

Penny's Herbs & More



Business Plan

I. Mission Statement

Penny's Herbs & More will offer the freshest, highest quality culinary and medicinal herbs to local residents seeking flavor and health enhancement.

II. Executive Summary

Penny's Herbs & More is a small business created to produce and sell a high quality herb selection for the local area. We provide a supply of choice herbs to individual buyers through farmers markets. Our products are naturally raised and we are working to become USDA Certified Organic. We believe the natural and organic movement in foodstuffs is growing and will continue to gain in mainstream acceptance. Our customers can proudly say the herbs they buy are from plants that are:

- Raised in a private garden in the Midwest, currently in Indiana.
- Natural, with no pesticides, in a garden that is in organic transition.
- Clean and safe to eat.

Besides the highest standards being applied in growing these herbs, our customers can enjoy the personal touch of quality and service. Our customers are buying:

- Select herbs such as basil, chives, dill, garlic, oregano, parsley, rosemary, tarragon, thyme, chervil, lemon balm, and mint.
- Food-enhancing quality and medicinal value that is impeccable and much more consistent than store-bought brands. Because we are involved in every aspect of production, from planting, to growing, to harvesting, to cutting and cleaning the herbs, we can personally ensure the integrity of our product.
- Custom cut and bundled herbs without additional cost. Our clients specify which herbs they would prefer to ensure their individual use.
- One contact for delivery and sales.

III. Background

The company's founder, Penny Lane, has been involved in the herb gardening business since her childhood days of hobby gardening with her mother. Along with her sister, Rose Thorn, she continues today to plant and grow select herbs. On the botanical side, Mrs. Lane serves as a judge for the 4-H program of Indiana, judging gardening and horticulture projects. She is also a member of the Master Gardener's Association and has been a part of the Master Gardener Association's Garden Walk. Further, along with her degree in Biology, she has a minor in Botany from Purdue University. Since college, she has focused primarily on hobby gardening and herb growing. From 1999 to 2001, Mrs. Lane worked in greenhouse strategic planning with plant and flower companies, and since 2001 she has been managing her own herb garden.

Ms. Thorn also possesses much relevant experience. She is the biology teacher for Sunny Days High School, where she has her students participate in nature walks and outside leaf and flower projects. She also judges numerous horticulture and gardening 4-H projects each year. Thus, she is highly competent in the biological and growing features intended for high-quality herbs. Prior to teaching, Ms. Thorn spent 10 years being self-employed in the flower and gardening business. Finally, Ms. Thorn has retailing and sales experience from her employment at a small, family-owned greenhouse.

IV. Products Offered

We will offer our fresh herbs through farmers markets. Penny's Herbs & More may be visited at two local farmer's markets on Thursday evenings from 4:00p.m.-7:00p.m. in the town of Jasmine, Indiana, and on Saturday mornings from 8:00a.m.-12:00p.m. in the town of Honeysuckle, Indiana. Our products will also be available for mail order online. More specifically:

- High-quality sun herbs:
 - a. Basil, chives, dill, oregano, rosemary, tarragon, thyme
 - b. Gift baskets and special orders
- High-quality shade herbs:
 - a. Chervil, lemon balm, mint
 - b. Gift baskets and special orders

V. Target Clientele and Target Market Niches

Our customer is the average, day-to-day consumer. Largely, our target population is a 25-65-year-old, middle class to affluent female, either single or with a family. We expect her to be interested in the product for these reasons: health/diet, food safety, culinary use, medicinal value, and because natural foods are trend-setting.

In addition to this, our end customer is also likely to be a middle-upper class to affluent male, ages 30-65, who pays attention to herbs for the enhancement of grilling meats and the peace of mind of knowing that the food is accented with wholesome herbs to sanctify a delicious grilled entrée.

VI. Short-Term Goals and Objectives

The numbers below are an estimate of customers for start-up:

- 10-15 regular consumers buying 5-10 bundles of prime herbs weekly.
- Approximately 100 bundles/week start-up. Total bundles of product moved per week, start-up: 1,500.
- Grow to 5 total farmer's markets in first 12-18 months.
- Add seasonal flowers and vegetables, by summer season 2010, if needed, or any time during years 1-2.
- Become profitable so that a driver for deliveries can be hired by September 2010.
- Increase sales by 20% by end of second year.

VII. Long-Term Goals and Objectives

- Expand sales in retail to our own line of markets in Indiana.
- Experience sales growth of at least 20% each year through building supply relationships.
- Add, at retail, exotic plants and herbs, any time we see a demand.

VIII. Financial Details

Start-up Expenses

1. Equipment
 - a. Seeds and plants \$ _____
 - b. Gardening tools (pots, shovels, shears, pruners) \$ _____
 - c. Watering aids (hoses, attachments, timers) \$ _____
 - d. Plant labels, markers, tags \$ _____
 - e. Plant supports \$ _____
 - f. Pest deterrents \$ _____

Equipment total: \$ _____
 2. Fertilizer
 - a. Organic fertilizers \$ _____
 - b. Organic potting mix \$ _____
 - c. Mulch \$ _____

Fertilizer total: \$ _____
 3. Transportation Costs (during start-up)
 - a. Fuel \$ _____
 - b. Maintenance \$ _____

Transportation total: \$ _____
 4. Marketing Materials \$ _____

Marketing total: \$ _____
 5. Licensing and State/Federal Requirements
 - a. Board of Health \$ _____
 - b. Merchant's retail license \$ _____

Licensing total: \$ _____
 6. Legal/Accounting/Consultative
 - a. Set up LLC or incorporate \$ _____
 - b. Review contracts \$ _____

Legal, etc., total: \$ _____
 7. Insurance
 - a. Liability \$ _____
 - b. Worker's compensation \$ _____

Insurance total: \$ _____
- Grand total start-up expenses: \$ _____**

Projected First-Year Sales and Revenues

Moving a projected 1,500 bundles of herbs through farmers markets and some Internet sales.

Total annual sales	\$ _____
Annual projected pre-tax income	\$ _____
Minus expenses	\$ _____
Annual projected revenue	\$ _____
Pre-tax earnings retained at 30%	\$ _____
Payout to debt on business, to be done quarterly	\$ _____
Projected pre-tax salary expenses to owners	\$ _____
Projected employee expenses	\$ _____
(2 at \$ _____ \$10/hour; 40 hours/week; 30 weeks/year)	
Annual dollars retained for taxes, to be paid quarterly	\$ _____