadlines and have no desire to get into the technical details of a project. The ability to plainly present a project to a client is a powerful selling argument. Also, the need for a strong portfolio is a common necessity in the field of interior decoration. Pricing become a factor when the time comes to renovate or build a home, which is why we offer several options while trying to respect our client's budget.

Target markets

Our main markets are:

- 1 - The general public, via our boutique and transactional websites
- 2 - Interior designers
- 3 - Construction contractors
- 4 - The food service industry
- 5 - Businesses with office spaces

This diversified clientele brings us a constant flow of production all year long. To reach largerscale clients, it will be necessary to approach them with high quality marketing material. To do so over the next year, Dave Garneau Pour ce faire durant la prochaine année, Dave Garneau will collabotrare to the sales process, since they are the best placed to sell our products and services, using a dynamic approach that will set us apart in the field of home decoration.

With quality promotional material and a strong website, while presenting realistic and creative project propositions, we know we can continue building a loyal clientele. With two target clientele types (residential and commercial), we must elaborate separate marketing strategies.

On the retail sales stage, we already have around 150 resellers so far, and we want to gain at least another large chain (ex.: Costco, Home Depot, Lowes) before the end of 2022.

Profit margins of leading products

Profit margins of leading products

We get a minimum of 30% in profit on the sale of products, be it in store, at our resellers or online. Manufacturing is subcontracted to experienced woodworkers, minimizing our fixed costs, payroll, production management time, wastes of wood, etc.

Barn doors			
	82inX33in	82inX37in	82inX43in
Retail price	\$269	\$299	\$375
Wholesale price	\$185	\$205	\$285
Cost	\$95	\$115	\$130
Retail profit margin	\$174 (65%)	\$184 (62%)	\$245 (65%)
Wholesale profit margin	\$90 (49%)	\$90 (44%)	155\$ (54%)

Barn wood style wall sidings (price per pack)				
COLOR CODE	BAM WOOD standard	Ranch Ship Lap	BAM Cedar	Real Barn Wood
Retail price	\$49,00	\$109,00	\$54,00	\$59,00
Wholesale price	\$34,00	\$72,00	\$38,00	\$42,00
Cost	\$21,00	\$49,00	\$25,50	\$29,50
Retail gross profit margin	\$28 (57%)	\$60 (55%)	28,50\$ (47%)	\$29,50 (50%)
Wholesale gross profit margin	\$13 (29%)	\$23,00 (32%)	\$12,50 (33 %)	\$12,50 (29%)



Profit margins of leading products

Faux Beams				
	5" X 7" X 8ft	7" X 5" X 6ft	4" X 9" X 6ft	4" X 8" X 5ft
Wholesale price (to resellers)	\$102	\$79	\$79	\$75
Cost	\$32	\$35	\$35	\$29
Gross Margin	\$70 (68%)	\$44 (55%)	\$44 (55%)	\$46 (61%)

Shelves			
	2" X 8" X 36"	1,5" X 10" X 36"	2" X 12" X 48"
Wholesale price (to resellers)	\$32,00	\$35,00	\$41,00
Cost	\$18,00	\$19,00	\$25,00
Gross Margin	\$14,00 (43%)	\$16,00 (45%)	\$24,00 (39%)



The trend is currently towards essences of rustic and natural wood. The products we have to offer add a warm ambiance and are in harmony with nature, integrating well with any style, from modern to rural.

Consequences or risk factors

A marked interest towards BAM WOOD products helped the company to sign major contracts with large distributors. Our system of subcontracted production allows us to not be limited by only one production line, we can therefore offer a rapid delivery and satisfy quality requirements.

Currently, with the quantity of major mandates that must be fulfilled rapidly, the production costs of orders is entirely at the expense of subcontractors, and the more we produce, the higher the production costs are, rendering unpredictable the costs to meet delivery deadlines and keep repeated order bookings with our biggest customers such as Kent Building Supplies (Irving), Patrick Moin, Bouclair, etc. However, we are assured to be paid within a maximum of 30 days with all of our clients

Short term strategy

- Approach major large surface chains in Canada and the United States
- Finalize our secure transactional website
- Increase usage of social media
- Approach designer firms to sign some “Millwork” contracts
- Get some high quality marketing material printed
- Exhibit at events such as national home shows
- Sell on various online shopping sites (Etsy, Amazon, Facebook, etc.)



Marketing and promotion

Several marketing strategies will be deployed to reach our target clientele :

- Promotional campaign with Google Ad Words.
- Increase usage of social medias to offer a privileged communication with customers in general, but also some specific segments such as designers and architects
- Solicitation d'un abonnement à une liste de distribution par courriels à partir du site Web.
- Personalized electronic catalogue offered through website
- Advertisements in home decor magazines to promote our Montreal boutique

Marketing and distribution

Our marketing strategy will be based on three distinct but complementary fronts. The very foundation of our approach will always be to offer high quality products at affordable prices, while innovating with new standardized products under the BAM WOOD banner.

The first approach will be the sale of our products in our retail boutique. We will use the website to support our salespeople, offering a unique destination highlighting our furniture, accessories and branded BAM WOOD collections, maximizing the visual impact with its rich video and photo contents.

The second approach is to continue to develop our standardized products line on sale at resellers and online. We will keep reaching out to hardware and decor stores to make them discover the BAM WOOD product lines. We plan on acquiring another dozen resellers by the end of 2021.

The third approach will be to reach out to interior designers and construction contractors to offer our "Millwork" services (large scale custom projects). We will present a portfolio of our projects and submit samples of our finishes as well as a high quality promotional brochure.



Competitive situation analysis

Our main competitors in the Montreal area are cabinet makers and some specialized companies. They occupy a small part of the market, and we know there is a lot of space for a business model such as BAM WOOD's, because more and more people are used to shopping in large surface stores, which is why we offer our products at hardware stores along with our own BAM WOOD boutique. We are confident that eventually people will not waste time looking for solid wood products on Kijiji or other such sites, they will simply think BAM WOOD!

There is always available market space for companies selling quality products and services in the fields of construction and decoration.. Furthermore, there are no other businesses specialized in the sale of solid wood products with a business model that facilitates access to these home decoration products, while selling on three fronts: in store, online and in large surface hardware stores.

Since opening our boutique in 2012, we knew we would build a solid reputation in Montreal. We established ourselves in an expanding neighborhood and quickly built a solid reputation. Our presence in hardware stores since 2015 also greatly contributed to make us known in other Canadian provinces and the United States. All those reasons currently give us a huge headstart on the competition.

We know our products are in high demand, and people often travel more than 50km to buy our products. That's why we have no doubt that our BAM WOOD franchise concept can succeed very well in any city with a population over 300,000.

Our customers don't want to waste time, they need something fast that does not compromise on quality, they expect a rapid service and they don't want to pay too much. It's the case in any sector, including construction and decoration materials. We want to position ourselves as a company that offers quick and affordable services while developing a reputation for quality. In our opinion, the future in this field is simplicity, rapidity and quality. Which is why we must make our products available for sale on many platforms. That way, people will think of us when the time comes for a wooden wall, an antique floor, or rustic shelves.



Competitors and types of competition

The current competition in large surface is essentially made up of products imported from China. But products made of solid wood are rarely imported from China, since wood has a tendency to warp due to climate variations, which is why hardware stores buy these products locally.

For sale directly to the public, there are some independent woodworkers and some specialized stores that can be seen as competition, however they are also potential suppliers and collaborators on some levels.

Concurrents	Products	Differences
Bois Direct	Barn wood style sidings.	<ul style="list-style-type: none"> • The majority of their products are made of plywood. • They do not have as many widths or lengths available. • Their prices are on average 30% higher than ours.
Bois Léger Concept	Timber wood, doors, moldings, floors, paneling, finishing products.	<ul style="list-style-type: none"> • They are not in the same geographical area. • Their prices are on average 40% higher than ours. • They do not have the same kinds of flooring and wall sidings that we sell. • They are one of our distributors.
J.L.Ouellette Centre De Pin	Timber wood, doors, moldings, floors, paneling, finishing products.	<ul style="list-style-type: none"> • They do not have the same kinds of flooring and wall sidings that we have. • Their products are not available in hardware stores • They are one of our distributors.
Bois SD Malo	Timber wood, flooring, paneling.	<ul style="list-style-type: none"> • Their prices are on average 10% higher than ours. • They do not have the same kinds of flooring and wall sidings that we sell. • They sell many kinds of wood species. • It's a factory, they do not have a show room.
Langevin Forest	Timber wood, moldings, flooring, raw wood, beams, finishing products.	<ul style="list-style-type: none"> • They offer many wood species. • Their prices are on average 10% higher than ours. • They do not sell finished products.
Bois Urbain	Furniture, doors, timber wood products.	<ul style="list-style-type: none"> • Their prices are on average 30% higher than ours. • They do not have a lot of inventory, so wait time is longer to receive your product. • They do not have many models of standard products available, they mostly make custom products.

Price setting strategy

We make on average 38% of profit on products made by subcontractors. To ensure that we are competitive, we have done a competition analysis of prices and deadlines, we then set our prices in the same range as our competitors, while ensuring to have a minimum 30% profit margin. Our fixed expenses being generally lower than those of our competitors, we can afford to have lower prices on most of our products. Furthermore, our methods were developed to maximize production. In general, our competitors make all their profits on production times, while we make a good portion of our profits by selling the raw materials, which helps us to be competitive with prices. Working with many subcontractors also enables us to have a multitude of ongoing projects at the same time, which helps us to offer faster service while maintaining an important profit margin.

Competitive advantages

We develop the BAM WOOD brand name and our own line of locally-made products. We've attained a strong credibility level, because we've been selling our products in hardware stores for 6 years, and they still sell very well to this day.

We have the privilege of a well-established suppliers network, with whom business relations are already very strong. It represents a great advantage to be able to work in such close collaboration with many leaders of the wood industry in Canada and the United States.

We possess a strong transactional website and online promotion tools. We can assess that our online sales will account for 40% of our sales revenue in the next two years.



Our resellers generate very good publicity for our business, because all week long thousands of people are walking by our displays featuring the BAM WOOD brand logo. Our boutique also brings us great exposure, being open 6 days a week, and we put up a lot of advertising online to attract people inside our store. The Montreal boutique generates around \$400,000 in annual sales revenue (not to mention the revenues from our resellers and online sales). We evaluate that after our restructuration, we should be able to generate 2 millions in sales revenue (within 6 months).

We have two vehicles that we will wrap with the company's colors, and we will send out direct mail advertising. We will strategically place advertisement in local newspapers and magazines, while promoting special sales and events. Word of mouth has always been the best publicity for us, since the projects we undertake brings us more referred customers, so the more mandates we take on, the more our name will be known.

In the next two years, we plan to sponsor some public events, social organisations, sports teams, etc. Promoting our website is one of our highest short-term priorities, to represent our company by featuring our products and services as well as a portfolio of past works. This site is transactional and should generate around \$200,000 in the next year (a number that will keep growing).



Average annual sales revenue by product categories in 2021:

BAM WOOD boutique: \$400,000

At our resellers: \$700,000

Online: \$100,000

TOTAL: 1.2 millions

Expenses:

PRODUCTION COSTS (Subcontractors): \$780,000

OPERATING COSTS OF BOUTIQUE: \$60,000

SHIPPING COSTS: \$20,000

MARKETING: \$15,000

RENT, PHONE, INTERNET, ELECTRICITY, etc.: \$75,000

COMMISSIONS: \$220,000

TOTAL EXPENSES: \$1,120,000

NET PROFIT MARGIN: \$80,000

The below chart illustrates the financial model of the products sale in boutique (as an example)

Monthly sales revenues	Production & Operations	Transactions costs	Commission to founder	Benefit margin
\$7692	\$5135	\$150	\$538	\$1869 (24% net margin)

Details about location/property:

659-C Montée de Liesse, Montréal (Québec), J7W 9X9

Total size of 6700 square feet. Share occupied by BAM WOOD: 1000 square feet

Monthly rent is \$1000, including utilities and taxes.

Tools and equipment: Since our production is subcontracted, we do not need much specific equipment. Only computers, printers and samples for our showroom.

Research and development: We are always searching for new products and currently have nearly a dozen in development.

A BAM WOOD franchise must have in its starting stage a General Manager (usually one of the stockholders), 1 salesperson, 1 Administrative Assistant.

As the sales revenues grow, additional salespeople are hired. Their starting salary is \$16 an hour.

The franchise must also hire an accountant for financial records maintenance. Bookkeeping should be done by the Administrative Assistant.

Management Team

Dave Garneau - Chief Executive

Responsible for the general management of the company. His mandate is to structure the company by implementing protocols at all levels. Mr. Garneau will always be on the lookout for the financial development of his business and will be primarily responsible for sales. He also takes the lead of marketing, while representing the company at conventions and meetings with large customers.

Amir Ghoorchiyan - Administrative Assistant

Daniel Matte - Sales Management Director

Stephen Paradis - Marketing Manager

Key personnel

Name and Title	Principal responsibilities	Competencies
Stephen Paradis, Marketing Manager	Websites, Promotions, Infographics	Graphic Design
Amir Ghoorchiyan, Administrative Assistant	Administration, Bookkeeping, Accounting	Finances
Yves DeMontigny, Sales Manager	Project Management, Retail Sales	Sales & Administration
Daniel Matte, Sales Management Director	Sales Management (boutique, online and resellers)	Sales, Marketing, Management

Implementation plan

The BAM WOOD products line already generates 1,2 millions in annual sales revenue. With an investment of only \$50,000, we could double that number to 2 millions within a few months, since this investment would help us restructure the company to produce a higher volume and get higher scale clients. \$10,000 will go towards the remodeling of our showroom, to boost online sales with cameras, production equipment that would optimize the profitability of the company. \$5,000 in marketing (web, vehicle wraps, signs, brochures, etc.), and \$35,000 as working capital for general costs to buy products and pay employees before we get the payments from our hardware store resellers (who pay us 30 days after delivery).

Assets

- Inventory worth \$50,000
- Electric forklift: \$4500
- 18' closed trailer: \$3500
- Computer equipment: \$3000
- Large format printer: \$700
- Marketing materials: \$2300
- Domain Names and Websites: \$10,000
- Packing Materials: \$1000
- Tools: \$1000

TOTAL VALUE: \$76,000

*For more information, please contact Dave Garneau at 438-521-2207,
or by email at dave@bamwood.ca*

Thank you for taking the time to read our Business Plan.

Cordially,

Dave Garneau, President Founder

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