



Highlands United Church

Restoring Sustainable Community: BUSINESS PLAN FOR A THRIFT STORE

Prepared for:
Highlands United Church
3255 Edgemont Blvd,
North Vancouver, BC V7R 2P1

Attn:
Carol Smith
Project Lead, Highlands UC Volunteer
Committee
Designsbycarol7777@gmail.com

Prepared by:
Fourth Watch Global Analytics Ltd
#203 – 17565 58th Ave,
Surrey, BC V3S 2A7

Attn:
Jerome Lengkeek, BBA, MDevF
President
C: 604-575-0913
jlengkeek@gmail.com

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EXECUTIVE SUMMARY

This business plan outlines how a proposed thrift store can be used to support achieving the vision of Highlands United Church, while creating a sustainable revenue stream that supports other programs.

An Opportunity

The first section of the business plan outlines the nature of this opportunity. There is a long history of fundraising through flea markets with positive impacts on community building and revenue generation for HUC operations, but it has been increasingly difficult and stressful to run these events with a shrinking base of volunteers. A more sustainable approach is needed. Opening a thrift store would avoid the very high short-term demand for volunteers and allow for an operation with a more modest group of participants spread over the year more evenly. Thrift stores are very profitable businesses, particularly those run by charities. Large chains of for-profit stores see typical profit margins of 43%, and charity-owned stores can do even better by leveraging volunteers and using free space. To validate a previously completed feasibility study's limited research, more interviews were conducted, and additional data was gathered to inform decisions needed to shape the operation and ensure success. The key finding of this research was a common theme that found charity thrift stores are a powerful tool in developing internal community spirit and supporting outreach by a church or charity.

The Solution

The business plan goes on to provide guidance on practical matters. It is recommended that the store have good consistency in operating hours, with daily opening times and donations accepted at least every Saturday. A SWOT analysis identifies that this is an ideal location and a good way of involving volunteers, that there is a challenge in ensuring that revenue is enough to repay a renovation loan and that the decline in church numbers should be kept in mind as a threat. A neighbourhood profile identifies the specifics of pockets of donors and customers that is very promising. A range of risks are considered, all of which have offsetting mitigation strategies that can be used. Perhaps the most significant risk, and the one most commonly missed in such analysis, is the inherent risk of inertia or inactivity in the face of decline and challenges. Marketing strategies are also presented that allow building up customer and donor bases without spending a lot of money. Financial forecasts have been updated, with a prediction of operating profits of approximately \$60,000 available for distribution. A sensitivity analysis also reveals that being able to at least cover costs and repay the loan for the renovation is a virtual certainty.

Launch

The final section of the plan outlines some guidance on how to prepare for opening the store, outlines the nature of management strategies that should be implemented, and suggests a program of performance measurement and course corrections.

Is it time to sit back and pray for a better day in response to the challenge of shrinking membership and budget deficits? We suggest that it is time to take courage, take action to find new ways to strengthen community, and take a calculated risk to move forward in line with the Highlands vision.

THE OPPORTUNITY

An opportunity exists to open a thrift store in the Highlands United Church, and this opportunity is explored more fully in this business plan. In this section of the plan, we examine the background to this opportunity, look into charitable and church-run thrift stores, and consider the nature of this opportunity and its impacts more broadly.

INTRODUCTION

Before we consider the viability assessment for the thrift store and why this is a solution that is recommended for Highlands United Church (Highlands UC), it is vital that we step back and examine the vision of the church so that we can see how this operation will fit into that vision.

Highlands United Church (HUC) is community-focused, inclusive, welcoming, and a safe space for all. With beliefs in justice, environmental protection and deep community connections, Highlands builds programs, ministries and outreach that deepen these commitments. Highlands Vision Statement describes the ethos of this Community of Faith.

Highlands Vision Statement:

As followers of Jesus, we want to be a community that gathers and takes risks:

To receive and engage a diversity of people

To celebrate life-giving worship

To love and be loved

To know and be known

To serve and be served

To learn, pray, and grow together.

Trusting in God, we want to be people who scatter:

To live out faith in action


To seek peace, justice, and healing

To share time, ministries, and money.

Led by the Spirit, we are continually transformed on this journey.

Guided by a Five Year Ministry Plan, the staff and leadership, proposals, programs, ministries and goals are continually weighed against this vision. The Thrift Store Feasibility Study is offered in this spirit.

There are several elements of this vision that can only naturally be related to the worship and pastoral ministry of the church, but some of them relate directly to operation like the one considered in this plan and should be considered as clear direction on the reason for its existence and the way in which it



should operate. The most obvious are the belief in the role of Highlands UC as community-focused, inclusive, welcoming, and safe space for all. The thrift store would similarly have a strong potential to meet its objectives of running programs that deepen community connections and align to its desire to seek justice and protect the environment. Restating the obvious, this can be achieved by creating regular interactions between existing members of the Highlands UC community, between them and those in the broader community of Edgemont, and by significantly impacting environmental protection through reducing material waste in the area in a self-sustaining business.

The headline of the vision should be kept in front of us as we consider the rest of this business plan, checking our decisions against our own stated vision, with the bracketed statements behind them added by the author of this business plan:

- Are we acting as **followers of Jesus**? (loving God, loving our neighbours)
- Do we want to promote **community-gathering** efforts? (find opportunities to meet and support each other)
- Are we **willing to take risks**? (in a spirit of stewardship)

Opening a thrift store can be done in a way that aligns very well to this vision. The rest of this document acts as a roadmap that explains how we got here, and how we can get from here to opening the store as a new program that moves us in the direction of achieving the vision of Highlands UC.

BACKGROUND AND RATIONALE

Highlands has a long history of being generous in its donations to Mission & Service, to local and global outreach, and supporting innovative ministry. With good fiscal management, committed staff and volunteers, a clear vision, enthusiastic fund raising, generous donors and judicious use of church and municipal and federal grants, Highlands has sustained its mission and ministry well.

In 2022 Highlands increased both its ministry and program staff, with a focus on rebuilding post pandemic. We understood that this might create some additional pressure on the operating budget along with increased cost of living and expenses in all areas.

For over 60 years Highlands has had a group of volunteers (primarily seniors) who have met weekly to plan for, sort and organize an annual Flea Market that has generated as much as \$40,000 annually toward these operating and outreach expenses. But many of these dedicated volunteers no longer have the physical capacity to do this work, and since the closures of the pandemic in 2020/2021, some have not returned. Those who are still involved find value in the weekly gatherings, the opportunity to connect with others, and the sense of making a difference in the life and ministry of the church, but they are no longer able to actually carry through to holding a single major annual event (requiring the coordination of nearly 200 volunteers to operate, a week to set up, and the use of the entire building). As we look at the challenges to organize an annual sale at this scale and the weeks of time required to coordinate, it is apparent that we no longer have number of volunteers and capacity needed to host such a large community event. We do, however, have energetic and enthusiastic people who are willing and capable to volunteer for weekly sorting and drop-off, and who are open to a discussion


about new ways to continue to evolve the beloved Flea Market, while maintaining a strong community spirit and ensuring ongoing financial stability.

In Fall 2022 the last Flea Market was held. The loss of the annual flea market income is a significant reduction in Highlands annual revenue, particularly as we face increasing costs in other areas, and this is reflected most noticeably in a decrease in the funds available to go to the heart of our ministry of mission and outreach. Our Five-Year ministry plan states that “we grow as we purposefully move forward. God calls us to be attentive and responsive to the world round us, changing our plans as community finances and as the needs of the world change. We are called to respond intentionally.” In response to this call, a decision was made to revision the flea market and draw on some of the experience of other communities of faith who have found ways to retain the mission of the annual sale, the community connection, and engagement the sale engenders, and increase the reach of the church, while decreasing the reliance on aging volunteers and systems that no longer work.

The next step in this evolution has been the creation of smaller “pop-up sales”. This has proven to be more manageable than the large-scale annual flea market and has at least recovered some of the revenue for the church but has only resulted in a slight reduction of the pain points of the flea market. There is still a significant amount of work required to set up and take down displays, to manage collection of donated goods in a single, larger intake, and to mobilize enough volunteers to cover a single large event. To this end, Highlands leadership, staff and current flea market volunteers have enthusiastically embraced exploring how it may be possible to transform an annual sale into a viable social enterprise that can have a permanent or ongoing presence, and run with a smaller group of volunteers: a Thrift Store that can support and sustain the ministry, vision, values, and outreach of Highlands, and serve as a meaningful area for engagement, connection, service, and community. Initial research into the possibilities and opportunities of this model was conducted in Fall of 2022, and conversations were held with Mt Seymour UC, West Van UC, and Northwood UC as well as Broad View United (in Victoria), who have each expressed support and provided information and encouragement to Highlands taking this step. The Leadership Board has approved in principle moving toward a Thrift Store, and a steering committee has been set. The primary goal of this work is to provide Highlands United Church (HUC) with a more sustainable and dependable revenue stream, to support the work of the church, funding for outreach programs and to enhance community connections and engagement.

The Finance Committee approved a transfer of \$2,000 from the Ministry Initiatives Fund for consultation fees and the ProVision fund granted \$2,500 for a consultant & feasibility study. Additionally, we have received an anonymous donation of \$2000.00 giving \$6500 for initial exploratory work. So, in the Spring of 2023, Stacey Corriveau of the BC Centre for Social Enterprise⁵, was contracted to provide information and guidance on a process to create a Thrift Store and has provided foundational research and information for this feasibility study.

A feasibility study was completed in 2023 and found that opening a thrift store was a viable option and recommended that this business plan should be created. With very little budget remaining, Fourth Watch Global Analytics Ltd was engaged to prepare this document on a limited engagement. The lead author and another team member were found willing to offer some of their time pro bono so that the work could be completed. It should also be recognized that to make things work with limited budget, some aspects of this business plan were reused and updated from the feasibility study, some time from Highlands UC volunteers was leveraged, and a new body of research has been completed to



allow us to create this final business plan. With that introduction and background, we can now step back to look at the broader context of thrift stores and learn what context the store will operate in.

THRIFT STORE SOCIAL ENTERPRISES

There are thrift stores that operate as part of a large for-profit corporation owned by private equity firms, such as Value Village with 135 stores in Canada, and smaller for-profit ones that are run as a privately owned small business, such as Talize (locations in Delta, Langley, and eight in Ontario). Most of them, however, are run by small and separate nonprofit organizations or as an operation within a registered Canadian charity.

The term “Social Enterprise” has several different definitions, but at a high level it refers to entities that operate as a business or ‘enterprise’ but do so with a clearly defined social purpose. A thrift store is clearly a retail business venture. When the operating profits are fully dedicated to a social purpose, then they fall clearly within the classic definitions of social enterprise.

The following quotes give more detailed definitions:

“Social enterprises are revenue-generating businesses with a twist. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community economic and/or environmental outcomes; and, to earn revenue. On the surface, many social enterprises look, feel, and even operate like traditional businesses. But the defining characteristics of the social enterprise is that mission is at the centre of business, with income generation playing an important supporting role” (from The Centre for Community Enterprise). “A social economy enterprise operates like a business, produces goods and services for the market, but manages its operations and redirects its surpluses in pursuit of social and environmental goals.” (From Western Economic Diversification).

Considering these definitions, we can state with more clarity to the reader that the proposed entity in this business plan is a social enterprise, operating as a distinct program within a registered Canadian charity, i.e. Highlands United Church. This type of thrift store social enterprise is operated by many other United Churches in the region and is a similar model to that used by most thrift stores. The largest example of these in Canada is the chain of them operated by the Salvation Army, which are used to raise funds for the SA’s charitable operations and ministry programs.

What is necessary for social enterprise success?¹

- Dedicated staff/board/volunteer time
- A ‘champion’ of the enterprise to make sure it remains a priority for Highlands.

¹ *Feasibility Study: Social Enterprise Thrift Store for Ishtar Transition Housing Society BC Centre for Social Enterprise Sept 2010. P.11-14*

- Clarity on the mission (people first or profit first?) so that staff, board, volunteers, community, and other stakeholders understand the intent behind the social enterprise.
- Openness to and patience for ‘partnership weaving’ including tireless and robust community connection activities.
- Willingness to spend time on planning and venture launch/operations.
- Reasonable understanding and knowledge of the time commitment required and actual follow through on this activity.
- Willingness to be flexible and adaptive when faced with new information/ changed environments/competitive opportunities/ market changes.
- Willingness to make mistakes and learn from them.
- Adequate financing
- Realistic timelines/expectations

Common Social Enterprise Pitfalls


- Burnout/lack of resources to complete the work required.
- Being married to a certain concept even when research is against it, or when there is no need demonstrated.
- Organizational inertia and/or resistance to change.
- Mission drift – spending so much time and energy on making the social enterprise work that the initial mission/work of the parent organization is diluted or suffers from neglect.

These success measures and pitfalls are covered in several sections in the remainder of this business plan including the marketing and launch strategies, and the risk management section.

INDUSTRY RESEARCH RESULTS

Within the North Shore of Vancouver there are at least seven community-based thrift stores. There are none, however, in the Highlands/Edgemont area. There are over 20 United Church Thrift Stores within the province, so this is not a new ministry for the United Church. Although operating a thrift store as a church program that raises revenue for ministry is common, there is also an array of other permutations as far as social enterprise thrift stores are concerned. Some are operating as an independent non-profit organization, raising funding that is donated to multiple, distinct, Canadian religious charities. Yet other raise funds for secular charitable purposes, such as the SPCA. In addition to this, we should consider the for-profit thrift stores as part of this industry when making competitive considerations such as determining hours and location, and to gain ideas on how to operate successfully.

Thrifting has become a cultural norm. Studies show that 85% of Canadians like to shop at Thrift stores. The second-hand economy is valued at \$28.5 billion dollars. Thrifting has become a way of life for



many and has gained in popularity particularly among younger people. Clothing is 31.8% of thrift store revenue.

As the price of everything and cost of living continue to rise, people are desperate to find ways to save money.

There have been several recent articles on the culture of thrifting, its value and how to do it well.

The following links would be very useful to read through when considering risks, opportunities, and rollout strategies:

<https://finance.yahoo.com/news/7-things-always-buy-thrift-180506261.html>

<https://scoop.upworthy.com/woman-redesigns-thrift-store-to-encourage-secondhand-buying-613435>

<https://retail-insider.com/retail-insider/2023/08/salvation-army-thrift-store-in-canada-faces-unprecedented-donation-slump-amid-consumer-shift-interview/>

<https://www.ellecanada.com/fashion/best-thrifting-tips-2023>

<https://smallbusiness.chron.com/thrift-store-inventory-ideas-11966.html>

While conducting research for this business plan, we searched for more information on profitability and for any historic examples of business failures of social enterprise thrift stores. All the information that we could find indicated that these are universally profitable. Even the ones that pay commercial leases, pay all the staff minimum wage or higher (i.e. no volunteers are used), and return profits to shareholders or private owners can make significant profits. A popular website used by entrepreneurs that start up business reports a profit margin of 43% as the industry average². With significant inclusion of volunteer labour, the goods being sold acquired at no cost, and the in-kind contribution of free floor space in the church facility, the profitability of this venture is a virtual certainty. The only consideration is whether financing is needed for renovations and other startup costs, and if so, whether it is reasonable to expect adequate returns to be able to pay back those costs on the required schedule. In the course of completing our research, we found no evidence of the business failure of a thrift store in Canada. The only closures of established thrift store social enterprises that we could find were those that had to close eventually due to dwindling numbers of volunteers, related to the dwindling number of people in the charity that it was supported. The closest example we could find of this was the closure of a United Church thrift store in Lake Cowichan, which had to close after over a decade of profitable operations because the church itself had shrunk to a small number of aging seniors. The volunteers involved in the thrift store were no longer able to keep up the work. Although

² <https://www.starterstory.com/ideas/thrift-shop-business/profitability#:~:text=within%20the%20community-,Thrift%20shop%20profit%20margins,profit%20margin%20of%20around%2043%25.>

this strikes a cautionary note, the Highlands UC is in a much stronger position at this point, and the thrift store could be used to move against that underlying trend. These risks are covered again later in this plan. The overwhelming majority of cases, nearly all that have been started, achieve significant financial returns for their supported charities and create a vibrant internal and external community dynamic.

A small number of interviews were conducted with other United Church thrift stores as part of the Feasibility Study, with three of them resulting in enough information to create a table of findings in that study. Another 14 interviews were conducted for this study, resulting in 12 that provided enough information to be included in this section. The following table has the original three UC stores and 12 others from Greater Vancouver, for a total of 15. Some observations follow the tables.

Table 1 – Interview Results

	UNION GOSPEL MISSION THRIFT STORE	HOPE FOR CHILDREN THRIFT STORE	SPCA THRIFT STORE EAST VANCOUVER	ONE LOVE SOCIETY AND THRIFT STORE	BURNABY HOSPICE SOCIETY THRIFT STORE	ORPHAN AID THRIFT STORE	ST BARNABAS THRIFT STORE	MCC THRIFT SHOP SURREY
LOCATION	Vancouver	Langley	Vancouver	Burnaby	Burnaby	Burnaby	New West	Surrey
SIZE	Small ground-floor leased retail	Small stand-alone leased retail space	Big building, upstairs and downstairs	Small stand-alone retail space	Two floors – both for products	Medium sized leased retail	Inside a church basement	Large sized leased retail
OPEN SINCE	Unknown	9 years	20 years	18 years	16 years	13 years	Unknown	23 years
STAFFING	Not reported	2 paid staff, rest all volunteers	Mix of paid and volunteer staff 80% paid/20%vol	Only owner can share	90% volunteer, a few paid staff	100% volunteer run	One paid staff, the rest volunteer	5 paid staff, 30-40 volunteers
HOURS	Tues-Fri 9:00AM-3:00PM	Tue-Sat 12:00-4:30PM	Daily 11:00AM-7:00PM	Mon-Fri 11:00AM-6:00PM, Sat 11:00AM-5:00PM	Mon-Sat 9:30AM-6:00PM, Sun 9:30AM-4:00PM	Mon-Fri 10:00AM-5:00PM, Sat 10:00AM-4:00PM	Wed, Fri, Sat 11:00AM-4:00PM	Mon-Sat 9:30AM-4:45PM

Table 2 – Interview Results

	CROSSROADS HOSPICE THRIFT STORE	COMMUNITY THRIFT STORE NEWTON	MCC CLOTHING ETC ABBOTSFORD	INN FOR WOMEN RESALE BOUTIQUE	West Vancouver UC	Mt Seymour UC	Northwood UC
LOCATION	Coquitlam	SURREY	Abbotsford	SURREY	West Van	North Van	North Van
SIZE	Large sized leased retail	Large sized leased retail	Large sized leased retail	Small ground-floor leased retail	1,000 sq ft in church plus storage in basement	1,600 sq ft in church plus exterior cabins	Separate 1,200 sq ft at church + garage
OPEN SINCE	19 years	18 years	53 years	9 years	3 years	34 years	18 years
STAFFING	A few paid staff, 150+ volunteers	Paid manager and assistant, approx 43 volunteers	10 paid staff, 230 volunteers	All volunteer	All volunteer	Full time paid Manager, 2 assistants, volunteers	Shared by volunteers
HOURS	Tue-Sat 9:30AM-4:30PM Sun 11:00AM-3:00PM	Mon-Fri 9:30AM-5:00PM	Mon-Sat 9:00AM-5:00PM	Mon-Tue, Thu-Sat 10:00AM-4:00PM	Tues, Thurs, Sat: 10-3	Thurs-Sat: 11-4	Tues & Thurs: 9:30-3pm Sat: 9:30am-2pm

The thrift stores included in these interviews are from around Greater Vancouver, reflecting a diversity of neighbourhood types but within a similar region for validity of comparisons.

Some of them are located within church buildings or on their property, while others are in separate leased space in retail areas. Although there are some with much bigger floor space, most of them have similar or smaller floor space available compared to our location.

One has only been open for three years, but most of them have been operating between several years and several decades. This provides additional evidence that this is a very stable type of social enterprise.

Although there are some stores which operate entirely through volunteers, the most common model is to have one or two paid employees to act as managers or coordinators, with the remaining work done by volunteers. The larger stores require much larger mobilization of volunteers to make effective use of their large, leased spaces, but the revenue and profit figures reflect this larger scale.

Nearly all the respondents reported opening hours that included at least some hours of operation on at least 5 or 6 days a week. There are some which only open a few times per week. These include the local United Church thrift stores and St Barnabas. A broader review of a few dozen other thrift stores including the for-profit ones showed that daily openings from Monday-Saturday or Tuesday-Saturday are the norm, with almost all opening for more than 4 hours per day.


Revenue figures and profitability were detached from this table. Some declined to answer those questions, and the others are not reported here by request to protect their privacy. Between these respondents and some data already privately available to the author of this report, we can include here some information from seven local thrift store social enterprises. Generalizing that information to protect privacy, we can report here that revenues and profits are proportional to the size of the floor space and the operating hours. There are a couple of outliers to this based on their being located in either prime retail space on high traffic corridors, or some that are in out-of-the-way church basements. In other words, the potential revenue and profit are impacted by having enough space to have a good variety of goods for sale, and by having enough visibility and traffic flow at the facility to capture the attention of shoppers.

The amount of revenue varies from the smallest operations with the most limited hours bringing in \$50,000 to \$100,000 per year in revenue up to \$400,000 to \$700,000 per year for the larger and more established stores. Profitability was very strong in all of those which shared data, with the closest comparables bringing in profit to the recipient charity of \$75,000 to \$150,000 per year after paying costs of staff, dump fees for unsaleable donations, etc.

AN OPPORTUNITY BEYOND REVENUE

The interviews reported on in the previous section of this report uncovered an opportunity that goes beyond the creation of a sustainable revenue stream for Highlands UC. Many of the respondents also mentioned with some enthusiasm that they have found a strong energy and sense of community that develops from working alongside each other, and from interacting with donors and customers. This finding is consistent with the experience of Highlands with the flea markets of the past, and with the personal experiences and past research of the author of this plan.

But is this just a fringe benefit of operating a social enterprise thrift store? We go as far as to argue that this should be held up as a parallel and equally desired outcome. Having a sustainable revenue stream is of course crucial to the viability of Highlands UC and its various ongoing ministries and programs, but these other opportunities related to community building are deeply aligned to the core mission of the church and its own stated vision.



As highlighted in the introduction of this document, there are several elements included in the vision that can be addressed proactively and powerfully through the operation of a social enterprise thrift store.

Here are some elements of the Highlands UC vision, and some comments on how each can be furthered:

- A belief in social justice: providing an opportunity for people with limited income to acquire necessary clothing and household goods is a ministry to the poor.
- Environmental protection: obviously there is an opportunity to divert a large stream of goods destined for recycling centres and landfills into being reused or repurposed.
- Community Connections (Internal): There is ample evidence from inclusion in existing ministries such as the flea market as a volunteer, and from numerous studies on church health and stability, that volunteer involvement promotes closeness among the participants in church life.
- Community Connections (External): It has been becoming increasingly challenging in the past decades to find opportunities to promote involvement in church communities by new people. Many people have a negative view of the church as an institution or have had some previous negative experience with a church. There is therefore a barrier to just walking in off of the street to a church service. Something like coming in to volunteer sorting out donated goods on a Saturday morning, for example, offers ways to invite participation by members of the community that might be otherwise reluctant. This creates a distinct new opportunity to include lonely people into this community of love. Contact with regular customers will also offer many opportunities for the staff and volunteers to connect with people and develop relationships, also identifying at times other needs that could be addressed by various existing church ministry programs.
- Be a community that takes risks: The headline of the vision statement concludes by stating that this is a community that takes risks. Opening a thrift store provides a public illustration that this community is healthy, vibrant, and has the courage and faith to go forward with new initiatives.
- Living our faith in action: We say as a community that we believe in environmental protection, social justice, community building, and risk taking. If these things are at the core of our faith, what is the evidence of action on them? There are already many programs that give such evidence, but a thrift store will hit all of them in a single public manner (James 2:18).

When reflecting on all these elements, it becomes clear that the opportunity to open a social enterprise thrift store in the Highlands UC building is primarily a way of creating a new program/ministry that moves the church in the direction of achieving its stated vision. The store will be well aligned across several elements of the vision, creating a very strong and complementary program to support the pastoral and preaching ministry of the church. It will offer an opportunity to address

some distinct, parallel elements such as environmental protection, while offering overlap on areas like developing community connection.

At the same time, the originally anticipated benefit of developing a sustainable revenue stream is strongly supported by the evidence outlined in this plan.

THE SOLUTION

The previous section of the business plan provided background and research to define the opportunity created by a social enterprise thrift store. In this section we move to defining the proposed solution more closely and bringing specific guidance on how it should be operated.

PROPOSED THRIFT STORE DETAILS

The research conducted in the feasibility study and continued for this business plan allow us to give some guidance in this plan on how it should be operated. We will consider the location, hours of operation, staffing, expenses and revenue, and some possible additional services.


Location

The Thrift Store will be physically located on the Lower level of Highlands in the existing Outreach Room and utilizing a section of the adjacent Lower Hall with the exterior boundary on the front being the existing front wall, and the temporary/moveable wooden barriers being replaced with a permanent wall as the new wall on that side. Renovations will be required including updating electrical and lighting, installing fire separations and changing 'traffic' flow. Several preliminary drawings have been reviewed with one drawing selected for modification and implementation. Architectural drawings will provide more detail.

The Thrift Store space would not impact existing renters or users of the Lower Hall, and renovations would, in fact, improve the flow, accessibility and esthetics of the space for others users including Highlands Seniors Connection Program. One storage space for textile murals will need to be relocated.

Hours of Operation

The initial proposal was that the Thrift Store be open 3 days per week including one evening and one weekend time. It is our recommendation that this should be reconsidered and that the store should open at least daily from Tuesday to Saturday, with at least five or six hours per day of opening times. The model of opening only for limited hours is very rare as reported in the competitor research tables earlier in this plan, and a scan on Google Maps of thrift stores around the region would allow you to see that this is also the case more broadly. Retail customers can be quite demanding and might not be tolerant of the thrift store being closed at all the times that they wish to come shopping. The research on other thrift stores also showed a correlation between opening hours and revenue. Being more available to consumers seems to be clearly correlated with the amount of revenue. The Saturday hours are a vital part of our recommendation because many people aren't able to come shopping



during weekday business hours. Closing on Sundays may be the ethical preference of some church members, and in any case would avoid even more serious parking challenges. The specific opening and closing times should also be considered in the context of the onsite daycare and the Waldorf School. If the key drop-off and pick-up times can be avoided, the potential for serious parking challenges can be mitigated.

If leadership decides to start with more limited hours, this may be adjusted once the store is operational, and we have staffing and volunteers in place. While it was initially hoped to open the store in Fall 2023, a more realistic opening will be later in 2024, once renovations have been completed. A final consideration on limited hours is that if this approach is taken, the store should consider having offsetting closures to other United Church thrift stores and have signage on the door when closed indicated an alternate UC thrift store in North Van that is open that day, and request them to do the same on their store, which hopefully would reduce the number of people who divert to unrelated stores.

Staffing

Initially the Thrift Store would be operated by volunteers with one paid part time Store Manager. The paid manager would oversee the retail operations and the recruitment, support, training, and scheduling of the volunteers. As revenue and need increases, additional part time staff may be hired as soon as possible. Even having one additional paid employee that comes in just once or twice a week would already give the benefit of having some overlap, coverage for sick days or vacations, and a built-in option for succession planning if the Store Manager is not able to continue this employment for any reason.

Expenses and Revenue

The major expenses initially will be for the renovations required to have the store ready for operations. Additional start-up expenses will include exterior signage, fixtures, display cabinets, computer system, point-of-sale technology and related fees, marketing, volunteer training and staffing. It is noted that staffing and 'soft' costs (e.g. volunteer training, hospitality, marketing) may be covered in part by United Church grants (ProVision, Seeds of Hope). The preliminary budget in the feasibility study has been updated to include renovation costs and is shared later in this document.

Additional Highlands Thrift Store Services

1. Pop Up sales: Until the opening of the Thrift Store, and potentially once opened, seasonal 'pop up sales' have been and will continue to be offered. These sales will
 - a. continue to generate energy and enthusiasm for the Thrift Store and its mission.
 - b. provide additional revenue while Thrift Store is in its development and growing stages.
 - c. allow for regular turnover of goods.
 - d. continue to draw the community into Highlands.

While these sales require additional volunteer capacity, they require less work (fewer volunteers and less set-up time) than a flea market yet retain some of the

energy and collegiality of the larger flea market.

2. Hospitality: Once open, the Thrift Store will serve not only as a place for the buying and selling of donated goods, but it will provide a community gathering place, where people can visit, enjoy a cup of tea or coffee and baked goods, and find meaningful connection.
3. Online Store: An online store was created 2 years ago as a pilot project and is ready to re-launch with a few updates. The site uses the Square platform which has been used successfully at arts and crafts sales and recent pop-up Thrift Sales. This Online Store could develop into a platform for specialty items including antiques, collectibles, silver, fine china, jewelry, vintage treasures etc. If the online store is successful and volume warrants an upgrade, we could transition to Shopify, a more stable and robust platform. It is possible this task could be taken on by a dedicated volunteer who receives a commission for sales, allowing someone to earn a small income, while not requiring an outlay of expenses. Once the store is opened, staff or volunteers should regularly post higher-value items on online forums such as Marketplace and Craigslist, directing interested buyers to come in to the store to view and purchase the item.
4. As the Store becomes established, other opportunities to draw in the community include offering upcycling and repair workshops, intentional training and work experiences for refugees, newcomers, or those with barriers to employment, special events and special shopping nights. It is important to note however, that even if the store ONLY serves to bring in revenue to support the church's mission and outreach, this is a sufficient goal.


SWOT ANALYSIS

During the feasibility study in 2023, the consultant distributed surveys over a period of several months to current 'Tuesday sorters', the Edgemont Village Business Association (EVBA), and the Highlands congregation. A total of 99 responses were received (54 congregation members, 32 flea market 'sorters' and 13 EVBA), with primarily positive feedback and thoughtful comments. This SWOT analysis was summarized from that feedback, and all comments came from survey responses.

Primarily supportive and encouraging, some survey responses also brought up important considerations and possible community concerns. As planning proceeds and we move towards opening the store, it will be important to be mindful of and address these issues. A summary table is presented below this list of responses.

Strengths

- Highlands continues to receive regular donations from congregation and community members.

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- Key volunteers are willing to be engaged.
 - Support of the leadership and staff.
 - Space that is not fully utilized and can be modified for store.
 - Some minimal financial support in place for consultation and feasibility study.

Weaknesses

- Highlands operating with deficit budget; anxiety around costs.
- Diminishing pool of volunteers.
- Developing a solid business plan.
- Ongoing challenges around sufficient storage.
- Need for coordination with other areas of building and ministry to keep big picture goals in mind.
- Lack of financing for capital expenditures.

Opportunities

- Less pressure on volunteers.
- More people from community through church doors with opportunities to connect formally and informally.
- Ongoing source of funding/sustained revenue stream.
- Opportunities to offer training, experience, references to newcomers to Canada.
- Meaningful opportunities for volunteering with possible volunteer opportunities for customers.
- Reduced stress on storage with more turnover of goods.
- Keep stuff from landfills and reduces our impact on the environment.
- Opportunity to offer workshops, training, and special events.
- Increased funds for outreach/ministry programs including Shelter to Home
- Employment for a manager/part time staff.
- Allows people to shop within their budget and more regular availability of items for people in need.
- Consistency and less disruption to other renters.
- Opportunities to develop partnerships with other organizations focused on greening initiatives (e.g. Green Coast Rubbish and Urban Repurpose).
- Opportunity to raise funds creatively.
- Edgemont NEEDS a thrift store; will be a wonderful addition to the community.
- People power and goods distributed throughout year rather than just one week.
- Retains the collegial, social culture of 'Tuesday Sorters'.
- Renovations to the space for the Thrift Store enhance the whole Lower Level.

Threats (challenges)

- Volunteers burning out before we open.
- Community and merchants may not be supportive of a store.
- Financial considerations – may not make enough initially; may cost us.
- Leaving all the work to the 'sorters' with fewer volunteers for more work.
- Cost to set up/renovate space.

- Increasing age of current volunteers.
- Finding the right person to run it.
- Will the potential buyers and the community take up the offer?
- Getting buy in from current volunteers.
- Effect on church programming.
- Building security during opening hours.
- Parking and traffic in village.
- “targeted customer for a thrift store is different from the Edgemont Community....do we want that here (Edgemont)?”
- Viability and sustainability long term.
- Making donors feel needed and appreciated as our success depends in large part on them.
- Being able to cover TS operational expenses while still generating revenue.
- Limits of only part time hours.
- Garbage disposal and accumulation of unwanted items.
- Funds that are lost in first year.
- Resistance to change.
- Staffing.
- Site accessibility.
- Letting emotions and sentiment cloud the goal of meaningful fundraising.
- Are we brave enough to do this?
- Leadership that will stay the course to see this launched.

The highlights of these lists have combined with the findings of our additional research to prepare this business plan and we can now look at this in a summarized view.

Strengths	Weaknesses
Location	Need for Renovation Finance
Available Space	Declining Size
Core of Volunteers	Deficit Budgets

Opportunities	Threats
Sustainable Revenue Stream	Aging of Volunteer Base
Strengthen Internal Community	Will Leadership Stay Committed?
Develop Outreach to External Community	Dependent on having a good manager

The fundamental conditions are well placed to proceed with starting a viable thrift store that contributes to the long-term sustainability of Highlands United Church. There are clear paths to mitigate against the weaknesses and threats. As one respondent to the survey put it: “Are we brave enough to do this?” If the answer is yes, then the energy that can come from this store can be one factor that helps stop and reverse the current underlying conditions of a shrinking and aging

membership and volunteer base by bringing in new, younger volunteers that can be invited to participate more deeply in the Highlands UC community.

NEIGHBOURHOOD PROFILE

The location of the church in Edgemont presents a unique opportunity to open a retail presence that is complementary to the existing mix of retailers in the Edgemont Village Business Association. There are other thrift stores in North Vancouver, but not in the Highlands area. Before proceeding, a closer look at who lives in this neighbourhood is warranted.

By looking into the available statistics on a variety of metrics such as income level, age, and type of housing mix, we can learn some things about the area. Most importantly, who are the potential donors of goods for the store beyond the current members? At the same time, who are the potential customers for the thrift store? The following summary table provides a snapshot of the data, and then below that are some interpretations of the data that can guide our targeting of donors and customers, and possibly also influence what we wish to accept as donations and sell at the store.

	Edgemont Village Dissemination Area	District of North Vancouver	British Columbia
Population Change 2016-2021 (%)	-	2.9	7.6
Median Income	\$58,000	\$49,600	\$40,800
Gini Index (Inequality Measure)	0.402	0.346	0.306
Prevalence of Low- Income Measure (LIM-After Tax) (%)	8.0	7.4	10.8
Prevalence of Low- Income Cutoffs (LICO-After Tax) (%)	6.2	5.2	5.8
Age 0-17	9.0	5.7	5.2
Age 18-64	6.8	5.4	6.6
Age 65+	2.5	4.1	3.6
Age (%)			
0-14	19.4	16.5	14.3
15-34	16.9	21.0	24.9
35-64	42.3	43.3	40.5
65+	21.4	19.2	20.3
Dwelling Type (%)			
Single detached house	50.0	49.3	42.4
Attached house	2.7	10.5	11.5
Apartment/Suite	45.9	40.2	43.5
Languages (Mother Tongue) (%)			
French	1.5	1.4	1.2
Chinese	5.0	3.0	6.2
Korean	3.5	1.7	1.2

The local area surrounding Highlands United Church has a generally stable population. The District of North Vancouver has experienced a lower increase in population than the province as a whole. The median income is also relatively high; the median income in the local area is significantly higher than in the municipality and the province. The high median income of the local area is also a factor to consider. As residents of the area may be able to easily afford new items, ensuring items are generally high-quality and in good working order is especially important for this location. The pricing of the items should be fair, but some residents of the local area may be able to tolerate higher markups.

The table also includes information on the Prevalence of Low-Income Cutoffs (LICO). This measure seeks to identify the story behind the overall median income; is there a pocket of low income people masked by the 'average' being skewed to some extent by a relatively high number of people with high incomes being present? This appears to be the case. The age split within this group reveals the story behind the numbers. Although the seniors have a much lower level of prevalence of LICO, there are significantly more families with kids that are struggling with incomes well below the median.


The local area has a high concentration of children and older adults, and a significantly lower concentration of young adults in the 15-34 age range. Looking at these two bulges, we can draw a line between them and assume that the makeup of households has more families with parents in their 30s and 40s with kids in elementary school, and less teenagers than other parts of North Van and the province.

While single detached houses are the dominant form of housing, there is also a substantial proportion of the population who live in apartments or suites. On the other hand, there are far less townhouses or row housing in the housing mix than elsewhere.

There is also relatively little linguistic diversity in the area, and three of the most common languages (other than English) in the area are French, Chinese, and Korean. Based on the lack of a cluster of people who speak a particular mother tongue other than English, preparing marketing materials (such as pamphlets or advertising) with alternative languages is unlikely to be worth the cost.

Pulling these separate strands together, we can make a few conclusions to guide the thrift store's decisions:

- Some other thrift stores do not accept baby clothes and toys as they don't sell enough, but this location may wish to try out this line of product as it seems that there is a pocket of families with kids on limited incomes.
- The significant pocket of people with higher incomes may represent parallel potential streams of higher quality donations and a demand from customers for more premium clothing and high-quality household goods.
- It is difficult to predict the demand for large furniture based on the housing mix. You may be able to attract a stream of high quality donations from people in the higher end detached homes who are downsizing, but will there be enough demand from customers, particularly those living in apartments, for large furniture items?

- 
- Marketing strategy might be influenced by appealing to wealthy residents of the area who would find the environmental benefits of thrifting appealing.

Although these types of decisions could be guided by looking into these statistics, management should not forget that it is not very challenging to shift the retail strategy as things unfold. With a thrift store, it would seem reasonable to the public that this one might at some point decide not to accept certain types of donations and to not stock those items in the store. These things should be monitored closely in the first few months or a year and then adjustments should be made if needed to make good use of space in the store and reduce costs to dump un-saleable materials.

RISK MANAGEMENT

There are a few types of risks that should be considered before launching the store. By naming these risks explicitly, we can then also consider how to mitigate against those risks to reduce the possibility of encountering these events and also to limit damage should they occur. Rather than looking at this section as an outline of all the bad things that can happen and why we shouldn't proceed, but rather as a list of potential occurrences that could cause failure and how to watch for them, avoid them if at all possible, and that should they occur, they can be controlled and prevented from becoming a major obstacle to success.

Legal Risks

There are certain legal risks inherent to running any activity or program in the church building that also extend to the thrift store. For example, there is a possibility of incidents of abuse, harassment, or a security incident. These possibilities need to be mitigated in the same way that Highlands UC handles them currently on other church activities. Have a clear policy in place, conduct background checks on certain categories of employees or volunteers, and prepare in advance a strategy on how to respond publicly if a major incident occurs. Similarly, there is always a possibility that an incident may occur that results in a lawsuit to the church, for example for liability if someone is injured while at the thrift store. This should be mitigated like in the rest of the building, by creating a safe space that is free of hazards and obstacles, and by being prepared to respond with first aid and other assistance as needed. All of these possibilities should also be checked off against the church liability insurance policy.

There is another legal risk that was covered in great detail in the feasibility study, namely the risk of falling outside of Canada Revenue Agency requirements for registered Canadian charities. Although this was at some point in the past a concern, there have now been numerous precedents established to demonstrate that operating a thrift store as a social enterprise operation within a church organization is a legitimate and acceptable activity per the CRA. A clear guidance document has been published by the CRA with FAQs and guidance to ensure that you stay onside:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-statement-019-what-a-related-business.html>

We are not aware of any precedent in the past few years of any of the hundreds (thousands?) of charity thrift stores running into trouble and losing their charitable status. If there is any remaining concern on this subject, we recommend that you enquire with the other United Church thrift stores in the area as to whether they have had any difficulty with this, and then also if desired seek a legal opinion.

Financial Risk


There is financial risk that is inherent to any business startup. Small businesses are prone to failure in the first year in many situations. The demand for cash at the point of startup of a retail business typically includes salaries, lease payments, and purchase of business inputs that are to be sold on later. It is also normal for there to be a period of time where revenues start out low and then begin to grow over time the operation attracts regular customers and marketing activities take effect. These are some key differences with starting a charity thrift store, and specifically for this one, that mitigate that risk to a large extent. An operation of this scale would normally require payment of several employees, but in this case it will be able to operate mostly on volunteer labour. There is a strong track record of volunteerism at Highlands, and specifically for similar flea market and pop-up sale operations. The cost of employees will therefore be significantly lower than for other retail operations. The other unique element of charity thrift stores is that you can obtain the goods you sell as donations, and therefore do not need to be concerned about managing markups in pricing like other retailers. A third major difference is that retail operations are normally burdened with significant leasing costs to be able to establish an operation with suitable visibility and access. Highlands UC, however, can offer space without a lease cost in an excellent location.

One element of the costing that is a challenge is the need to obtain a loan from the United Church of Canada to renovate the building prior to opening the thrift store. Given all of the other advantages just listed above, and the fact that this financing will be offered concessionary terms (low or not interest), this is not viewed as an obstacle to operating profitably. This loan repayment is also anticipated to be concluded within 5 years, and therefore creates a built-in lift in net profit once the loan is concluded.

All of these can be taken alongside the industry research reviewed earlier in this business plan, which showed that charity thrift stores are almost universally profitable and rarely fail for financial reasons, and lead to a reasonable conclusion that the financial risk is minimal.

Organizational Risk

There are also some risks to the Highlands UC as an organization that should be considered. If an incident occurs at the thrift store such as abuse, some sort of violence, a tragic accident, or a major fraud or theft by a volunteer or employee, there is potential for significant negative press that could in turn also damage the reputation of the church overall. We can apply similar consideration on these possibilities as we did under Legal Risk – these risks can be mitigated by a proper application of policies to prevent or limit such occurrences, and by having in place a church communication and media strategy on how to respond appropriately. Guidance on this should surely be available from the United Church of Canada if it is not already in place.



With any new activity of a close group of people such as a church, leadership should always be mindful of the possibility of conflict. These dynamics are largely the same as have been successfully managed with other church activities and decisions, particularly those around the operation of flea markets and pop-up sales, and with the recruitment and hiring of church employees. If this is managed properly from the outset and if an atmosphere of open communication is modeled and invited by leadership, these risks should be minimal and manageable.

Inertia Risk / Risk of Inaction

All of these risks should not be considered in isolation but weighed instead against the inherent risks of maintaining the status quo and the current overall trends of the organization. Compared to the large scale events such as flea markets and pop-up sales that the thrift store is intended to replace, all of the afore-mentioned legal, financial, and organizational risks were far greater due to the inherently chaotic nature of large events with a much higher number of volunteers and customers on site at once, and less planned and controlled layout of donated goods and sale displays.

The risk of replacing those sales with inaction should, in the author's opinion, be considered to be far greater than the risk of inaction. It is fair to recognize that there is a natural inertia holding us back against any new activity due to fear. When the status quo is healthy in all respects, the caution of inertia should be considered a gift that causes us to carefully consider whether we should do anything that carries some inherent level of risk. In the case of the current situation at the Highlands United Church and the trend over at least the past decade, however, we should be honest with ourselves that new approaches are called for. Membership, church attendance, donations, and the ability to mobilize volunteers has been declining steadily, and the group of energetic members that remain is aging at the same time. This is a challenge that is not unique to Highlands UC, but is common to the United Church of Canada overall and to other mainline Christian denominations in Canada. Rev. Michael Blair, the general secretary of the United Church, openly spoke about this in a recent article in the press³, and states his opinion that new approaches are called for to reach out into new parts of their communities and be proactive. It is quite clear that the inherent risks of sitting still in this environment of decline are far greater than the risks of taking a calculated risk that has many layers of mitigation available.

MARKETING STRATEGY

The classic approach to laying out a marketing strategy is to give consideration to the "4 P's", i.e. Product, Price, Promotion, and Place. A fifth consideration, People, is now often included in a look at Place. In addition to these, the final part of this section includes some guidance on the brand strategy that could be used when pulling all of this together and creating a logo and name.

³ <https://broadview.org/inside-united-church-decline/>

Product

To some extent, there is limited need to review the potential product line that will be accepted as donations and in turn offered for sale due to the existing level of experience with flea markets and pop up sales, but there were some interesting insights and notes of caution that came out of the research interviews with other thrift stores. The following list includes the ones mentioned by at least a couple of the interviewed stores:

- It is not legal to sell used mattresses, expired baby car seats, and a few other items especially related to babies and children's items as per Health Canada restrictions⁴, see referenced link
- Some do not sell baby and children's clothes because they haven't experienced much demand in their areas
- Electronics are only sold on a limited basis – most don't sell used computers, laptops, or game consoles. Some sell certain types of computer accessories if in obvious good condition eg flat screen monitors. Some stores seem to accept and sell nearly anything.
- Books – no old encyclopedia sets are accepted as donations, but good quality books are an excellent source of revenue. If time allows, a well-organized book collection is more likely to get you a lot of sales than a random collection of thousands of books in no particular order. It's fun to dig up a gem at a thrift store, but people's patience has limits
- Consider whether there is space to display large furniture items, and the logistics of moving them in and out. Stores with affiliates nearby such as MCC typically take and sell these only at one of their locations that have the most space for it.

Speaking more generally, we advise that the store should start with a broader set of inventory to test what is selling locally before restricting the product lines too much. If it turns out that something isn't selling well, you can always restrict donations and gradually phase out of that product.


Price

There is far too wide of an array of goods sold at a thrift store to give specific guidance on pricing, but we can offer a recommendation on the approach to pricing. Thrift stores are a somewhat less competitive business than others, but the relationship with other United Church thrift stores on the North Shore should be at least a consideration. It would be good to start with similar pricing levels to those stores so as not to create competition on that basis. As things unfold over the first few months of operation, it will become apparent which items need adjustments to pricing. It would also help to ask for feedback from regular customers.

Promotion

The feasibility study included a list of common promotional techniques used by other thrift stores that Highlands should also consider:

⁴ <https://www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/industry-professionals/industry-guide-second-hand-products-including-children-products/guidance-document.html>

- 
- word of mouth: passive and relies on existing client base
 - drive by traffic: can be optimized with attractive displays and signage
 - promotion through Highlands programs: attracts both shoppers and donors
 - web page on existing HUC website
 - dedicated Thrift Store website
 - printed flyers and postcards and print media
 - social media blogs, posts, reels and campaigns
 - instore events; grand opening, special sales

In addition to these suggestions, we offer some expanded options based on our research and experience.

- Bus Stop Outreach – take opportunities during slow times to go up to the bus stop and connect with people. For example, bring up some umbrellas as a giveaway on a really rainy day and start a conversation telling them about the store.
- Community Outreach – keep your ears to the ground for significant events in the community like a fire or major theft from a house to offer people some credit to pick up some things free at the store. If the church is offering someone in financial distress some assistance, also offer some support through the store.
- Media – If a major event such as the examples in the previous bulletin point occur, don't be too shy to “brag” a little and go for some free press, eg from North Shore News, also inviting them to a grand opening event to do a story about this big step the church is taking.
- Social Media – we recommend running a thrift store Facebook page. An excellent example of this is the Hope for Children thrift store in Langley⁵. They report getting a lot of traffic and sales from their posts on Facebook.
- Post large-ticket items on FB Marketplace and Craigslist, avoiding the scams by simply directing interested people to come view and purchase items in the store.
- Ask for help – ask church members to re-post Facebook posts, also to donate and watch out for situations in personal and professional networks e.g. someone mentions they or family members are downsizing, moving to/from the area etc.
- Give a discount coupon to people donating goods so they can shop at the store as well

The overarching theme here in this list of promotional suggestions is on low-cost interventions. It is not necessary to have a large marketing or advertising budget for a charity thrift store. The existing body of volunteers and supporters can quickly spread the word about the store.

The most important place to spend some money is on signage. One of the biggest strengths of this store will be its excellent location (cf the next section). All you need to do is catch the attention of passers⁶-by with clear and professional looking signage. A “sandwich-board” style sign by the bus stop

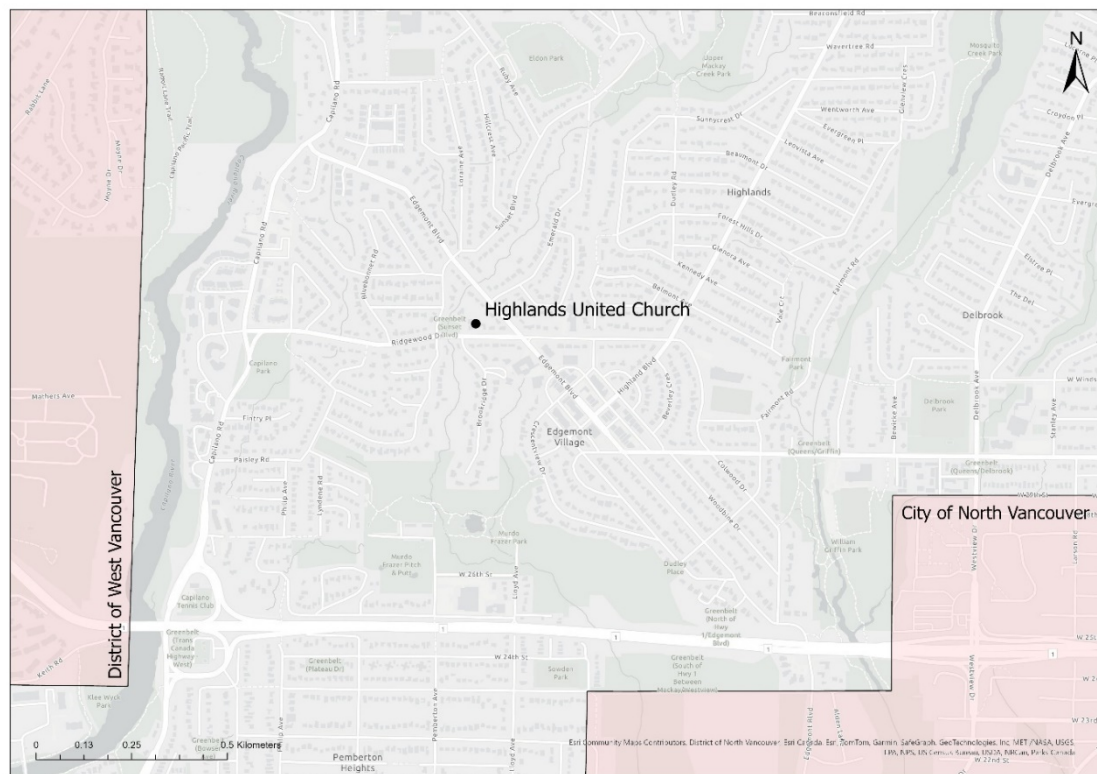
• ⁵ <https://www.facebook.com/search/top?q=hope%20for%20children%20thrift%20store>


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and one of the “feather flag” style signs with a weighted base would be a good place to start. These could be printed for minimal cost along with good quality stick-on signage on the door. Larger format ‘permanent’ signage could be added on the building itself once the revenue is established and growing so that the cost for this doesn’t need to be included in borrowed funds as part of the startup costs, and to mitigate any remaining concerns about financial risk. The same approach could be taken on website investments. We recommend starting with a static page on the Highlands UC church website that simply gives opening hours, highlights of what type of goods are sold, and some details about when donations are accepted and of which type. For information on sales and events, a Facebook presence would be free and a lot easier to manage and keep updated and could also be linked from the web page. Once revenues and profits are well established, additional investments into a separate public website could be included as well.

Place and People

Highlands is conveniently located at a busy bus stop in a very busy area with retailers and medium density apartment buildings all around it. There is also a lot of vehicle traffic between the ‘upper’ areas of the highlands and the lower parts of North Vancouver south of Highway 1. The store is easy to access from all parts of the North Shore. Feedback from the Edgemont Village Business Association (EVBA) shows that in general a thrift store would be a welcome addition to the village and business owners are willing to provide advice and support to this fledgling enterprise. The church generates traffic from various programs, and particularly from the Waldorf School and the Preschool. There is already a large body of donors and customers who have supported the flea markets and pop-up sales in the past, and once signage goes up and the word gets out it is reasonable to expect a faster than usual rate of growth for the store.





To attract volunteers, the store manager should also approach the Waldorf School to put in place an arrangement to host students as volunteers as part of the high school curriculum that is called for under the BC Ministry of Education’s curriculum (minimum 30 hours of volunteering). As some of the students volunteer there, word will spread quickly to others and this will reinforce growth in the customer base among students and their families.

Branding Approach

Creating a logo and brand identity was not possible within the very limited scope of the creation of this business plan. We can, however, offer some guidance here that can be used to shape the brand identity, making a logo, etc. Since the promotional efforts will not include a substantial amount of traditional media advertising, and will rely much more on attracting traffic from the neighbourhood, word of mouth, and social media, we recommend that the brand identity be kept simple, clear, and professional.

When it comes to finding a name for the store, we caution against being overly clever to the point that it creates confusion as to what it is. Something like Highlands UC Thrift Store might be good enough. In developing a logo, you could consider using similar fonts and bright colours as the Highlands United Church, with enough of a difference to make them distinguishable. One option would be to emphasize a bright green colour as a link to the environmental responsibility that is important to Highlands UC and one of the most obvious benefits of participating in thrifting for donors, volunteers, and customers.

FINANCIAL FORECASTS

The feasibility study included financial forecasts. Although an update to those numbers was not in the scope of this business plan, we include them in the appendix to this report and also offer some updates based on our research on revenues and profitability of other thrift stores.

Based partly on our recommendation to have daily openings, as well as the existence of ideal condition in terms of location, we predict significantly more revenue than originally envisioned. Based on achieving the grants that have been applied for and taking on an \$80,000 loan for renovations, we have restructured the financial statement for greater clarity. We grouped all of the operating expenses into one line, with wages shown separately. We show an initial strong opening month in year one due to the attention surrounding a grand opening event, and then settling into a drop of revenue with a steady growth over a few months as the word gets out and traffic builds.

We have also shown a separate forecast for years 2-5, with the startup operating grant no longer available and adding wages for a second employee.

It should be noted that the line at the bottom, “available for distribution”, includes transfers to the HUC operations, but could also include other distributions. This is a question for the HUC leadership team to consider with the trustees. Should some of the profits be set aside for long term sustainability

of the church, for example to rebuild the capital reserve fund? Or perhaps a new fund could be set up to ensure that programming will remain viable beyond this timeframe. Another consideration should be that it might be necessary to close the thrift store at some point in the future due to a lack of volunteers if the current trends continue in terms of the aging and shrinking body of church supporters. This occurred in the Lake Cowichan UC and thrift store. If that happened here, and the Highlands UC was counting on \$5,000 per month of operational support from the store, it could have disastrous consequences for the church budget if the store had to close. A more responsible approach might be to allocate some of the funds available into places like the Heritage Fund, the capital reserves, or possibly also a new strategic reserve fund created as a buffer against the potential future closure of the store. All of this is speculative, but good to consider so that if things go as well as predicted these conversations will take place.

Year 1 - Predicted/Simplified													
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total
Sales	\$ 5,000	\$ 3,000	\$ 4,000	\$ 5,000	\$ 6,000	\$ 7,000	\$ 8,000	\$ 9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$ 87,000
Operating Grant	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 24,000
Total Cash In	\$ 7,000	\$ 5,000	\$ 6,000	\$ 7,000	\$ 8,000	\$ 9,000	\$10,000	\$11,000	\$12,000	\$12,000	\$12,000	\$12,000	\$111,000
Wages	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 1,664	\$ 19,968
Other Expenses	\$ 1,221	\$ 935	\$ 653	\$ 446	\$ 489	\$ 457	\$ 375	\$ 593	\$ 461	\$ 511	\$ 611	\$ 561	\$ 7,313
Loan Repayment	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 16,008
Total Operating Costs	\$ 4,219	\$ 3,933	\$ 3,651	\$ 3,444	\$ 3,487	\$ 3,455	\$ 3,373	\$ 3,591	\$ 3,459	\$ 3,509	\$ 3,609	\$ 3,559	\$ 43,289
Available for Distribution	\$ 2,781	\$ 1,067	\$ 2,349	\$ 3,556	\$ 4,513	\$ 5,545	\$ 6,627	\$ 7,409	\$ 8,541	\$ 8,491	\$ 8,391	\$ 8,441	\$ 67,711

Years 2-5 - Predicted/Simplified													
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total
Sales	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Total Cash In	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Wages	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Other Expenses	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 9,000
Loan Repayment	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 1,334	\$ 16,008
Total Operating Costs	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 5,084	\$ 61,008
Available for Distribution	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 4,916	\$ 58,992

Another observation from these financial forecasts is for a sensitivity analysis perspective. The break-even point in years 2-5 for the store would be \$4,000 in sales. Based on our conversations with other thrift stores, it is difficult to imagine what it would take to result in such a low level of sales. In other words, the worst case scenario for launching the thrift store would be that the revenue would cover all operating expenses, wages, and loan repayments with at least some modest contribution to the HUC operating budget. This break even point drops even lower when the loan payments of \$1,334 conclude after year 5. A need to close the store for financial reasons is therefore highly improbable.

To achieve the originally envisioned \$2500/month of transfers to HUC Operations, it would require \$6250/m of gross sales with one employee or \$7500/m with two part time employees. Based on our research and further analysis, we predict that available funds for transfers (profits) would be approximately \$5,000. It not unreasonable to expect a store of this size and in such a strong location to reach as much \$7,500 per month in net profitability if well managed.

MAKING IT HAPPEN (LAUNCH CONSIDERATIONS)

The tasks below represent the consultant’s approach to preparing to launch a business, with a business case document also created after the feasibility study and prior to the business plan for businesses with very large investment size or operating scale that need an additional decision checkpoint. In this case, we have an established vision, a feasibility study was completed, this document is the business plan, and we are now ready to make the decision to launch. With that decision clearly made, we can move to the launch phase.



Vision



The flea markets of the past needed to be replaced with an operation that was more sustainable in light of the shrinking number of volunteers. A thrift store would need a smaller total number and would achieve the same or better outcomes.



Feasibility Study



The initial concepts that were envisioned passed a test of feasibility through research that examined the global and local conditions, considered some of the risks, the challenges and successes of others, and validation through analysis.



Business Plan



Additional research was conducted, and more guidance has been provided in terms of marketing and launch support. The decision to proceed is now fully supported with data and the original vision has been clarified with more details.



Launch

The business may now begin operations, but further supports are recommended. The HUC has a strong community of supporters who may be invited to help, and other UC thrift stores can help with ideas.

PREPARING FOR OPENING

This section connects the Marketing Strategy to the practical aspects of getting the doors opened and building traffic flow. The checklists below are intended to give the thrift store manager a starting point but are not intended to be comprehensive..


1. Confirm and finalize preliminary design drawings for Thrift Store
2. Obtain an updated estimate for completion of work from the preferred contractor.
3. Engage a Quantity Surveyor to confirm costing as a further reassurance and risk mitigation.
4. Secure financing for renovation and all capital expenditures.
5. Begin construction work for the renovation.
6. Continue to search and apply for capital funding grants

7. Secure funding for year one operations (staff, training, administrative fees etc.).
8. Create job descriptions and terms for paid and volunteer staff. Many excellent examples can be found on the internet, and that content refined and combined with standard HUC job description templates.
9. Hire the manager. The most likely way to find someone who is willing to do this work at a modest pay rate and with a lot of enthusiasm is to begin the search internally among the existing body of volunteers.
10. Review all church policies and ensure any relevant ones are followed closely.
11. Review church media policy and be prepared on how to handle crisis communication with clear responsibilities.
12. Manager to prepare for and then convene a kickoff/planning meeting for volunteers.
13. Review building security to ensure there are no negative consequences to the office and church operations in the rest of the building.
14. Ensure that all relevant church insurance policies are updated and adequate (fire, liability, etc).
15. Set up volunteer events to organize and prepare the retail space.
16. Do some donation drives to stock up a bit in advance of the opening and build volunteer organization levels and teamwork.
17. Identify some key volunteers who can step in for the manager in an emergency.
18. A group of key volunteers should volunteer at nearby UC thrift stores sometimes to learn more before opening, and to deepen existing relationships of support. Look for potential to work together after opening to support each other, collaborate on donations and product lines, etc.
19. Execute the marketing plan. Confirm the name, get a logo designed, plan a grand opening event, begin communicating, etc.
20. Launch the store!

SUCCESSFUL MANAGEMENT STRATEGIES

The thrift store manager will be responsible to run the day to day operations in a way that aligns to the HUC vision, maximizes revenue, ensures good cooperation and community building among volunteers and staff, and creates positive interactions with donors and customers that foster effective outreach and community building externally. This section presents a few key areas of focus for the manager to pay attention to. As mentioned in the checklist above, spending time volunteering at other thrift stores will be very helpful in preparing properly. Ideally this volunteering will take place at more than one location so the manager can learn from best practices but also potentially identify some of the things that might not be going as well as they could.

1. Pricing will be very important to maximize profit. Too low, and the store is missing an opportunity and possibly even undercutting other thrift stores. Too high, and goods may linger on shelves and customers may stop visiting. We recommend creating a price guide for volunteers who are pricing items, to ensure consistency over time. If certain products become overstocked, it will always be possible to have flash sales on certain categories to



clear out inventory. This is one of the benefits of getting your sales goods at no cost – any revenue you get is still profit as there is no minimum markup to cover them.

2. Presentation really helps build a strong first impression as customers enter the shop. It is also possible to highlight some goods from categories that seem to be getting overlooked by purchasers by placing an attractive display in a prominent location.
3. Organization of the store is important for a few reasons. It will help customers find what they are looking for more easily, and an efficient use of space will also allow you to stock more items overall. Organization in the back area where donations are sorted, repaired and stored will have benefits for volunteers, but also in terms of efficient use of storage space and not ending up with ‘dead items’ at the back of closets and cupboards.
4. Ensure quality. This starts with donation sorting and is also important in the retail space. The manager should go through all the materials in the store regularly to ensure that low quality or damaged goods are not using up shelf space and creating a negative impression to shoppers.
5. Get creative to attract new shoppers and donors. The manager and a couple of volunteers can host events to get the attention of people at the bus stop, walking by on the sidewalk, attending church events, going in and out of the Waldorf School, or picking up and dropping off kids at the preschool. Hand out some free items, give away free coffee and treats, or just go out to say hello and let people know about the store.

PERFORMANCE MEASUREMENTS AND COURSE CORRECTIONS

The financial forecasts shared earlier in this plan can be used as a baseline to measure success. The store manager and HUC leadership can sit down and create some minimum targets for revenue and profitability collaboratively. Statistics should also be tracked on the number of volunteers that are contributing time to the store, and the number of hours. An estimate of traffic flow of customers might also be useful to track.

These measures are not simply a way of assessing the performance of the staff, but are rather a way to also identify patterns in donations, sale of goods, and the level of volunteer support that is being received. This information will help the store run more efficiently, preparing it to be able to maximize on sales during peak traffic times (time of day, day of week, and annual seasonality). For example, stocking up in advance of peak purchasing periods, or in how to schedule volunteers as efficiently as possible to maximize the usefulness of their time.

A series of check-ins at regular intervals should also be scheduled in advance, such as monthly and annual reports, meetings between the manager and relevant member(s) of the leadership team and so on. Bearing in mind that this is a part time employee and that the store is running mostly on volunteer labour, it would be good to keep this ‘light’ and the level of expected details in reports be kept minimal. By checking in regularly on strategy and results, HUC leadership can ensure that the thrift store continues to create the maximum benefits in terms of revenue stream generation and internal and external community building.