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**EXECUTIVE SUMMARY**

[Casey’s Candies] is a neighborhood candy store based in [Tacoma, Washington], which recently secured an ideal location for its candy retailing business. Set to sell a wide range of sweet treats to kids and kids-at-heart, the company wants to announce its opening to everyone in [Tacoma].

The company will secure different mass marketing strategies to reach as much of the Tacoma population as possible. These strategies will include print advertisements, banners, and stand-up posters, as well as free-taste testing in malls and public areas with heavy foot traffic. In doing so, the company hopes to see a consistent increase in sales on a per-month basis.

**COMPANY OVERVIEW**

**Mission Statement**

[Casey’s Candies] aims to develop a profitable candy retail store with quality products for children and children-at-heart.

**Philosophy**

By showcasing excellent candies with unique flavors, [Casey’s Candies] is guaranteed to bring a smile to the customers’ faces.

**Vision:** [Casey’s Candies] wants its brand to be synonymous with excellent quality for all occasions.

**Outlook**

As part of the confectionery industry, candy retailers see a huge demand, especially during the holiday season. The global candy market industry has been valued at nearly $[80 billion] in [2018], with an expected compound annual growth rate of [3]% percent annually until [2023].

**Type of Industry:** Confectionery

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Casey James]

**Start-Up Summary**

The owner will provide the necessary [$70,000] for start-up expenses. This will be used for the rent, equipment, supplies, and payroll for the first six months of operation.

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| **Start-Up Funding** |
| Expenses | $35,000 |
| Assets | $35,000 |
| **Total Funding Required** | **$70,000** |
|  |
| **Assets** |  |
| Non-Cash Assets | $20,000 |
| Cash Requirements | $5,000 |
| Additional Cash Raised | $7,000 |
| Cash Balance on Starting Date | $3,000 |
| **Total Assets** | **$35,000** |
|  |
| **Capital** |  |
| Planned Investment |  |
| Owner | $70,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$70,000** |
| Loss | -$35,000 |
| **Total Capital** | **$35,000** |
| **Total Capital and Liabilities** | **$35,000** |
|  |
| **Start-Up** |
| **Requirements** |  |
| Start-Up Expenses |  |
| Rent - 6 Months | $9,000 |
| Advertising | $3,500 |
| Legal Fees | $1,500 |
| Staff Training | $20,000 |
| Insurance | $1,000 |
| Other | $0 |
| **Total Start-Up Expenses** | **$35,000** |
|  |
| **Start-Up Assets** |  |
| Cash Required | $5,000 |
| Inventory | $7,000 |
| Other Current Assets | $3,000 |
| Long-Term Assets | $20,000 |
| **Total Assets** | **$35,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$70,000** |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Casey’s Candies] offers a variety of candy products with unique flavors that children and children-at-heart will love, including different types of the following:

* Hard candy
* Gum
* Chocolates
* Gummy Candies
* Mints
* Lollipops

**Value Proposition**

[Casey’s Candies] also offers candy products with unusual flavors, which make these products effective as a marketing strategy on their own. Flavors such as chili chocolate, lavender, and dragon fruit among others, set the candy store apart from its competitors.

**Pricing Strategy**

[Casey’s Candies] utilizes competitive pricing strategies to better penetrate the market in the first few months of operation.

**MARKETING ANALYSIS**

Candy retailing businesses are growing due to the increase in disposable income and the rise of urbanization in the United States. With the rising demand for candies and chocolates from children and adults alike, manufacturers have come up with different innovative solutions to take advantage of the highly competitive market. With the non-chocolate candy market recording a higher growth rate, a positive, steady increase in revenue is expected.

**Market Segmentation**

The United States is the biggest contributor to the candy market revenue. As a catch-all business, [Casey’s Candies] will take advantage of mass marketing strategies to reach a wide audience. In the application of its marketing strategies, the company will take into account age, gender, and socioeconomic status.

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**Target Market Segmentation Strategy**

The company will differentiate its marketing strategies based on its target segmentation of age, gender, and socioeconomic status. The company will address its marketing needs through the following strategies:

Age - The Company will focus on children, as they are ones most likely to want to try different candy flavors. The company will attract children by providing them with free samples in malls.

Gender - Females are more likely to buy chocolates and sweets. Chocolates are targeted toward female consumers and/or their partners who like to buy sweets for them. The company can better attract these customers through product packaging with elegant, well-thought-out designs.

Socioeconomic Status - Premium candies and chocolates that are more expensive than their mass-produced counterparts are sold to those who have higher disposable income. These consumers love luxury, which is why products geared toward them will emphasize quality and premium status.

**STRATEGY AND IMPLEMENTATION**

**Target Market Strategy**

[Casey’s Candies] aims to increase its sales by [25]% in the second year. This can be accomplished by creating mass marketing campaigns that appeal to the majority of the population through a combination of print and online advertising, product sampling strategies, and product launching through mall events.

**Competitive Edge**

The company offers unique candies and flavors while adopting price bundling and competitive pricing to attract consumers.

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| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Casey’s Candies] | Offers unusual candy flavors | New candy shop with limited finances for marketing | Distributors want to carry unique brands | Volatile cost of raw materials could limit sales |
| [Tacoma Candy Shop] | Established confectionery with good quality | Uses outdated technology, limiting production | New technologies improve production | Low-profit margins as ingredient prices increase |
| [Candyland] | Has a loyal customer base | Product quality needs improvement | E-Commerce opens the business to a broader customer base | Changing customer taste could be a problem for revenue |

**Sales Strategy and Forecast**

With an aggressive mass marketing campaign, [Casey’s Candies] is targeting consistent increase in monthly sales, with the expected spikes in February (Valentines), April (Easter), October (Halloween), and December (Hanukkah and Christmas):

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The chart below depicts the projected percentage growth in sales per candy type:

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**MARKETING STRATEGY**

[Casey’s Candies] will utilize mass marketing strategies that will allow the company to reach as many people as possible, regardless of age, race, gender, or socioeconomic status. Product sampling shall also be made available in strategic areas. The company shall use the following marketing strategies:

**Milestones**

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Direct sales | Speak with convenience stores and supermarkets about selling Casey’s Candies | March 30, 2019 | At least three retail outlets will sell [Casey’s Candies] in their stores, restocking at least every month |
| Mass marketing through product sampling | Hire product endorsers to share products for taste testing in large areas such as malls, parks, bowling alleys, or during community events | April 5, 2019 | Increased sales by at least [45]% on weekends when product sampling is hosted |
| Online marketing | Create and update company website to showcase the products | ASAP | At least [10,000] website views in three months, and increased online sales by at least [15]% every month |

**Management and Personnel**

A small mom-and-pop shop with specialized products, the store will be managed by its owner.



**FINANCIAL PLAN**

The financial plan includes the projected break-even analysis, profit and loss, balance sheet, and cash flow.

**Break-Even Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fixed Costs** | **Average Price** | **Variable Costs** | **Contribution Margin** | **Break-Even Units** |
| $10,000.00 | $7.00 | $2.00 | $5.00 | 2,000.00 |
|  |
| **Fixed Costs** | **Amount** | **Variable Costs** | **Per Unit Amount** |
| Rent | 9,000 | Advertising | 0.57 |
| Insurance | 1,000 | Legal Fees | 1.33 |
|  |  | Staff Training | 0.1 |
| **Total** | **10,000** | **Total** | **2** |

|  |  |
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| **Fixed Costs** | **Variable Costs** |
| Business Lease - Rent | $9,000 |
| Insurance | $1,000 |
| **Total Fixed Costs** | **$10,000** |
|  |  |
| **Total Units Sold in 1 Month** | **2,000** |
|  |  |
| **Variable Costs (Unit Sold/Cost per Unit)** | **Average Price** | **Variable Costs** |
| Advertising | $3,500 | $0.57 |
| Legal Fees | $1,500 | $1.33 |
| Staff Training | $20,000 | $0.10 |
| **Total Variable Cost (Per Unit)** | **$2.00** |
|  |
| **Break-Even** |
| **Selling Price Per Unit** | **$7.00** |
| Break-Even Point Per Unit [Fixed Costs/(Sales Price Per Unit - Variable Cost Per Unit)] | 10,000 |
| 5.00 |
|  |  |
| **Break-Even Point in Units** | **2,000** |
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| **Contribution Margin (Selling Price - Total Variable Cost)** | **$5.00** |

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $350,000.00 | $400,000.00 | $500,000.00 |
| Direct Cost of Sale | $320,000.00 | $370,000.00 | $470,000.00 |
| Other Cost of Sale | $10,000.00 | $13,000.00 | $15,500.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $20,000.00 | $17,000.00 | $14,500.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $330,000.00 | $383,000.00 | $485,500.00 |
| **Gross Margin % (Gross Profit/Sales)** | **94.29%** | **95.75%** | **97.10%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $18,000.00 | $18,000.00 | $18,000.00 |
| Advertising | $7,000.00 | $7,000.00 | $7,000.00 |
| Legal Fees | $1,500.00 | $1,500.00 | $1,500.00 |
| Salary (With Tax) | $40,000.00 | $45,000.00 | $50,000.00 |
| Other | $3,000.00 | $3,250.00 | $4,000.00 |
| **Total Operating Expenses** | **$69,500.00** | **$74,750.00** | **$80,500.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$49,500.00 | -$57,750.00 | -$66,000.00 |
| Depreciation | $4,000.00 | $4,000.00 | $4,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $4,000.00 | $5,000.00 | $6,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$256,500.00** | **$303,250.00** | **$399,000.00** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $10,000.00 | $15,000.00 | $18,000.00 |
| Accounts Receivable | $5,000.00 | $15,000.00 | $17,000.00 |
| Inventory | $3,000.00 | $5,000.00 | $6,000.00 |
| Other Current Assets | $5,000.00 | $5,500.00 | $6,300.00 |
| **Total Current Assets** | **$23,000.00** | **$40,500.00** | **$47,300.00** |
|  |  |  |  |
| Long-Term Assets | $12,000.00 | $7,000.00 | $6,000.00 |
| Accumulated Depreciation | $1,200.00 | $800.00 | $500.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $10,800.00 | $6,200.00 | $5,500.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$33,800.00** | **$46,700.00** | **$52,800.00** |
|  |  |  |  |
| Accounts Payable | $10,000.00 | $12,000.00 | $15,000.00 |
| Notes Payable | $5,000.00 | $6,000.00 | $8,000.00 |
| Other | $3,500.00 | $7,000.00 | $5,000.00 |
| **Total Liabilities** | **$18,500.00** | **$25,000.00** | **$28,000.00** |
|  |  |  |  |
| Paid-in Capital | $5,000.00 | $5,000.00 | $5,000.00 |
| Retained Earnings | $256,500.00 | $303,250.00 | $399,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$15,300.00** | **$21,700.00** | **$24,800.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **120.92%** | **115.21%** | **112.90%** |

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| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $20,000.00 | $482,000.00 | $975,250.00 |
|  |  |  |  |
| **Sources of Cash** | $5,000.00 | $7,000.00 | $10,000.00 |
| Receivables | $7,000.00 | $5,000.00 | $7,500.00 |
| Sales | $350,000.00 | $400,000.00 | $500,000.00 |
| Others | $5,000.00 | $7,000.00 | $8,000.00 |
| **Total Cash** | **$387,000.00** | **$901,000.00** | **$1,500,750.00** |
|  |  |  |  |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $18,000.00 | $18,000.00 | $18,000.00 |
| Advertising | $7,000.00 | $7,000.00 | $7,000.00 |
| Legal Fees | $1,500.00 | $1,500.00 | $1,500.00 |
| Salary (With Tax) | $40,000.00 | $45,000.00 | $50,000.00 |
| Other | $3,000.00 | $3,250.00 | $4,000.00 |
| **Total Expenditures** | **$69,500.00** | **$74,750.00** | **$80,500.00** |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$317,500.00** | **$826,250.00** | **$1,420,250.00** |