

FRM431 Fashion Capstone

Forte' Magazine Business Plan

Instructor/Facilitator: Peggy Blum

Summer 2013

Table of Contents

I.	Executive Summary	3
II.	Masthead	4
III.	Magazine Profile	6
IV.	Mission Statement	7
V.	Marketing Analysis	8
	Reader Profile	8
	Target Market	8
VI.	Competitors	9
VII.	Financial Strategy	10
	Cash Flow Projections	11
	Profit & Loss Projections	12
	Balance Sheet	13
VIII.	Advertising Strategy	14
IX.	Marketing Strategy	15
	Magazine Launch Party	15
	Retail Collaboration	15
	Social Media Discount	15
X.	Circulation Strategy	16
	Newsstand Positioning	16
	Retail Outlets	16
	Subscription Strategy	17
XI.	Production Strategy	18
XII.	Online Plan	19

I. Executive Summary

Business Description

Forte' Magazine is a start-up national specialty magazine with highly targeted demographics, designed to reach the top percent of its market. Forte' Magazine is a demographically well-positioned magazine catering to a growing segment of the population and expects to catch the interest of a regular loyal customer base. The magazine will have its first printed issue in September 2013. Forte' Magazine is directed at artists of all levels of business throughout the United States. The magazine will be published in September 2013 with increasing press runs throughout the first three years.

Customer Base

- Female
- 18 - 35 fashion conscious individuals
- Household income \$10,000/ month +
- College educated

Product

9 inches by 12 inches, perfect bound, color full bleed 4/4, matte text 80lb.

Our focus is on quality production with bottom-line growth through cost reduction and optimal performance. We also focus on technology and innovation to perform proper technique and equipment operation. We want to maintain 100 percent honesty between employees and the customer. As a team, input will be collected, analyzed, and put into practice regularly. Weekly team meetings will be held to motivate and forecast growth and annihilate potential difficulties.

Business Highlights

The publication is aiming to be one of the four major leaders in the industry and serves a highly targeted niche. The publication is considered for quality rather than quantity and is positioning itself specifically in the fast growing segment of the market. Forte' Magazine wants to establish a large and loyal customer base, and will therefore concentrate its business and marketing on residents nationwide, which will hopefully capture a dominant target market. That will establish healthy, consistent revenue to ensure stability of the business.

II. Masthead

Forté Magazine

Jaimelynn Pease – Editor-in-Chief

The Editor-in-Chief must oversee the quality of work that goes into the magazine. This includes the story text, photos, captions, and artwork that must all be revised and edited for content, grammar and other aspects of production.

Kristopher Deaton – Creative Director

The Creative Director is the driving force behind successfully communicating the artistic direction of the magazine to the consumer. The Creative Director deals with guiding directors, stylists, photographers, and coordinators on how to capture the desired concept they wish to portray.

Paige Greenfield – Style Coordinator

The Style Coordinator is responsible for attending photoshoots and brainstorming ideas that coordinate with different sections of the magazine. They have the opportunity to add input on styling for different genres as well.

Nici Thomas – Contributing Editor

The Contributing Editor is responsible for creating and assisting with material that goes into the magazine. The Contributing Editor must attend and help with ideas at photoshoots, write articles, and create ads that coordinate with the section of the magazine they are creating material for.

Victoria Price – Urban Style Director

The Urban Style Director is in charge of the Urban section of the magazine. They overlook the layout for the Urban section and what material it contains. This includes setting up photoshoots, creating ads, and writing articles.

Tiera Parker – Urban Style Coordinator

The Urban Style Coordinator assists the Urban Style Director with the Urban Section of the magazine. They assist with helping the Urban Style Director during the making of photoshoots, ads, and articles.

Sarah Roerk – Copywriter

The Copywriter is responsible for any publicity material that enters the magazine that could promote the person/band who is being featured in the magazine.

Dionne Smith – Pop & Rock Design Editor

Nico Cervantes – Urban & Indie Design Editor

The Pop & Rock Design Editor and the Urban & Indie Design Editor provide and maintain solutions for their sections to create a visually pleasing aesthetic to entice our readers to continue reading. The Design Editors play a key part in the creation of our web page. They are also responsible for collaborating with other members of the team on their projects.

III. Magazine Profile

- Forte' Magazine
- Forte' Magazine is a fashion magazine, but it's also more than that. It sells the concept of a life style. Forte' is broken down into four core sections including Rock, Pop, Indie, and Urban. Forte' Magazine helps people discover ways to maintain and express their individuality.
- Forte' Magazine's target audience consists of female individuals who are 18 to 35 years of age, independent, educated, and driven. They look to our magazine to be different and set themselves apart from the rest of the world.
- The publication frequency, as determined by the financial strategy, will be \$30,000/quarterly - \$100,000+/yr. We will also have an an online presence.
- 100 to 110 pages per issue

VI. Mission Statement

Forte' Magazine's mission is to provide our readers with current and entertaining information that relates to their own individual interest and lifestyle. This is everyone's magazine. The definition of the word Forte' is a thing at which someone excels, there is something for everyone and it is our goal to make sure everyone has the opportunity to find their own Forte'. Find your strength, your individuality and find your Forté.

V. Marketing Analysis

Forte magazine is the go to magazine for everything fashion, music and art.

Rock	Pop	Indie	Urban
<ul style="list-style-type: none">• Fashion• Makeup• Hairstyle• Article	<ul style="list-style-type: none">• Fashion• Makeup• Hairstyle• Article	<ul style="list-style-type: none">• Fashion• Makeup• Hairstyle• Article	<ul style="list-style-type: none">• Fashion• Makeup• Hairstyle• Article

As you can see from the above chart what sets the Forte magazine apart from all other Fashion magazines is they sell just the fashion where we are selling a lifestyle. Forte is geared towards everyone the eats, breaths, lives these different lifestyles. But, I could also see someone who is trying to be different then who they usually are as an individual.

The magazine brakes down into four core sections Rock, Pop, Indie, and Urban. Within each section they will be an article explaining different topics or stories that are going on in that certain genre. It may be an interview with a professional or just some specific topic that is going on in the industry. The individual we chose to interview will be on the cover and it could be male or female celebrity, DJ, producer, or fashion icon that is making an impact on the industry. A fashion section will give the reader an insight on what it takes to get that look for the certain genre. We will put information of where to get the clothes and how to get them. Hair and makeup will be a how to guide to get the hairstyle or makeup for the month. Step by step direction including images through the process and what products are being used.

Reader Profile

18 to 35 “women who are single, college educated, or employed.” We want to sell these women a lifestyle they love and can achieve by our quick how to guides for hair, fashion, and makeup. We want the readers to be able to see what changes or new trends will be happening around them before anyone else.

Due to the different genres in the magazine we feel like we could reach the masses in readership because we don’t just cater to one type a person. This magazine is geared towards everyone and is not just focused on one type of person or personality.

Target Market

18-35 “who is single, educated, or employed.” Our women wants to know the what, who, and where of everything fashion, music, and art. These women live on there own and are independent enough to spend their own money on the necessities as rent and food. Therefore they discover who they are as a person and figure out their own style weather it be rocker chic, indie darling, urban chic, or pop fun. They look to our magazine to be different to set themselves apart from the rest of the world.

VI. Competitors

	Apr-March	Jan-December	% Age Change
Vogue	1302	1212	7.43%
Elle	797	749	6.41%
Vanity Fair	290	288	0.69%
Glamour	1293	1261	2.54%

“Cream.” Cream News. Graham Painter, June-July 2013. Web. 15 July 2013

When looking at the above chart this growing industry for these companies. Vogue in the last two quarters grew 7 percent, which shows there is still a demand for fashion magazines. Even with the recession the readership only saw a small decline, which was about 1 percent. People still want to have an escape from everyday life and from the reports fashion magazines have huge potential.

Our biggest competitor is Nylon magazine. Nylon magazine focuses on pop culture and fashion. Its coverage includes art, beauty, music, design, celebrities, technology and travel. Nylon magazine was nominated for “National Magazine Award for General Excellence (100,000-400,000 circulation)” In 2001 it was a finalist for “General Excellence (100,000to 250,000 circulation.)”

VII. Financial Strategy

Cover Price: USD \$4.25
Projected Circulation: 30,000/quarterly – 100,000+/yr.
Projected Readership: 100,000/yr.
Advertising/Editorial Ratio: 35% / 65% (35% of Forte Magazine is left to outside advertisement)

Based on our competitors, Forte Magazine has set an Advertising/Editorial Ratio at a standard above average.

Although this produced ratio scale is above the industry average, it is lower than that of internationally known magazine companies.

Advertising/Editorial Ratio

Full Page	USD \$2,000
½ Page	USD \$1,250
¼ Page	USD \$500

Cash Flow Projections

January – June: 2014

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Cash Receipts						
Cash Sales	3,612.50	4,250	6,162.50	8,500	5,525	8,500
Credit Card Sales	27,856.50	78,263.50	114,079	131,323.50	164,486	175,098
Other Sources	60,000					
Total Cash On-Hand	97,500	82,513.50	120,241.50	139,823.50	170,011	183,598
Cash Paid Out						
Purchases	1,000	2,000	2,100	2,500	2,500	2,800
Salaries	9,500	9,500	9,500	9,500	11,500	11,500
Payroll Taxes	2,000	2,000	2,000	2,000	2,560	2,560
Outside Services	5,100	2,006	4,342	5,100	5,100	5,100
Rent	900	900	900	900	900	900
Utilities	175	175	175	175	175	175
Business Taxes	250	250	250	250	250	250
Insurance	900	900	900	900	900	900
Interest	250	250	250	250	250	250
Loan Payments	1,500	1,500	1,500	1,500	1,500	1,500
Other Expenses	500	500	500	500	500	500
Total Cash Paid Out	22,075	19,981	22,417	23,575	26,153	25,453
Cash Position	75,425	62,532.50	97,824.50	116,248.50	143,858	157,145

July – December: 2014

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Cash Receipts						
Cash Sales	7,225	8,075	15,725	12,750	10,200	14,875
Credit Card Sales	177,751	209,587	254,688	210,913.50	220,199	225,505
Other Sources						
Total Cash On-Hand	184,976	217,662	270,413	223,663.50	230,399	240,380
Cash Paid Out						
Purchases	3,000	3,000	9,500	4,500	11,500	10,500
Salaries	11,500	11,500	11,500	11,500	11,500	11,500
Payroll Taxes	2,560	2,560	2,560	2,560	2,560	2,560
Outside Services	2,325	3,006	5,100	5,100	5,100	5,100
Rent	900	900	900	900	900	900
Utilities	175	175	175	175	175	175
Business Taxes	250	250	250	250	250	250
Insurance	900	900	900	900	900	900
Interest	250	250	250	250	250	250
Loan Payments	1,500	1,500	1,500	1,500	1,500	1,500
Other Expenses	500	500	500	500	500	500
Total Cash Paid Out	23,860	21,981	33,153	28,153	35,153	34,153
Cash Position	161,116	195,681	237,260	195,510.50	195,246	206,227

Profit & Loss Projections

January – June: 2014

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Total Sales	35,000	37,000	40,000	55,000	57,000	55,000
Less: Cost of Sales	(3,000)	(3,200)	(3,550)	(4,960)	(5,200)	(4,960)
Gross Profit	32,000	33,800	36,450	50,040	51,800	50,040
Payroll Expenses						
Salaries	9,500	9,500	9,500	9,500	11,500	11,500
Taxes	2,250	2,250	2,250	2,250	2,810	2,810
Benefits	400	400	400	400	400	400
Total Payroll Costs	12,150	12,150	12,150	12,150	14,710	14,710
Operating Costs						
Advertising	5,000	4,990	4,812	4,711	4,700	4,689
Rent	900	900	900	900	900	900
Printing	450	450	450	450	450	450
Postage	100	100	100	100	100	100
Travel	350	350	350	350	350	350
Other	5,000	7,000	8,000	9,000	4,000	7,000
Total Operating Costs	11,800	12,790	12,612	15,511	10,500	13,489
Net Income (Loss)	8,050	8,860	8,789	22,379	26,590	21,841

July-December: 2014

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
Total Sales	60,000	60,000	62,000	65,000	70,000	75,000	671,000
Less: Cost of Sales	(5,600)	(7,200)	(7,000)	(6,750)	(6,140)	(7,300)	(64,860)
Gross Profit	54,400	52,800	55,000	58,250	63,860	67,700	606,140
Payroll Expenses							
Salaries	11,500	11,500	11,500	11,500	11,500	11,500	130,000
Taxes	2,810	2,810	2,810	2,810	2,810	2,810	31,480
Benefits	400	400	400	400	400	400	4,800
Total Payroll Costs	14,710	14,710	14,710	14,710	14,710	14,710	166,280
Operating Costs							
Advertising	4,700	4,689	4,169	3,785	3,984	3,500	49,745
Rent	900	900	900	900	900	900	10,800
Printing	450	450	450	450	450	450	5,400
Postage	100	100	100	100	100	100	1,200
Travel	350	350	350	350	350	350	4,200
Other	2,500	6,000	9,000	8,000	2,500	10,000	79,000
Total Operating Costs	9,000	12,489	14,969	13,585	8,284	15,300	150,345
Net Income (Loss)	30,690	25,601	25,321	29,955	40,866	37,690	289,515

Balance Sheet

Assets	
Current	
Cash	60,000
Accounts Receivable	120,000
Merchandise Inventory	200,000
Other Current Assets	1,500
Total Current Assets	381,500
Long-Term	
Property & Equipment	
Furniture & Fixtures	65,000
Equipment	72,000
Total Fixed Assets	137,000
Less: Accumulated Depreciation	(4,250)
Net Property & Equipment	132,750
Total Assets	514,250
Liabilities & Equity	
Current Liabilities	
Accounts Payable	20,000
Accrued Income Taxes	5,120
Total Current Liabilities	25,120
Long-Term Liabilities	
Notes Payable	35,000
Leases Payable	7,500
Total Long-Term Liabilities	42,500
Total Liabilities	67,620
Equity	
Paid-In-Capital	32,000
Total Equity	32,000
Liabilities & Equity	99,620

VIII. Advertising Strategy

Forte Magazine will have advertisements spread throughout the issue. We will have advertisements placed strategically in different sections of the magazine depending on what genre the store or brand we are advertising for was used in. For example, the store Las Cruces will be placed into the Indie section since that is the genre where we used their jewelry in our photo shoots.

IX. Marketing Strategy

Since Forte magazine is a new magazine, we need to have a strong promotional presence.

- Magazine Launch Party

Forte magazine will hold a launch party at the Young & Fabulous Boutique to reveal the cover of our first magazine. Young & Fabulous have been our main clothing sponsor throughout the photo shoots and ads for the magazine. The invitees of the launch party will include the contributors of the magazine, the people who were interviewed for our articles, and the owners of the clothing brands we used for the photo shoots. We plan to have the same models from our photo shoots attend to model the clothing in the store as our guests are walking around and looking at the magazine. This gives the photo shoots from the magazine a sort of life-like essence, making the clothing come to life. Not only will this launch party give us the publicity and attention we need, but it will also have a positive effect on Young & Fabulous since the customers can see the clothes styled and modeled in real-life, which could lead to a larger incentive to buy or recommend the boutique to their friends.

- Retail Collaboration

Forte magazine will collaborate with the retailers whose clothes are featured in our photo shoots, ads, and articles. Since we are advertising their clothing for them in our magazines, they, in return, will advertise our magazine for us in their stores. For example, Franceseca's Boutique tears out magazine pages where their jewelry or clothes are featured and frame them, cleverly placing those frames next to the featured item to attract the customers. We'd expect the stores who are advertising in our magazine to advertise us in their stores. Also, we could sell our magazines through those stores as well. Each store or brand that advertised through our magazine would in return sell the magazine issue they were featured in in their store.

- Social Media Discount

While attending the launch party at Young & Fabulous, we would have a social media discount available for customers who wanted to participate. The customer would have to post a picture to Instagram, Facebook, or Twitter holding our magazine and an item from Young & Fabulous in order to receive a discount on an item of clothing of their choice. The uploaded picture would also have to include the hashtags "#ForteMagazineLaunchParty" and "#YoungAndFabulousBoutique". This would not only give our magazine a larger audience, but also attention and sales for Young & Fabulous. The customer would also benefit by receiving a discount on their clothing purchase.

X. Circulation Strategy

Newsstand Positioning

The fashion section of the newsstand will be the most appropriate place for Forte Magazine. Our magazine will be positioned next to other leading fashion magazines such as: Vogue, Elle, Nylon, Vanity Fair and Hunger. Having a position near already well-established fashion magazines will prove to be beneficial in that our target audience will already be seeking out one of the competitor's magazines and will have to observe ours in order to find the competitors. This gives Forte Magazine an advantage and more opportunities to produce sales. Every cover of Forte Magazine will stand out, is attention grabbing, and unique. Positioning the magazine among our top competitors will only showcase how Forte Magazine is superior in its design, layout, structure, and of course it's content.

Retail Outlets

Our main selling outlets will be boutiques and high-end fashion apparel stores as well as magazine stands, newspaper stands, and bookstores. Most of our issues will be distributed to boutiques and bookstores, which will be our main retail outlet focus. Bookstores such as: Barnes & Noble and Books-A-Million, will be some of our chain bookstore retail outlets. Large grocery store chains and other retail outlets will carry Forte Magazine: Target, Super Target, Whole Foods, and Central Market. High-end specialty boutiques will be the top retail outlets that we will distribute to. For example, Grange Hall in Dallas, Texas would be a boutique Forte would be sold in. The store would fit the magazine's target consumer and represent the style Forte is portraying. Other examples of fashion boutiques Forte Magazine would be distributed in are: Young & Fabulous in Austin, Barbara Bui Boutique in New York, and Fred Segal in Los Angeles. Initially, the magazine would give out free copies that would be distributed in Texas, New York, California, Florida and Colorado. The magazine will have a digital copy available online that will be advertised and made known to top fashion retail outlets.

After free copies have been strategically given out at events such as the Coachella Festival and the South by Southwest Festival, and in the selected states and retail outlets, the next step would be to sell the magazine in specialty boutiques, bookstores, large grocery store chains and newsstands across the country. Once the magazine is well known in the United States, it would follow the same distribution efforts worldwide.

These chosen retail outlets are popular with our target audience and our competitors use these outlets for selling points as well. Deliberately placing Forte Magazine in high-end boutiques throughout the U.S. and then internationally will be an excellent circulation strategy that competitors are not exploiting. Utilizing these retail outlets for Forte Magazine's circulation is imperative if it is to compete and succeed.

Subscription Strategy

We will offer a discount to our readers that subscribe to a yearly subscription to Forte Magazine. This enticement will offer our readers a chance to save on the cover price for a 12-month period of time. Forte Magazine's exclusive and trendy feel will encourage readers to want to subscribe and the discount offered would aid in giving them that last bit of drive or push they may require to subscribe and not just grab a copy of the magazine every now and then. Forte Magazine strives to be that fashion magazine that our target audience cannot live without and missing out on one issue could hinder them on the latest fashions, news, etc.

Our subscribers will be offered the opportunity to subscribe to our online version of Forte Magazine. Subscribers to the online version will not be offered the hard copy of the magazine. As it will be significantly cheaper to offer the online version of the magazine, we cannot provide a hard copy of the magazine as well. The online version of Forte Magazine can be accessed through the magazines website and subscribers will be able to download the complete magazine in a digital format that can be accessed and read globally. The digital copy of the magazine will be advertised immensely to fit the needs of our younger targeted consumers and to keep up with our competitor's digital version of their fashion magazines.

Non-subscribers will be able to buy individual copies of Forte Magazine online with a one-time payment offer. Of course the price per issue of the online version to a non-subscriber would be a little more in terms of price because the discount would only be offered to subscribers.

Overall, the consumer will be paying less for online versions of the magazine because they are more cost effective to create. On the other hand, the hard copy of the magazine is what our target audience is going to be striving to obtain. The beauty of the publication and the feel of the pages being turned between their fingers will urge them to subscribe to our print version of Forte Magazine. Online versions are for our reader's convenience, but our target consumer wants the physical copy of the magazine and will end up subscribing in order to obtain our tempting discount.

XI. Production Strategy

Paper Type: Matte Text 80lb, 110 Cover Stock

Size: 9 inches by 12 inches

Color: Full Bleed 4/4

Binding: Perfect Bound

XIII. Online Plan

In order for any printed publication to be really considered modern, it must have an online presence. Giving readers the option and ability to access the magazine in a digital format is essential to widen our reader base. For this reason Forte Magazine will be available online at: http://issuu.com/forte_magazine/docs/forte_screen. With this link anyone can view the magazine and even download it to have as a digital copy. This will be a great extension to the printed piece.