



Annual Report 2016-17



Essence delivers a small luxury for people who are experiencing stress. Our products provide much needed “me time” that gives you an attitude adjustment and allows you to get back to being your best self.

A SAGE Socially Responsible Business from
Mount St. Mary Academy
Buffalo, New York



MEET ESSENCE

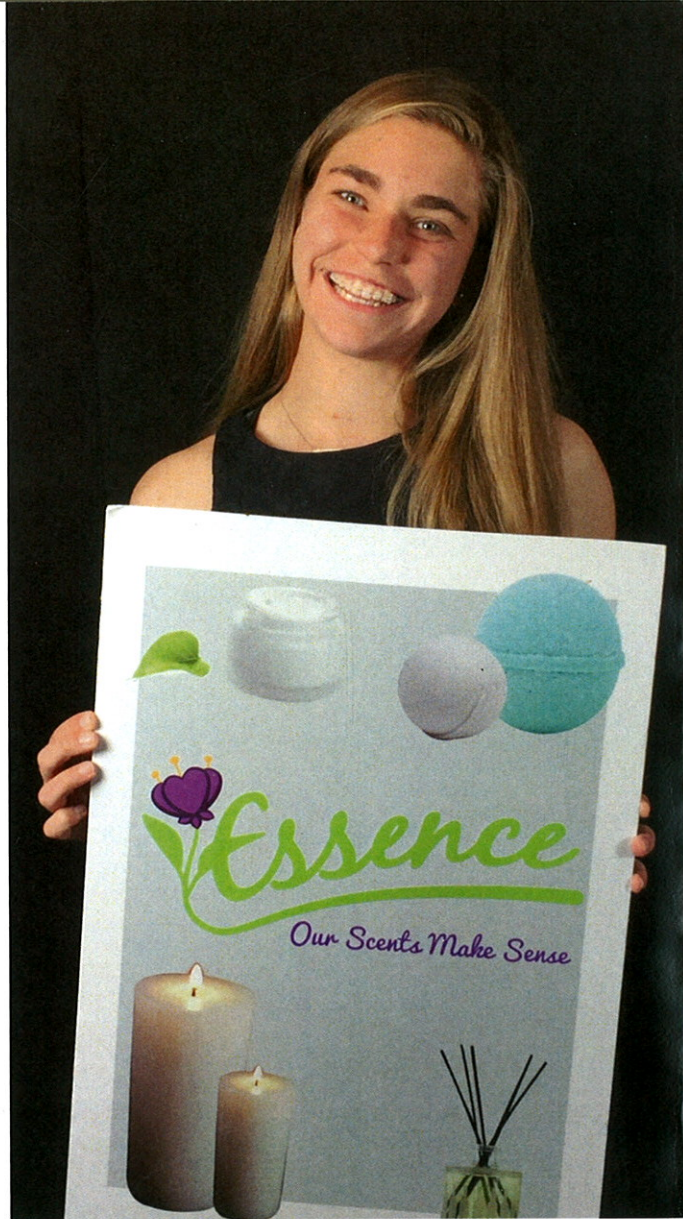
About Us

Essence is an organic, essential oil-based company that provides our consumers with much-needed "me time." With our products, which include an array of scented room sprays and scrubs, you can get back to being your best self. The oils used in our products provide a specific benefit. Lavender, for example, is relaxing, while peppermint is energizing. Need a spiritual uplift? Try a room spray infused with frankincense.

Essence was founded in September 2016 at Mount St. Mary Academy in Buffalo, New York. We have 17 employees working in sales and marketing, research and development, manufacturing, and finance. We share a common goal of being innovative in everything we do.

Creativity & Innovation

At Essence, we operate in a crowded space of companies that make scented products. This includes Johnson & Johnson, Bath & Bodyworks, and Lush. However, we don't consider ourselves to be apart of their category. In contrast to their remade and inorganic products, all of ours are organic and made by hand. They're customizable, too -- all of which sets us apart. We personalize our products to our consumers. To do this, Essence holds make-and-take sessions in which we make our products with our consumers and teach them about the benefits of essential oils. This is beneficial because they see what is being put into their products, and can choose and create their own scents. Since there is such a large variety of essential oils, each with unique benefits, there are infinite opportunities for creativity in the development of new scents and products.



Sustainable Business Practices

Essence products are made with organic, all-natural ingredients and with FDA-approved Young Living essential oils.

According to recent market reports, the essential oil and aromatherapy market demand is expected to grow at a rate of 8.6% per year from 2015 to 2022.

Consumer confidence coupled with the rising demand for these products and their fragrances is expected to drive market growth. This is in large part motivated by consumers' desire for natural, environmentally friendly products. That is what we do.

We are responsible with our packaging, too. At Essence, we started a bottle return program. If a customer brings back an empty room spray bottle, we will refill it with the scent of their choice for \$1 off the original cost.



ESSENTIAL CONNECTIONS

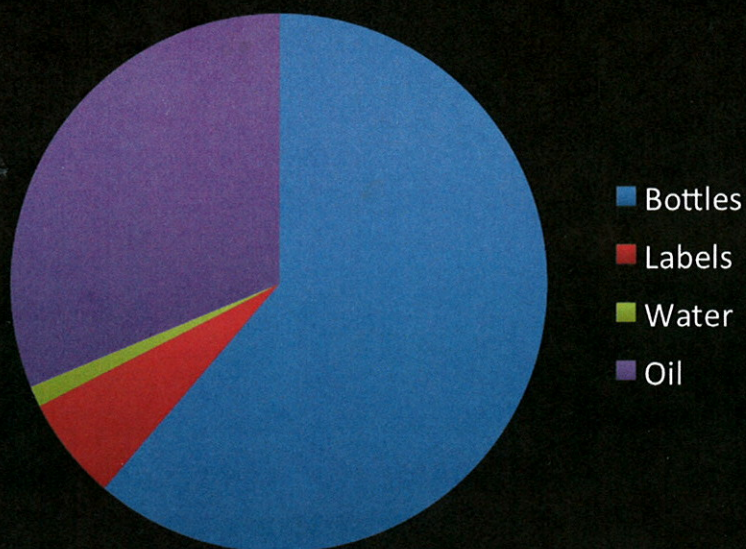
Networking & Media Promotions

We believe deeply in our products and want people to know about them, so we have used a variety of networking and media strategies to spread the word:

- Essence is currently featured in Western New York Catholic magazine. We are also arranging interviews with Buffalo-area network affiliate television stations and radio stations. For example, in August we were featured on the NBC affiliate, WGRZ. One of the reporters interviews Essence and even made a room spray with us. We will also be working with local media personalities to develop their own custom scents.
- We have Instagram, Snapchat, and Twitter that we use to promote team activities, new promotions, and our events. These specific outlets were chosen to target our teen audience. Utilizing social media, we ensure that even after our customers have bought our products, they stay updated and invested in the company.
- In January 2017, Essence developed a partnership with Beauty Organix, an all natural boutique skin-care store in East Aurora, New York, to sell our products.
- We attended the launch of 43 North, a startup entrepreneurial competition. At the event, our team met with New York Lieutenant Governor Kathy Hochul. We pitched our business to her, and she even promoted our company on her Twitter.
- We traveled to Toronto to meet with the CEO and executive team of Ingram Micro Canada, a multi-billion-dollar tech and manufacturing business. At Ingram Micro, Essence also got a tour of their warehouse and got to see what goes on behind the scenes of a business.
- The Buffalo Chapter of the National Association of Women Business Owners hosts an award dinner each year. At the 2017 event in June, Essence supplied over one hundred room sprays as gifts for every attendee.



Room Spray Cost Breakdown



Financials

Our employees are part-owners of the business, which keeps labor costs in check and makes Essence quite profitable. For example, the chart at left shows our cost of a 4-oz. room spray:

Bottle: \$ 0.98

Label: \$ 0.10

Water: \$ 0.02

Oil: \$ 0.50

Total Cost: \$2.10

We sell each bottle for \$15 retail, giving us a profit of \$12.90 (with discounts offered for quantity). We have sold 184 bottles of room sprays so far this year, which includes a large, discounted order by the National Association of Women Business Owners. Essence also generates revenue through make-and-take sessions and other events. **Overall, in 2016-17, we have gross revenues of \$2,255 and a year-to-date profit of \$1,807.50.** We use these profits to fund scholarships for girls to attend an entrepreneurship workshop which is explained in more detail in the following section.

Essence in the Future

As a start-up company, we have placed a strong focus on building partnerships and promoting a culture of innovation within our company. At Essence, we have taken steps to ensure that our leadership skills are strong, and that we fully understand all the requirements and roles in a business. Of our 17 staff members, 15 are sophomores or juniors, ensuring that Essence will have a strong employee base for the next two years.

In addition, we are recruiting new students - including freshmen - to join us this summer and beyond.

We're also coupling our desire to give back to the community with the need to ensure a strong long-term succession plan. With that in mind, we are funding five scholarships for middle school students to attend an entrepreneurship camp this summer with Allie Boyer and Natalie Katsikas, co-founders of Purses for Primates, a Chico, Calif. nonprofit that won SAGE USA in 2015. It is our hope that these middle-school girls, who would not otherwise be exposed to SAGE or our business, will one day become full members of Essence.

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