

BUSINESS DEVELOPMENT PROPOSAL



Title: A Strategic Business Development Plan for the Target Corporation
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SEE Consulting

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Stacked Denim	Karolina Grabowska (from pexels.com)

¹ See Disclaimer #3.

I. OBJECTIVE

A business development proposal for a Target specific business development plan to increase revenues and brand recognition.

II. PURPOSES

- 1) Potentially increase revenues,
- 2) Leverage Target's loyal customer base,
- 3) Diversify product offerings,
- 4) Introduce new products or product lines to Target customers in specific markets,
- 5) Potentially introduce new price points,
- 6) Obtain quantifiable sales data for additional confidential internal uses,²
- 7) Engage customers with special product offering(s),
- 8) Demonstrate brand commitment through internal investment and improvements,
- 9) Introduce new Target related branding elements,

² There are confidential aspects to this business development proposal that are not suitable for public disclosure, but those confidential points will be specified in the business development plan, if engaged.

- 10) Strengthen brand identity amongst competitor retailers,
- 11) Create a new consumer shopping experience, and
- 12) Potentially created a flagship line of Target retail locations.

III. DEVELOPMENT PROPOSAL

Headquartered in Minneapolis, Minnesota, Target is a large-scale multi-location merchandise retailer. The company is currently comprised of roughly 1900 retail store

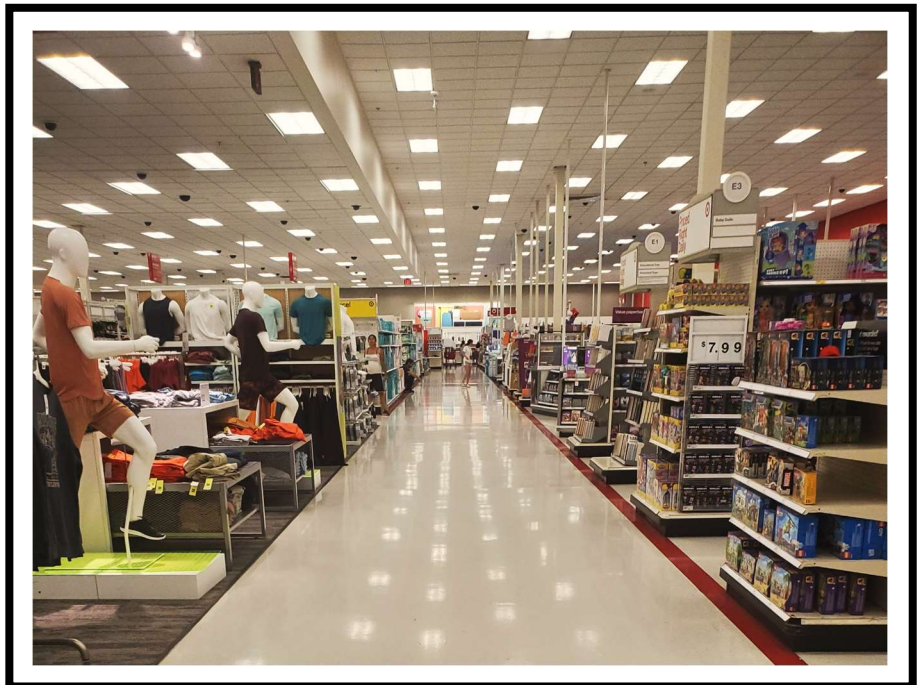
locations that are geographically

dispersed throughout the United States.³ It's

self-identifying primary sales categories, in

order of 2021 revenue generation, are Beauty

& Household Essentials, Food &



Beverage, Home Furnishings & Décor, Hardlines, and Apparel & Accessories, which

³ [Target Annual Report for 2021](#) (see "Properties").

yielded over \$100 billion in total sales revenues during 2021.⁴ Target has identified six core pillars of its business strategy that guide its operations:. Those business strategies include:

- Delivering affordability to guests,
- Differentiating the company from competition with their owned brands and a curated assortment of leading national brands,
- Investing to create an engaging and differentiated shopping experience,
- Leveraging stores-as-hubs to efficiently provide a convenient and safe experience for guests through online and in-store purchases,
- Maintaining and enhancing relevancy to deepen engagement with guests, and
- Leveraging size and scale to benefit people, the planet, and the company's business, primarily through Target Forward, the sustainability-focused component of Target's business strategy.⁵

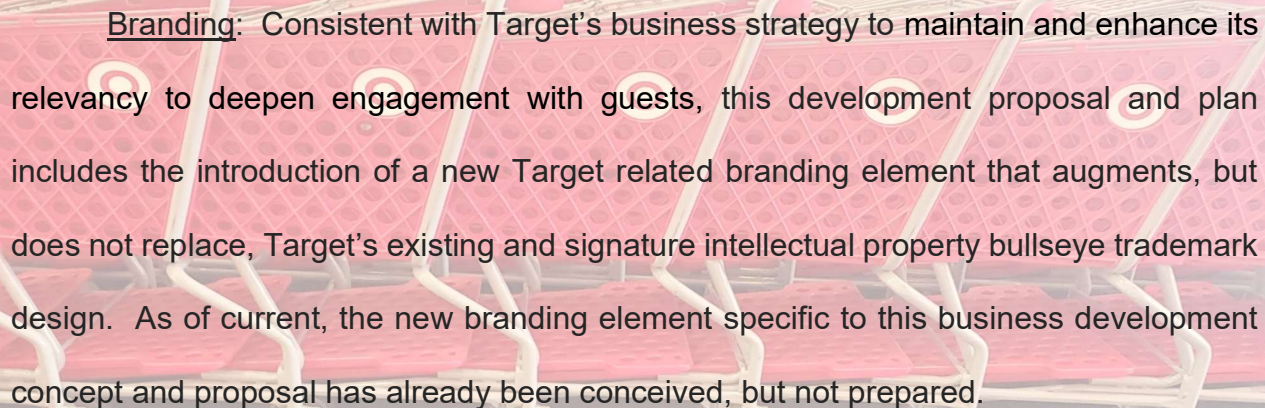
This Business Development Concept ("BDC") (see BDC description on our "Services" webpage) and proposal is for a business development plan, consistent with certain business strategies specific to Target, to ideally increase revenues with new product offerings that are delivered as part of newly branded customer shopping experience.⁶ While not considered a proprietary BDC as certain other SEE Consulting

⁴ See "Financial Highlights," *Ibid.*

⁵ See "Strategy," *Ibid.*

⁶ Other Target specific and non-specific BDCs on our website might be suitable as additional Target business development strategies.

concepts, it nonetheless includes proprietary elements insofar as new related trademarks and confidential marketing elements are concerned. This business proposal and would-be plan is comprised of three dominant core components; Branding, Product Offerings, and Merchandising as set forth below.



Branding: Consistent with Target's business strategy to maintain and enhance its relevancy to deepen engagement with guests, this development proposal and plan includes the introduction of a new Target related branding element that augments, but does not replace, Target's existing and signature intellectual property bullseye trademark design. As of current, the new branding element specific to this business development concept and proposal has already been conceived, but not prepared.

Product Offerings: Consistent with Target's business strategy to differentiate itself from competition with its own brands and a curated assortment of leading national brand products, this development proposal and plan calls for the introduction of new product offerings through Target's existing product lines or external brand products. It is envisioned that the revenue generating and new price points, identified above, are to be achieved – in part – with the introduction of these new product offerings. While no specific new product offerings are currently envisioned, a specific method for assessing or evaluating certain new product offerings has been envisioned. To that end, the new product offerings might be A) evaluated for integration and sale amongst the existing

product offerings or B) specifically developed within Target's exclusive brands to meet a portion of the new product offerings component of the plan.⁷

Merchandising: Consistent with Target's business strategy to invest in creating an engaging and differentiated shopping experience, this development proposal and plan includes a merchandising component that contemplates changes to display elements within select Target store facilities. This merchandising component is anticipated to require internal investment, perhaps even significant, as a variance from current existing elements of in-store merchandising display. This investment-related merchandising component, coupled with the other two core components (and appropriate retail property selections) may lend itself to the creation of one or more limited quantity flagship stores.⁸

In addition to the three core components, there are other less significant elements to this development proposal. Those other less involved elements include unique customer perks intended to aid in the uniqueness of the customer shopping experience that, in conjunction with the core branding component, are intended to assist in increasing the frequency of store visits by Target customers. The inclusion of certain technology-based items are intended to free up a limited amount of floor space and reduce certain merchandising-related costs. As a part of this development plan involves implementation

⁷ As no specific products have been yet identified for integration, the success of this would-be business plan is partly dependent upon the identification or development of products for integration amongst the available product offerings, as based in part upon the criteria to be identified within the plan.

⁸ As certain merchandising display items are envisioned to be different, it may be that those items require development, which forms the basis of the referenced investment.

through select Target store facilities, this business development plan is contingent upon the creation of new Target stores within the select geographic markets or, alternatively and perhaps more appropriately, the modification of existing stores within the select geographic markets for implementation of the plan.

Should this development proposal be engaged, the following additional information is requested to aid in its completion. For the product categories of 1) Beauty and Cosmetics, 2) Personal Care Products (men's and women's), 3) Men's Clothing, 4) Women's Clothing, 5) Children's Clothing, 6) Shoes, 7) Accessories, 8) Jewelry, 9) Electronics, 10) Food, 11) Small Appliances, 12) Home Furnishings, 13) Furniture, 14) Games, and 15) Toys, to the extent that it is known, the following information:

- A. Identification of the brand manufacturer with the greatest number of total sales units sold within the prior year of reported financial earnings,
- B. Identification of the product with the greatest number of total sales units sold within the prior year of reported financial earnings,
- C. The lowest, average, median, and highest priced item in each product category for the prior year of reported financial earnings,
- D. For the highest priced item in each product category, the total number of units sold for the prior year of reported financial earnings, and
- E. For Items C and D, if the product belongs to a product line of a Target owned brand, the required lead time in the product development cycle, if known.

In addition to merchandising display revisions, minor floor plan revisions are contemplated. To that end, other useful information would include identification of Target's preferred supplier of fixtures and display items and square foot space allocations for each Target defined department, as based upon full size retail store locations. However, because floor plans are unique to space specific locations, floor plan revisions are not part of the development plan.



IV. FEE REQUEST FOR DEVELOPMENT

The factors involved in the pricing of this BDC and related business development plan include:

- 1) Certain proprietary elements inherent to the BDC, development proposal, and development plan (namely the new related branding element and method for selection of certain new product offerings),
- 2) The novelty of the BDC, development proposal, and development plan,
- 3) The potential existence of new intellectual property rights inuring to the benefit of Target and its brand identity and the exclusivity, control, and monetization opportunities attending any perfected intellectual property rights,
- 4) The possibility of eventual new revenue recognition attending the introduction of the new branding elements and product offerings,
- 5) The potential scalability of the plan for an isolated single store or limited multi-store implementation,
- 6) The possible intangible interests pertaining to prestige and brand recognition accompanying the development of the new plan, if fully implemented,
- 7) The additional and confidential uses of quantifiable sales data from certain new product offerings selected under the development plan,
- 8) Potential use of the development plan, if implemented, to capture a portion of customers or sales revenues of competing similarly situated retailers,
- 9) The BDC, proposal, and development plan's consistency and alignment with aspects of Target's stated principles for its current business strategy,
- 10) Available resources, as identified through publicly disclosed 2021 sales revenues,

- 11) Fair compensation, as compared to Target's 2021 publicly disclosed: A) executive base salaries starting at \$650,000 for the least compensated executive, B) compensation packages starting at \$4.3 million for the least compensated executive,⁹ C) the prevailing base salaries of corporate executives in general, and
- 12) Other unknown or yet to be realized benefits.

Based upon the foregoing factors, the requested fee for this BDC, business development proposal, and the business development plan to be prepared is \$650,000, exclusive of A) expenses that may be capped at an agreed amount and B) additional consulting fees for execution and implementation if such services be desired.¹⁰

While the requested fee is not insignificant, given the above identified factors, the already expended time and effort related to this BDC and proposal that would be subsumed into any future engagement, and the executive level objectives and nature of the business proposal and plan, the costs for the development of this BDC are relatively insignificant as viewed from the overall potential benefits.

⁹ [Target's 2022 Proxy Statement and Notice of Annual Meeting](#), Summary Compensation Table.

¹⁰ Although other payment structures (including profit generating tied compensation and performance pay) may be entertained or considered, the publicly traded nature of the company and required shareholder approvals for those forms of compensation make them less desirable as terms initially proposed by a corporate outsider consultant.

V. THE DEVELOPMENT PLAN

If engaged, this BDC and business development proposal will be augmented and revised to be a development plan that will include the following deliverables:

- 1) Identification of the new and related trademark element, with a two-dimensional graphic representation, intended to augment the



- already existing bullseye signature trademark design,
- 2) Explanation of how and where the new and related trademark is envisioned to be used as a signature branding element of the Target brand,
- 3) Explanation of how the new and related trademark is envisioned to be used *in conjunction with* the current bullseye signature trademark design; potentially including a graphic representation example of how the two trademarks synergistically work together,
- 4) Explanation of how the new trademark is envisioned to be used as a merchandising-related feature,
- 5) Explanation of how the Target brand identity could be strengthened amongst competitor retailers to the extent that the plan is fully and successfully implemented,

- 6) General discussion concerning location selection for plan implementation,
- 7) Explanation of the confidential aspects of the business development plan that are not suitable for public disclosure,
- 8) Explanation of how a portion of the would-be new revenue is intended to be achieved along with explanation of the how the new or diversified product offerings tie into the revenue generating objectives,
- 9) Explanation of the specific method to be partly used for assessing, evaluating, or developing certain new product offerings contemplated for integration,
- 10) Discussion of the would-be new merchandising and display related items and how they differ from currently existing visually apparent merchandising practices,
- 11) Explanation of unique customer benefits intended to attract customers and create a unique shopping experience,
- 12) Explanation of the would-be technology items and how they implicate space reduction and other matters,
- 13) Additional information that, in our discretion, is believed to be beneficial for an understanding of the development plan.

VI. DISCLAIMERS & DISCLOSURES

1) In deciding to engage the formal work-up of a Business Development Concept as a development plan, no assurances or guarantees are provided that the proprietary processes or development plan to be provided have not been previously

conceived, contemplated, considered, or even rejected by knowledgeable specialists within the particular industry to which the Business Development Concept relates. While effort has been made to provide accurate information for evaluation, in deciding to engage the formal work-up of a Business Development Concept into a development plan, you understand and agree that there is the possibility, even if remote, of unforeseen or unanticipated circumstances that may render a development plan incapable of being implemented or possibly useless. **Please refer to the Terms of Service on our website for additional important information.**

2) Although information believed to be relevant is presented for consideration, SEE Consulting makes no representations concerning the actual existence of intellectual property rights comprised as part of this Business Development Concept, which will remain the sole responsibility of Target to assess, secure, and perfect with appropriate legal professionals.

3) The Target logo and any other brand registered marks are the intellectual property of their respective owners.

Thank you for considering SEE Consulting to potentially assist you with further developing or improving your company or business operations.

Sincerely,

Mr. Cameron Mostaghim