

K Plus Solutions, LLC

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1.0) Executive Summary

1.1 Company Summary

Karen A. Whitley founded K Plus Solutions, LLC as a sole proprietorship in Natchez Adams, MS. In addition to providing business development resources, K Plus Solutions, LLC will provide marketing opportunities for local business owners to start or expand their enterprises. K Plus Solutions, LLC will lease a building with a prime location at Natchez Adams, MS. The building will be refurbished to accommodate the needs of K Plus Solutions, LLC. A staff of six will be hired for the company. In her role as Business Manager, Karen is responsible for maintaining the financial aspects of the company.

Our company manufactures several types (sizes and shapes) of unscented and scented candles. We are always experimenting with new scents to intrigue the senses of our clients, who are continuously seeking out new scents.

Our candle-making business is known far and wide, and we have established a reputation that makes us unique among our competitors. Our candles are also sold through our websites and several other online marketplaces. We have a user-friendly website that is easy for customers to navigate, especially when making purchases.

We have sufficient experience in the business to ensure customer satisfaction, such as by responding promptly to their queries and complaints, as well as providing excellent customer service that has all contributed to an increase in the retention rate of our customers. Our goal is to make repeat customers happy, so we strive to make their experience with us the best.

1.2Market Opportunities

Candles are popular for relaxing, setting a mood, or even masking irritating odors. A candle business may be the perfect side business if you have experienced creating scent profiles or are looking to get started.

Candles typically have a profit margin of between 25% and 50%. There are a variety of factors that affect profits. These include the average cost of materials, shipping, labor, and your unique niche or target market. The types of candle scents available exceed 10,000 in number in the United States, with most candle manufacturers offering between 1,000 and 2,000 different types of candles. Each year, more than one billion pounds of wax are used to manufacture candles in the United States. As far as waxes are concerned, paraffin is the most commonly used type.

It is estimated that 76% of candles are given as gifts during the holidays, 74% as housewarming gifts, 66% as dinner party gifts, 61% as appreciation gifts, and 58% as birthday gifts for adults.

It is estimated that retail sales of candle products in the United States amount to approximately \$3.14 billion annually. The National Candle Association member companies are responsible for approximately 80% of all candle production in the United States. From tapers to votives to pillars to tealights, candles are available in various sizes and shapes, including floating, liturgical, outdoor, novelty, utility, and birthday candles. A candle's retail price typically ranges between \$1.99 for a votive and \$35 for a large pillar or jar candle. Incredibly scented candles are generally available in extravagant packaging, costing more than \$200.

1.3 Start-up Summary

Description of Industry

A new candle company, K Plus Solutions, LLC, is entering Natchez Adams MS into the candle industry. With air pollution and allergies as persistent problems, K Plus Solutions, LLC sees the opportunity to provide organic candles to purify the air with their organic candles. They will market their products under the Air Purification and Natural Health Benefits Markets. Also, K Plus donates products to organizations that support St Jude fundraisers.

Size

Even though the soy wax candle industry is relatively small, it is expected to grow rapidly in the future. As a result, this industry can be expected to grow in the future. Soy wax candles are not your typical candles. As a result, they purify the atmosphere by trapping dust, dirt, odors, and mold.

They also alleviate allergy and asthma symptoms and provide other natural health benefits. K Plus Solutions, LLC has a huge opportunity to grow in the Air Purification Market as air pollution remains a persistent problem. Due to ineffective advertising, the soy wax candle industry has not taken off yet.

Estimated growth rates

In light of the persistent issue of air pollution, soy wax candles are a natural, affordable means of detoxifying the air and providing other natural health benefits. The growth rate of the soy wax candle industry is expected to be steadily increasing. According to the forecast, the Global Air Purifier Market will grow at a compound annual growth rate of 9.43% from 2018 to 2023. It is predicted that the Air Purification Market will be worth \$24 billion by 2024. It appears that soy wax candles have the potential to flourish in the coming years based on this prediction.

2.0) Market Analysis Summary

2.1 Global Market

As of 2020, the global scented candle market was valued at USD 533.5 million. Between 2021 and 2028, the market is expected to grow at a compound annual growth rate (CAGR) of 3.3%. The candles are in high demand in the hospitality and wellness industry, with significant contributors towards market growth. Approximately 56.0% of scented candles will be sold in container-based forms in 2020, leading to the largest revenue share. Customer benefits most from a wide variety of choices available to them, as well as the ability to customize the fragrance based on their preference. These container-based scented candles have a soothing fragrance, made from premium-grade paraffin wax and 100% Natural Soy wax. They come with natural fiber wicks and can burn for up to 110 hours.

In 2020, North America occupied the majority share of the scented candles market, with a revenue share of over 33.0%. While the demand for HDHT goods, including scented candles, was initially affected by the pandemic during the initial phases, demand for these products increased as consumers focused on their health and well-being and began spending on small indulgences.

2.2SWOT Analysis

Based on our experience in the field and input from a reputable business consultant, we have developed an effective SWOT analysis that will assist us in better managing our business. By conducting a SWOT analysis, we ensured that we examined the business critically concerning the market and the industry in general.

During our business operations in Natchez Adams, MS, and in the United States of America as a whole, the SWOT analysis recognizes the strengths, weaknesses, opportunities, and threats that are likely to either help us or adversely impact us. K Plus Solutions, LLC has prepared the following critical SWOT analysis;

Strength

One of our utmost assets is our ability to offer a wide variety of candle shapes, sizes, and scents to our vast customer base. It is also our goal to develop fragrances that are rare finds that will endear us to our customers, exclusively those who are bored with regular fragrances.

Our Chief Executive Officer has over ten years of experience in this field, another huge strength. Furthermore, our franchises are of high quality, as well as our wax melts and fragrance oils, contributing significantly to our success.

Weakness

Our company's most significant weakness is that we must operate regionally at first, thus limiting our business to a certain area of the country for the first few months of operation.

Opportunities

A variety of opportunities abound in the candle-making industry, and we as a company are continuously working on creating new fragrances with some of our products, which provides us with an unlimited number of opportunities.

Threats

In acknowledgment of the fact that every business face threats at some point, we have prepared ourselves to deal with any threats that may occur throughout operating this business. Some threats, such as the arrival of a competitor, are not as difficult to handle as others, such as an adverse economy that may affect the spending power of consumers.

2.3 Required Grant

This grant will range in value from \$10,000 to \$50,000. In addition to supplies and products, the money will be used to cover operational costs, equipment, and remodeling of the building in which the business will operate. The money will also be used to hire part-time employees to make their salaries.

3.0) Sales Strategy

3.1 Marketing and Sales Strategy

Marketing is an important component of every organization since it serves the dual aim of earning cash and creating a brand image for the company. Marketing plans must be carefully crafted and fine-tuned to achieve the intended results. Given this, we undertook an extensive study to ensure that we implement the finest techniques to generate high revenue for the company.

Candles are used for various functions and purposes, the most common of which is to calm individuals suffering from anxiety or stress or looking to relax after a day's tiring work. Hence, we will ensure our video advertisements and graphics convey a sense of calm associated with our products to potential buyers. As a candle-making company that caters to consumers in middle-market segments, K Plus Solutions, LLC is well positioned to stand out as a tough competitor in the upper-middle market. Customers can expect to receive handmade scented candles made by skilled artisans for a price that is in line with chain store prices. The K Plus Solutions, LLC brand will emphasize the company's distinctive value proposition:

- Providing a diverse range of candles for various occasions and locations
- High-quality, environmentally friendly ingredients
- The price point in the middle
- Staff that is well-trained and prioritizes customer satisfaction

3.2 Promotions Strategy

K Plus Solutions, LLC anticipates that its target market will be individual buyers, retail sites, and spas across the United States. The distinctive value proposition of K Plus Solutions, LLC will be highlighted by its brand:

- Offering a wide variety of candles for different occasions and places
- High-quality, eco-friendly ingredients
- The price is in the middle.
- Well-trained personnel who prioritize customer satisfaction

Strategy for Promotions

K Plus Solutions, LLC estimates that its target market will include individual buyers, retail locations, and spas throughout the United States. The following items are included in the company's promotional strategy for reaching the target audience:

Pre-Opening Activities

Before opening the doors, K Plus Solutions, LLC will host pre-opening activities for prospective consumers, neighborhood merchants, and press contacts. These activities will generate buzz and raise awareness for the surrounding area of K Plus Solutions, LLC.

Public Relations

It will seek stories about the company and its offerings in various media venues, such as newspapers, podcasts, television stations, radio shows, and so on.

Marketing Using Social Media

Social media marketing is one of the most cost-effective and practical techniques for increasing brand visibility. The company will use social media to create compelling content on various candle

designs and customer reviews to enhance audience awareness and customer loyalty. Engaging prospective clients and potential partners on social media platforms such as Facebook, Instagram, Twitter, Shopify, and LinkedIn will also assist in understanding changing customer needs.

Word of Mouth Marketing

K Plus Solutions, LLC will emphasize word-of-mouth promotion from loyal and satisfied customers. The company will leverage referrals and word-of-mouth marketing to expand its customer base through its existing customer network. The company will motivate its existing customers to bring their friends to test their product for the first time.

Promotional Offers

The company will launch special promotions to attract new customers and encourage repeat purchases, which will be beneficial in the long run.

The pricing strategy of K Plus Solutions, LLC will be moderate so that customers feel they are benefiting from a product worth the price. Customers should expect to receive high-quality candles at a lower cost than they would pay for ultra-premium brands.

3.3 Target Market

Almost everyone, from young teenagers to adults, enjoys candles and has purchased them at some point. However, statistics show that many of those who buy these candles are women. This is why most of our efforts focus on women customers, particularly in Natchez and other areas where we hope to sell our items.

We were able to develop the correct tactics for our target market thanks to the above statistic from a credible source and our market research. We would do both direct and wholesale marketing to the following organizations and individuals:

Segmentation of Customers

The following consumer segments will be the primary focus of the company:

- **Individual Purchasers:** Individual consumers, particularly households, will be the company's primary focus. Scented candles will be a popular household item.
- **Spas make up the second target group:** Because candles offer therapeutic benefits, scented candles are commonly used in commercial establishments, such as spas. This segment will receive wholesale pricing for the company's products.
- **Retail Stores:** Other retail outlets, such as specialty stores, home décor stores, and mass distributors, such as Shopify, Etsy, eBay, Amazon, and small boutique shops, will also provide the company with a lucrative client segment.

Our Competitive Advantage

Any company that wants to make a profit and be one of the leading brand names in the United States of America should develop strategies that offer it a competitive advantage over other companies in the same industry.

One of the primary competitive advantages we plan to have over other organizations is to provide exceptional customer service; this can be accomplished by employing professionals adept at customer service. We understand that providing exceptional customer service is among the most effective strategies to retain our clients.

We also possess the best expertise in combining diverse scents to create new sensations that will pique our clients' interests.

3.4 Sales Forecast

After a careful study, we have come up with a practically precise sales projection for our candles. Our tactics have positioned us to become a top brand in Natchez Adams, MS, and the nearby environs. We not only aim to make huge profits in our initial three months of operation, but we also intend to expand within one year.

Our chances in this business are based solely on facts and a rigorous analysis of our competencies and what we want to give to this market. Our sales forecasts are based on data acquired during a thorough feasibility assessment.

We also looked into start-ups in our surrounding areas, particularly those in Natchez Adams, MS. Depending on our location, area, and industry, we have projected sales for our Candles.

Financial Forecast					
	2023	2024	2025	2026	2027
Total Cost of Sales	\$ 17,000.00	\$17,340.00	\$17,686.80	\$18,040.54	\$18,401.35
Inventory	\$ 3,000.00	\$3,060.00	\$3,121.20	\$3,183.62	\$3,247.30
Equipment	\$ 5,000.00	\$4,600.00	\$4,232.00	\$3,893.44	\$3,581.96
EBITDA	\$ 12,000.00	\$13,200.00	\$14,520.00	\$15,972.00	\$17,569.20
Net Profit	\$3,000.00	\$3,520.00	\$4,186.40	\$5,008.52	\$5,997.11

3.5 Publicity and Advertising Strategy

Publicity is critical since it helps raise the product's awareness and, by extension, the firm. A corporation can select from various methods to market its products and services. K Plus Solutions, LLC intends to employ traditional and unorthodox methods to raise awareness of our services and goods.

However, we understand how critical it is for our brand to be acknowledged in Natchez Adams, MS, as this will raise our profile and assist us when we expand to other regions. Some of the outlets we aim to use to publicize our products and services at K Plus Solutions, LLC are as follows:

- Participate in trade exhibits, and craft shows to raise awareness of the brand.
- Use the official website to maintain the audience's interest in the numerous available items and services.
- Post advertisements in beauty and lifestyle magazines, local papers, radio stations, and television.
- Distribute handbills and post fliers in prominent locations.
- To market the image of our candle-making business, use social media sites such as Pinterest, Instagram, Twitter, Facebook, Shopify, and YouTube.
- Connect with other candle makers in and around Natchez Adams, MS.

4.0) Operating Plan

4.1 Business Operation

K Plus Solutions, LLC will begin operations after the necessary experts have completed extensive market research. Karen understands that to be successful, her expertise and experience will be valuable assets in making informed strategic choices that will propel business growth. She has also collaborated with a team of financial professionals to create a complete financial study for the company.

4.2 Pricing Strategy

Candle prices are very reasonable for everyone. However, prices vary depending on variety, form, and packaging. However, while these factors may impact pricing, the candles will not be overpriced.

When determining the appropriate pricing for our candles, we would compare our suggested pricing to our competitors and then adjust accordingly. Furthermore, while we would ensure that our pricing is reasonable, we would not provide prices that are less than our operating costs.

4.3 Payment Options

K Plus Solutions, LLC has a payment strategy that accommodates our numerous clientele both locally and globally. Whatever payment option our client chooses will not stress them out because our payment alternatives have been carefully selected after assessing customer convenience and security. The following are the payment alternatives that will be offered to our various clientele;

- Cash payment

- Payment by point of sale (POS) machine
- Transfer of funds via online bank account (online payment portal)
- Payment by mobile money
- Payment by check (only from loyal customers)

We have selected banking platforms that will allow us to meet our payment plans without experiencing any delays.

4.4 Sustainability and Expansion Strategy

Our business's future depends on our loyal consumers, our organization's structure, and our staff's competence. As a result, these issues influence our tactics for staying relevant in the business.

One of our company's goals is to develop a company that can pay for itself in the long run instead of relying on outside sources to support its operations, especially in regions where the company needs to expand. We know that if we stay focused on our goals and corporate policies, we can achieve this goal.

We will endeavor to ensure that revenue is shared throughout top-performing management personnel, with incentives for staff who perform well over a set period because we do not intend to close shop anytime soon at K Plus Solutions, LLC.

We understand that to sustain and inevitably grow and extend our organization, we must make the right choices, particularly in recruitment, and have a management team aligned with our corporate vision and objectives.

5.0) Organizational Structure

5.1 Executive Team

Karen A. Whitely

As a 50-year-old black female, Karen holds an Associate in Science in Physical Therapist Assistant and a Bachelor of Science in Business Administration. She is currently working as a full-time manager. She has been working in the medical field for more than 20 years. As a child, she worked for the family business of her parents.

In terms of candles, she specializes in making handmade candles, wax melts, and oils. The Covid virus hit her family hard in 2020, causing the death of her brother. She used her candle-making skills as therapy to cope with it. As a result, she has been able to overcome her depression and is very excited about her new ventures. Currently a full-time manager at a store for 13 years.

Job Roles and Responsibilities

- Provides management and employees with information regarding the organization's strategic direction
- Meets with investors in order to obtain financial resources, especially capital
- Knows how to handle budgets and is responsible for ensuring that the company's policies allocate resources appropriately
- Assures that the corporate structure of the company affects and influences the middle and lower-level staff as well.

- Maintains an active role in ensuring that the required performance is achieved by all personnel and invariably contributes to the success of the organization.
- Utilizes the position of CEO to cultivate relationships with important clients in order to expand the company's business and increase its profitability
- Assumes supervisory responsibilities over other heads of departments and works closely with them to ensure smooth operations in the organization
- Ensures staff are aware of the company's vision and mission statement so that everyone is on the same page
- Facilitates the resolution of conflicts and motivates employees

6.0) Financial Plan

6.1 Overhead Costs

Overhead Costs	Annual
Marketing	\$15,000
Total Payroll	\$15,000
Electric	\$4,800
Payroll Processing	\$2,500
Banking	\$2,500
Security	\$8,000
Misc.	\$2,200
Total Facility Costs	\$50,000

6.2 Overhead Costs

Summary	Total Prior Period
Total Sales Revenue [J]	\$ 17,000.00
Total Cost of Sales [K]	\$ 10,000.00
Total Sales and Marketing Expenses [M]	\$ 15,000.00
Total Research and Development Expenses [N]	\$ -
Total General and Administrative Expenses [O]	\$ 25,200.00
Total Other Operating Expenses [P]	\$ 2,200.00
Other Income [S]	\$ 5,000.00
Total Taxes [T]	\$ -

Gross Profit [L=J-K]	\$ 7,000.00
Total Operating Expenses [Q=M+N+O+P]	\$ 42,400.00
Income from Operations [R=Q-L]	\$ 35,400.00
Net Profit [U=R+S-T]	\$ 40,400.00

6.3 Profit and Loss Summary

SUMMARY PROFIT & LOSS

	Year 1	Year 2	Year 3	Year 4	Year 5	
Revenue	\$10,000	\$11,000	\$12,100	\$13,310	\$14,641	
Gross Margin	\$24,000	\$36,000	\$54,000	\$81,000	\$121,500	
Gross Margin %	240.00%	327.27%	446.28%	608.56%	829.86%	
Operating Expenses						
Marketing	\$15,000	\$16,500	\$18,150	\$19,965	\$21,962	
Pre Launch Salaries	\$8,000	\$8,800	\$10,120	\$11,638	\$13,384	
Miscellaneous	\$2,200	\$2,420	\$2,178	\$1,960	\$1,764	
Total Operating Expenses	\$25,200	\$27,720	\$30,448	\$33,563	\$37,109	
Net Profit	\$8,800	\$19,280	\$35,652	\$60,747	\$99,032	
Net Profit %	88%	175%	295%	456%	676%	
EBITDA	\$10,000	\$11,500	\$13,225	\$15,209	\$17,490	
EBITDA %	100%	105%	109%	114%	119%	