



The Fabric Store: Operational Blueprint & Financial Strategy

From Launch to \$13M EBITDA (2028–2030)

Investment Thesis & Operational Snapshot

A high-overhead retail model stabilized by high-margin education services.



The Strategy:
Utilize high-margin workshops to absorb fixed costs and bridge the 26-month runway.

The Maker Economy: Demand & Willingness to Pay

The Volume Driver



Target:
Quilters &
Apparel
Makers

Baseline AOV:
\$38 (Retail)

Insight:
Value quality
materials; drive
inventory turnover.

The Margin Driver



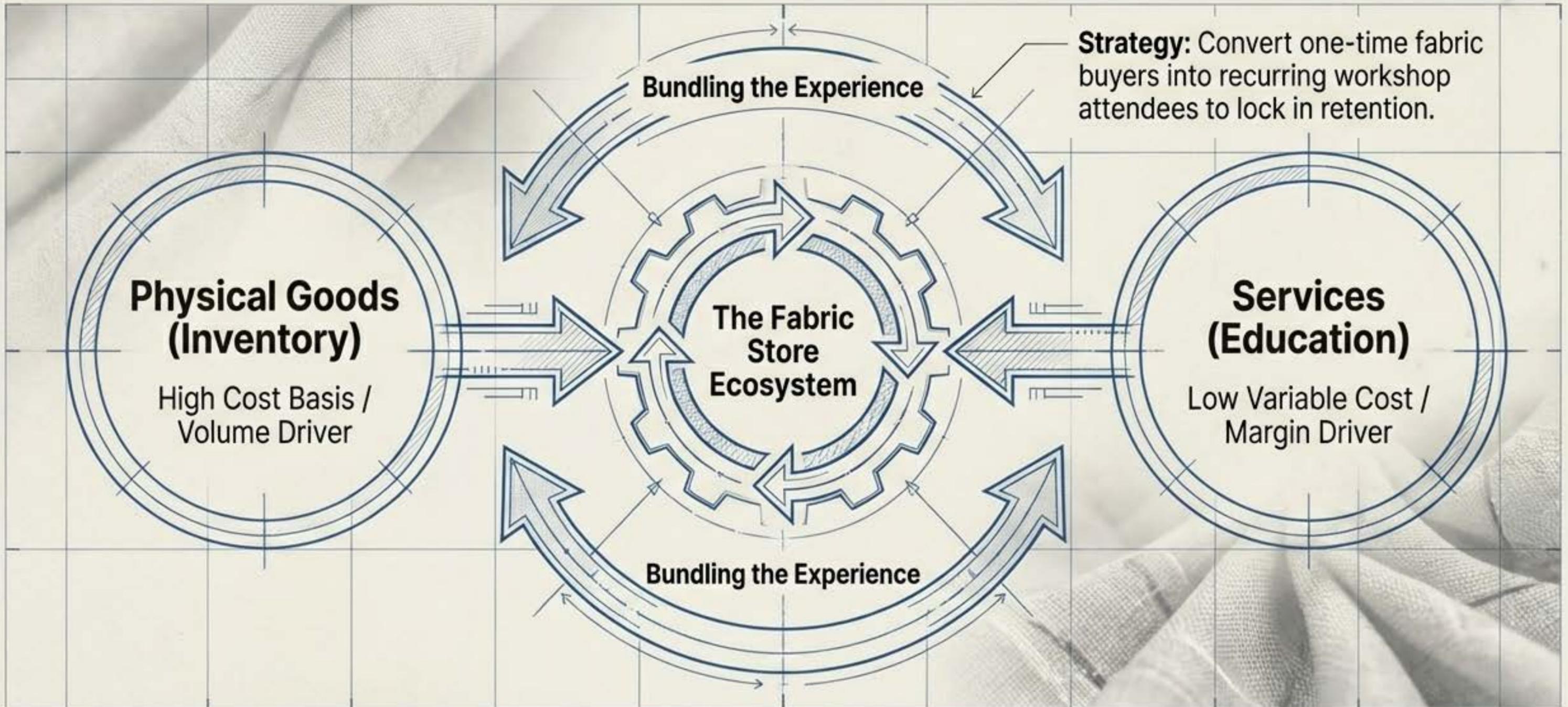
Target:
Skill-
Seekers

Workshop Fee:
\$65 per
Session

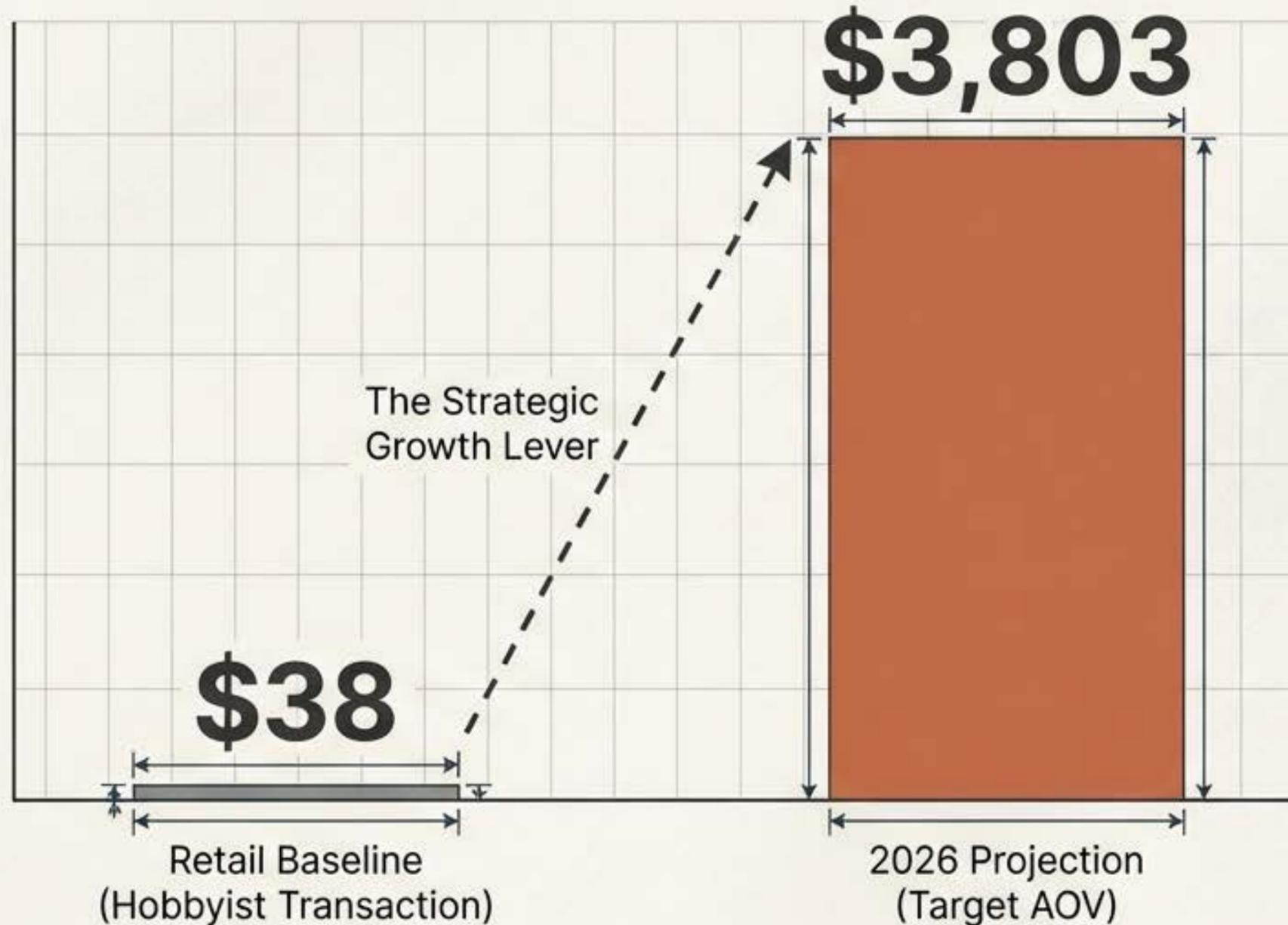
Insight: High
price elasticity;
boosts Customer
Lifetime Value.

Strategic Insight: Hobbyist sewers are key initial buyers, but Workshop Attendees represent the path to scalable margin.

The Hybrid Revenue Engine



Optimizing Average Order Value (AOV)



Bridging the gap requires shifting from single-bolt sales to bulk purchases and high-ticket bundled workshop enrollments. Validation against yardage bundles is critical.

Anatomy of a Sale: Margin Management

Fabric Inventory

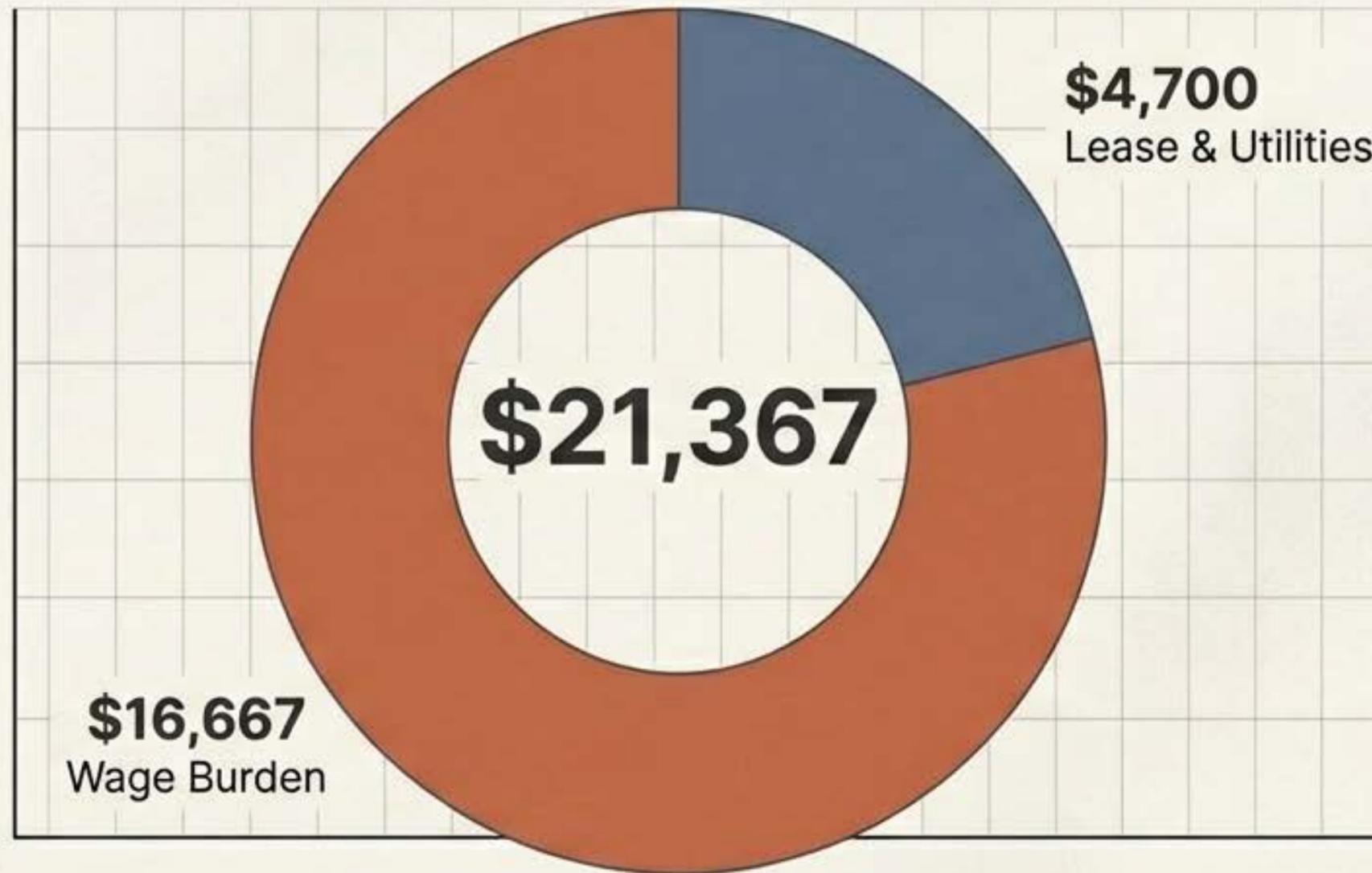
- **Cost Basis:** 120% (High COGS)
- **Risk:** Volatile Supplier Pricing (120% - 100% swings)
- **Strategy:** Requires aggressive retail markup.

Workshops

- **Cost Basis:** 20% (Low COGS)
- **Value:** Staff time is the only variable.
- **Strategy:** Grow Fees to >25% of revenue to blend down costs.

High-margin services
subsidize high-cost
inventory.

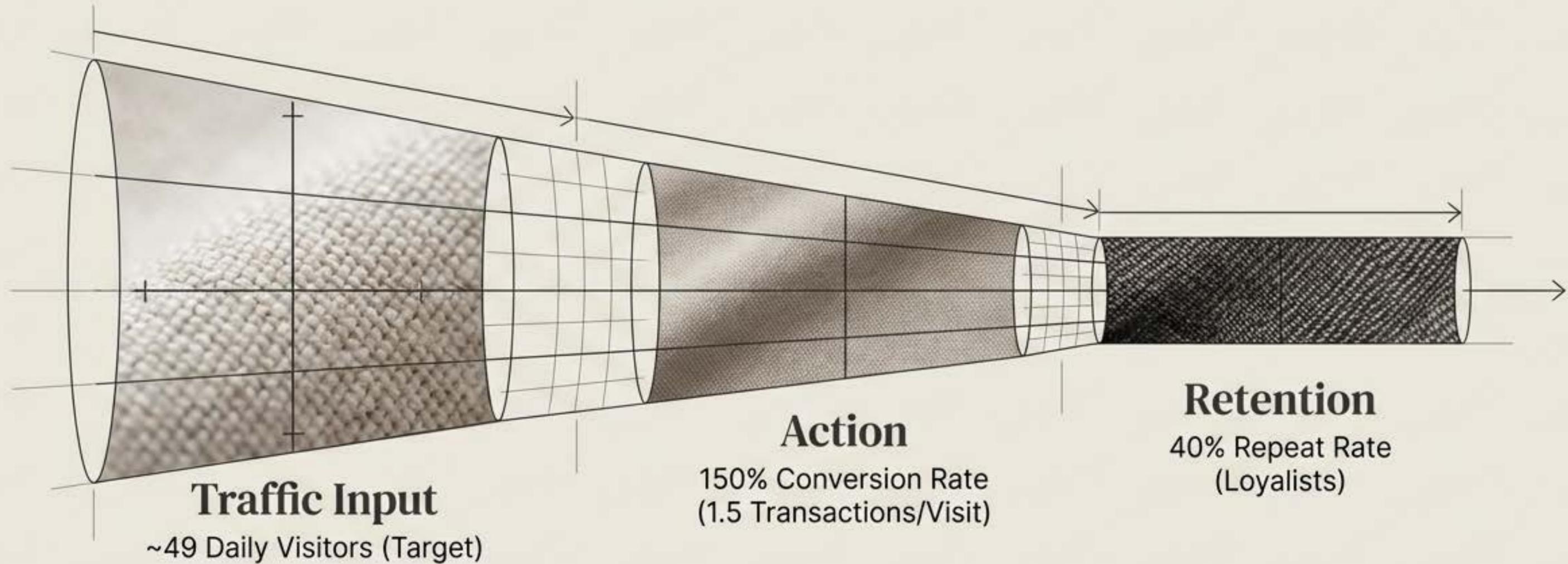
Operational Reality: The Monthly Breakeven



Total Monthly Fixed Overhead

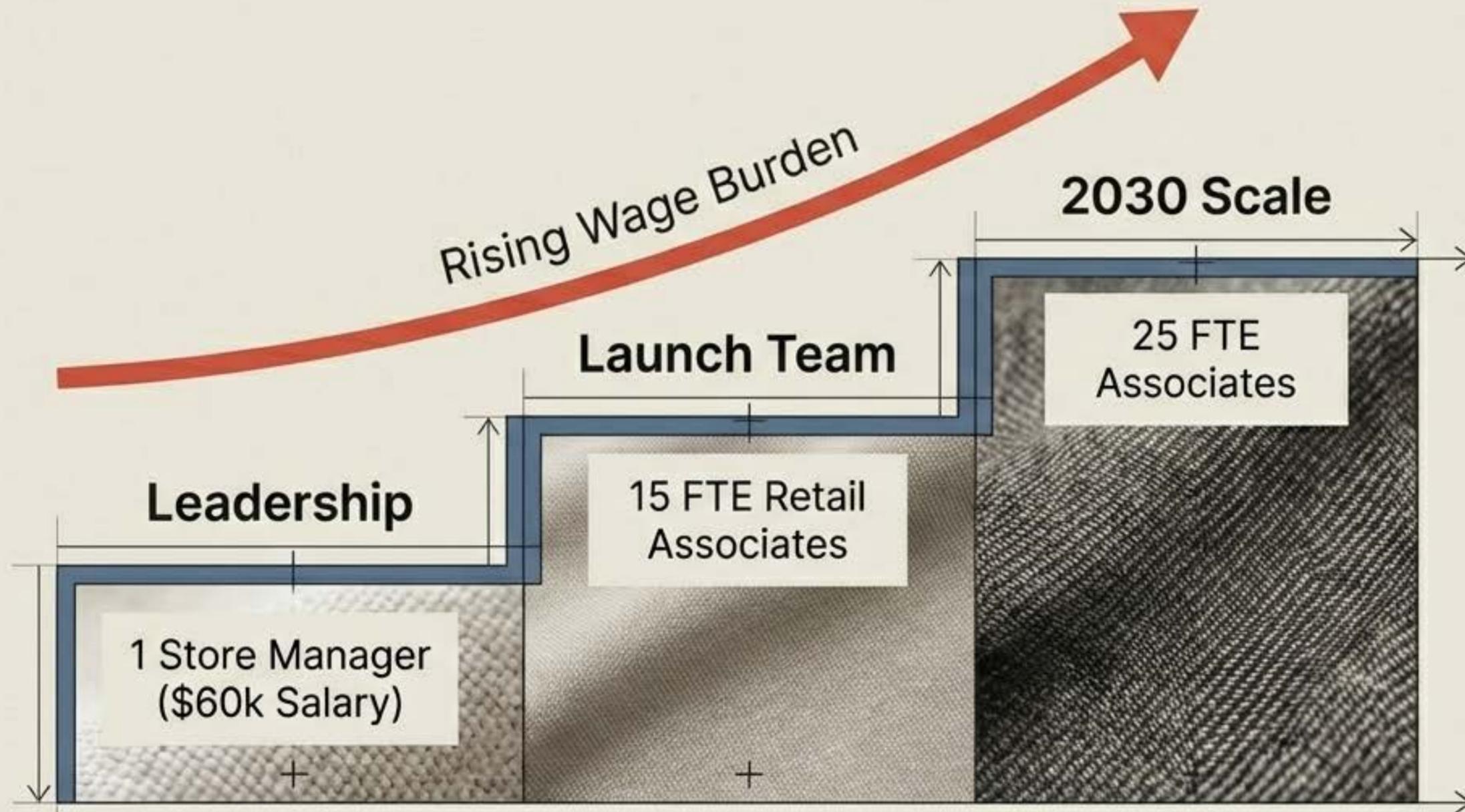
This is the non-negotiable floor. We must generate massive transaction volume to clear this \$21k hurdle before the business sees a single dollar of profit.

The Funnel: Driving Throughput



Visitor volume sets the revenue ceiling. Conversion efficiency delivers the profit.

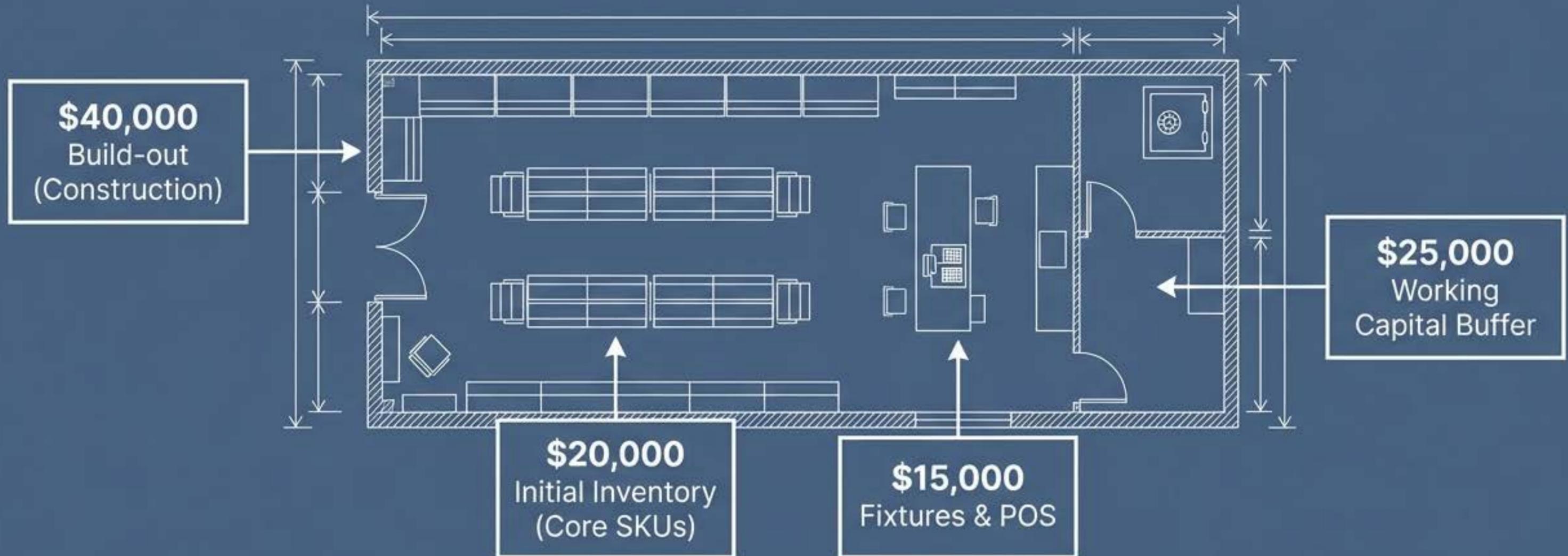
Human Capital Roadmap (2026–2030)



Efficiency Challenge:

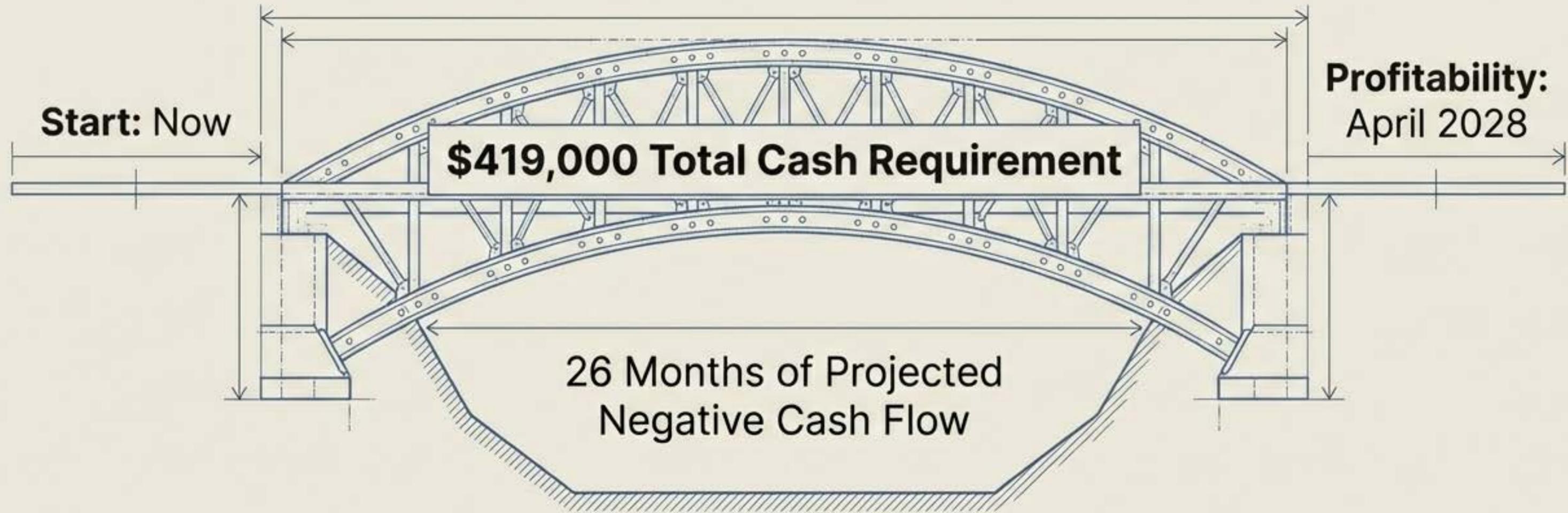
Revenue per FTE must outpace labor costs. A 14-day onboarding lag creates significant churn risk.

Launch Requirements: The First \$100k



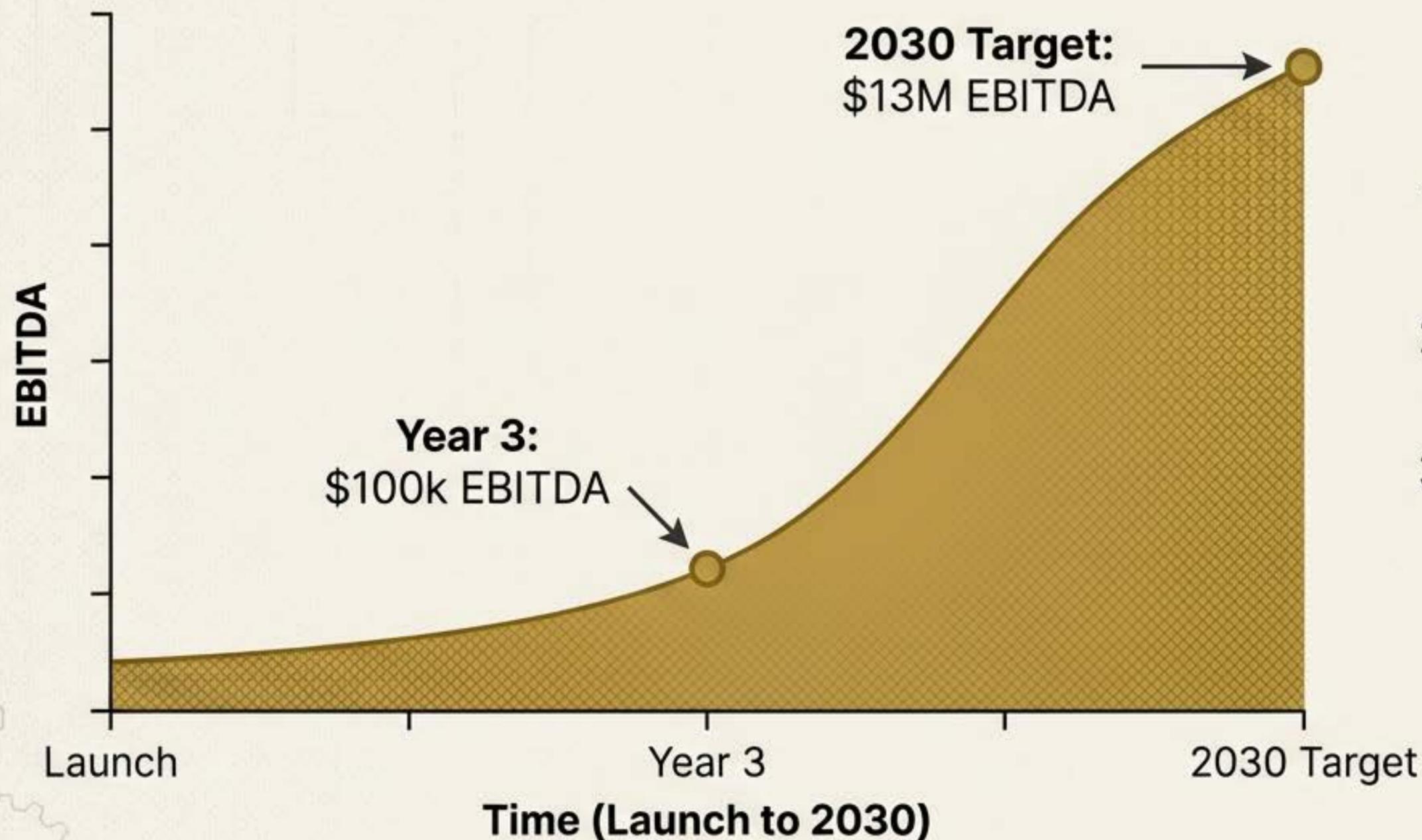
Strategy: Control build-out costs to preserve cash for inventory.

“The Funding Bridge” in Heldane Display



Capital is not for growth—it is for survival.
Funding must be secured by April 2028 to reach breakeven.

Path to Profitability



1. High-margin workshop mix.
2. Repeat customer loyalty (CLV).
3. Revenue leverage against fixed overhead.

Risk Management Strategy

Inventory Volatility



Risk: Costs swinging 120% to 100%.

Mitigation: Strict SKU segregation & supplier contracts.

High Fixed Labor



Risk: \$16k/mo wage burden.

Mitigation: Track Revenue per FTE; strict 14-day onboarding.

Cash Burn



Risk: 26-month negative runway.

Mitigation: Secure \$419k upfront; lease fixtures.

Execution Roadmap

- Secure \$419k Funding (Deadline: April 2028)
- Finalize Lease & Build-out (\$40k budget)
- Hire Manager (\$60k) & Initial 15 FTEs
- Acquire Initial Inventory (\$20k Core SKUs)
- Launch Marketing for 49 Daily Visitors

The Vision

Building a community-driven retail engine
that converts creativity into capital.

By combining a \$38 retail baseline with high-margin education, we create a defensive, scalable business model capable of \$13M EBITDA.

Review financial model & begin capital allocation.