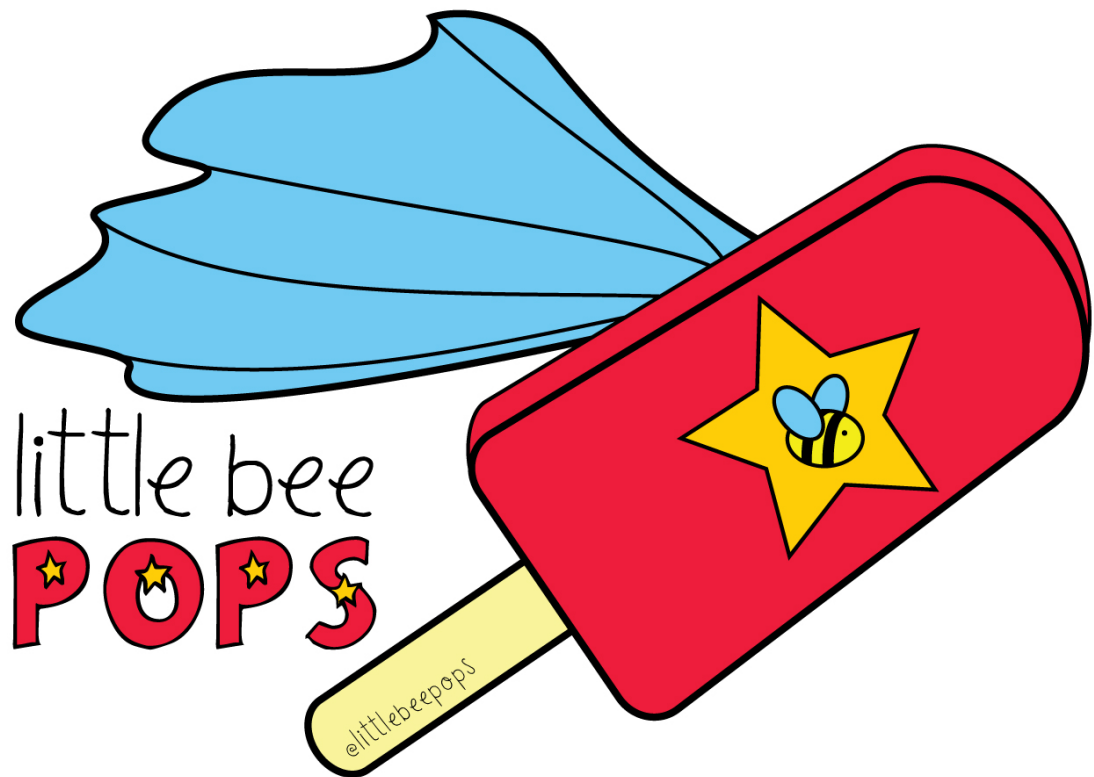


Business Plan



OWNER

Liz Snyder
Little Bee Pops
P.O. Box 391053
Mountain View, CA 94039
(650) 276-3300
liz@ieatreal.com

Executive Summary

Little Bee Pops is a new company that will provide handmade, 100% local, honey-sweetened popsicles to retail and restaurant markets in the San Francisco Bay Area. Little Bee Pops is scheduled to begin operations on June 10, 2011. Little Bee Pops will be a sole proprietorship, owned and operated by Liz Snyder.

Little Bee Pops will provide a fresh, seasonal, nothing-added alternative to the traditionally chemical-laden frozen desserts. We will sell to the following target markets:

Retail: Kids and their health-conscious parents, and “locavore” foodies. Planned locations include the Mountain View Farmers’ Market, Art & Wine Festivals, and San Jose Earthquakes’ home games.

Restaurant: Restaurateurs and corporate café managers with a commitment to serving fresh, seasonal foods. Planned locations include Santa Clara University, Bumble in downtown Los Altos, and Brocade in San Jose.

Catering: Mid-term plans include direct sales to event planners and caterers who prepare seasonal, eco-conscious menus for weddings and corporate picnics. Targets include Laura Stec (Innovative Cuisine), Jesse Cool (Cool EatZ), and Bon Appétit Management Company.

Distribution: Long-range plans include distribution to health food stores and groceries. Targets include Whole Foods, Country Sun, Sprout Market, and Bumble Bee Natural Foods. Early interest from Whole Foods has been established.

Little Bee Pops will target small- to medium-sized cafés and retail locations within the South Bay and Peninsula. In addition to mobile sales with an ice cream cart in the Mountain View area, Little Bee Pops will seek regular contracts with restaurants, corporate caterers, and retail locations.

The mobile food sales sector in Silicon Valley is explosive, largely comprised of food vendors with environmentally conscious business practices. These businesses’ add a new dimension of value to the consumer by having a mission-driven, ethically produced product. The success of Little Bee Pops is dependent upon having a product that is delicious AND supports kids’ health and the environment. As a company, Little Bee Pops seeks to:

- Support a strong local food system by using small- to mid-scale local farms within 150 miles of Mountain View, CA as our sole suppliers.
- Minimize waste and packaging by utilizing the latest in compostable, biodegradable, and recyclable packaging materials.
- Offer a low-sugar, fresh product that provides a healthy alternative to a much-loved treat.

- Use the Little Bee Pops brand as a platform for supporting efforts to promote a healthy childhood in Silicon Valley.

While we always aim to have satisfied customers, we anticipate that there will be three primary customer pressures or issues for Little Bee Pops:

Issue:	Plans to Mitigate:
<p>Building trust. Does the company really “walk the walk”?</p>	<ul style="list-style-type: none"> • Ingredients list on every pop • Profiles of farms/farmers on web • Profile of owner (and daughter) on website • Mentions of farms/farmers on twitter and Facebook • Signage stating handmade, 100% local philosophy on cart • Media coverage
<p>Location confusion. Where are they going to be today?</p>	<ul style="list-style-type: none"> • Announcement of locations day before and day of on twitter and Facebook • Regular schedule and restaurant locations on “where to buy” tab on website • Strong visual presence of ice cream cart (great logo!)
<p>Limits to production. What, you’re sold out <i>again</i>?</p>	<ul style="list-style-type: none"> • Measuring sales of each flavor each day and modifying production accordingly • Magnetic sold out stickers to tell customers in line right away when something is sold out (no waiting in line for a flavor that’s sold out)

Little Bee Pops’ will plan on achieving first year direct sales of \$40,000. In subsequent years, growth in both capacity and demand will yield a more profitable level of sales equal to or better than \$60,000 in year two and \$80,000 in year three. The company plans to aggressively promote its products to distributors and caterers to allow for maximized profits.

It the first year of operations, Little Bee Pops plans on breaking even. In years two and three the company will become more profitable as contracts and clientele increase and as the company learns to become more efficient in operations.

The initial start up expense for Little Bee Pops is \$3791. These capital funds will be used to purchase kitchen equipment, to obtain necessary permits and insurance to begin operations, and to invest in an ice cream push cart.

In order to start up, Little Bee Pops is seeking a total of \$4500 in peer-to-peer loans. The loan(s) will be repaid in no more than 18 months at an interest rate of 3%.

The goal is to launch Little Bee Pops on June 12, 2011 at the Mountain View Farmers Market.

1. General Company Description

Mission Statement: Little Bee Pops provides seasonal, healthy, artisanal popsicles to food lovers of all ages in the Mountain View metro area.

Legal Ownership: Sole Proprietorship

Company Goals and Objectives:

Goal #1: Have a thriving, successful business that is financially sustainable and poised for thoughtful, well-managed growth. Objectives include:

- Meet or exceed a net profit of \$40,000 in year one, selling between 400-600 pops a week.
- Have consistently sold-out mobile retail locations including but not limited to: Mountain View Farmers' Market, downtown Mountain View, local Art & Wine events, local parks, and Los Altos Farmers' Market
- Have 1-3 corporate and/or restaurant clients placing regular orders
- Build a waiting list of 4-5 corporate and/or restaurant clients
- Cater 2-3 events (wedding receptions, parties, etc)

Goal #2: Create a strong local supply chain of small and mid-scale food producers to supply all ingredients from within 150 miles. Objectives include:

- Find local, chemical-free producers that can provide wholesale fruit, honey, and specialty ingredients (spices, etc)
- Plan purchases to reflect seasonal over-supply to maximize savings
- Develop relationships with local Farmers' Market vendors to minimize delivery costs
- Be flexible with ingredients to be able to deal with availability (i.e. peaches one week, nectarines the next)
- Create signage and communications plan that highlights our local producers

Goal #3: Balance culinary creativity with kid-friendly flavors to create an exciting seasonal menu that appeals to all ages. Objectives include:

- Garner positive media attention and customer reviews within 3 mos. of start-up

- Debut with 3 classic flavors: strawberry, raspberry lemonade, and cherry
- Debut a new, creative, limited edition flavor every 3 mos.
- Build a 10-month rotation of flavors with 3 'seasonal classics' and 1 'limited edition' for early Spring, late Spring, early Summer, late Summer, and Fall.
- Use sales records plus focus groups or online polling to determine most popular flavors and adjust production accordingly

Business Philosophy: Provide unique frozen treats that will both delight all ages AND promote healthy, whole foods. Support the local food system through 100% dedication to buying all-local ingredients from small and mid-scale farms.

2. Target Markets

- **Kids Ages 3-13.**
Classic flavors that taste great to little tastebuds + local park presence.
- **Health-Conscious Parents.**
Pops free of HFCS, food dyes, and preservatives. Mostly fresh fruit!
- **Foodies and/or Locavores.**
100% local ingredients. Supporting beekeepers and farmers.
- **Restaurateurs and Food Service Operators.**
Fun treats for all ages. Seasonal, local dessert options for guests.

3. Market Analysis

Mobile food carts and local artisanal food products are both areas of phenomenal growth in the retail food industry.

Ice pops in particular are a popular specialty dessert, always a favorite with kids and now trending with nostalgic, health- and environmentally-conscious adults - many of whom are parents to young children.

The Bay Area in particular has a large percentage of this target market, and many can be found (kids in tow) at their weekly Farmers' Market.

4. Products and Services

Product Description: 100% local and seasonal frozen desserts. Our popsicles are made from seasonal fruit and local honey. No artificial ingredients, ever.

Features and Benefits

- Healthy alternative to store-bought pops
- Local, seasonal, pesticide-free
- No corn syrup, artificial colors or flavors
- Supports a local food system for Silicon Valley
- Less than 1 tsp. honey per pop
- Fun, fresh flavors

5. Sales Model

Service:	Price Structure:	Target Markets:
RETAIL: Mobile ice cream cart sales directly to the public	\$3 per pop \$5 for two pops	Mountain View Farmers' Market, Mountain View Art & Wine, San Jose Earthquakes concessions (tentatively confirmed), downtown MV (Gelato Classico runoff crowd), Eagle Park, Eat Real Festival
CATERING: develop custom flavors for clients and provide ice cream cart service to parties, weddings, and special events	\$2 per pop (100 minimum order) \$250 service fee	Rengstorff House events, Bon Appétit catering customers, Facebook Fans
DELIVERY: Available for purchase or commission, popsicle delivery to restaurants and corporate cafés	\$2 per pop (with weekly order of 200 or more) Smaller quantities: 20% of retail sales (\$3 per pop) to café	Companies with interest: Brocade, SAP, Bumble, Google. Future targets: SAP, Xlinx, Neto, Red Rock Café, VMWare, Marvell, Stanford GSB, Books Inc., Cool Eatz
DISTRIBUTION: Small-scale	\$2 per pop (with	Companies with interest: Whole

distribution to specialty grocery stores	weekly order of 200 or more)	Foods Cupertino, Whole Foods Los Altos Future targets: Bumble Bee Natural Foods, Country Sun
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6. SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • In depth knowledge of local food systems and food trends • Marketing and social media expertise • Existing relationships with growers, markets, corporate cafés, restaurateurs, and media professionals • “Street Cred” as sustainable food expert and children’s health advocate • Great product with wide appeal 	<p>Opportunities</p> <ul style="list-style-type: none"> • Phenomenal demand for our product • Growers who need regular wholesale customers • Bon Appétit connection - develop regular customers, including San Jose Earthquakes this summer! • PR – we have a great story to tell! • No competition – no comparable product in our region • Low start up costs
<p>Weaknesses</p> <ul style="list-style-type: none"> • No previous experience with retail business ownership • No knowledge of mass manufacture of food products (limits on how big, how fast) • Red-tape restrictions on ingredients (dairy not possible in year one) 	<p>Threats</p> <ul style="list-style-type: none"> • Loss of free SCU kitchen space in September (summer use only) • Possibility of competition: start up of similar business by others • Possibility of actual sales not matching estimated market interest

7. Competitive Analysis

1 = critical; 5 = not very important.

Factor	Little Bee Pops	Strength	Weakness	Store-bought Pops	Ice Cream & Yogurt Shops	Importance to Customer
Products	Fresh Fruit Popsicles	X		Not fresh	Not available	1
Price	\$3 each		X	MUCH cheaper	Competitively priced	3
Quality	Fresh fruit, pesticide free, honey sweetened	X		No comparison !	Advantage: dairy ingredients, better mouthfeel	2
Selection	3-4 flavors, changing with seasons	X		Not seasonal, not fresh but more options	More flavors but not seasonal	2
Service	Mobile sales	X		In a cool market instead of outside in the sun	Must choose to go there	3
Reliability	Established weekly route		X	Always available 24.7	Regular hours and location, always present	4
Stability	Pops stay fresh 3-4 months		X	Pops preserve for decades	Depends on ice cream ingredients	5
Expertise	Mom-to-Mom expertise for healthy children	X		No expertise	No expertise	4

Factor	Little Bee Pops	Strength	Weakness	Store-bought Pops	Ice Cream & Yogurt Shops	Importance to Customer
Company Reputation	Owner has reputation for integrity, support of local food, and childrens' health	X		Bad reputation (processed junk food)	Depends on brand	2
Location	Mobile + Select Restaurants		X	Ubiquitous	Fixed retail locations	4
Appearance	Great logo + brand presence, awesome "spokeskid"	X		Processed, fake	Depends on Brand	2
Sales Method	Mobile retail sales plus catering/restaurant		X	Easier to access/know where to get	Easier to access/know where to get	3
Advertising	Strong reliance on social media and earned media	X		Paid advertising campaigns	Paid advertising campaigns	2
Image	Integrity, commitment to sustainable practices, healthy product	X		Fake food product with no environmental benefit	Depends on brand, but many unhealthy associations	1

8. Sales Forecast

	Monthly Sales	Estimated	Net Profit (per	Notes
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		Expenses	month)	
Starting (baseline)	\$3600	\$1230	\$2370	Assumption of 300 pops/week at retail
Target (year one)	\$7200	\$1830	\$5370	Assumption of 300 pops/wk retail, 300 pops/wk café sales, + 1 catering event Note: unsure if this is possible without added paid labor!
Wild Dreams (future growth)	\$12,000	\$3800	\$8200	Assumption of 300 pops/wk retail, 600 pops/wk café sales, + 2 catering events. Includes 1 FT employee. Notes: requires massive scaling up of production, kitchen may not accommodate

9. Operational Plan

Production

Popsicles will be produced on site at Santa Clara University's commercial kitchen.

Launch Date

July 12, 2011 at the Mountain View Farmers' Market

Locations

Mobile Retail Sales – Mountain View and surrounding

Restaurants and Corporate Cafés – San Jose Metro Area

Legal Environment

Start up requires the following:

- \$500,000 liability insurance plan with SCU as additional insured
- Commercial kitchen operations permit
- Ice Cream Cart permit
- City of Mountain View business license
- Small business account at Meriwest Credit Union
- ServSafe Certification (food safety training)

Suppliers

We aim to have 2 suppliers for each food product to have redundancy when ordering seasonal ingredients.

Critical ingredients:

Honey

- Honey of Distinction, Campbell, CA
- Santa Clara Bee Guild, Santa Clara, CA

Berries

- Full Circle Farm, Sunnyvale, CA
- Full Belly Farm, Watsonville, CA
- Dirty Girls Produce, Santa Cruz, CA

Tree Fruit

- Live Earth Farm, Watsonville, CA
- Frog Hollow Farm, Brentwood, CA
- Happy Boy Farms, Aptos, CA
- Love Apple Farm, Aptos, CA
- The Lemon Ladies, Emerald Hills, CA

Packaging Supplies (bought online, wholesale):

- Popsicle sticks
- NatureFlex Compostable Cello Bags
- Flavor labels (Recycled, soy-based ink)
- Packing Boxes for deliveries

10. Startup Expenses

Item	Cost
ServSafe Cert	\$40
Heat Sealer	\$40
Cherry Pitter	\$50
Chest Freezer	\$200
Logo stickers	\$250
Push Cart	\$500
molds x 30	\$600
Large Cooler	\$100
sidewalk sign	\$150
Kitchen Rental	\$0
Sticks	\$30
Compostable Wrappers	\$200
Ingredients	\$600
Other Packaging	\$50

Liability Insurance	\$100
Loan Repayment	\$300
Biz License	\$30
Cart Permit	\$123
Kitchen Permit	\$728
TOTAL STARTUP	\$3,791

Start Up Loan Needs

Goal: Borrow \$1500 from 3 family/friend (peer-to-peer) lenders starting May 2011. \$4500 should provide the needed start up funds plus adequate padding.

Terms: To be paid back at \$100/m each at 3% interest (with grace period of 60 days as business starts up)

Loans will be fully repaid in 18 months.