

Sass-A-Frass Business Plan
ER561 – Business Planning New Ventures
By Abolimiti Baikeri, Colette Chikuru, Evan Dowdy,
Blair Hardin, Curtis Null, & Skyler Robert

Client: Quentin Kimbrell

Table of Contents

Mission Statement.....	3
Executive Summary.....	4
Market Description.....	6
Product/Service Offering.....	6
Marketing Plan.....	7
Operations/HR Plan.....	10
Financial Plan.....	12
Risk Assessment/Mitigation.....	17

May 2, 2023

MISSION STATEMENT:

Provide quality ecofriendly soil additives to environmentally conscience customers.



NATURAL
F R A S S S

EXECUTIVE SUMMARY:

With our goal being to provide quality ecofriendly soil additives to environmentally conscious customers, we worked to create an appropriate business plan our client could use.

We started with figuring out our target customer, which are aged 55-80 males and females and 24-36 females who are gardeners or own houseplants with a higher-than-average yearly income and local to Cape County and the four adjacent Missouri counties. They would also be people who want to support small local businesses and want a safer, more environmentally friendly option.

The product we are offering is a chemical-free option soil and dirt additive that makes plants grow bigger. It is also a natural by-product of Dubia roaches, which is a common food source for reptiles, birds, and amphibians.

The Marketing Plan itself is simple and straightforward, consisting of the marketing on the bags, in-store signage, and occasional Facebook posts. The marketing should take a cheeky, fun tone to create a stronger brand.

The Operation Plan begins with the collection and drying of the frass, which the client already has a process for. At the same time, bags, scales, scoops, and a freezer should be bought. From there, the frass should be scooped, bagged, and placed in the freezer to kill any remaining larvae, then it is ready to be sold at

\$16.99 a bag. Enough stickers and bags for 100 bags should be bought monthly with them being made around the same time.

Our Financial Plan begins with a description of how much money will be needed, along with where it will come from. We estimate \$775 will be needed for the first month and \$370 each month following, totaling \$4,845 for the first year.

In our Assumptions, we assumed that we would have 1,134 customers from Cape County, 447 from Scott, 352 from Stoddard, 291 from Perry, and 162 from Bollinger for a total of 2,386 potential customers. Assuming a small percentage of them buy the product, we had an average of 54 sales per month in the first year.

The Financial Statements wrap up our financials and include our income and cash flow statements for the first 3 years.

The final section, the Risk Assessment/Mitigation Plan, lists four potential problems and their solution. We found some general issues, some industry issues, and a few company issues.

MARKET DESCRIPTION:

Target Customer:


Our target customer age range is 55-80 for male and female and 24-36 for female. They will be dedicated gardeners or house plant enthusiasts with a yearly gross income of anywhere between \$70k-150k. Our customers would be local to the Southeast Missouri area, centering in Cape Girardeau County and branching out to the four adjacent counties, Scott, Stoddard, Bollinger, and Perry. They would be people looking for a more sustainable and environmentally friendly way to make their plants grow bigger, along with a way to support local small businesses.

PRODUCT OFFERING:

The product we are offering is frass, an environmentally friendly, non-chemical soil and dirt additive that has been shown to make plants grow bigger. This is also a natural by-product of Dubia roaches, an increasingly more common food source for pet reptiles, birds, and amphibians. Frass makes plants bigger due to a protein called chitin which makes the plants believe they are being attacked by insects. In turn, the plant fortifies their defenses and becomes stronger and larger.

MARKETING PLAN:

Our marketing plan is straightforward and simple. Our client is not an advertiser and for something like this, he probably doesn't need to be. The labels on the product itself, some in-store signage near the product, and a few free Facebook posts monthly should suffice. In the marketing he does do, we do suggest for our client to have a cheeky attitude to match the labels we created, which are shown below. Taking that tone would also help create a stronger brand image.



FRASS is a natural additive to make plants grow bigger, better, and faster. FRASS essentially puts the plants' defenses in overdrive, therefore making the plant stronger. People all around have been using FRASS to keep their grass, gardens, and plants looking fantASStic.


To Use:

WET APPLICATION
-Mix one gallon of water per 1-2 tablespoons of FRASS

DRY APPLICATION
-Spread one pound of FRASS per 10 sqft of soil ground.

Ingredients:
Natural Frass

Version 1 of Back Label



FRASS is a natural additive to make plants grow bigger, better, and faster. FRASS essentially puts the plants' defenses in overdrive, therefore making the plant stronger. People all around have been using FRASS to keep their grass, gardens, and plants looking fantASStic.

To Use:

WET APPLICATION
-Mix one gallon of water per 1-2 tablespoons of FRASS

DRY APPLICATION
-Spread one pound of FRASS per 10 sqft of soil ground.

Ingredients:
Natural Frass

Version 2 of Back Label



OPERATIONS:

Our operations are quite simple. With operations we will discuss the proper way to handle and use the product. Once all the equipment is purchased the operation process will begin shortly after.

In the operations process, first we must isolate the frass from the roaches. Our client already has a process for extracting the frass set up in his warehouse. After sorting, we will then take one hundred small one-pound samples of frass and begin to bag them. Once they are bagged, we will then put all the bags in a freezer to kill the excess larva in the frass.

After the freezing process, we will then begin distributing the frass into local stores at a selling price of \$16.99 a piece. If the product takes off, our client will generate roughly \$30,000 in revenue in three years with our projected sales, which will be explained later.

Though we are estimating he may sell 54 bags a month on average, we recommend making 100 bags a month. This way, if our client has a bigger order or the product takes off, he already has the stock to make it. He would end up making 1,200 bags of frass a year, or 1,200 lbs. packaged, which would allow our client time to build his roach and frass stack up before the business starts to pick up and becomes successful.

HR PLAN:

There will be no need for human resources because it will only be our client doing the work. If our client was to hire employees, then he would have to step up and work out a hiring/firing process up to his standards and check with an attorney.

FINANCIAL OVERVIEW:

- Section 1: Sources and Uses of Funds

In our expense report, we tried to put our expenses on the higher side to cover any potential unexpected expenses. Our client is going to need about \$775 for his first month. This will cover the cost for a roughly \$300 deep freezer, two \$15 scales, one \$10 scoop, and \$50 for his first round of stickers and bags. It will also allow \$55 for his business license, \$150 for any repairs and maintenance that his vehicles, building, or supplies may need, \$140 for gas and other vehicle expenses, and \$30 set aside just in case he needs anything not already mentioned. From there, we are looking at a monthly expense of \$370. We're hoping this money will come from the frass business venture, but it may need to continue coming from our client until the business takes off. Breaking down the monthly \$370, we estimate \$140 will be for vehicle expenses, \$150 for continued repairs and maintenance, \$50 for monthly bags and stickers, and \$30 for miscellaneous expenses. This will total \$4,845 in his first year, detailed and shown below.

Operating Expenses

Expenses	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals
Vehicle Expenses	140	140	140	140	140	140	140	140	140	140	140	140	\$1,680
Licenses	55	-	-	-	-	-	-	-	-	-	-	-	\$55
Repairs and Maintenance (Including Vehicle Maintenance)	150	150	150	150	150	150	150	150	150	150	150	150	\$1,800
Supplies (Including A deep freezer in month 1)	400	50	50	50	50	50	50	50	50	50	50	50	\$950
Miscellaneous	30	30	30	30	30	30	30	30	30	30	30	30	\$360
Total Expenses (Per Month)	\$775	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$4,845

- Section 2: Assumptions

Our assumptions of our sales numbers begin with the number of potential customers we're estimating to have in each county, which was a total of 1,134 in Cape County, 447 in Scott, 352 in Stoddard, 291 in Perry, and 162 in Bollinger, or 2,386 total for the five counties. These numbers are estimated and assumed from the U.S. Census, where we took our target customer description previously mentioned in the Market Description section and made educated guesses.

After estimating our number of customers by county, we took a small percentage of the estimated total number of customers and created our monthly sales estimate, estimating that it will slowly go up over time.

- Section 3: Financial Statements

Income Statements Years 1-3:

Income Statement Years 1-3						
Prepared By:		Company Name:				
Sass-a-Frass		Natural Frass				
Revenue	2023		2024		2025	
1lb bg of Frass	10,840		11,924		13,116	
Product 2	-		-		-	
Product 3	-		-		-	
Product 4	-		-		-	
Product 5	-		-		-	
Product 6	-		-		-	
Total Revenue	\$ 10,840	100%	\$ 11,924	100%	\$ 13,116	100%
Cost of Goods Sold						
1lb bg of Frass	1,767		1,944		2,138	
Product 2	-		-		-	
Product 3	-		-		-	
Product 4	-		-		-	
Product 5	-		-		-	
Product 6	-		-		-	
Total Cost of Goods Sold	1,767	16%	1,944	16%	2,138	16%
Gross Margin	9,073	84%	9,980	84%	10,978	84%
Payroll	3,425		4,111		5,344	
Operating Expenses						
Operating Expenses						
Advertising	-		-		-	
Car and Truck Expenses	1,680		1,730		1,782	
Commissions and Fees	-		-		-	
Contract Labor (Not included in payroll)	-		-		-	
Insurance (other than health)	-		-		-	
Legal and Professional Services	-		-		-	
Licenses	55		58		61	
Office Expense	-		-		-	
Rent or Lease -- Vehicles, Machinery, Equipment	-		-		-	
Rent or Lease -- Other Business Property	-		-		-	
Repairs and Maintenance	1,800		1,890		1,985	
Supplies	950		979		1,008	
Travel, Meals and Entertainment	-		-		-	
Utilities	-		-		-	
Miscellaneous	360		371		382	
Other Expense 1						
Other Expense 2						
Total Operating Expenses	\$ 4,845	45%	\$ 5,027	42%	\$ 5,217	40%
Income (Before Other Expenses)	\$ 802	7%	\$ 842	7%	\$ 417	3%

RISK ASSESSMENT/ MITIGATION

Risks are almost always high when starting a new business. We plan to eliminate most of the risks that come with the frass. Here are some of our risks for our company and how we plan to eliminate them.

- **Problem #1-** No one wants to garden anymore.
 - Solution-Working to promote house plants, so everyone who wishes to stay indoors can.
- **Problem #2-**Reptiles losing popularity. Without reptiles we will no longer need our roaches, therefore no more frass.
 - Solution- Although there is not a solution to this risk, if it occurs, we plan to keep selling to the pet stores because Dubia roaches are not only prey to reptiles.
- **Problem #3-** Finding staff to be comfortable working with roaches.
 - Solution- A way to fix this issue could be as simple as putting a job advertisement on the web to get some applicants.
- **Problem #4-**Economy fails.
 - Solution- Potentially we could expand our product to other areas of Missouri, southern Illinois & western Kentucky, other than southeast Missouri.