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**Herbal Organics**

**Executive Summary**

|  |  |
| --- | --- |
| **Company Background** | **Contact Information**Nermina Bajric(860) 293-2490nerminabajric101@hotmail.comHerbal Organics47 Alden StHartford, Connecticut06114**Year Founded**2012\_\_\_\_\_\_\_\_\_\_\_\_\_**Investment Opportunity**$306.00**Annual Operating Costs**\*$126.00**Annual Sales**\*278 Units**Annual Profit**\*$1,344**Return on Sales\***[ROS]%**Return on Investment**\*[ROI]%**Breakeven Units/Month**\*278*\*Projected* |
| Business Description: Herbal Organics is a solo proprietorship that provides naturopaths with one hundred percent organic herbs that help relieve a minor ache or pain. |
| Business Model: Herbal Organics provides the consumers with organic herbs that help relive an ailment. This method allows consumers to relive their pain and not worry about the side effects. |
| Mission Statement: To provide consumers a safe and easy method for relieving their pain, through one hundred present organic herbs. |
|  |
| **Market Opportunity** |
| Opportunity: My industry is regarded as the Health Supplement Industry, which grosses in about six billion dollars per year. However, the situation concerning this industry is about eighty percent of the products aren’t organic. Therefore, Herbal Organics as invented as a company that provides 100% organic herbs that are effective in reliving an ailment and don’t cause harm to the human body. |
| Target Market: My target market is primarily consisted on naturopaths that primarily take products, such as organic solvents, to relieve pain. |
| Industry Overview: As you know, my industry is regarded as the Health Supplement Industry this industry is very popular in terms of its annual income, as well as the fact that it’s trending. |
| Market Research: About 3% of Americans consist of naturopaths. |
|  |
| **Leadership** |
| Nermina Bajric, Owner: Through Herbal Organics I hope to accomplish a safe and convenient method for relieving pain to consumers. As time progresses, leading up to Herbal Organics’ launch in 2025, I would hope to have become a certified herbalist, as well as study under an herbalist. In the meantime, however, I do have previous experiencesthrough herbs and their medicinal properties. |

**Herbal Organics**

**NerminaBajric**

**Business Plan**

**1. OPPORTUNITY RECOGNITION & BUSINESS STRUCTURE**

**1.1 Business Opportunity**

Approximately 83% of Americans take over the counter supplements that can harm their body. The majority of these people are exposing themselves to harmful and unknown chemicals. I, however, can provide healthy alternatives to over the counter supplements that cannot only relieve a consumer of a minor ache or pain, but also provide the consumer with necessary vitamins and nutrients.

**1.2 Type of Business**

My business is a service because we provide herbs and botanicals that are beneficial in minerals and vitamins. These herbs also help relieve a minor ache or pain without the harmful side effects of standard over the counter drugs.

**1.3 Type of Business Ownership**

My business is a sole proprietorship given that only one person is needed to care for the plants and at times create the remedies.

**1.4 Mission Statement**

My mission statement is to provide an alternative to over the counter supplements by creating substances that won’t harm the consumer.

**1.5 SocialResponsibility**

My social responsibility is to donate approximately 5% of my earnings to the Save the Plants Foundation (SPF). This foundation helps preserve Earth’s plants.

**1.6 Qualifications**

I qualify to run this business because I was raised on an organic-based diet. Therefore, I know how to take care of the plants. I have taken an Entrepreneurship class. And I will become a certified Herbalist.

**2. MARKET RESEARCH**

**2.1 Market Research**

About 1% of the population in the United States of America is consisted of naturopaths.

**2.2 Target Market**

*Demographic Information*: Consumers who frequently purchase over-the-counter drugs.

*Geographic Information*: Rocky Hill, Connecticut

*Psychographic Information*: Consumers who are tired off poisoning their body and want to try a healthy alternative.

*Buying Patterns*: Naturopaths

**2.3 Competitors**

*Direct Competition:*Consists of Advil, Tylenol, Aleve, Herbalife and Herbal Remedies.

*Indirect Competition:*Chiropractors and acupuncturists.

**2.4 Competitive Advantage**

1. 100% organic herbs
2. Inexpensive price
3. Remedies don’t harm the body
4. Provide various remedy options (i.e.: tea or solvent)

**2.5 Business Growth**

*Short-Term Business Goals:* In six months of business, I hope to obtain at least one thousand likes on Facebook.

*Long-Term Business Goals:* In three years, my goal is to have planted three hundred various herbs.

**2.6 Challenges**

*Short-Term Business Challenges:*Getting the word out.

*Long-Term Business Challenges:*Maintaining a consistent amount of consumers.

**3. PROMOTION & SALES**

**3.1 Marketing Plan**

The marketing plan will highlight the following customer benefits:

1. Remedy Assistance Service
2. Doesn’t harm/poison body
3. All natural products and herbs
4. Safe and easy method for relieving pain
5. Won’t expose you to dangerous chemicals

**3.2 Promotion**

Herbal Organics will engage in five promotional activities:

1. *Business Cards:* Business cards will be attached to each product purchased
2. *Website:* The website will be used to promote the business, as well as products
3. *Memberships:* On the website, consumers can subscribe for a free membership
4. *Word of Mouth:* Satisfied consumers can spread the word of Herbal Organics
5. *Facebook:* Consumers can “Like” Herbal Organics

**3.3 Sales Methods**

Herbal Organics has a simple method for order our products:

*Steps a consumer follows to purchase my service:*

1. Business cards
2. Online memberships through website
3. Primary member will get a free sample

**3.4 Sales Estimates**

|  |  |
| --- | --- |
| Factor | Influence on sales |
| Market Analysis | Consists of naturopaths. |
| Maximum Capacity | I can do about 500 units in one month. |
| Break Even Units | Demonstrated by three months if fixed expenses. |
| Seasonality | Sales increase as months proceed, and then remain fairly consistent as time progresses. |

|  |  |  |
| --- | --- | --- |
| Month | Units | Revenue |
| January | 15 | $112. 50 |
| February | 25 | $187.50 |
| March | 25 | $187.50 |
| April | 30 | $225.00 |
| May | 30 | $225.00 |
| June | 30 | $225.00 |
| July | 20 | $150.00 |
| August | 20 | $150.00 |
| September | 25 | $187.50 |
| October | 30 | $225.00 |
| November | 50 | $375.00 |
| December | 50 | $375.00 |
| **Annual Total** | **360** | **$2,625** |

**4. FINANCIAL INFORMATION& OPERATIONS**

**4.1 Definition of One Unit**

One unit is defined as making six headache relief solvents.

**4.2 Variable Expenses**

|  |
| --- |
| **Materials** |
| Material Description | Bulk Price | Bulk Quantity | Quantity per Unit | Cost per Unit |
| Organic Beeswax | $4.45 | 0.5lbs | 1 | $0.90 |
| Organic Shea Butter | $9.42 | 4 oz. | 1 | $2.35 |
| Organic Olive Oil | $6.34 | 17 oz. | 1 | $0.38 |
| Organic Lavender Essential Oil | $12.49 | 2 bottles | 1 | $6.24 |
| Frosted Jar | $0.68 | 12 per case | 1 | $0.57 |
| **Total Material Costs per Unit** | **$10.44** |
|  |
| **Labor** |
| Cost of Labor per Hour | Time (in hrs.) to make one unit | **Total Labor Costs per Unit** |
| $8.25 | 15minutes/hour | **$2.06** |
|  |
| **EOU** |
| Material Costs | Labor Costs | **TOTAL EOU** |
| $10.44 | $2.06 | **$12.50** |

**4.3 Economics of One Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| **Selling Price per Unit** |  |  | $22.00 |
| **Variable Expenses per Unit** |  |  |  |
|  Costs of Goods Sold |  |  |  |
|  Materials  | $10.44 |  |  |
|  Labor  | $2.06 |  |  |
|  Total Cost of Goods Sold |  | $12.50 |  |
|  Other Variable Expenses |  |  |  |
|  Commission  | $0.00 |  |  |
|  Packaging  | $2.00 |  |  |
|  Other |  |  |  |
| Total Other Variable Expenses |  | $ 0.00 |  |
|  Total Variable Expenses |  |  | $2.00 |
| **Contribution Margin per Unit** |  |  | **$7.50** |

**4.4 Production Process**

|  |  |  |
| --- | --- | --- |
| Description of Step | Time | Cost |
| 1. Planting seeds
 | 1 hour | $8.25 |
| 1. Making solvents
 | 15 minutes | $2.06 |

**4.5 Fixed Expenses for One Month**

|  |  |  |
| --- | --- | --- |
| Expense Type | Monthly Cost | Explanation |
| Utilities | $15.00 | Electric bill |
| Depreciation | $24.99 | Cell phone and laptop for communication |
| Advertising | $10.00 | 250 business cards will provide business info |
| **Total Fixed Expenses** | **$49.99** |  |

**4.6 Income Statement for First Year of Operations**

|  |  |  |  |
| --- | --- | --- | --- |
| **REVENUE** |  |  | $6,116 |
|  Gross Sales | $[value] |  |  |
| Sales Returns | [value] |  |  |
|  Net Sales |  |  | $[value] |
| **VARIABLE EXPENSES** |  |  |  |
|  Costs of Goods Sold |  |  |  |
|  Materials  | $10.44 |  |  |
|  Labor  | $2.06 |  |  |
|  Total Cost of Goods Sold |  | $[value] |  |
|  Other Variable Expenses |  |  |  |
| Shipping | $2.00 |  |  |
| Total Other Variable Expenses |  | $0.00 |  |
|  Total Variable Expenses |  |  | $[value] |
|  |  |  |  |
| **CONTRIBUTION MARGIN** |  |  | $[value] |
|  |  |  |  |
| **FIXED OPERATING EXPENSES** |  |  |  |
| Advertising | $10.00 |  |  |
| Depreciation | $25.00 |  |  |
| Utilities | $15.00 |  |  |
|  Other fixed expenses | $2.00 |  |  |
|  Total Expenses |  |  | $624.00 |
|  |  |  |  |
| **PRE-TAX PROFIT** |  |  | $[value] |
|  Taxes (15%) |  |  | [value] |
|  |  |  |  |
| **NET PROFIT** |  |  | **$[value]** |

**4.7 Startup Investment**

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Why Needed | Vendor | Cost |
| DBA | Hartford, Connecticut | City Hall | $35.00 |
| Website | For advertising products | VistaPrint.com | $50.00 |
| Business Cards | Information on business | VistaPrint.com | $10.00 |
| Six packets of seeds | To start plant growth | LocalHarvest.org | $20.00 |
| Grow Bulbs | For inside plant growth | Wal-Mart | $25.00 |
| Frosted Jars | To hold solvents | McKernan Packaging | $1.00 |
| **Total Startup Expenditures** | **$141.00** |
| Emergency Fund *(1/2 of startup expenditures)* | $70.50 |
| Reserve for Fixed Expenses *(covers 3 months of fixed expenses)* | $211.50 |
| **Total Startup Investment** | **$423.00** |

**4.8 Financial Ratios**

*Return on Sales (ROS):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $[profit] | = | **[value]%** | ≈ | **$[value]** |
| Total Annual Sales | $[sales] |

*Return on Investment (ROI):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $1,344 | = | **4.39%** | ≈ | **$5.00** |
| Total Startup Investment | $306.00 |

*Breakeven Units (Monthly)*:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fixed Monthly Expenses |  | $126.00 | = | **16.8** | ≈ | **17 units** |
| Contribution Margin | $7.50 |