

Team Leader: Nathaniel Treichler

1. Executive Summary

Provide a short summary of your business plan below.

In 2016, Nathaniel Treichler saw an opportunity to revolutionize how fly anglers shop by optimizing eCommerce storefronts with user-friendly sales funnels and driving high satisfaction through low-margin monthly memberships. Nathaniel Treichler envisions TheFlyCrate.com as the largest online fly fishing membership and online fly shop for over 3.83 million United States fly anglers.

The Fly Crate not only satisfies customers with high quality monthly membership services and products, we also support our veterans. We help our customers make a difference for those who did. For every 6 flies someone purchases from our online fly shop, we donate 1 fly on their behalf to help support disabled veterans.

Our members enjoy our Monthly Fly Club for just \$3 a month. From our perspective, we don't sell flies; we sell an experience. Our business model is not to drive members away with high monthly membership prices. Instead, by keeping our prices low we retain more happy members. In addition, our business model is to enhance satisfaction, with the membership, so that we may up-sell additional flies and gear to gratified members at a higher margin.

The Fly Crate targets an international community of fly anglers. Outside of the continental United States, we are expanding our current operations by 2018 to Canada, Alaska, Hawaii, U.S. territories, and select European countries.

Based on the American Fly Fishing Trade Association's (AFFTA) 2012 survey data, there are over 3.83 million fly anglers in the United States. More surprisingly, 31.5% of the \$748.6 million in sales annually (excluding sales of large national chains like Cabela's and Bass Pro Shops) is from the Rocky Mountain region. The Fly Crate's (TFC) paid marketing plan concentrates on the western and southern states. By focusing on these regions, TFC will cost-effectively target nearly 81% of all fly anglers within the United States.

Constantly, we reach out and partner with like-minded organizations to help promote The Fly Crate. An extremely important organization we have partnered with is the largest fly fishing non-profit in the world, Trout Unlimited (TU). Once a week, TFC is given rights to post on Trout Unlimited's Facebook page. With over 120,000 followers on Facebook, 1 post has the potential to net thousands in revenue and help hundreds of veterans.

2. Industry Analysis

Provide an Industry Description, Industry Outlook, and Industry Trends (size, growth rate, structure, and trends of the market sector that you will operate within).

In 2016, Nathaniel Treichler saw an opportunity to revolutionize how fly anglers shop by optimizing eCommerce storefronts with user-friendly sales funnels and driving high satisfaction through low-cost monthly memberships. Nathaniel Treichler envisions TheFlyCrate.com as the largest online fly fishing membership and online fly shop for over 3.83 million United States fly anglers.

Over the last few years, the fly fishing industry has been adapting to the growth of technology in internet services and e-commerce markets. Few companies are taking advantage of the latest eCommerce

marketing strategies and In fact, sales are down 16.80% since 2008 in brick and mortar fly shop locations partially due to increasing competition with internet stores. More and more people are seeking the convenience of purchasing online, and, thus, Nathaniel Treichler positioned The Fly Crate to fulfill the growing demand for eCommerce fly fishing shops.

As younger generations enter the fly fishing industry, demand increases for premier monthly subscription services and businesses that contribute to conservation and charitable efforts. The Fly Crate not only satisfies customers with high quality monthly membership services and products, we also support our veterans. Through our Healing Flies Program, we help our customers make a difference for those who did. For every 6 flies someone purchases from our online fly shop, we donate 1 fly on their behalf to help support disabled veterans.

3. Competitive Analysis

Please provide the following:

Competitor identification and assessment (identify the direct/indirect competition, what the competitor offers, as well as their strengths and weaknesses; what threats do top competitors pose against your company?)

Competitive Advantage (describe what advantage you have and what differentiates your business from others; what are your opportunities?)

The Fly Crate (TFC) is in a new market with less than a handful of competitors.

Our largest competitor is Postfly Box (PFB). PFB offers multiple subscription options for specific species of fish. For \$19.00 every month, Postfly sends subscribers a box of flies, a sticker, and some fly gear. PFB has a strong marketing plan that gets subscribers excited for each month. Postfly Box provides the most friction while competing in this market. PFB's chemistry with their subscribers is, what I consider to be, their most valuable asset. They label their subscribers as a part of their "Tribe."

Despite their strengths, Postfly Box has many weaknesses. Offering their subscription with such little value for \$19.00 drives up turnover rates by pushing many subscribers to drop PFB and switch to lower priced options.

Quality is a key fundamental to high satisfaction and keeping subscribers to remain on the subscription. Supplying subscribers with low quality flies that fall apart after just a few fish gave Postfly Box a poor reputation within the fishing community.

Websites and their sales funnels plays an important role in customer experience and sales. PFB's website has an outdated sales funnel and is hosted on a platform that offers little wiggle room for new selling techniques.

The fly fishing industry is driven by purpose. Companies that thrive offer a story and motivation to become a raving fan. Postfly Box contributes little back to the fly fishing community and presents no story to 'hook' subscribers. In fact, a good majority of the subscribers only stay around for the monthly stickers.

The Fly Crate is a unique fly fishing brand. Our mission statement is based around the idea of making an impact on someone's life. By giving back to those who supported us, our veterans, we accomplish our mission. Likewise, we strive to connect with our members by featuring stories from members or from disabled veterans they have supported.

Quality is important to us at TFC. This is why, we have partnered with the largest premium supplier of flies on the East Coast, Holly Flies Inc. Members and customers receive premium flies made from truly quality materials.

Our members enjoy our Monthly Fly Club for just \$3 a month. From our perspective, we don't sell flies; we sell an experience. Our business model is not to drive members away with high monthly membership costs. Instead, by keeping our prices low we retain more happy members. In addition, our business model is to enhance satisfaction, with the membership, so that we may up-sell additional flies and gear to gratified members at a higher margin.

To help retain more through affordable memberships, we are the only fly fishing subscription to offer members the option of a bi-monthly membership. These are important for members who don't fly fish every month.

TheFlyCrate.com is designed to increase sales conversions and drive customer experience and satisfaction. On an independent, online platform with more freedoms, we are constantly improving the site to increase customer convenience.

4. Target Market

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Please provide the following:

Size of the overall market (local, national, or international)

Size of your addressable market (customers you plan to reach and are available to your company).

Consumer segment(s) (description of the customers you are targeting with your business – demographic and geographic information, attitudes; identify whether purchases are *rationally* (e.g. basic food items) or *emotionally* (e.g. jewelry) based).

Consumer demand (level of demand that exists with these customers).

Market penetration goals (quantified % of addressable market or volume goals that you have for achieving a certain level of market share).

The Fly Crate targets an international community of fly anglers. Outside of the continental United States, we are expanding our current operations by 2018 to Canada, Alaska, Hawaii, U.S. territories, and select European countries.

Based on the American Fly Fishing Trade Association's (AFFTA) 2012 survey data, there are over 3.83 million fly anglers in the United States. More surprisingly, 31.5% of the \$748.6 million in sales annually (excluding sales of large national chains like Cabela's and Bass Pro Shops) is from the Rocky Mountain region. The Fly Crate's (TFC) paid marketing plan concentrates on the western & southern states. By focusing on these regions, TFC will target nearly 81% of all fly anglers within the United States.

Conservation minded fly anglers that go fishing at least 2 times a month and are between the ages of 18 - 40 are our target market. From a survey conducted in 2011 by the U.S. Fish & Wildlife Service, the age demographic The Fly Crate targets makes up roughly 42% of all fly anglers in the United States. Uniquely, TFC's Monthly Membership is purchased more emotionally than on a rational bias. On the contrary, all flies purchased from the The Fly Crate online fly shop are purchased rationally.

Flies are a consumable product and are required to fly fish. All fly anglers must use flies. Demand for flies is nearly 11% of all sales in the fly fishing industry or \$82.3 million. Not surprisingly, anglers lose on average 3 flies per outing and can lose more than a dozen on stream rocks, nearby trees, bushes and while hooking fish.

By the end of 2018, we are striving to achieve a 0.15% share of the flies market in the fly fishing industry, or about \$123.5 thousand in annual sales. Accomplishing this goal requires that we gain at least 412 members or customers who purchase, on average, \$25 a month of product from TheFlyCrate.com (the fly fishing industry's average cart value is \$25 a month for an individual angler).

5. Product/Service Overview

Please provide the following:

Description (description of your product /service offering and why there is a need; what problem does it solve for the customer?)

Uniqueness (what makes your product unique or special?)

Pricing (describe your pricing structure and strategy)

Suppliers and Vendors (identify your suppliers/vendors; describe your distribution requirements to deliver the product to the customer)

Intellectual Property (identify any existing or planned intellectual property for your products/services)

The Fly Crate is an innovative online fly fishing membership club featuring membership services that saves lives and provide members with premium world-class fly fishing flies for just a few bucks a month, right to their door.

The Fly Crate is the smarter way to fly fish. Our services provide a more convenient way for anglers to purchase fly fishing flies and discover new flies. Members pass all the worries and burdens of fly fishing on to us. No longer do anglers have to worry about matching the hatch or overspending for flies.

Not only do we offer the best fly fishing membership club, but we also support those who support you. The Fly Crate donates 1 fly for every 6 flies purchased, on behalf of the customer, to help make a difference in a disabled veteran's life. All donations go to Project Healing Waters, a non-profit organization that is dedicated to the physical and emotional rehabilitation of disabled active military service personnel and disabled veterans through fly fishing and associated activities including education and outings.

Our monthly fly memberships are priced at \$3 a month and includes 3 premium flies, an automated 15% members rewards discount to our online fly shop, free expert lessons, and a free annual Trout Unlimited Membership. Our business model is not to drive members away with high monthly membership costs. Instead, by keeping our prices low we retain more happy members and become more competitive. In addition, our business model is to enhance satisfaction, with the membership, so that we may up-sell additional flies, virtual courses, and gear to gratified members at a higher margin. Over time, longtime members will build habits and trust within The Fly Crate, and be willing to purchase more.

In the coming months, Fly Crate Members will have the option to upgrade their membership for more benefits. Thus, creating more channels for revenue growth.

Nathaniel Treichler, our founder, has built a strong partnership with the largest supplier of premium flies on the East Coast, Holly Flies Inc. Together we have an agreement for shipping, purchasing, and warehousing supplies. Holly Flies Inc. warehouses and direct-ships all Fly Crate flies for a minuscule fee. We work together to reduce cost and obtain the most valuable shipping and packaging.

The Fly Crate does not hold inventory or ship any products directly. Moreover, TFC has no liability for large quantities of flies that do not sell. In instances where large quantities do not sell, Holly Flies Inc. redistributes the excess inventory and sells it to block and mortar fly shops. This allows TFC to sell a large selection of flies and keep overhead extremely low.

We require all membership packages and fly kits to be made 2 weeks in advance and shipping time for customers to be less than 6 days.

The Fly Crate will be applying for trademarks and copyrights. TheFlyCrate.com is owned by The Fly Crate I NET Services, LLC.

6. Marketing Strategies

Please provide the following:

Promotion strategy (description of the full range of planned communication efforts with your business customers or clients)

Distribution & Logistics strategy (description of your distribution system/supply chain and how this creates value; how do you get your products/services to customers or clients?)

Sales strategy (description of the process for selling your product/service: the direct interaction you will have with the customers)

The Fly Crate (TFC) uses advanced marketing techniques to maximize resources. We use our social media accounts (Facebook, Instagram, Twitter, Youtube) to educate and promote awareness.

The Fly Crate reaches out to influencers, people with large followings, in our niche to help promote and advertise events or deals. We, typically, look for influencers with at least 1,000 followers. On the other hand, we do make considerations for fans who would love to represent The Fly Crate brand.

Our social media accounts only use high-resolution videos and photos to feature. By selling premium products and services, everything we do must reflect that high quality -- even in our social media accounts.

Constantly, we reach out and partner with like-minded organizations to help promote The Fly Crate. An extremely important organization we have partnered with is the largest fly fishing non-profit in the world, Trout Unlimited (TU). As a member of the Trout Unlimited Business Program, TFC is given free blog space, promotion rights to its 150,000 members, and ad space in its national magazine, TROUT. Once a week TFC is given rights to post on Trout Unlimited's Facebook page. With over 120,000 followers on Facebook, 1 post has the potential to net thousands in revenue and help hundreds of veterans.

Facebook is a blessing few companies take advantage of. Advertising costs are incredibly low and ads can be specifically placed in front of a niche group of potential customers. The Fly Crate will maximize and optimize Facebook ads to generate new customers and communicate to lost ones. For a mere twenty cents, we can obtain new members that have a lifetime value of over \$100.

All orders are fulfilled through Holly Flies Inc.'s warehouse in Carlisle, PA. Because of the physical location of the warehouse, most orders will quickly arrive within a 3-5 day period. Shipping is reliable and swift, as we exclusively ship packages via USPS First Class Mail.

Large scale production tying of The Fly Crate premium flies are outsourced to manufacturers in Cambodia. Outsourcing the production of our flies keeps prices low for members and keeps the quality high. Specialty patterns of flies are designed and tied by tiers within the U.S.

By 2018, Nathaniel Treichler will visit all production facilities to confirm whether our flies and products are produced within the principles and values of The Fly Crate's Mission Statement. Our sales strategy is convenience. TheFlyCrate.com is a seamless sales funnel designed to increase value and customer experience. The goal of our website is to show the customer exactly what they want and guide them to the checkout as fast as possible.

Within 7 seconds of using the site, we offer visitors a special discount for only their email. Collecting emails for non-purchasing customers allows us to market free content. Through education and a series of email campaigns, we strive to satisfy our email members enough to where they purchase from our site. Through social media, TFC runs pixel ads to draw visitors back to our website.

7. Human Capital (Leadership, Management, and Personnel)

Please provide the following:

A description of your management team (summary of the founding members, titles and their roles; describe gaps in the key management team, such as a position that is open, e.g. Sales Manager)

Legal structure (describe the form of ownership – sole proprietorship, partnership, corporation or variation of one of these). Describe individuals and percent of equity ownership in the company both for the student(s) and external equity owners.

Personnel (description of your personnel requirements in the non-management team members that you envision requiring, e.g. clerical personnel).

Outside mentors/advisers/consultants (identify any support relations you have to include university based advisors, and *Small Business Development Centers* *(SBDC), external professional advisors and mentors to include Attorneys, Lawyers, Bankers, Industry specialists, etc.). *SBDC Centers are located at Clarion, Indiana, Kutztown, Lock Haven and Shippensburg Universities.

The Fly Crate (TFC) was founded in February 2016 as a Pennsylvania Limited Liability Corporation by Nathaniel Treichler, an Eagle Scout of Boy Scouts of America and a passionate conservationist.

The Fly Crate is a DBA under NET Services, LLC and was formed in February in Pennsylvania as a single limited liability corporation. Steven Werley, The Fly Crate's website designer, owns 10% equity in The Fly Crate. Steven handles large coding projects to bring new technical sales tactics and marketing plans to life. He also handles software problems and help facilitate new updates to the website.

Above all else, the first associate TFC will require is a customer service member. Customer satisfaction is a key component in the success of The Fly Crate. After all, the most important service we provide is quality customer support.

Nathaniel Treichler has been acquiring knowledge and advise from an array of books and virtual mentors. Dr. Steven Welch is a key and active mentor here at Bloomsburg University of Pennsylvania. Steven Werley is an active and critical influence as to how TFC was founded and constructed. TFC would not be here today, if it were not for Garret Rhoads and his mentoring during the creation of TFC's foundation.

8. Operations

Please provide the following:

Location (description of the physical location of your business)

Facilities, machinery, equipment, technology (description of your plans/needs in each of these areas)

Production/Operations or service procedures

Production/Operations or service capacity (description of your business capacity to meet demand)

The Fly Crate's headquarters is located in Northampton, PA. The physical address is Nathaniel Treichler's residence. Although, all warehousing, packaging and shipping is done in Carlisle, PA at Holly Flies Inc.'s warehouse.

As The Fly Crate expands, we will need to optimize how we organize, store, and fulfill each order. Small office organizers and will be needed to proficiently accomplish optimizing our fulfillment center. The Fly Crate plans to use an assembly line to complete orders efficiently and use scanning tracking equipment to help process orders quickly. We have plans to upgrade desktop computers and tablets with needed accounting software that links directly into inventory.

All expansion will be done through Holly Flies Inc.'s warehouse until an independent warehouse will be needed. No machinery will be required to fulfill orders as our products weigh less than 3 ounces and require no manufacturing or assembling.

All products are produced and assembled in their domestic manufacturing facilities. Finished products are then shipped to Holly Flies Inc.'s warehouse where they inspect the quality of the finished product. Once the products pass The Fly Crate's quality measures, they are added and recorded to inventory and await for fulfillment.

Holly Flies Inc. has the capacity to fulfill several hundred orders a day. This capacity will not be met for several years.

9. Financial Analysis

Please provide the following:

Funds required and their uses (identify and discuss your start-up costs, how they will be used, and the assumptions you are making)

Business Model (highlights of the revenue model, financial statement, and/or financial forecast).

TFC's founder, Nathaniel Treichler, provided over \$6,000 in cash in forming this company. Nearly \$3,000 was used to construct and launch the website, TheFlyCrate.com. Over \$1,000 funded the formation of NET Services, LLC and the remaining \$2,000 was used to launch our products on Amazon's marketplace, brand our packaging, improve our membership, and for market research.

We have not raised funding from investors not related to the founder.

TFC is seeking an investment of \$20,000 in exchange for a 20% equity stake in our company at a fair market value of \$100 thousand.

Investor money will be used to add more value to our memberships and online fly shop, and for innovative marketing. A small portion of capital raised will be used to fund the purchase of branded, environmentally friendly packaging, branded stickers, and promotional inserts. Nearly \$5,000 will fund a larger selection of premium flies and purchase inventory to keep up with orders. A little more than \$3,000 will be used to fund a lengthy 6 month (or longer) marketing campaign. From improving our email campaigns, website, and referral program, we plan to increase conversions in our marketing flow. Additionally, a significant amount will be used for Facebook and Instagram ads and promotions. More importantly, nearly half of the investment will be kept in reserves for emergencies and needed expenditures.

When visitors come to our site we offer two options, join the club or purchase from our online fly shop. We use low-margin subscription plans to create repeat customers and raving fans. Over time, we build a lasting relationship with these subscribers and attempt to move them up our value ladder of higher-margin products and services.

Visitors that choose to purchase high-margin flies from our online fly shop are placed into a content marketing campaign to help retain them as customers. Our goal with this marketing campaign is to move these customers over to our paid subscription plans which hold higher retention rates.

Within 7 seconds of visiting the site, we offer visitors a special discount in exchange for their email. Any email we collect is sent through a lengthy content marketing campaign that drips educational and useful resources that drive traffic back to our site. With each email, our goal is to convert these potential customers into paying customers.

We will spend, on average, \$2-\$6 on customer acquisition. The overall lifetime value of a customer is over \$20.

By 2018, TFC will expand into a high grossing market, tying flies. Many fly anglers prefer to make their own flies and spend thousands of dollars on equipment and materials. TFC plans on offering subscriptions and a complete online fly tying shop to service this market. Using a similar business plan as the online fly shop and subscription, we will strive to retain customers through low-margin subscriptions and then up-sell them high-margin products from the online shop.

10. Supporting Documentation

***OPTIONAL: Please summarize your current status/achievements to date** (if applicable – list the achievements that can be highlighted for your business)

Website (if applicable).

Company Logo (if applicable).

Formal Business Plan (recommended, if available).

Other documents that support your plan (Word or PDF File – additional information you wish to provide, any information that strengthens/ supports your submission).

[FlyCrate Supporting Doc1.pdf](#)