BUSINESS PLAN

Wooden Grain Toys

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1. EXECUTIVE SUMMARY

1.1 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.

1.2 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.

1.3 What Drives Us

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.
2. COMPANY DESCRIPTION

2.1 Mission Statement

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

3.1 Industry

Wooden Grain 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 Plastic 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.

3.2 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.

3.3 Competitors

The major competitors for Wooden Grain Toys are Toys R Us and KB toys. Since the recession these companies have moved from a more traditional brick and mortar store to an online business.

3.4 Competitive Advantage

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.
4. PRODUCT/SERVICE LINE

4.1 Product or 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 six 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

4.2 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
· Steam engine with coal tender - $18
· Additional train cars (single car) - $5