

OMG

Moments



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Grade 9-12

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A. Executive Summary

OMG Moments (“OMG”) will be the “must have” consultant/coordinators for dream wedding proposals, magic wedding moments, and eloquent toasts and speeches. Today’s couples demand something more, something unexpectedly memorable, but above all, something to share. The “proof of concept” of this business model has already been verified by some mainland companies. With no similar companies in Hawaii, we, the principals of the company, believe that we have the understanding of the target market, the cutting edge social media expertise and the relationship skills to drive this successful venture. With an initial equity investment of \$80,000 (50% principals, 50% outside investors), we expect the business to achieve a 5 year ROI of \$440,000 or 450%.

B. The Business

Company Name – “OMG Moments”

Mission Statement– OMG’s mission is to capture the romantic essence of your romantic journey. Our mantra is, “Not for a moment, But for a Lifetime of Sharing”

Vision Statement – OMG will be a leader in providing courteous and creative services in all aspects of nuptial coordination.

Objectives – Year 1 – total customers/jobs of 1,633; Year 2 – total customers/jobs of 1,670; Year 3 – total customers/jobs of 1,700

C. Idea for Service

1. Rationale - As members of Generation Z and observers of the Millennials (Gen Y), we are consumer creatures who crave creativity and awareness. This craving has filtered down to our most important relationships and social events. We are no longer satisfied by the “tried and true” pre-wedding and wedding conventions. We desire “OMG” moments that we can share.

2. Service Description – OMG Moments will provide couples (and family and friends) three services: 1) **dream wedding proposals**; 2) **magic wedding moments**; and 3) **eloquent toasts/speeches**. All of these moments can be memorialized through traditional videos and/or social media. Wedding proposals can range from intimate to flash mob: special wedding moments can include the entry, first dance, etc.; and toast and speeches can be for bridal party, family and friends. See Marketing Strategies – Product for more detail.

3. Competitors–OMG has no direct competitors in Hawaii. Research on the top three mainland companies:

Company	Price of Product/Service	Strengths	Weaknesses
The Heart Bandits (National - Proposal)	Prices for LA (Packaged Proposals): Range \$260-\$1850	<ul style="list-style-type: none"> • Packaged and customized proposal plan, wider target • Extensive Offerings • Servicing several cities 	<ul style="list-style-type: none"> • No in person consultation (online consultation only)
Brilliant Event Planning (National - Proposal)	Full Proposal Planning: \$1,995 to \$10,000 Proposal Ideas Only: \$495 (one idea), \$849 (two ideas)	<ul style="list-style-type: none"> • Free proposal idea generator (profile of bride quiz) • LGBT welcome • Can meet in NYC office by appointment 	<ul style="list-style-type: none"> • ONLY female perspective (female owners / planners) • No packaged proposals
The Oratory Laboratory (National - Toasts)	Written Speech + Coaching: Customized rate (Depends on length and occasion)	<ul style="list-style-type: none"> • Available globally • Customized process and speech • Coach training 	<ul style="list-style-type: none"> • No in person consultation • Ambiguous description and pricing (website)

D. Marketing

1. Target Market

Description	Statistics
Oahu Population	991,788
Oahu Total Marriages 2014-2015	13,076
Oahu Local Marriages 2014-2015	6,538
Total Number of Local Proposers in Oahu	6,538
Percent of Ages 18-29 Getting Married	50% (estimate)
Total Number of Proposers in Oahu Ages 18-29	3,269
Number of local wedding speechmakers (Best Man, Maid of Honor, Parents, Couple)	26,152
Number of Wedding Planners in Oahu	35

Oahu has the 2nd highest marriage rate per year out of all the states, with an approximated 17.5 marriages per 1000 people. According to the State of Hawaii's Vital Statistics Marriage Record, June 2014 to June 2015 had 13,076 marriages. Of these marriages, 50% are resident marriages, and of this number, 50% are potential proposers in the 18 – 29 age group or 3,269 proposers. The island of Oahu also features about 35 wedding and event planners that also may use our product lines. The usual people making toasts or speeches are the best man, maid of honor, parents, and the couple, meaning that there are at least 4 people from this couple, potentially 26,352 (6,588 x 4) people who could use our creative speech service.

2. Marketing Strategies – a. Services and b. Price

Product Line	Description/Product Defined	Features	Pricing
Dream Proposal	The perfect thing to help couples achieve their perfect dream proposal Types: 1) Small (one on one, intimate) 2) Personal (family and friends) 3) Big (big production, flash mob)	<ul style="list-style-type: none"> • Free initial consultation • Customized Plan • Work with consultants 	Small - \$300 Personal - \$600 Big - \$1,000
Magic Wedding Moments	That extra creative component to liven up your wedding day and reception during the beginning, middle, or end.	<ul style="list-style-type: none"> • Entrance for the couple • Cake cutting • Bouquet/Garter toss 	\$300 (minimum)
Eloquent Speech	A professional speech writer and coach to assist client in presenting toast/speech How it works: Parents – Couple; Friends – Couple; Couple – Audience; Marriage Vows	<ul style="list-style-type: none"> • Writer works with client to design toast • Coach works with speaker to present speech 	\$300 (w/ coaching) \$150 (No coaching)

OMG's **key differentiating factor** will be its ability to creatively tie together the whole romantic process of getting married: the proposal, the wedding, and the wedding reception. Unlike many of the mainland "online" based companies, OMG's **individualized customer service** begins with a "free" initial **in-person** consultation. We discuss with the customer what they are looking for and how to incorporate the ideas into a customized proposal, moment, or speech. All logistics and costs are accounted for a transparent and seamless process. While providing preset pricing packages to assist customers in decision making, OMG will specialize in customizing reasonable pricing for each service. Such pricing will be dependent on the elaborateness of the proposal, moment or toast.

2. Marketing Strategies – c. Promotion

Given the tech savviness of OMG's target market and the results of our market research survey, our promotional strategy will focus on social media and viral video efforts. We will use the Facebook and Instagram platforms which are best suited for video and picture postings. Facebook and Google Ads will also be utilized to funnel customers to OMG's website. In many ways, the origination of our product lines began with random couples posting videos in YouTube, many of which became viral. We will endeavor to create such viral videos along with promotional videos and ads with YouTube. While many young couples no longer pursue traditional magazines, we still intend to have some presence in magazines such as Honolulu Magazines in order to capture the imaginations of their older paying parents. OMG will also be present at the various bridal and wedding expos. Total initial promotional budget will be \$15,000.

2. Marketing Strategies – d. Placement (and Operations)

Our promotional efforts will funnel customers to OMG's website. Our hope is that customers will book a free initial consultation online and subsequently meet with us at our office. After discussing the appropriate service and fees, we, the principals, our staff of employees, and independent contractors will develop and coordinate each client's unique service. We expect to have four consultants, including the principals, on staff and one person totally dedicated to social media efforts. Independent contractors will be hired depending on customer arrangements.

E. Finance

1. Startup Costs

Our start-up costs total \$58,638 with the largest items being tenant improvement costs, rental deposits, computer hardware/software costs, and promotional costs. See schedule on next page for details.

2. Sources of Financing

OMG will raise \$80,000 in equity financing with a 50/50 contribution between the principals and outside investors. All capital will be returned to investors by Year 2 and distributions to equity investors begin in Year 3.

3. Cost per Unit

Please refer to the Income Statement in our Financials section for the per unit breakdown of the cost of services (\$163), variable costs (\$76), and fixed costs (\$25). The cost of services was calculated by multiplying the hours of services needed by the consultants' hourly wages. Variable costs factored in other retail payroll, employee benefits, and other items. Fixed expenses primarily included rent and promotions. Per unit costs were determined by dividing our total costs by the number of expected customers.

4. Profit

Please refer back to the Income Statement. Our profit per unit is \$61 while monthly and first year profits are \$8,296 and \$112,747, respectively. OMG is an LLC and therefore the company itself will not have to pay taxes. In our 5 year projection, we will use our profits for recurring capital expenditures upgrades and distributions to equity investors. In the future, the principals may use proceeds to expand the company beyond Oahu into the neighbor islands and West Coast.

5. Sales Projection for One Year

We project to sell 1,633 units of services in the first year, generating \$530,448 in sales. See D.2a and income statement schedule on next page for breakdown on product line pricing and unit sales.

OMG Moments Income Statement First 5 Years					
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenues	\$ 530,448	\$ 541,057	\$ 551,878	\$ 562,916	\$ 574,174
Cost of Services	265,810	271,127	276,549	282,080	287,722
Gross Margin	264,638	269,931	275,329	280,836	286,453
Operating Expenses					
Variable Expenses					
Payroll	19,200	19,584	19,976	20,375	20,783
Employee Benefits	87,360	89,107	90,889	92,707	94,561
Utilities	3,600	3,672	3,745	3,820	3,897
Supplies	1,200	1,224	1,248	1,273	1,299
Subtotal	111,360	113,587	115,859	118,176	120,540
Fixed Expenses					
Rent	30,931	31,550	32,181	32,824	33,481
Insurance	2,400	2,448	2,497	2,547	2,598
Promotions	6,000	6,120	6,242	6,367	6,495
Other operating costs	1,200	1,224	1,248	1,273	1,299
Subtotal	40,531	41,342	42,169	43,012	43,872
Total Operating Expenses	151,891	154,929	158,028	161,188	164,412
Net Operating Income	112,747	115,002	117,302	119,648	122,041
Interest Expense					
Net Income	\$ 112,747	\$ 115,002	\$ 117,302	\$ 119,648	\$ 122,041

OMG Moments Income Statement- Year 1			
	Yr 1	Ave Month	Per Unit
Revenues	\$ 530,448	\$ 44,204	\$ 325
Cost of Services	265,810	22,151	\$ 163
Gross Margin	264,638	22,053	\$ 162
Operating Expenses			
Variable Expenses			
Payroll	19,200	1,600	\$ 12
Employee Benefits	87,360	7,280	\$ 53
Utilities	3,600	300	\$ 2
Supplies	1,200	1,200	\$ 9
Subtotal	111,360	10,380	\$ 76
Fixed Expenses			
Rent	30,931	2,578	\$ 19
Insurance	2,400	200	\$ 1
Promotions	6,000	500	\$ 4
Other operating costs	1,200	100	\$ 1
Subtotal	40,531	3,378	\$ 25
Total Operating Expenses	151,891	13,758	\$ 101
Net Operating Income	112,747	8,296	\$ 61
Interest Expense			
Net Income	\$ 112,747	\$ 8,296	\$ 61
Clients (number of)	Yr 1	Ave Month	Unit Price
Dream Proposals			
Personal	433	36	\$ 300
Small	106	9	\$ 600
Big	82	7	\$ 1,000
subtotal	621	52	
Magic Moments			
Beginning	221	18	\$ 300
Middle	302	25	\$ 300
Ending	57	5	\$ 300
subtotal	580	48	
Eloquent Toasts			
With Coaching	108	9	\$ 300
Without Coaching	324	27	\$ 150
subtotal	432	36	
Total	1,633	136	

OMG Moments Projected Cash Flows First 5 Years						
	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Cash Flow From Operations						
Net Income		\$ 112,747	\$ 115,002	\$ 117,302	\$ 119,648	\$ 122,041
Cash Flow From Investing						
Initial Start Up Costs	(58,638)	-	-	-	-	-
Other Capital Expenditures				(20,000)		(20,000)
Subtotal	(58,638)	-	-	(20,000)	-	(20,000)
Cash Flow From Financings						
Debt Financing - Received						
Debt Financing - Payments						
Equity Financing - Received	80,000					
Equity Financing - Payments		(80,000)				
Subtotal	80,000	(80,000)				
Cash Flow Before Distributions	21,362	32,747	115,002	97,302	119,648	102,041
Oustide Equity Distributions			(50,000)	(50,000)	(60,000)	(60,000)
Principals Distributions			(50,000)	(50,000)	(60,000)	(60,000)
Net Cash Flow	21,362	32,747	15,002	(2,698)	(352)	(17,959)
Beginning Cash Balance	-	21,362	54,109	69,111	66,412	66,060
Ending Cash Balance	\$21,362	\$ 54,109	\$ 69,111	\$ 66,412	\$ 66,060	\$ 48,100

OMG Moments Breakeven & Per Unit Analysis	
	Year 1
Sales	\$ 530,448
Variable Expenses	
Cost of Services	\$ 265,810
Variable Expenses	111,360
Total Variable Cost	\$ 377,170
Fixed Cost	\$ 40,531
Breakeven Analysis	
Annual Sales and Cost	
Fixed Cost	\$ 40,531
Sales - Number of Yearly Customers	1,633
Average Sales Price	\$ 325
Variable Cost	\$ 231
Contribution Margin	\$ 94
Annual Customers	
Customers Required to B/E	432
Sales Required to B/E	\$ 140,266
Monthly Customers	
Customers Required to B/E	36
Sales Required to B/E	\$ 11,689

OMG Moments Start Up Costs	
Real Estate Costs (TIs, deposits)	\$ 18,688
Hardware/Software	16,000
Furniture & Fixtures	3,900
Legal and Accounting	5,050
Initial Promotion Costs	
Social Media	5,000
Viral Video	4,000
Traditional	6,000
subtotal	15,000
total start up costs	\$ 58,638