

**Table of Contents**

Executive Summary [PAGE NUMBER]

Company Overview [PAGE NUMBER]

Business Concept [PAGE NUMBER]

Market Analysis [PAGE NUMBER]

Competition [PAGE NUMBER]

Strategic Priorities, Goals, and Objectives [PAGE NUMBER]

Management Team [PAGE NUMBER]

Financial Details [PAGE NUMBER]

**Executive Summary**

[Bath Philosophies] is a home-based organic soap manufacturing company based in Red Bank, New Jersey. A family business owned and operated by [Leilanie Vargas], the company focuses on wrap-free, handmade, and organic products for a cleaner planet. In this channel strategy plan, the company is looking to move its products through a chain of sellers to reach its potential customers.

**Company Overview**

[Bath Philosophies] is a small, family-owned business that is looking to educate and empower locals by turning a profit for handmade, organic soaps. This profit-sharing arrangement with its employees and direct sellers make the company’s channel strategy effective as it focuses not only on the company’s profits but in empowering individuals to lead eco-friendly lifestyles as well.

**Mission Statement**

Our mission is to establish a company that produces quality, handmade, and organic products through a strong channel strategy. In doing so, the company believes in empowering individuals by leading an organic and [environmentally-healthy lifestyle].

**Core Values/Philosophy**

The company emphasizes the production of high-quality soaps and the empowerment of its workers. It ensures its customers that it lives by its values through its products.

**Vision**

[Bath Philosophies] sees the continuous growth of its profits in the next five years as more consumers become more conscious of using organic products.

|  |  |
| --- | --- |
| **[COMPANY] SWOT ANALYSIS** | |
| **INTERNAL FACTORS** | **EXTERNAL FACTORS** |
| **Strengths** | **Opportunities** |
| * The products cater to the different needs of the customers. * Utilizes a marketable social awareness campaign * The affordable products compared to others in the market make them easier to sell in indirect sales channels. | * Growing interest in organic products makes it easier to sell them through the company’s different retail channels * Large and growing market * The target market is likely to pay a higher price. |
| **Weaknesses** | **Threats** |
| * Difficult to expand the business due to company limitations * A limited number of sales channels | * The inability of direct sellers and other channels to sell more products may cause them to lose interest in selling. * Direct competitors have established brand names. |

**Business Concept**

**Product/Service Offered**

[Bath Philosophies] offer the following products, all of which are eco-friendly, organic, and sold trash-free:

* Naked soaps
* Shampoo bars
* Bath bombs
* Bath salts

**Benefits to Clients/Customers:**

Customers who are taking a proactive approach to maintaining healthy and eco-friendly lifestyles can look forward to smelling good without compromising the needs of their skin. [Organic bath products] are friendly to the ecosystem, which is important to a population that is more inclined to go green.

**Target Customers:**

More and more individuals are now shopping with a purpose. The green campaign has expanded its customer reach from organic ingredient to plastic-free packaging, and, finally, sustainable livelihood. [Bath Philosophies] focuses on all three by ensuring that its products are sourced directly from farmers and distributed without plastic packaging to its sales channels without the need for large investments. This makes the product easier to sell to the public.

Bath Philosophies target consumers who want to take care of their skin while maintaining an eco-friendly and zero-waste lifestyle.

**Market Analysis**

**Trends**

Growing disposable income and increasing concerns regarding the use of harmful chemicals such as parabens and sulfates have resulted in the rising demand for organic beauty and hygiene products, making them particularly effective products to sell through intermediary channels such as value-added retailers and online sellers.

More than that, the same consumers who are concerned about using organic ingredients in their everyday products are also concerned about using sustainable packaging. In fact, sustainable packaging solutions that reduce environmental footprint was the leading trend in terms of packaging in [2018]. This trend will likely continue in the coming years, making these products sustainable in the long run if the company decides to take advantage of the interest of retailers today.

Several large companies such as McDonalds and Target, for instance, are already taking measures to cut their plastic use by using paper and eco-bags to pack their products. Thus, by targeting these concerns, there is a good market value for the growing organic soap industry.

**Market Size and Revenue Potential**

Starting a soap-making business low costs. Based on the size of its indirect sales channels, Bath Philosophies products have a generous [55%] profit margin when selling through its sales distribution channels and retailers.

**[Bath Philosophies] Growth Forecast for [2019]**

|  |  |  |
| --- | --- | --- |
|  | **FY 2019** | **FY 2020** |
| Direct Sellers | 250 | 300 |
| New Sellers | 50 | 100 |
| Revenue | USD 970,200 | USD 1,300,000 |

**Competition**

[Bath Philosophies] has two direct competitors in [New Jersey]: Organic Beauty and Just Soaps, both of which focus on handmade bath products.

**Competitive Analysis**

|  |  |  |
| --- | --- | --- |
| **Company Name** | **Customer Support** | **Channel Strategies** |
| Bath Philosophies | * Affordable handmade, organic soaps | * Makes use of online sales, indirect sales (value-added resellers and other retailers) and direct sales strategies (physical store) |
| Organic Beauty | * Offers a wide range of skincare products | * Sells exclusively online but ships nationwide |
| Just Soaps | * Known organic brand | * Sells online and has retailers around the area |

**Strategic Key Performance Areas (KPAs), Goals, and Objectives**

**Legend:**

**Definition of Priority Levels**

**Priority Name Definition**

**High** Low Cost, High Impact   
**Normal** Average Cost and Impact  
**Low** High Cost, Low Impact

**Definition of Status**

**Ongoing** - The activity is on track/on schedule.

**At Risk** - There are issues facing the activity, but can still be resolved.

**On Hold** - A serious issue needs to be resolved before the activity can continue.

**Done**-Accomplished.

**KPA: Financial**

Goal: [Bath Philosophies] wants to gain a [10%] increase in its customers in the first quarter of the year [2019].

Objective: The company wants to create a steady increase in its customer base through a strong channel strategy for the following year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| Provide better incentives for direct line sellers and business to business (B2B) channels so that they will be more motivated to sell the products. | Sales Manager | March 30, 2019 | Ongoing | High |

**KPA: Direct Selling Channel**

Goal: [Bath Philosophies] wants to attract more direct sellers to distribute to a wider audience.

Objective: Gain more [B2B] sellers, each of which should have at least [35] regular customers who order the products on a regular basis.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| Execute and accomplish the mobile banking initiatives to attract more millennial customers. | Sales Manager  IT Personnel | January 31, 2019 | Ongoing | Normal |

**KPA: Employees**

Goal: The employees will be more knowledgeable about the latest beauty trends to be able to better sell the products down their own retail channels.

Objective: Increase exposure to other organic products to become more aware of the latest scents that are popular in the market.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| Research about the latest scents and trends from direct and indirect competition to create more competitive B2B selling and other channel strategies. | Operations and Marketing | January 15, 2019 | Ongoing | Low |

**Management Team**

[Bath Philosophies] has a strong management team led by its owner and founder. The marketing and sales teams are looking to put the products in retail stores and boutiques, while direct and indirect sellers are trained regularly to better sell the products to potential customers.

**Financial Details**

|  |  |  |
| --- | --- | --- |
| **Bath Philosophies** | | |
| **Balance Sheet** | | |
| [USD $] | | |
|  | **2018** | **2019** |
| **Assets** |  |  |
| Current Assets: |  |  |
| Cash | 2,500,000 | 2,500,000 |
| Accounts Receivable | 900,000 | 900,000 |
| Prepaid Expenses | 600,000 | 650,000 |
| Inventory | 300,200 | 450,000 |
| Total Current Assets | 4,300,200 | 4,500,000 |
|  |  |  |
| Property & Equipment | 550,000 | 800,000 |
| Goodwill | 350,000 | 600,000 |
| **Total Assets** | **5,200,200** | **5,900,000** |
|  |  |  |
| **Liabilities** |  |  |
| Current Liabilities: |  |  |
| Accounts Payable | 600,000 | 600,000 |
| Accrued Expenses | 500,000 | 550,000 |
| Unearned Revenue | 280,000 | 300,000 |
| Total Current Liabilities | 1,380,000 | 1,450,000 |
|  |  |  |
| Long-Term Debt | 1,300,000 | 1,400,000 |
| Other Long-Term Liabilities | 50,000 | 50,000 |
| **Total Liabilities** | 2,730,000 | 2,900,000 |
|  |  |  |
| **Shareholders' Equity** |  |  |
| Equity Capital | 1,500,000 | 1,700,000 |
| Retained Earnings | 970,200 | 1,300,000 |
| **Shareholders' Equity** | **2,470,200** | **3,000,000** |
| **Total Liabilities & Shareholders' Equity** | **5,200,200** | **5,900,000** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Bath Philosophies** | | | |
| **Cash Flow in [USD $]** | | | |
|  | For the Year Ending | 12-31-2018 | 12-31-2019 |
|  | Cash at Beginning of Year | 2,500,000 | 4,164,000 |
|  | Cash at End of Year | 4,164,000 | 6,066,000 |
|  |  |  |  |
| **Operations** |  | **2018** | **2019** |
| Cash receipts from | |  |  |
|  | Customers | 2,264,000 | 2,852,000 |
|  | Other operations | 1,700,000 | 1,900,000 |
| Cash paid for |  |  |  |
|  | Inventory purchases | -150,000 | -150,000 |
|  | General operating and administrative expenses | -350,000 | -400,000 |
|  | Wage expenses | -2,000,000 | -2,500,000 |
|  | Interest | -500,000 | -700,000 |
|  | Income taxes | -200,000 | -230,000 |
| Net Cash Flow from Operations | | 764,000 | 772,000 |
|  |  |  |  |
| **Investing Activities** | |  |  |
| Cash receipts from | |  |  |
|  | Sale of property and equipment |  |  |
|  | Collection of principal on loans | 500,000 | 500,000 |
|  | Sale of investment securities | 550,000 | 650,000 |
| Cash paid for |  |  |  |
|  | Purchase of property and equipment | -250,000 | -300,000 |
|  | Making loans to other entities | 500,000 | 550,000 |
|  | Purchase of investment securities |  |  |
| Net Cash Flow from Investing Activities | | 1,300,000 | 1,400,000 |
|  |  |  |  |
| **Financing Activities** | |  |  |
| Cash receipts from | |  |  |
|  | Issuance of stock | 150,000 | 200,000 |
|  | Borrowing | 500,000 | 700,000 |
| Cash paid for | |  |  |
|  | Repurchase of stock (treasury stock) |  |  |
|  | Repayment of loans | -500,000 | -600,000 |
|  | Dividends | -550,000 | -570,000 |
| Net Cash Flow from Financing Activities | | -400,000 | -270,000 |
|  |  |  |  |
| Net Increase in Cash | | **1,664,000** | **1,902,000** |
|  |  |  |  |
|  | Cash at End of Year | 4,164,000 | 6,066,000 |