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**Executive Summary:**

[Nzuri Cosmetics] is a cosmetic brand that focuses on color cosmetics such as [eye palettes, blush, highlighters, bronzers, and lipsticks]. The company is seeking recurring investments from stores such as Sephora, Ulta, and other department stores to fund the growth of the brand. The following business plan will show how the brand will reach profitability within three years of operation.

**Company Overview:**

**Mission Statement:** It is the mission of [Nzuri Cosmetics] to represent quality cosmetics by manufacturing high-quality products for a comprehensive distribution network using retail outlets and Internet presence.

**Philosophy: [**Nzuri Cosmetics] prides itself for using only the best ingredients while keeping consumer costs low.

**Vision: [**Nzuri Cosmetics] sees itself as a leading cruelty-free and vegan cosmetic brand that won’t break the bank.

**Outlook:** The beauty industry has grown significantly over the [past few years]. Younger consumers, in particular, are rejecting large brands in preference of locally-made, [cruelty-free products], and creative packaging.

**Type of Industry:** Beauty and Cosmetics

**Business Structure:** Sole Proprietorship

**Ownership:** Sole Proprietorship, [Dianne Taylor]

**Start-Up Summary**: The start-up cost is [USD 450,000], which shall be provided by the owner and shall be used for rent, supplies, payroll, and maintenance.

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| **Start-Up Funding** |
| Start-Up Expenses | $100,000 |
| Start-Up Assets | $350,000 |
| **Total Funding Required** | **$450,000** |
|  |
| Assets |  |
| Non-Cash Assets from Start-Up | $20,000 |
| Cash Requirements from Start-up | $30,000 |
| Additional Cash Raised | $50,000 |
| Cash Balance on Starting Date | $250,000 |
| **Total Assets** | **$350,000** |
|  |
| Capital |  |
| Planned Investment |  |
| Owner | $350,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$350,000** |
| Loss at Start-Up (Start-Up Expenses) | $100,000 |
| **Total Capital** | **$450,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$450,000** |
|  |
| **Start-Up** |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $30,000 |
| Advertising | $10,000 |
| Legal Fees | $10,000 |
| Staff Training | $30,000 |
| Insurance | $20,000 |
| Other | $0 |
| **Total Start-Up Expenses** | **$100,000** |
|  |
| Start-Up Assets |  |
| Cash Required | $330,000 |
| Start-Up Inventory | $5,000 |
| Other Current Assets | $5,000 |
| Long-Term Assets | $10,000 |
| **Total Assets** | **$350,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$450,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| Debbie Betton | Operations Manager | Communications, People Management, Teamwork |
| Cynthia Cooper | Sales and Marketing | Communications, Sales, Performance Management |

**Short- and Long-Term Goals and Milestones:**

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| --- | --- |
| **Short-Term Goals** | **Milestones** |
| * Hire front-end developer for brand website
 | * Developer hired, website in progress
 |
| * Hire a creative team to develop labels and logo
 | * Development of creative labels in progress
 |
| **Long-Term Goals** | **Milestones** |
| * Hire chemists to develop different cosmetic formulas
 | * Hired three of five necessary chemists
 |
| * Look for commercial space for a physical store
 | * Currently looking into properties
 |

**Products and Services**

**Product/Service Description: [**Nzuri Cosmetics] manufactures and distributes color treatment cosmetics, focusing on makeup such as [eye palettes, highlighters, blush, lipsticks, lip glosses, and tints].

**Value Proposition: [**Nzuri Cosmetics] has extensive cosmetic products that allow differing consumer tastes and preferences, whether consumers are looking for a [simple, neutral makeup or something for dramatic party looks], [Nzuri Cosmetics] will stir up excitement that will give its customers the perfect excuse to stop by at the store.

**Pricing Strategy: [**Nzuri Cosmetics] utilizes mark-up, competitive pricing strategies that are typical of retail brands.

**Execution**

**Marketing Plan: [**Nzuri cosmetics] will utilize a brand-building strategy that positions its print advertisements in magazines that influence our target markets such as Cosmopolitan, Vogue, Vanity Fair, and The New York Times Lifestyle edition. In addition, it will also retain a PR firm that will help develop a grassroots program for obtaining product placement and celebrity endorsements.

**Market Research:** Younger consumers of cosmetic products are looking for more holistic, cruelty-free brands. Although the dynamics of the beauty industry have favored large houses such as [L’Oreal] and [Clinique,] brands such as [The Body Shop] and [Urban Decay] brought awareness regarding cruelty-free and vegan beauty products with excellent results.



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| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Nzuri Cosmetics | Organic products with no animal testing | Low-profit margins as introductory prices | Market potential of beauty products | Dynamic nature of the beauty industry can prove difficult for the company to keep up |
| Maybelline New York | The wide product range offered to customers | Lack of social media presence | Increase per capita income results to an increase in shopping behaviors | Competition from other brands that offer similar products at similar prices |
| L’Oreal Paris | Known for product quality | Weak website in the age of e-commerce | Expansion of product lines | Lower profit margins can cause problems with overall cash flow |

**Marketing Strategy: [**Nzuri Cosmetics] shall rely, for the most part, on social media marketing. Print and broadcast advertising, although useful, are now less popular for millennials and younger audiences. Influencer marketing will help promote the brand thanks to well-known figures within a specific industry.

By taking advantage of influencer marketing programs, the company will gain credibility through social media makeup artists, which will then encourage the acceptance of the brand to the public. With trendy colors, collaborators, and social media postings, the brand’s overall aesthetics, and low prices are sure to attract consumers in the long run.

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Print advertising | Produce print advertisements for influential magazines | April 2019 | Quality print advertisements to be run in at least three influential magazines: Cosmopolitan, Vogue, and W |
| Influencer Program | Tap at least 25 influencers who will post about the products on their social media pages | March 2019 | Each influencer will be able to use up promo coupons allocated for their followers (100 coupons each) |
| Social Media Marketing | Update and schedule social media posts | February 2019 | 150% increase in followers and post engagements. |

**Organizational Structure:**



**Operational Plan:**

**Location and Facilities**

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**Financial Plan**

**Assumptions**

Due to the nature of [cosmetic branding], the company is looking at slow but stable revenue growth. The business is a combination of retail and wholesale, thus, there will be delays on the sales collection. As the company develops its customer base, sales should increase by the third year.

**Monthly Expense**

The chart shows the projected monthly expense for the coming year.

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**Monthly Revenue**

The chart depicts the projected monthly revenue.

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**Business Financing**

The business shall be funded by the [owner and CEO]. Most of the expenses shall go to insurance, rent, salaries, supplies, and advertising.

**Statements**

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| **Profit and Loss Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $4,000,000.00 | $4,500,000.00 | $5,000,000.00 |
| Direct Cost of Sale | $1,200,000.00 | $1,500,000.00 | $1,700,000.00 |
| Other Cost of Sale | $500,000.00 | $550,000.00 | $600,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $2,300,000.00 | $2,450,000.00 | $2,700,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $1,700,000.00 | $2,050,000.00 | $2,300,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **42.50%** | **45.56%** | **46.00%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $36,000 | $36,000 | $36,000 |
| Insurance | $5,000 | $5,000 | $5,000 |
| Utilities | $5,000 | $5,000 | $5,000 |
| Salary (Including Tax) | $1,500,000 | $1,500,000 | $2,000,000 |
| Maintenance & Supplies | $24,000 | $24,000 | $24,000 |
| **Total Operating Expenses** | **$1,570,000.00** | **$1,570,000.00** | **$2,070,000.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $730,000.00 | $880,000.00 | $630,000.00 |
| Depreciation | $4,000.00 | $4,000.00 | $4,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $4,000.00 | $5,000.00 | $6,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$126,000.00** | **$475,000.00** | **$224,000.00** |

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| **Balance Sheet Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $1,500,000.00 | $1,650,000.00 | $1,700,000.00 |
| Accounts Receivable | $10,000.00 | $15,000.00 | $11,000.00 |
| Inventory | $3,000.00 | $5,000.00 | $6,000.00 |
| Other Current Assets | $5,000.00 | $6,000.00 | $8,000.00 |
| **Total Current Assets** | **$1,518,000.00** | **$1,676,000.00** | **$1,725,000.00** |
|  |  |  |  |
| Long-Term Assets | $800,000.00 | $700,000.00 | $600,000.00 |
| Accumulated Depreciation | $3,000.00 | $2,500.00 | $2,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $797,000.00 | $697,500.00 | $598,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$2,315,000.00** | **$2,373,500.00** | **$2,323,000.00** |
|  |  |  |  |
| Accounts Payable | $20,000.00 | $30,000.00 | $15,000.00 |
| Notes Payable | $5,000.00 | $6,000.00 | $8,000.00 |
| Other | $3,500.00 | $7,000.00 | $5,000.00 |
| **Total Liabilities** | **$28,500.00** | **$43,000.00** | **$28,000.00** |
|  |  |  |  |
| Paid-in Capital | $5,000.00 | $5,000.00 | $5,000.00 |
| Retained Earnings | $1,150,000.00 | $1,200,000.00 | $1,300,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$2,286,500.00** | **$2,330,500.00** | **$2,295,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **1.25%** | **1.85%** | **1.22%** |

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| **Cash Flow Projection** |
|  | **FY2019** | **FY2020** | **FY2021** |
| Operating Cash Beginning | $1,000,000.00 | $1,500,000.00 | $1,600,000.00 |
|  |  |  |  |
| **Sources of Cash** | $1,500,000.00 | $1,800,000.00 | $1,500,000.00 |
| Receivables | $150,000.00 | $170,000.00 | $200,000.00 |
| Sales | $3,000,000.00 | $2,500,000.00 | $3,500,000.00 |
| Others | $5,000.00 | $7,000.00 | $8,000.00 |
| **Total Cash** | $5,655,000.00 | $5,977,000.00 | $6,808,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $36,000 | $36,000 | $36,000 |
| Insurance | $5,000 | $5,000 | $5,000 |
| Utilities | $5,000 | $5,000 | $5,000 |
| Salary (Including Tax) | $2,000,000 | $2,000,000 | $2,000,000 |
| Maintenance & Supplies | $24,000 | $24,000 | $24,000 |
| **Total Expenditures** | $2,070,000.00 | $2,070,000.00 | $2,070,000.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$3,585,000.00** | **$3,907,000.00** | **$4,738,000.00** |