











Business Overview

RE: Online Shop Creating Dog Accessories

Specifications

 Price \$544,000	 Revenue \$518,129	 Cash Flow \$149,384
 Location Seattle	 Inventory \$80,000	 Service Area Nationwide – take it global!
 Account Receivable	Reason for Sale  Business is growing too fast for seller to keep up	 Profit Margin 29%
 Employees 1 FT Seamstress, 2 PT Seamstresses. All employees are 1099 contractors, and assist with packaging and shipping.	 Valuation \$545,241	Intangible Assets  Company website, wholesale website, online product catalogue



SUMMARY OF THE BUSINESS –

Major online retailing customers have helped this company achieve huge growth over the past few years. Located in Seattle, Chewy.com and Amazon have taken this company's products nationwide, and positioned it for expansion into global markets. At any given time, there is \$80,000 in finished and raw inventory, with the company able to produce over 3,000 pieces in a week.

All sales are 100% online, and the company has a nicely-built website, wholesale website and online catalogue. Products include leashes, collars, ID tags, harnesses and dog clothing. Creations are made from durable nylon webbing and come with an assortment of 80+ patterns.

In addition to the seller are 1 FT Seamstress and 2 PT Seamstresses. All employees are 1099 contractors, and the seller will remain after the sale to manage the Seamstresses. Designs, customer relationships and accounts are handled by the seller, as is most shipping and packaging.

Growth exists in expanding the product lines. These include adding dog toys, dog beds and offering more clothing options. While the biggest customers are Chewy.com and Amazon, there are several smaller retailers that frequently order, and a buyer could capitalize on that by placing product in local Seattle retailers.

Business Highlights

- Years in Business: 8
- Location: Seattle
- Service Area: Nationwide – take it global!
- Clients: Chewy.com, Amazon, and smaller retail customers
- Products: Leashes, collars, ID tags, harnesses and dog clothing
 - 3,000+ pieces can be created in 1 week
- Reason for Selling: Business is growing too fast for seller to keep up
- Employees: 1 FT Seamstress, 2 PT Seamstresses. All employees are 1099 contractors, and assist with packaging and shipping.
- Seller Training Period: Seller will remain full-time to manage seamstresses
- Growth Opportunities: Dog toys. Dog beds. Expand clothing line. Place products in retailers.

Financial Highlights

- List Price: \$544,000
- Gross Sales:
 - 2017: \$518,129
 - 2016: \$311,731
 - 2015: \$373,305
 - 2014: \$402,964
- 2017 Cash Flow: \$149,384
- YOY Growth Trends: Sales grew by 66% in 2017
- Profit Margin: 29%
- Assets Included in the Purchase:
 - Intangible Assets: Company website, wholesale website, online 56-page product catalogue, 80+ patterns
 - Inventory: \$80,000 – finished inventory and raw material (most material is sourced in the U.S., with some coming from China)

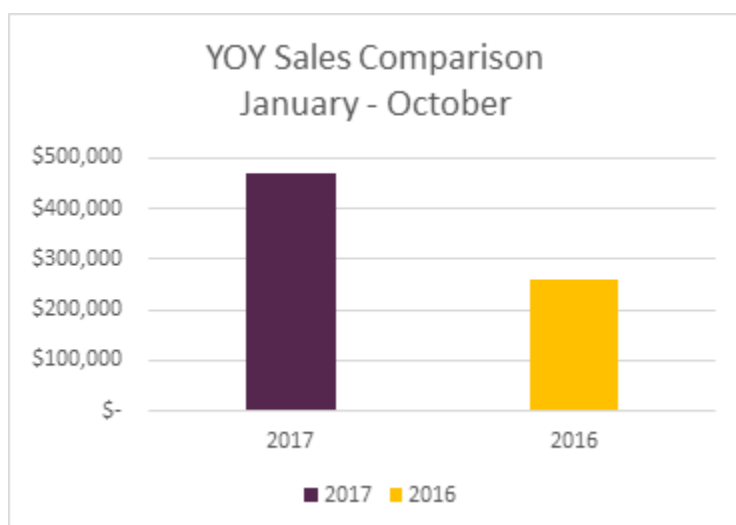
**amounts may vary*

Cash Flow Analysis

Description of Financial Statement	P&L Statement January - December	Tax Return	Tax Return	Tax Return	Notes
	2017	2016	2015	2014	
GROSS SALES	\$518,129	\$311,731	\$373,305	\$402,964	
Net Income Shown on Financial Statement	\$140,079	\$72,364	\$102,316	\$95,399	
ADDBACKS					
Interest	\$6,362	\$630	\$1,348	\$1,413	Non-onward going expense
Depreciation	\$0	\$1,677	\$152	\$258	Non-cash item
Meals & Entertainment	\$1,343	\$1,185	\$39	\$0	Non-onward going expense
Contributions/Donations	\$1,000	\$0	\$0	\$0	Non-onward going expense
Cell Phone	\$600	\$600	\$600	\$600	2 lines at \$50/month
TOTAL ADDBACKS	\$9,305	\$4,092	\$2,139	\$2,271	
Seller's Cash Flow = Total Addbacks + Net Income	\$149,384	\$76,456	\$104,455	\$97,670	
Profit Margin	28.83 %	24.53 %	27.98 %	24.23 %	

- A buyer could hire the seller to manage sewers at a yearly salary of \$30,000

Sales Analysis



- As of October, sales were ahead of those during same period in 2016
 - \$467,793 vs. \$260,000
 - Positive difference of \$207,793
 - 80% increase in sales over a 1-year period
- Net income is also higher by 63%
 - \$131,552 vs. \$80,499
 - Positive difference of \$51,053

Sales through October 2017

Amazon Wholesale	\$134,888.30
Amazon Wholesale – Canada	\$69.75
Amazon.com – Retail	\$30,098.16
Amazon Sewing Supplies	\$10,223.05
Chewy.com Wholesale	\$282,250.45
Rita Bean – Wholesale	\$1,149.75
Company's Site – Retail	\$6,281.00
Unbeatable Sales – Drop Ship	\$1,767.00
	\$466,727.46

2017 Financials

- Growth in 2017 has been driven by new customer, **Chewy.com**, whose initial orders have been bigger than regular orders.
- Freight increased in 2017 because more materials have been purchased from China
- Shipping and delivery decreased in 2017 because Amazon's shipping method changed from prepaid to collect

Orders

- **90%** of orders are wholesale, 10% are retail
- Average **wholesale** order is \$1,000
- Average **retail** order is \$20
- Average **Amazon** order is \$600 (about 100 pieces)
- **Chewy.com** orders between 1 – 3 times per week (at least 50 pieces)
- Amazon payment terms are Net 30, 2% Discount
- Chewy.com terms are Net 90
- Minimum Order Quantity (MOQ) is 5 pieces/SKU and non-returnable
- Company receives retails orders daily from its site
- Wholesale orders are a few times per week

Products



<u>Collars</u>	<u>Leashes</u>	<u>Harnesses</u>	<u>Clothing</u>
LED	Hands free	Step-in	Dresses
Reflective	Retractable	Reflective	Shirts
Leather		Soft	Vests
			Coats
			Jackets

- **Patterns** – Over 80 patterns are available across all product lines. Below is a small sampling of what's available:



	Solid	Argyle	Leopard	Polka Dot
Camouflage	Strips	Rainbow	Zebra	

- About **3,000+ pieces** can be made in 1 week. This equates to between \$8,000 - \$10,000 in inventory.
- **800+ SKUs**
- All products are labeled with the **company logo**

Sales are 50% collars | 30% leashes | 20% harnesses

Production & Merchandising

- **95%** of products are made by the Seamstresses, 5% is imported from China
- **3,000 pieces** per week can be made
- There are **no limitations** on the types of products the Seamstresses can produce

- Embroidery is offered, but the seller is **discontinuing** this service as it is time consuming
- Raw materials are **35%** of production costs

Marketing & Web Traffic

- Company stays ahead by competing in pricing, quality and designs
- Previously, the company had tried to drive web traffic only through Amazon, but found that didn't work
- Web traffic is not very busy on the company's **retail site**
- A new **wholesale site** was launched in March 2017

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

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