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# Live Swell

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# Executive Summary

## *Live Swell*

Live Swell is a small company located on **Long Island** with an official start-up date of Spring 2022. It is a sole proprietorship that is directed towards Long Islanders through providing apparel that represents Long Island and its beaches to the community as well as also **increasing** the **awareness** of our local beach pollution through events and community out-reach. Our goal is to protect and preserve the beaches and ocean we love. The sustainability market has been on a rise due to the increasing awareness of pollution among the **younger generations**. With that being the main target for this business, the growth of the company will follow suit.

Live Swell is positioned to succeed because we offer high **quality**, **affordable** apparel with unique and trendy designs that offer a sense of community. Live Swell designs trendy nautical styled apparel targeted for the young adult population in an array of different products including t-shirts, long sleeve shirts, hats, pins, patches, and stickers. The products are purchased in bulk from different sources. The shirts are purchased in bulk from SanMar and produced by Live Swell. The pins are produced by enamelpins. The hats are produced by UNLTD. The patches are produced by wholesalepatches, and the stickers are produced by stickermule.

Live Swell is asking for a **\$20,000** loan. With this loan we expect to scale and grow operations by purchasing a Col-Desi (DTG Digital) M2 Printer. This will provide the opportunity for the creation of more complex designs using a simpler and **faster** technique to help lower operating costs, **increase** production and **increase** profits.



# Business Overview

## ***Mission, Vision, Values***

Live Swell is a small apparel company located on Long Island, NY, and was created by graphic designer David Martens. He is the sole proprietor of the company. Live Swell is directed towards the young, proactive Long Islanders who care about their beaches. Live Swell provides Long Island with stylish nautical apparel to represent the beautiful local beaches while offering **community outreach** for the local Long Island population so they can feel a sense of bettering their home and be proud to be a part of the community who will take action. The company is mostly located on an online shop through the website **Shopify** as well as occasionally selling products at festivals, fairs, and beach clean-up events. The official start-up date is **Spring 2022**.

## ***Company History***

Waking up early on summer mornings and heading down to the local Long Island beaches is the coffee that starts our day. With such a busy and **growing** Island neighboring the largest city in the world, over the years there has been a growing amount of **trash** along the beaches. When David, his friends, and his family are at the beach, they always end up picking it up. They feel obligated to because it is not just a beach; it is their **home**. Watching the pollution build up on the local beaches is what brought David to create Live Swell.



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Live Swell is asking for a **\$20,000** loan. With this loan we expect to scale and grow operations by purchasing a Col-Desi (DTG Digital) M2 Printer which will allow for the creation of more complex designs using an easier technique, reducing the amount of time and manual labor required in a smaller space. This loan will help provide Live Swell with lower operating costs to produce more products that will **increase** profits.





## Product Offering

Live Swell provides the Long Island community with an array of **stylish nautical apparel**. The apparel includes a wide range of products which are DTG printed light weight t-shirts, long sleeves which are produced on site. As well as, embroidered dad hats, patches, stickers, and textured enamel pins that are produced by an outside source. Orders are then nicely packaged based on market research, the pricing of these items are more **affordable** than the competitors which allow Live Swell to stay competitive.

### Product 1 - Solid White Live Swell Short Sleeve

**\$24.95** - (Shipping Included Competitive-Based Pricing)

**Quantity** - (644)



Produced by Live Swell

Solid White Bella Canvas Unisex Triblend T-Shirt. **DTG printed** logo on left chest & center back. Soft light weight unisex sizing. Pre-shrunk with a tear away label. Produced by Live Swell



### **Product 2 - Heather Dark Gray Live Swell Long Sleeve**

**\$29.95 - (Shipping Included Competitive-Based Pricing)**

**Quantity For 2022 - (534)**



*Produced by Live Swell*

Dark gray heather Unisex Jersey Long-Sleeve T-Shirt. DTG printed sleeves & screen printed logo center back.

Soft light weight unisex sizing. Pre-shrunk with a tear away label.

### **Product 3 - Black Washed Dad Hat**

**\$19.95 - (Shipping Included Competitive-Based Pricing)**

**Quantity For 2022 - (412)**



*Produced by UNLTD*

Black washed dad hat with metal buckle fastener & white **embroidered** icon.



**Product 4 - Plastic Sucks Hard Enamel Pin**

**\$6.95** - (Shipping Included Competitive-Based Pricing)

**Quantity For 2022** - (404)



Produced by **EnamelPins**

Custom made 1.00"H x .50"W hard enamel pin. Produced by **EnamelPins**

**Product 5 - Live Swell Iron-On Patch**

**\$3.95** - (Shipping Included Competitive-Based Pricing)

**Quantity For 2022** - (410)



Produced by **Wholesalepatches**

Custom made 1.00"H x 1.00"W iron-on logo patch. Produced by **Wholesalepatches**



### **Product 6 - Live Swell Sticker**

**\$2.95 - (Shipping Included Competitive-Based Pricing)**

**Quantity For 2022 - (808)**



Produced by **Stickermule**

Custom made 1.50"H x 1.50"W digitally printed vinyl sticker with a matte finish Produced by **Stickermule**.





# Market Need

## **Target Audience / Emotional Needs**

Live Swell targets young Long Islanders because according to 'The Global Sustainability Study 2021' that was conducted by Simon Kucher & Partners. A demographics survey determined that within the ages of **18-39** which is **40%** of the target audience have **increased** attitude in the importance and willingness to pay for sustainability. The average median household income with the 4 counties of Long Island is \$91,328. 46.35% of the population is white, and a population of **7.8 million** individuals.

## **Market Size**

For Live Swells market size as a start up, the population in 2021, the total population is **7.8 million**. The target audience is between the age of **18-39**. This brings **1.7 Million** potential users. According to 'The Global Sustainability Study 2021' that was conducted by Simon Kucher & Partners. **63%** of global consumers have made modest to significant changes to their consumption behaviors over time in an effort to live **more sustainably**. This brings the potential users to **1.08 million**. The potential penetration rate could be **.25%** and per year customers could will spend \$20 a year. This can result in a potential revenue of about **\$54,000** for the first year.



# Competitive Analysis

## Industry Overview

The clothing and apparel industry has been around for many years, but it is changing rapidly due to the progressing technology. **Online apparel** shopping has been on the rise because people find it an inconvenience to go out and buy products. Two main competitors for Live Swell are **Long Island Strong** and **Locals Only**. Both companies have online platforms including a website and Instagram to advertise and sell their products.

## Key Competitors With Comparison / General Competitors

**Locals Only** is a clothing brand whose mission is to create a local Long Island lifestyle. Their main marketing strategy is posting **product shots** on their Instagram to lead the customers to their expensive online shop. Both Locals Only and Live Swell use designs to create a brand lifestyle and implement an online platform. What gives Live Swell a competitive edge with Locals Only is our **community outreach** and **environmental services**. The competitors messaging strategy is just keeping it local and representing Long Island as a community. Live Swell takes the Instagram advertising a step further by not only showing off apparel and designs of a Long Island lifestyle, but also sharing with the community the company's environmental benefits and **encouraging** pollution free lifestyles. Locals Only's pricing is also expensive compared to other local apparel competitors on the island that gives Live Swell an advantage to have more competitive prices.

**Long Island Strong** is similar to Live Swell in the way that it is as an apparel company directed towards Long Islanders that creates a Long Island



life style. Their main marketing strategy is **social media** based. They post product shots on their Instagram to lead the customers to their **expensive** e-commerce shop. The pricing for their apparel is expensive as well which gives Live Swell a competitive edge. They have one shop location on the island that they recently opened. The competitors messaging strategy is similar to Locals Only in the way of representing Long Island as a community.

General competitors would be other local apparel stores that have no relation to the Long Island culture. Companies with a positive missions such as Life is Good, Plant Faced Clothing, Patagonia and other companies of that nature. Another would be local thrift stores that sell cheap clothing. Live Swell can benefit with local apparel stores. An **opportunity** to carry the product is there.





## **Competitive Forces In The Industry**

Online apparel shopping has been on the rise because people find it an **inconvenience** to go out and buy products. The compound annual growth rate of ecommerce in the United States has hit a record of **14.2%** of total sales for the year 2021. With Shopify.com having an annual large gross merchandise volume of **\$54.10** billion dollars. This matters for Live Swell since it is an ecommerce based company that will sell merchandise on **shopify.com**. With hosting beach cleanup events, competitors would be Operation Splash. A non profit conservation service on Long Island. Small donations will be donated to their organization.

## **How Business Is Positioned To Succeed**

Live Swell is positioned in this niche market because their for the **young**, **proactive** Long Islanders who **care** about their beaches. Based on The Global Sustainability Study 2021 conducted by Simon Kucher & Partners, **85%** of people have shifted behavior to be more sustainable and **1/3** of millennials will choose a **sustainable alternative** when available. As attitudes towards sustainability and the environment continue to shift, brands like Live Swell will be actively sought out. Combined with our appealing designs, Live Swell is positioned to provide attractive clothing while making an **impact** in the community.



## Sales & Marketing

### How Live Swell Gains Customers

Festivals being a popular event for Long Islanders, can be **beneficial** for Live Swell. Customers will be captured at pop up events and festivals such as Babylon Argyle Festival which is held in a nautical town close to the beaches. Live Swell will work on holding a station at **several** of the festivals throughout Long Island. These festivals serve a great opportunity for **advertising** as well as selling apparel. Apparel will also be sold in local beach and surf shops throughout Long Island. Instagram, a media platform used predominantly by **young adults**, is also another way of capturing customers. It is beneficial for marketing through photography because it reaches the target audience of 19-39 year olds.

### Business Development Budget

Live Swell anticipates startup costs of **\$1,000**, which will be covered by the owner's investment of **\$1,000**. The supplies needed for these operations will consist of ink, photo emulsion, hangtags, thank you cards, and shipping packages. During certain times of the year, Live Swell's spending on supplies will briefly increase as a result of the Beach Cleanup events. The events will take place during the **spring** and **fall** seasons. The two main subscriptions that are needed for these operations are Adobe Suite which is used during the creative process and Shopify which is used for the online store. Both subscriptions are monthly payments. The advertisements of the products and promotions will be displayed on the social platform Instagram and this will be paid for monthly.



# Ownership & Management

## ***Ownership Structure***

Live Swell as of now is a sole proprietorship that is **100%** owned by David Martens. A sole proprietorship certificate is needed as well as a sales tax certificate of authority which allows the company to sell apparel to the public. These can be filed at **suffolkcountyny.gov**. Live Swell is expected to take on partners and hire employees in the future. During the expansion, Live Swell will become an LLC.

### ***David Martens - (FOUNDER / DESIGNER)***

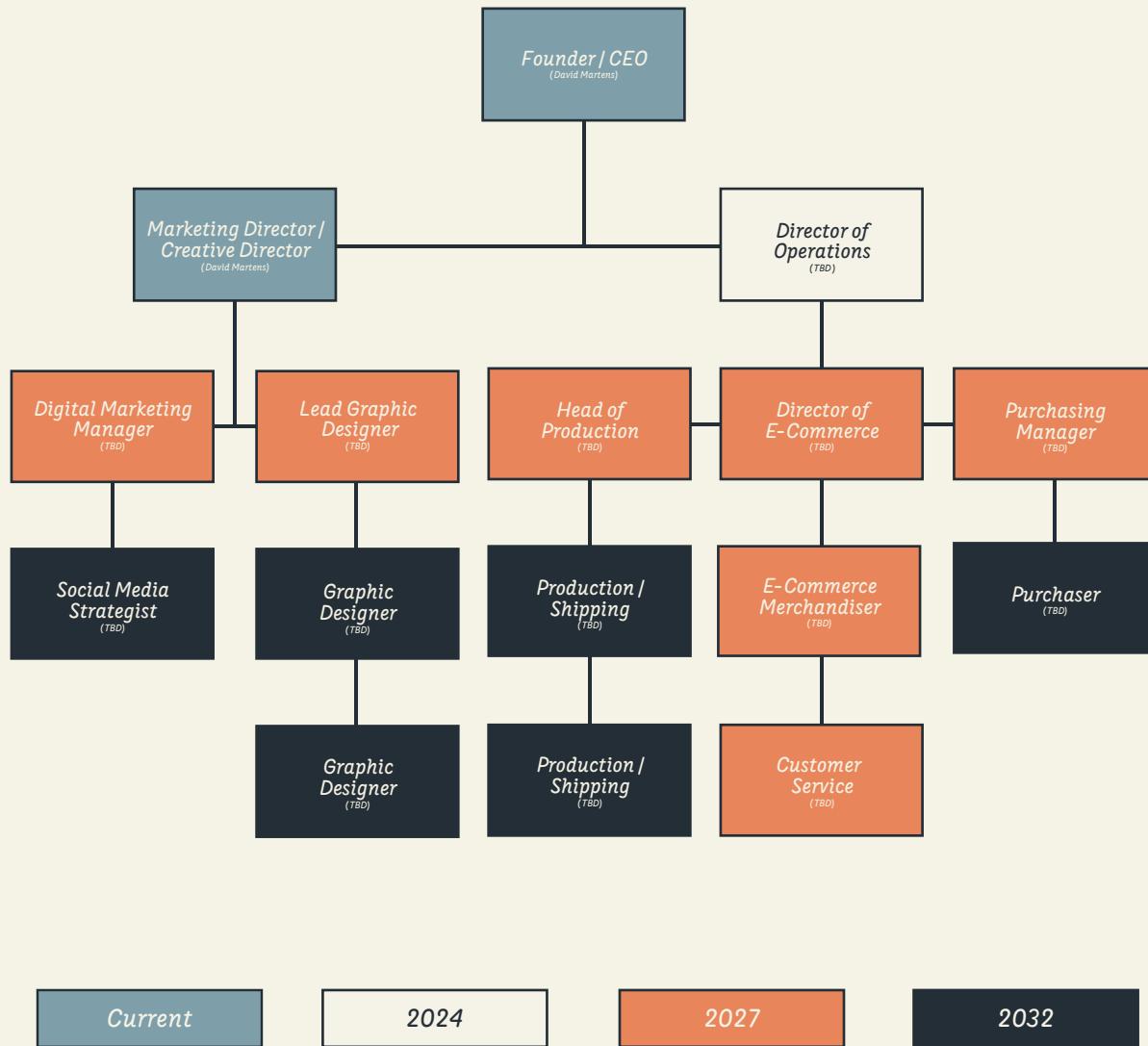


David Martens has a BFA in **Graphic Design** from SUNY Purchase and a MPS in **Business In Art & Design** from Maryland Institute College of Art (MICA). With almost **10 years** of graphic knowledge and **3 years** in the apparel and marketing industry, David Martens has the skill set to lead the marketing and creative team through projects.



## Organization of Live Swell

I am the only employee for this company as of now. We do work with several vendors which will help **produce** our embroidered items, stickers, patches, and pins. Everything runs through me as I am the CEO, Creative Director, Marketing Director, and Director of Operations. In **2024**, Live Swell expects to onboard an employee. 7 employees in **2027** 6 more in **2032**.





## **Key Employee**

As the key employee of Live Swell, David Martens holds the position of Founder/CEO, Marketing and Creative Director and Director of Operations. As Founder and CEO, David Martens has the **communication** skills and a **growth** mindset to take the company forward. With almost 10 years of graphic knowledge and 3 years in the apparel and marketing industry, David Martens has the skill set to lead the marketing and creative team through projects. As the Director of Operations David Martens directs the business operations and oversees the Head of Production, Director of E-Commerce and Purchasing Manager.

## **Future Employee**

Live Swell plans on **hiring** more employees in the years to come as the company grows. In **2024** we will need a Director of E-Commerce who will work under the Director of Operations that is responsible for **monitoring** performance analytics, Shopify traffic, and product performance. In **2027** we will grow the marketing side of the company. First, we need a Digital Marketing Manager who will work under the Marketing Director and is responsible for taking the lead and further **developing** short-term advertising techniques as well as implementing and overseeing long-term **digital marketing campaigns**. They must be skilled at **enhancing** brand awareness and **generating** sales leads. The Digital Marketing Manager will be responsible for driving traffic to the company's Shopify and Instagram. A Social Media Strategist will work under and support the Digital Marketing Manager. Their responsibility is to strategically **drive engagement** to the Company's Instagram.



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Live Swell will **grow** the creative side as well. We will need a Lead Graphic Designer who will work under the Creative Director and is responsible for designing, and **creating** collateral. They will work closely with the marketing team and help **guide** the Graphic Designers from project to project. **guide** the Graphic Designers from project to project.

Under the Operation side of the company, we will grow production. We will need a Head of Production who will work under the Director of Operations that is responsible for leading and **managing** Live Swells production and shipping team. They will control **manufacturing processes**. A E-Commerce Merchant will work under the Director of E-Commerce and work collaboratively with other teams to ensure current marketing campaigns are best represented across Shopify. They must work closely with customer service to ensure the best overall online customer experience. Customer Service will work under the Director of E-Commerce that is responsible for **supporting customers**. A Purchasing Manager will work under the Director of Operations and is needed to support the Purchaser and find the **best** available quality apparel goods for the lowest price.





# Operating Plan

## Immediate Initiatives

1. Live Swell is developing a wide range of designs for apparel **prior** to launch in order to prepare for product development. The company plans to pre-order apparel from SanMar and screenprint the designs prior to launch to ensure a **quick** delivery of products.
2. We will begin to create visual content for **Instagram**, such as uploading prelaunch posts and product shots to prepare for the launch.
3. We are finalizing the **website** development to prepare for an easy launch.

## Keys to Success

1. Fashion is constantly changing. The creative team who are responsible for **creating** designs for the apparel are required to continue **researching** fashion of the desired target population to insure up-to-date, trendy designs.
2. The marketing team will offer consistent, **clever** marketing to capture more customers.
3. Live Swell will maintain **good communication** with the park managers of the beaches throughout Long Island to allow for easy planning and setup of beach cleanup events.



## **Risk Mitigation**

- 1.** In the event of an increase in costs of raw materials, shipping and/or taxes, the company will **increase** product prices in comparison and will **notify** clients as to the reason why prices have increased.
- 2.** Supply chain shortages are always a risk. To prevent delays in product development and deliveries, we will have **backup** wholesale apparel companies in the event of shortages.
- 3.** Live Swell will invest in **event liability insurance** to protect the company in a circumstance of injury during an event hosted by the company such as a beach clean up.





# Goals For Growth

## ***The Vision for Live Swell***

The vision of the company is to **expand** beyond Long Island to the tristate coastal areas. We want to increase the awareness of beach pollution and encourage the formation of communities for a wider spread of beach clean ups. By expanding Live Swell to surrounding areas, there is more **opportunity** to capture customers. Evolving and retiring apparel designs is a technique Live Swell will use to create a scarcity and to keep customers coming back to buy more.

## ***Changes That Are Needed***

As sales increase, the company would need to **scale up** in production. Live Swell aims to open a warehouse to house more production. This will help keep up with the demands.

## ***Live Swell In 2 Years 5 Years & 10 Years***

In **2025** we expect to profit **\$125,920** in revenue, a large presence on Instagram with a quarter of our competitions following, as well as a new employees that will be joining our team. In **2027** we expect to hire 6 new employees as stated on page **16-19**. In **2032** we expect to hire 7 new employees as stated on page **16-19**. We would expand and develop the departments by breaking apart the roles into different positions in order to focus the responsibilities of each employee into one speciality, thus helping the company grow. The goal is to advance from a sole proprietorship to an LLC.



In **2032** we expect to surpass **\$2,245,279** in revenue per year with an expected increase of **40%** every year, a large presence on Instagram with at least 150k follows, a team of 15, and another location **beyond** Long Island in the tristate coastal area.

### **Exit Strategy**

David Martens plans to run this company until he draws his **final** breath.





# Finances

## **Financial Summary / Overview**

After receiving a loan for **\$20,000**. We will purchase a DTG machine that will help save money, limit human error, and speed up production. Loan payments will cost \$470 a month for 4 years. Live Swell will pay \$150 a month in advertisements through Instagram. We will pay for the cost of subscriptions which are the Adobe Creative Cloud and Shopify that will be a combined cost of \$82 a month. The packaging and other operating expenses such as ink and dyes will cost a total of **\$1,860** for the year.

Live Swell purchases from various distributors at bulk 3 times a year. The short sleeve, long sleeve shirts, and hats are bought in bulk from the wholesaler SanMar. At the end of the year 644 white short sleeves will cost **\$2,898** and will sell for \$24.95 with shipping included for a 82% gross margin. They are produced in-house. The 534 heather dark grey long sleeves will cost \$4161 and will sell for \$29.95 with shipping included for a 80.75% gross margin. They are produced in-house. 412 hats will cost **\$1,474** and will sell for \$19.95 with shipping included for a 82.50% gross margin. They are produced by UNLTD who will receive the goods and embroider it on site. Pins are bought and produced in bulk from the wholesaler EnamelPins. 404 pins will cost **\$1,020** and will sell for \$6.95 with shipping included for a 64.29% gross margin. Patches are bought and produced in bulk from the wholesaler Wholesalepatches. 410 patches will cost \$430 and will sell for \$3.95 with shipping included for a 75% gross margin. Stickers are bought and produced in bulk from the wholesaler Stickermule. 808 stickers will cost \$252 and will sell for \$2.95 with shipping included for a



90% gross margin. The total cost of goods will be **\$10,235** and will sell for a total of **\$47,252** for the year **2023**. Live Swell is projected to break even after the **7th** month of operation. We are estimating a growth of 40% per year. By the end of **2025** we profit **\$125,920** and on boarding our first team member who will help run the ecommerce website.

