

WWW.GORDDENIMCO.COM  
PORTLAND, OR

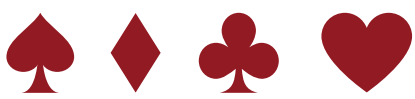
# GORD DENIM CO. BUSINESS PLAN 2022

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FASH 303-01  
PROJECT NO. 4

PROPOSED TO:  
Sarah Collins

ORGANIZED BY:  
Cammie Kamis, Gordonn Palhegyi, Grace Wroblewski



# Executive Summary

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2022

## Product

We here at GORD Denim Co. want to provide genderless clothing that derives its inspiration from all-American menswear. We specialize in wearable products including: denim comforts, basics, and accessories. Along with our regular collections and our current season which is S/S'22 we will be upcycling our deadstock products as part of our new initiative to help minimize the amount of unsold products.

## Customers

- Genderless
- Age: 17 - 27
- People who like to be comfortable and yet still expressive
- Open to bold prints and colors, enjoys creative design details
- Trend driven but likes classic Americana styles and silhouettes
- Denim enthusiast

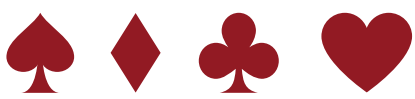


## Future of the Company

The partnership includes: Gordon Lane Palhegyi (33.33%), Cameron Elizabeth Kamis (33.33%), Grace Elizabeth Wroblewski (33.33%). We want to constantly reinvent classic Americana styles while also maintaining high product quality and bringing comfort to the customer. Our goal is to expand at a moderate speed throughout the U.S. while continuing to grow our online presence by focusing our marketing on social media like Instagram, TikTok, Twitter, etc. We want to make sure we maintain our brand's independence by staying away from department stores as well as investing in our own flagships throughout top U.S. cities. Our mission for our Ready-to-Wear products is to be more environmentally conscious using upcycled deadstock products from previous seasons within current collections.

## Exit Strategy

All parties must agree on the dissolution of the company, if one partner is not in agreement with other concerned parties a buyout can be proposed. If unable to agree on the buyout, a third party mediator can be hired. If a solution is still not reached, a court order for a dissolution can be enacted. If dissolution is agreed upon, an official vote must be taken place to put on record. A document must then be drawn up stating terms of the dissolution and all concerned parties must provide their own signatures. Once dissolution is agreed upon, all assets (whether it be a profit or a loss) will be equally split amongst partners.



# Company Description

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2022

## Mission Statement

Our mission is to revitalize what it means to embody the classic Americana lifestyle, while keeping conscious production and consumption in mind.

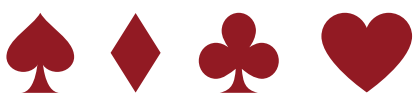
## Principle Members

Being that we are an independent company, our goal is to stay as the three sole owners of GORD Denim Co.

- Gordon Lane Palhegyi (CEO, Co-Creative Director)
- Grace Elizabeth Wroblewski (Co-Creative Director)
- Cameron Elizabeth Kamis (CFO)

## Legal Structure

GORD Denim Co. is an LLC, a limited liability company operating in Portland, Oregon.



# Market Research

2022

## Industry

IntechOpen, a leading global publisher of journals and books within the fields of science and technology, estimates that producing a pair of jeans consumes around 2,900 liters of water and large amounts of chemicals and energy. "If this is multiplied by the number of jeans produced globally, one can get an idea of the enormous contribution of wastewater and harmful gases by the denim industry to the environment." Therefore, there is no doubt that the denim industry needs a clean-up.

The denim industry's waste problem has a few main culprits: unsold stock (deadstock), water and energy usage, raw material sourcing, and complex manufacturing processes. GORD Denim Co. will focus on one of these factors, the unsold stock in our stores, to reduce waste. We will eventually work towards minimizing water and energy waste and harsh material sourcing and manufacturing processes once we produce enough revenue.

Each year 6 billion pairs of jeans are produced and 30% of those jeans never even get worn. Many unworn jeans come from brands that made too many products and did not sell them as much as anticipated. Typically, these items are disposed of as municipal waste, burned, donated to second-hand stores or third-world countries, or shredded as insulators or other products. According to Good On You, less than 1% of the material used to produce clothing is recycled into new clothing. Therefore, there is a significant opportunity for GORD Denim Co. to reduce denim waste within our brand, which not only reduces waste but gives old garments a new life and saves money that would typically go towards the manufacturing of new clothing.

GORD Denim Co. aims to celebrate classic American denim styles while keeping conscious production and craftsmanship in mind. Brands taking similar environmental and social initiatives include Mother, Reformation, and Nudie Jeans. Mother sources materials from local rag houses and transforms them into utilitarian-inspired garments such as high-waisted shorts and asymmetrical dresses derived from deadstock trooper pants. Reformation sources deadstock from Los Angeles-area stores, factories, and jobbers. The brand has built a \$100 million-plus brand from this business model. Nudie Jeans reuses most of its offcuts to minimize textile waste.



## Description of Customers

GORD Denim Company's customers are of all-genders ranging from 17-27 years old living in America. They are beginning to enter the workforce as creatives. Others attend liberal arts schools; therefore, they look for casual clothing that expresses their creative side and has versatile qualities such as comfort, timelessness, and durability.

They do not feel confined to dress as the two traditional genders, male and female. Instead, they prefer to express themselves as fluid human beings who are not defined by a "one-size-fits-all term."

They value individuality over mass trends, so they wear what sparks joy in them, such as bold prints, colors, and textures. These individuals prefer soft, comfortable garments with a relaxed fit, so jeans are necessary for everyday wear. Their jeans reflect classic Americana styles and silhouettes for denim. Overall, they greatly appreciate a quality pair of jeans that they can wear time and time again without losing their shape or versatility. For this reason, they prefer to shop at smaller denim brands that emphasize the wants and needs of the customer and detailed and conscious craftsmanship.

When it comes to buying the "perfect" pair of jeans, the GORD Denim Co. customer is willing to splurge on a pair of jeans that expresses their style and reflects their values and sustainability philosophies.

## SWOT Analysis

- **Strengths:**
  - High-end, quality products for affordable prices
  - Classic american fit and style for all bodies
  - Versatile products suitable for many occasions/events
  - Save money, time, and resources by repurposing deadstock
  - High volume of target market in chosen location, Portland, OR
    - One of the five most common job groups, by number of people living in Portland, OR are Arts, Design, Entertainment, Sports, and Media Occupations (4.43%)
    - Ages 18-34 account for 24.06% of the population
  - Strong relationship with manufacturers
  - Open and accepting work and retail environments
  - Owned and operated by a team of diverse and highly-skilled individuals with both creative and business backgrounds
  - Partially vertically-integrated manufacturing system with our own design team located in the US
  - Offers radical transparency for customers
  - Attract and meet the needs of our customers through omnichannel marketing strategies



- **Weaknesses:**

- Newcomer, lack of awareness to our consumers
  - Currently, only one flagship location and online store
  - Plan to open more locations but need funds and exposure to do so
- Start-up with little to no experience of running a business and securing investors
- Small company with limited employees carrying significant responsibilities
- High price range for repurposed products
- Shallow product assortment in terms of design and color options
- Limited options for consumers wanting more feminine styles and unique designs
- Specific target market, which limits our consumer reach
- Covering only a tiny portion of denim waste and sustainability issues
- Working with friends/family members can cause tension and ultimately destroy the business if not handled correctly
- Crowd-sourcing is unpredictable and risky, so we may not raise the funds we need
- Lack of consumer awareness due to not selling wholesale or in department stores
- Differentiating the brand from well-known competitors producing classic American styles

- **Opportunities:**

- Potential to further expand into the sustainable denim market
- Educate consumers on sustainability
- Offer customizable and more unique pieces at high price points
- Mass customization with alteration services
- Test other markets with pop-up shops before investing in a new brick-and-mortar location
- Collaborate with micro-influencers and celebrities in social media campaigns
- Collaborate with different brands and NGOs aligning with our mission and vision
- Expand product offerings (shoes, headbands, scarves, etc.)
- Develop a mobile app to enhance omnichannel marketing strategy
- Further, develop genderless-wear technology

- **Threats:**

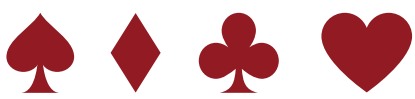
- Lack of consumer interest in sustainability
- Rise in material and manufacturing prices
- Economic inflation disturbing costs and profits
- Disruptions in the supply chain due to Covid-19 and other unforeseeable events
  - Rising transportation costs and shipping delays
- Competing with well-known brands with lower prices
- Manufacturing issues resulting from language barriers, shipping mishaps, and miscommunication
- A highly competitive market in the denim industry



# Regulations

GORD Denim Co. will comply with the mandatory federal and state regulations associated with apparel and textiles according to the National Institute of Standards and Technology from the US Department of Commerce: Consumer Product Safety Commission (CPSC), Border Protection (CBP), Environmental Protection Agency (EPA), Federal Trade Commission (FTC), and the United States Department of Agriculture (USDA).





# Service Line

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## Product/Service

GORD Denim Co. focuses on making top-quality products using quality materials as well as implementing the use of our deadstock denim in future projects. Our clothes are made for anyone and everyone from ages 17 - 27. GORD Denim Co. wants to make sure we give our customers a satisfactory experience, which is why we offer certain services. Our brand offers a free exchange of items in equal value instead of going through with a full return as well as accepting donations of our old denim products from customers to create denim textiles for future projects.

Products include:

- Tops
- Pants
- Denim Products
- Comfort Basics
- Accessories
- Jackets

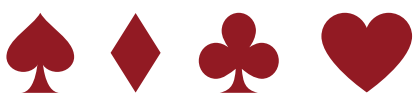
Services include:

- Free exchange of an item matching in value to the product that is wanting to be returned
- Donating their previously purchased denim products from us for us to use for denim textiles for future projects

## Pricing Structure

With each product category, we offer price ranges as seen below:  
(at suggested retail price, for wholesale price, please take 50% off)

- Sweatpants: \$79 - \$99
- Denim (various fits and styles): \$149 - \$209
- Repurposed Denim: \$300 - \$349
- T-shirts: \$49 - \$59
- Sweatshirts/Hoodies: \$89 - \$119
- Belts: \$59-\$79
- Hats: \$39 - \$59
- Jackets: \$180 - \$220



## Product Lifecycle

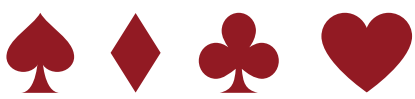
All our products are manufactured in our factory in El Salvador. We pride ourselves in producing quality pieces in an efficient manner. GORD Denim Co. prioritizes being transparent with its customers when it comes to the duration of time it takes for production as well as shipment. Currently we are in our fourth collection for S/S 2022. As of now our items are awaiting clearance to be shipped from El Salvador to our Portland headquarters. All of our repurposed items are created in real-time in the U.S.A.

## Intellectual Property Rights

We are trademarked in El Salvador, but the trademark has to be renewed every ten years. We trademarked in February 2020, and must renew in February 2030.

## Research and Development

- We create product and fabric samples to get reviewed by the design team for feedback before selecting a handful of loyal customers to give their thoughts
- We take our customer reviews very seriously, and so we take whatever reviews we get on any of our platforms and compile them to help formulate future collections. We also make note of people who tag our products in their posts to make sure we are on trend with our current customers
- Our brand makes sure to attend the Denim Premiere Vision Berlin ( May 17-18) which is an international event hosted in Berlin, Germany concerning denim and trends for denim and jeans
- We also want to develop more sustainable ways of production for our brand, so looking into how to upcycle more of our deadstock for more of our future products and collections
- GORD Denim Co. also looks into how other companies are taking a more sustainable approach when it comes to their products so that we can learn and grow from others



# Marketing & Sales

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## Growth Strategy

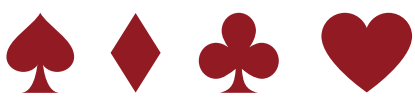
- Expand our sustainable practices into all aspects of production...i.e. water and energy consumption, water and air pollution, solid waste, raw material sourcing, and harmful production practices
- Focus our marketing on social media channels like Instagram, TikTok, Twitter, etc.
- Hire a social media manager for marketing campaigns
- Reach out to loyal customers and micro-influencers for partnerships
- Create tab on website with resources where consumers can educate themselves on sustainable denim practices
- Open more brick-and-mortar stores in large cities and test those locations with pop-ups

## Communicate with the Customer

Majority of communication will come from our social media platforms (i.e. Instagram, Tiktok, and Twitter) for release dates, sales, collaborations, and sneak peeks into upcoming collections. Our comment sections on all platforms will be open to customers for their input on products. Email and text notifications will also be available to customers. Live chat pop ups are available on the website during our regular store business hours. Other forms of contact are calling our flagship stores or going in-store.

## How to Sell

- Where to Buy:
  - In our first season we were able to sell through a small batch limited collection all through online services, including our social media. In our second year, 2021, we were able to open our first flagship in Portland, OR. Within the next year we are set to open three more locations including: Brooklyn, NY, West Hollywood, CA, and Chicago, IL. We have no plans of expanding into wholesale with other companies as we aim to stay independent and grow the company internally. Customers are also able to purchase products via our brand's website.
- How We Sell:
  - Within our website, all items will be shown on various gendered models. While there are no gendered categories on the website, the individual items will offer a size guide with traditional US men and women's sizing so that people can determine their own sizing before ordering.
  - Returns are accepted within 30 days instore or online. With an online order, order confirmation starts the 30 day countdown. Return labels are included within an email confirming the return process.



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# Financial Projection/Plan

## Requirements/Financial Plan

For the initial start-up projection, GORD Denim Co, requires an investment of \$548,140 based on the Startup Cost Analysis to begin operations.

## Use of Funds

To conclude the investment amount GORD Denim Co. created a Startup Cost Analysis by compiling research on the fixed and variable expenses for which the funds will be used to establish the business. 50% of our funding will come from bootstrapping, using a combination of the three principal partners' money and no-strings-attached financing from family and friends. The other 50% will come from crowd-funding.



# Start-Up Costs Sheet

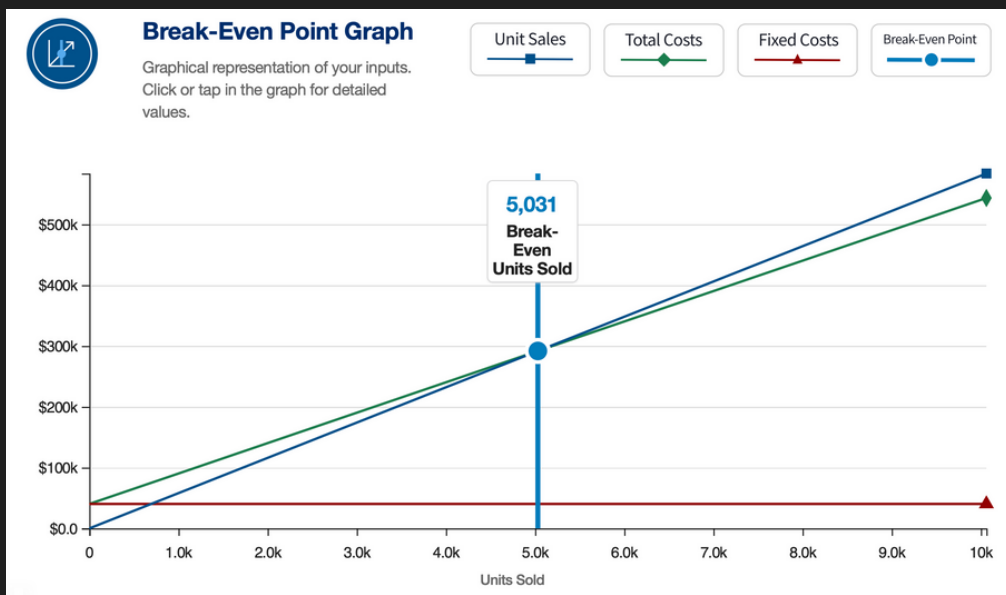
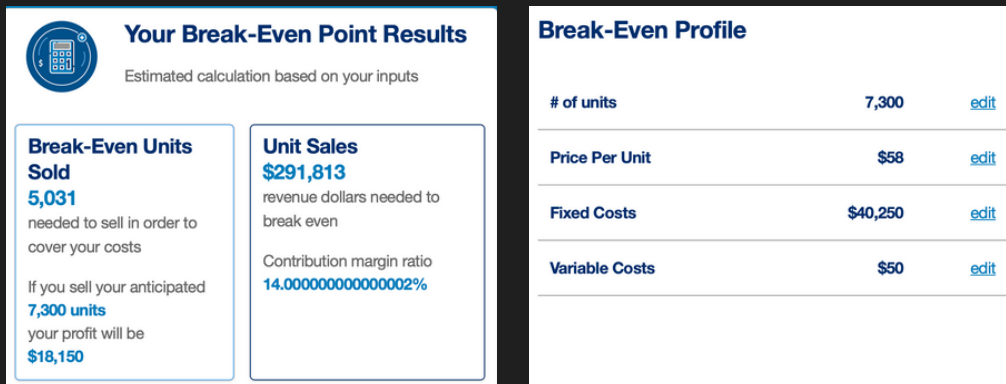
## GORD DENIM CO.

One-Time Expenses	Budget	Actual
<b>Rent</b>		
Security deposit	10,000	7,500
First month's rent	8,000	7,500
First month's utilities (including phone and Internet)	800	800
<b>Improvement costs</b>		
Showroom improvements	800	800
Displays and furniture	1,500	1,500
Hangers, storage equipment, and dress forms	1,000	800
<b>Inventory</b>		
Tops	180,000	172,500
Bottoms	300,000	293,500
Accessories	30,000	29,500
<b>Miscellaneous</b>		
Licenses and permits	500	500
Legal fees	300	250
Signage	3,000	3,000
Technology	2,000	1,800
Software	800	800
<b>Total funds required</b>	<b>538,700</b>	<b>520,750</b>

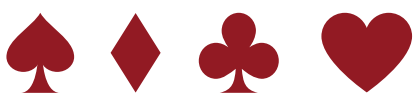
Monthly Expenses	Budget	Actual
<b>Rent</b>		
Monthly rent	8,000	7,500
Property insurance	300	200
Utilities	800	800
<b>Employees</b>		
Payroll	12,000	10,000
Payroll taxes	100	80
Health insurance	2,500	2,400
<b>Professional services</b>		
Accounting	200	200
Legal	400	250
Consultants	200	200
Other	50	50
<b>Supplies</b>		
Office supplies	300	210
Operating supplies	200	200
<b>Marketing</b>		
Digital Advertising	2,000	2,000
Promotional materials	3,000	3,000
<b>Miscellaneous</b>		
Liability Insurance	200	100
Repairs and maintenance	100	100
Postage	200	100
<b>Total monthly expenses</b>	<b>30,550</b>	<b>27,390</b>

<b>Total funds required</b>	<b>548,140</b>
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# Break-Even Point



Units Sold	Profit	Unit Sales	Variable Costs	Fixed Costs	Total Costs
0	−\$40,250	\$0	\$0	\$40,250	\$40,250
1,000	−\$32,250	\$58,000	\$50,000	\$40,250	\$90,250
2,000	−\$24,250	\$116,000	\$100,000	\$40,250	\$140,250
3,000	−\$16,250	\$174,000	\$150,000	\$40,250	\$190,250
4,000	−\$8,250	\$232,000	\$200,000	\$40,250	\$240,250
5,000	−\$250	\$290,000	\$250,000	\$40,250	\$290,250
5,031	\$0	\$291,798	\$251,550	\$40,250	\$291,800
6,000	\$7,750	\$348,000	\$300,000	\$40,250	\$340,250
7,000	\$15,750	\$406,000	\$350,000	\$40,250	\$390,250



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