

Kyle Auger, Dan Colvin, Jonathan Harari, and Katherine Hayes

Professor Provost

BUSN 1101

19 November 2014

Reflections

Executive Summary

Reflections offers a comprehensive dressing room solution for clothing retailers specifically designed to maximize their profits and solve a multitude of problems in the retail industry. Clothing retailer's dressing rooms, an immensely important aspect of their business model, are negatively impacting the store's earning potential (Phibbs, 2012; Holmes, 2011). With retailers not maximizing their profit, often by providing a poor fitting room experience, Reflections saw an opportunity to develop a solution that caters to this specific need.

Reflections' solution is designed to solve the problems associated with dressing rooms by taking existing products and combining them with expert interior design consultations to form an integrated solution. This will create an environment conducive to positive reinforcement and satisfaction with self-image and merchandise. Through Reflections' specialized mirrors designed to improve the appearance of shoppers, lighting to better represent how clothes look in reality, and the Reflections Interface that helps get associates' attention and drives traffic into the dressing room, Reflections is offering a complete package to stores. The Interface, a credit card reader that incentivizes shoppers through rewards points to make people enter the dressing room, will drive traffic, resulting in a 1% increase in store revenue ("Reflections", 2014). Furthermore, Reflections' solution will provide valuable marketing data, reduce the amount of costly returns, and provide TJX with a 752% return on their investment.

The current industry outlook bodes a very promising future for Reflections. The company is primarily based in the interior design industry, which is greatly improving and set to become a six billion dollar industry in 2014 (Source). The most pertinent trend in the industry, the integration of technology to interior design, ties into Reflections' business model very well. Overall, these industries are growing at very satisfactory rate, and Reflections foresees an immense opportunity to grow with the booming industry.

Reflections will be a business to business company, offering its services to clothing retailers. For the first five years, Reflections will solely serve the Marmaxx division of TJX, consisting of its Marshalls and TJ Maxx stores. After these five years, Reflections' target market will expand to all clothing retailers in order to maximize their earning potential. Currently, TJX allocates \$20,000 per store for renovations to their dressing rooms ("The TJX", 2013). This is a

sizeable earning opportunity for Reflections to capture. Furthermore, clothing retailers on the whole spend a great deal on store renovations. In 2011, for example, clothing retailers spent \$13.4 billion improving their brick and mortar stores (Maheshwari, 2012).

Reflections' customers require high quality goods at affordable prices. Consequently, Reflections will offer high quality and effective products at the low cost of \$10,000 per store, making use of its efficient supply chain management tactics and low cost manufacturing overseas. Additionally, clothing retailers need renovations to be worthwhile, so Reflections will only develop products that actually increase profits and avoid solely aesthetic products that contribute little to nothing to clothing retailers' profits. Finally, retailers seek to attain valuable marketing data, which the Reflections Interface will provide.

Reflections will accomplish something that other interior design related firms have failed to do: offer a complete and cohesive solution to the problems that currently plague retail dressing rooms. While companies have made appearance altering mirrors, enhance lighting fixtures, and card swipe systems in the past, Reflections will combine the best of these products offered in the marketplace with expert interior design consultation. Firms have never specialized in maximizing the sales potential of fitting rooms, and Reflections vows to correct this neglect.

Reflections' competitive advantage lies in its unique specialization in an underappreciated yet immensely important facet of clothing retailers as well as its ability to offer a functional and cohesive solution. As a small company, Reflections will also enjoy a relatively simple supply chain.

The company will need approximately \$100,000 to fund start-up costs, salaries, and operations, and it will repay the principal and all interest by the end of Year Four.

Business Concept & Product Description

Reflections is a comprehensive dressing room solution for clothing retailers specifically designed to maximize their profits.

Problem

Virtually all shoppers have run into problems with purchasing clothes, whether it is shopping for the perfect dress during prom season or that stunning bathing suit before summer. But shoppers trying the clothes on in dressing rooms often do not like the way they look. Perhaps they are completely washed out by the lighting, or the mirror negatively distorts the shopper's appearance. Dressing rooms have a reputation for poor lighting, mirrors that showcase the shopper negatively, and difficulty getting the help of an associate assistance (Pheterson, 2011). Customers often walk out of the dressing room empty handed, not wanting buy anything because of this poor experience (Phibbs, 2012). Even if a customer were to make a purchase but without trying the clothes on because they do not want to undergo that experience, they could come home to find that the clothes do not fit right. Shoppers would then have to deal with the hassle of returning the items (Shelly, 2013; Yarrow, 2012).

These are not simply problems for the consumers but also for clothing retailers. Shoppers not finding clothes they like because of the poor experience they had in the dressing room create a large problem of lost sales (Phibbs, 2012). As one article in the Wall Street Journal noted, “[T]he retail dressing room can be a total sales killer (Holmes, 2011).” “People who don’t try on their clothes first are more likely to return... [and] returns are costly [to clothing retailers]” (Phibbs, 2012; Shelly, 2013; Yarrow, 2012). By having dressing rooms that are unappealing, stores are hurting themselves in multiple ways. Overall, by not capitalizing on the necessary dressing room improvements, stores are opening themselves up to customer dissatisfaction, which more often than not translates into lost sales for the retailer (Fridkis, 2012).

Either way, a positive dressing room experience can help solve these problems and realize the untapped revenue for clothing retailers. “Dressing rooms are key to the retail experience and often represent that final moment where the consumer decides whether or not to make a clothing purchase (Baumstarck, 2008).” With retailers not maximizing their profit, often

by providing a poor fitting room experience, Reflections saw an opportunity to develop a solution.

Solution

Reflections exclusively caters to this need by offering a proven solution to maximize the retailer's bottom line. Reflections will take existing products already in the market and combine them to make the customers look as spectacular as possible in the retailer's clothes. Reflections' solution is designed to get more customers to enter the dressing rooms, allow customers to be more satisfied with the clothes they try on, and conclude the with the shopper purchasing more than they would have otherwise.

Reflections' solution consists of three different existing products, refined and integrated to create proven value for the retailer. The products are specifically designed mirrors, optimal lighting fixtures, and a credit card reader attached to the wall (called the Reflections Interface™). Through Reflections' skilled interior designers, the three products will be installed and perfected to establish the optimal arrangement for each individual fitting room. The Reflections' solution gives off a strong impression of comfort and reassurance to the shopper using the dressing room.

To achieve this level of comfort, the company plans on changing the unflattering fluorescent lighting and mirrors that do not truly represent the most attractive looks of the customer to ones that will make the customer look and feel significantly better. Reflections' specialized mirror technology solves this problem by portraying the most natural and best appearance of the shopper. The new lighting fixtures make the customer look less pale and offer a calming natural light effect. These specialized mirrors and lighting, proven through research and the experience of Reflections' interior designers, will accentuate the best qualities of customers. The company will purchase these materials from manufacturers overseas and install the products within the dressing rooms of TJ Maxx and Marshalls stores (Reflections' first customer).

The Reflections Interface was specifically added to Reflections' solution because of the incentives it offers. In order to attract shoppers to the dressing room (besides the physical improvements to the rooms), shoppers will be incentivized with reward points for simply entering the dressing room. If the shopper has a TJX Rewards credit card, they can swipe their

card when they enter the dressing room. The Reflections Interface is a small computer that reads the customers' rewards card and sends the unique identification code securely to TJX's servers. Once received, TJX credits the consumer's credit card account with one reward point. These points can already be accumulated by purchasing clothes at the store (at a rate of 5 points per \$1 spent in a TJX, 1 point per \$1 spent anywhere else). Shoppers earn rewards like a \$10 TJX gift card for every 1,000 points accumulated. Not only does the gift card drive loyalty to the store, but the points system itself encourages consumers to gain more points. This in effect will drive traffic to the retailer's fitting room.

The Reflections Interface also has a call feature to get the help of an associate. Although dressing room associates already are focused on giving shoppers the best service possible, the problem of trying to wave down an associate is still a relevant problem. With the Reflections Interface, customers can simply press a button on the Interface to call an associate. The workload of the associates is in no way increased through this service, but the convenience factor for the shoppers is radically increased.

When shoppers exit the dressing room, they hand the associate the clothes they do not want to buy. Associates then scan the clothes to determine where to put it back in the store. Reflections make this process into a marketing gold mine for TJX, by linking the shopper's scanned clothes with their account. This allows TJX to know what clothes the shopper did not want to purchase, without causing the associates to do any additional work.

This technology, along with the specialized mirrors and lighting, gives Reflections a proprietary and innovative solution for its retailers. Reflections' comprehensive lineup of products is most valuable because of its combined and integrated use within the store. To summarize, the features Reflections offers are not individualized services but instead are collectively an entire cohesive system that works seamlessly together to provide the best customer experience while offering value to the retailers.

Value Proposition

Reflections value proposition is simple: to increase store revenue and provide valuable marketing data to TJX. To do this, Reflections will attract more shoppers into the dressing room through the incentives of the Reflections Interface, which will in turn provide valuable

information about shoppers to the retailer. Once in the dressing room, Reflections' comprehensive solution of specially designed lights and mirrors will enhance shoppers' experience, translating to more purchases and fewer returns from the customer. In all, Reflections value proposition is to increase store revenue by one percent and provide a 752% Return on Investment for TJX from the renovation fees Reflections charges.

To make these bold statements, Reflections used several studies to confirm each step of the process, from customers entering to exiting the dressing room. To start, Reflections is confident that one rewards point given to customers for simply entering the dressing room will increase usage. According to a poll conducted by Reflections itself, participants were asked the following question: "Suppose you have a TJX Rewards credit card that rewards you five points for every \$1 that you purchase in a TJ Maxx, Marshalls, or Home Goods store. It also rewards you one point per dollar spent everywhere else MasterCard is accepted. Based on those suppositions, if you were rewarded with one point for entering a TJ Maxx or Marshalls dressing room (without obligation to purchase anything), how likely are you to increase usage of their dressing rooms?" After clearly and concisely describing the incentives to the consumer, 73% of people replied by saying they were likely or very likely to increase usage. Only 8% said that they were unlikely to increase usage, and 19% were indifferent ("Reflections", 2014). This shows that cardholders will frequent the dressing room more often based on this incentive, which leads us to the next study in Reflections' proposition.

The purpose of the incentives and the Reflections Interface is to get more people to try their clothes on, something clearly attainable through Reflections' solution according to the above study. Two prominent studies found that customers who try clothes on in fitting rooms are 67-71% more likely to purchase apparel than those who do not (Holmes, 2011; Phibbs, 2012). Getting more customers into the dressing rooms will lead to more sales for Reflections' clients. But how much? "Those who use dressing rooms buy approximately two times what the browser buys (Phibbs, 2012)."

Reflections does not simply entice shoppers into the dressing room but uses reliable research to make their experience in the dressing room better (Baumstarck, 2008). Through the specialized mirrors and lighting, along with the experienced and highly paid interior designers

working for Reflections, the company will make consumers look better in the clothes they try on. And according to a poll taken by Reflections, 93% of people would buy an article of clothing that makes them look better (“Reflections”, 2014).

To calculate the percent increase in revenue, Reflections had to estimate the amount of shoppers with TJX rewards cards, as this statistic is not public information. Reflections assumed 1.8% of all TJX shoppers have a TJX credit card and knew from the study mentioned above that 73% of those shoppers would increase usage of the dressing room if offered incentives. By multiplying them together, Reflections has determined that it can get one and a third percent of all shoppers to use the dressing rooms more often. Using the study stating that customers using dressing rooms will purchase twice as much and multiplying the percent of people using the dressing room more often, Reflections can calculate the percent of increase in store revenue. In order to make a conservative calculation, Reflections has decided to estimate 1.5 instead of twice as many purchases. Thus, Reflections took 1.33% of shoppers by 1.5 as many purchases to conclude with a 2% increase in store revenue. To ensure the number is extremely conservative and to provide a buffer for any miscalculation in the studies, Reflections has decided to halve that number, stating that Reflections’ solution will increase store revenue by one percent.

With 3,219 stores worldwide and TJX taking in sales of \$27.423 billion annually, the average annual revenue for one store is \$8,519,105.31 (“The TJX”, 2014). Reflections 1% boost in store revenue will cause an average increase of \$85,191.05 in store revenue per year. Reflections will charge \$10,000 per store renovation (for reasons described in the Financial section). With this low fee, TJX will make a return of 752% on their investment (in just their first year)!

One cost that could not be incorporated into the calculation of the ROI was the quantity of rewards points given to the TJX credit card users. Nevertheless, rewarding customers for visiting dressing rooms is a win-win situation. The customer feels as though they are being rewarded because extra points means gift cards for them in the future. The ease of simply going to try something on in a fitting room is well worth the reward of more points. TJX benefits from getting shoppers into the dressing rooms as is statistically proven to result in more products sold, thus generating more revenue. When TJX credit card members accumulate 1,000 rewards points,

they are rewarded with a \$10 TJX gift card (“The TJX”, 2014). This means that one rewards point is the equivalent to one cent. Most shoppers will enter a dressing room knowing they will be receiving rewards, regardless of the reward amount. The cost to TJX in terms of rewards points is trifling, as shown in the following two examples. The shopper using a fitting room is statistically likely to average twice as many purchases as those who do not visit a room (Phibbs, 2012). Supposing the shopper buys \$20 of clothes instead of \$10, the one cent cost to TJX to incentivize them into the dressing room is negligible. Furthermore, a prominent study found that shoppers are 67-71% more likely to purchase something if they visit the dressing room than those who do not (Holmes, 2011; Phibbs, 2012). To be conservative, Reflections can estimate the purchase is very small, \$5. Out of 100 people who are rewarded for visiting the dressing room, the study says that 69 of those people will purchase something (\$5 item * 69 people), resulting in \$345 of increased revenue. Compared to the penny per customer TJX must spend on those 100 customers (a total cost of \$1), \$345 of increased revenue is well worth the investment (resulting in a net profit from the incentives of \$344). Both of these examples present one very clear point: the cost for TJX to give away a rewards point is so minor and insignificant that it is well worth offering in terms of a return on investment. Further rewards from this incentive program lie in Reflections’ second part of its’ value proposition: marketing data.

While Reflections primary value lies in its ability to increase store revenue by one percent, it also provides the marketing team of its clients with valuable marketing data. TJX knows the demographical data based on the credit card information. It can also use the date, time, location, and frequency of the swiping into the dressing rooms along with what clothes shoppers are trying on to determine valuable marketing information. As associates will scan in the clothes the customer does not want to purchase, consumers will purchase the clothes they do buy with their TJX credit card, making it easy for the company to see exactly what the customer brought into the fitting room and see what they did and did not buy. Not only does this provide a complete interest history of clothes that the specific customer liked or did not but it can show overall trends with clothing items that may or may not have been good choices on the part of TJX. Just like retailers use customer browsing history to further understand and sell to their

customers, TJX will receive this extremely valuable marketing data that could be used for further personalization for TJX or for better company decisions when choosing which products to sell.

While Reflections' value proposition consists of two primary goals, increasing store revenue and providing marketing data, it actually has even more value that is worth mentioning. Many retailers find themselves stuck with a high rate of return, along with the associated costs to conduct these pricey transactions. Researchers have found that for every dollar spent, nine cents is returned. The handling of these returns are extremely costly, but a restrictive return policy to cut these costs frequently leads to customer dissatisfaction. An increase in dressing room usage, something Reflections' solution is designed to do, actually cuts down on returns for the store. By choosing Reflections, retailers can cut down on this cost (Phibbs, 2012; Shelly, 2013; Yarrow, 2012).

Reflections fuses specialized products into a unified solution in order to provide shoppers with a satisfactory fitting room experience. Reflections' construction contractors and highly skilled interior designers will work together to create rooms that make the customers look and feel great in the retailer's clothes, causing a boost in purchases. The incentives offered drive traffic into the dressing rooms, and the shoppers are greeted by comforting mirrors, lights, and rewards. Reflections' value proposition offers irresistible rates of return for the retailer's investment with Reflections, while its unique solution is nowhere to be seen elsewhere in the marketplace.

Market Analysis

Industry Description

Reflections is a business to business company based primarily in the interior design industry with an additional concentration in the technology industry. The company's goal is to design smarter and more comforting dressing rooms with the help of expert interior designers and then distribute and install functional and stylistic products to enhance the value of dressing rooms for clothing retailing companies. The features include scientifically-designed mirrors, lighting fixtures, and the Reflections Interface™. As a company that crosses industry lines, Reflections will remain cognizant of trends, patterns, and updates pertaining to both of the aforementioned industries.

The interior design industry is currently on the rise as the economic climate in the United States is improving steadily from the recession in 2009. In 2013, design fees for the top 100 interior design companies reached \$3 billion, surpassing expectations by 10%. The industry greatly grew in other aspects as well, with total projects for the top 100 design companies climbing from 34,000 to 49,500 (Leung, 2014). Experts associated with the American Society of Interior Designers (ASID) expect that revenue from design fees across the industry will increase six percent in 2014 to over \$6 billion, as spending is increasing in residential as well as commercial enterprises. The top trend among interior designers, combining technology with interior design, ties well into Reflections' goal of providing functional technology to its clients. As the capabilities of technology expand exponentially, consumers want to take advantage of the innovation and incorporate it into their homes and businesses. Additionally, firm billings are anticipated to increase six percent, which reflects more inquiries for interior design jobs. Additionally, employment is expected to rise by 13% in the industry ("Interior Design", 2014). The overall climate of the industry truly lends a promising outlook for the future of Reflections.

The smart home and building market is a growing market for the interior design and technological industries that incorporates sophisticated digital technology to existing features and fixtures in homes and buildings. It has a current market revenue of \$4.8 billion and is expected to grow by as much as \$35.3 billion by 2020, with a 29.5% compound annual growth rate. Experts believe that the ever-increasing energy costs and government regulations will play a large role in

this expected increase (Tolentino, 2014). The trend also reflects businesses' and homeowners' growing desire for functional designs, and not merely fashionable and stylish fixtures. By offering innovative and functional products for dressing rooms, Reflections will continue to embrace this trend and take full advantage of this nascent yet growing market's revenue potential.

Target Market

In 2011, clothing retailers spent \$13.4 billion to improve the interiors of their stores (Maheshwari, 2012). Because Reflections' goal is to add features to the dressing rooms, the total market size has a potential to reach this figure. However, Reflections is limited in certain aspects to achieving that size. Because Reflections includes the rewards program incentives as part of the whole package, it must conduct business only with companies that have reward credit cards. The target market is thus limited to leading retailers, consisting of 22 different retailers. Stores include Gap, TJX, J. Crew, Men's Wearhouse, and more ("Number", 2014). For the first five years of business, Reflections will only target TJX Companies. Its primary customer will be TJ Maxx and Marshalls' stores. As a result, Reflections' total market size is \$975 million: the amount TJX will spend in 2015 on store improvements and renovations, new stores, and office and information systems improvements ("TJX", 2014).

By conducting business exclusively with TJX, Reflections believes it will be able to expand into several of TJX's stores and create a mutually exclusive partnership. TJX will have the upper-hand in dressing room technology because of Reflections' solution, allowing for an increase of in-store purchases. The exclusiveness will help Reflections get off of its feet by perfecting the comprehensive system it offers. Also, focusing on one company leaves fewer barriers to entry, as opposed to expanding into multiple retailers at once. After five years of exclusiveness, Reflections will expand to other apparel retailers, and the target market will expand to include the 22 leading retailers mentioned above. Doing business with high end retailers will enable Reflections to introduce even more advanced technology that will be developed after the first five years of business. High end retailers will allow for implementation of expensive features and an allowance of higher prices charged.

All retail stores that the company plans to target will be focused on increasing their profits. The company will support all measures that increase revenue and drive down costs within the company. Although Reflections plans to expand to other retailers, the pertinent customer being analyzed is TJX. Karen Coppola, marketing vice president of TJX, said in a November 24, 2014 lecture to Northeastern business students that the company's goal is to achieve 40 billion dollars in revenue. Considering it recently earned \$26 billion in annual revenue, TJX's desire to grow is enormous ("TJX", 2014). Apparel retailers are not only profit-seeking, as they have many secondary goals that Reflections can offer.

Coppola stated that marketing data received from TJX's loyalty program in the form of the TJX credit card is very beneficial toward its marketing efforts. The data takes the knowledge of the demographics of the particular person, and through the purchases, knows how much he or she will spend and on what merchandise. Through Reflections' incentives to increase rewards card enrollment, TJX will gain valuable marketing data. TJX is constantly looking for ways to keep its customers coming back to its stores and not competitors' stores. This concept of loyalty is pushed through usage of the TJX Rewards program. Again, because Reflections' will increase rewards card membership, TJX will gain more customer loyalty.

Off-price retailers like TJX constantly must cut costs to keep their prices low. As a result, they do not excessively spend on store renovations or upkeep of the store. TJX is looking for profits, not the fancy store designs of a luxury retailer. Reflections' understands this and offers dressing rooms that are specifically and entirely designed with one question in mind; "How do we make TJX more money?" While Reflections increases TJX's profits, it also provides necessary tools to combat ongoing threats to TJX's business model.

E-commerce is a rising trend working against brick and mortar retailers such as TJX. The internet has taken over an increasing amount of sales in the retail apparel industry. In 2012, e-commerce in the apparel industry accounted for \$38 billion in revenue and is projected to be \$86 billion in 2018 ("U.S.", 2014). Companies primarily based in stores, rather than online, need to do everything they can to get their customers to take the extra time to shop their stores instead of purchasing online. Reflections offers a better shopping experience and makes shoppers feel great when they try on clothes. This key advantage will keep the in-person stores dominant in the

marketplace. As the internet becomes more advanced, it will be able to offer better features that make it easier for customers to shop. Store retailers will therefore constantly have to improve their shopping experience. This desperate need to hold onto store sales is a benefit to Reflections because the Reflections' solution provides incentives to come to the store. By offering rewards for just walking into the dressing room and making customers feel great when they try clothes on, stores with Reflections' services will increase customer satisfaction and sales.

Competitive Analysis

The interior design industry is well-established and thus very competitive. Reflections faces its primary competition from other interior design firms, especially those involved with engineering and technology. Some of Reflections' key competitors include the design firm Gensler, which is representative of many other large design firms in the industry, and a small company, Skinny Mirror.

Gensler is the world's largest interior design firm. Based in San Francisco, Gensler offers architectural, consulting, sustainability, product design, urban design, interior design and brand design services. Gensler's reach is far, diverse, and rewarding. In 2013, it generated \$453.44 million in design fees, nearly four times as much as the second largest interior design company. Gensler's strengths are numerous; most conspicuously, its size allows it to complete many design jobs all around the world, from the United States to China and everywhere in between. The company has 1,545 interior designers and over 4,500 staff (Leung, 2014). Additionally, Gensler's experience in the industry is also a key strength. The company has been in the business since 1965 and has formed close partnerships with many of its clients, including six of the world's ten largest retailers ("About Gensler", 2014).

Gensler's main weakness is its job diversity. Because Gensler performs jobs in so many areas, it runs the risk of spreading itself too thin and not becoming the master of a single job. Gensler focuses on large projects, leaving a gap in the marketplace for smaller jobs such as dressing room renovations. Rather than asking Gensler to do work on smaller scale projects, clothing retailers are more willing to approach a specialized company like Reflections for their dressing room needs. Additionally, Gensler's size could potentially make the company come off as impersonal, as a smaller company could get to know its clients better.

Gensler's opportunities are huge. With the overall interior design industry on the rise and international markets growing, Gensler can utilize its global outreach to bring in large jobs from all over the world. The company performed even better than it expected in 2013, and it is on track to perform even better next fiscal year (Leung, 2014). As the economy continues to improve, Gensler's opportunities continue to increase.

Depending largely upon the current economic climate, Gensler faces several threats to generate revenue in a slow period of the economy. If another global recession hits, the demand for architectural and interior designer firms will drop and Gensler will lose a great deal of sales. Gensler also faces competition from many of the other top 100 design firms.

Switching from a multi-million dollar company to a thousand dollar one, Skinny Mirror has one main strength ("Skinny Mirror", 2013). That strength lies in its focus on a single product, a mirror that alters the appearance of a viewer to slim his or her figure. The company's focused attention allows it not to stray from its original purpose. Skinny Mirror also has value in that it manufactures its products in the United States, potentially improving its image as an ethical business.

Skinny Mirror's primary weakness lies in its limited product line. While Reflections will offer an entire line of products to improve dressing rooms, including image altering mirrors, Skinny Mirror only offers the mirror. This would ultimately lead to retailers hiring Reflections over Skinny Mirror to alter its dressing rooms. Another weakness is the company's limited size. Skinny Mirror is still a small company with less than five employees, making it unable to serve many clients ("Skinny Mirror" 2014).

One of Skinny Mirror's opportunities is the potential to expand its product lines into other bathroom products and features. These offerings would complement the Skinny Mirror and lead to increased sales. Another opportunity is the overall growing interior design market, which could lead to a larger market share for Skinny Mirror.

One of Skinny Mirror's threats is potential public outcry over the manipulative properties of the mirror. Many may have concerns about a mirror altering one's appearance and view the product as dishonest, leading to decreased sales. Another threat is competition from larger

companies that could rip off Skinny Mirror's unpatented product, which could drive the small company out of business.

Reflections' greatest strength is its focus on a solution designed for function: generating more revenue for clothing retailers. While many other interior designers focus entirely on the aesthetics of the products they design and provide, Reflections gives its clients a solution that is not only sleek but also designed with the intent to make clothing retailers more money. Reflections also specializes on clothing retailers' dressing rooms, establishing a niche that the company will, with time, become a master in.

The company also faces several weaknesses. First, the founders of the company are new to the industry and have little knowledge of mirrors, lighting, and the other technologies offered. This means that Reflections will employ interior designers to make up for this area. Second, Reflections faces the problem of acquiring funding. The company must find willing investors who share the vision of the founders and see the potential of the company. Finally, Reflections must form relationships with manufacturers and retailers willing to develop the specialized products and purchase Reflections' solution, respectively. Reflections is confident that it will ultimately overcome these weaknesses and become a successful company.

The opportunities for Reflections are numerous. TJX, whom we plan to conduct business with exclusively for five years, plans to spend \$299 million on store renovations, \$210 million on new stores, and part of \$466 million on upgrading information systems in 2015 ("TJX", 2014). Reflections is confident that it can capture a significant share of this potential revenue pool. After five years, once Reflections has established itself and its proven its value, the company will be able to advance to broader horizons and bring its products to other clothing retailers. This market is vast. In 2011, clothing retailers spent over \$13.4 billion on store improvements and redesigns, and a significant portion of this spending was on dressing rooms (Maheshwari, 2014). Reflections can capitalize on these opportunities and generate a significant amount of revenue for itself and its clients.

Reflections' does face minor threats to its business. Competition in the well-established interior design market is great, and many of the competitors Reflections faces are much larger. These companies could potentially try to stamp the fledgling company out of business.

Reflections also faces threats from growing e-commerce, which can discourage clothing retailer spending on brick and mortar store improvements and lead to a decrease in the overall target market. With a target market so expansive, and competitors focused on larger projects, Reflections sees its strengths far surpassing its weaknesses.

Financial Plan

Revenue

At a fixed fee of \$10,000 per store, Reflections plans to grow the number of stores renovated each year. Reflections will be in four stores year one, sixteen stores year two, and 38 new stores in the third year. This expansion of growth and pricing strategy is addressed in detail in the Sales Plan. By multiplying the cost for each store (\$10,000) by the number of stores renovated, Reflections will attain an increasing revenue stream each year. As seen on the cash budget, Reflections will make \$40,000 year one, \$160,000 year two, and \$380,000 year three.

Installed Materials

Depending on the decisions of their interior designers, Reflections' costs of the required materials will vary from initial estimates. As a precaution, Reflections' left room for error by overestimating some costs. Reflections will use a similar product to "Skinny Mirror" for the specialized mirrors installed. Although their cheapest product is \$200, Reflections believes that their markup is extremely high (185 percent), and they will not have to spend that much on the mirrors. One-product businesses, like Skinny Mirror, that design the product themselves typically have large markups because they must account for the startup and design costs (Locsin, 2013). A conservative estimate of the cost of the mirrors is \$70. To calculate this number, Reflections took into consideration the cost of a regular mirror, \$8/square meter, costing a total of \$20 ("Alibaba", 2014). The specialization of the mirror will cost approximately double the cost of a regular mirror, based on estimates of specialized glass currently on the market. Reflections must also account for a premium on the mirrors due to low quantities purchased, shipping costs, and the finish on the border, \$20. Reflections plans on installing another, smaller mirror that costs approximately \$10. This results in \$70 of mirrors per room, and assuming 16 dressing rooms per store, the total mirror costs for one store amount to \$1,120.

Most dressing rooms already have lighting fixtures. Reflections will have to renovate the fixtures and refurbish some lights while purchasing new ones. Due to the lights already being there, Reflections plans on limited purchases of new lights. They estimate \$5 in new bulbs per room and a \$15 lighting strip, making the room cost \$20 in lights ("Guangdong", 2008). Again estimating 16 dressing rooms per store, the lighting costs will be \$240 per store.

The Reflections Interface is a small computer that will be purchased from the open market and programmed by Reflections' contracted software engineer. Although all of the parts are easily attainable and assembled, the exact product is not generally sold to Reflections' desired specifications. Instead of estimating the cost from a manufacturer, Reflections' analyzed the parts that go into this device. The parts can be compared to the actual cost of a new iPhone 6, which has many of the needed features. It must have NFC to read the rewards card, and have connectivity to connect to TJX's servers. Reflections will need the connectivity features of the iPhone, \$13, along with the RAM, \$5. Reflections will also need some of the speed of the iPhone, making Reflections' costs of the processor and supporting materials, significantly less, at \$10 and \$1, respectively. Lastly, the assembly and testing will be significantly less than an iPhone (about a quarter) at \$3 (Edwards, 2014). This comes out to \$32 per device, and with 16 rooms (plus a slightly different device for the associates to know when someone needs help), amounts to \$544 per store.

Reflections also sets aside an expense for miscellaneous materials, such as additional hooks in the fitting rooms. These could be necessary, costing about \$5 for all dressing rooms. As a buffer, Reflections will add \$15 of additional materials for each store in order to make sure prices are not overestimated.

Capital Equipment

Reflections will need a small amount of construction equipment to actually renovate the dressing rooms. The lights can be drilled into the wall, along with the hooks to hang up the mirrors. The Reflections Interface can also be mounted on the wall easily. Hangers and hooks are also very easy to install. Required supplies include drills, screws, bolts, levels, electrical wires, and adhesive materials. Reflections estimates these cost \$1000, with a yearly replenishment cost of \$200.

Reflections will purchase a twenty foot box truck for the movement of their supplies. The 2009 GMC W4500 Class 4 truck is the best fit for their needs. The truck will be able to carry all necessary materials to the TJX stores for installation. The used truck costs \$21,500 and gets ten miles per gallon ("2009 GMC", 2014). Due to the fact that most of the stores they are renovating are within the Greater Boston area, Reflections will average 50 miles of driving per store. At

\$3.70 per gallon and 5 diesel gallons required, each store renovation will cost us \$18.50 in gas (“TruckMiles.com”, 2014). The truck will also need maintenance which is calculated out at ten cents per mile driven. At the same average mileage driven per store, (10 cents times 50 miles), maintenance costs on the truck will average \$5 per store the company renovates (“The Per-Mile”, 2003).

Salaries

The founders will work primarily as sales representatives to communicate with TJX and other retailers to acquire more sales. The founders will also use the interior designers’ plans to help the contractors actually install the products into the dressing rooms.

Reflections will contract a Computer Software Engineer for the first three months to code the Reflections Interface. The main feature of the interface will be to read the NFC communication between the credit card (or cellphone with Apple Pay) and the device attached to the wall. It will take the credit card’s unique identification code and send the information directly to TJX servers. This sort of device is already in the marketplace and relatively easy to assemble, making it easy for the engineer to edit the device to Reflections’ specifications. The engineer’s main task will be to program the device to securely send the credit card information straight to TJX’s servers. Their servers will then be responsible for allocating the sufficient amount of points to the correct rewards member. The average salary of the software engineer is \$90,000. He will be contracted for the first 3 months of Reflections’ venture, which means Reflections will pay the software engineer \$22,500. This amount of capital will effectively program the Reflections Interface for the complete Reflections’ experience.

The average interior designer costs \$45,000, but a high-end (top 10%) designer gets paid \$87,000 annually (“Interior”, 2014). The tasks of the two interior designers that Reflections will hire will be to use the mirrors, lighting and Reflections Interface to create the best dressing room experience/solution. They will specifically design the best layout for each individual store. Reflections’ selling point is to increase purchases of TJX’s customers. This is why high-end, skilled interior designers will work with Reflections for all three years to make sure they have the best possible dressing rooms. This is a very important part of the business, and because of this, Reflections will be paying the two interior designers a high salary. The high quality interior

designers will work part time in the first two years due to the limited amount of work and full time in year three. The part time hourly cost will be well above industry average at \$50 an hour per person, totaling \$1,000 per store. In the third year, the company will pay each interior designer \$62,500 annually, a large raise from the hourly wages. This \$125,000 cost is again, well above the industry average to ensure some of the best interior designers are working for the company. Furthermore, the two employees will receive health benefits when they are working full time, an additional 30% of the original salary. While this is Reflections primary and largest cost, it is extremely important that skilled designers working for Reflections are satisfied.

Reflections will hire general contractors with construction experience to personally install the solution into the retailer's fitting rooms. These three contractors will work at \$15 an hour to help the founders with the installation. This hourly wage will be a little below the median wage of contractors in the United States, as the contractors will not need to have that many specific skills to renovate the dressing rooms. Reflections will be paying 25% of the rate of a general contractor, and with three contractors requiring 5 hours per store, the resulting cost is \$225 per store ("Construction Contractor", 2014).

Other Expenses

Average rental space in the Greater Boston area is approximately \$30 per square foot per year ("Greater Boston", 2012). Reflections must house the founders' offices and the two interior designers. The office will also have a sample dressing room so that it can be used for designing purposes, which will be used as storage space, for the products in between manufacturing and installation, after the designs have been completed. Taking this into consideration, Reflections has decided to rent 5,000 square feet, coming out to \$15,000 a year in office rental.

Electricity will be \$600, heat \$500, and internet \$400 per year (Writer, 2010). The next years are slightly increased due to expected inflation of rising gas, electricity, and internet prices. Reflections also needs truck and business insurance, costing about \$3,000 per year (\$250 a month) ("Business", 2014).

Security is another expense the company will incur. Reflections will set up video surveillance, with cameras costing \$500. The company will also need an intrusion/anti-theft

system which will incur a \$500 installation fee and a \$100 monthly monitoring fee. Lastly, Reflections will have a computer security system, costing \$50 per year (“How Much”, 2012).

According to internet sources, the average cost of office supplies for Reflections’ small business is about \$240 per year (Kunz, 2013). Because the office is small, Reflections will maintain the upkeep and cleanliness of the office. They will contract a cleaning service on occasion for monthly cleaning, dusting, etc, for \$50 a month (“How Much Does”, 2013).

Financing & Governmental Expenses

Reflections will set up an LLC so that Reflections is not taxed pre-expenses but rather only on profits. It will be a C Corporation LLC just so that the founders’ personal and business incomes are kept separate. For the years Reflections does not make a profit, they will not be taxed (Hunter, 2011). Although it may appear that Reflections makes profits in year three, the excess money will be used to pay down loans written off as expenses. Resultantly, Reflections will not pay any taxes for the first three years of existence.

The interest rate Reflections will pay is ten percent, compounded annually. The first year deficit will run at approximately \$121,000, and with 25 percent of that paid by founder’s equity, Reflections will need a \$97,000 loan. In year two, Reflections will run a small excess, but when accounting for the required ending cash balance, it will fall into the red. Additional loan borrowing in year two will be required, at about \$2,000. In year three, Reflections will devote all excess cash from their positive cashflow to pay back the loan, effectively reducing the loan amount by thirteen percent. The \$87,000 loan in the third year will be paid back by the end of the fourth year.

LLC’s cost money to obtain, but fortunately no lawyer is required. There are initial fees of \$609 in addition to an annual \$500 filing fee. These costs were calculated specifically for the state Reflections will reside in, Massachusetts (“Online Massachusetts”, 2014).

Long-Term Outlook

The first three years of Reflections’ existence are only the beginning of its strong finances. Without the high design and startup costs in future years, Reflections will become astoundingly profitable. The company plans on rapid growth to more TJX stores and other brands.

Operations

Given that a company can only offer goods and services with an efficiently managed supply chain and operations system, Reflections will invest a great amount of time and resources into these areas. The company will be based in the Greater Boston area. This location offers a close proximity to all of the TJX's stores that Reflections will service in its first three years. Consequently, this will reduce transportation costs in these crucial years when capital will be relatively difficult to attain. A short distance to the coast also reduces transportation costs from the port to the warehouse.

Massachusetts offers a wealth of professionals in various backgrounds, giving the company ample access to qualified interior designers to assist in the consultation and installation process. The Greater Boston area's talented and diverse population is well-suited toward satisfying this need. Additional geographical benefits include a high quality of life for employees and the founders' familiarity of the area (Badenhausen, 2013).

Reflections will utilize the designs of currently existing appearance-altering mirrors. Mirrors will be selected based upon a compromise of flattering properties and realism. A potential design is the unpatented "Skinny Mirror" from the Skinny Mirror company. Skinny Mirror's mirrors currently sell for a retail value of \$200 to \$700 ("Skinny Mirror", 2013). Due to relative mass production for installation in many retail stores and manufacturing overseas, Reflections is confident that it can acquire these mirrors for a lower price than Skinny Mirror and extend these discounts to its clients. It is essential for Reflections' mirrors to complement TJX's policy of offering high quality at a low price.

Similar to the mirror solution, lighting fixture designs that offer a natural and enhancing brightness will be used to flatter shoppers and build their self-confidence. Many companies currently offer effective yet unpatented designs. If a more effective patented design is discovered, a license to use the product can be negotiated with that product's manufacturer. Due to relative mass production and manufacturing overseas, Reflections believes that it can greatly reduce costs while offering a quality product to clients.

Computer software engineers will assist the company in developing the Reflections Interface™, a card swipe system that allows retail credit card holders (i.e. TJX Credit Card

holders) to “check in” to dressing rooms in exchange for a small reward of redeemable points. The device will also offer a feature enabling a shopper to request employee assistance if necessary. While similar devices are in existence, additional expertise will be required to develop this more technical and unique product. The system also serves as a clever data collection tool; the Interface will send check-ins to a TJX-controlled database. This will allow TJX to cross reference check-ins with the demographical information of the card holders and use this marketing information to more efficiently manage supply chain and distribution networks.

Reflections will outsource manufacturing to China. Vendors will be chosen based upon a combination of reputability, low costs, quality, production capacity, and, perhaps most importantly, research and design and laboratory access and resources. Reputability is an essential quality for suppliers because Reflections must be able to trust that they will produce products to the company’s standards in a timely fashion and conduct business in an overall professional and mutually beneficial fashion. Costs must be kept as low as possible without sacrificing quality so that Reflections’ products fall in line with TJX’s philosophy of offering quality merchandise at a discount price. The manufacturers must also have high production capacity and be capable of meeting a wide variety of product specifications. Reflections plans to eventually offer services to many large clothing retail stores, and this is only possible if suppliers can meet the company’s high demand for its specially designed products. Finally, manufacturers must have the means to produce Reflections’ products, so manufacturers with more advanced research, design teams and laboratories can accommodate their manufacturing processes to build to Reflections’ specifications.

Currently, Rider Glass Company, based in Shandong, China, appears to be a promising potential mirror manufacturer for Reflections. The company is verified and gold certified on the international trade website Alibaba.com, and it has over twenty years of experience in the mirror and glass industry. The company offers competitive prices, a sizeable research and design team complete with laboratory facilities, and high capacity, doing between \$50 and \$100 million in annual sales. The company also has well-defined values, social corporate responsibility goals, and pledges to accommodate orders of all sizes (“Rider Glass”, 2008).

The company also plans to partner with Guangdong Benbon Electrical Co., Ltd. to fulfill its lighting needs. The company, one of the world's largest lighting manufacturers, is based in Guangdong, China. The company has over thirty years under its belt and offers competitive pricing. The manufacturer serves capacity needs and has an extensive research and design team of over fifty people. The company is also credible, as it is gold and verified on Alibaba.com and meets stringent ISO quality standards ("Guangdong", 2008).

Reflections plans to outsource the manufacturing of the Reflections Interface to Yulian Electronic Technology Co., Ltd. The company complies with ISO quality standards, does over \$100 million annually in sales, and is a verified gold supplier on Alibaba.com. The company meets Reflections' capacity needs, has a large research and design department, and specializes in card swiping systems and other electronics ("Yulian", 2006).

After finishing production, the manufacturers will transport product to the nearest international port. Reflections will pay the CIF (cost insurance freight) price, meaning the supplier will handle all of the logistics associated with delivering product from China to a port in Boston. Products will be shipped FCL (full container load). The company will then pay port officials to unload cargo. Reflections' truck will retrieve the product at Boston's port and transport it to the central office (Gronkvist, 2013).

At Reflections' central office, staff will examine samples of the product to ensure that orders are fulfilled to company specifications. Checks include ensuring mirrors have no damage in the form of cracks or smudging and provide their intended flattering effects, ensuring lights work, and testing the functionality and electronics of the Reflections Interface.

Once quality control checks are finished to ensure customer satisfaction, product will be held in a temperature-controlled warehouse within the company's central office to wait for distribution. Half of the 5,000 square foot office will comprise of storage area.

As the company's products are manufactured, Reflections' professional interior designers will offer consultation services to TJX on a store by store basis. The interior designers will collect information such as the number of dressing rooms, the layout of the rooms, specific needs of the store in question, and the number of mirrors, light fixtures, and Reflections Interfaces required.

Once a TJX store has placed an order for Reflections' solution, staff and hired contractors will load products onto trucks and transport them to the intended store. The contractors and interior designers will install all mirrors, light fixtures, and interfaces in the optimal locations. The interior designers' input is crucial at this stage because the dressing room must maintain a professional yet modern and visually appealing appearance.

To ensure its success, Reflections has several major equipment needs. At the office, Reflections requires a loading dock to unload shipments from trucks and a forklift to transport boxes around the office. The company also requires a twenty foot box truck to transport materials between the port, offices, and clients' stores. The company needs basic hand tools for installing products, office supplies, a telephone, computers, copy and fax machines, and furniture such as desks and chairs.

Sales Plan

Reflections is more than a mirror company, more than an interior designer, and more than a lighting company. Not only will Reflections provide these services to the consumer, but the company has a much larger goal in mind: to have the end users of the products feel better in the clothes they try on. Reflections wishes to improve the dressing room experience so that no one fears having to look at themselves in the mirror and feel shame or embarrassment. Reflections wants the people to enter dressing rooms to leave feeling confident about their purchases and themselves.

So the question is how to give people the opportunity to use the company's services in order to improve their image of themselves. Reflections will focus on providing their solution to larger chain retailers, initially forming an exclusive relationship with TJX.

Reflections' potential customers will discover the company through sales representatives. For larger investments and purchases that remodel a chain store, a more personal approach is best. The company believes that every store has a different need. Reflections wants to redefine the dressing room experience but is mindful that each store requires slightly different services. Due to the company's personal selling marketing approach to a small number of customers, a larger mass advertising campaign will be unnecessary. Reflections is a business to business company and does not need to contact a large number of individual consumers. Even so, the company considers it paramount to foster and maintain amicable and mutually beneficial relationships with its customers.

Reflections will charge a flat fee of \$10,000 per store renovation. This one-time cost will include all necessary materials, installation, and dressing room layouts that are tailored to each individual store. However, each store experience is unique, and the interior designers will make sure the needs are customized.

Reflections aims to efficiently and effectively manage its finances. To do so, Reflections first must start by pricing its product to be profitable while satisfying the clients' demand for low costs. To determine the price Reflections will be charging TJX for the dressing room renovations, they looked at two different price analyses.

The first analysis Reflections did was cost-based pricing to determine what is reasonable for Reflections to charge while still making returns. The cost of the installed materials for one store is \$1,924 and the cost of transportation and installation is approximately \$249, resulting in \$2,173 of costs per store. Reflections did not decide to use cost-based pricing because they are selling a high quality combination of specially designed lights and mirrors. For example, Skinny Mirror, one of Reflections' competitors, takes a roughly \$70 mirror and charges between \$200 and \$600 ("Products Archive", 2014). If a company wanted to maximize their profits in a dressing room, they would have to pay that expensive premium to any other company that designed their mirrors because that is the market value. Another reason Reflections did not decide to use cost-based pricing is because of the potential return on investment of the company's products. The solution Reflections is selling to TJX is far more valuable than the materials themselves, as this installation can increase store revenue by 1%. As described in the Value Proposition, this value that Reflections brings is the complete package of revenue that far surpasses the cost of the renovation.

Instead of cost-based pricing, Reflections will adopt a demand-based approach, or a pricing strategy based on what the customers are willing to pay. TJX spends \$308 million a year on store renovations, and with 3,215 stores worldwide, that averages out to \$95,800 of store renovations annually (per store). Knowing that TJX's dressing rooms are approximately 20 percent of their floor space, we can estimate that TJX spends \$19,160 per store every year on improving their dressing rooms ("The TJX", 2014).

Since TJX is already spending \$19,000 per store on their dressing rooms every year, Reflections estimated that TJX would be willing to spend half of that cost on Reflections' solution. Analyzing the potential increase in sales from the Value Proposition section, Reflections can boost TJX's store sales by 1%. This cost is not only under TJX's budget, but the return is astoundingly large and will keep TJX coming back to Reflections. Conservatively the return on investment of a \$10,000 installation will be 752%, something any company will be willing to pay.

Reflections plans on reinvesting the money it will make right back into the company during the first few years, as growth is the most important aspect of the company. A more

important goal for Reflections, however, is the number of stores the company wishes to be in by the end of the year. For year one, that goal is four stores. Reflections believes that once its presence is visible in a large number of stores, it is more likely to expand into more stores. Clients will see the benefits Reflections' solution brings to their businesses, such as an increase in sales, and a customer base that feels confident in the clothes it is purchasing from retailers. This proven track record of the company's attractive value proposition will help the company expand and enhance its' relationship with clients.

Reflections plans on being entering four stores in its first year, sixteen in its second, and 38 in its third. The numbers were based on conservative estimates for the future success of Reflections company. Reflections believes that due to its innovative business plan, TJX would be willing to test the company's solution for a test run in four stores. Based on studies and Reflections' extensively researched value proposition, Reflections is confident that sales will increase as expected, as the numbers have been calculated with lots of room for error. The increase in sales that Reflections brings will certainly entice TJX to expand Reflections' dressing room solution into an additional sixteen stores, as this is only 15% percent of stores in Massachusetts. Through the confirmation of Reflections' value proposition in a larger scale, 20 total stores, TJX will entrust Reflections to expand into another thirty-eight stores in year three. This totals 58 stores, or more than half of stores within the state of Massachusetts, a great starting point for Reflections to expand in later years ("The TJX", 2013). In future years, Reflections will continue to expand through Marshalls and TJ Maxx stores as Reflections' relationship with TJX continues to foster.

Reflections believes that word of mouth will significantly help during the company's lifetime as a business. The company is confident in the quality of its services and feels that it will have large expansions within individual businesses because they will begin to employ Reflections' services in multiple locations.

No promotions are currently being offered. Reflections will, however, keep true to its value proposition of incredible increases in store revenue. Reflections believes that promotions, such as offering a discount to a company on a new location, are not necessary. Reflections' low price and advertised ROI already offer a wealth of value for retailers.

Reflections' sales plan is simple and personal because it understands the values of its business: to develop a solution to the problems currently inherent to dressing rooms and to help drive its customers' revenue and profits. This solution requires a nuanced and individualized approach that only personal selling can offer. Through a combination of this personal selling approach and a belief that mutually-beneficial and trustworthy relationships with consumers are necessary necessary business practices, Reflections is confident that it will completely exceed the expectations of its customers, investors, and partners.

Human Resources

Current Members and Skills

The four founding members of Reflections have brought a wide array of experience to the table in terms of business and other aspects of work. This helps diversify the business and brings a unique edge to Reflections. Through the work of Dan Colvin, Kyle Auger, Katherine Hayes, and Jonathan Harari, multiple facets of business are understood and ready to be capitalized on.

Kyle Auger brings a multitude of experience, most notably his prior entrepreneurial venture and his service with the Boy Scouts. At an early age, Auger created a lawn mowing business startup and has grown it over the past several years. Instead of becoming comfortable with what his business had to offer, he continued to develop it as time went on, adding different services to his business while increasing profits. His experiences will give Reflections extra knowledge in dealing with many of the issues a new business is bound to have. He has also demonstrated that in order to survive and thrive, a business must constantly improve itself to meet the needs of consumers. Auger's time with the Boy Scouts, where he was awarded the highest honor of Eagle Scout, also shows how he has dedication few others are able to achieve, as he has achieved an honor that only 6% of Boy Scouts are able to claim. ("Facts About Scouting", 2014).

Dan Colvin has had experience on debate teams, which will help when pitching to potential consumers. He will be able to draw from his experience to combat oppositions with facts about the business to encourage people to purchase Reflections' services. Colvin has also had experience as a leader, notably in North Attleboro's Jazz Band, North Attleboro's Debate Team, and as valedictorian of his high school class. Through these activities, Colvin has gained the ability to manage and direct people below him: a talent that will be beneficial as Reflections' increases in scale and starts hiring new employees. Colvin also gained valuable customer service skills while working as a busboy at a Chinese restaurant before being promoted to host. Through these experiences, he learned how to effectively handle complaints and unhappy customers while also efficiently managing services.

Jonathan Harari is well-positioned to add his worldly experience to Reflections. Harari has made significant contributions in his home country, Panama, most specifically as a volunteer

teacher and leader for children in Panama City. He has also worked on building projects there. Harari has sales experience from when he worked as a sales agent for five years at Central Sport in Panama. One of Harari's greatest applicable assets is his multilingualism. He is fluent in three languages, English, Spanish, and Hebrew. This skill will be beneficial to Reflections if the company eventually becomes international.

Katherine Hayes is able to contribute to Reflections her past work experiences and involvement with Junior Achievement. She also has work experience relating to a number of aspects of business. Hayes worked for a financial advisor, where she was introduced to financial aspects of a business. She also interned with a real estate company in Boston, where she was immersed in the marketing department. Hayes was involved with Junior Achievement companies for two years, where she was a member of the Human Resources team at Vanguard and the Vice President of Public Relations for the Lockheed Martin division. Thanks to these past work experiences, she will be able to provide Reflections with a basic understanding of multiple facets of business, which will be helpful for Reflections.

Future Employees

Although the core team at Reflections has a large amount of experience that will be beneficial to the company, more expertise will be needed. Engineers with experience in computer software design will be necessary to help realize the products Reflections envisions, and additional experts will be necessary when the company invests more resources into research and design several years down the road.

Two interior designers will also be necessary to help the company truly maximize its services. Reflections goes beyond just supplying superior products. Rather, the company installs its solution into the stores and does so in a way that maximizes the use of their products. Reflections appreciates that mirrors, when combined with proper lighting, can optimize the appearance of the people looking into them. Therefore, two interior designers will be working with Reflections to maximize the dressing room experience.

The interior designers will be able to discover the best place to situate the Reflections Interface. Arguably the most innovative aspect of Reflections' business, the computer software

should be situated in a way that inspires the customer to swipe their credit card so that the company utilizing Reflections' services receives the necessary information while simultaneously avoiding interference with other aspects of the dressing room. Reflections believes that by hiring an expert in the interior design field, the dressing room experience will be as stellar as the products and services the company supplies.

Values

Values are especially important to Reflections. The key values Reflections wants the world to know the company stands on include commitment, confidence, and integrity. The company wants to have these values present in everyday work life. Furthermore, Reflections wishes to have them so visible that they are shown through every action and every statement that Reflections makes.

Commitment is the first value that Reflections wants to focus on. To start, Reflections wants to show commitment within their products. The company is determined to go above and beyond in everything that they do. Rather than supply acceptable products and perform mediocre work, the company puts a hundred percent into every aspect of its work. Reflections is dedicated to creating the best experience for its consumers, which begins with the products. The mirrors, lighting, and Reflections Interface are intended to help the consumer achieve the retailers desired goal: more sales. Reflections is committed to its clients as well. The company wants to have strong relationships with its clients and thus is committed to building these relationships over time by performing quality work.

Confidence is also a key factor of Reflections, and this is shown especially through the products. The goal of the mirrors and lighting is to make the person trying on clothes feel confident, assured, and overall positively about themselves. When people look good, they feel good and will be more willing to purchase merchandise (Hyland, 2008). The company also wants its clients to have confidence in its products. Reflections believes that the way to inspire confidence in its clients is to have high quality products that will not disappoint them. Through confidence between clients and end users, Reflections' value of confidence will be apparent in every interaction of the company.

Integrity is also an important value for the company. Reflections believes that having high moral standards is a key component of any successful business. Reflections believes that integrity is a value that under no circumstances can be compromised. Although at times this means that extra work will be needed, the company is not willing to sacrifice its reputation or company values in an effort to get ahead. All employees of Reflections must stress the importance of integrity in order to ensure that the clients of Reflections never will have reason to doubt the values of the company.

Engaging and Keeping Employees & Organizational Culture

Reflections wants to engage its entire staff, ensuring that all personnel are fully involved in their respective tasks and are incentivized and motivated in their day to day undertakings at work. In an effort to keep and engage employees, Reflections will have superior employee benefits, which include:

Adjustable Working Hours

Reflections will be mindful to employees' time by being considerate in terms of working hours. Generally, workers prefer a more adaptive schedule, which is more flexible and lenient. Good workers can be allowed to work non-traditional schedules, like 8:00AM-4:00PM or 7:00AM-3:00PM. Allowing workers to pick their own reasonable schedules is a crucial way to draw and retain good performance, under the condition that their work is satisfactory. Often the workers attracted to this are at a place in their careers where they would pick flexibility over a promotion or raise.

Healthcare

Reflections will extend health insurance benefits to employees. A health coverage plan for the working body insures and saves expenses that can be minimized as a package for the entire corporation. Because healthcare is relatively expensive, employees have a need for health insurance coverage. Obtaining this benefit will create a sense of belonging in the environment of the organization, achieving sustainability and durability in the human resources of the company.

Recognition for Work

Reflections will not underestimate the outcome of ensuring that outstanding employees are recognized. Appreciation of employees' efforts, bonuses, and contribution are likely to incentivize higher performance.

Conclusion

Imperative values such as adaptability, strong work ethics, honesty, integrity, and positive attitude will be instilled in employees at Reflections as they form a vital platform to achieve organizational success. Benefits such as flexible working hours, health care benefits, and training programs are geared towards making the life of an employee easier, hence contributing to sustainability and durability in the working body of the organization.

Appendices

Work Cited

- About Gensler. (2014, January 1). Retrieved October 17, 2014, from http://www.gensler.com/uploads/document/355/file/About_Gensler_Fact_Sheet_140826.pdf
- Alibaba.com. (2014, November 8). Retrieved November 8, 2014, from http://www.alibaba.com/trade/search?fsb=y&IndexArea=product_en&CatId=&SearchText=mirror
- Badenhausen, K. (2013, September 25). The Best States for Business and Careers. Retrieved November 7, 2014, from <http://www.forbes.com/best-states-for-business/>
- Baumstarck, A. (2008, January 1). Effects of Dressing Room Lighting Direction on Consumers' Perceptions of Self and Environment. Retrieved November 15, 2014, from http://etd.fcla.edu/UF/UFE0024065/baumstarck_a.pdf
- Business Insurance Cost. (2014, January 1). Retrieved November 8, 2014, from <https://www.trustedchoice.com/business-insurance/compare-coverage/cost/>
- Construction Contractor Salary (United States). (2014, January 1). Retrieved November 16, 2014, from http://www.payscale.com/research/US/Job=Construction_Contractor/Hourly_Rate
- Edwards, J. (2014, September 24). Apple's Manufacturing Costs Reveal The Profits It Will Make On iPhone 6. Retrieved November 8, 2014, from <http://www.businessinsider.com/analysis-iphone-6-plus-costs-prices-and-profits-2014-9>
- Facts About Scouting. (2014, May 1). Retrieved November 1, 2014, from <http://www.scouting.org/About/FactSheets/ScoutingFacts.aspx>
- Fridkis, K. (2012, November 2). I Got Suddenly Really Depressed in a Macy's Dressing Room. Retrieved November 16, 2014, from http://www.huffingtonpost.com/kate-fridkis/body-image_b_2005775.html
- Greater Boston Market Viewpoint. (2012, July 1). Retrieved November 8, 2014, from [http://www.colliers.com/~media/Files/UnitedStates/Markets/Boston/Research/viewpoint_q2_12.pdf](http://www.colliers.com/~/media/Files/UnitedStates/Markets/Boston/Research/viewpoint_q2_12.pdf)

- Gronkvist, F. (2013, October 23). Incoterms and Shipping from China. Retrieved November 7, 2014, from <http://www.chinainportal.com/blog/incoterms-shipping-from-china/>
- Gross Profit Margin By Industry. (2009, January 1). Retrieved November 7, 2014, from http://www.paulweyland.com/gross_profit_margins.pdf
- Guangdong Benbon Electrical Co., Ltd. (2008, January 1). Retrieved November 7, 2014, from <http://benbanglighting.en.alibaba.com/>
- Holmes, E., & Smith, R. (2011, April 6). Why Are Fitting Rooms So Awful? Retrieved November 17, 2014, from <http://online.wsj.com/articles/SB10001424052748703806304576243184005228532>
- How Much Does Office Cleaning Cost? -. (n.d.). Retrieved November 8, 2014, from <http://smallbusiness.costhelper.com/office-cleaning.html>
- How Much Should You Spend on Small Business Security Systems? (2012, July 12). Retrieved November 8, 2014, from <http://www.business.com/business-security-systems/how-much-should-you-spend-on-small-business-security-systems/>
- Hunter, M. (2011, April 3). Do you pay no tax if you lose money on a business or an investment? If so, why is that? Retrieved November 8, 2014, from <http://money.stackexchange.com/questions/7418/do-you-pay-no-tax-if-you-lose-money-on-a-business-or-an-investment-if-so-why>
- Hyland, T. (2008, April 8). Look Good, Feel Good. Retrieved November 7, 2014, from <http://www.upenn.edu/pennnews/current/node/3522>
- Interior Designers. (2014, January 8). Retrieved November 8, 2014, from <http://www.bls.gov/ooh/arts-and-design/interior-designers.htm>
- Interior Design Business Plan. (2013, January 1). Retrieved November 8, 2014, from http://www.bplans.com/interior_design_business_plan/financial_plan_fc.php
- Interior Design 2014 Outlook. (2014, January 1). Retrieved October 17, 2014, from http://www.asid.org/sites/default/files/files/ASID_ExecutiveSummary.pdf
- Kunz, M. (n.d.). The Average Cost Per Month for Office Supplies. Retrieved November 8, 2014, from <http://smallbusiness.chron.com/average-cost-per-month-office-supplies-12771.html>

- Leung, W. (2014, January 23). 2014 Top 100 Giants: Rankings. Retrieved October 17, 2014, from <http://www.interiordesign.net/articles/detail/35858-2014-top-100-giants-rankings/>
- Locsin, A. (2013, April 30). What Is the Markup Percent for Most Boutiques? Retrieved November 8, 2014, from <http://smallbusiness.chron.com/markup-percent-boutiques-35432.html>
- Maheshwari, S. (2012, June 7). Clothing Chains to Spend \$35 Billion in U.S. Growth Bet: Retail. Retrieved October 17, 2014, from <http://www.bloomberg.com/news/2012-06-07/clothing-chains-to-spend-35-billion-in-u-s-growth-bet-retail.html>
- Number of Stores of the Leading Apparel Retailers in the U.S., 2013 | Statistic. (2014, January 1). Retrieved October 17, 2014, from <http://www.statista.com/statistics/197841/number-of-stores-of-top-apparel-retailers-in-the-us/>
- Online Massachusetts LLC FAQ. (2014, January 1). Retrieved November 8, 2014, from https://nolonow.nolo.com/noe/popup/NLLCMABAS_faq.html
- Pheterson, M. (2011, September 14). How to Stop Dreading the Dressing Room. Retrieved November 17, 2014, from <http://www.ivillage.com/how-stop-dreading-dressing-room/4-b-231576#231578>
- Phibbs, B. (2011, January 4). Retail Selling Tip: What If Home Depot Had A Dressing Room? Retrieved November 16, 2014, from <http://www.retaildoc.com/blog/what-if-home-depot-had-a-dressing-room>
- Products Archive - The Skinny Mirror. (2014, January 1). Retrieved November 8, 2014, from <http://theskinnymirrors.com/shop/>
- Reflections, & Auger, K. (2014, November 6). Retail Dressing Room Survey. Retrieved November 16, 2014, from https://docs.google.com/a/husky.neu.edu/forms/d/1_7nlt-Unl6zaHboY-S5x6Wp7-orGfmOJJSsH5r_irgs/viewanalytics
- Rider Glass Company. (2008, January 1). Retrieved November 7, 2014, from <http://riderglass.en.alibaba.com/>

- Shelly, B. (2013, December 22). Rampant Returns Plague E-Retailers. Retrieved November 18, 2014, from <http://online.wsj.com/articles/SB10001424052702304773104579270260683155216>
- Skinny Mirror. (2013, June 3). Retrieved October 17, 2014, from http://www.manta.com/c/mbnsnrx/skinny-mirror?ftoggle-frontend-prod-on=abTests.engagement.responsive_20141009_control&utm_expid=82789632-21.i-w9zu_KTIaAx03OieHK9w.1&utm_referrer=http%3A%2F%2Fwww.google.com%2Furl%3Fsa%3Dt%26rct%3Dj%26q%3D%26esrc%3Ds%26source%3Dweb%26cd%3D1%26ved%3D0CCAQFjAA%26url%3Dhttp%253A%252F%252Fwww.manta.com%252F%252Fmbnsnrx%252Fskinny-mirror%26ei%3DDsxBVKC1H4SNyASC_IKIBA%26usg%3DAFQjCNEQupxCaUlAbY9Lz9DJariJEQGGxw%26bvm%3Dbv.77648437%2Cd.aWw
- The Per-Mile Costs of Operating Automobiles and Trucks, (2003, January 19). Retrieved November 8, 2014, from http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0CDsQFjAD&url=http://www.its.umn.edu/Publications/ResearchReports/pdfdownload.pl?id=2074&ei=ID1ZVPH9L-vnsASyyILwDg&usg=AFQjCNFDhS6NRsk-zDIniaOaZavfBNDCPw&sig2=setKM_b0Zn7M85-RVw0NSw&bvm=bv.78677474,d.cWc
- The TJX Companies, Inc. 2013 Annual Report. (2014). Retrieved September 28, 2014, from <http://nasdaqomx.mobular.net/nasdaqomx/7/3219/4884/>
- Tollentino, M. (2014, January 27). Smart Home Market to Boom in 2020 : New Trends in Smart Elevators Smoke Detectors. Retrieved October 17, 2014, from <http://siliconangle.com/blog/2014/01/27/smart-home-market-to-boom-in-2020-new-trends-in-smart-elevators-smoke-detectors/>
- TruckMiles.com - Daily Fuel Prices by ProMiles. (2014, November 7). Retrieved November 8, 2014, from <http://www.truckmiles.com/FuelPrices.asp>
- U.S. Apparel and Accessories e-commerce Revenue 2012-2018. (2014, January 1). Retrieved October 18, 2014, from <http://www.statista.com/statistics/278890/us-apparel-and-accessories-retail-e-commerce-revenue>

Writer, S. (2010, April 15). Typical Utility Costs in Boston. Retrieved November 8, 2014, from <http://ohmyapt.apartmentratings.com/typical-utility-costs-in-boston.html>

Yarrow, K. (2012, September 4). Why a Good Return Policy Is So Important for Retailers | TIME.com. Retrieved November 18, 2014, from <http://business.time.com/2012/09/04/why-a-good-return-policy-is-so-important-for-retailers/>

Yulian Electronic Technology Co., Ltd. (2006, January 1). Retrieved November 7, 2014, from http://gzyulian.en.alibaba.com/company_profile.html

2009 Gmc W4500, Vernon CA - 112038086 - CommercialTruckTrader.com. (2014, January 1). Retrieved November 8, 2014, from

<http://www.commercialtrucktrader.com/listing/2009-GMC-W4500-112038086>

(2014, January 1). Retrieved October 17, 2014, from

<http://theskinnymirrors.com/why-the-skinny-mirror/>