



ORGANIC RETAIL

Business Model

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Capstone

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EXECUTIVE SUMMARY

Organic Retail is a food distribution company based in Miami, FL, that differentiates itself by providing distribution services, eCommerce services, and marketing services. This business model came to life thanks to the recognition of a need that new small business owners who decided to reinvent themselves due to COVID-19 have.

When we think about entering the retail world in the food industry, we automatically think "impossible." However, companies like Organic Retail specialize in placing products on those dreamed shelves. Nevertheless, sometimes these products available at big supermarkets fail to succeed in the market due to a lack of a marketing strategy and little to nonexistent online presence, showing us a need this particular niche market has.

This problem shaded light into our ideas and forced us to come up with a solution. Organic Retail will be the first food distribution company that will focus only on small businesses and the first one to offer add-ons strategically chosen to be prepared to face any challenge such as lockdowns.

Our main goal is to provide both online and offline growth. Thanks to our marketing team constantly reporting on data, working on new strategies, and our specialized eCommerce team that will make sure that the online sales are as smooth as their offline sales.

These services help us ensure our customer's stable growth, credibility, and a loyal customer base, which will earn them the right to be considered competition. All of these features of our

company will take care of the number one factors most companies fail at, customer service and fast order fulfillment.

For our first year, our goal is to acquire 20 to 30 customers. We are expecting 80% of them will add 1 to 2 add-ons to their monthly plan. Financially, if these predictions are met, we will be able to achieve the following goals. We are aiming to increase our customer base by 12% for the second year and by 8% in the third year in order to be able to achieve our goal of \$200,000.00 in net earnings for our third year. Financially, if these predictions are met, our goal is to increase our customer base by 12% for the second year and by 8% in the third year in order to achieve our goal of \$200,000.00 in net earnings for our third year.

We are expected to open our doors to the public in August 2021. To do so, we are seeking an investment of 1 million dollars to cover all initial expenses needed to start and have some cash-in-hand in case of emergency or future expansions.

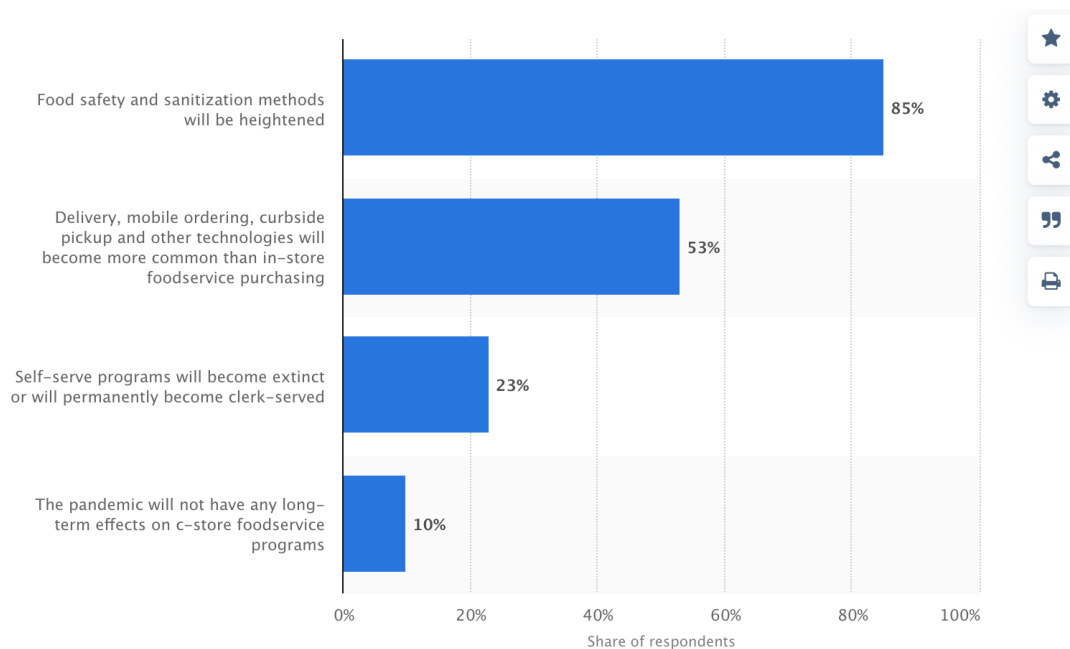
BUSINESS DESCRIPTION

Organic Retail is a foodservice distribution that gives small business owners the opportunity to enter the retail market in an effortless, professional and strategic way. Our unique offering as a food distribution company is that we offer services beyond getting the customer's product into the retail market. We offer marketing services to understand the client's customers and create a strategy to increase awareness and sales. Another service that sets us apart is our eCommerce management service. Online sales are essential right now and eCommerce is expected to continue growing aggressively as it did last year, making it a top priority for our target audience. We also have to take into account that nowadays, to have a

store at Facebook Shops, an established eCommerce website is needed. This platform allows businesses to sell directly on Instagram and Facebook, making the shopping process even shorter and allowing us to have another selling point.

As a foodservice distribution, we are responsible for making sure that all products are up to the retailer's standards, meaning that they follow all the supermarket requirements. Here at Organic Retail, we pride ourselves on introducing the best of the best to the market. Thus, one of our main priorities is to always be up-to-date with the latest rules and requirements.

Furthermore, ever since the pandemic started and forced us to change the way we used to live, we have changed our behavior and how we use to do certain things. As a matter of fact, in a survey conducted by Statista in 2020, on the retailers' point of view on the long-term effects of Coronavirus on foodservice operations in convenience stores, 85 percent (85%) of retailers said that they are expecting food safety and sanitization methods will be heightened. Furthermore, more than half, 53 percent (53%) to be exact predict that online shopping and delivery will be the go-to option for buyers instead of going to the physical store in order to avoid any exposure, as we can see in the chart below.



Details: United States; 2020

© Statista 2021

Retailers' perception of the long-term effects of coronavirus on foodservice operations in convenience stores in the United States in 2020*

We are a direct store delivery (DSD) which means that our system will directly take the products to the designated store where they are going to be sold. We are committing to doing this as our main objective is to ensure that all the products get to store, which was chosen strategically in prestigious conditions.

WHY OUR TARGET AUDIENCE (SMALL BUSINESS OWNERS) NEEDS US?

We are entirely aware that multiple retailers such as Whole Foods, Publix, The Fresh Market, Sedanos, and Aldi, use a Range Me portal (www.rangeme.com) to get new customers. Range Me is a platform that allows suppliers and service suppliers to create a profile to showcase their products and hopefully get discovered by a retailer. This portal allows buyers (retailers)

to create a profile to discover products, contact suppliers, and potentially get a spot on their shelves.

However, after doing extensive research about this platform and reading online reviews, we were able to see that most comments state that in order to be a strong candidate, suppliers have to follow a set of rules that most people forget to apply while doing the final touches to the products. Also, we think it is key to recognize that once the company (the distributor) is known and trusted in this field, it is easier to establish a strong relationship. As a result, the products have a higher chance of being reviewed by Whole Foods.

Furthermore, to get into this particular world, companies must attend several food shows/conventions in order to display their product and start establishing a name in this competitive field. For example, "The Fancy Food Show," a convention done every March at the Javits Convention Center here in New York City. However, with the pandemic, this key step is not a sure option anymore. Also, spots are limited, and most vendors have had a secure spot for years and with the pandemic and social distancing, we believe that the number of spots will be reduced, and food tasting will have to be rethought, potentially making us turn to sealed samples.

For the testing phase, we will start by distributing the brand *Wateke Foods*, a brand owned by the owners of Organic Retail. It is important to mention that this brand does not affect the company's financials because this is a separate business and it will just be distributed by Organic Retail.

The strategy will be to introduce the brand *Wateke Foods* into the market before we open our doors to the public. This brand counts with organic açaí in three different presentations, pure, to-go sorbet pack and the family size sorbet. All these products fall right under the category we are targeting (organic and healthy). We plan to test our distribution strategies with this brand in order to have the opportunity to experiment, fail, test theories and learn from this experience. Once we have proven to be successful by entering several retailers, we will proceed to acquire our first customers.

The testing process will have a duration of two months, starting from the first day of June and ending on the first day of August, which is the launch month. We believe that during these weeks, we will be able to meet all of our objectives both professionally and intellectually. In addition, as we are a new business, we will have a first few weeks in which we will be acquiring customers and convincing them that we are the right company for their business; thus, we will have all of that time to continue testing and perfecting our tactics.

We will focus on targeting businesses with an established customer base as we want to take to retail products that are already accepted and have a high-rotation, meaning that sales are stable and the next step is to increase availability. Also, having a client who is already working in an industrial kitchen allows us to allocate more products in different spots to test the buyers' responsiveness. It also gives us the capacity to produce enough to fulfill online and offline sales.

We plan to target small business owners with a strategy consisting of heavy online advertising (social media, paid search, and other channels) and word of mouth.

First, we will start by targeting those small businesses that are already in an industrial kitchen level. Most of them encourage people to go to their kitchens to pick up their orders, giving us the perfect opportunity to try their products, see their work environment and get to know them and offer our services. Once we have established that relationship, we will start advertising on our social media the new product. We are going to offer our clients a discount on our services in exchange for advertising. The strategy is to inform our followers who are the latest addition to the team and inform their followers where they can find their products. We will tag and repost stories frequently, increasing the level of engagement and hopefully generate more awareness. As a result, both parties will have the same amount of exposure, and both will generate more impressions and reach followers out of their target.

Our second strategy is to target them via paid social media ads and search. This will undoubtedly give us the opportunity to create recognition by repetition and get to the awareness phase that will lead them to the information gathering phase, increasing our website visits and giving us enough data about our potential customers.

Our business model benefits both of our target (small business owners and retailers) as we are helping our clients enter the retail market and our other clients (retailers) get new, organic, healthy and trendy products on their shelves. Both targets will benefit from new clients, generating more awareness and, possibly, recognition by repetition. Also, they will both benefit from working with us due to the level of exposure we will ensure them, thanks to our online platforms and constant marketing efforts.

Our goal with this strategy is always to be there (online and offline), always have an active presence everywhere. This way, we can show our commitment, professionalism, and thrive, which will undoubtedly position us well in this market.

TARGET AUDIENCE #1

Our first target audience as we mentioned before are the small business owners who are looking to take the next step in their professional path.

- Small business owners (food producers)
- 25 to 55 years old
- Located in Miami, FL
- Focus on organic/healthy products
- Cook at an industrial kitchen
- Have an established customer base
- Looking to get into retail business
- Mid to strong social media presence

PERSONA FOR TARGET #1

Meet Amanda, a 28-year-old architect who is the proud owner of “O Guilt per Bite,” a small business she started in 2017 as a side-job to share with the world her fantastic healthy desserts. During the pandemic, Amanda’s job decided to cut her salary in half, leaving her with a very tight budget that was barely enough to pay rent and electricity bills. Her friends

encouraged her to become a full-time baker and quit her job as she was making more money as a part-time baker than as a full-time employee.

Today, a year later, Amanda is baking at an industrial kitchen to be able to fulfill all of her orders thanks to her booming business and loyal customer base is only getting bigger. During her first year, she hired three bakers, and she recently acquired two interns. In addition, this baker recently signed a deal with Sano 305, a healthy food restaurant that counts with four (4) different locations in Doral, South Miami, Weston, and Pembroke Pines. This new deal has allowed Amanda to ensure an amount she sells per month.

Her customer base saw a 7% growth in just three (3) months, thanks to the new locations, a deal that also benefited the owners of the restaurants. Due to these results, Amanda believes that she can go that extra step and achieve her goal of selling at Whole Foods and have her own eCommerce store to reach more customers.

She currently gets her order via Instagram, emails, Whatsapp, and UberEats. 0 Guilt per Bite currently has 60 thousand followers on Instagram, which explains why most of the orders are placed via direct messages (DM). Nevertheless, many of her clients have expressed the need for an online store or more selling locations to avoid paying the UberEats fee or having to drive all the way to Amanda's industrial kitchen (located in Midtown) or to any of the four locations of Sano 305 to get their order.

Also, Amanda has lost many opportunities due to the overwhelming amount of messages she receives from potential clients. However, she does not have the time to answer them in a time-effective manner, making them look for other options. Furthermore, even though it is

true that customers have the possibility to order directly from UberEats, this platform takes a big percentage of her sales, between 20 to 30 percent. Making this platform a solution, but not the best one.

In addition, she tried featuring her product at Range Me, but she has no success. All of the problems mentioned above show how Amanda is the perfect candidate for Organic Retail and how we are the right company to help 0 Guilt per Bite to continue growing.

Trying to understand 0 Guilt per Bite a little bit further, we have created some charts to fully illustrate how much this business's current net earnings per item is when sold in retail or wholesale.

WHOLESALE

Items	Cost to make	Wholesale	Net Earnings
Small Marquesa	\$2.75	\$3.50	\$0.75
Medium Marquesa	\$9.50	\$12.00	\$2.50
Large Marquesa	\$17.25	\$22.00	\$4.75

RETAIL

Items	Cost to make	Retail Price	Net Earnings
marquesa Small	\$2.75	\$8.00	\$5.25
marquesa Medium	\$9.50	\$24.50	\$15.00
marquesa Large	\$17.25	\$42.00	\$24.75

As you were able to appreciate, Amanda's margins are incredibly attractive, especially in the retail section. These charts give us light into how this business is profitable and a perfect candidate for business.

As we mentioned before, Amanda is currently selling her products as Sano 305, and due to the marquesas' popularity, mainly the small ones, they are currently asking for 300 small Marquesas per month per store. These 1,200 small marquesas are sold at wholesale price, which means that Amanda only earns \$0.75 per dessert. Nevertheless, a sale is a sale and when it helps your business create awareness, the price is even higher.

SANO FOODS 305

Items	Cost to make	Wholesale	Quantity	COGS	Revenue	Net earnings
Small Marquesas	\$2.75	\$3.50	1,200	\$3,300.00	\$4,200.00	\$900.00
TOTAL EARNED			1,200	\$3,300.00	\$4,200.00	\$900.00

In the following charts, you see how much each selling portal we previously discussed, such as Instagram, Whatsapps, walk-ins, and UberEats, generates 0 Guilt Per Bite per month.

INSTAGRAM

Items	Cost to make	Retail Price	Quantity	COGS	Revenue	Net earnings
Small Marquesa	\$2.75	\$8.00	180	\$495.00	\$1,440.00	\$945.00
Medium Marquesa	\$9.50	\$24.50	70	\$665.00	\$1,715.00	\$1,050.00
Large Marquesa	\$17.25	\$42.00	40	\$690.00	\$1,680.00	\$990.00
TOTAL EARNED			290	\$1,850.00	\$4,835.00	\$2,985.00

PICK UP/WHATSAPP ORDERS

Items	Cost to make	Retail Price	Quantity	COGS	Revenue	Net earnings
Small Marquesa	\$2.75	\$8.00	150	\$412.50	\$1,200.00	\$787.50
Medium Marquesa	\$9.50	\$24.50	55	\$522.50	\$1,347.50	\$825.00
Large Marquesa	\$17.25	\$42.00	20	\$345.00	\$840.00	\$495.00
TOTAL EARNED			225	\$1,280.00	\$3,387.50	\$2,107.50

UBEREATS

Items	Cost to make	Retail Price	Quantity	COGS	Revenue	Earnings	UberEats %	Net Earnings
Small	\$2.75	\$8.00	120	\$330.00	\$960.00	\$630.00	25%	\$472.50
Medium	\$9.50	\$24.50	40	\$380.00	\$980.00	\$600.00	25%	\$450.00
Large	\$17.25	\$42.00	15	\$258.75	\$630.00	\$371.25	25%	\$278.44
TOTAL EARNED			175	\$968.75	\$2,570.00	\$1,601.25		\$1,201

TOTAL MONTHLY EARNINGS

Items	Sano 305 X 4 <i>(wholesale price)</i>	Instagram	Other	UberEats	TOTAL ITEMS SOLD
Small	1,200	180	150	120	1,650
Medium	-	70	55	40	165
Large	-	40	20	15	75
EARNINGS	\$900	\$2,985	\$2,107	\$1,201	\$7,193

This healthy business has proven to be so profitable that it leaves us with no doubt whatsoever that these products will be highly profitable in the retail environment.

PROPOSAL

We are offering Amanda a 10% discount on monthly add-ons as an exchange for advertising on the business' Instagram account. In addition, we are offering a markup of only 18% in exchange for distribution exclusivity, meaning that Organic Retail will be the sole distributor of this company and all of its products. In addition, we offered to help this business enter 4 Publix stores and 4 Whole Foods stores, which if a 400 small marquesas plus a 250 medium marquesas weekly delivery, we can expect number such as the following:

Items	Cost to make	Selling Price	Quantity	Revenue	Markup %	Net Earnings	Organic Retail's earnings
Small Marquesa	\$2.75	\$3.50	12,800	\$9,600	18%	\$7,872	\$1,728
Medium Marquesa	\$9.50	\$12.00	8,000	\$20,000	18%	\$16,400	\$3,600
TOTAL EARNED			20,800	\$29,600		\$24,272	\$5,328

At the end of each month this small business can expect a total of 12,800 small marquesas sold and 8,000 medium marquesas sold, leaving them with an revenue of \$29,600 per month and minus minus the 18% markup Organic Retail earns for being the distributor, that gives them a total of \$24,272 per month in net earnings for O guilt per bite and \$5,328 for Organic Retail.

O GUILT PER BITE'S DISTRIBUTION COSTS

We decided that in order for Amanda to have the capability to adapt, create a strategy an if needed, hire more staff, we will start by distributing twice a week and covering two (2) of each retailer per day meaning that as an example: on Mondays we will distribute to the Publix in brickell and midtown and the Whole foods in Coconut Grove and Wynwood. On Friday we will distribute to the Publix in Hallandale and North Miami and the Whole Foods in Miami Beach and Aventura. These distributions give us the opportunity to distribute 1,600 small marquesas and 1,000 mediums in one day to four locations twice a week.

Item	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Small	1600			1600			
Medium	1000			1000			

That means that we will distribute 8 times per month, which means that we will have to calculate how much we will spend in distribution costs for the whole year of distribution for this brand.

During a year period, Organic Retail will distribute Amanda's 96 times. In order to have an average or how much we will spend in gas, we calculated how many miles are from Amanda's industrial kitchen to our warehouse and all the retail stores in which her products are going to be sold at. This calculation gave us an average of 52 miles per month and 624 per year. This means that a total of \$149.24 will be spent per month for gas (\$1,790.88 per year)/.

Amanda Mile Usage	Delivery Days/week	Miles wearhouse to Amanda	Miles Amanda to locations	Total Miles/day	Total Miles/week	Total Miles/month	Total Miles/Year
Van	2	22.6	13	13	13	52	624
					TOTAL	52	624

Amanda Fuel Cost	Gas Cost	Daily cost	Weekly Cost	Monthly Cost	Yearly Cost
Van	\$2.87	\$37.31	\$37.31	\$149.24	\$1,790.88
			TOTAL	\$149.24	\$1,790.88

Nevertheless, gas is not the only thing that counts when trying to calculate how much distribution will cost. As a matter of fact, things such as insurance (\$1,640 per year), cost of the cargo van(\$590 per month/\$7,080 per year) and the driver's salary (\$2,400 per month/\$28,800 per year). After adding all of the costs, the total distribution costs will end up being \$13,390.88 per year for 0 Carbs per Bite.

Total Distribution Cost	Fuel Cost/year	Driver	Insurance	Van Cost
Van	\$1,790.88	\$2,880.00	\$1,640.00	\$7,080.00
			Total Cost	\$13,390.88

TARGET AUDIENCE #2

Our second target audience are retailers such as Whole Foods, Sedanos, The Fresh Market, Publix and also we will target small stores.

- Big retailers
- Small convenience stores
- Have a local producers sections
- Have a section por healthy and organic products

OUR UNIQUE VALUE PROPOSITION

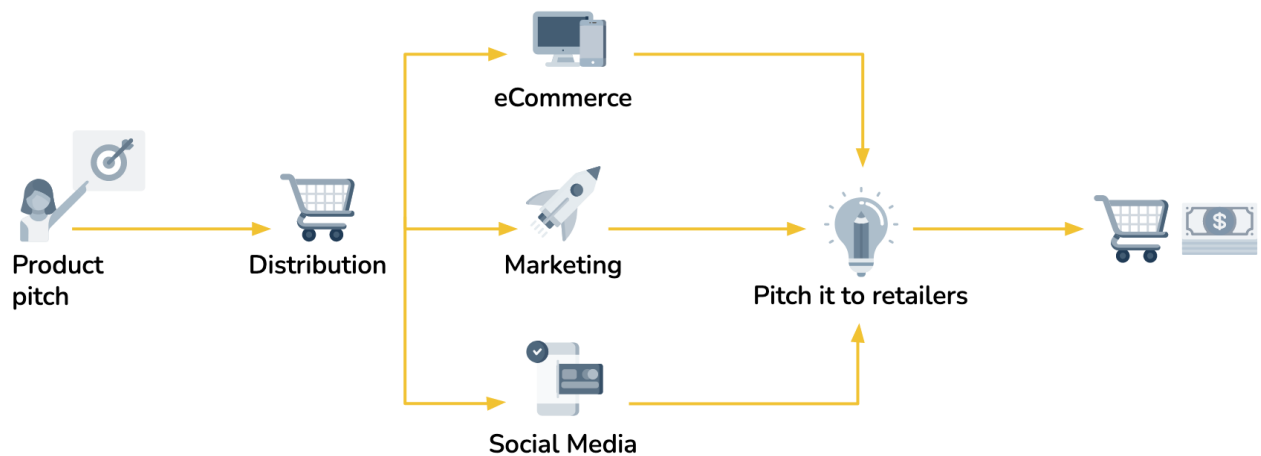
Organic retail, we help you grow - Our unique value proposition revolves around our unique business model. Here at Organic Retail, we believe that there is no such thing as small businesses, there are only growing businesses that need guidance. We are sure and will prove that with the right tools and persistence, any business can become a very successful one.

By helping small business owners enter retail, we are allowing them to grow in many areas that go beyond the monthly earnings and more awareness. We will help them grow as professionals thanks to the multiple add ons we offer alongside a staff of highly committed professionals whose only goal is to educate and work as a team with our clients. We want to create a bond that will make them trust us with any part of their business, from marketing or social media, all the way to trusting us with their business' distribution and online sales.

PROCESS

As we mentioned before, Organic Retail's main service is foodservice distribution, but our clients have the possibility of choosing add-ons (marketing services which could include social media management and eCommerce). Once the clients decide which package they want, we will start with the inspections, correction and preparing for the launch. However, in the initial contract sign with our clients an agreement that stipulates that we will earn

markup between 18 to 25 percent on the product we introduce into the retail market and that these payments will start as soon as the first month of the product in the retailer's shelves, alongside the month fee we will charge for our services.



Now that we have a clear understanding of the complete process, we will proceed to explain the step we are going to take before introducing the product to retail or in other words, how we prepare the product to be a true competitor in the retail environment.

As you can see in the process chart below, we first start with the testing and pitch meeting, during this meeting the prospect customers come to our facilities to present to us their star product and data. We will analyze taste, packaging, the market they cover, need, demand and where this product will best fit. In addition we will discuss the margins of profit and how much they are willing to lower or higher their prices in order to be a true competitor in the market. It is important to highlight that we are not buying the product from the customer, we are just responsible for the distribution, meaning that we will have zero (0) inventory to account for in our financials.



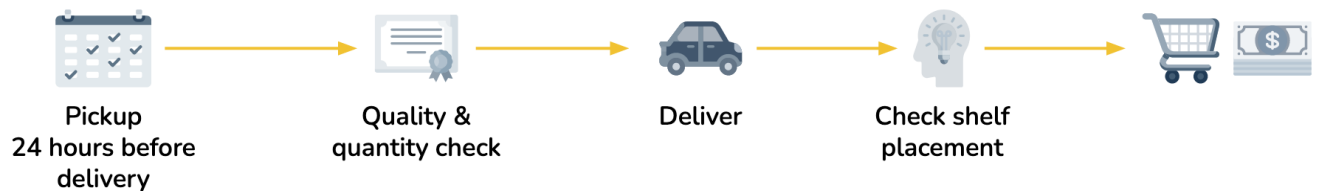
Once we approved this product and a non disclosure agreement is signed, we will proceed to talk about the placement strategy that has to be discussed before the signature of the final contract as we want to have all the locations in this document to avoid any legal problems. Also, in this contract, we will sign the markup percentage we will earn and all the penalties our customer will face if they do not fulfill the order for each retail store.

As we mentioned before, once you are in the retail loop it is relatively easy to introduce other products to this chain. As a result, after we sign the contract we will contact the retail stores to sell this product in the location we strategically chose with our customers based on their target audience. If we are not able to place a product in one of the previously discussed stores, we will modify the signed contract and sign it again.

Last but not least, we will do a “retail simulation” which means that we will prepare our customers for the real retail order and pickup to avoid any confusion and clarify any doubts to make this process as smooth as possible.

Once the deal is closed our company will proceed to follow the following process. Our team will pick-up the orders at the supplier’s industrial kitchen. We do this to make sure that the order is complete and in pristine conditions to make any adjustments or replacements if needed.

We take pride in our high standards of control, which allows us to fulfill the order at the retailer's specific store without any delays. These first steps are key to create a positive and professional reputation and relationship with our second target audience (retailers).



During the day of the delivery, we make our delivery team which has been previously informed about the shelf placement deal we agreed with the store. Our staff will make sure to create a full report with pictures attached to show our customers that our promise is being fulfilled.

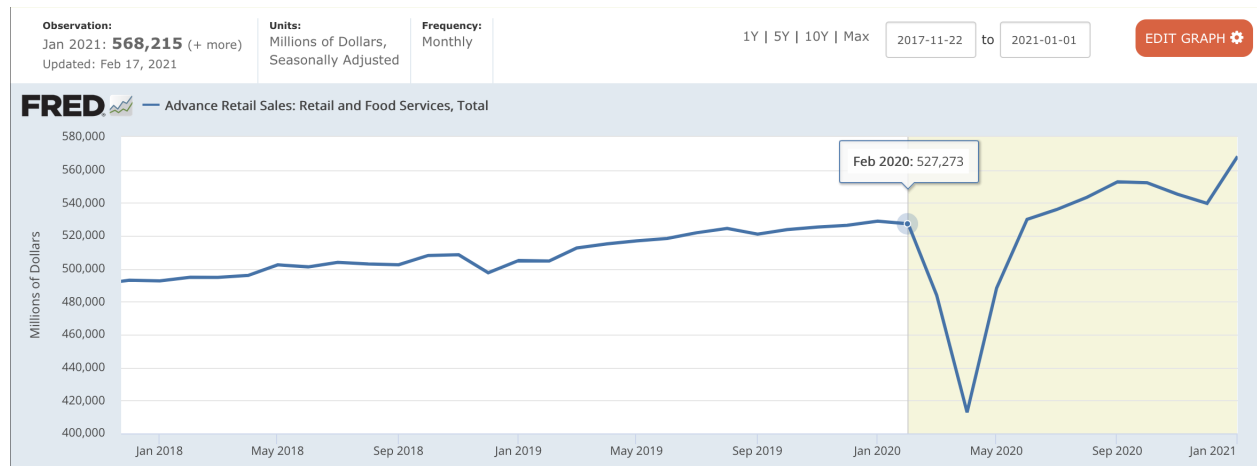
Last but not least, we wait for the customer's response in order to analyze our success depending on the location to enhance our strategies.

INDUSTRY ANALYSIS & MARKET TRENDS

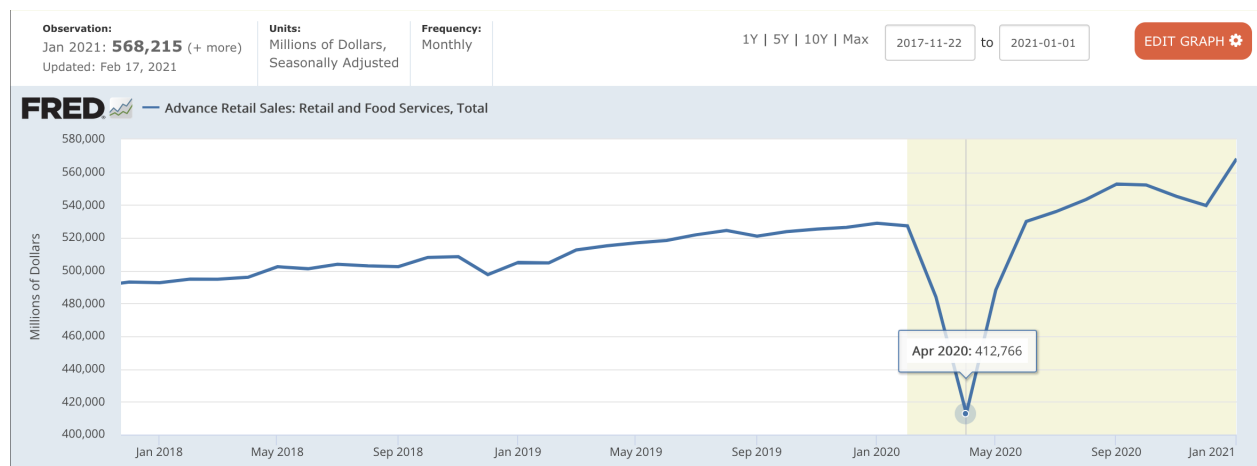
Last year, this industry's annual sales were valued at more than \$300 billion, giving jobs to more than three hundred thousand (350,000) Americans in which one hundred and thirty-one thousand (131,000) were employed drivers. Thanks to an impeccable supply chain, this industry delivered 8.7 billion cases as a whole. Thus, this industry is a great force to generate even more jobs if well managed.

We are all extremely aware of how the pandemic changed everything and stuck many, if not all industries from a financial standpoint. In the following paragraphs, which were obtained

from the U.S. Census Bureau, we can see how the advance monthly sales for retail and food services had an estimate of \$527,273 million for February 2020 (pre-COVID), which shows to be a stable number when we compared it to the previous months.

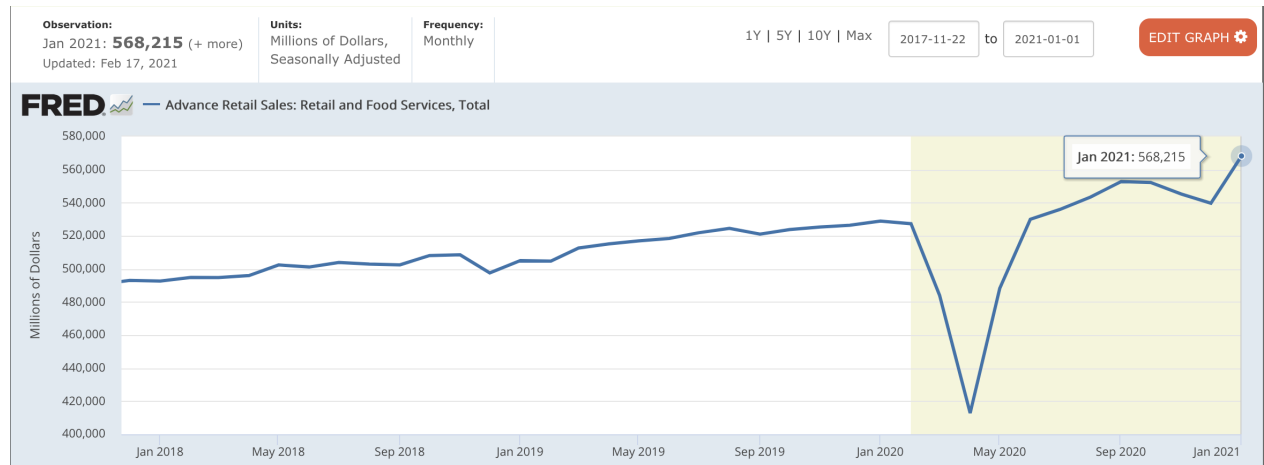


Then, only two months into the pandemic, we can see how this sector suffered a massive loss with a prediction now at \$412,766 million, this is a massive decrease of \$114,507 million, a drop which we had never seen before.

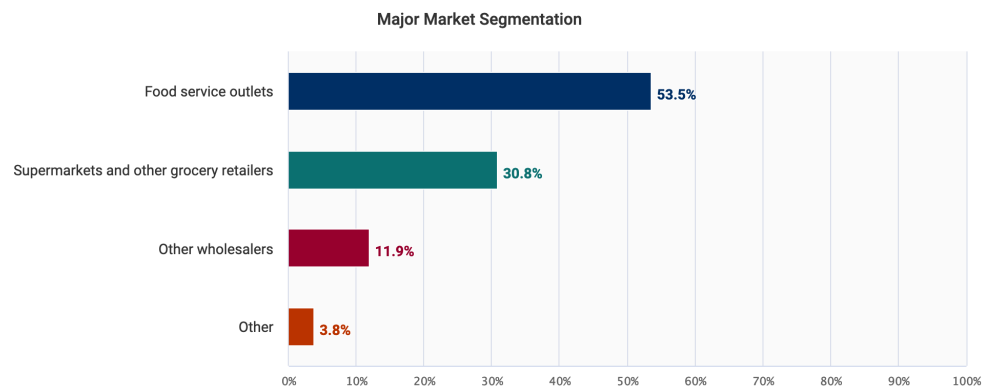


This intense drop scared everyone. However, in mid-2020, this industry made an unbelievable recovery, which forecasted the same estimates professionals had for this industry at the beginning of the year. Nevertheless, the rise did not stop there. We can now appreciate that

the estimate for January 2021 was already higher than any month before going all the way back to January 2018, proving that this industry is one investors should keep an eye on.



As we can see in this other chart obtained from IBISWorld from a report on the segmented sectors of this



industry's revenue, we can appreciate that the grocery store sector had the second-largest share of industry revenue with 30.8% in 2020.

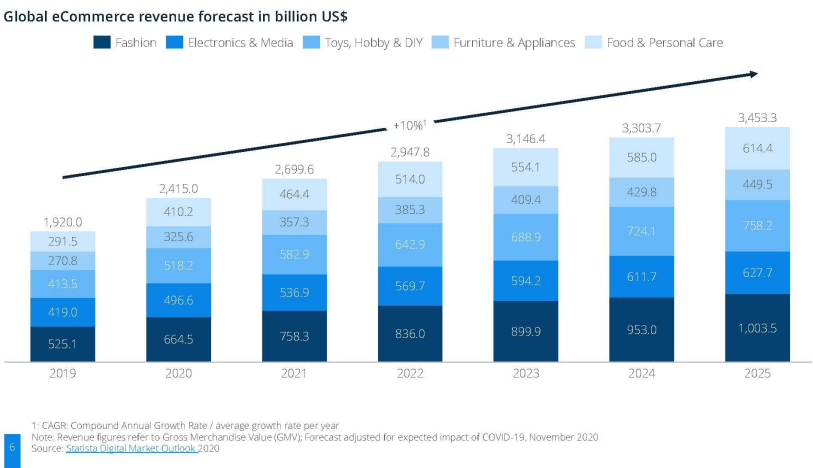
When it comes to the eCommerce industry, last year, during the first quarter of 2020, at the height of the pandemic, this industry experienced a growth predicted to happen in 10 years in only three months. This was possible due to the lockdown the whole world experienced; 16.4% of total global retail sales were online. These facts only highlight even more the

importance of dominating these online platforms that are key to master to avoid any struggles if a scenario like this happens again.

From a global perspective, the eCommerce revenue for the current year is \$2,699.6 billion and is expected to increase to \$3,453.3 billion three years from now (2024). As we can appreciate in the chart below, we can see that the food and personal care market is expected to be responsible for \$410.2 million for the total revenue predicted for 2021 and it is expected to increase to \$614.4 million by 2024.

The global eCommerce revenue is expected to grow to US\$3,453.3 billion by 2024

Estimated market development (1/2)



Narrowing even further this analysis, according to a study made by eCommerceDB.com, published in December 2020, the eCommerce market in the United States is expected to continue growing at 9% p.a. over the next three years. Currently, the expected revenue for eCommerce in 2021 here in the U.S. is 469 billion dollars, and for 2024, 549 billion dollars.

It is no secret that COVID-19 had an enormous impact on consumer behavior shifts and it has been continuously recorded, providing us data like the one below. In this report, we can appreciate which specific areas had the most dramatic shift from offline to online shopping

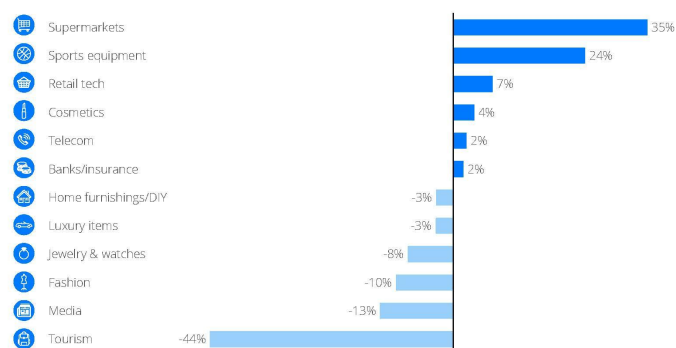
behavior change. As we can see, online traffic for supermarkets had the most increase due to the pandemic.

These results, in addition to this trend, continuously growing and with no signs of stopping. Only make us more confident about our decision to integrate eCommerce services into our business model. It only ensures us that the

Consumer online interests shifted during COVID-19 and pushed web traffic to supermarkets

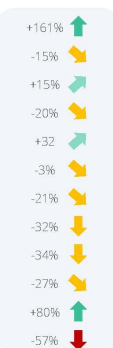
Shopping behavior shifts: traffic shifts

COVID-19 impact on global online traffic: November 2020¹



1: Worldwide, week ending November 13, 2020 compared to reference (Jan 6 to Feb 16), 1,400 sites, 4.8b sessions, and 7 billion visits across the world
2: Worldwide, week ending March 16, 2020 compared to reference (Jan 6 to Feb 16), 1,400 sites, 4.8b sessions, and 7 billion visits across the world
Sources: ConsensusSquare as of November 9, 2020, Statista

March 2020²



eCommerceDB

future is online and that everyone, including small businesses, MUST have a successful eCommerce platform to stay relevant to the market.

A study was conducted at the beginning of the pandemic to understand which were the negative sides of online grocery shopping. According to the results, the two most prominent complaints had to do with delivery. The results were the following: 49% said that the delivery times were inconvenient and 31% expressed that the delivery costs were high. These results only show how every delivery time and cost are key factors in our customers' decision-making process and that we must provide the best customer experience possible for our customers' potential buyers.

COMPETITORS



Range Me

A platform for suppliers, service providers and buyers that allows customers to create a profile to showcase their products to hopefully be discovered and contacted by big retailers. Range me has a great relationship with big retailers such as Whole Foods, Publix and Aldi. However, as we mentioned before, customers' comments show how difficult it is to be chosen in this particular platform with so much competition. Also, it is harder to create a strong relationship with any important retailer via an online platform.

This company poses a threat to Organic Retail as many customers might see this platform as the fastest and easiest way to enter the retail industry without truly understanding the rules and regulations one must follow in order to be a competitive option. Thus, this gives us the competitive advantage of thanks to our already established reputation in the retail industry that facilitates the introduction of a product.



US Foods

Leading foodservice distributor and great food companies in the United States. They are widely known for their distribution services and logistic solutions for restaurants and small

businesses with tools like CHECK® Business Tools that helps drive traffic and reduce waste in operations.

US Foods poses a threat against us due to their unique tools that help small businesses enhance their operation strategies, this might be extremely attractive for those business owners looking to take their business to the next level. However, we are aware that this particular niche market is looking to reinvent themselves, meaning that in some cases, these business owners might not have the time to devote themselves to these types of tools as many might still work from 9am until 5pm. This competitive advantage is something that we can use as leverage to promote our services that require a present business owner, but also a trusting business owner that will allow us to guide them in this competitive world.



Sysco Corporation

Known as one of the world's largest food distributors and it is active in over 90 countries. Sysco is known for their food and non-food distribution services, marketing services and health and sanitation services which are used by educational institutions, hotels, restaurants and many other food related businesses.

What makes Sysco a true competitor is their marketing and health/sanitation services as these services are key and offered by us. Even though Organic Retail does not offer health/sanitation services directly, we do cover the task of ensuring all products distributed by us are following all the sanitation and hygiene parameters, making Sysco's service a good offering but not a necessary one for our small business owners. However, when it comes to

marketing and distribution, this company does pose a threat for us, but this company is better suited for bigger companies and this particular target audience requires a more devoted distributor that will guide them and teach them to enhance their techniques.



Quirch Foods Offering their food distribution services in Miami since 1997, this brand is now considered one of the largest distributors of food products in the Southeastern U.S., Latin America and the Caribbean.

Quirch Foods has an extensive variety of clients. This distribution company has shown to have extensive relationships with independent and chain supermarkets, cruises, restaurants, other food service distributors and other important key players in this field.

What makes this brand such a big competitor is the local presence they have developed over the 24 years they have been in Miami, a presence that has allowed them to earn the trust and loyalty of the community. Also, this brand has multiple sub-brands which are: Panamei Seafood, Mambo, Kikiriquirch Chicken and Chiquita. This translates into extensive experience in the market with their own brand and customer's brands.

However, Organic Retail is a strong competitor because even though we have similar business models, we are more adapted to the COVID-19 business model which is concentrating on online and offline as well, which prepares our clients for future scenarios such as lockdowns or pandemics.



SWOT ANALYSIS

STRENGTHS

- First food distributor that offers marketing, social media management and eCommerce services.
- Untapped niche market that has enormous potential especially now that online sales are increasing aggressively.
- We will start our testing phase using our own line of products selling organic açaí. This will allow us to understand the market and perfectionate our strategy.
- “Support Local” has gained a lot of awareness thanks to the pandemic and the need to support small businesses.

WEAKNESSES

- Multiple food distributors already exist.
- We are new to the market.
- Food and sanitation rules are being more strict than ever and are predicted to continue this way to avoid any type of spread.
- Brands are not allowed to give out free samples at the supermarket as we used to pre-covid, making it harder to increase offline sales.

OPPORTUNITIES

- Data gathered from websites will help us understand and predict the market.
- Alliance with food bloggers.
- Enhance shipping time.
- Be the first to only focus on supporting locals.

THREATS

- Big distributors might copy this business model.
- Distrust from investors due to last year's crash due to COVID-19.
- Unprofessional business owners.
- Unable to fulfill unexpected high demand.



TOWS ANALYSIS

TURNING THREATS INTO OPPORTUNITIES

Unable to fulfill unexpected high demand & unprofessional business owners → Enhance shipping time

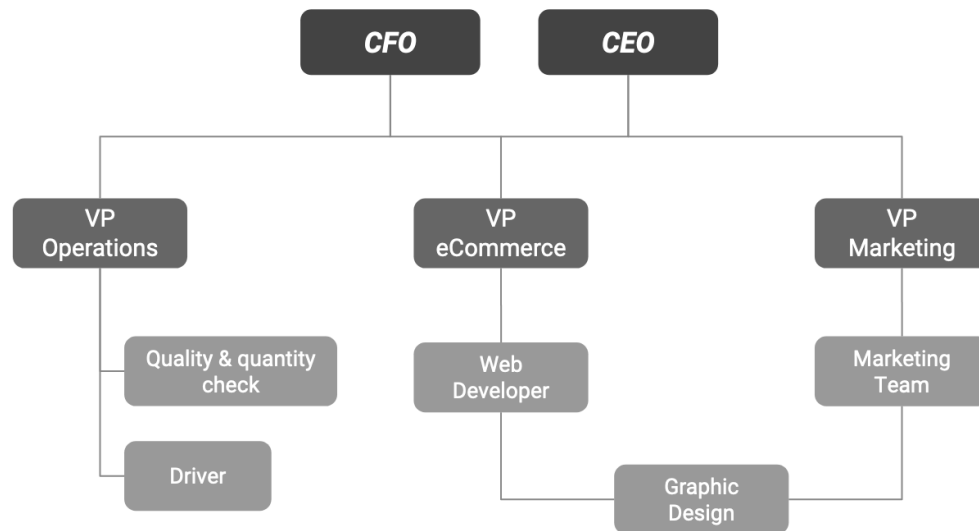
Enhancing the shipping time will help us have an enhanced operation strategy in order to avoid not being able to fulfill unexpected high demand as we are always prepared to ship as

soon as possible. In addition by having a very short shipping time, we will be able to spot, avoid and possibly train (if they have potential) unprofessional business owners.

Distrust from investors due to last year's crash due to COVID-19 → Data gathered from websites will help us understand and predict the market & Alliance with food bloggers.

We all know last year was hard and this particular market was greatly affected. However, thanks to the data that is out there, plus the data gathered from our website and our clients websites, we will be able to prove how successful this business is and predict the market in order to give our investors some peace of mind. In addition, our alliance with bloggers will help us generate more awareness, increase exposure, in other words, our goal is to get recognition by repetition and to truly show everyone we are here to stay and we will not take this lightly.

MANAGEMENT TEAM



CEO

Our CEO is someone who has had extensive experience in the food distribution industry, we are looking for someone who has the ability to look into the future and predict certain behaviors or shifts in the market. The CEO of Organic Retail will be someone who is willing to act as any member of the team in order to make things happen and understand what is not working for us as a brand. In addition, the CEO has to be a mediator, an excellent communication with the ability to network and create relationships whenever is needed as long as it serves the company.

Erik Gautier - CEO of Organic Retail

Erik is an entrepreneur with more than 27 years of experience in various markets. He was a part of the food distribution world from 1993 to 2008, thanks to his partnership with Marky's Gourmet Store, which mainly consisted in importing and exporting delicatessen to Venezuela. Furthermore, this entrepreneur was recently involved as an investor for many

years for a food distribution company located in the United States as well, giving him the knowledge and experience needed of both retail and other logistics needed in this particular industry.

Vice President of Finance

A person with extensive experience in finance or banking, from 6 to 8 years of experience as a manager with a strategic mindset that will allow us to get the best investments or loans. In addition, this person has to have supreme verbal and written communication skills and also the candidate must have strong analytical and problem-solving skills.

Phillippe Gautier - Vice President of Finance of Organic Retail

University of Florida alumni, who graduated with a degree in Finance and a minor in agribusiness in 1983. Mr. Gautier has had extensive experience in the financial sector thanks to his 25 years at Wells Fargo Advisors, which gives him a clear understanding of the U.S. economy and how loans and investments work. In addition, he is widely recognized for his meticulous attention to detail and problem solving skills, which is something that we are looking for.

Vice President of eCommerce

We are looking for a vice president of eCommerce with a very open mind, this person must have the ability to quickly learn new technologies, trends and apply them smoothly while guiding the team without any mistakes. Furthermore, this person must have an extensive background in web development, UX, UI, SEO/SEM, web analytics and digital marketing. The VP of eCommerce must be able to perform anyone's task and keep this company going.

Fabiana Gautier → Vice President of eCommerce

Fabiana Gautier graduated from Miami International University of Art and Design in 2018 with a B.F.A in graphic and web design. She has had extensive experience in these two areas as he has been working since 2016 and has designed more than 20 websites. Furthermore, Fabiana Gautier recently graduated from New York University with a M.S. in Integrated Marketing with a concentration in digital marketing, making her the perfect candidate for this position regardless of short experience in this field as she was proven to be a team player, a creative thinker and a flexible when it comes to learning new technology.

Vice President of Marketing

Organic Retail's vice president of marketing must be a person with experience in marketing and education or experience in business as we want someone that understands the customer but also the economy and it is a smart spender. This person must be a team player and must have Outstanding communication, presentation and leadership skills and an in-depth knowledge of market research and data analytics.

Victoria Gautier → Vice President of Marketing

Meet Victoria Gautier, our VP of Marketing. Mrs. Gautier has a double major in international business and marketing, she also has a MBA from the University of Miami. Victoria makes the right candidate thanks to her extensive experience in investment banking which she obtained before pursuing her MBA. In addition, in 2018 she decided to become a food blogger (@VIPig) giving her a clear understanding of how this sector works specially now in this digital era, giving us a competitive advantage when it comes to recluding blogger for exposure and analyzing the KPIs and guide our teams to what it is needed to achieve our goals.

Vice President of Operations

We are looking for a vice president of Operation with a meticulous mindset, someone that can visualice and direct our operations without stressing out our workers. This person has to have experience in inventory management, logistics, warehouse and distribution, he/she must also have supervisory and conflict resolution skills.

Erik Andres Gautier → Vice President of Operations

Meet Erik Andres Gautier, a young professional with more than 6 years of experience as an operations strategies for multinational companies. Erik Andres is a very organized and an excellent communicator. Thanks to his multiple years of experience he has developed supreme conflict resolution skills and he has also developed the vision necessary to enhance our operation strategies in a timely manner which is key for a company like ours.

PRE-LAUNCH TIMELINE



For the pre-launch phase, we will divide it into five simple steps. The first step will be making the \$1,000,000, which we will make, the five owners of Organic Retail at the beginning of May.

The second step will be from mid-May to June. We will start looking for the perfect staff, and we will also start polishing our plans to be able to introduce Wateke Foods into the market in June. These steps are

followed by the start of the testing phase with Wateke and the plans/designs for the marketing campaign.

Step four (4) will be to sign the warehouse contract; the contract will start on August 1st in order to avoid any unnecessary expenses. In addition, our company's website will be launched and tested in order to avoid any crashes when the potential customers start actually visiting the website to gather information.

Last but not least, we have step 5, when the testing phase stops and Organic Retail is open for business. As we mentioned before, our contract starts on the 1st. Thus, we will try to have everything ready for the 15th at the latest.

PRE-LAUNCH PREPARATION

Organic Retail is expected to start offering our services to the public as of August 2021. As we mentioned before in the executive summary, we are going to use the 1 million dollar investment as a starting point to start preparing our company for the launch.

Our headquarters are going to be located at 16565 NW 15th Ave, Miami, FL 33169. We chose this location since it is about 30 minutes away from critical zones such as Brickell, Miami Beach, Wynwood, Midtown, Aventura, and Hallandale. We believe that location is vital and even though other warehouses at other locations might be a bit less expensive, we are sure that this strategic location will incentivize customers to come and meet with us. For this location, we will pay \$6,000 for rent and expect to pay \$450 per month for utilities.

When it comes to other types of expenses required, a main expense this business requires is a cargo van. That is why we are investing in a Mercedes-Benz Metriz cargo van 2021. We plan on negotiating the price from \$32,630 to \$30,000. We will finance this cargo van for a term of 48 months (4 years) at a 4.65% interest rate, and we will pay a down payment of \$6,000. This leaves us with a monthly installment of \$590 per month.

We are expecting to spend \$505.12 per month on gas. This calculation was made using the following logic. If each car has 22 gallons of gas and the cost per gallon of regular gas in Florida is \$2.87, that would give us a total of \$63.14. We expect the driver to fill up the gas tanks twice per week, which gives us a total of \$126.46, times four weeks, which equates to the sum mentioned above (\$505.12).

Now that we have one of the most essential investments we need to make, we can start discussing technology. We are going to buy nine computers, each one costs \$1,999, we are going to finance them at a 0% APR (annual interest rate) for a 12 month period, which means we are going to pay \$166.58 per month per computer. This expense is followed by the two iPad we are going to buy, for our Vice-president of operation Erik Andres Gautier and for the quality check and positioning person to have continuous communication and to be able to check how many deliveries have been made. Each iPad is going to be financed for 24 months at a 0% APR (annual interest rate), leaving us with three payments of \$39.58 per month for each device.

Now that we have accounted for the most vital parts to run our business, we must add the \$20,000 we will spend to buy all the furniture for the office and plus the \$700 per year for insurance.

Last but not least, we have our two most essential expenses for the first year. First, we have the \$30,000 for our marketing budget, which does not sound like much, but further in the document, we will explain how we will allocate it and how we plan to maximize it as much as we can. Second and last, we have the salaries, this particular portion is our most considerable expense, and it is because our company counts with a staff of 13 professionals. We as a company decided that regardless of the fact that we are a start-up, we must pay our employees fairly even though that meant we had a substantial amount of our budget in it.

As you can see in the following chart, our monthly expense in salaries would be \$20,000, which translates to \$240,000 per year. This is where the need for 1 million dollars is shown, as only in salaries we are spending more than half of the investment.

SALARIES

Position	Per hour	Month	Year
CEO	\$0	\$0	\$0
CFO	\$0	\$0	\$0
VP Operations	\$0	\$0	\$0
VP Marketing	\$0	\$0	\$0
VP eCommerce	\$0	\$0	\$0
Marketing #1	\$25	\$4,000	\$48,000
Marketing #2	\$25	\$4,000	\$48,000
Web developer	\$25	\$4,000	\$48,000
Graphic designer	\$20	\$3,200	\$38,400
Quality and quantity check	\$15	\$2,400	\$28,800
Driver	\$15	\$2,400	\$28,800
TOTAL		\$20,000	\$240,000

To conclude the pre-launch preparation section, we would like to conclude with the following chart summarizing all of the expenses we will incur during the first year/launch year.

EXPENSES FOR THE 1ST YEAR

ASSUMPTION	1st year
Salaries	\$240,000
Rent	\$72,000
Utilities	\$5,400
Furniture	\$20,000
Vehicles	\$7,080
Down payment X2	\$6,000
Gas for vans	\$9,110
Technology	\$18,941
Insurance	\$700
Marketing	\$30,000
TOTAL	\$409,231

FINANCIAL STATEMENTS

The following financial statements show the expected growth, revenue, expenses, marketing, salary breakdown, and other essential aspects of this business's financials.

We predict that this company will grow at a 12% rate in the second year and 8% in the third year. We predict that we will have eight customers (distribution services) for our first year, and out of those eight customers, we are expecting to sell six add-ons. As described in the chart below, the price for our services is \$3,000 for the entry fee to get the placement strategy and any polishing the brand needs, a markup between 18 to 25% of the products we are distributing and \$2,500 for each add-on.

REVENUE ASSUMPTIONS

Service	Fee	Months	Rev/year	Customers	Total
Entry fee	\$3,000	1	\$3,000	8	\$24,000
Add-ons	\$2,500	12	\$30,000	6	\$180,000
Markup	\$6,000	12	\$72,000	8	\$576,000
					\$780,000

ASSUMPTIONS

Assumptions	2021	2022	2023
Income statement			
Revenue Growth (% Change)		12.0%	8.0%
Cost of Goods Sold (% of Revenue)	30%	32.0%	34.0%
		45,000	50,000
SG&A Expenses	\$357,210	377,300	382,300
		38.0%	39.5%
Interest (% of Debt Open Bal)		6.25%	6.25%
Tax Rate (% of Earnings Before Tax)	20.0%	20.0%	20.0%
Balance Sheet			
Accounts Receivable (Days)	30	30	30
Accounts Payable (Days)	30	30	30
Capital Expenditures	-	-	-
Debt Issuance (Repayment)	-	(62,500)	(62,500)
Equity Issued (Repaid)	-	-	-

INCOME STATEMENT

<i>In \$</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Sales	780,000	873,600	943,488
Cost of Goods Sold (COGS)	234,000	0	0
Gross Profit	546,000	873,600	943,488
SG&A	357,210	386,410	391,410
Salaries and Benefits	240,000	259,200	259,200
Marketing Expense	30,000	40,000	45,000
Rent and Overhead	87,210	87,210	87,210
Depreciation & Amortization	6,346	21,715	17,153
Interest	62,500	62,500	62,500
Total Expenses	426,056	470,625	471,063
Earnings Before Tax	119,944	402,975	472,425
Taxes	23,989	80,595	94,485
Net Earnings	95,955	322,380	377,940

3-YEAR EXPENSES CHART

ASSUMPTION	1st year	2nd year	3rd year
Salaries	\$240,000	\$259,200	\$259,200
Rent	\$72,000	\$72,000	\$72,000
Utilities	\$5,400	\$5,400	\$5,400
Furniture	\$20,000	\$0	\$0
Vehicles	\$7,080	\$7,080	\$7,080
Down payment X2	\$6,000	\$0	\$0
Gas for vans	\$9,110	\$9,110	\$9,110
Technology	\$18,941	\$950	\$950
Insurance	\$700	\$700	\$700
Marketing	\$30,000	\$40,000	\$45,000
TOTAL	\$409,231	\$394,440	\$399,440

BALANCE SHEET

Balance Sheet	2021	2022	2023
Assets			
Cash	\$ 994,229	\$ 1,308,916	\$ 1,262,777
Accounts Receivable	\$ 64,110	71,803	77,547
Inventory	\$ 19,500	19,500	19,500
Property & Equipment	\$ 57,116	\$ 57,116	57,116
Total Assets	\$ 1,134,955	\$ 1,457,335	\$ 1,416,939
Liabilities			
Accounts Payable	39,000	39,000	39,000
Debt	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total Liabilities	\$ 1,039,000.00	\$ 1,039,000.00	\$1,039,000
Shareholder's Equity			
Equity Capital	-	-	-
Retained Earnings	95,955	418,335	377,940
Shareholder's Equity	95,955	418,335	377,940
Total Liabilities & Shareholder's Equity	\$1,134,955	\$1,457,335	\$1,416,940

CASH FLOW STATEMENT

Cash Flow Statement	2021	2022	2023
Operating Cash Flow			
Net Earnings	95,955	322,380	377,940
Plus: Depreciation & Amortization	6,346	21,715	17,153
Changes in Working Capital	(44,610)	(7,693)	(5,744)
Cash from Operations	57,692	351,788	400,837
Investing Cash Flow			
Investments in Property & Equipment	63,462	-	-
Cash from Investing	63,462	-	-
Financing Cash Flow			
Debt	1,000,000		
Equity	-	-	-
Cash from Financing	1,000,000	-	-
Net Increase (decrease) in Cash	994,230	351,788	400,837
Opening Cash Balance	-	994,229	1,308,916
Closing Cash Balance	994,230	1,346,018	1,709,754

MARKETING PLAN

As we mentioned before, we have two target audiences. First, we have small business owners between the ages of 25 to 55 years old with a business that focuses on healthy or organic products. These business owners have a loyal customer base, a mid to strong social media presence, and as a result, they are now cooking at an industrial kitchen to fulfill their orders. Our second target audience is well-known retailers who are big on supporting local or have a section for organic or local producers.

Our marketing strategy will be mainly focused on our first target audience; as for our other one, networking is our best and most efficient option. Thus, our \$30,000 marketing budget for the first year will be fully dedicated towards target number one. We understand that this number might seem pretty low for the first year, which is when companies try to gain as much awareness as they can to get new clients.

Every month our marketing team counts with \$2,500 for any marketing expenses, including content creation. We believe that this monthly budget is more than enough for our first year as we count on growing organically.

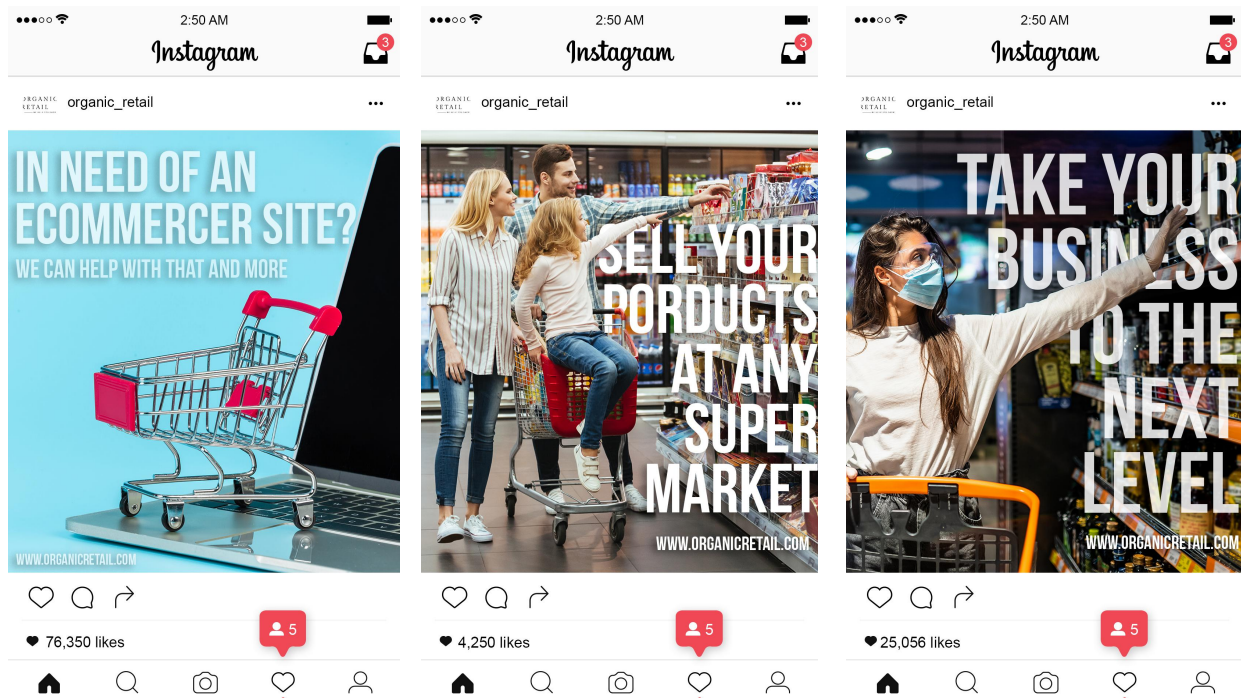
To illustrate our point, we can start by saying that by pairing SEO (organic search) with SEM (paid search), it has been proven that we can obtain more favorable results than when using paid search only. Furthermore, with platforms such as Instagram, paid promotions are essential, and that is why we are allocating part of our budget towards this platform. However, organic growth is the most crucial thing in this platform. This platform is where we expect to reach our most trusting and loyal potential and current customers. When using this to show a brand's true essence and when paired with a deep understanding of its algorithm, the results are magnificent to the point that new visitors come to our profile without any investments. It is important to highlight that we will work with bloggers, and we will exchange advertising with our clients for a percentage off in our services in order to incentivize them to feature us on their page.

MEDIA VEHICLES

For this starting phase, the plan is to use only digital vehicles in order to be able to measure and make the changes needed in order to improve our campaigns and increase our reach and impressions.

As we mentioned before, we are going to use both SEO and SEM. We are also going to use paid Instagram advertising and advertising exchange (posts and stories) with our clients who have a mid to strong social media presence, which means that they have a substantial number of most-likely loyal followers, people who feel a certain level of admiration towards them and even might be following them as inspiration for their businesses. These scenarios allow us to reach followers who might be interested in growing their own small business but do not know-how.

Also, we will use Facebook, a pivotal platform, to create awareness. For this particular platform, we will mainly focus on the performance of each of our paid ads and less on the number of likes our page on this platform might have. It is important to highlight that all advertisements uploaded to Instagram and Facebook will be exactly the same but will be resized in order to create a cohesive look to increase the level of recognition as the same ad will be shown on multiple platforms. Below we have attached three examples of the advertisements we are planning to post.



When it comes to the two left channels, Hulu and Youtube non-skippable ads, we will create 15 to 30-second ads that will be shown on both platforms. We plan to spend less on content creation and utilize it as much as we can and on multiple platforms.

CAMPAIGN TIMELINE

As you can see in the chart below, our plan is to start the few three months just focusing on Facebook, Instagram, and SEM/SEO. We are doing this because we first want to get the insights from these three platforms to create videos that will appeal to our target audience. We also want to wait this period of time in order to get customers that are considered influencers thanks to their active presence in their business' profile. Our goal is to use relatable people, people that use our services, and people trust, not models that in the end, people cannot relate to as their stories are non-existent.

Channel	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Hulu												
Facebook												
Instagram												
Youtube												
SEM												

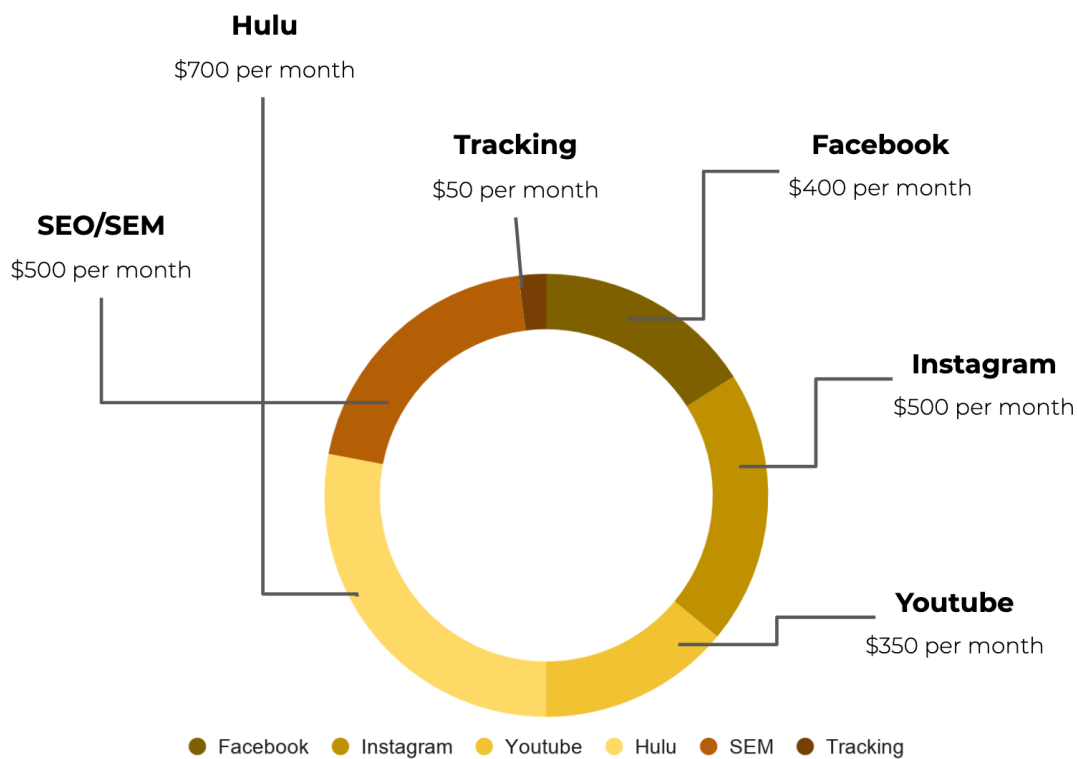
The budget that will not be used in the months of August to October for Youtube (\$350 per month) and from August to November for Hulu (\$700 per month), leave us a total budget of \$3,850 that will be allocated towards the creation of videos that will be used in these platforms.

To clarify why we are delaying the Hulu advertisement launch a month, we would like to explain that we want to take that month in which the Youtube ads are up to gather the data to evaluate the viewers behavior, analyze their psychographic and demographics to use our Hulu's budget more wisely and decrease waste.

BUDGET BREAKDOWN

Aforementioned, we will spend \$2,500 every month on marketing expenses. We decided to divide this sum according to the possibility of growing or reaching people organically. As a result, Hulu gets the most significant portion. Furthermore, this platform allows us to be able to reach more people thanks to its broad clientele and segmentation when it comes to

selecting which audience we want to target. We decided not to allocate the same amount towards Youtube's non-skippable ads as we feel that we could allocate \$100 more towards paid search and Instagram advertisements. These media vehicles have a higher chance of guaranteeing us those visitors and impressions we are seeking during this first phase that is mostly focused on awareness and consideration.



The \$50 labeled as "tracking" will be used to track and manage multiple platforms. We will use Planoly, an automated posting and tracking system that costs \$9 per month and allows us to pre-make the Instagram Feed, discover trending hashtags, the best time to post and automatically post those posts on our Facebook page. We believe this platform favors us immensely as it will save us an important amount of time that we as a small business and

counting with a limited amount of staff need. Apart from this useful platform, we will also pay \$14.99 per month for the "standard marketing platform plan" of Mailchimp. This plan will be key for our email marketing and newsletter for our subscribers and current clients. Mailchimp will analyze our data and will help us optimize our strategies as an attempt to grow faster.

Another tool we will acquire to enhance our business is Salesforce for small businesses. This plan costs \$25 per month and it is vital for our CRM (customer relationship management). In order to increase its productivity and get the most of this tool, we will connect it to Mailchimp as recommended by this platform.

If we start to calculate, when we add the costs of the three programs mentioned above, we have reached our \$50 monthly budget for tracking and managing, which leaves us to introduce the free platforms we are going to use to track and measure the performance of our campaigns.

First, we have Facebook Ad Manager, an app that evaluates how our paid ads on Instagram and Facebook are performing. Then, we have Instagram insights and the professional dashboard; we will use the free data provided by this platform to measure the level of engagement of our customers with our content. We will especially evaluate that content we do not pay to promote in order to continue creating engaging content and interact more with our followers.

Other free tools that we will use to measure our campaign's performance are: Hulu data report, Youtube campaign report, and Google Analytics.

MARKETING CAMPAIGN GOALS

As a new business, we must start from the top of the marketing funnel that is awareness. That is why we are using platforms in which we can place videos in order to explain and show the essence of our brand. Our goal is to increase our level of awareness by 20% each month.

To evaluate how efficient our awareness is, we will evaluate the funnel's next two steps, which are interest and consideration. We will do this by evaluating if this customer came from a paid advertisement or organically. The KPIs for this stage are website traffic, bounce rate, traffic channel, average session duration and number of new users.

When it comes to goals for these key performance indicators, we would like to achieve the following:

- ▶ Website Traffic → 20% increase per month
- ▶ Bounce Rate → decrease of at least 0.5% each month
- ▶ Traffic channel → 85 to 90% SEM, Social media and referrals.
 - 15 to 10% SEO and direct
- ▶ Average session duration → 1 minute or more
- ▶ Number of new users → 70% of our website traffic
- ▶ Subscribers → 200 for the first year

For our social media KPIs for this phase, we would like to gain 10 thousand followers in 18 months, with an average of 100 likes per post, 2 to 5 thousand views per reel, and 5 swipe up per non-paid and 100 to 250 swipe-ups per paid stories.

Once we understand how our customers think and their behavior when it comes to considering a new service, we proceed to analyze the following KPIs: Conversion rate and coupon usage. We would like to have a conversion rate of 10 to 30% and 5 to 10 coupons used per month for our first year.

All of the metrics mentioned above are going to be constantly monitored to constantly enhance our strategies in order to be able to meet our short and long term goals.

OPPORTUNITIES AND THREATS TO THE START OF ORGANIC RETAIL

As a new business, we have multiple positive and negative scenarios that could happen, mainly when we are starting and we are new to this world. As we previously mentioned in the SWOT analysis, one of our main threats is that big distributors might copy this business model. As a result, customers might feel more comfortable investing with other big/well-known brands. However, our differentiating factor is that we are small, we are that company that will take the time to know that client as a person, a dreamer and not just that client that has to pay a monthly fee and we hope she or he does well, which gives us the opportunity to capture those clients who truly need the guidance we are offering.

This project gives us multiple opportunities to grow, enhance our business model, and continue innovating through time without losing the brand's essence. Furthermore, we are pushing towards opening as soon as possible due to the fact that we see an immense need for this service in our target audience (small business owners) as with COVID-19, the shifts have been so drastic in every sense of the word, meaning that from the way we shop, to the way we connect with our clients, everything has changed and with us providing brick-and-mortar and online services we are assuring our clients a stable growth during time.

We should not forget that most retailers nowadays have online platforms, which means that it increases the chances of a sale being made with the retailer as we now have a change online and in-stores.

Nevertheless, as everything new is not perfect, we must understand we have the threat of not meeting our goals for the first year due to the lack of trust, awareness and hesitation to pay \$3,000 just to enter our company to get into retail when we are a new company. This said, we risk not being able to be called profitable until the third year.

EXIT STRATEGY

An exit strategy is a strategy created for both positive and negative scenarios. This section will explain our plan if we become incredibly successful or if our company does not perform as we expected.

If Organic Retail exceeds our expectations and grows at a bigger rate, our plan would be to expand our team and buy a warehouse in which we can fit all of our personnel and distribution equipment. Once this stage is completed, we will expand to other cities in Florida like Orlando and Tampa and then other states starting with Texas. To start operating in other cities or states, we will consider a partnership with someone who has experience in this area to avoid any bad reputation due to lack of professionalism. Nevertheless, us, the Gautier family, the owners of Organic Retail, will always be on top of every location and will ensure that our businesses are running smoothly, according to plan and always fulfilling the value proposition or helping small businesses grow.

In case this company fails to succeed in the market, our plan would be to sell all of our property plant and equipment, help our staff find new jobs and close our doors as we will not try to invest more money into a business that has shown us that it is not the right one for us.

CONCLUSION

Organic Retail is a distribution company that focuses on small business owners who create healthy or organic food. Our expected launch date is August 2021, and we are going to be operating in Miami, FL.

We will start by distributing a line of products owned by the company owners called Wateke Foods, a brand that is known for its organic açai. We will start the distribution process two months before we start operating in order to get some feedback and enhance our strategies. We will acquire our first customer thanks to our strategic marketing plan that will consist of digital marketing and word-of-mouth.

Our digital marketing plan will consist of the following media vehicles: Instagram, Facebook, Hulu ads, Youtube non-skippable ads, and organic/paid search (SEO and SEM). Our goals for our marketing campaign are to increase awareness, consideration and increase our conversion rate month by month. We expect to gain 10 thousand followers on Instagram during the first year and a half. This amount of followers allows us to have the swipe-up feature on our stories. By linking our page to our stories and giving customers the possibility to go directly to our website by just swiping up, we believe we can increase website traffic immensely without spending more of our marketing budget.

We want our customers to create a bond with a brand, to feel related. We will do this by creating content using our clients as our models to have some familiar faces in the ads and hopefully increase trust.

Our predictions for the first year are that we are going to acquire eight (8) customers and we are going to sell six (6) add-ons, which leaves us with a total of \$95,955 in net earnings. We are expecting to grow 12% in our second year, which results in \$322,380 in net earnings and 8% for our third year resulting in \$377,940 in net earnings. To explain why the first year's net earnings are lower than the other two years, we have to keep in mind that a company has more expenses during the first year, explaining the low number.

To conclude, Organic Retail is a visionary, modern and helpful business that will change the lives of multiple small business owners who dream of becoming the next big thing in the market but do not know-how. We expect this business to thrive in the near future and grow at a pace in which we could potentially be in every state of this country if done correctly. We believe in small businesses and we want to help them grow. Thank you for helping us grow as a company.

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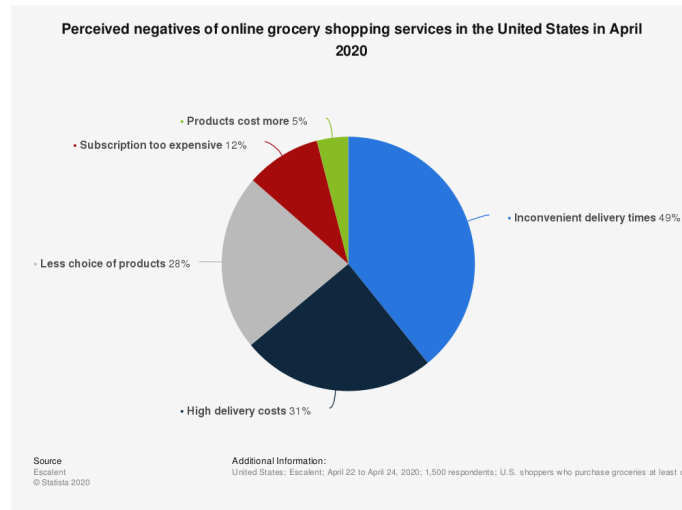
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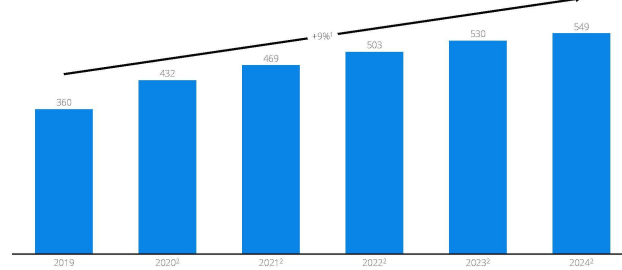
Appendix



The U.S. eCommerce market is growing by 9% p.a. on average, reaching US\$549 billion in 2024

Market size: revenues development

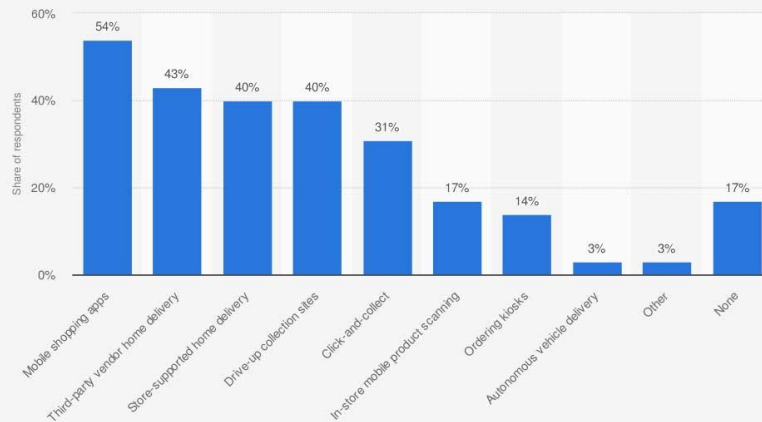
eCommerce revenues in the U.S. in billion US\$



33

eCommerceDB

Distribution of omnichannel services offered by grocery retailers in the United States in 2020

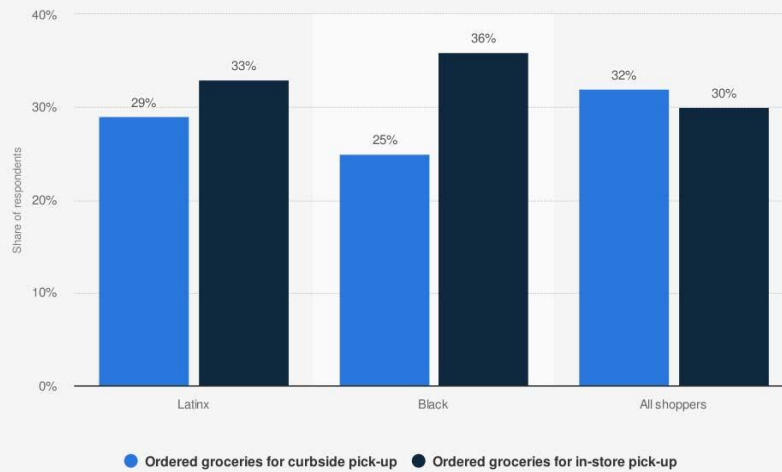


Source:
Progressive Grocer
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Additional Information:
United States; 2020

statista

Online grocery shopping collection methods in the United States in 2020*, by race

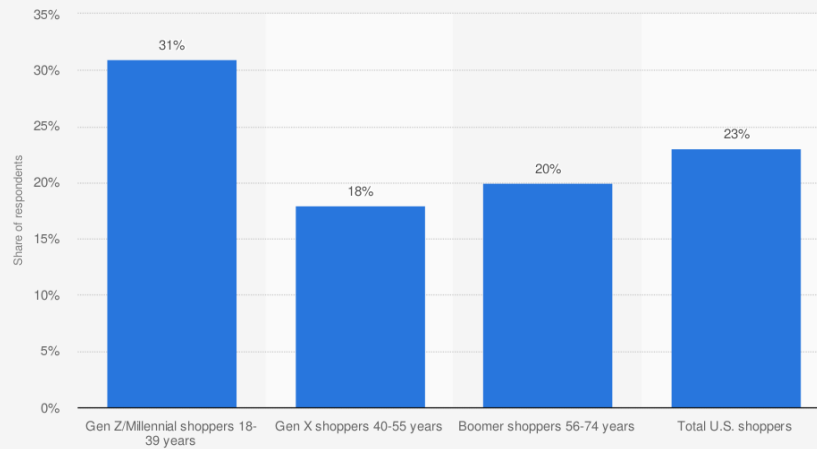


Source:
FMI
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Additional Information:
United States; FMI; February 7 to April 25, 2020*

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Changes in grocery shopping behavior as a response to coronavirus pandemic in 2020 in the United States, by age group



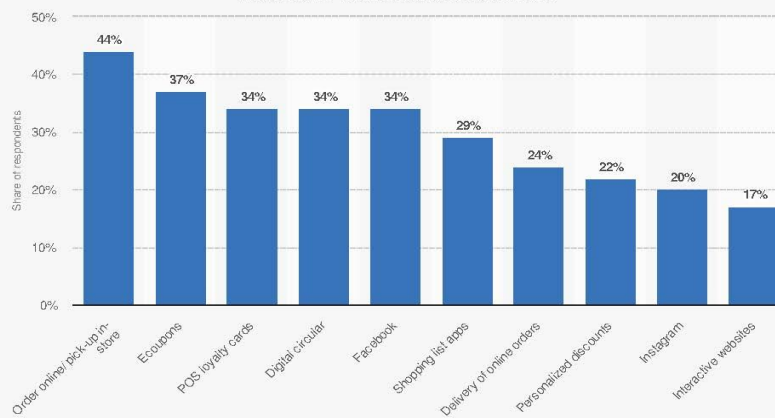
Source

Acosta
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Additional Information:

United States; March 6 to March 12, 2020; 18 to 74 years

Most advantageous benefits offered by mobile devices according to grocery retailers in the United States in 2020



Source

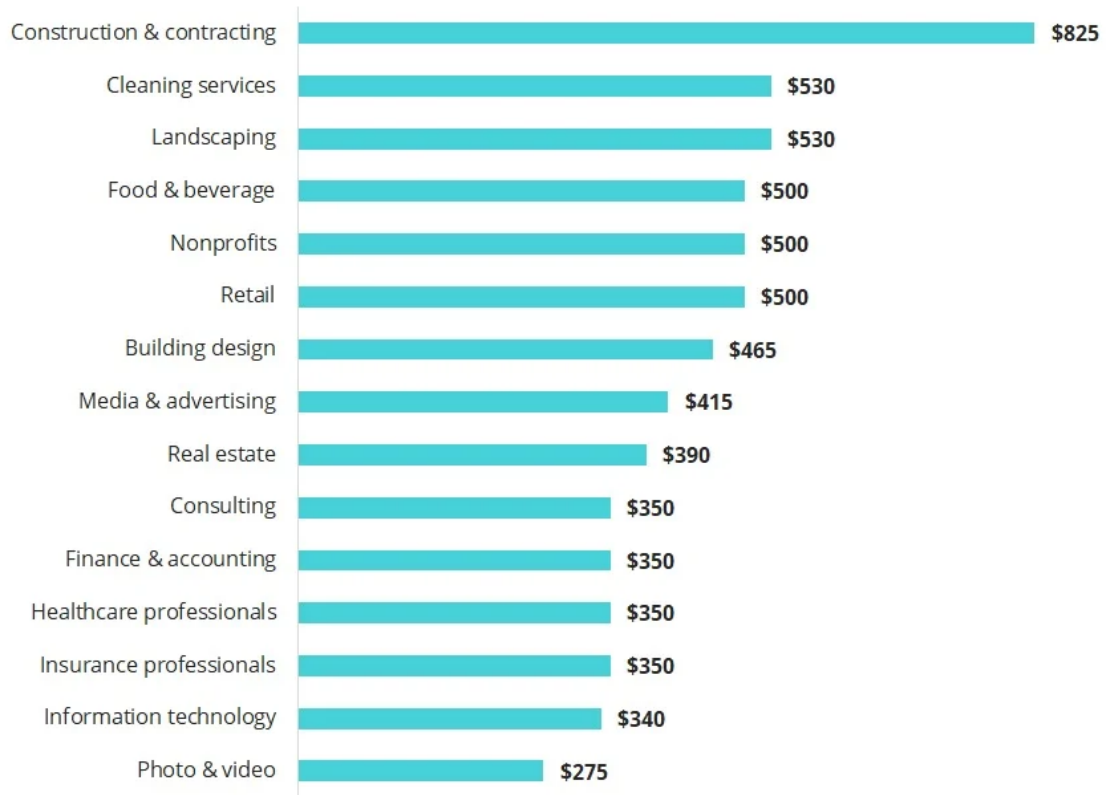
Progressive Grocer
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Additional Information:

United States; 2020

statista

Median general liability insurance premium for Insureon customers by industry



<https://www.insureon.com/small-business-insurance/general-liability/cost>

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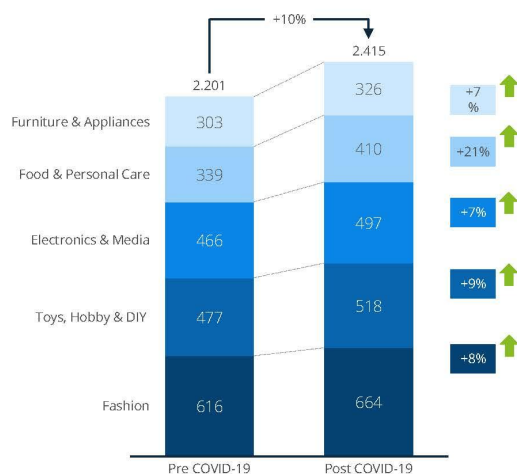
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All eCommerce segments are expected to experience gains due to the pandemic

Coronavirus impact: eCommerce forecast (1/2)

Adjusted
forecast for
COVID-19 as of
November,
2020¹

Worldwide eCommerce revenue forecast 2020 in billion US\$



- As consumers are avoiding in-store purchases, eCommerce sales are increasing by 10%
- The biggest winner in eCommerce is Food & Personal Care:
 - Online sales of groceries are surging
 - Hygiene products are in demand both online & offline
- Due to the lockdown, the segment Toys, Hobby & DIY has also benefited second most
- Fashion is expected to experience a bounce back and grow 8%

8

¹: COVID-19 impact on eCommerce revenue is constantly followed and will be updated regularly; thus, forecast subject to change
Source: Statista Digital Market Outlook 2020 as of November 2020

