



INDEPENDENT BUSINESS PLAN
SOUTH PLANTATION HIGH SCHOOL
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I. Executive Summary

Description of Product

SnowNutz is a new and innovative addition to the dessert shop industry that aims to utilize a relatively untouched part of the dessert market. SnowNutz's mission is to allow customers to create any imaginable combination of donuts and ice cream as well as aiming to create a safe and entertaining environment for customers to enjoy their desserts.

Problems

- There is a lack of donut and ice cream combination dessert shops.
- Reduced number of safe social spaces for teenagers and young adults to interact.
- Reduced number of family friendly environments.

Customer Segments

Primary Market: Teenagers and young adults ranging from the ages of 13-24 years old.

Secondary Market: Parents with young children ranging from 6-12 years old.

Unique Value Proposition

SnowNutz provides an innovative dessert combination unlike any other shop in the area. SnowNutz is unique in its ability to provide a wide variety of different combinations of donuts and ice cream. With one of a kind products such as 'Snowballz', specialty coffees and our wide range of flavored products, the design of SnowNutz makes it unique to the dessert market.

Solutions

SnowNutz fills the hole in the donut and dessert market, providing the opportunity for customers to taste the delicious combination of donuts and ice cream at an affordable cost, in a safe and entertaining environment in a walkable beach community. SnowNutz's competitors are few and far between, offering less selections and at higher prices. This hole is what SnowNutz

aims to fill. Most important to SnowNutz is its safe and accessible location. Our well lit and public store front discourages crime on customers. Additionally, being located in a walkable stretch of development means that the danger of automotive traffic is minimized, protecting our customers.

Channels

SnowNutz has two major methods of reaching customers:

Direct: Social Media:

Social media is one of the most influential but cheapest methods of advertising.

Instagram is the most efficient, primarily reaching teenagers and young adults with YouTube advertisements being great for reaching young children and older parents.

Events:

South Florida is filled with events and activities. SnowNutz looks to capitalize on this in order to advertise to locals by renting trucks at events. SnowNutz would be present at events such as carnivals, concerts, and other shows which will be filled with young adults and teens. SnowNutz plans to appear at 6 events in the first year, with the possibility of increasing the number of events present at in the future.

Revenue Streams

- “Freeze Between” Donut Ice Cream Sandwiches
- “SnowBallz” Ice Cream Filled Donut Holes
- Specialty Coffees
- Donuts
- Ice Cream

Cost Structure

SnowNutz will require \$57,230 to begin operations. This sum covers business registration, equipment, and the first and last month's rent. These are expenses that will not be recurring. SnowNutz will spend \$18,800 a month on labor in its first year, employing 1 full time

general manager and 16 part time employees in charge of making, preparing the food, and cleaning the work environment. The cost of labor will increase each year as the cost of living increases as well as increasing salary for the general manager. Finally, SnowNutz will spend \$20,785.74 on ingredients, utilities, marketing, and rent a month in our first year of operation.

Detailed Financials:

Year of Operation	Projected Revenue	Expenses	Profit
First Year	\$520,875.00	\$492,317.62	\$19,557.38
Second Year	\$658,125.00	\$499,014.54	\$159,110.46
Third Year	\$819,270.00	\$512,378.31	\$306,891.69

Appendix A.

The total start-up costs; including equipment, registration, first and last month's rent, first and last month's salary and first month expenses will be \$115,615.74. The loan needed to start our business will be \$133,000 over 3 years. The loan, alongside a \$7500 investment from each partner will total to \$155,500, which covers the start up as well as giving financial headspace.

Key Metrics

- Customer Reviews
- Ability to Meet Projected Growth
- Customer Retention Rate
- Net Revenue
- Product Success

II. Problem

The problem that our company aims to solve is a lack of innovative and creative dessert shops within a 15 mile radius of our location in the Las Olas area of Fort Lauderdale, Florida. The lack of innovative dessert shops that lend themselves to the creativity of the customers mind, eyes, and taste buds is the problem that SnowNutz addressed.. Shops like these are few and far

between, especially in the Fort Lauderdale area. Shops in this area only sell one type of dessert, and those that do sell multiple desserts have not realized the potential of warm donuts and cool ice cream. Currently, the dessert shops that dominate the market supply their customers with overpriced goods that lack quality while limiting the creative potential of their products. Our shop satisfies the craving for ice cream and donuts that no other shops around do, while allowing customers to personalize and combine different tasting bases, flavors and toppings while also making coffee and donut holes options available. Additionally, teenagers lack a location where they can congregate and entertain themselves in a safe and lively environment. Alongside the great environment for teenagers and young adults, SnowNutz also creates a great environment for families and children to create memories and have an overall fun experience. Malls and shopping centers are closing down rapidly as a result of online commerce empasion, eliminating spaces for socializing. Locations that are easily accessible are on the decline and removing teenagers from traditional commerce. Therefore, SnowNutz will offer its customers an even better replacement.

III. Customer Segments

The foundation of our company was created because as young adults, we understand how the current teenage generation would gravitate towards sweet and visually aesthetic products. The creativity and one of a kind product we will provide is something new and innovative that not many people have tried before. This will attract many food lovers for a variety of reasons: the taste. Our products will be full of flavor providing an explosion of flavor with every bite. The aesthetic, our products will be very unique and one of a kind providing a very aesthetic shot.

The primary target market age group will be around 13 to 24 year olds. The colorful and lively environment will be a local “hot spot”, a place the younger, current generation will love to

grab a delicious treat. Consumers around 13 to 16 years old will be attracted to the dessert shop because of the delicious unique ice cream and donuts. Consumers around 17 to 24 will be attracted not only for the amazing ice cream and donuts, but for the uniqueness and aesthetic of the company. The donuts provide a beautiful snap that many food bloggers would love sharing on their social media and websites as it is a very unique and pleasing product. As many food bloggers love sharing where and what they eat on social media, this creates a free advertising channel. Food bloggers from all over will not only be attracted to the treat but the space and environment we provide.

The secondary target market would be parents with young children, generally ranging from ages 30 to 45. Many parents love making amazing memories with their kids and trying something new and exciting, and thus we aim to capitalize on this by providing a safe, family friendly environment to make these memories in. SnowNutz will be fun filled all while providing delicious products that most people enjoy. Parents will be able to bring their families into a lively area that will provide a delicious and unique snack. The young children will love the sugary sweets and the parents will be able to enjoy not only the dessert, but also the unique coffee. Providing a unique experience, food, and location will pull in food lovers from all over.

IV. Unique Value Proposition

SnowNutz will bring a whole new dessert shop to the market unlike any other around. Donuts and coffee are a classic combination, however ice cream adds a new layer that separates us from the rest. The unique value proposition is combining two of the most popular desserts of donuts and ice cream, and turning it into a new spin of ice cream sandwiches. Coffees, donut holes, unique flavors of donuts, ice cream, and toppings will give customers a reason to seek out the restaurant to try the new and different flavors and combinations. SnowNutz will have

“Flavors of the Month” to keep new attractions for customers to return and try. The ice cream donut holes are something not found at any other shop around. Light, airy donut holes filled with creamy, sweet ice cream with toppings of the customers choice is certainly something new to the market.

The coffee adds another large branch to the company. Unique and seasonal flavors will attract many different people, beyond those who just want sweets. Coffee lovers around will love the personalization and toppings that will differ from traditional coffee roasts. The shop brings life to the boring, typical desserts and coffee, combining and improving them while giving customers personalization and combinations to rave to their friends about. It adds a sense of uniqueness and personality to their food that each customer will love to have, as well as bringing people together to share and try each other’s combinations. SnowNutz looks to create a unique and lively environment with delicious and new dessert combinations to allow the customers to make memories and return time and time again to try new flavors and combinations and enjoy the fun, colorful environment; alone or with friends and family.

V. Solutions

This shop creates a whole new avenue of dessert that satisfies unique cravings that no other shop around does. It achieves this by allowing customers to choose from a wide selection of warm, freshly-baked donuts, creamy, flavorful ice cream made in the shop, with specialty and traditional toppings to create infinite combinations that fulfill cravings our customers have never had satisfied. We bring to the dessert market a combination of foods that no other businesses in the area have attempted.

While SnowNutz is primarily a unique and creative dessert shop, we also provide our customers with a lively and safe environment that no other companies in the area satisfy. We

achieve this goal of ours by decorating our shop with colorful lights, walls and art; allowing customers to use our shop for photo opportunities, casual conversation and anything the customer can find use of our space for. Our public location and well lit shop will discourage any potential crime or mischievous behavior, protecting our victims from becoming victims of crimes, and protecting our store fronts from property damage. Additionally, being located in a walkable stretch of development means that the danger of automotive traffic is minimized, protecting our customers.

With SnowNutz, we are providing sweet delicious snacks inside of a friendly and safe environment, allowing teenagers and young adults to interact freely and comfortably. Many areas throughout Las Olas are clubs and bars. With SnowNutz coming to life, we will provide a safe haven for families, teens, and young adults. Allowing them to enjoy their time together in a safe and lively environment different from the clubs and bars in the surrounding area. The lively environment that SnowNutz will provide will attract and pull the younger demographic into the store, and keep them loyal customers for years. SnowNutz will not just be a donut and icecream shop, it will be a home and “safe spot” to the young generation and our target market.

VI. Channels

Direct: Social Media

One of the main appeals of our business is the bright colors and aesthetically pleasing food. This encourages photography, blogging, and posting on social media. This will easily spread to our target market of 13-24 year olds who are very active on social media and online platforms. This audience is constantly on the hunt for the new “hot spot” to post, share, and go to, and social media is a direct pathway to this. Having a local influencer advertise our company can make a great impact on our flow of customers. Instagram is the most profitable and popular

advertising social media market, which will be the primary platform used. Not to mention our business will have its own social media pages and use methods to connect with the younger demographic. YouTube is another form of social media that will be effective. It is very popular with parents and young children. This will directly target the secondary audience. Whether it is children seeing advertisements for our business while watching their content, or it is parents seeing our business on their own, SnowNutz will surely reach its target audience.

The cost of promoting SnowNutz over social media each year will be \$900.00 a month, totaling \$10,800 in a year. With Instagram being the best platform to reach out to our largest demographic of teenagers and young adults, we will allocate \$750 a month on targeted advertisements each month. Using Instagram's marketing tools, these advertisements will be targeted at individuals interested in food, donuts, ice cream, photography and dessert in the Fort Lauderdale area. The remaining \$150 each month will be spent on YouTube advertisements to target younger children and their parents. These advertisements will target individuals meeting our age markets in the Fort Lauderdale area.

Events

South Florida is full of events and popular locations. Running trucks or stands to advertise small samples of our products could be very effective in gathering an audience. This could include events such as the Saint David's or All-Saints carnival, concerts, and other activities. Renting a food truck for an event costs approximately \$1,000 and a \$350 license is needed. If we ran 6 events over the first year, it would cost roughly \$6,350. This would gather thousands of locals while also helping us turn a small profit.

VII. Revenue Streams

“Freeze-Betweens” Donut-Ice Cream Sandwiches: The Freeze-Betweens are the main driving point of our business. The sandwiches are not too expensive but yield a massive profit. The sandwiches will be sold for ten dollars, which is well over the cost of making them. The projected sales for the first year is one sandwich per ten minutes. The second year is one sandwich every eight minutes, and the third year is one sandwich every six. Two donuts cost twenty-four cents to make, a scoop of ice cream costs ten cents, so the total cost of a sandwich is thirty-four cents. This gives the product a profit margin of 96.6%.

Coffee: Coffee is a major revenue source in the mornings. While people may not want ice cream in the mornings, they will definitely want the classic combination of donuts and coffee. SnowNutz will offer cold and hot coffee with traditional roasts as well as offering specialty roasts and toppings. Coffee also greatly appeals to the older audience of parents and young adults. The coffee will be sold in twelve-ounce cups for two dollars which is significantly below the cost to make it.

“Snowballz” Ice Cream Filled Donut Holes: These tiny, delicious treats are unique to our shop. These treats are small in size and sold in multiple quantities and are designed to be addicting. They will be sold in quantities of six for four dollars and twelve for eight dollars. Based on our costs for dough and ice cream they should be well under a dollar to make for a batch of six and 12.

Donuts: The donuts alone are a focus of the restaurant. Donuts are incredibly cheap to make, and can be sold for a large profit per donut. The unique and specialty flavors will be a major attraction to the audience who will be interested in trying new flavors; or even sticking to

their personal favorites. A donut costs roughly twelve cents to make and will be sold for one dollar. This will yield a profit margin of 88%.

Ice Cream: The ice cream is another major focus of the shop. Ice cream is one of; if not the most popular dessert. The delicious, creamy ice cream and specialty flavors will attract plenty of customers. The ice cream will be sold for five to eight dollars depending on the size of the cup of ice cream. A single scoop of ice cream costs around only ten cents to make. This allows this product to have a profit margin of between 96.25% to 98%.

Toppings: The toppings will serve as an additional charge in addition to the other products. It will be relatively cheap per topping but it will still yield a great profit due to how cheap they are to buy. Twenty-four to forty dollars can get multiple pounds of toppings, and each serving is only a few ounces.

VIII. **Cost Structure**

SnowNutz's cost structure covers startup costs, human resource costs, operating costs, and client acquisition costs.

Startup Costs

Before operations at SnowNutz can begin; equipment must be purchased and registration fees paid. Equipment includes the machines needed to make and freeze ice cream, make and fry donuts, prep and clean. Prices for all aforementioned start up-costs are itemized in Appendix B.

Appendix B.

Items	Number of Units	Cost Per Unit	Total Cost
Commercial Ice Cream Freezer	1	\$1,899.00	\$1,899.00
Ice Cream Batch Freezer	1	\$2,300	\$2,300.00
Ice Cream Blast Freezer	1	\$999.00	\$999.00
Coffee Machine	1	\$263.00	\$263.00
Commercial Refrigerator	1	\$2,974.00	\$2,974.00
Commercial Oven Proofer	1	\$27,360.00	\$27,360.00
Commercial 60 lbs Dough Mixer	1	\$1,899.00	\$1,899.00
Commercial Deep Fryer Station	1	\$3,000.00	\$3,000.00
Wall Hand Sink	2	\$160.00	\$320.00
Dishwasher Sink	1	\$1,859.00	\$1,859.00
Decorations	N/A	N/A	\$2,500.00
Business Registration	1	\$80.00	\$80.00
LLP Registration	1	\$160.00	\$160.00
Rent (First and Last)	1	\$11,620	\$11,620
Total:			\$57,230.00

Human Resource Costs

In order to keep human resource costs low, while still staffing enough employees to make revenue, SnowNutz will hire 16 part time employees and one full time General Manager. Part time employees will be paid \$10.50 per hour with the supplemental pay of times, and the general manager will be paid \$45,000 our first year and will be given a 3% increase in pay to adjust for cost of living increase. First year salary and employment is broken down in Appendix C.

General Manager (Full Time)	1	\$45,000.00
Prep Worker (Part Time)	8	\$10.50 an hour
Line Worker (Part Time)	8	\$10.50 an hour
Average Monthly Human Resource Cost	(First Year)	\$18,800.00
Annual Human Resource Cost	(First Year)	\$225,600.00

Appendix C

Monthly Expenditures

SnowNutz has weekly and monthly operating costs. These include things such as water and electricity, dough, milk and any of the many different syrups, toppings and baking ingredients that allow SnowNutz to offer its customers a multitude of different options. Costs are broken down in Appendix D.

Recurring Monthly Needs	Cost
Dough	\$518.40
Milk	\$347.17
Toppings	\$103.50
Syrups	\$202.50
Coffee Beans	\$1,875.00
Utilities	\$10,500.00
Rent	\$5,810.00
Social Media Marketing	\$900.00
Event Marketing	\$529.16
Total	\$20,785.74

Appendix D



IX. Detailed Financials

A. Financial Breakdown

SnowNutz has four sources of income. Our first, and largest source of income comes from the sales of ‘Freeze Betweens’, our ice cream and donut sandwiches. In 2022, SnowNutz expects to make \$342,000 with this product alone. In 2023, we expect to make a 25% increase in sales and in 2024, a 24% increase in sales. Additional income will come in the form of side products such as donuts and ice cream as independent desserts and ‘SnowBallz’. We expect these products to provide a substantial but notably less profit. The sale of drinks and add-on sales such as toppings will supplement our profits. Projected income over the next three years is broken down in Appendix E, expenses for SnowNutz first three years of operations is broken down in appendix F, and monthly income for 2022 is broken down in appendix G.

Three Year Plan

Income	2022	2023	2024
Main Product (Freeze-Between Sandwiches) Sales	\$342,000	\$427,500	\$533,520
Drink Sales (Coffee, Water)	\$27,000	\$27,000	\$27,000
Add-on Sales (Toppings)	\$16,875	\$23,625	\$33,750
Side Products Sales (Donuts, Ice Cream, Donut Holes)	\$135,000	\$180,000	\$225,000
Total	\$520,875	\$658,125	\$819,270

Appendix E

Expenses Sheet

Expenses	2022	2023	2024
Salary	\$225,600.00	\$226,950.00	\$228,340.50
Utilities	\$126,000.00	\$126,000.00	\$126,000.00
Rent	\$69,720.00	\$69,720.00	\$69,720.00
Ingredients	\$36,558.84	\$46,064.14	\$57,119.53
Taxes	\$17,288.78	\$13,130.40	\$14,048.28
Marketing	\$17,150.00	\$17,150.00	\$17,150.00
Total	\$492,317.62	\$499,014.54	\$512,378.31

Appendix F

Monthly Income (2022)

Monthly	Income (2022)
January	\$15,072.00
February	\$17,072.00
March	\$24,072.00
April	\$31,072.00
May	\$34,072.00
June	\$58,072.00
July	\$75,072.00
August	\$68,072.00
September	\$48,072.00
October	\$55,072.00
November	\$51,072.00
December	\$44,072.00
Total	\$520,864.00

Appendix G

B. Funding and Loan

The equipment and business registration will cost \$57,230. We will also need first and last month staff payment at \$37,600. As well as the first monthly expenditures and supplies and first and last month's rent, which total up to \$115,616. Our initial ask for a loan is \$133,000 as well as a \$7,500 investment from each of our three partners. This will total up to \$155,500 which will cover all of our start-up costs as well as give a safety net of 15% for unforeseen expenses

that accompany a new start-up. Our business will make roughly \$520,000 in the first year, and the total expenses for the year will be \$492,317.62. A five year period will be needed to pay back the \$133,000 loan in addition to the 5% interest on the loan.

X. Key Metrics

The key metrics that will be used to measure the success of SnowNutz will be customer reviews, ability to meet projected growth, net revenue, customer retention rate and product success. These categories measure the customer satisfaction, the ability to and rate at which the company can naturally grow, financial success, how well the company is at retaining customers, and the success of individual products in the company. These metrics will give us a complete image and create a measurable way of determining the success and shortcoming of our business to best serve our customers.

Customer Reviews:

Maintaining positive reviews is a good, direct sign of customer satisfaction, but also encourages further business. Keeping great quality products and friendly service is the best way to receive good reviews. This would be done by comparing the reviews of SnowNutz to competitors who offer similar or overlapping products, such as Yonutz, Cold Stone, Dunkin Donuts, and The Baked Bear. Of our aforementioned competitors, the mean review score out of 5 stars is 4.25, and the highest is 4.6 for the locations in the Fort Lauderdale area.. Keeping our location's review score within ± 0.15 of 4.5 on review websites such as YELP and Google is a great key metric to measure the success of business.

Ability to Meet Projected Growth:

Financial strength is the most important factor from a business standpoint. Having measurable growth is both a sign of financial security as well as a successful business. Meeting our financial projections listed in the 3 year plan is another solid key metric that can be used to measure our financial success as well as our business popularity and growth.

Customer Retention Rate:

Customer retention rate is a method to measure customers returning to the location, which is a sign of satisfaction. The average customer retention rate for restaurants is 30%. At SnowNutz, we hope to provide addicting products but also develop relationships with our regular customers in order to retain them. A good figure would be a 35% retention rate as a key metric.

Net Revenue:

A profitable net revenue is the most important figure in a financially successful business. The metric for our business to be measured as financially successful is to make at least \$100,000 after the start up, resource, and staff costs. Up this to \$150,000 the second year, and \$250,000+ for the third year and beyond.

Product Success:

Listening to the consumer is a crucial part in keeping a business alive and innovative. Receiving feedback on existing products and even taking suggestions for new flavors, ideas and products as well as what flavors or products to remove is a great way to keep the menu fresh and as effective as possible. Taking surveys, questionnaires, or even casual conversation with

consumers is a way in which the business used can adapt but also measure how satisfied the customers are.

XI. Competitive Advantage

With SnowNutz we hold a competitive advantage to every dessert shop in the area. SnowNutz not only has amazing desserts, but the shop itself is amazing. Our donuts are different from other shops in the Las Olas area. We provide a unique ice cream donut sandwich and other unique products that many tourists and residents in the hot South Florida area will want to cool off with. SnowNutz also comes with an amazing atmosphere. The shop itself is aesthetically pleasing, filled with LED lights all over the shop making it a very comfortable and lively shop. With the lively environment SnowNutz provides, it creates a comfortable place for young adults as well as a location for them to bring their friends as opposed to other establishments in the area. Many other ice cream shops are simply decorated and not as aesthetically pleasing. SnowNutz will be a home to many kids as a popular hangout spot. Many tourists from all over will be attracted to the lively area and SnowNutz will easily become a “hotspot”.

XII. Conclusion

Start-Up Loan:

To cover the start up costs of SnowNutz, we will be requesting a loan of \$133,000. With the investment of \$7,500 from each partner this will give a total of \$155,500 to start our business. \$57,230 of the start-up cost will be used for the equipment and initial start-up costs as well as the first and last month rent. Two months of Human Resources will be needed to be paid

which will cost \$37,600. One month of monthly expenditures will be needed to be covered as well, costing \$20,785.74 . This totals \$115,615.74 for the total start up.

Ability To Repay Loan:

A five year period will be needed to pay back the loan along with 5% interest. This would be \$27,930 per year. Our business is projected to be very profitable, with little risk and high profit margins, thus paying off the loan will be done within comfortable margins.

Key Points:

SnowNutz is an innovative and intriguing dessert shop unlike any in the area. The shop itself provides a family friendly environment for both families and teenagers in an area filled with clubs and bars. Specializing in the dessert combination of donuts and ice cream, SnowNutz looks to not only provide a delicious product but a profitable business. The profit margins on the products are massive, costing only 12 cents to make a donut and 10 cents to make a scoop of ice cream, however these products are both sold for significantly more. With massive projected profits of \$19,557.38, \$159,110.46, and over \$306,891.69 for the first three years of operation, it is crucial that the dessert shop is given a loan and a chance. SnowNutz will be the next hot spot dessert shop in Florida.

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