

# A Plan for Beckett

By  
Daniel Cheek

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## **ACKNOWLEDGMENTS**

I would first like to express my sincere gratitude to Dr. Adam Smith for his time, support, and the wealth of knowledge he provided in helping me develop and produce this thesis. His guidance and expertise were instrumental in helping me bring this project to completion and I cannot imagine having a better thesis mentor.

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Finally, I want to thank my family and fiancé for their continued support and words of encouragement throughout the thesis project.

### **Thesis Abstract**

The purpose of this thesis is to establish credentials for myself and to create a business plan for Beckett Timepieces. Much of the data was derived from my experience and observations as the owner and operator of Beckett Leather Goods. Some of the market data includes statistics from articles written by industry experts. Through writing this thesis, I found that there is a huge market for watches in the \$500-\$3,000 price range. I also found that the more “mass-produced” the products of the world become, the more people crave artisanal, handcrafted goods. The market for well-made timepieces, contrary to many peoples’ belief, is not in decline. In fact, it is growing and will continue to do so even as the worlds’ products become less driven by quality.

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## **Introduction to Thesis**

Every year, hundreds of thousands of determined and hungry entrepreneurs start their own business. They have an idea and a dream. However, this is not always enough. Almost as many businesses close their doors each year. This is because owning a business isn't easy. It takes organizational skills, creativity, attention-to-detail, and lots of strategic thinking. On top of this, many entrepreneurs don't understand cash flows. This is one of the top reasons for failure in business.

Sometimes unexpected failures happen. An entrepreneur has to be okay with this reality. Eventually, a client will become angry. Eventually, profits will be lower than expected for no apparent reason. This is all part of the inherent risk involved in creating a new venture. It's impossible to run a perfect business and to plan for everything perfectly. However, I'm sure going to try my best. This thesis will document my first business, DBC Leather Co and plan for my next business, Beckett Timepieces. Readers will get an inside look into an average guy's first real attempt at being an entrepreneur.

First, I want to give with some background about Beckett Leather Goods in order to establish my credentials for starting Beckett Timepieces. I started Beckett Leather Goods (originally called DBC Leather Co) back in 2017 by taking a \$400 loan from my parents. I used it to buy tools, practiced making watch straps, and eventually started advertising my work for free on Facebook groups related to watches. I sold my first strap the next day for \$105 and felt like the richest human on the face of the planet. Over the rest of the first week, I sold two more. My customers were thrilled and so was I. After a few more days, I was able to pay my parents back, which felt great. From that point forward, the business has been entirely self-funded. For the first few months, I pushed my

products on various targeted Facebook groups, messaging potential clients and hoping for responses. I probably sent over a hundred messages per day hoping to gain one new customer. I loved every minute of trying to sell my straps.

Eventually, word got around that I made excellent watch bands. People started reaching out to me first. It started slowly, with maybe one inquiry per day. Then it became two, then four, and so on. A friend of mine reached out and suggested I make a Facebook page for my straps. First, I needed to think of a name. The name DBC Leather Co received praise from friends and family when I asked their opinion. I decided to stick with it and made a Facebook page with the help of my friend. Now, I kind of felt like I was running a small business. It almost started to feel real.

After a year or so, I decided that I needed help. I trained my brother-in-law to make straps so he could fill orders for me. I decided to pay \$45 per strap. Each strap takes three hours to make, so his wage was roughly \$15 per hour. Shortly after this, I decided to train a few more of my friends. Now, I have four team members who are classified as independent contractors. They all work from home and meet with me once per week for me to inspect their work. The strap-making process is quite complex and takes months to master. Each strap takes 3-4 hours to make depending on the material.

The steps in creating each strap include the following:

- 1) Cut the leather into strips that are sized according to client's specs
- 2) Glue strips onto backing leather
- 3) Sand edges with 4 different grits of sandpaper until very smooth
- 4) Create a crease along the sides of the strap to guide stitching holes
- 5) Use chisels and mallet to punch stitching holes



- 6) Stitch by hand using traditional techniques
- 7) Burnish the edges 3 times
- 8) Paint the edges and heat them. Repeat this step 4 times
- 9) Punch holes for buckle tongue
- 10) Make keepers
- 11) Put on buckle

In 2024, I plan on introducing timepieces to the product lineup which will fall under their own brand, Beckett Timepieces. Because of my passion for this future venture, I've decided to create the business plan now. This is my first attempt at creating a business plan. I've utilized my accounting knowledge and entrepreneurial disposition in creating it.

# **Business Plan**

## **Executive Summary**

The purpose of this business plan is to provide financial estimates, to help readers visualize the brand image that will be associated with Beckett Timepieces, and to describe its target market. It also showcases my past and current experience as the owner and operator of Beckett Leather Goods and provides some financial projections.

## **Operations Plans**

Beckett will begin as a horizontally integrated company but will eventually aim to become vertically integrated, like Swatch Group, and make all watches entirely in the USA within its own facilities. As a result of this change, Beckett's prices will exit the entry-level watch category and enter the entry-level luxury range.

## **Marketing Plan Summary**

Beckett will take advantage of free online resources as well as Facebook and influencer marketing. Due to this, I estimate a cost-per-acquisition of around \$25. There are dozens of Facebook Groups that exist for people to post photos of their watch collections.

Martina Frasca, CEO and Online Marketing Specialist of socialmaga.com, says that "The big advantage of Facebook groups is that there is a large number of users with a focus on one topic in one place" (Frasca, 2018). Some of these groups have tens of thousands of members. One group, called the Urban Gentry Watch Club has over 45,000 members. Horology Talk has over 20,000 members. There is even a group exclusively for photos and discussion on small watch brands known as microbrands. This group has almost 20,000 members and is growing. There are dozens of other groups with tens of

thousands of members. These groups are the only form of marketing that Beckett Leather Goods uses, and we sell roughly 400 custom watch straps per year. We have the ability to sell even more straps but limit custom orders so that we can keep up with demand.

Facebook Groups are extremely effective due to the fact that almost every person in any watch group is a timepiece fanatic.

### **Brand Image and Target Market Summary**

Beckett will develop a brand aesthetic that evokes a boutique, artisanal feeling when people view its products and website. The website will use modern, refined, and clean imagery that expresses the idea that simple does not mean boring. While simple in design, Beckett Timepieces will stand out from competitors with its attention-to-detail, finishing quality, and well executed designs. The type of person who will wear a Beckett watch will be the type of person who *always* matches their shoes, belt, watch strap, and wallet right down to the stitching color. The brand image will make consumers crave a time when all things were handcrafted and made with soul and purpose. Handmade in this sense does not imply imperfect or rugged. It means made with care, precision, and an obsessive level of attention-to-detail.

**Mission Statement:** To masterfully design and create timepieces and accessories that bring clients a lifelong sense of pride and nostalgia

**Brand Values:** Quality, precision, consistency, integrity

At first, I will operate Beckett Timepieces by myself from my home. Eventually, I will add team members as my tasks become more time consuming and as the business expands and is organically able to provide for salaries. When team members are added, I will rent office space. We will utilize the classical Hierarchical Organizational Structure.

Managers will be in charge of their department. Roles and levels of authority will be clearly established. Operating a watch brand requires a wide array of tasks such as marketing, customer support, graphic design, sales, product design, administrative tasks, and more. A hierarchical structure allows for a clear segregation of duties and responsibilities and thus leads to more precise execution of each task.

### **Description of Startup**

Starting in the early 2000's, watch brands have been releasing relatively large watches. Thirty-four millimeters used to be the standard case size for men's dress watches and dive watches were around 36-38mm. Since the turn of the century, it seems as though 40mm is the norm for dress watches and 42-44mm is standard for dive watches. Through my experience operating Beckett Leather Goods and observing consumer preferences, I have noticed that watch enthusiasts tend to prefer more classically sized timepieces. However, many worry that vintage watches are too fragile to wear every day without damaging. Beckett will solve this problem by producing timepieces in the 36-38mm size range using extremely durable materials such as sapphire glass and 316L steel.

Beckett Timepieces will launch with low/mid-range watches, but quality will greatly exceed this price point. Beckett's watches will pay homage to vintage styling but will be originally and thoughtfully designed. For instance, the inner dial on my first model, the *Avus*, is inspired by vintage "linen dial" Rolexes. These are collectable pieces and have high demand, but no watch brands have supplied a linen dial watch in decades. No brand has ever produced a watch with a dial that is partially "linen" and then

transitions to another texture. Graphic renderings will be attached on the next page with further detail.

In the brand's infancy, the watch parts will be manufactured exclusively in China and then assembled in Tennessee. Because of the high-quality components and level of finishing, the cost will be around \$200 per unit. Our ability to achieve this unit cost is discussed in further detail in the Costs and Expenses section of the plan. The first model will retail at \$700 which may sound expensive to a casual watch fan, but given the specs, it will provide a rarely matched value proposition. The level of finishing will be excellent, the watch will be powered by a Swiss automatic movement with a custom decorated rotor, and each watch will each come on a handcrafted genuine alligator strap. Top this with a superb design and you have a watch that will stand competition in the \$1,000 and under price range. Beckett will be able to price their watches competitively by not using retail stores as an intermediary. Please note that this fact will not be advertised as an advantage because many watch enthusiasts express disinterest and even scoff at brands that "revolutionize the watch industry by cutting out the middleman."

After 5 years in business, Beckett Timepieces will be manufactured 100% in the USA. This will provide a competitive advantage because there are currently only a few watch brands that manufacture every part of their product in the USA. Facilities and trained staff will have to be acquired, but it will add enough value to justify the higher cost. My handmade watch strap brand, Beckett Leather Goods, has proven this. There is a high demand for American-Made goods among watch enthusiasts, and people are willing to pay a premium for this luxury. At this stage, Beckett watches will sell for around \$3,000. This price range is known as entry-level luxury or quasi luxury. Once this change

happens, the competition will become fiercer because prestige and brand heritage become major factors. Beckett will be competing with Omega, Tag Heuer, Longines, Breitling, and vintage Rolex. Still, Beckett will have the advantage of being entirely built in the USA along with clever designs, marketing, and a high level of craftsmanship. Beckett will never rely on its name alone to sell watches. The quality of its product will create a name for the brand rather than the name creating a *perception* of quality.

## Design:



The inner section of the dial has the famous linen texture created by Rolex and the outer dial is radially brushed. The hands will be thermally blued. The indices are curved on the back at an angle so that the round pips fit perfectly and seem to be an extension of the indices. It will come on an alligator strap. The diameter of the watch will be 38mm, and it will be 9mm thick. Unlike most dress watches, it will be water resistant to 200 meters.

**Not shown in photos:** The edges of the bezel and lugs will be chamfered rather than rounded. A re-design of the steel portion of the watch is currently in development. It will be similar, but will have a slightly sharper and more refined aesthetic.

## Credibility and Experience

I have built and grown Beckett Leather Goods from the ground up. We currently sell an average of 8 straps per week and project to bring in over \$74,000 during the next 12 months. The growth has been 100% organic.

Facebook Followers: 1,717

Facebook Page Likes: 1,668  
Returning customer rate: 14%  
Average Order Value: \$179  
Sales Attributed to Paid Marketing: \$0  
Website Sessions per Week: 350

I achieved the numbers above while being a full-time accounting student in the honors program at MTSU. School has been my first priority, so some weeks I have only 20-25 waking hours to work on business. In 2024, when Beckett Timepieces is formed, I will be able to work at least 80 hours per week on managing and growing the business. I will be able to take what I have learned about organic growth and apply it to a much larger venture.

The only major problem that Beckett has run into is difficulty meeting high demand. Basic economics says that raising the price should solve this problem. However, demand has continued to grow. In May, I raised all prices on our straps. However, orders did not decrease. Eventually, I realized we were going to stay behind schedule unless I stopped taking orders altogether and worked extra hours to get caught up. It took almost the entire summer.

I figured out how to design and make a product for which people will pay a premium price. It takes a combination of product quality, customer service (making the client feel like a friend) and portraying the product in an attractive manner (photography, descriptions, etc.). Part of the reason for the huge boost in sales in May was due to the purchase of a Sony A7ii camera. This is when the website started to look more credible and we started attracting a new customer base. If all of these things are done well, price is less of a factor to the right clientele- key word being right. Beckett Leather Goods uses a



“Focused Differentiation” strategy meaning that it offers a high quality and unique product to a targeted audience.

### **Beckett Leather Goods Reviews**

Beckett was formerly known as DBC Leather Co, so some reviews and feedback might mention that name.

- 1) “I got my first custom strap from Daniel a couple weeks ago now, and it is without a doubt the best custom strap I’ve had made so far. The quality and attention to detail is unmatched! I will without a doubt be ordering more from him as new watches come in”
- 2) “Dan has made 3 custom watch straps for me. The workmanship is impeccable. The attention to detail is amazing. One person who saw the strap commented that the design of the keeper on the strap ‘just screams attention to detail’”
- 3) “If you are looking to get a watch strap with craftsmanship and soul, consider DBC Leather Co. We just received a strap made of shell cordovan and are very pleased with the overall quality, not to mention that intangible sense that something is ‘real’”
- 4) “Great quality! Very professional looking watch strap with superior materials. Daniel is very honest and very accommodating. May take some time, but well worth the wait.”
- 5) “Every bit as good as Combat Straps” This feedback was especially meaningful, since Combat Straps is known as the leader in the custom strap market and has been making straps for 10+ years. This client has bought dozens of straps from him.
- 6) “You make by FAR the best-looking Louis Vuitton canvas straps I’ve ever seen online.”

I pride myself on providing a quality product and excellent customer service. Our 5-star record is evidence of this.

## Operations Plans

Beckett's operations will take place from my home for approximately 2 years. Rent would be an unnecessary expenditure until staff and inventory start taking up a considerable amount of space. Activities will include designing watches, communicating with vendors and customers, packaging and shipping watches, and marketing strategy. Beckett will also absorb the activities of Beckett Leather Goods (BLG). A BLG team member will oversee activities related to custom watch straps. Beckett's founder, Daniel B. Cheek, will invest \$70,000 into the business at the beginning of year one from personal savings which will be enough to be a going concern for 12 months. After this, Beckett will continue to be self-funded.

The workflow for creating and selling a new watch will include the following steps:

- 1) Work with graphic designer to create graphic renderings of the new watch
  - This step involves costs of about \$1,000
  - Takes approximately one month
- 2) Configure specifications and costs
  - This step requires no cost but does include copious amounts of communication with manufacturers to break down costs associated with each part of the watch.
  - Once costs are separated by feature, there may be some that are too costly to include.
  - Will take approximately 1 month

- 3) Get customer feedback to perfect the design
  - For this step, I message Beckett Leather Goods' clients to ask for feedback and post photos to Facebook groups. If there are recurring suggestions, I make a note of them and consider making the change requested.
  - Will take approximately 2 weeks
- 4) Order Prototypes
  - Prototypes take about 1 month to complete
  - The cost of prototypes is built into the cost of the final watch order
- 5) Begin softly marketing the new product through email and Facebook groups while prototypes are being made
  - During this phase, there are no paid ads. Photos are sent to clients on the email list and in Facebook groups to showcase what is soon to release.
  - This phase will last approximately one month
- 6) After approving prototypes, order 250 timepieces and make 30% deposit
- 7) Schedule activities for prototypes (Lend to influencers for review, photo shoots, videos, etc.)
  - Because of my reputation in the watch industry, I have many contacts who are "watch influencers". I have spoken with Youtubers, blog contributors, and social media influencers/reviewers. Many of these contacts have told me they would love to borrow and review whatever watches I release in the future.
  - This phase will last one month
- 8) After photo shoots, begin a marketing campaign via email list, Google ads, Facebook ads, and Instagram

- At this point, I will start using paid advertisements and pushing the product toward the market with more ferocity. About \$2,000 will be spent on ads in the months leading up to launch.
  - Pre-launch campaign will last one month.
- 9) Travel to China for inspection of timepieces
- Rather than immediately have the watches shipped to me upon their completion, I will travel to China to inspect them in person. The remaining balance due to the manufacturer must be paid before the watches are shipped, so I will need to make sure they have been made properly before paying in full.
  - This will take one week.
- 10) Upon approval of quality, pay the remaining balance to manufacturers
- 11) Package and ship watches to clients as ordered
- Watches will be packaged in lacquered wooden boxes with leather interiors.
  - I will use Shopify to print shipping labels. This simplifies the packaging process and eliminates the risk of typo when addressing the boxes.
- 12) Communicate with customers to ensure satisfaction and take care of any issues
- After each client orders, I will set a reminder to contact them four weeks later to make sure they are happy with their purchase.

Beckett will be an active member in the custom watch strap and leather accessory market. This segment of the business will conservatively bring in around \$75,000 in sales per year with around a 48% net margin. In total, Beckett will earn roughly \$250,000 in

revenue during the first year. Of this, around \$151,210 would be profit before tax. In year two, Beckett will aim to produce another new timepiece model. After around four years, Beckett will be selling 2,000 watches per year and earning over \$1 million in sales. At that time, we will purchase a warehouse for order fulfillment and office space. Until Beckett starts producing 2,000 watches per year in 2029, it will most likely operate from Daniel's home. In 2029, Beckett will move its facilities to a warehouse for order fulfillment and office space.

## Marketing Plan

- 1) **Unique Selling Proposition:** Beckett Timepieces will offer a combination of extreme precision (both in time keeping and quality of the watch), an artisanal aesthetic, and a combination of classical, vintage styling with modern finishing and refinement. On top of this, the watches will be assembled in the USA and eventually be entirely made and assembled in the USA. Finally, Beckett Timepieces will have the advantage of starting with a trustworthy reputation because of Beckett Leather Goods.
- 2) **Promotion Strategy:** Through operating Beckett Leather Goods, I have learned how to sell products to watch enthusiasts. One key advertising method for small brands is posting in Facebook groups. Groups relating to watches combine to have over 100,000 members. To reach an audience this large with a Facebook ad would cost upwards of \$1,000. Because I have been able to market my products for free, cash has been available to make other expenditures such as buying a

professional-grade camera, investing in new leathers, and having an excellent logo created. Below are photos of Beckett Leather Goods' website:

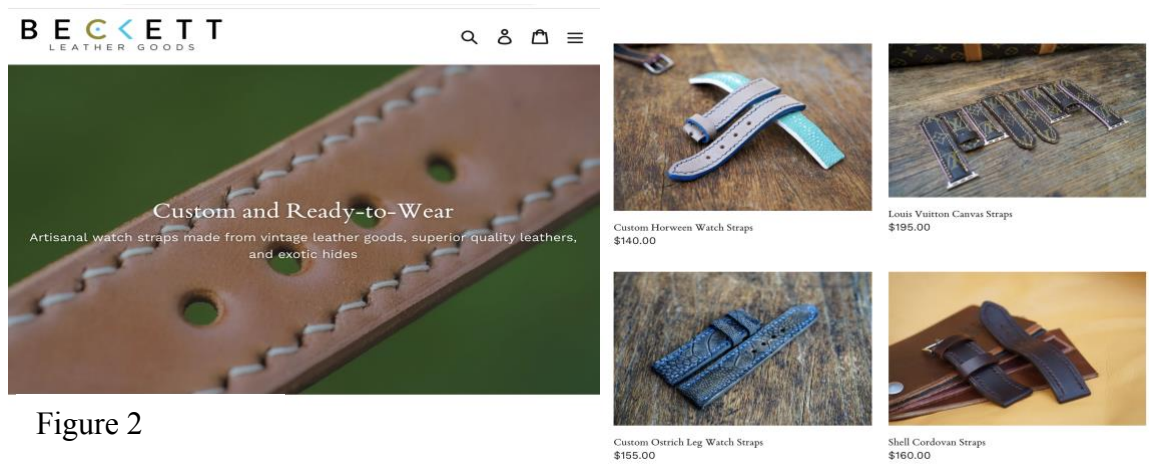


Figure 2

When Beckett Timepieces begins producing higher volumes of products (1,000+), it will start investing in keyword strategies and Facebook ads. I will specifically target 30-70 year old male consumers who earn at least \$80,000 per year, live in the United States, and have a history of purchasing goods from brands who produce well-made items, such as Allen Edmonds, Ashland Leather Co, Beckett Leather Goods, Nomos, and others.

**3) Market Analysis:** Beckett Timepieces will use a "Focused Differentiation" strategy. We will target high earning men (eventually women) from the age of 30-70. Timepieces in the \$700-\$1,000 price range are not a growing need, but rather a growing desire. Watches have a cult-like following and there will likely always be people who spend large sums of money on quality timepieces. Jeremy Langmead, a fashion expert and contributor for theguardian.com explained, "The idea that technology would deal a fatal blow to the watch, simply hasn't panned

out. Men now own mobile phones and BlackBerrys as well as, not instead of, their timepieces” (Langmead, 2009). While this article is a decade old, the statement holds true. If people really wore watches to tell time, they would have been obsolete long ago. Watches are a statement piece. People wear them to express themselves and true watch aficionados wear them to help fulfill their craving for well-designed and well-made items. Rolex, according to the article “Rolex in Numbers” by Est1905, sells and produces over 800,000 watches per year (est1905, 2018). Even with such a high number of watches produced, I still see complaints from collectors almost every day about being “waitlisted” by Rolex for extended periods of time (1+ years).

Also, watches are “collectible” meaning that many people who are interested in watches do not stop at one. Once a collector becomes fond of a brand, they tend to follow their releases and make repeated purchases. This is something I have observed through operating Beckett Leather Goods. Some small brands even have fan pages where their clients post photos and discuss news relating to the brand.

Many people are under the misconception that the watch industry is a dying one. While it is true that the timepiece market has seen better days, it is currently growing and is projected to continue growing at a fast rate. The industry leader, Swatch Group, reported sales of 8.51 billion USD in 2018. This was about a half a billion dollar increase from 2017. In 2003, Swatch Group reported revenues of about 4 billion USD and has steadily risen since then. There are three Swatch brands with which Beckett will compete in its early stages: Tissot,

Hamilton, and Certina. According to Swatchgroup.com, Tissot exports over 4 million watches per year (Swatch, 2019). Tissot's watches retail from about \$350-\$1,200.

The watch market is projected to grow at a rate of 6.7% from 2019 and 2024 to reach a value of nearly \$76 billion according to reuters.com (reuters.com, 2019).

**4) Customer Analysis:** The customers I will target care about quality. My watch straps are priced at the top of the market, yet hundreds of clients order from me each year. The segment does not spend top dollar on products in the name of prestige. They do, however, spend top dollar on quality goods with an artisanal touch. They are not the type of consumer to spend money on a product of average quality. They know what to look for in the specs and finishing of a watch. This segment will understand and appreciate our pricing and see it as a great value. There is a large market of people like this. According to Laura Wood, Senior Manager of PR Newswire, the "Handicrafts" market reached a value of \$526 billion in 2017 and is expected to reach \$985 billion by 2023 (Wood, 2018). At first, one may wonder why the handmade goods market would grow in a time of rapid technological development. It may even seem counterintuitive, but the more uncommon handmade goods become, the more people have come to demand a sort of respite from and rejoinder to mass produced products.

**5) Product Objectives:** In the short term, Beckett Timepieces will aim to have its product components made at the highest quality factories in China, use Swiss movements, and assemble the timepieces by hand in the USA. Many people may



assume that Chinese factories are not capable of producing Swiss quality pieces, but this is inaccurate. Although it is true that there are factories with poor quality control, there are many that produce extremely high-quality components. I have access to these factories because of my business relationship with Wesley Kwok, owner of Nodus Watches. Having handled their watches first-hand, they feel as well made as many Swiss watches I have handled and worn. The chamfering on the indices were precise, the lume was applied evenly, and the case was brushed extremely well.

The phrases “Assembled in the USA” and “Swiss Movement” will catch the attention of consumers that care about quality and crave an artisanal piece. In the long term, Beckett will aim to own and operate its own factory and employ American watchmakers not only to assemble the watches but to build the components and even the movements. Weiss Watch company currently does this and charges around \$2,500 for its American made watches.

Beckett Timepieces will primarily offer watches. It will be the parent company of Beckett Leather Goods, which will make custom watch straps, custom camera straps, and other “niche” handmade leather goods that cater to a high-end crowd. Beckett Products will all have a refined, handcrafted aesthetic.

- 6) Brand Strategy:** Beckett will combine vintage/classic styling and crafting methods with a modern and refined finished product. This is subtly implied by its brand colors- olive green and bright blue. Olive green evokes a vintage, old-fashioned feeling and bright crystal blue evokes a modern, clean feeling. Its logo

hints at timepieces with the c in Beckett representing a watch face and the K being shaped like watch hands.



### **Components of branding and how I aim to build these elements:**

- A) **Presence:** At first, Beckett will be a “microbrand” meaning it only produces a few hundred watches per year. Its market-share will be miniscule at this point. Eventually, when Beckett’s watches are made in-house, Beckett will aim to be a very well-known brand within the USA. Since there are so few brands making their watches in-house, Beckett will distinguish itself from competitors and receive larger amounts of attention from enthusiasts. If the quality matches their expectation, more rapid growth will start to take place.
- B) **Reputation:** Beckett Timepieces will be respected among watch enthusiasts partially due to the fact that many of them are familiar with me and my straps. I regularly receive comments about how highly regarded I am in the Facebook groups. One major obstacle that many new brands face is gaining trust from watch collectors. Since many of them know me, this will be *less* of an obstacle.
- C) **Image:** The public will view Beckett as a brand that puts extreme effort toward the quality of their products. Even when unit sales increase, watches will be photographed in small batches with wooden, leather, and metal photo props. These materials tend to evoke a masculine yet boutique aesthetic.

Example:



Figure 3

**D) Customer Loyalty:** While Beckett will not discount its products, it will build customer loyalty in other ways. For instance, I started not only a Facebook page for Beckett Leather Goods, but also a Facebook group where clients can join to share photos of their straps, discuss ideas, and give feedback when I request it. This gives them a voice in my business, increasing a sense of community and ownership in the final product. On top of this, consistently providing an excellent product at a well-perceived value is one of the best ways to build loyalty.

**7) Product/Service Design:** My watches will combine vintage styling with a modern aesthetic. They will be classically sized and refined but will be water resistant to 100-200 meters. This is significant because this will mean that clients will not feel the need to baby their watches. The most common water resistance for classically styled watches is 30 meters. While this might seem like plenty, I

have observed that a great number of collectors do not feel comfortable swimming or even showering with this level of water resistance. A 100-meter resistance gives a sense of durability. Since the watch will be both elegant and durable, it will be able to be worn on almost any occasion.

**8) Customer Buying Process:** Similar to the website for Beckett Leather Goods, Beckett Timepieces will have a clean, simply laid out website that will require minimal clicks to navigate. Many small watch brands take pre-orders on their watch designs to gauge interest, and then the client receives their watch anywhere from 2-12 months after paying. Beckett, on the other hand, will pay for its inventory and have it available before offering it for sale. This will remove the perceived risk factor for new customers who stumble upon the brand. There are horror stories in the watch community about people pre-ordering watches and never receiving a product or a refund. I will keep clients from feeling this fear by guaranteeing delivery within one week of their order.

**9) Retention Strategy:** Beckett will retain customers by providing consistently excellent products, service, and value. As mentioned above, I will make clients feel that they are part of a Beckett community by creating a Facebook group, interacting with clients personally, and occasionally traveling to meet-ups where I will buy dinner for clients in various big cities. Wesley Kwok and his partner, Cullen, do this often and it is evident that Nodus has a loyal following. Adding a personal touch is a key success factor for artisanal brands. Each timepiece will include a personalized thank-you note from me.

**10) Distribution Plan:** For Beckett Leather Goods orders, I package each product, print the shipping label, notify the client their product is on the way, and provide tracking. The whole packaging process takes 5-10 minutes per order. When the package has delivered, I always message the client to make sure they are happy with the product. I will implement an identical system for Beckett Timepieces.

**11) Budget Considerations:** The highest cost associated with Beckett Timepieces will be the cost of the product itself. There will be no store-front and no office space (at first), so there will only be a very small amount of overhead.

**12) Price Objectives:** In the short-run, Beckett will have its watch components made in China and then assembled in the USA. Its movements will be Swiss-made. At this stage, a cost of under \$200 is achievable and retail will range from \$700-\$1,000. Upon communicating with manufacturers about the specifications of the watch, I was quoted \$180. The crocodile straps will cost about \$12 apiece and packaging will cost \$5 per unit. The watches will start at \$700, and prices will increase each year as brand credibility is earned. In the long-run, Beckett will aim to produce and assemble its watches in the USA. Because of the costs associated with this change and the perceived value-added, the selling price of the watches will increase to around \$2,000. Leading up to this change, a large marketing campaign will be put in place to show the public why the prices will soon increase. The marketing will focus on photographs and videos that emphasize American craftsmanship.

**13) Price Basics:** Beckett will not aim to be the lowest priced watch in the industry.

It will instead aim to provide a high-quality product at a price that consumers will view as reasonable considering the quality.

**14) Specific Pricing Tactics:** Beckett Leather Goods and Beckett Timepieces will never offer any discount nor promotion. If a product cannot sell at full price, it will be discontinued. Discounting a product cheapens it, which is why brands such as Louis Vuitton and George Cleverley (Bespoke shoe maker) never offer promotions. To confirm this, I messaged both brands' customer service and asked if they ever offer promotions. They both informed me that they do not discount their products. They are confident in their product and do not try to cater to a market with a smaller budget than their primary target.

## Financial Projections

Table 1

### Beckett Timepieces Projected Income Statement For the Year Ended December 31, 2024

Sales	250,000
Discounts and Returns	12,500
Net Sales	237,500
COGS	<u>77,500</u>
Gross Profit	160,000
<u>Operating Expenses</u>	
Accounting Fees	950
Quickbooks Fee	480
Shopify Fee	360
Marketing and advertising	<u>6,250</u>
Total Operating Expenses	8,040
Operating Income	151,960
Income before tax	151,960
Income tax expense	31,912
Net Income	<b>120,048</b>

Notes to Income Statement
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\$75,000 of estimated sales attributed to straps and other leather goods. \$175,000 attributed to watches

Cost per watch is estimated at \$190, but \$200 was used in statement for conservatism.

Beckett will utilize online influencers and will post in Facebook groups to boost audience.

Figures are assuming no other timepiece models are released and sold during Year 1.

COGS Calculations

<u>Product</u>	<u># Sold</u>	<u>Cost per unit</u>	
Watches	250	200	50000
Straps	500	55	27500
			<b>77500</b>



Table 2

**Beckett Timepieces**  
**Projected Balance Sheet**  
**For the Year Ended December 31, 2024**

**Assets**

Cash	103,120
Prepaid Inventory	15,000
R&D	2,000
Total Assets	120,120

**Liabilities**

Total Liabilities	-
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**Equity**

Retained Earnings	50,120
Owner Investment	70,000

Table 3

**Beckett Timepieces**  
**Projected Cash Flows**  
**For the Year Ended December 31, 2024**

Net Income	\$	120,048
<b>Cash Outflows</b>		
R&D		(2,000)
Prepaid inventory		(15,000)
Cash at Year End		103,048

Notes to Cash Flows
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Prepaid inventory has been calculated assuming MOQ and cost per watch remains the same for model #2.

$\$200 \times 250 = \$50,000$

This is not a full statement of cash flows as there are too many unknowns. This is just a very rudimentary version of an Indirect Statement of Cash Flows.

## Beckett Estimated Growth

Table 4	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Cash at Y/E	103,048	188,504	426,065	754,233	1,367,469
Sales	250,000	250,000	450,000	795,000	1,350,000
Expenses	129,880	129,880	212,439	376,332	612,764
Profit	120,048	119,456	237,561	418,668	737,236

### Notes to Estimated Growth

Marketing increases from 7,000 to 14,000 to 25,000 to 35,000

It is assumed that a manufacturer deposit of 30% will be made at the end of each year to prepare for upcoming models.

Beckett plans on expanding its product line to sell wallets and other high-end goods, but this is not taken into account.

To be conservative, projected strap sales will remain constant from 2024 until 2028.

Cash figure in 2025 was based on the assumption that sales will remain constant, but we will aim to produce 2 models in 2026.

Therefore, there will be 2 manufacturer deposits and twice as much R&D toward the end of 2025.

In 2026, 2 models will be released and sold. Also, retail price of watch models will increase to \$750.

It is assumed that there will be a slight decrease in cost with the increase in units made. \$190 is used as the cost in 2026 instead of \$200.

In 2027, Beckett will aim to sell 900 watches. The models produced and sold will be the 3 best-selling models from prior years.

Retail price will be risen to \$800. While cost per watch will likely decrease with this massive increase in units, a projected cost of \$190 will still be used as Beckett may elect to improve quality.

In 2028, Beckett will aim to sell 1,500 watches. It is undecided if new models will be introduced, but an R&D cost of \$5,000 is estimated in late 2027 to prepare.

The watches will retail for \$850 this year. Marketing budget will be \$35,000.

In 2029, Beckett will aim to produce 2,000 watches. R&D is assumed to be \$10,000 this year.

## Year 1 Budget

Table 5

### Costs Budget

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Variable													
Timepiece Cost	15,000	0	0	0	0	35,000	0	0	0	0	0	15,000	65,000
Wages Expense	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700	32,400
Leather Cost	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Fixed													
Shopify Fee	60	60	60	60	60	60	60	60	60	60	60	60	720
Quickbooks Fee	20	20	20	20	20	20	20	20	20	20	20	20	240
Marketing	0	0	300	300	1200	1200	1000	750	750	250	250	250	6250
Accounting Fees	0	0	0	950	0	0	0	0	0	0	0	0	950
Tax Expense	0	0	0	31931	0	0	0	0	0	0	0	0	31931
Total:	17,880	2,880	3,180	36,061	4,080	39,080	3,880	3,630	3,630	3,130	3,130	18,130	138,691

Table 6

### Sales Forecast

	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Unit Sales:	0	0	0	0	0	120	40	30	30	10	10	10
Revenue:	0	0	0	0	0	84,000	28,000	21000	21000	7000	7000	7000

## **Conclusion**

I have always been passionate about well-made things and about the art of developing and selling a product. The purpose of this thesis was to describe my experience as the proprietor of Beckett Leather Goods and to plan for Beckett Timepieces. This project has led me to adjust my business plan time and time again. I started by planning to fund Beckett Timepieces through Kickstarter. The more I wrote about Beckett's brand aesthetic, the more I realized Kickstarter would cheapen the brand image. So, I decided to push the venture to 2024 and use my own capital.

While writing about my experience as the owner of "DBC Leather Co.," I realized I was not happy with the name and decided to change it to Beckett Leather Goods and rebrand entirely. It made me realize that although we are a very small company, brand image matters. I changed the website background color to white, changed the descriptions and wording all over the site, and worked to improve photography. Now, I think the aesthetic is closer to where it needs to be.

Before this project, all I really knew was that I make watch straps and want to make watches. I hadn't considered brand image, financial projections, or strategy. The reason students write thesis projects is to dive into their area of career interest in hopes of learning more about it. That is exactly what I experienced through writing this project. I feel as though I understand my goals more and how I will be able to execute them. I feel more confident that Beckett Leather Goods and Beckett Timepieces will play major parts in my career as an entrepreneur and that I will be equipped to turn both into highly successful brands.

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