Gallery White

Curated Gift Box

The Economics of Wonder: Scaling the High-AOV Confectionery Model

Operational roadmap to Year 2 Profitability via a $2,185 Average Order Value

Profitability is not driven by volume, but by premium curation. Our target is not the impulse buy; it is the corporate destination. This blueprint outlines the mathematical path to securing high-margin dominance in the experiential retail sector.

Data Corner

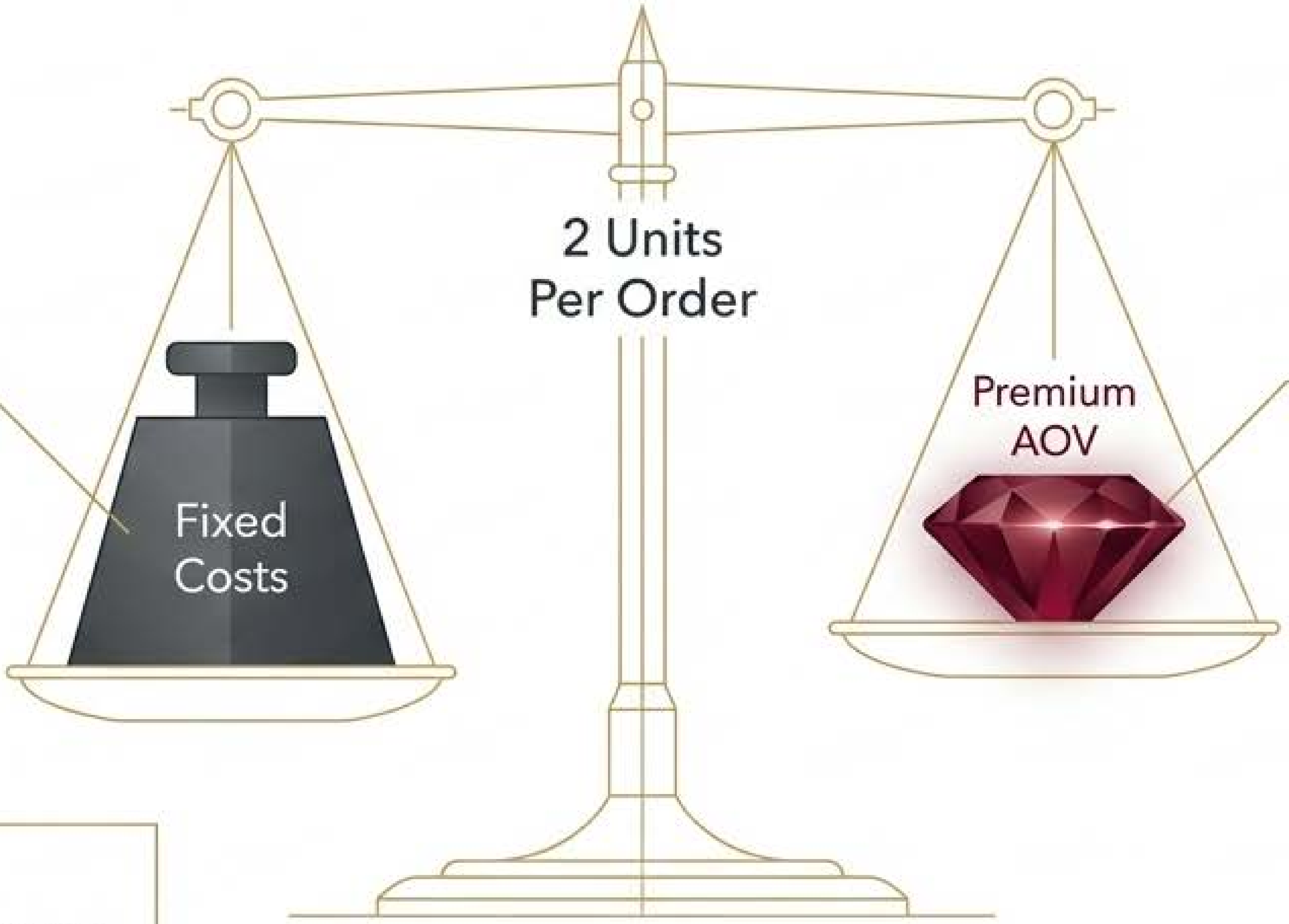
Avenir Next

North Star Metric

» Target AOV: $2,185 «

The Core Business Equation

Monthly Fixed Overhead: $12,867. Requires significant offset.



Premium AOV: $2,185. Driven by 815% Contribution Margin.

Insight Box

High margins are the strictly necessary counter-weight to low volume. Every single order must contribute significantly to fixed cost recovery.

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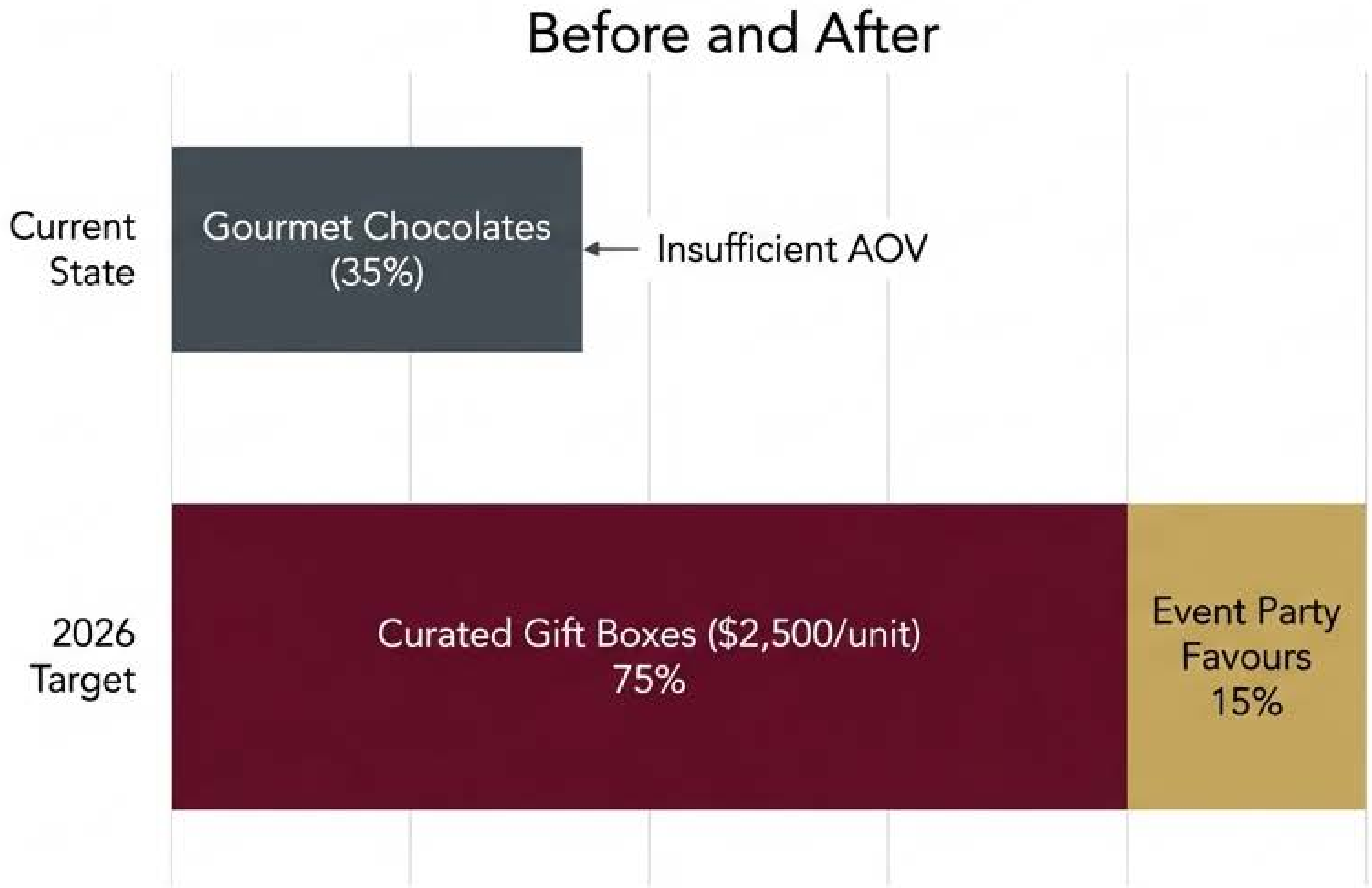
Contribution Margin

815%

Concept Lock and Product Mix Evolution



- **The Driver:** Shift focus to packaged goods averaging $2,500.
- **The Strategy:** Prioritise corporate clients and bulk orders over individual footfall.
- **The Constraint:** Onboarding bulk clients takes 14+ days; high churn risk if lead times lag.

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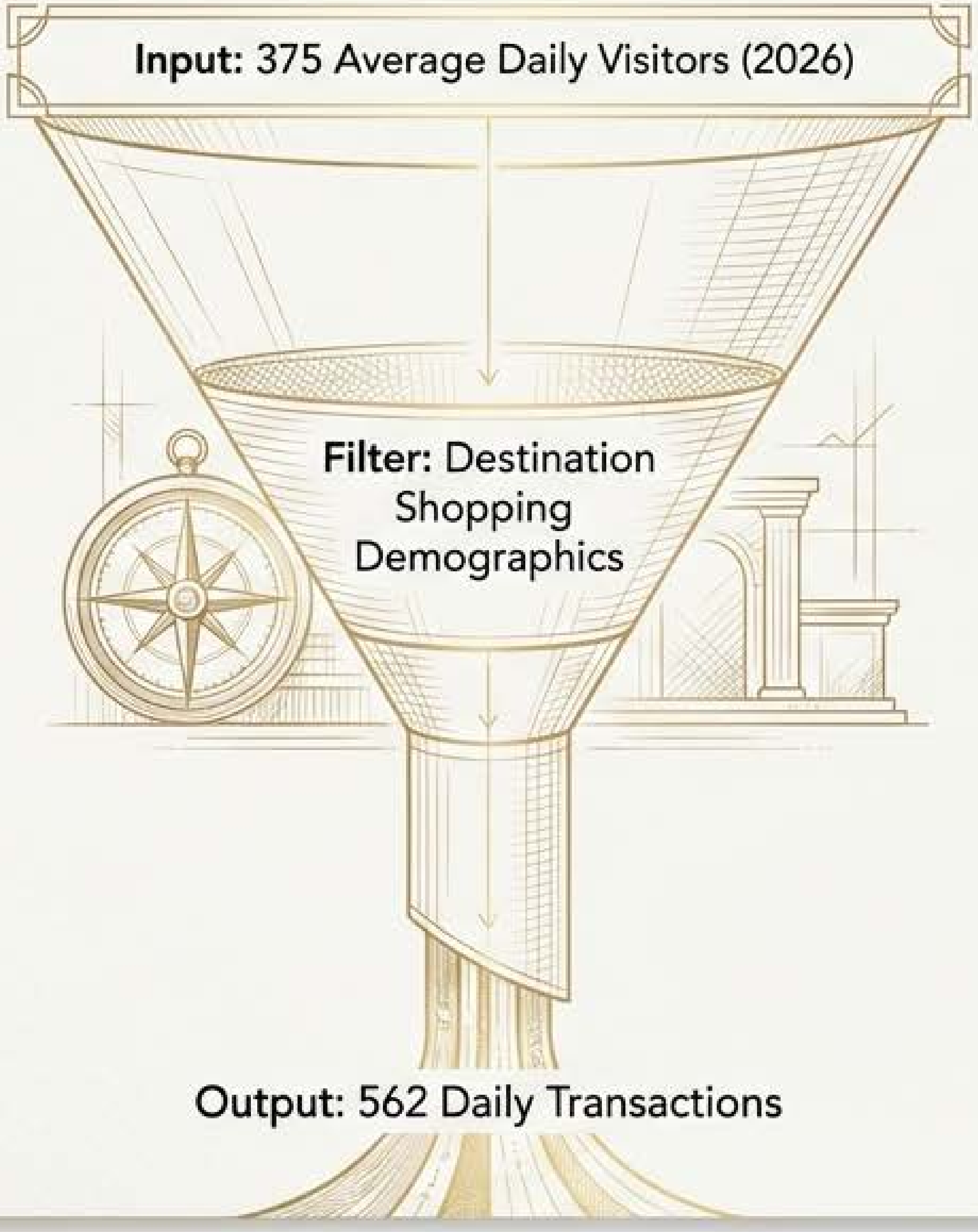
Target Rev Mix

75% Gift Boxes

Market Dynamics and Conversion Anomalies



The Conversion Anomaly:

Targeting a 150% initial conversion rate.
Visualised as 1.5 items purchased per single footfall.

Reality Check:

Note: 150% conversion implies multiple unit purchases per single visitor or immediate return visits. This is an aggressive target requiring precise audience targeting.

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Daily Transactions

562

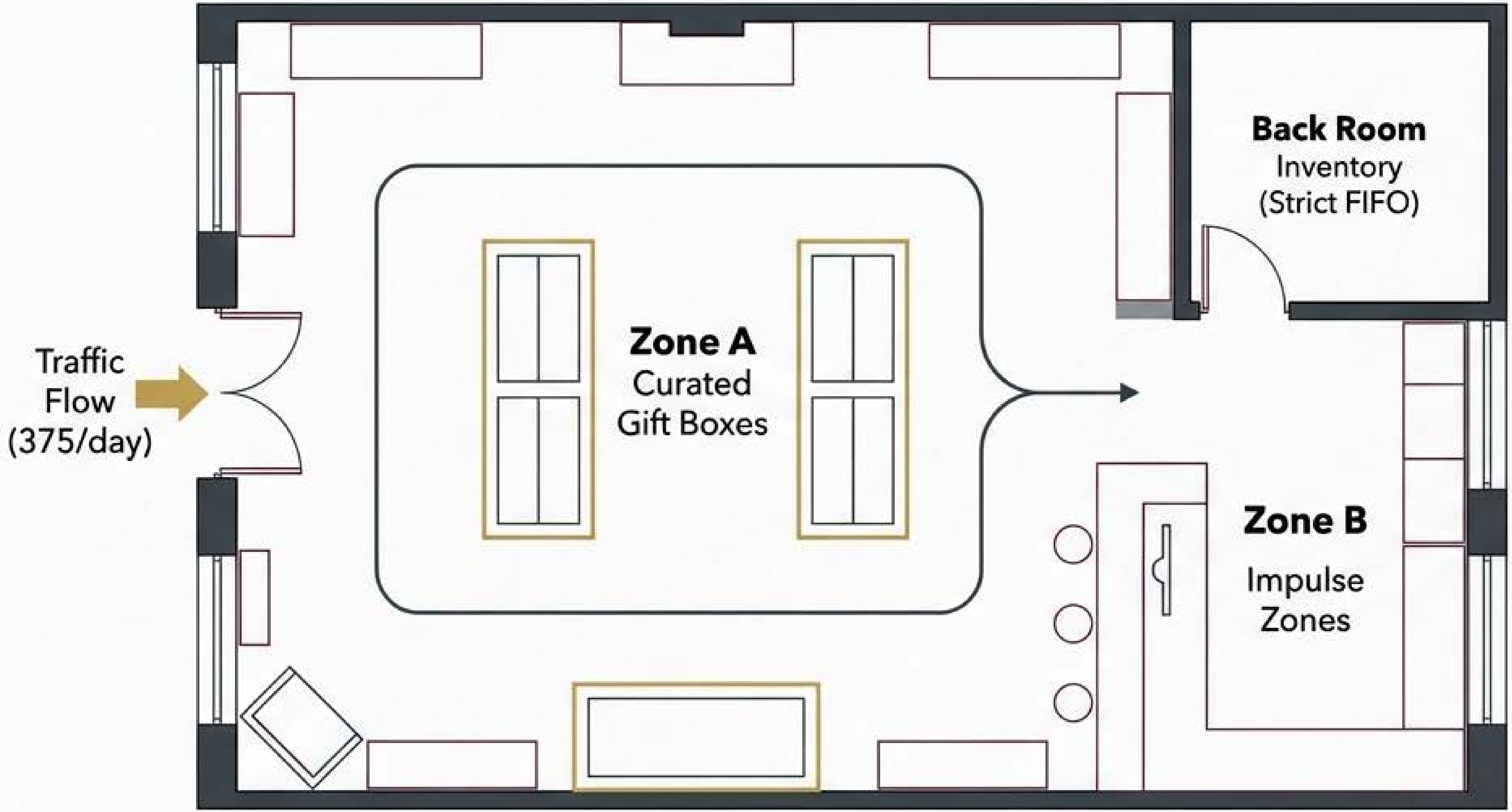
Operational Infrastructure and Capital Requirements

The build-out is cheap; the runway is expensive. The $844,000 minimum cash balance (**required by Feb 2026**) is the true capital call to survive the operational burn until revenue stabilises.

Min Cash Balance

$844,000

Physical Store Layout and Inventory Control



Operational Protocols

Flow Control: Guide visitors past high-ticket displays first.

Risk Mitigation: Strict First-In, First-Out (FIFO) protocol to combat spoilage.

Inventory Logic: Stock audits must align with high-margin strategy; prevent over-ordering slow movers.

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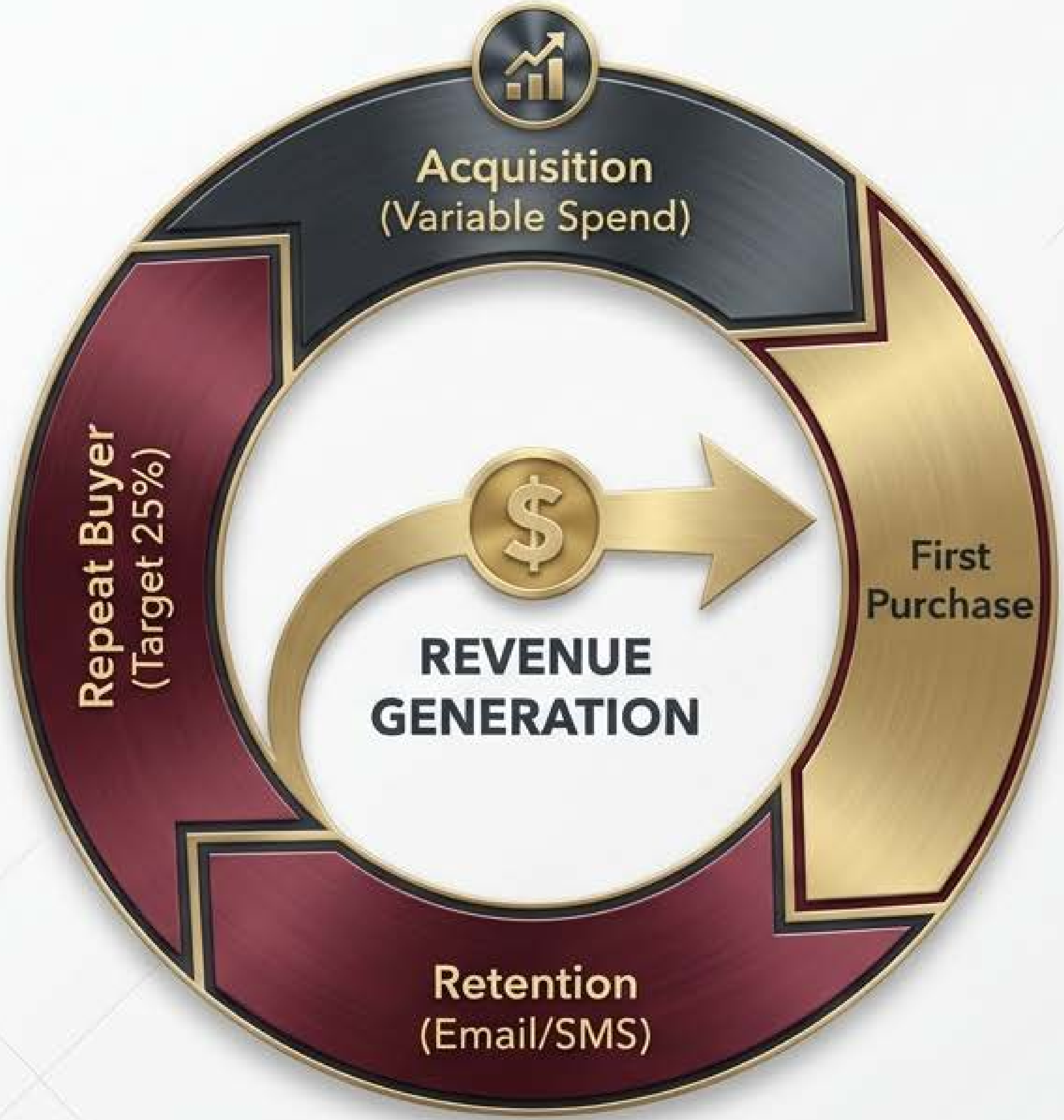
Inventory Risk
Spoilage: High

Converting Spend to Lifetime Value (LTV)

Budget Allocation:
30% of revenue to variable marketing.

Retention Focus:
40% of budget allocated purely to post-purchase engagement.

The Goal:
Turn first-time buyers into revenue sources within 6 months.



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Mktg Budget

30% of Rev

Organisational Structure and Scaling

Constraint:
Strategic Note: Headcount is the primary fixed drag.
If sales velocity lags, delay non-essential hires immediately.

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Fixed Labour

1 Mgr + 15 FTE

Cash Flow and Breakeven Timeline

The Daily Nut

Requirement:
~24 orders/day needed to cover $154,400 fixed costs.

The $844k capital injection is specifically calculated to bridge the gap to July 2026.

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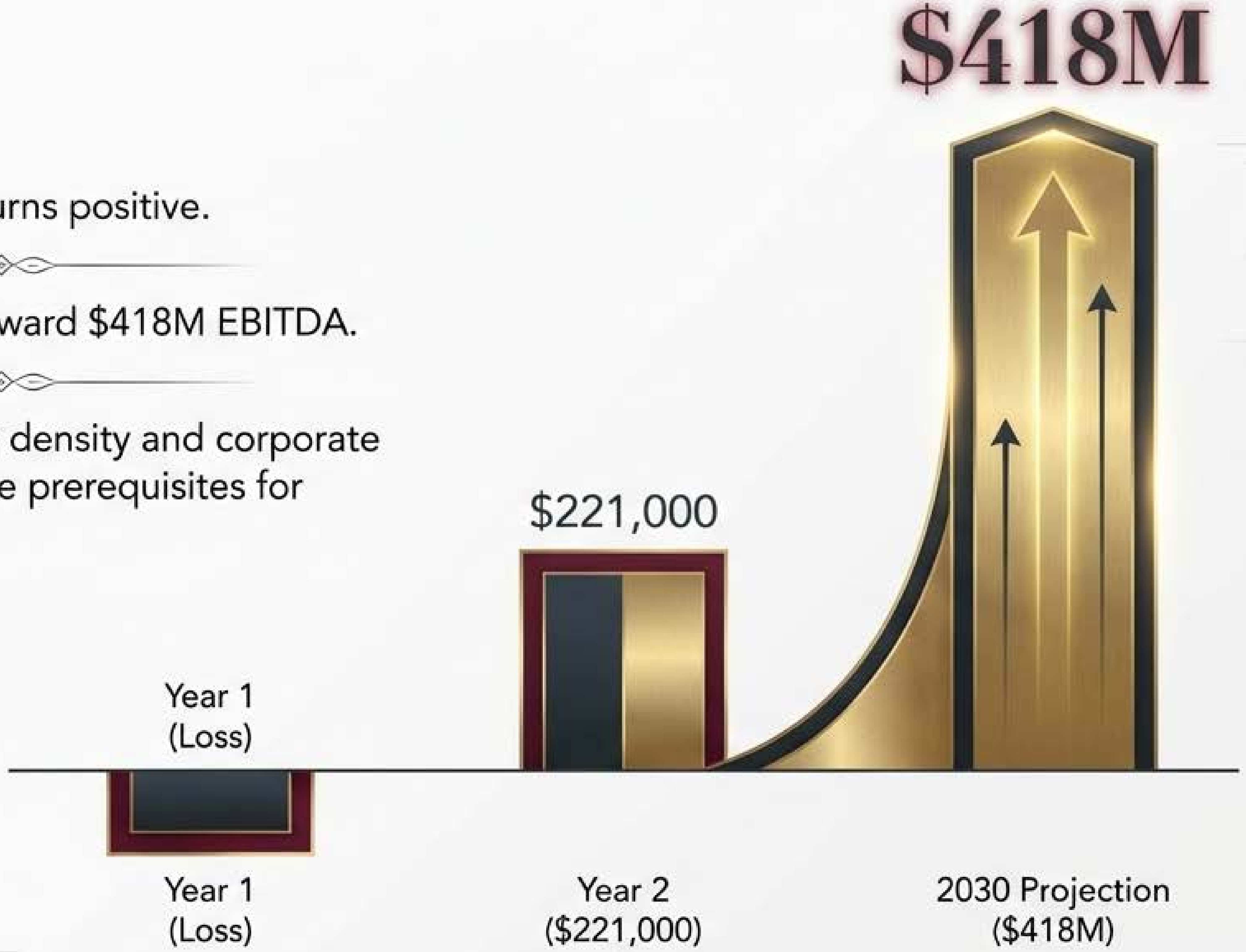
Breakeven

Month 7 (July)

Long-Term Financial Projections (2026–2030)

- **Year 2**: EBITDA turns positive.
- **Vision:** Scaling toward $418M EBITDA.
- **Key Lever:** Order density and corporate bulk orders are the prerequisites for this scale.



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Year 2 EBITDA

$221,000

Critical Risk Factors and Mitigation

Warning

Risk: 120% COGS vs Inventory Costs.
Impact: Negative Gross Margin.
Action: Urgent vendor renegotiation.

Risk: Perishable Inventory.
Action: Negotiate smaller, frequent deliveries.

Risk: Slow Uptake.
Action: Secure $20k contingency line of credit.

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Contingency
$20k Line of Credit

Execution Checklist and Immediate Priorities

High Margin. High Service. High Experience.

- **Capital:** Secure $844,000 funding runway.
- **Product:** Lock Step 1 Mix ($2,500 Gift Sets).
- **Operations:** Review vendor terms to resolve COGS anomaly.
- **Real Estate:** Finalise Lease for destination location.

Success hinges on validating the 150% conversion rate in the first 30 days.

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Status

Ready to Execute