



EnvioGlitter

## Executive Summary

Sparkle! Sparkle!

### Company Background

#### Business Description:

EnvioGlitter is a glitter manufacturer and retailer that is structured as a sole proprietorship. We specialize in biodegradable, dissolvable and non toxic glitter.

#### Business Model:

One unit is defined as one 11 oz glass bottle of biodegradable and non toxic glitter. Each bottle of EnvioGlitter comes in 10 colors. The glitter is sold online through Etsy and is only shipped domestically. We also see our product at small local craft stores in San Francisco and fairs.

#### Mission Statement:

“To make craft products that not only respect the environment, but are also efficient for the consumer. We want everyone to be able to indulge in the wonders of glitter without the guilt.

### Market Opportunity

**Opportunity:** Demand for glitter has been increasing recently due to social media trends like DIY's and holographics and also because of government regulations. There is also an eco friendly trend in recent decades. Consumers are becoming more eco conscious about what they buy. The social media trends, government policies and eco friendly ideology are great incentives to create an eco friendly glitter.

**Target Market:** Our target market includes teachers, parents, and crafters. Envio Glitter is only sold online through Etsy and local craft stores in SF. Products are only shipped domestically at the moment. Our ideal market population within the crafter population is around 1,000,000 people.

**Industry Overview:** The arts and crafts industry has been doing very well over the past couple of years due to the DIY craze from Youtube and Pinterest. It is currently a 4 billion dollar industry according to IBISWorld. Demand for product is expected to increase for the next 5 years due to an increase in income. There is some competition in the industry but little to no government regulation and policies. Therefore there is an ease of entry.

**Market Research:** The arts and crafts industry has been doing very well over the past couple of years due to the DIY craze from Youtube and Pinterest. It is currently a 4 billion dollar industry according to IBISWorld. Demand for product is expected to increase for the next 5 years due to an increase in income. There is some competition in the industry but little to no government regulation and policies. Therefore there is an ease of entry.

#### Contact Information

Amy Huang

San Francisco  
California  
94132

**Year Founded**  
2017

#### Investment Opportunity

\$680.97

**Annual Operating Costs\***

\$180.00

**Annual Sales\***

\$26,125

**Annual Profit\***

\$8,520.70

**Return on Sales\***

125%

**Return on Investment\***

32.5%

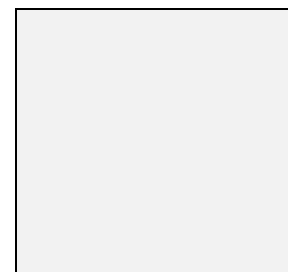
**Breakeven Units/Month\***

57 units/month

## Leadership

### Qualifications:

My personal qualifications that are needed in order to run EnvioGlitter are; being organized, detail oriented, financially literate, highly passionate about glitter, creative, artistic, optimistic, and positive. I also need to have some basic chemistry knowledge in order to work out new formulas of glitter.



## Business Plan Sparkle! Sparkle!

## 1. OPPORTUNITY RECOGNITION & BUSINESS STRUCTURE

### 1.1 Business Opportunity

Glitter is trending everywhere. It's all about DIY's nowadays. Glitter has moved from the arts and crafts world to Pinterest and Youtube. People use glitter for making slime, fairy jars, makeup looks, etc. The possibilities are endless. In addition, the demand for holographic products - which originate from glitter - has increased significantly this year due to social media trends from @simplynailogical. Social media trends aren't the only factors increasing the demand for glitter. The government has influenced the need for biodegradable alternatives. Recently the U.S has issued a ban on microbeads which is due to enact in July 2017. Glitter is classified as a microplastic and causes the same problems as microbeads. These plastics pollute our waters and contaminate our food sources. Sooner or later microplastics will be banned. Therefore it's a race to create new biodegradable glitters in order to keep on producing things like make up, bath bombs, and much more. We are currently in an era in which we are moving towards a more eco friendly society. The social media trends, government policies and eco friendly ideology is a great incentive to join the movement for not just glitter but green glitter.

Traditional Glitter is made out of copolymer plastic, pigments and aluminium foil or titanium dioxide, iron oxide, and bismuth oxychloride. It's non-biodegradable and too small to recycle. Glitter is classified as a microplastic - plastic that is 5mm or smaller - which accounts for 85% of the plastic found in the environment. Microplastic can be ingested by small organisms in the ocean and will continue to be ingested over and over again, Eventually the plastic will be consumed by humans.

EnvioGlitter is biodegradable and non toxic glitter. It's environmental and family friendly. Envioglitter is safe for children. Parents don't have to worry about their kids consuming our products because they're non toxic and therefore not harmful to the body. And lastly, the environment won't

have to worry about EnvioGlitter glitter polluting its waters because it's 100% biodegradable! There's no consequences when using our glitter.

## **1.2 Type of Business**

EnvioGlitter is a manufacturing and wholesale business. I want to be hands down in my business. From start to business I want complete control over the entire production and distribution process because I am extremely critical when it comes to quality control. Every unit must be consistent and satisfactory to my standards. This is the best way to make sure that my customers are receiving products that exceed my expectations. In addition, I believe that products assembled by hand gives each and every unit that little extra love that they all need. Being a manufacturer allows me to take pride in the products I make and prevent me from alienation.

## **1.3 Type of Business Ownership**

EnvioGlitter is a sole proprietorship, fully owned and operated by Amy Huang and the EnvioTeam. This type of business ownership is well fit for small businesses like me because it allows me to have full liability. Although that might sound like a bad thing, the reason I like being liable is because I like having full responsibility. When there's full responsibility, there's full credit. Sole proprietorships are simple and easy to start. I don't want to count my eggs before they hatch so I believe starting off small is the way to go. In the future I hope to expand EnvioGlitter from a sole proprietorship to a partnership in order to mass produce my products. Mass production will be the great milestone for this company because that's where a lot of the potential resides. Until then EnvioGlitter will remain a sole proprietorship with a strong relationship between the producer and consumer.

I chose to have have a sole proprietorship because I want to be independent and not rely on anybody else. My business, my rules. Partners provide help and advice but at the moment that's not needed for EnvioGlitter. I have a very strong mind and personality that will easily clash with others. Having a partner for this business won't do. EnvioGlitter is an independent and local company here in the bay area.

## **1.4 Mission Statement**

EnvioGlitter's mission is "To make craft products that not only respect the environment, but are also efficient for the consumer. We want everyone to be able to indulge in the wonders of glitter

without the guilt.”

## **1.5 Social Responsibility**

EnvioGlitter will help contribute to paving the path to a more environmentally friendly future. Introducing a green alternative for glitter will reduce the amount of traditional plastic glitter being produced in the market. Therefore, reducing the amount of microplastic pollution in our waters. From packaging to product, EnvioGlitter is 100% plastic free, recycle and biodegradable. The glitter itself is completely safe for the environment. We use glass bottles and cork as containers for our glitter. Our packaging is reusable and is 0% waste. We even try to lower our carbon footprint and the amount of waste produced when making EnvioGlitter. We only use reusable utensils like metal funnels, spoons, ceramic bowls, etc. In addition, the EnviroTeam only works during daytime in order to save energy. Overall, by producing an environmentally friendly product with an eco-friendly production process, we are contributing to the green movement and helping the environment.

EnvioGlitter is committed to donate 5% of our yearly annual profits to local and international environmental causes. At the moment we are primarily focused on donating money specifically for ocean clean up. We will also have a yearly contest called “BeingGreen!” for students in the bay area. Students are encouraged to tweet us a picture of them being eco-friendly with the hashtag #BeingGreen and #EnvioGlitter. The student with the best tweet will win a mega glitter haul with a \$100 value. We also would love to host a recycling festival here in our community where we will encourage locals to bring in materials that are hard to recycle like batteries, metal, electronics, medicine, etc in exchange for festivities and EnvioGlitter.

## **1.6 Qualifications**

My personal qualifications that are needed in order to run EnvioGlitter are; being organized, detail oriented, financially literate, highly passionate about glitter, creative, artistic, optimistic, and positive. I also need to have some basic chemistry knowledge in order to work out new formulas of glitter. It's important to understand what type of pigments will adhere to my base ingredients and what my ratios are. I need to be organized and detailed oriented because I have to personally manage the company's finances and inventory. All of the glitter will be stored in my room and I need to be able to keep it all organized so that my orders will be as simple and easy as

possible. In addition, I need to have the passion and creativity that will fuel my motivation. Businesses that are built for profit are not always successful and do not provide the satisfaction I desire. Lastly, I need to be consistently optimistic and positive because all businesses go through some type of adversary at one point. I have to be mentally strong to keep going and to never give up. Having a consistent and positive attitude is key to creating a successful business.

EnvioGlitter has a three person team, that includes myself and my lovely parents. We will also occasionally hire interns and accept volunteers during our peak seasons during the holidays. There are 5 key qualifications in order to join the EnvioTeam. All members must be able to work with other people, all members have to be organized, all members must be creative, all members must be positive, and most of all everyone needs to have a passion or love for glitter just like me.

## **2. MARKET RESEARCH**

### **2.1 Market Research**

The arts and crafts industry has been doing very well over the past couple of years due to the DIY craze from Youtube and Pinterest. It is currently a 4 billion dollar industry according to IBISWorld. Demand for product is expected to increase for the next 5 years due to increase in income. Currently there is over 1000 arts and crafts brands in the world and many more to come. There is some competition in the industry but little to non government regulation and policies. Therefore there is a ease of entry. The is a very broad industry with countless types of products. The main arts and crafts carriers are Etsy, Amazon, Joann, Michaels, etc.

My target market include teachers, parents, and crafters. Envio Glitter is only sold online through Esty and local craft stores in SF. Products are only shipped domestically at the moment. Our total population is the entire U.S. population and the total market population is the population of 18-40 year old females including parents and teachers K-12. This population is around 50,000,000 people. Lastly, our ideal market population within the crafter population is around 1,000,000 people.

### **2.2 Target Market**

Demographics:

- females ages 18-40 that are financially stable
- parents with young children

- teachers or adults that work with children

Geographics:

- urban communities

Psychographics:

Consumers that are:

- eco conscious
- likes arts and crafts
- artistic and creative

Consumers that buy:

- environmental friendly products
- high quality products
- hand made products
- arts and crafts supplies
- products from local and small businesses

## 2.3 Competitors

- **Martha Stewarts** : Home decor and crafts company, many varieties(color) of glitter (48+), product come in quantities of 0.37 and 1.5 ounces, very expensive products(\$ 10 - 35), most colors need to be bought in packs,well established brand (20 years old), products carried by Amazon, Walmart, Joann, Michaels.etc
- **Pacon:** Arts and Crafts company, has 2 glitter brands (Creativity Street & Spectra), carries 17 varieties of glitter, product comes in quantities of 0.6, 2, 4, 8, and 16 ounces, pricing (\$ 4 -17 ), well established company (66 years old), products carried by Amazon, Office Depot, Walmart, Staples, etc
- **Sulyn:** Glitter producer, carries 100+ varieties of glitter, quantities (0.25, 0.75, 4, 8, and 16 ounces), pricing (\$ 2 - 13 )sells all colors individually and in packs, company is over 25 years old, products carried by Walmart, Joann, Amazon, Kmart, etc.

-

Indirect competitors would be companies that sell other arts and crafts supplies beside glitter like paint, stickers, rhinestones, etc

- **Darice:** Arts and Crafts company, only sells rhinestones in bulks of 0.75-1.00 lbs, product come in many shapes and sizes (20+), rhinestones carried by Walmart, Staples, Michaels, Joann, Amazon, etc.
- 
- **Bezgar:** Sticker and Card company, specializes in three sticker categories (puffy stickers for kids, laptop stickers and vinyl laptop stickers), carries 3500+ types of sticker designs (1 sticker), super affordable, products carried by Amazon, etc

## 2.4 Competitive Advantage

	Your Business	Martha Stewart	Pacon	Sulyn
Production Process	All products assembled by hand	Products assembled by machines	Products assembled by machines	Products assembled by machines
Colors	EnvioGlitter carries 10 colors	Martha Stewart glitters only carries 48+ colors	Pacon glitters only carries 17 colors	Sulyn glitters carries over 100+ colors
Quantities	7 oz only available	0.37 and 1.50 oz available	0.6, 2, 4, 6, 8, and 16 oz available	0.25, 0.75, 4, 8 and 16 oz available

1. biodegradable formula for environmental and child safety
2. non toxic
3. reusable and recyclable packaging

## 2.5 Business Growth

DIY trends has been increasing and so has the Holographic trend too. I plan to increase production to satisfy the demand for glitter for DIYs. The company also plans to produce new glitter

varieties to keep up with the holographic trends.

EnvioGlitter plans to supply product to big retailers like Amazon, Michaels, Target within the next 2 years. We also plan to create our own website and offer international shipping. This expansion will hopefully increase our consumer base and profit so that in the future we will be able to open up a bigger practice for mass production within the next 5-7 years. Mass production will allow EnvioGlitter to move from the craft industry the makeup industry. We'll be able to supply cosmetic/beauty companies with biodegradable glitter for their products. These companies currently need glitter alternatives to replace the microplastic and microbeads found in their soaps and makeup. We also want to expand our product line and create different types of glitter like glitter glue, flakes, dust, bombs. And lastly we want to invest in research and development for making our product dissolvable. These new feature will expand our target market and creates a greater buyer incentive. Glitter with a dissolvable feature will be appealing to consumers that hate messes and cleaning especially the ones the come with the price of using glitter.

## 2.6 Challenges

- Strong competition from discount department stores and e-tailers eroded demand, taking away some of its market share.
- Increase in DIY trend calls for more supplies but not specific supplies like biodegradable glitter. People who buy glitter buy it for what is it. Demand for biodegradable glitter is only seen in cosmetic producers not consumers.
- It will be difficult to build a customer base. Biodegradable glitter isn't something that comes to mind when shopping for craft supplies.
- People prefer holographic glitter, EnvioGlitter does not currently carry that color yet because the mica mineral only reflects a certain amount of light.
- most body, baking and craft glitters need to be approved by FDA in order to be consumed or applied onto the body. Consumers might use our products for other intended purposes because of misinterpretations of the word biodegradable. This causes an increase in liability. Labeling will need to be precise and specific.

There's high levels of competition in this industry. Many brands already exist and there's many



varieties and colors of glitter to choose from. Brands range from affordable cheap glitter to really high end glitter. Although there's low start up costs and little to non government regulation, breaking into the market will be quite a challenge. Big retailers tend not to carry indie brands and plus they require mass production of the product. Envio Glitter can only produce so many units in a certain time frame. Glitter also lasts for a long time because a little goes a long way. There will definitely be peaks and drops in sales according to the holiday season. The best way to overcome these obstacles are to market EnvioGlitter heavily and specifically on it's biodegradable and non toxic advantages/uniqueness. We can also partner up with another business in order to mass produce EnvioGlitter so that we can keep up with orders if we were to be carried by big retailers.

### 3. FINANCIAL INFORMATION & OPERATIONS

#### 3.1 Definition of One Unit

One unit is defined as one 11 oz glass bottle of biodegradable and non toxic glitter.

#### 3.2 Production Process OR Delivery of Service (delete one)

Description of Process Steps
1. Buy materials online
2. Make and package glitter.
3. Check orders from etsy and local craft stores
4. Confirm orders with customers/store via email
5. Take orders to UPS for shipping or directly to the stores via muni
6. Contact customer to notify him or her that their order has shipped

#### 3.3 Variable Expenses

Materials				
Material Description	Bulk Price	Bulk Quantity	Quantity per Unit	Cost per Unit

Glass Containers	\$20.00	276	1	\$0.07
Micah Flakes	45.00	270 oz	10.5 oz	1.75
Pigment	25.90	18 oz	0.5 oz	0.72
<b>Total Material Costs per Unit</b>				<b>\$2.54</b>

<b>Labor</b>		
Cost of Labor per Hour	Time (in hrs) to make one unit	Total Labor Costs per Unit
\$13.00	0.02 hours	<b>\$0.26</b>

<b>COGS/COSS</b>		
Material Costs	Labor Costs	TOTAL COGS/COSS
\$2.54	\$0.26	<b>\$2.80</b>

### 3.4 Economics of One Unit

<b>Selling Price per Unit</b>			<b>\$7.00</b>
<b>Variable Expenses per Unit</b>			
Costs of Goods Sold			
Materials	\$2.54		
Labor	\$0.26		
Total Cost of Goods Sold		\$2.80	
Other Variable Expenses			
Shipping	\$1.00		
Total Other Variable Expenses		\$ 1.00	
Total Variable Expenses			<b>\$3.80</b>
<b>Contribution Margin per Unit</b>			<b>\$3.20</b>

### 3.5 Fixed Expenses for One Month

Expense Type	Monthly Cost	Explanation
Insurance	\$20	EnvioGlitter needs protection against liability from potential future lawsuits
Salary	\$20	I do most of the work, salary is needed to keep the business afloat
Advertising	\$100	DIY youtuber sponsors

Utilities	\$20	Water for cleaning and electricity for working environment
Rent	\$20	Space at home is needed to produce product
<b>Total Fixed Expenses</b>	<b>\$180.00</b>	

### 3.6 Income Statement for First Year of Operations

<b>A REVENUE</b>	selling price × units sold			\$26,215
B Gross Sales	selling price × units sold	\$26,215		
C Sales Returns	selling price × units returned	\$0.00		
D Net Sales	B – C			\$26,215
<b>VARIABLE EXPENSES</b>				
Costs of Goods Sold				
E Materials	cost of materials × units sold	\$9,512.3		
F Labor	cost of labor × units sold	\$973.7		
G Total Cost of Goods Sold	E + F		\$10,486	
Other Variable Expenses				
H Shipping	cost of shipping × units sold	\$3,745		
I Total Other Variable Expenses	H		\$3,745	
J Total Variable Expenses	G + L			\$14,231
<b>K CONTRIBUTION MARGIN</b>	D – J			\$11,984
<b>FIXED OPERATING EXPENSES</b>				
L Insurance	cost of insurance × 12 months	\$240		
M Salaries	cost of salaries × 12 months	\$240		
N Advertising	cost of advertising × 12 months	\$1,000		
O Utilities	cost of utilities × 12 months	\$240		
P Rent	cost of rent × 12 months	\$240		
Q Total Expenses	L + M + N + O + P + Q			\$1,960

R	<b>PRE-TAX PROFIT</b>	K – Q	\$10,024
S	Taxes (15%)	R × 0.15	\$1,503.6
T	<b>NET PROFIT</b>	R – S	<b>\$8,520.7</b>

### 3.7 Start-up Investment

Item	Why Needed	Vendor	Cost
Mica Flakes	Material	Ebay	\$45.00
Mica Pigment	Material	JustPigments	\$25.90
Glass Bottle w/cork	Packaging	FreundContainer	\$20.08
Funnels	Assembly	DollarTree	\$1.00
Mixing Containers	Assembly	DollarTree	\$1.00
Utensils	Assembly	DollarTree	\$1.00
<b>Total Start-up Expenditures</b>			<b>\$93.98</b>
Emergency Fund (1/2 of startup expenditures)			\$46.99
Reserve for Fixed Expenses (covers 3 months of fixed expenses)			\$540.00
<b>Total Start-up Investment</b>			<b>\$680.97</b>

How much of this start-up investment can you afford to pay yourself? \$447.00

How much of the start-up investment will you need to finance? (Total Start-up Investment- What you can afford to pay) \$0.00

### 3.8 Financial Ratios

Return on Sales (ROS):

$$\frac{\text{Annual Net Profit}}{\text{Total Annual Sales}} \rightarrow \frac{\$8,520.7}{\$26,215} = 32.5\% \approx \$0.32$$

Return on Investment (ROI):

$$\frac{\text{Annual Net Profit}}{\text{Total Startup Investment}} \rightarrow \frac{\$8,520.7}{\$680.97} = 125\% \approx \$1.25$$

Breakeven Units (Monthly):

$$\frac{\text{Fixed Monthly Expenses}}{\text{Contribution Margin}} \rightarrow \frac{\$180}{\$3.20} = 56.25 \approx 57 \text{ units}$$

## 4. MARKETING & SALES

### 4.1 Marketing Plan

#### People:

EnvioGlitters plans to market our products to financially stable individuals that have children in their lives like parents and teachers. We also want to specifically target the female population that likes to do arts and crafts. Lastly we want to target individuals that are eco conscious.

#### Product:

EnvioGlitter is a biodegradable and non toxic glitter. The two main ingredients are mica flakes and mica pigments. EnvioGlitter is environmental and family friendly. It's safe for children. Our glitter is stored in a glass bottle that holds 11 ounces of product. The bottle is sealed with a cork. EnvioGlitter comes in 10 colors: gold, silver, copper, blue, red, green, pink, purple, yellow, and teal.

#### Place:

EnvioGlitter is only sold domestically. All products are shipped within the U.S. from San Francisco. EnvioGlitter is also carried by local craft stores in the bay area.

#### Price:

One unit is a 11 oz glass bottle of glitter sealed with a cork that cost \$7.00 each.

#### Promotion:

EnvioGlitter will be promoted through multiple social media platforms like Pinterest, Twitter, Youtube, Instagram, etc and also at local craft events like Maker's Market and SF's Green Festival Expo. And lastly EnvioGlitter will use self promotion.

1. sturdy packaging that can be reused or recycled (glass bottle)
2. easy clean up process
3. eco - friendly
4. product packaging looks aesthetically pleasing
5. hand assembled

EnvioGlitter will be sold through Etsy and local craft stores in San Francisco.

Prices will be determined by variable expenses, fixed expenses and market price of other glitter brands. EnvioGlitters price will be enough to cover all expenses but never more than other pricey glitter brands (\$7.00).

## 4.2 Promotion

Marketing will solely be based on social media. Every month EnvioGlitter will pay a new/different DIY youtuber to sponsor our product in one of their videos for \$100. Each sponsored youtuber will receive free PR to use in the video, The youtubers will also receive a discount code that they can give to their viewers. The rest of our marketing will be self promotions on Instagram, Twitter and Pinterest. We'll create our very own pins using EnvioGlitter and link the product in the pin for others to purchase and use. Lots of effort will be put into creating aesthetic pictures of our EnvioGlitter pins and the products themselves. These pictures will be posted on Twitter, Pinterest and Instagram. Twitter will be used to share our eco-friendly products during holidays like Earth Day, Clean Air Day, etc. EnvioGlitter will also host a yearly contest via Twitter called "Being Green". Participants will be encouraged to tweet us a picture of a creation they've made using our glitters with the hashtag #MakeltGreen #EnvioGlitter. The winner will receive a EnvioGlitter haul with a value of \$100. Social media is the best form of advertising for our market because these platforms are where young crafters are the most active and because one of our only two sales method is through the internet. All social media handles will be linked to our Etsy page, our business email and phone number.

We also plan to promote EnvioGlitter locally by participating in events like Maker's Market and SF's Green Festival Expo in order to increase our local consumer base for our retail carriers in SF.

## 4.3 Sales Methods

Since Envio Glitter is sold through local small business retailers and etsy, we will try to gain more sales through seasonal discounts. We'll provide retail carriers a small discount if they purchase a certain amount of product. I will also personally sell my product to students at Abraham Lincoln High School and from them try to gain networking for more potential clients. In addition we will also

increase our Youtube sponsorships to increase sales if needed. Youtubers will be given discount codes that they can give to their viewers. Lastly we'll try to sell our products during local fairs and festivals.

#### 4.4 Sales Estimates

The maximum amount of units Envio Glitter can produce and deliver within a month are 500 units.

I need to sell at least 57 units in order to cover my fixed expenses and break even every month.

My target market include teachers, parents, and crafters. Envio Glitter is only sold online through Esty and local craft stores in SF. Products are only shipped domestically at the moment. Our total population is the entire U.S. population and the total market population is the population of 18-40 year old females including parents and teachers K-12. This population is around 50,000,000 people. Lastly, our ideal market population within the crafter population is around 1,000,000 people. We should be able to sell a maximum of 6,000 units in a year.

Sales should drastically increase during August and September because those are the back to school months. We should expect close to max capacity during those peak months. We will also expect sales to increase during holidays like Christmas (December), Halloween (October), Valentine's Day (February), Easter (April), Mother's Day (May), etc because these months are when people generally make cards for other people. January should be when our sales are at the lowest since it's after Christmas and New Years, People tend to be broke during this time of the month due to heavy spending in the previous month. Since our sales are so low during January we should stock up on inventory during this time so that we can prepare for Valentine's day in February. Since Envio Glitter is a non perishable product it will be easy to make units ahead of peak seasons. Sales should be in the middle during the summer. Although there are no major holidays in the summer, kids have more free time to make arts and crafts.

Month	Units	Revenue
January	75	\$525
February	460	\$3,220
March	180	\$1,260

April	195	\$1,365
May	340	\$2,380
June	150	\$1,050
July	200	\$1,400
August	475	\$3,325
September	480	\$3,360
October	490	\$3,430
November	200	\$1,400
December	500	\$3,500
<b>Annual Total</b>	<b>3,745</b>	<b>\$26,215</b>



