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Wooden Grain Toy Company

Business Plan

Andrew Robertson, Owner
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Executive Summary

Product

Wooden Grain Toys manufactures high-quality toys for children aged 3-10. All toys are made from solid hardwoods including maple, beech, birch, cherry, and oak. The toys are built to be long lasting with sufficient moving parts to engage each child's interest, but not limit his or her imagination.

Customers

The target audience for Wooden Grain Toys is adults, specifically parents and grandparents who wish to give their children or grandchildren the opportunity to play with a toy that is not only durable and aesthetically pleasing, but also foster the child's creativity.

Future of the Company

Although the toy manufacturing business is highly competitive, we believe that there is a place for high-quality, attractive, durable, and affordable toys. Our goal is to build and market toys that will entertain children and stand the test of time.

Company Description

Mission Statement

To build and sell high-quality toys that will be cherished and handed down from generation to generation.

Principal Members

Andrew Robertson — owner, designer and primary builder

Jane Robertson — business manager/bookkeeper

Bill Williams and Houlin Lee — builders, assemblers, and painters

Mickey Soukarin — web master and handles shipping for web, mail, and special orders

Legal Structure

Wooden Grain Toys is a sole proprietorship.

Market Research

Industry

Built-Rite Toys will be a part of the toy manufacturing industry. Currently, wooden toys are considered a niche market, comprised of different sized companies. The largest companies, such as Plastique Toys and Metal Happy Toys, have large inventories of products that are offered internationally. The smallest companies sell locally either in shops, at craft fairs, or online.

This industry is currently suffering from the economic recession as consumers are spending less on non-essentials. However, industry revenues increased by \$1.2 million in the 2nd quarter of 2012. This means there is a potential for growth as the economy recovers.

Detailed Description of Customers

The two groups that the company plans to market to are parents (age 18-30) of young children and grandparents (age 60-75) of young children with an income range of \$35,000 - \$80,000 a year. Our target customers are interested in giving durable, well-made toys to their children and grandchildren to help foster creativity. They value quality and they research the products they buy. Our target customers are willing to spend more money on products that are of higher quality and last longer.

Company Advantages

Wooden Grain Toys has the following advantages compared to competitors:

- Basic, practical designs.
- Safe, non-toxic paints, parts, and accessories.
- Easy-to-assemble parts.
- All components are manufactured in America and made with grade-A wood, high quality steel, and rubber.
- Quick, 48-hour delivery since our goal is to keep at least 50 units of each toy in stock.
- High-quality, interactive website.
- Face-to-face interaction with customers at craft shows over a three state area.

Regulations

Wooden Grain Toys must meet all federal and state regulations concerning toy manufacturing. Specifically, Code of Federal Regulations in Title 42, Parts 1234 and 9876.50, 51, 52 and 89 C.F.R. 5555.18(a)(9); Consumer Product Safety Improvement Act of 2008; Lead-Free Toys Act; and Title 99.9 of the Code of Oregon.

Service Line

Product/Service

Wooden Grain Toys will sell wooden toys made from solid hardwoods (maple, beech, birch, cherry, and oak) and steel rivets. The toys are handcrafted and designed for small children to easily use. Our line currently includes the following nine models:

- All-Purpose Pick-Up Truck w/movable doors and tailgate
- Dump Truck w/functioning dumping mechanism and box
- Biplane (two-seater) w/movable propeller
- Steam engine with coal tender - additional cars available separately:
 - Caboose, flat car w/logs, box car, tank car, coal car
- City Bus
- Tow Truck
- Flat-Bed Truck w/logs
- Sports Car
- Sedan

Pricing Structure

Wooden Grain Toys will offer its products for the following prices:

- All-Purpose Pick-Up Truck w/movable doors and tailgate - \$25
- Dump Truck w/functioning dumping mechanism and box - \$30
- Biplane (two-seater) w/movable propeller - \$20
- Additional train cars (single car) - \$5
- Additional train cars (three cars) - \$12
- City Bus - \$12
- Tow Truck - \$18
- Flat-Bed Truck w/logs - \$35
- Sports Car - \$20
- Sedan - \$20

Product Lifecycle

All current Wooden Grain Toys products are in production and inventory is being accumulated.

Intellectual Property Rights

Wooden Grain Toys is a trademarked name in the State of Oregon.

Research and Development

The company is planning to conduct the following research and development:

- Include a feedback mechanism on the website for ideas, suggestions, and improvements
- Provide comment cards for distribution at craft fairs
- Review available market research to identify top children's toys and reason(s) for their popularity

Marketing & Sales

Growth Strategy

To grow the company, Wooden Grain Toys will do the following:

- Sell products at craft fairs in California, Oregon, and Washington.
- As business grows, advertise in target markets, especially in advance of the holiday season.

Communicate with the Customer

Wooden Grain Toys will communicate with its customers by:

- Providing an email newsletter with company news, product information, and craft fair schedule.
- Using targeted Google and Facebook advertisements.
- Utilizing social media such as Twitter, YouTube, Facebook, LinkedIn, Pintrest and Tumblr.
- Providing contact information on the company website.
- Adding labels on toys that include company name, contact info, and web address.

How to Sell

Currently, the only person in charge of sales for Wooden Grain Toys is the owner, Andrew Robertson. As profits increase, Wooden Grain Toys will look to add an employee to assist with social media and online marketing. The target demographic for the company will be parents of children aged 3-10. The company will increase awareness to our targeted customers through online advertising and attending craft fairs.