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Sophia’s Bug Potion Fight the Bite!!!!!™

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**Business Plan**

**Naturally Potions LLC**

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Naturally Potions is the producer of multiple skin care products. The company was formed in 2013 as an LLC and sells products in specialty boutiques. The flagship product is Sophia’s Bug Potion that was developed as a mosquito repellent using all natural ingredients that are safe for children, adults, animals, and the environment. The product is sold at campgrounds, resorts, and in specialty stores. The company seeks to expand production and thereby availability of the product in more locations in North and Central America. Sophia’s Bug Potion differentiates itself from other similar products by being non-allergenic and by its ability to reduce skin irritation from prior bug bites, sunburn, or scrapes. Its antibacterial, anti-viral, anti-inflammatory properties allow it to be used where many repellants would be contraindicated.

**INDUSTRY**

A mosquito or an insect repellent is a substance that are applied on human skin, clothing or other surfaces that prevent mosquitoes from sitting or crawling on that surface. Body worn insect repellents are available in the market to protect from mosquito bites and other insects for an extended period of time during outside activities. An effective repellent can protects the user from bites but more importantly from many mosquito borne diseases like St. Louis encephalitis, West Nile virus, malaria, dengue, chikungunya, yellow fever, filariasis, Japanese encephalitis, Western equine encephalitis, Eastern equine encephalitis, Venezuelan equine encephalitis, La Crosse encephalitis and most recently in the news Zika fever.

Repellents do not kill mosquitoes; they just make human unattractive to mosquitoes. Repellents prevent mosquito bites by inhibiting the mosquito’s stimuli for blood feeding. The type of mosquito repellent used and concentration of active ingredient decides the number of hours a person can be protected from mosquito bites. The best mosquito repellents will provide protection from mosquito bites for many hours with a single application.

The global body worn insect repellent market was valued at USD 230 Million in 2014 and is estimated to reach USD 378.3 Million by 2021, growing at a CAGR of 7.4% from 2015 to 2021. Key players profiled in this report include Avon Products Inc., Reckitt Benckiser Group plc, Sawyer Products Inc., ExOfficio LLC, S. C. Johnson & Son, Inc., BASF SE, The Orvis Company Inc., Mountain Warehouse Ltd., E.I. du Pont de Nemours and Company, and Insect Shield LLC among others.

The rising health awareness among consumers is a key factor fueling demand from the market. Demand for insect repellent is high across developing countries such as India and Brazil as they witness a high prevalence of insect borne diseases such as dengue, malaria, and yellow fever. According to the WHO, over 3 million cases of dengue were reported across Western Pacific, Southeast Asia, and the Americas in 2013. This number is expected to increase further over the next few years, thus creating opportunities for the body worn insect repellent market.

Due to the relief they provide, body worn insect repellents are used by people working in industries such as agriculture and oil and mining. These repellents shield people against insect bites. “Since they don’t have any substitutes, demand for body worn insect repellents will continue rising through the forthcoming years,” said a lead TMR analyst.

Besides this, the market is expected to gain from the increasing distribution channels. “Body worn insect repellents are available in the market through various channels such as supermarkets, hypermarkets, online stores, convenience stores, and retail outlets. This augments sales opportunities for manufacturers,” added the TMR analyst. Moreover, several companies have already entered into joint ventures with prominent ecommerce sites and online stores to sell their products across a wider audience. TMR expects these trends to augur well for the market in the near future.

Stringent Regulations Limit Body Worn Insect Repellent Sales in Developed Nations

Despite witnessing positive growth in emerging nations, body worn insect repellent manufacturers are finding it difficult to establish their stronghold in developed countries such as the U.S. and Canada. Stringent government regulations are in place in these countries, which limit the scope for the market’s expansion to an extent. Organizations such as the U.S. Environmental Protection Agency (EPA) and FDA have set strict standards to determine whether these repellents are safe enough for their intended use. Stringent regulations mandate body worn insect repellents to be substantiated before being available for sale. This inhibits the market’s trajectory to an extent.

Nevertheless, with time more countries are emerging as lucrative markets for body repellents. For instance, growth witnessed in China and other developing nations will fuel sales prospects for body worn insect repellent manufacturers in the forthcoming years.

Based on product type, the oils and creams segment has been witnessing overwhelming demand since the last few years. The segment led the overall market in 2014, with a share of 67.2%.

Regionally, North America dominated the global body worn insect repellent market. It was valued at US$80.5 mn in 2014 and is projected to continue dominating the global market through the forecast period.

This review was based on information published by TMR in a report, titled “Body Worn Insect Repellent Market - Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2015 - 2021.”

**Competitive Products:**

**DEET** was developed by the US Army in the 1950s and is the most effective and widely used mosquito repellent in United States. [Repellents with DEET](http://www.mosquitorepellentreviews.com/mosquito-repellents-deet/) should not be used on infants younger than 2 months of age. Children above three months can use repellents with DEET concentrations of 30% or less. DEET products have been known to cause adverse effects such as upset stomach, nausea, vomiting, and in rare occasions seizures. A major issue with DEET is that mosquitos adapt to the chemical reducing the effectiveness over time. A deterrent to use is also the fact it may stain clothing. Public concerns about the use of DEET products are related to the use of chemicals on the skin and potential adverse long term effects, which is why the general public seeks alternative natural methods of repelling insects, especially for children. Women have been shown to prefer all natural products. Information in the paragraph above came from the CDC website

**Picaridin** was developed in the 1990s, is as effective as DEET and have much pleasant scent compare to DEET. It is mostly available in formulations ranging from less than 10% up to 20%.

**Permethrin** repellents with active ingredient are intended for use on items such shoes, clothing, camping gear, bed nets etc. They should not be used on skin.

**Citronella oil** is a common ingredient in plant-based mosquito repellents. It is distilled from two species of grasses and is a mixture of about eighty different compounds. The U.S. Environmental Protection Agency (EPA) noted skin irritation, and that one type of citronella oil caused some allergic reactions.

**Geraniol** is found in many plant oils, including citronella, lemongrass, and oil of rose. In 1990s, researchers identified geraniol as “the first effective alternative to products containing DEET.” Geraniol based mosquito repellent protects mosquito bites between 2 to 4 hours depending on the different species of mosquitoes.

**Oil of lemon eucalyptus** is a natural, plant-based oil. It works as well at preventing mosquito bites as products that contain lower concentrations (6.65%) of DEET. These products should not be used on children under the age of 3 years.

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Avon Skin so Soft Bug Repellent, Cutter Natural, babyganics, All Terrain kids Herbal Armor, California Baby, EcoSmart and Burt’s Bees Herbal Insect Repellent make natural

**History**

I have been in the Spa and Beauty industry for 35 years as a professional nail technician and a full body therapist performing services such as massage, scrubs, and wraps. I discovered there was a need for all natural and chemical free skincare products for these services and stared creating my own nontoxic skincare and wellness products in 2007. Naturally Potions LLC was formed in 2013 after a 2 year stay in St. Thomas USVI. On the island I found we were having to coat ourselves and our 8-year-old daughter with repellents heavy with chemical 24 hours a day to avoid getting dengue fever. It became apparent that there were no nontoxic alternatives where we lived or upon returning home to Idaho, so I created Sophia’s Bug Potion.

**CURRENT STATUS**

Sophia’s Bug Potion was developed to serve the market in hot, humid environments but is currently being marketed in Idaho due to relocation of the founder. The intent is to expand production to serve the Gulf Coast and the Caribbean Islands struggling with viral outbreaks from insect bites. Cruise lines bring over 23 million tourists to the Caribbean ports every year. While experiencing some local success, the untapped markets expansion will address the seasonality limits of US local markets and significantly impact overall sales potential. Buyers in these tropical markets have greater discretionary income, fit the demographic profile of those concerned with exposure to disease risk, and tend to purchase natural versus chemical products.

***Channels:*** With volume production Sophia’s Bug Potion can be distributed not only to cruise ships but to vacation destinations sites, US camp grounds and resorts, drug stores and skin care retail outlets and grocery stores. Current Idaho sales locations include Jake’s Gluten Free Market, Cutting Cabin, Arrow Head RV Park, Clear Creek RV Park, Zip Idaho, White Horse Market, North End Nursery, Outdoor Exchange, and McU Sports.

***Packaging:*** The packaging of the product is in 2, 4 & 8 oz cobalt blue bottles with a sprayer and a funky logo that sets it apart from the more medicinal appearing packaging of competitor products. See Figure 1. It has a fresh natural fragrance that is light and not overpowering as many chemical sprays tend to be. The slogan “Fight the bite” is trademarked.

***Intellectual Property Protection:*** Trademark protection has been managed by Hawley Troxel Law Firm and Trade Secret protection lies with the recipes for production.



**PROBLEM & SOLUTION OVERVIEW**

* People of leery of using toxic ingredients
* People concerned of illnesses from long term use of repellents
* People concerned about their imprint on the environment
* An effective nontoxic bug repellent that is a safe alternative to DEET
* A unique nontoxic blend of essential oils and water that is safe for children, animals, adults, and the environment, that also heals the skin from prior stings, bites, and sunburn

**Target Market**

* Women with families
* Tourists

**Marketing Plan for Customer Acquisitions and Retention**

* Website
* Social media (Google +, Facebook, Pinterest, LinkedIn)
* Word of mouth
* Retail stores: pharmacies, salons, RV parks, National parks, cruise lines, hotels and resorts

**Pricing and Payment Policy**

* Online through website – credit/debit through paypal
* Net 30 days through commercial accounts such as drug stores, RV parks , and hotels

**Other Key Activities & Metrics To Monitor and Measure for Success**

* Testing performed for scientific proof of effectiveness and safety
* Monitor customer satisfaction
* Manage production costs and maintain profit margins

**Appendix**

**Consumer Reports: Insect Repellent Ratings**