

**Plant Sitters**

**Executive Summary**

“Where your Plants are in our Hands!

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| --- | --- | --- |
| **Company Background** | | **Contact Information**  Anthony Sawyer  404-534-3420  asawyer@aps.edu  Plant Sitters  3601 North Park Avenue Atlanta, GA  30303  **Year Founded**  2013  \_\_\_\_\_\_\_\_\_\_\_\_\_  **Investment Opportunity**  $573.00  **Annual Operating Costs**\*  $1,800.00  **Annual Sales**\*  $5,900.00  **Annual Profit**\*  $676.60  **Return on Sales\***  11.5%  **Return on Investment**\*  118.0%  **Breakeven Units/Month**\*  7 units  *\*Projected* |
| Business Description - Plant Sitters is a plant care service that takes care of customer’s plants when they are away from home. Our business provides plant care for people in the Beneen Park area of Atlanta. Plant Sitters is structured as a Sole Proprietorship established by Anthony Sawyer. Plant Sitters is in the home care service industry. |  |
| Business Model: Plant Sitters will provide care to customer’s plants when they are away from home. We will water the plants twice a week, trim and feed as necessary. | |
| Mission Statement:Plant Sitters, a plant care service, provides good care to customer’s plants when they are not home. Plant Sitters arranges the schedule the plants need to be watered and fed based on the customer’s convenience. | |
|  | |
| **Market Opportunity** | |
| Opportunity: Benteen Park has a median income of 40,228 and can afford travel. On average, these residents left their plants without care when they are traveling or not home. Plant Sitters seeks to provide these individuals with plant care so they can leave without worrying about their plants. | |
| Target Market: Twenty and older, both male and female, that don’t have time to care for their plants and can afford to travel. | |
| Industry Overview: Plant Sitters fits within the residential cleaning service industry, because we are fixing existing plants within the homes. The residential cleaning service industry makes $46 billion annually. | |
| Market Research: 80% of people surveyed said that they tend to forget to water their plants and they die. | |

**Plant Sitters**

**Business Plan**

*“Where your Plants are in our Hands”*

Instructions:

* Revise the text highlighted in yellow for your own business.
* Answer the questions highlighted in blue for your own business. Then, delete any questions in blue before submitting the final plan.

**1. OPPORTUNITY RECOGNITION & BUSINESS STRUCTURE**

**1.1 Business Opportunity**

*What is your business opportunity?*

80% of people surveyed report that they forget to water their plants, and they end up dying.

*Describe the problem/unmet need your business is solving?*

Plants and flowers left abandoned at home for long periods of time end up dying from being left untended.

*How does your business solve the problem/unmet need?*

Plant Sitters is a plant-sitting service that provides households the opportunity to take care of their plants when they are out of town or don’t have time.

**1.2 Type of Business**

*What is your type of business? (Manufacturing, Wholesale, Retail or Service) Describe in detail why you chose this business type.*

Plant Sitters is a Service business that takes care of plants when owners are away.

**1.3 Type of Business Ownership**

*Which business ownership type did you select for your business? (Sole proprietor, Partnership, LLC, S-Corp, C-Corp) Describe in detail why you chose this business ownership structure.*

Plant Sitters is currently a Sole Proprietorship.

*Why did you select this type of business ownership? Why does it make the most sense for your business?*

We chose this type of business ownership because it was the easiest to start, but we will register for a Limited Liability Company once we get off the ground.

**1.4 Mission Statement**

*A mission statement is a company’s constant reminder to its employees and customers of why the company exists in a concise way.*

*Describe what your company does best and why in one-two sentences.*

Plant Sitters, a plant care service, provides good care to customer’s plants when they are not home. Plant Sitters arranges the schedule the plants need to be watered and fed based on the customer’s convenience.

**1.5 Social** **Responsibility**

*Social Responsibility is often described as “doing well by doing good.” In addition to making a profit entrepreneurs need to consider how they support social good.*

*How is your business socially responsible? Be specific.*

Plant Sitters makes a social impact because keeping plants alive contributes to decreased carbon dioxide levels in the air.

*How do you plan to give back to a social cause with either your time and/or money?*

Plant Sitters will donate to efforts that help plant trees and create green places in urban areas

**1.6 Qualifications**

*What are your personal qualifications to run this particular business? (experience, certification, classes, skills) To complete this section refer to your strengths from your SWOT.*

I have the following qualifications to run this business

* Basic plant care knowledge
* NFTE experience
* Sullivan Finance Academy experience
* LOVE GARDENING & PLANTS!

*What qualifications would your team need to have?*

My team would have to also have a love of gardening and plants, along with basic plant care knowledge and customer service skills.

**2. MARKET RESEARCH**

**2.1 Market Research**

*What industry does your business belong to? Describe why your business fits within this industry.*

Plant Sitters fits within the residential cleaning service industry, because we are fixing existing plants within the homes.

*What is the size of that industry? (For example: revenue, services providers, and industry trends)*

The residential cleaning service industry makes $46 billion annually.

*What is the size of your potential target market?*

There are 40,288 people that live in the 30315 area. In the 5,873 households with income of $50,000, 1,113 would be interested in my service.

*What data did you find that supports your business opportunity?*

80% of people who I asked said that they tend to forget to water their plants and they die.

**2.2 Target Market**

*Based on your research, describe your market segment within your target market. Be as detailed as you can, using the following guiding questions.*

Demographics: *What objective social and economic facts did you find?*

Middle and upper class; Ages 20-75, male & female, +$50k household income

Geographics: *Where do your customers live, or where are businesses located?*

Benteen Park Area of Atlanta, 30315

Psychographics: *What are some psychological characteristics (attitudes, beliefs, interests, etc…) of your customers?*

Travels a great deal, Appreciates nature and loves their plants

*What are the buying patterns for your target market?*

Willing to spend money on plants, Can afford to travel; Doesn’t like going out much to hardware stores to buy plants.

**2.3 Competitors**

*Which direct competitors run similar businesses? Describe these competitors in detail.*

Plant care centers in the Atlanta area such as Spout Home and Gethsamarie Garden Center, and home garden places, such as Home Depot.

*Which indirect competitors fulfill the same want or need with a different business? Describe these competitors in detail.*

Atlanta area florists and plant shops.

**2.4 Competitive Advantage**

*Describe your competitive advantage, or what makes your business better than your competitors? Use the following guided questions to help identify potential differentiators for your business:*

* *What product or service can your business provide that your competitors don’t?*
* *What mix of products or services can your business provide that your competitors don’t?*
* *What specialized selling or delivery method can give your business a competitive edge?*
* *In what unique ways can your business meet customers’ wants or needs?*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Plant Sitters** | **Sprout Home** | **Gethsemane Garden Center** |
| Location | Home | Store | Store |
| Business Model | Focus on Plant Care | Also sells home decor | Sells a lot of supplies |
| Trustworthiness | Build relationship | Unknown salesperson | Unknown salesperson |

*List your three competitive advantages that put you ahead of the competition. Go beyond price.*

1. Provides the care in the convenience of customer’s home.

2. Focuses only on plant care and not the sales of multiple items.

3. Can be trusted because we build relationships with customers.

**2.5 Business Growth**

*What trends in your industry could provide additional opportunities for growth?*

More people are trying to be eco-friendly, so more people may want to buy houseplants.

*What next steps would you take to grow your business and/or making it operational?*

Plant Sitters anticipates that, after a profitable customer base is established, the company will develop an intensive growth strategy. We would try to expand the areas we would provide our service to.

**2.6 Challenges**

*What trends in your industry could provide potential challenges to your business?*

People have less money these days for travel and services such as Plant Sitters.

*What barriers to starting this business exist? What additional education or training could you pursue to overcome these obstacles?*

The first obstacle our company will face is promoting our business and having a stable business model.

**3. FINANCIAL INFORMATION & OPERATIONS**

**3.1 Definition of One Unit**

*What is one unit of sale? Remember that a unit of sale is what the customer actually buys from you, so it should be clear and easy to describe.*

1 week of plant care per household.

**3.2 Delivery of Service**

*List all the steps it takes to get your product or service to your customer. Be specific and add lines if needed.*

|  |
| --- |
| Description of Process Steps |
| 1. Call/Make an appointment |
| 2. Inform costumer of prices |
| 3. Pick up the keys to the house (The day costumer leaves home) |
| 4. Provide plant care [for the amount of time the costumer chooses]. |
| 5. Customers will inform our business on what time to drop off their keys. |
| 6. Receive payment for services |

**3.3 Variable Expenses**

*List all the variable expenses, materials and labor, related to your unit of sale.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Materials** | | | | | | |
| Material Description | | Bulk Price | Bulk Quantity | | Quantity per Unit | Cost per Unit |
| Miracle Grow | | $24.00 | 6 Bottles | | 1/8 Bottle | $0.50 |
|  | |  |  | |  |  |
|  | |  |  | |  |  |
|  | |  |  | |  |  |
|  | |  |  | |  |  |
| **Total Material Costs per Unit** | | | | | | **$0.50** |
|  | | | | | | |
| **Labor** | | | | | | |
| Cost of Labor per Hour | Time (in hrs) to make one unit | | | **Total Labor Costs per Unit** | | |
| $10.00 | 1.75 hours | | | **$17.50** | | |
|  | | | | | | |
| **COGS/COSS** | | | | | | |
| Material Costs | Labor Costs | | | **TOTAL COSS** | | |
| $0.50 | $17.50 | | | **$18.00** | | |

**3.4 Economics of One Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| **Selling Price per Unit** |  |  | $50.00 |
| **Variable Expenses per Unit** |  |  |  |
| Costs of Goods Sold |  |  |  |
| Materials | $0.50 |  |  |
| Labor | $17.50 |  |  |
| Total Cost of Goods Sold |  | $18.00 |  |
| Other Variable Expenses |  |  |  |
| Commission | $0.00 |  |  |
| Packaging | $0.00 |  |  |
| Other (Transportation) | $10.00 |  |  |
| Total Other Variable Expenses |  | $10.00 |  |
| Total Variable Expenses |  |  | $28.00 |
| **Contribution Margin per Unit** |  |  | **$22.00** |

**3.5 Fixed Expenses for One Month**

|  |  |  |
| --- | --- | --- |
| Expense Type | Monthly Cost | Explanation |
| Insurance | $50.00 | Liability/Professionalism |
| Salary | $0.00 | Commission |
| Advertising | $25.00 | Neighborhood Newspaper Ad. |
| Interest | $0.00 | Not borrowing money |
| Depreciation | $0.00 | Tool Pricing will not change over time |
| Utilities | $75.00 | Cell Phone for business |
| Rent | $0.00 | No office In uses |
| **Total Fixed Expenses** | **$150.00** |  |

**3.6 Income Statement for First Year of Operations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *A* | **REVENUE** | *selling price* × *units sold* |  |  | $5,900 |
| *B* | Gross Sales | *selling price* × *units sold* | $5,900 |  |  |
| *C* | Sales Returns | *selling price* x *units returned* | $0 |  |  |
| *D* | Net Sales | *B* – *C* |  |  | $5,900 |
|  | **VARIABLE EXPENSES** |  |  |  |  |
|  | Costs of Goods Sold |  |  |  |  |
| *E* | Materials | *cost of materials* × *units sold* | $59.00 |  |  |
| *F* | Labor | *cost of labor* × *units sold* | $2,065 |  |  |
| *G* | Total Cost of Goods Sold | *E* + *F* |  | $2,124.00 |  |
|  | Other Variable Expenses |  |  |  |  |
| *H* | Commission | *cost of commission* × *units sold* | $0 |  |  |
| *I* | Packaging | *cost of packaging* × *units sold* | $0 |  |  |
| *J* | Other | *cost of other costs* × *units sold* | $1,180.00 |  |  |
| *K* | Total Other Variable Expenses | *H* + *I* + *J* |  | $1,180.00 |  |
| *L* | Total Variable Expenses | *G* + *L* |  |  | $3,304.00 |
|  |  |  |  |  |  |
| *M* | **CONTRIBUTION MARGIN** | *D* – *L* |  |  | $2,596.00 |
|  |  |  |  |  |  |
|  | **FIXED OPERATING EXPENSES** |  |  |  |  |
| *N* | Insurance | *cost of insurance* × *12 months* | $600.00 |  |  |
| *O* | Salaries | *cost of salaries* × *12 months* | $300.00 |  |  |
| *P* | Advertising | *cost of advertising* × *12 months* | $0 |  |  |
| *Q* | Interest | *cost of interest* × *12 months* | $0 |  |  |
| *R* | Depreciation | *cost of depreciation* × *12 months* | $0 |  |  |
| *S* | Utilities | *cost of utilities* × *12 months* | $900.00 |  |  |
| *T* | Rent | *cost of rent* × *12 months* | $0 |  |  |
| *U* | Other fixed expenses | *cost of other* × *12 months* | $0 |  |  |
| *V* | Total Expenses | *N* + *O* + *P* + *Q* + *R* + *S* + *T* + *U* |  |  | $1,800.00 |
|  |  |  |  |  |  |
| *W* | **PRE-TAX PROFIT** | *M* – *V* |  |  | $796.00 |
| *X* | Taxes (15%) | *W* × 0.15 |  |  | $119.40 |
|  |  |  |  |  |  |
| *Y* | **NET PROFIT** | *W* – *X* |  |  | $676.60 |

**3.7 Start-up Investment**

*What are your start-up expenditures? What are your cash reserves? Complete the table below:*

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Why Needed |  | Cost |
| Uniform | marketing/professionalism |  | $35.00 |
| Crate | transportation of tools |  | $10.00 |
| Small shovel | plant renovation |  | $5.00 |
| Plant scissors | plant renovation |  | $12.00 |
| Fertilizer | feeding |  | $15.00 |
| Water spout | Watering |  | $5.00 |
| **Total Start-up Expenditures** | | | **$82.00** |
| Emergency Fund *(1/2 of startup expenditures)* | | | $41.00 |
| Reserve for Fixed Expenses *(covers 3 months of fixed expenses)* | | | $450.00 |
| **Total Start-up Investment** | | | **$573.00** |

How much of this start-up investment can you afford to pay yourself? $573.00

How much of the start-up investment will you need to finance? (Total Start-up Investment- What you can afford to pay) $0

**3.8 Financial Ratios**

*Return on Sales (ROS):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $676.60 | = | **11.5%** | ≈ | **$0.11** |
| Total Annual Sales | $5,900 |

*Return on Investment (ROI):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $676.60 | = | **118%** | ≈ | **$1.18** |
| Total Startup Investment | $573.00 |

*Breakeven Units (Monthly)*:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fixed Monthly Expenses |  | $150.00 | = | **6.82** | ≈ | **7 units** |
| Contribution Margin | $22.00 |

**4. MARKETING & SALES**

**4.1 Marketing Plan**

*A marketing plan focuses on the Five P’s: People, Product, Place, Price and Promotion. In this section, describe your people, product, place, and price portions of the marketing plan.*

*Who are your target customers, and how will you use people to market your business to them?*

Plant Sitters plans to market exclusively to middle and high class women and men with an average annual income of $49,039 or above. Our surveys have found that 80% of people who they surveyed said that their plants die when they travel – so we will explain those benefits while targeting people who like plants, but leave them alone a lot.

*What are the features and benefits of your product or service?*

The marketing plan will highlight the following customer benefits:

1. Our customer’s plants do not die.
2. We are available when customers are not home.
3. We provide plants that are well taken care of and healthy.
4. Customers do not have to worry about their plants health while not home.
5. Customers get to know our team.

*Where will you sell your product or service?*

We will sell people our services through phone and email.

*What strategies for determining prices will you use?*

We will tell people that are our prices are cheaper than buying new plants.

**4.2 Promotion**

*In this section, you will describe your promotional strategies that you will use to attract and retain customers. Remember to explain how you will innovatively use existing platforms (such as blogs, social media, etc…) to effectively appeal to your target market.*

*What advertising will you do as part of your promotional strategies? Why will this form(s) of advertising be effective for reaching your target market?*

Advertisements in the gardening section of the local newspaper.

*What visual merchandising will you do as part of your promotional strategies? Why will this visual merchandising be effective for reaching your target market?*

Posters of plants we have watched in local hardware/gardening supply stores, because that is where people who buy plants would shop. We will also pass out flyers in the park because that is where people who like plants like to be.

*What publicity and public relations will you include as part of your promotional strategies? Why will these publicity and public relations initiatives be effective for reaching your target market?*

We will use social media such as Twitter, Google+ & Facebook to find people who also like gardening and plants and travel.

*What sales promotions will you include as part of your promotional strategies? Why will these forms of sales promotions be effective for reaching your target market?*

We will offer referral discounts because customers will tell their friends and family in the neighborhood about Plant Sitters.

**4.3 Sales Methods**

*What will be your overall personal selling strategy to get sales from customers in your target market?*

Plant Sitters is an easy-to-buy service that depends heavily on advertisements.

*Steps a consumer follows to purchase my service:*

1. Customers will call to make an appointment.
2. Customers will give us the keys in a designative area.
3. Give payment.

**4.4 Sales Estimates**

*In this section, you will detail your first-year sales estimate. Use the following guiding questions to help with your estimates.*

*Maximum Capacity: What are the maximum amounts of units could you physical make or deliver in a month?*

*Break-Even Units: How many units do you need to sell to cover fixed expenses every month?*

*Market Analysis: How many units can you sell based on your number of customers in your target market segment?*

*Seasonality: How will sales be affected by different seasons and holidays? How will your ability to produce be affected by sales and holidays*

|  |  |
| --- | --- |
| Factor | Influence on sales |
| Market Analysis | According to SBDCnet.org tells us that the cleaning service industry is a $46 billion industry. Our target market is estimated by the information provided by City-data.com |
| Maximum Capacity | Plant Sitters have a maximum capacity of 15 units. |
| Break Even Units | Plant Sitters must sell at least 7 units per month to cover the operating expenses. |
| Seasonality | Plant Sitters is directly affected by seasonality. During summer and winter, Plant Sitters has the most units sold because that would be when people are traveling the most, and I would have more time to watch plants due to school vacations. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Month | Units | | Revenue | | |
| January | | 12 | | $600 |
| February | | 7 | | $350 |
| March | | 7 | | $350 |
| April | | 7 | | $350 |
| May | | 7 | | $350 |
| June | | 15 | | $750 |
| July | | 15 | | $750 |
| August | | 15 | | $750 |
| September | | 7 | | $350 |
| October | | 7 | | $350 |
| November | | 7 | | $350 |
| December | | 12 | | $600 |
| **Annual Total** | **118** | | **$5,900** | | |