

VETERAN'S STRATEGIC SOLUTIONS LLC

Boutique

Business Startup Guide and Workbook

A start guide for getting your own business off the ground

Veteran's Strategic Solutions LLC — Business Model Series

Before You Read This

This guide works anywhere in the United States. Dollar figures are estimates gathered from public sources, not quotes. Licensing you verify yourself — this shows you where to look. Wherever there is a blank line, write in your own answer.

What This Business Actually Is

You buy things at wholesale, mark them up, and sell them to people who want them. Clothing, jewelry, home goods, gifts — a curated selection in one narrow lane.

A boutique is not a store. A store carries everything. A boutique carries a point of view. The customer is not coming to you for selection — they can get selection online in four seconds. They are coming because you chose well, and because they trust your taste more than a search algorithm.

What this is not: competing with the big online retailers on price or breadth. A shop that sells what everybody else sells is not a viable concept.

Read This Part Before Anything Else

This is the first business in this series where your money goes in before your first customer does.

In a service business your risk is your time. If it does not work, you have lost weeks. Here you convert cash into physical stock, and that stock either sells or it does not. Inventory that does not sell gets marked down, and markdowns come straight out of your profit. That is the most common way first-year retailers get wiped out.

That is not a reason to walk away. It is a reason to pick your entry point carefully — there are four, at very different risk levels. Part 2 is the most important section in this guide. Read it before you spend a dollar.

If you are separating with a lump sum in your account, understand that a storefront can absorb all of it before you learn whether anyone wants what you are selling.

Honest Gut Check

- Do you have taste in something specific, and can you name it? “Women’s clothing” is not a point of view. “Western wear for women who actually ride” is.
- Can you sell to a person standing in front of you? Retail is face-to-face work.
- Can you leave money sitting in unsold stock for months without panicking?

What the Odds Actually Are

Approximately three out of four new businesses make it through their first year. Approximately half are still running at five years. Approximately one in three make it to ten. (U.S. Bureau of Labor Statistics, Business Employment Dynamics.)

Two honest caveats. Those numbers barely move by trade — federal data shows only a few points between the best and worst industries. And they count businesses with employees on a payroll, so a person working alone is largely not in them.

What is different about retail: the failure is usually not slow. In a service business you can limp along at low revenue and survive. Here, if the stock does not move, the money is already gone and you cannot get it back out.

What separates the ones who last:

A cash cushion — and here it means something specific. Keep at least three months of operating expenses that is not in inventory. Owners who put every dollar into stock have nothing for the slow month, and there is always a slow month.

Charging enough. Retail has a defined markup for a reason. Undercutting it means you cannot survive your own markdowns.

Money that repeats. A customer who comes back four times a year is worth twenty who came once.

Knowing what sold. Retailers who track sell-through by item survive. Retailers who track only total revenue do not find out what is wrong until the money is gone.

Snapshot

Money to start	\$500 to \$100,000 depending entirely on entry path
Storefront needed	Optional, and probably not first
Skill gate	Low technical, high taste and merchandising
License	Sales tax permit and resale certificate. Both required
Time to first sale	Four to twelve weeks
Gross margin	Approximately 40 to 55% buying wholesale · 15 to 30% dropshipping

Part 1 — Making It a Real Business

Step 1. Pick Your Niche Before Anything Else

Not “clothing.” Something you could describe in one sentence to a stranger and they would know exactly who it is for. Every other decision — suppliers, pricing, location, marketing — flows from this and cannot be made without it.

My niche, in one sentence: _____

Step 2. Sole Proprietor or LLC

State LLC filing fees run approximately \$35 to \$500 (Montana lowest, Massachusetts highest), about \$132 on average, plus annual fees from nothing to \$800. A general business license from your city or county typically runs \$50 to \$400 a year. Check licensing, zoning, and tax rules for your own city and state before starting.

Step 3. Get an EIN — It Is Free

Apply at irs.gov. Five minutes, no cost. Services charge \$50 to \$100 for it. Do not pay. Wholesale suppliers will ask for this, so get it before you approach any of them.

Step 4. Get Your Sales Tax Permit and Resale Certificate — Both, in That Order

This step is not optional and it is where people get caught.

- **Sales tax permit** lets you legally collect tax from customers. Required in every state that levies sales tax before your first sale (five states — Delaware, Montana, New Hampshire, Oregon, and Alaska at the state level — have no statewide sales tax, though Alaska allows local sales taxes). Registering late means back taxes, penalties and interest, and states audit online sellers harder every year.
- **Resale certificate** lets you buy wholesale inventory without paying sales tax on it, because you will collect it from the end customer instead.

You cannot open a wholesale account without the resale certificate. Wholesale platforms and vendors require it before they will approve you. Apply immediately after your EIN.

My state's sales tax permit: _____ Resale certificate: _____

Step 5. Open a Business Bank Account

Separate from personal, from day one.

Step 6. Understand What You Owe

Self-employment tax of 15.3% on net business income, plus income tax on top. If you expect to owe \$1,000 or more in federal tax, pay quarterly — April 15, June 15, September 15 and January 15, moving to the next business day when one falls on a weekend or holiday. Pay 100% of last year's total tax split into four and you cannot be penalized (110% if last year's income was over \$150,000). Set aside 25 to 30 percent of net profit as it comes in.

One retail-specific warning: revenue is not profit, and profit is not cash. You can have a great sales month and no money, because it all went into next month's stock. Track those three things separately from day one.

Step 7. Insurance

General liability, product liability (you are selling goods somebody will wear or use), and property coverage on your inventory — whether it sits in a store or in your spare bedroom. Your homeowner's policy will not cover business inventory.

Part 2 — The Four Entry Paths

This is the decision that determines everything else. Read all four before choosing.

Path 1 — No Inventory. Dropship or Print-on-Demand

You list 30 to 60 products from a supplier catalogue and only pay when a customer orders.

- **Cost:** under \$500
- **Margin:** 15 to 30%
- **Risk:** almost none
- **Trade-off:** thin margins, no control over shipping speed or quality, and no real brand of your own

Best for: finding out whether anyone wants what you are selling before you own any of it.

Path 2 — A Small Capsule. Eight to Fifteen Styles

You buy small runs of a few things you genuinely believe in.

- **Cost:** \$500 to \$2,000
- **Margin:** 40 to 55%
- **Risk:** low and survivable
- **Trade-off:** limited selection, and you will sell out of the good ones

Best for: most people reading this. Real margins, a real brand, and recoverable if you are wrong.

Path 3 — A Wholesale Buy. Twenty to Forty Styles, Three to Six Units Each

A proper opening inventory, sold online or at markets.

- **Cost:** \$1,000 to \$5,000 in stock, which will be approximately 60 to 70 percent of your total startup cost
- **Margin:** 40 to 55%
- **Risk:** real. This money is committed
- **Trade-off:** you are guessing at sizes, colours and taste before you have any sales data

Best for: somebody who has already proven the niche sells.

Path 4 — A Physical Storefront

- **Cost:** \$20,000 to \$100,000. Lease deposit \$5,000 to \$20,000 · inventory \$10,000 to \$50,000 · fixtures, racks, mirrors and mannequins \$2,000 to \$15,000 · point-of-sale system \$1,000 to \$5,000 · plus any build-out
- **Risk:** the highest in this entire series
- **Trade-off:** rent is due whether anyone comes in or not

Best for: somebody with an established customer base who has outgrown online, or a proven local concept.

The recommendation: start at Path 1 or 2 and earn your way up. Every path above 2 is more affordable after you know what sells. Nothing about a storefront gets harder by waiting a year, and plenty about it gets cheaper.

Part 3 — The Money Math

Markup

Keystone pricing is 2x wholesale. Boutiques generally need 2.2 to 2.5x to cover rent, marketing and — critically — the markdowns you will take on things that do not sell.

A dress you buy at \$40 wholesale:

- 2.0x = \$80 retail
- 2.2x = \$88 retail
- 2.5x = \$100 retail

That extra \$20 is not greed. It is what pays for the three dresses in the back that nobody wanted.

Sell-Through and Turns

Fashion retail targets approximately four to six inventory turns a year — your whole stock sells and gets replaced four to six times.

Fewer turns means money frozen in things nobody wants. Check sell-through weekly, by item, not monthly by total. Something sitting at zero sales after three weeks is not going to suddenly move.

The 70/30 Rule

Buy 70 percent proven — things you already know sell — and 30 percent experimental. All proven means you never find the next good thing. All experimental means you are gambling with your rent.

Worked Example — Why Revenue Lies

You buy ten styles, six units each. Sixty units, \$40 wholesale apiece. That is \$2,400 committed. You price at 2.2x, so \$88 retail.

Twelve weeks later you have sold 30 units and taken in \$2,640. Compared to the \$2,400 you put in, it looks like you are \$240 ahead — and it feels like it worked.

Now look at it by style:

Style	Bought	Sold	Sell-through
A	6	6	100%
B	6	6	100%
C	6	5	83%
D	6	4	67%
E	6	3	50%
F	6	3	50%

Style	Bought	Sold	Sell-through
G	6	2	33%
H	6	1	17%
I	6	0	0%
J	6	0	0%

Two styles carried the quarter. Two never sold a single unit. You have \$1,200 of wholesale cost sitting on the rack in those 30 unsold units, and it will not move at full price.

Say you discount all 30 remaining units 40 percent to clear them: they bring \$1,584 instead of the \$2,640 they would have brought at full price — a difference of \$1,056 you will never collect. Total revenue for the quarter ends up at \$4,224 (\$2,640 + \$1,584) against \$2,400 in cost, for a real profit of roughly \$1,824. That is still a profit — but it is far below the \$2,880 you would have made if all sixty units had sold at full price, and nearly all of it came from two styles (A and B) carrying eight others that underperformed or failed outright.

The total revenue number told you none of this. The by-item number told you in week three that A and B needed reordering and I and J were dead. That is the whole reason to track sell-through by item — the top-line number can look healthy while quietly hiding which styles are actually paying the bills.

What to Ask a Supplier

- **Minimum order quantity.** Some vendors want six units per style; some want sixty.
- **Net 30 terms.** Paying thirty days after delivery instead of up front is the single biggest cash-flow lever in retail. Ask even if you expect a no.
- **Markdown protection or returns on unsold stock.** Rare, but worth asking.
- **Exclusivity in your zip code.** Costs nothing to ask and stops the shop down the street carrying identical stock.

Part 4 — Seasonality, and the Myth About It

“Everyone makes their money at Christmas” is mostly false — and dangerously true for some niches.

Across all retail, the November and December holiday season has averaged approximately 19 percent of total annual retail sales over the last several years, per National Retail Federation and U.S. Census Bureau data. The whole fourth quarter comes to roughly 27 percent of the year, which is barely more than an average quarter.

But that all-retail average hides enormous variation by category. Q4 commonly runs approximately 30 to 35 percent of hobby, toy and game sales, and a similarly outsized share of jewelry and electronics sales, according to NRF category breakdowns.

Which means the honest answer is: find out where your specific niche sits, because the two cases call for opposite plans.

If your niche is gift-driven — jewelry, toys, decorative goods, anything bought for somebody else — roughly a third of your year happens in eight weeks. You must buy heavy in September, hold your nerve through a slow summer, and never judge the business on a spring month.

If your niche is not gift-driven — workwear, everyday basics, functional goods — your year is flatter than you expect, and staffing up or over-buying for a holiday rush that never comes is its own way to lose money.

The practical rule for your first year: do not judge the business on any single month. A veteran who opens in February and reads March as the verdict will draw the wrong conclusion in either direction. Give it four quarters before you decide what the business actually is.

My niche is gift-driven: yes / no · My expected slowest month: _____

Part 5 — Finding Out Whether There Is a Market

Step 1. Search Your Niche as a Customer Would

Note who comes up and their review counts.

Step 2. Check Whether the Demand Is Local or Online

Search your town plus the niche, then just the niche. If everything on page one ships nationally, a storefront is the wrong path for this product.

Step 3. Count How Many People Would Buy This Twice a Year

Retail runs on repeats. A niche with two hundred local people who would buy quarterly beats one with five thousand who would buy once.

Step 4. Do a Market Day — This Is the Real Test

This is the cheapest, most informative thing in this entire guide and almost nobody does it. Rent a table at a farmers market, craft fair, vendor event or pop-up. It costs approximately \$30 to \$75 for the day.

What to bring: your capsule, however small. Ten items is enough. A card reader on your phone. A table cover. A price sign — actual prices, visible, no asking. A notebook. A way to collect email addresses or phone numbers.

What to charge: your real intended price. Not a discounted “market price.” The whole point is finding out whether people pay your number.

What to write down, during the day and not after:

- Every item somebody picked up — not bought, picked up. Handling is interest.
- Every item somebody picked up and put back down, and if you can tell, why. Price, size, colour, quality.
- Every single thing somebody asked for that you did not have. This list is your next buy order.
- What people said when they saw the price. A wince is information. So is no reaction at all — that often means you are priced too low.
- How many people walked past without stopping. If almost everybody walked past, the problem is the display or the concept, not the price.

How to read the day:

- Sold out of one or two things, nothing else moved: you have found your product. Go deep on those, drop the rest.
- Steady interest, nobody bought: usually price, occasionally trust. Try one more market before you change anything.
- Nobody stopped at all: the concept is not reading. Ask three vendors nearby what they think you are selling. If they cannot tell, neither can customers.
- Everything sold instantly: you priced too low. Raise it next time and find out where the ceiling is.

One market day tells you more than a month of research. Do two before you place a real order.

Market day sales: _____ Most common thing people asked for: _____ Number who picked up and put down: _____

The counterintuitive part: a niche with existing competition is usually better than an empty one. In services, no competitor can mean an unserved gap. In retail it more often means nobody local wants it. If three shops in your region already serve your niche and stay open, demand is proven and you compete on curation. If nobody sells it anywhere, find out why before you buy stock.

Part 6 — Your First Customers

- Sell your capsule at one market day before building anything else.
- Photograph everything on a real person — not the supplier's catalogue photos. Your photography is what makes you a boutique instead of a catalogue.
- Collect emails and phone numbers at every sale. Your customer list is the most valuable thing you will build.
- Post the story, not the product. Why you chose this, who it is for, what you looked at and rejected.

What to Actually Say

When somebody picks something up: “That one's my favourite in the whole rack.” Then stop talking. Retail's most common mistake is talking somebody out of a purchase they had already decided on.

When they ask if you have another size: never just say no. “Not today — but I'm reordering Thursday. Want me to text you when it lands?” That turns a lost sale into a name on your list.

When they say it is expensive: “It is more than a big-box price. It's [the actual reason — small run, made locally, better fabric, only twelve of them].” Say the reason and stop. Do not apologise and do not discount on the spot.

When they are browsing and you do not know what they want: “Anything in particular, or just having a look?” Then let them look. Hovering loses more sales than ignoring.

When somebody asks for something you do not carry: write it down. Three people asking for the same thing is your next buy.

Part 7 — Pricing

Tier	What it looks like
Low	2.0x wholesale. Competitive, but leaves no room for markdowns
Mid	2.2 to 2.5x. Where boutiques need to be
Premium	3x and up. Requires genuine exclusivity or a strong brand

Recommendation: 2.2 to 2.5x, and hold it. The discipline that matters is not setting the price — it is not caving. A customer who bought at 30 percent off will wait for the next sale rather than pay full price again.

Plan your markdowns instead of panicking into them. Decide in advance: full price for six weeks, 20 percent off at week seven, 40 percent at week ten, gone by week twelve. Planned markdowns are a cost of doing business. Panic markdowns are how margin disappears.

Part 8 — Money Help for Veterans

VR&E, Chapter 31 — what is actually true.

The self-employment track is widely advertised as VA funding to start a business. The regulation requires that your service-connected disabilities be severe enough that self-employment is the only reasonably feasible career path for you. It is not a track you simply choose. VA data has shown that only a small fraction of VR&E participants — historically well under one percent, a couple hundred veterans a year nationwide — are approved onto the self-employment track out of the tens of thousands who use VR&E overall. Confirm the current-year figure with your VR&E counselor; do not plan around a specific number.

The long-term services track is different and far more commonly used. It covers vocational school, technical certificates and trade programs with no tuition cap, and can cover tools, equipment and certification exam fees.

The catch: VR&E is an employment program, not an education program. If a counselor determines you can reasonably obtain suitable work with the training you already have, it gets denied. Anything funded must sit inside an approved individualised employment plan developed with your counselor.

Apply with VA Form 28-1900 and put the question to your counselor. Do not plan around a yes.

Free and reliable to everyone, no rating required: Small Business Development Centers, SCORE mentoring, Veterans Business Outreach Centers.

One warning specific to retail: this is the business in this series most likely to attract a bank loan or a line of credit, because there is inventory to point at as collateral. Borrowing to buy stock you have not proven will sell is how a business becomes a debt.

Part 9 — The Three Places People Get Stuck, and How to Get Past Them

1. Buying Too Much of Too Many Things

The instinct is to fill the racks, because empty space feels like failure and variety feels like good service. But a thin selection that sells beats a full one that sits, and every unsold item is money you cannot spend on the thing that would have sold.

The fix: fewer styles, more depth in the ones that work. Start at eight to fifteen and let the sales tell you what to buy more of.

2. Discounting to Move Stock, Then Never Getting Back to Full Price

A slow month arrives, the discount works, and it feels like the solution. But you have just taught your customers that your prices are not real, and they will wait for the next sale from now on.

The fix: decide your markdown schedule before you open, in writing, and follow it. Planned markdowns are professional. Reactive ones are a spiral.

3. Signing a Lease Too Early

The storefront is the picture in everybody's head of what a boutique is, and it is the most tempting purchase in this business. It is also \$20,000 to \$100,000 committed before you know whether your taste sells in your town.

The good news is that a storefront is easier to open in year two than year one, and by then you will know what to stock it with.

The fix: prove the niche online and at markets first. Sign the lease with a customer list already in hand.

None of these are reasons not to start. They are the three potholes in the road, and every one of them is avoidable if you know it is coming.

Part 10 — Your First 90 Days

Days	What you do
1 to 14	Define the niche in one sentence. Research who already serves it. Spend nothing.
15 to 30	EIN, sales tax permit, resale certificate. Open wholesale accounts.
31 to 45	Buy a small capsule, eight to fifteen styles. Photograph everything yourself.
46 to 60	Sell at one market day. Watch what people pick up and put down.
61 to 75	Reorder what sold. Drop what did not. Build the customer list.
76 to 90	Do a second market day. Decide honestly whether the sell-through justifies buying deeper.

The One Number to Track

Sell-through rate, by item, weekly.

Of the units you bought of a given style, what percentage has sold? Not total revenue — as the worked example above shows, revenue hides the fact that two winners are carrying eight losers.

A healthy style sells through most of its run in six to eight weeks. Something at 10 percent after a month is telling you something, and the sooner you hear it the less it costs you.

Best-selling style: _____ Worst: _____ Overall sell-through at week 12: _____

After year one, switch to: inventory turns. Four to six a year is healthy. Below three means your money is sitting on a rack instead of working.

Where This Goes If It Works

Online only, forever. No rent, no fixed hours, ship from home. Plenty of good boutiques never open a door and never want to.

Markets and pop-ups. Weekends and seasonal events, no lease. Low overhead and direct contact with customers. Some people run this for years by choice.

A storefront. Real presence, real community, real rent. Worth it when you already have a customer list who would come.

Becoming the brand instead of the buyer. If your own private-label products start outselling what you buy in, you can flip the model and sell wholesale to other boutiques.

You do not have to pick now. But knowing the four shapes stops you drifting into the one with the highest rent.

A Last Word

Retail is the business where being careful early buys you everything. Nobody remembers that you started with fifteen items on a folding table at a farmers market. They remember that you knew exactly

what you were selling and exactly who it was for.

The money you do not spend in month one is the money that lets you still be open in month eighteen.

This guide is a starting framework, not legal, tax or financial advice. Licensing, permit and tax requirements vary by state, county and city and change over time. Verify every regulatory item with the relevant authority before you operate. Tax figures reflect federal rules current as of September 2026. Retail seasonality figures are national averages drawn from published NRF and U.S. Census Bureau data and vary considerably by category. Dollar amounts, margins and markups are estimates gathered from public sources, not quotes.

Startup Checklist

Use this checklist to turn the guide into a sequence of actions for your own market and circumstances.

- Choose the business structure you will use.
- Get an EIN and open a separate business bank account.
- Get your sales tax permit and resale certificate, in that order.
- Check licensing, zoning, and tax rules for your own city and state before starting.
- Confirm general liability, product liability and inventory insurance before you buy stock.
- Complete the market-day test described in Part 5 before placing a full wholesale order.
- Build the startup budget and record actual costs.
- Set pricing at 2.2 to 2.5x wholesale and write your markdown schedule in advance.
- Set up your sell-through tracker before your first delivery arrives.
- Launch outreach and record every lead and result.

Equipment and Budget Worksheet

List only the tools, equipment, supplies, software and services required for the version of the business you plan to launch (racks, mannequins, a card reader, shipping supplies, a POS system, market-day gear).

Item	Required or optional	Estimated cost	Actual cost	Supplier or source

Budget summary	Amount
Startup total	
Monthly fixed costs	
Working cash reserve	
Total funding needed	

Wholesale Buy and Markup Worksheet

Use this instead of a generic service-business estimate form. Fill it in before you place a wholesale order so you know your total committed cash and your markup before you buy, not after.

Style / SKU	Supplier	Wholesale cost/unit	Units ordered	Markup ×	Retail price	Total committed	Net 30? Y/N

Buy summary	Amount
Total wholesale cost committed	
Minimum order quantity met?	
Planned first markdown date (week 7)	
Planned clearance date (week 12)	

Invoice Template

For wholesale accounts, custom orders, and B2B sales — not needed for a typical in-person or online retail sale, where your POS system or shopping cart generates the receipt.

Business information	Customer information
Business name:	Customer name:
Address:	Company:
Phone:	Billing address:
Email:	Phone:
Tax ID:	Email:

Invoice number	Invoice date	Due date	Order or style ref.

Description	Quantity	Rate	Amount

	Amount
Subtotal	
Sales tax	
Payments or deposits	
Balance due	

Payment method and terms: _____

Sell-Through and Reorder Tracker

Record every style you carry so the business is managed from actual sell-through, not total revenue. This replaces a generic lead tracker — a boutique runs on inventory turns, not sales calls.

Style / SKU	Units bought	Units sold	Sell-through %	Reorder? Y/N	Notes

Period	Units sold	Revenue	Markdowns taken	Best seller	Slowest mover

Compliance and Safety Page

Check licensing, zoning, and tax rules for your own city and state before starting.

	Requirement or safety point from the core guide
■	State LLC filing fees run approximately \$35 to \$500, about \$132 on average, plus annual fees from nothing to \$800. A general business license from your city or county typically runs \$50 to \$400 a year. Check licensing, zoning, and tax rules for your own city and state before starting.
■	Sales tax permit lets you legally collect tax from customers. Required in every state that levies sales tax before your first sale. Registering late means back taxes, penalties and interest, and states audit online sellers harder every year.
■	Resale certificate lets you buy wholesale inventory without paying sales tax on it, because you will collect it from the end customer instead. You need it before any wholesale vendor will open an account for you.
■	My state's sales tax permit: _____ Resale certificate: _____
■	Self-employment tax of 15.3% on net business income, plus income tax on top. If you expect to owe \$1,000 or more in federal tax, pay quarterly — April 15, June 15, September 15 and January 15, moving to the next business day when one falls on a weekend or holiday. Pay 100% of last year's total split into four and you cannot be penalized. Set aside 25 to 30 percent of net profit as it comes in.
■	General liability, product liability, and property coverage on inventory are separate from your homeowner's policy, which will not cover business stock — confirm coverage before you take delivery of your first order.
■	This guide is a starting framework, not legal, tax or financial advice. Licensing, permit and tax requirements vary by state, county and city and change over time. Verify every regulatory item with the relevant authority before you operate. Tax figures reflect federal rules current as of September 2026. Dollar amounts, margins and markups are estimates gathered from public sources, not quotes.
■	Agency or authority contacted: _____
■	Written confirmation or permit saved at: _____
■	Review date: _____ Renewal or recheck date: _____

Launch Readiness

Boutique Guide

PLAN	SET UP	PRICE	SELL	TRACK
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Use the worksheets in this guide to record your own numbers, decisions and results.

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