

**Name :Oriahi princess
nneka**

Matric no: 18/sms09/050

Level: 200level

**Department:international
relations and diplomacy.**

**College:social and
management science.**

Executive Summary

Botanical Bounty is an existing farm dedicated to the production of botanical perennials. Botanical Bounty has been formed as an Oregon-based Limited Liability Corp. (L.L.C.) located outside of Albany, Oregon. Botanical Bounty is working hard to become a leading producer of botanical plants for the natural supplement industry as well as plant nurseries. By leveraging a well thought out business plan executed by a skilled management team, Botanical Bounty will generate over

\$216,000 in year three sales.

Keys to Success

Botanical Bounty has identified three keys that will be instrumental in their success. The first is the implementation of strict financial controls. By having the proper controls, production efficiency will be maximized. The second key will be the never ending pursuit for the industry's highest concentration levels of botanical ingredients in each plant. The third key is the recognition and implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable business. Profits are a by product of satisfying customers, not the other way around.

Products

Botanical Bounty is a 10 acre farm that concentrates on the growing of botanical medicinals. Botanical Bounty has chosen five plant species that have significant

market demand as well being well suited for growth in the Willamette River Valley.

Botanical Bounty will feature: Echinacea - an immune system booster; Ginseng - a source of energy; St John's Wort - for mild depression; Skullcap- for inflammation; and Ginger - a stomach soother.

Market

Botanical Bounty has three distinct customers: supplement companies, processors of botanicals for supplement companies, and nurseries that resell the plants. The first two customers purchase the plants for use in their products which they ultimately sell to the end consumer. The market for natural supplements is quite exciting. Surveys show that over 158 million consumers (over 55% of U.S. population) use dietary supplements. An estimated 115.3 million consumers buy vitamins and minerals for themselves, and

55.8 million purchase them for other members of their family, including children. Consumer surveys consistently find that nearly half of all Americans now use herbs - a statistic that is particularly remarkable when we realize that today's herbal products industry is just over a quarter century old.

Management Team

Botanical Bounty will be lead by the husband and wife team of David and Sue Nealon.

David brings a wealth of business and project management skills to the company. While working at Yahoo!, David was responsible for the successful launch and market lead capture of Yahoo!'s driving directions section. Utilizing these skills, David will be responsible for the business operations of the farm. Sue, with a background of plant biology will be the driving force of the operation, growing the highest active ingredient content plants in the country. Additionally,

because of her wealth of knowledge, she will be the leader of the sales department.

Financial Plan

Botanical Bounty began as a hobby for David and Sue two years ago. Over the last two years they have worked out all of the bugs related to production. Additionally, they are now quite hungry to succeed, creating one of the premier botanical perennial farms in the country. To finance our growth and full-time production, we need to purchase \$35,000 worth of new equipment as long-term assets. To that end, we are seeking a \$100,000 10-year loan. Sales forecasts conservatively indicate that \$190,000 revenue will be generated in year two, rising to \$216,000 the following year.

Objectives

The Botanical Bounty has identified several objectives for the business:

1. Become a leading supplier of botanical perennials for the health/vitamin industry.
2. Reach the point of sustainable profitability.
3. Enjoy work while making a good living.

Mission

It is Botanical Bounty's mission to become the leading provider of botanical perennials to the health/vitamin industry. This will be accomplished by providing quality plants at fair prices while exceeding customer's expectations.

Keys to Success

Botanical Bounty will adhere to three keys that will be instrumental in its success:

1. Strict financial controls.
2. The never ending pursuit of the highest concentration of botanicals in every plant.
3. Ensuring that all customer's needs are met and they are satisfied with the purchased

products.

Market Analysis Summary

Botanical Bounty has identified three main customer groups: supplement companies; botanical processors; and other nurseries. The customer segments are distinct enough to be able to target each one differently. The industry that Botanical Bounty produces for has been undergoing consolidation for several years now. Botanical Bounty will be able to serve the industry by leveraging their competitive edge of healthy, potent plants.

4.1 Market Segmentation

Botanical Bounty has identified three different target market segments which they will sell to:

Supplement Companies

This customer group manufactures botanical supplements for their own label products. The

companies purchase the plants and extract the active ingredients and transform them into sellable products for their own brand. There are a handful of large companies that operate in this market space. Ten years ago there were many different ones but through consolidation the industry has grown in size but decreased in the number of different players.

Processors

These customers purchase the the plants, extract the botanicals and either sell the concentrated botanicals to the end producers or they themselves produce the supplement and sell the final product to other companies for their private label products. In essence they are the subcontractor for the supplement companies.

These companies therefore are one layer within the manufacturing system and do not sell to the end consumer. They act as a supplier/processor for the retail

brands.

Other Nurseries/Garden Centers

This customer group purchases the plants which they in turn sell at retail to the individual end consumer. The typical consumer is a health conscious individual who is interested in either extracting the botanical from the plant immediately or growing the plant in their own garden for future use.

Strategy and Implementation Summary

Botanical Bounty will leverage their competitive edge in order to gain significant market share. Their competitive edge is their ability to consistently produce plants with high active botanical percentages as well as a high ratio of healthy plants (sellable).

The marketing strategy will have the objective of raising awareness and visibility of their industry-leading

percentages of active botanicals. The strategy will communicate the fact that Botanical Bounty's plants will yield a significantly higher amount of botanicals measured per plant.

The sales strategy, in addition to reinforcing the competitive edge, will seek to qualify leads by concentrating on Botanical Bounty's ability to perform reliably on long-term contracts, becoming a stable supplier to the larger companies that need a steady supply stream.

Competitive Edge

Botanical Bounty has a dual competitive edge:

Healthy Plants

The healthier the plant, the faster it will grow, the more botanicals that can be extracted from it. This means an increase in production efficiency due to a larger percentage of plants that are sellable. Other characteristics of healthy plants which are important on the production

side is: lower pest counts, more established root structures, and high biomass. High Concentration of Active Botanicals

This is beneficial to the purchaser because they are buying the plants precisely for the active botanicals. High concentration levels are valuable to Botanical Bounty because they increase the amount of botanicals produced per plant or per acre, increasing the production capacity of a given amount of land, thereby increasing their return on investment and increasing the attractiveness of Botanical Bounty's plants relative to the competition.

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Marketing Strategy

The marketing strategy will be based on generating awareness and visibility of

Botanical Bounty and their ability to produce the highest percentages of botanicals. The strategy will rely on several different forms of communication. The main form is participation in the numerous trade shows for the industry. The trade shows are where everyone from the industry gathers to meet and transact business. It is a wonderful place to network as well as learn about new developments in the industry. The second form of communication will be the use of advertisements. The main venues for advertisements will be industry trade magazines. The trade magazines are a well read source of information that buyers and sellers refer to for many different transactions.

Sales Strategy

Botanical Bounty's sales strategy efforts will focus on identifying qualified leads and turning them into paying customers. The main sales effort that Botanical Bounty

will undertake is the reinforcement of the fact that Botanical Bounty's plants have the industry's highest percentage of botanicals. This will be quite appealing to the buyers as this is exactly what they want, more botanicals per plant. In addition to selling the buyers on Botanical Bounty's competitive edge of potent plants, there will be an emphasis on Botanical Bounty's ability to perform on long-term contracts.

Botanical Bounty recognizes that the transactions should not be thought of as individual sales, but as long-term relationships. This is a reasonable assumption based on the fact that the customers are in the business of utilizing botanicals, that they will continually have the need for the botanicals, and that it is far less expensive to establish a relationship with one vendor than to continually have to find new vendors that can meet their needs.

Sales Forecast

The sales forecast indicates that growth will be slow but steady. Growth will be slow because of the time and effort needed to develop the customers. Production is not the slowing element as Botanical Bounty has been in production for a couple of years. Granted they were not producing at the same level, or for that matter with the same goal of business efficiency, but nonetheless they will be able to reasonably raise production to meet the sales needs. During the wet months of the year, the forecast reflects a tapering of sales as production will fall during these months. There will however be some sales and production which will be moved inside to the greenhouses.