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**Executive Summary**

[Soy Wicks] is an established manufacturer of personalized scented candles in Seattle, Washington. The company sells the unique candles through its official website, although it also taps some boutiques and other local businesses in the area to sell the products. [Soy Wicks] has created a legacy of beautifully-crafted, personalized candles that are guaranteed to tap to your senses. With nostalgic scents made especially by a team of chemists, the company guarantees that its candles will add appealing scents to your homes.

**Company Overview**

[Soy Wicks] offers a variety of candles online and ships them nationwide. Based in Seattle, Washington, the company ships up to [25,000] specialty candles every year. With the candle industry estimated to be at around $2.3 billion a year, Soy Wicks is considered to be a small company in comparison to brands such as Yankee Candles and even the Bath and Body Works candle line. Candle purchases are highly discretionary and are considered luxury purchases; however, their sales are influenced by the economic climate and sales are likely to spike up during the holidays. Thus, the company is looking into ways to better improve its sales in the next three years to better compete with larger companies.

**Mission Statement**

[Soy Wicks] creates beautifully-crafted, made-to-order candles with aromas that are guaranteed to tingle the senses.

**Core Values/Philosophy**

[Soy Wicks] values excellence and innovation in creating new products that customers think are delightful. Focused on its desire to live with compassion, the company shares part of its profits to charitable institutions that benefit women and children around the globe.

**Vision**

[Soy Wicks] is committed to providing its customers with a unique gift-giving experience to the delight of its recipients.

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| **Company SWOT Analysis** |
| **Internal Factors** | **External Factors** |
| **Strengths** | **Opportunities** |
| * High-quality products
* Personalized scents that are unique to the customer’s liking.
* High barriers to entry
 | * Limited start-up risks
* Development of products based on seasonal scents and trends.
* Development of wholesale distributions
 |
| **Weaknesses** | **Threats** |
| * Large candle industry sees a large number of competitors
* Limited pricing flexibility
 | * Insurance costs are increasing
* Upward pricing
 |

**Business Concept**

**Product/Service Offered**

Some of the products offered by Soy Wicks include the following:

* Different kinds of candles
* Fragrances
* Candle accessories

**Benefits to Clients/Customers:**

Burning candles have health benefits to its users. Lighting well-placed candles in the home not only creates a cozy and intimate atmosphere but also helps individuals relax and feel calm.

**Target Customers:**

Soy Wicks focuses its marketing to millennials and new homeowners who like spoiling themselves with everyday luxuries such as lighting scented candles to add aromatic and aesthetic elements to their homes.

**Market Analysis**

**Trends**

Candle-making is a multibillion-dollar industry that surged in the early [2000s]. Today, seven out of [10 households] in the United States use candles to help their homes smell good. Candles come in different shapes, sizes, and scents, and candle sales are at an all-time high with revenues estimated to be at [$2.3 billion a year]. The luxury candle business is sparking growth especially in the market for home fragrances, and is still growing thanks to social media and online marketing.

**Market Size and Revenue Potential**

There are over [400] candle manufacturing companies in the United States, which means that the candle industry is considered to be on the smaller scale compared to other retail businesses. However, with over [2,000]varieties of candles that can be sold from as little as $1 for simple votive candles to $200 for artisan candles such as Soy Wicks, a [10%] annual increase in sales is expected in the next three years.

**[Soy Wicks] Growth Forecast for 2019**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **FY 2018** | **FY 2019** | **FY 2020** | **FY 2021** |
| Customers | 15,000 | 16,500 | 18,250 | 20,250 |
| New Accounts | 1,500 | 1,750 | 2,000 | 2,500 |
| Revenue | USD 2,970,000 | USD 3,285,000 | USD 3,645,000 | USD 4,095,000 |

**Competition**

[Soy Wicks] is in direct competition with two other luxury candle brands in the country: Scents and Pages and Earthly Scents

**Competitive Analysis**

|  |  |  |
| --- | --- | --- |
| **Company Name** | **Customer Services** | **Technology Use** |
| [Soy Wicks] | * Unique customer-centered products
* Innovative culture
 | * Uses algorithm to help customers figure their preferred scent combinations
* Online marketing and selling
 |
| Scents and Pages | * Different candle types
* Wide price range
* Over 250 candle scents
 | * Uses online marketing and selling techniques
 |
| Earthly Scents | * Different kinds of candles such as paraffin, soy, and beeswax
* Focuses on aromatherapy
 | * Uses social media marketing and influencers
 |

**Strategic Key Performance Areas (KPAs), Goals, and Objectives**

**Legend:**

**Definition of Priority Levels**

Priority Name Definition

High Low Cost, High Impact
Normal Average Cost and Impact
Low High Cost, Low Impact

**Definition of Status**

Ongoing - The activity is on track/on schedule.

At Risk - There are issues facing the activity, but can still be resolved.

On Hold - A serious issue needs to be resolved before the activity can continue.

**KPA: Financial**

Goal: Gain a [10%] increase in revenue every year for the next three years.

Objective: Gain [1,500] customer accounts in the coming year, and continue the trajectory in the next three years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| 1. Create promos every month to encourage customers to buy candles and share Soy Wicks posts on social media
 | Marketing manager | April 30, 2019 | Ongoing | High |

**KPA: Customer**

Goal: Market unique looks, scents, and designs for luxury candles.

Objective: Market the unique selling point of the company by emphasizing product customization and focusing on “signature scents”.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| 1. Attract customers by focusing on custom luxury such as creating signature scents and nostalgic designs.
 | Manufacturing staff | Monthly | Ongoing | Normal |

**KPA: Employees**

Goal: Make sure that all employees at Soy Wicks are trained to help sell customizable scents to customers.

Objective: Increase employee exposure and training to sales, telemarketing, and candle manufacturing as applicable.

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| --- | --- | --- | --- | --- |
| **Action Items** | **Owner** | **Target Date** | **Status** | **Priority** |
| 1. Hold seminars on business technologies every quarter.
 | Operations manager | April 15, 2019 | Ongoing | Low |

**Management Team**

[Soy Wicks] has a small team of professional business managers who handle the online, offline, and production aspects of the business. It is currently in the process of hiring more personnel to increase production and ensure that the company manages its growing number of orders monthly.

**Financial Details**

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| --- |
| **Soy Wicks** |
| **Balance Sheet** |
| [USD $] |
|  | **2018** | **2019** | **2020** | **2021** |
| **Assets** |  |  |  |  |
| Current Assets: |  |  |  |  |
| Cash | 3,600,000 | 4,000,000 | 4,500,000 | 6,000,000 |
| Accounts Receivable | 1,000,000 | 2,000,000 | 2,100,000 | 2,250,000 |
| Prepaid Expenses | 600,000 | 800,000 | 900,000 | 1,090,000 |
| Inventory | 300,000 | 600,000 | 700,000 | 850,000 |
| Total Current Assets | 5,500,000 | 7,400,000 | 8,200,000 | 10,190,000 |
|  |  |  |  |  |
| Property & Equipment | 550,000 | 800,000 | 800,000 | 800,000 |
| Goodwill | 350,000 | 600,000 | 600,000 | 600,000 |
| **Total Assets** | **6,400,000** | **8,800,000** | **9,600,000** | **11,590,000** |
|  |  |  |  |  |
| **Liabilities** |  |  |  |  |
| Current Liabilities: |  |  |  |  |
| Accounts Payable | 500,000 | 600,000 | 620,000 | 675,000 |
| Accrued Expenses | 1,840,000 | 1,250,000 | 1,200,000 | 1,200,000 |
| Unearned Revenue | 300,000 | 2,400,000 | 2,900,000 | 3,700,000 |
| Total Current Liabilities | 2,640,000 | 4,250,000 | 4,720,000 | 5,575,000 |
|  |  |  |  |  |
| Long-Term Debt | 300,000 | 365,000 | 300,000 | 900,000 |
| Other Long-Term Liabilities | 240,000 | 500,000 | 500,000 | 560,000 |
| **Total Liabilities** | 3,180,000 | 5,115,000 | 5,520,000 | 7,035,000 |
|  |  |  |  |  |
| **Shareholders' Equity** |  |  |  |  |
| Equity Capital | 250,000 | 400,000 | 435,000 | 460,000 |
| Retained Earnings | 2,970,000 | 3,285,000 | 3,645,000 | 4,095,000 |
| **Shareholders' Equity** | **3,220,000** | **3,685,000** | **4,080,000** | **4,555,000** |
| **Total Liabilities & Shareholders' Equity** | **6,400,000** | **8,800,000** | **9,600,000** | **11,590,000** |

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| --- |
| [Soy Wicks] |
| **Cash Flow in [USD $]** |  |  |
|  | For the Year Ending | 12-31-2018 | 12-31-2019 | 12-31-2020 | 12-31-2021 |
|  | Cash at Beginning of Year | 5,000,000 | 6,600,000 | 5,000,000 | 7,000,000 |
|  | Cash at End of Year | 6,600,000 | 8,380,000 | 8,470,000 | 10,480,000 |
|  |  |  |  |  |  |
| **Operations** |  | **2018** | **2019** | **2020** | **2021** |
| Cash receipts from |  |  |  |  |
|  | Customers | 3,600,000 | 3,800,000 | 4,600,000 | 4,800,000 |
|  | Other operations | 1,900,000 | 2,200,000 | 2,500,000 | 2,600,000 |
| Cash paid for |  |  |  |  |  |
|  | Inventory purchases | -150,000 | -180,000 | -230,000 | -250,000 |
|  | General operating and administrative expenses | -350,000 | -370,000 | -400,000 | -450,000 |
|  | Wage expenses | -2,000,000 | -2,200,000 | -2,200,000 | -2,400,000 |
|  | Interest | -500,000 | -550,000 | -570,000 | -600,000 |
|  | Income taxes | -800,000 | -850,000 | -860,000 | -920,000 |
| Net Cash Flow from Operations | 1,700,000 | 1,850,000 | 2,840,000 | 2,780,000 |
|  |  |  |  |  |  |
| **Investing Activities** |  |  |  |  |
| Cash receipts from |  |  |  |  |
|  | Sale of property and equipment |  |  |  |  |
|  | Collection of principal on loans | 1,000,000 | 1,150,000 | 1,500,000 | 1,750,000 |
|  | Sale of investment securities | 550,000 | 600,000 | 700,000 | 750,000 |
| Cash paid for |  |  |  |  |  |
|  | Purchase of property and equipment | -250,000 | -300,000 | -320,000 | -350,000 |
|  | Making loans to other entities | -1,000,000 | -1,200,000 | -1,150,000 | -1,350,000 |
|  | Purchase of investment securities |  |  |  |  |
| Net Cash Flow from Investing Activities | 300,000 | 250,000 | 730,000 | 800,000 |
|  |  |  |  |  |  |
| **Financing Activities** |  |  |  |  |
| Cash receipts from |  |  |  |  |
|  | Issuance of stock | 150,000 | 200,000 | 250,000 | 250,000 |
|  | Borrowing | 500,000 | 700,000 | 900,000 | 950,000 |
| Cash paid for |  |  |  |  |
|  | Repurchase of stock (treasury stock) |  |  |  |  |
|  | Repayment of loans | -500,000 | -600,000 | -600,000 | -600,000 |
|  | Dividends | -550,000 | -620,000 | -650,000 | -700,000 |
| Net Cash Flow from Financing Activities | -400,000 | -320,000 | -100,000 | -100,000 |
|  |  |  |  |  |  |
| Net Increase in Cash | **1,600,000** | **1,780,000** | **3,470,000** | **3,480,000** |
|  |  |  |  |  |  |
|  | Cash at End of Year | 6,600,000 | 8,380,000 | 8,470,000 | 10,480,000 |