

## BUSINESS PLAN: Created by Leland Stilson

### Executive Summary

Weed Warrior is a company that sells all natural weed killer, that is just as effective as its chemical filled conventional counterparts. Our product serves its purpose while causing no harm to the environment or surrounding area. With the growing environmental movement my product is a great way to show you customers, or just your neighborhood that you are in support of the green movement, and that you care about the environment. Especially in Marin County many people are avid gardeners, yet they have to continuously deal with invading their gardens. Many would look to weed killers if not for the negative health and environmental effects that many weed killers are shown to have. The reason that my product has such a large potential market is because it doesn't have harmful effects on the environment, yet it is just as effective in taking out even the toughest weeds. The size of my starting target population is 5,000 people, and I think that within the first six months of starting my business I could reach about 750 of those people. After conducting research on my market I discovered that my customers primarily want a safe way to remove weeds from their garden, but don't want to pay more than \$20. Monsanto's product, Roundup, is currently the most popular on the market, but they have recently been under fire for alleged carcinogens that their product contains, which is proof that people are ready for a change. After conducting a survey I found that about 21% of the people in my area would be interested in buying my product, and the majority of the people in my community are aware of the negative health and environmental effects of glyphosate (contained in Roundup). All and all the survey confirmed that I do in fact have a large market in Marin County, and likely all of California. One strength that my company will have is that people in this area are very aware of the environmental danger that we are in so they will be more inclined to buy my product, but my business is not well known so I will have to do a lot of work in marketing to get on peoples radar. I have the opportunity to take Roundups place as the most used weed killer in America, but there are some other natural weed killers out there that I would have to compete with. Speaking of competitors, Monsanto is the big one, but there are also other natural weed killers such as Avengers Organics and EcoSmart that I would have to compete with. I believe that I will be able to beat these companies because I can offer my product at a lower price point than they can, and my business will be student run, which will automatically give me a competitive edge. As a company we are committed to helping people of all demographics control their weeds, and our core values are centered around helping preserve the environment, as well as aid our customers in their garden maintenance. Using a sophisticated blend of all natural ingredients is safe and effective. At Weed Warrior we take no shortcuts in ensuring that our products are of the highest quality, and will satisfy even the toughest needs of our customers. We aim to sell 50 units within the first two weeks of running our business. We will achieve this goal by advertising throughout the neighborhood, and attending events where potential customers can take a look at our product. I will also contact local hardware and grocery stores and convince them to carry my

product. For the first six months of operations my materials will be sourced from Safeway. This will be cheaper than buying in bulk while my operations are still small. During the following six months I will begin to source my materials directly from suppliers, and buy in bulk so my cost per unit goes down. I will also hire a delivery man, and rent a storage facility for manufacturing and storing my product before delivery. I will also create an online presence for my business so that we can sell to people all over California, and the United States. In terms of management, I will need a charismatic salesman, someone who is good with finances and numbers, and a CEO(myself). As long as these three roles are filled I will be able to successfully run the business on a day to day basis. After pricing out my materials I determined that my unit cost would be \$5.73 before I have to pay labor costs, and \$6.48 after labor. I would need about \$300 to start up the business, and I would need another \$700 to cover my costs for the first six months. I will sell my product for \$15 per unit during the first six months, then after that the price will go up to \$20. For the first four months of operations I will be losing money, but by month seven I will break even, and begin making a profit. My business has tons of potential, and your support will help us take off. Don't wait, investing in our company is the right move, and I promise you you won't regret it.

## **Business Description**

### Positioning Statement:

We are a business that sells all natural and effective weed killer. Our weed killer works like a charm, and doesn't harm the environment or the surrounding wildlife.

### Business Description:

Weed Warrior is a company that sells natural and organic weed killer. We create incredibly effective weed killer out of everyday household ingredients, that don't have any negative effects on the environment.

In addition to being offered at a lower price point than current products on the market, my product can be a great way for you to show your customers that you're on board with the growing green movement, and your support of my company will show consumers all over the world that you care about the health and well-being of the environment.

## **Market Opportunity**

Our company addresses the need for people to eliminate weeds, without harming the environment. Our target market persona profile is as follows; Richard- I want to have a weed killer that I know will be effective in serving its purpose, but also won't damage the soil in my garden, won't hurt the animals around my house, and won't cause any negative effects on my grandkids when they are playing in my garden.

## **Market Demand**

The size of my target population is approximately 5,000 people, as calculated by taking two percent of the total population of Marin. As a small company, starting out I think that it is unreasonable to assume I would be able to initially reach a larger percentage of the population. Of my total target population I calculated that I could reach about 15% of my target population initially. This equates to about 750 people who may purchase my product per year. Although this number would hopefully grow, as a beginning company I think it is a relatively accurate prediction. I would be selling my product for \$15 per unit, and I estimated that each of my customers would probably buy my product 18 times per year. This means that my annual revenue per customer would be \$216. With an estimated 750 customers, I would have a total annual revenue of \$162,000 per year.

### **Market Research**

My customers want a safe way to remove weeds from their yards. Something that they can spray on weeds without worrying about their kids health, or the health of the environment surrounding their yard. People also want something that is organic, and all natural. People especially in and around Marin County are fed up with Roundup, and are looking for an alternative way to control the weeds in their yards. People also don't want to pay more than \$20 for a bottle of weed killer, so my product will be right within my consumers price range. Many people are wary of any weed killer, believing that all of them are bad for the environment. It will be crucial that I reach out to my target market, and explain how my product works, and why they should buy it. Monsanto's Roundup is currently the most popular weed killer on the market, and although they have a near monopoly on the product at the moment, they have recently been under fire, on the grounds that their product may cause cancer. There are other weed killers that claim to not have the harmful chemicals that Roundup does, but my product will not only be cheaper than those, but it will also be marketed as natural, and organic as its main selling points, which other products are not.

### **Primary Research**

From the seventeen community responses that I obtained from my survey, I have determined that my target market is probably about 21% of the people in my community, which I believe is a sufficient amount to get a business going in my area. Most people in my community are aware of the negative health and environmental effects of glyphosate, and are against products such as Roundup. The majority of the people who took my surveys would consider using a weed killer if they knew that it did not have any negative effects on the environment, and would be interested in my product. I think this data pretty clearly shows that my product could be successful in the area that I live, and if the people that I surveyed are an accurate representation of the total population of Marin, my product should fair very well in the local market.

### **Secondary Research**

After conducting research on the internet I have found some very interesting things that will absolutely help my product. The public is beginning to hate Monsanto, and wake up to the realities of the devastating effects that Roundup has on the environment, and human health. The company has already had to pay out hundreds of millions of dollars in fines and lawsuits, so their popularity is rapidly declining. People all around the world will be seeing this, and looking for an alternative way to rid their garden of weeds. There has even been talk about banning the chemical glyphosate in the United States, and as that product is used so widely in the US, we would need to immediately find a viable replacement. My product, should I receive enough initial support, could be that replacement. There is absolutely a market for products such as mine, and I have no doubt that I could sell with at least some amount of success in my area, and hopefully soon expand to a much larger area. I found many articles online already about how to safely use weed killer, and what to look for when buying weed killer for your garden. All of these sites basically say not to use chemicals such as glyphosate, and to lean more towards my product, and all natural, and organic weed killer.

### **SWOT Analysis**

People who live in this area, are very aware of the environmental danger that we are in, so they will be more inclined to listen to what I have to say, and hopefully buy my product. Unfortunately my business is not well known, and I will have to do a ton of work marketing in order to get people to buy my product. I have the opportunity to become peoples primary source for weed killer, by replacing Roundup now that they are under allegations that their product causes cancer. There are several other brands of weed killer that claim to be natural, and could pose a threat to the prosperity of my business. In the future Roundup may come under more fire for the negative health effects of their product, which would benefit my product.

### **Competitive Analysis**

After doing research on the competitors of my potential business, I have determined that my largest competitor, and threat to my success, is Monsanto's product, Roundup. Monsanto basically has a monopoly of weed killer and pesticide used for commercial agriculture, and their product Roundup is the most common weed killer sold in the United States. Although they have a strong hold on the market, Monsanto has been losing its grip recently as it has been falling under allegations that their product causes cancer. Several months ago Monsanto lost its first case regarding whether or not their product can contribute to cancer, and they had to pay out roughly \$250 million. This has caused Roundup to become increasingly unpopular, and people are looking for a new weed killer. Roundup is by no means out of the equation, and they still represent a large threat, but the door is open for another weed killer to take the market. One other glyphosate based weed killer is called Compare and Save Concentrate Grass and Weed killer. This product faces the same problem as Roundup because it has glyphosate, and it has far from a monopoly on the market, so it is not nearly as much of a threat. There are however, several other products that are branded as natural and organic, as mine will be. These products include Avengers Organics, EcoSmart, and Final Stop weed killers. These are appealing to customers because they are branded as safe for the environment, and safe for kids or animals

that may be playing in the yard. Fortunately reviews for these products often are not very effective, and don't kill all the weeds that they are sprayed on. Also some of these natural products are somewhat expensive, and I will be able to put my product on the market at a much lower price. Furthermore one of my largest competitive edges is that my business will be a student run local business. People in Mairn will want to support my business just because it is run by local students, which will immediately put me ahead of many other products on the market.

### **Marketing Strategy (Mission, Vision, Values)**

Weed Warrior is committed to aiding people of all demographics to control and manage the weeds in their garden, in a healthy and sustainable way. We are dedicated to protecting the environment, and we have carefully crafted a weed killer that is natural, organic, and effective. We imagine a world in which everyday families are able to grow healthy food in their gardens, and bond over the joy of creation. Here at Weed Wacker we know how important it is to preserve the environment, and our core values are centered around making sure we are part of the solution, instead of the problem. We only use organic materials in our product, and recyclable, non toxic materials as our packaging.

### **Branding**

All Natural Weed Killer is a reliable and effective product, that you can always count on to take care of even the toughest weeds. Using a sophisticated blend of organic and nontoxic ingredients, we have created a product that customers can count on. We use intelligent business practices to ensure that we continue to prosper, and provide our customers with the product that they need. Our company is committed to protecting the environment, while at the same time encouraging family bonding through the age old art of gardening. This is why our product is all natural and organic, so our customers don't have to worry about anything while using our product. At All Natural Weed Killer we take extreme care to make sure our customer service is of the highest quality. We take no shortcuts in ensuring the quality of our product, in order to continuously satisfy our customers. Furthermore we are a local business, so if our customers ever have any questions for us, we are just a phone call away.

### **MOST Grid**

My objective is to sell 50 units of my product within the first two weeks of starting my business. In order to achieve this I will attend the business leaders mixer, and create a prototype and presentation for my potential customers. I will also advertise throughout my neighborhood and develop relationships with the people in and around my neighborhood. Next I will create a website for my company, which will provide an easy and comprehensive way for my customers to view and ask questions about my product. Finally I will contact local hardware and grocery stores that would potentially carry my product. I will develop personal relationships with this companies, and hopefully they will eventually agree to carry my product. Furthermore I will create business cards to give potential customers so they can easily contact me.

## **Operations**

For the first six months after the start of operations, I will source my materials from Safeway. This will be cheaper than buying in bulk while my operations are still small, and I'm not selling that many products. I will source my containers from Amazon, as they offer the cheapest non-bulk prices on spray bottles, and they will be the cheapest option for the first six months of operations. I have a facility set up in my garage that will work for putting my product together for the first half year. My weed killer has already been tested, but additional testing can be done in the Terra Linda community garden. Products will be stored in my garage for approximately the first six months, or until we have too many units, and are forced to find a larger storage facility. Delivery will be covered by myself and my car while operations are still small. In the subsequent 12 months I will bypass Safeway as the middleman, and buy in bulk directly from their supplier, this will cut my costs significantly. I will also buy spray bottles in bulk directly from Amazon's supplier. In the subsequent 12 months we will rent a warehouse where we can mix, and store the Weed Killer, and we will hire a delivery man to be in charge of shipping, and delivering our product to customers. Our primary customers will be hardware stores, or garden supply stores, but we will also have an online presence so that we can sell directly to customers.

## **Management Plan**

In my business positions that I will need include a charismatic salesman, as I myself am not the most naturally likable person. I will need someone to manage finances, a treasure of sorts. This position may not be necessary right away, but hopefully as we begin to generate more revenue it would become increasingly necessary. I will most likely act as CEO, and oversee day to day operations of the business, and make any key decisions that need to be made. I need a salesman who is likable, and connects well with other people. My salesman should be well spoken and intelligent, with knowledge about the specifications of the product. My treasurer should be good at math, and working with numbers. This person should also be well versed in the working of the stock and bond market, as well as familiar with how to take out a loan in case we needed to buy a warehouse or other type of facility to store/manufacture our product. As a CEO I will need to be educated on all the happenings of our company, and I will need to be assertive and confident. The CEO also has to be smart, and a good leader. So far the only person who's position in the company is set is mine, as CEO. In the second semester if my business is chosen to be implemented then I will hold interviews, and hire people to fill the other positions. This positions will not be paid until the company begins to make a profit, and at that point all of my employees will receive an hourly rate, that will be determined

## **Financials**

### Unit Cost Analysis

After pricing out the materials that I would need to create my product (lemon juice, white vinegar, salt, dish soap, and a spray bottle) I determined my unit cost to be \$5.73 before I have to pay labor costs, and \$6.48 after I do have to pay labor costs. This was determined by using the following spreadsheet to calculate my costs.

Product: Weed Killer					
Bus Plan Outline - Google Docs					
Materials		Total Cost (a)	Quantity	Total # of units (b)	Cost per unit = (a)/(b)
Lemon Juice		9.83	1	22	0.45
Salt		1.09	1	52	0.02
Soap		5.7	1	30	0.19
Vinegar		5.79	1	5.3	1.09
Spray bottle		11.95	3	3	3.98
<b>Total Material cost per Unit</b>					\$ 5.73
Variable Labor		Wage per hour (a)		# of hours per unit (b)	Cost per unit = (a)*(b)
Increases when orders increa		15		0.05	3.75
Decreases when orders decrease					
		15		0.05	0.75
<b>Total Variable Labor</b>				0.05	\$ 0.75
<b>Total Unit Cost</b>					\$ 6.48

### Income Statement

I expect to need about \$300 to buy materials to make my product, for the initial start of my business. For the first six months of running my business, I expect to lose an additional \$700 in the first four months until I begin making money each month. For the first six months I will sell my product for \$15 per unit, giving me a profit margin of approximately \$9. After the first six months my unit cost will go up slightly because I will be paying labor costs, so the sale price per unit will rise to \$20. I will make in total about \$9,500 at the end of the year. I have predicted that I will sell 100, 110, 110, 130, 145, 155, 150, 155, 155, 160, units in months 1-12 respectively. The only time my sales drop is from month six to month seven, and this is because my price goes up \$5 per unit. I think this may scare some people away initially, but all and all I will be making more money, and the number of sales will soon go back up again. My forecasted breakeven point is in August. For the first four months of running my business I will be losing money every month. During the 5th, 6th, and 7th month I will begin making back the money that I lost, and finally on the 8th month I will break even, and begin to consistently make money. My forecasts show that I will need approximately \$1000 of start up capital. I will be losing money for the first four months of running the business, and \$700 will be enough to cover those losses. The other \$300 will be needed to buy the materials to create enough product to handle the initial demand.