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Executive Summary

Star City Candle Co. will be established as a sole proprietorship in Velva, North Dakota, and will be owned and operated by Jadyn Sandy. North Dakota is an agricultural state and, therefore, has resources for natural beeswax. Star City Candle Co. will partner with Pride of Dakota, which offers business development resources and marketing opportunities to help local business owners start or expand their business. Pride of Dakota is administered by the North Dakota Department of Agriculture under the direction of Agriculture Commissioner Doug Goehring. More than 500-member companies currently participate in the program. The only cost for this membership is $50 per year.

The mission of Star City Candle Co. is to offer high end, naturally scented beeswax candles. Scented candles, most of which are made of paraffin wax, can create some highly toxic chemicals such as benzene and toluene when burned (both are known as carcinogens). The toxins released from paraffin candles are the same as those found in diesel fuel fumes. Star City Candle Co.’s all-natural beeswax candles offer many benefits unlike typical scented candles. Not only do beeswax candles offer natural health benefits, but also produce negative ions when burned that helps eliminate dust, odors, and mold in the atmosphere. Star City Candle Co. wants nothing less than to purify homes with their all-natural beeswax candles.

Star City Candle Co. will lease a local building in a prime location on 214 Prospect Avenue in Velva, North Dakota. The building will be refurbished to facilitate the needs of Star City Candle Co. A staff of six will be hired. Ms. Sandy will be responsible for maintaining the financial aspects of the business.

Market research indicates that there is a target market of customers who would purchase this product, as shown in the market research survey. Advertising billboards will be set up along Highways 52 and 41, which is a block away from Main Street. Highway 52 is a major highway connecting eastern North Dakota with western North Dakota.

The business is being capitalized with a personal investment of $30,000, bank financing of $10,000, and a $10,000 grant from the Magic Fund from the City of Minot. The bank loan will be repaid within five years.
Company Profile

**Legal Form of Business**
Star City Candle Co. will form a Limited Liability Company (LLC). As a small business, the company will choose to be taxed as a single member. This takes advantage of a pass-through taxation method, meaning Star City Candle Co. and its owner will be able to avoid double taxation. Therefore, being an LLC member will keep business debt liability away from the owner. Profits in the beginning stages of Star City Candle Co. will be comparatively low. Furthermore, reflecting company profits on individual tax returns will not be an issue. For these reasons, a Limited Liability Company best suits Star City Candle Co.

**Effective Date of Business**
The official launch of Star City Candle Co. will be January 1, 2020. The business will be located on 214 Prospect Avenue W in Velva, North Dakota. The building renovations will be completed prior to the grand opening.

**Company Mission Statement/Vision**
Star City Candle Co.’s mission is to bring natural and organic beeswax candles into homes. Regular paraffin candles, which are made out of a petroleum-based wax, can release combinations of harmful chemicals when burned. This can cause various health problems and contribute to environmental damage. Star City Candle Co.’s organic beeswax candles will not only burn clean but purify the air at the same time with negative ions. Negative ions relieve stress, boost energy and alertness levels, reduce the amount of dust mites and dander in the air, and they may help protect against airborne germs by attaching to positively charged ions that are holding other contaminants airborne. This eases allergy and asthma symptoms and improves breathing for anyone nearby. Beeswax candles are also safer to burn in comparison to other candles. Because beeswax candles are all natural and produce no byproducts, they are naturally dripless when used properly and are thus safer to burn. This avoids the risk of burns and other injuries resulting from burning other types of candles. Beeswax candles also have the brightest, purest light of any candles and are closest to natural sunlight. This can help minimize eye strain and reduce headaches.

Star City Candle Co.’s vision is nothing less than to purify the air you breathe with beeswax candles that are affordable and convenient.

**Company Governance**
Since Ms. Sandy is the sole proprietor of Star City Candle Co., she will own 100 percent of the company. She will assemble a board of advisors to analyze each decision. All business decisions will be in the best interest of the company.
**Company Location**
Star City Candle Co. will have one concrete location to start with on 214 Prospect Avenue W, Velva, North Dakota. Highways 52 and 41 intersect right at the location of the building, so Star City Candle Co. will be in a prime location. This will be a great shopping area with businesses surrounding Star City Candle Co. The businesses include Velva Fresh Foods, Velva Drug, and Mercury, which is a local clothing store right around the corner on Main Street. With this location, Star City Candle Co. is sure to thrive in this bustling area.

![Location Map](image1)

**214 Prospect Avenue W**
Velva, North Dakota
58790

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**Immediate Development Goals**
For Star City Candle Co. to experience success as soon as the operation begins, it is critical that the company develops its assets. Within the first six months of operation, Star City Candle Co. must complete the following:

- Fully train employees and managers to ensure business operations.
- Advertise through local television, newspapers, social media outlets, flyers, and billboards to establish presence in Velva, North Dakota.
- To build a financial structure to ensure we meet our financial projections and build an initial customer base.

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**Overview of Company’s Financial Status**
It is estimated that it will be necessary to have $50,000 in start-up costs to be used in paying for the first few months of operation consisting of a $30,000 cash investment by the owner, a $10,000 grant from the Magic Fund from the City of Minot, and a $10,000 loan from Peoples State Bank of Velva. The funds will be used to pay business expenses such as rent, salary, supplies, utilities, and advertising.
Industry Analysis

Description of Industry
Star City Candle Co. will be entering the candle industry in North Dakota. Star City Candle Co. will market under the Air Purification and Natural Health Benefits Markets. With air pollution and allergies as a persistent problem, Star City Candle Co. sees the opportunity to purify the air with its organic candles.

Size
The beeswax candle industry is relatively small but has the potential to grow rapidly. Therefore, the size of this industry can be projected to grow. Beeswax candles are not like any other ordinary candle. They purify the air by trapping dirt, dust, odor, and mold in the atmosphere. They also have other natural health benefits like easing allergy and asthma symptoms. With air pollution being a persistent problem, it leaves a huge opportunity for Star City Candle Co. to thrive in the Air Purification Market. As of now, the beeswax candle industry has not taken off because of ineffective advertising.

Growth Rates
The growth rates of the beeswax candle industry should be steadily increasing. With air pollution persistently being a problem, beeswax candles are a natural and inexpensive way to detoxify the air with other natural health benefits. The Global Air Purifier Market is projected to display a vigorous growth represented by a Compound Annual Growth Rate of 9.43 percent during 2018-2023. It is predicted that by 2024, the Air Purification Market will be a US $24 billion-dollar industry. As of this prediction, beeswax candles have the potential to thrive in the upcoming years.

Nature of Competition
Since Star City Candle Co. will enter the candle business, there are two main competitors: Soy and Paraffin Candles. Star City Candle Co.’s beeswax candles differ from these candles because beeswax candles are not harmful. Paraffin candles are the most popular choice for customers because they are cheap and advertised well. Soy candles are a popular choice for customers because they claim to be all natural. However, toxic pesticides are often used on soy crops, which means the soy candles also contain toxic pesticides. Beeswax candles differ from the competition because they are actually natural and organic. They do not emit toxins into the air and are made from 100 percent beeswax.

Major candle companies, like Yankee Candle, WoodWick, and Colonial Candle, are basically marketed everywhere. Pharmacies, convenience stores, grocery stores, and many more like it sell a variety of these candles. However, with beeswax candles being natural and with health benefits, major candle companies should not pose a threat to Star City Candle Co.
**History**
For thousands of years, beeswax has been used by man. Evidence of the beeswax candle use has been found on the Greek Island of Crete, and also in Egypt, both dating from 3000 B.C. In Europe, beeswax candles first appeared in the Middle Ages. At that time, candle makers were important people because candles were the only artificial light source. Beeswax was short in supply, so most candles were made out of animal fat. The beeswax gave off a sweet smell and burned longer while the animal fat was foul with a short burn time. Beeswax candles were, therefore, valued highly and mainly used by the rich.

Colonial women offered America’s first contribution to candle making. The growth of the whaling industry in the late 18th century brought the first major change in candle making since the Middle Ages. Most of the major developments impacting contemporary candle making occurred during the 19th century. Paraffin wax was introduced in the 1850s. Candles enjoyed renewed popularity during the first half of the 20th century. The popularity of candles remained steady until the mid 1980s, when interest in candles as decorative items, mood setter, and gifts began to increase notably. The 1990s witnessed an unprecedented surge in the popularity of candles with the introduction of soy. Today’s candles have come a long way and continue to grow in popularity.

**Trends and Strategic Opportunities within Industry**
Due to target market trends, the demand of Star City Candle Co. will be primarily high during the holiday seasons; particularly Christmas. This does not mean that people will stop buying during non-holiday seasons. Sales can also be affected by outside variables such as parties, gatherings, or celebrations. Candle purchasers say they view candles as an appropriate gift for the holidays (76%), as a house warming gift (74%), a hostess/dinner party gift (66%), a thank you (61%), and as an adult birthday gift (58%). Approximately one in five women say they use candles to decorate the yard, patio, or other exterior areas, as well as the interior of their home.

Strategically, Star City Candle Co. will offer certain discounts throughout the year. Most holidays will reveal strategic opportunities to offer discounts, and thus sell more product. Fragrance trends are important to watch when selling candles. Scents like pumpkin, vanilla and peppermint do well in the fall and winter. Whereas, flower and citrus scents are popular during the spring and summer. With supply and demand, it makes sense to make more candles according to the season.

Additionally, Star City Candle Co. will branch out into other products eventually. Scentsy wax bars, air fresheners, and soaps are just a few examples of what the company would sell. All products would still keep the same foundational ingredient found in the candles, which is beeswax. Star City Candle Co. finds this to be the best strategic and marketing move for the future.
Target Market

Target Market Defined
Star City Candle Co. will target a wide range of people. Anyone who has access to our local or online store will be able to access our services. However, projections show that two specific groups of people will be the main consumers. These groups include customers looking to purchase for personal use and those who are looking to purchase as a gift.

Size
The last set of confirmed statistics for the North Dakota population was supplied by the national census of 2010. The survey ultimately showed that there were 672,591 people residing in the state, and that reflected a modest rise of 4.7%. The estimated 2019 population of North Dakota was placed at 755,083. The current growth rate is 1.99%, which ranks 2nd in the nation.

Canada borders North Dakota along its northern border. Montana borders North Dakota along its western border, South Dakota along its southern border, and Minnesota along its eastern border. People come to North Dakota for craft fairs, to shop, and to attend various events held in the state.

According to the City Manager’s secretary, Minot has grown from 40,000 people to 48,000 people and with the new census it is expected that it will be approximately 50,000 people. The peak was reached during the oil boom and has since declined. The 2018 North Dakota State Fair in Minot had 318,248 people go through the gates. Pride of Dakota has a craft show during the North Dakota State Fair, which Star City Candle Co. would participate in.

Growth Potential
The target market are customers who want to purchase beeswax candles that are long burning, non-toxic, clean burning, renewable, safe for allergies, and naturally dripless. Two groups will be targeted. The first group will be those customers who are looking for gifts and want candles that are organic and unique. The other segment of the market is those that are looking to purchase beeswax candles for their own personal use.

Candle sales in the United States are estimated at $3.2 billion annually. Roughly, 35 percent of all candle sales take place during the Christmas/Holiday season. Non-seasonal business accounts for approximately 65 percent. There are more than 400 candle manufacturing companies in the United States and scores of craft producers who make candles for local or non-commercial use. Candle manufacturing is a multibillion dollar industry. However, there are only two businesses listed in North Dakota who sell beeswax candles.
There are as many as 2,000 varieties of candles and 10,000 scents available. More than a billion pounds of wax are used to make candles sold in American stores every year. Paraffin is the most commonly used candle wax today because it is cheaper to manufacture, along with beeswax, soy, palm wax, and blended waxes.

Candles are used in 7 out of 10 households, and manufacturing surveys show that 90% of all candles are purchased by women. The candle industry research indicates that the most important factors affecting candle sales are scent, color, cost, and shape.

The growth potential is excellent. Star City Candle Co. will partner with the Pride of Dakota. Since 1955, Pride of Dakota has promoted and enhanced the marketing of North Dakota businesses, products, and services. Pride of Dakota is administered by the North Dakota Department of Agriculture under the direction of Agriculture Commissioner Doug Goehring. According to the website, the Pride of Dakota offers resources and opportunities to help local business owners start or expand their business. Booths will be set up at craft fairs and a website will be created along with business cards and brochures.

**Needs**

Consumers are increasingly purchasing candles that are a focal point for their home decor and for aromatherapy-like relaxation and stress reduction. Five out of ten users say they use candles to make a room feel comfortable and cozy. Approximately one in five women say they use candles to decorate the yard, patio, or other exterior areas, as well as the interior of their home. The majority of United States consumers use their candles within a week of purchase.

**Analysis of Market’s Potential, Current Patterns, and Sensitivities**

A hand-made, local, and organic beeswax candle in a local town can be very likely to succeed. In a small town when you need a quick unique gift but don’t want to run all the way to a big town to go shopping, customers could shop at Star City Candle Co. for all of their gift or personal needs.

In Velva, there are no other businesses directed only to selling candles, so Star City Candle Co. would be the only business selling these unique candles. With these patterns, Star City Candle Co. would take advantage of this and thus make a profit because of no similar products sold. A survey was taken by people in the local area to determine what scents would be popular and basic questions about candles.

The only sensitivity to beeswax candles is that some people may find a slight allergy to the beeswax itself. However, beeswax only has harmful reactions, like rashes, if made contact on skin. People allergic to bees are at a greater risk to have a sensitivity to this product. On the contrary, beeswax candles have very beneficial effects. They purify the air by removing impurities like dust and pollutants. They have even been known to reduce the effects of asthma and allergies.
Market Research Survey

1. Do you like candles?
   - Yes ☐  No ☐

2. Have you purchased a candle in the past six months?
   - Yes ☐  No ☐

3. Have you ever given a candle as a gift?
   - Yes ☐  No ☐

4. What is your favorite scent? (Please choose TWO of the following.)
   - Vanilla Bean ☐
   - Organic Honey ☐
   - Sea Salted Caramel ☐
   - Lavender ☐
   - Cherry Blossom ☐
   - Autumn Leaves ☐
   - Pumpkin Spice ☐
   - Sugar Cookie ☐
   - Cinnamon Stick ☐
   - Other ☐

Thank you for your participation in this survey. Your answers will help Star City Candle Co. to best meet the needs of area consumers.
Results from Market Research Survey

Do you like candles? (84% Yes, 16% No)

Have you purchased a candle in the past six months? (80% Yes, 20% No)

Have you ever given a candle as a gift? (82% Yes, 18% No)

Star City Candle Co. Scents

- Vanilla Bean: 12
- Organic Honey: 4
- Sea Salted Caramel: 4
- Lavender: 5
- Cherry Blossom: 3
- Autumn Leaves: 3
- Pumpkin Spice: 1
- Sugar Cookie: 4
- Cinnamon Stick: 5
- Other: 14

Customer Preferences
Competition Analysis

Key Competitors
It is no secret that the candle market has become more competitive. Retailers and consumers have become “price sensitive” on many types of candles. Many of the non-traditional candle retailers now offer some type of candles to the consumer. Supermarkets offer candles in three or four different departments and hardware stores now carry a line of candles. Health stores and even local stores selling tobacco products offer candles. Star City Candle Co.’s main competitors would be primarily soy and paraffin candles.

The top 10 scented candle companies in the USA are:

1. Yankee Candle
2. Colonial Candle
3. The White Barn Candle
4. Virginia Candle/WoodWick Candles
5. Bridgewater Candles
7. Gold Canyon Candles
8. Village Candles
9. Circle E Candles
10. Better Homes and Gardens

Competitor’s Strengths and Weaknesses
The columns listed are the key competitors of the Star City Candle Co. Competitors have distinct strengths and weaknesses, but none offer the exact same services as Star City Candle Co. The research given is from local sites and resources.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paraffin Candles</td>
<td>Paraffin wax candles burn at a higher temperature than most candles- Paraffin can be turned into candlesticks, pillars, votive and other free-standing shapes.</td>
<td>Burning candles made from paraffin wax emit carcinogens into the air. The soot created from these candles has been known to cause asthma and allergies.</td>
<td>Beeswax candles can relieve allergies and asthma symptoms. They also purify the air by collecting dust, odor, and dander by releasing negative ions when burned.</td>
</tr>
<tr>
<td>Soy Candles</td>
<td>Soy candles lasts longer because they burn slower and at a cooler temperature.</td>
<td>Soy products are commonly Genetically Modified, bleached and hydrogenated. Soy wax goes rancid without preservatives</td>
<td>Beeswax candles are natural. They also have a long shelf life so they will not go rancid without preservatives.</td>
</tr>
</tbody>
</table>
Paraffin candles are the most popular choice for customers because they are cheap and advertised well. However, paraffin candles have more weaknesses than strengths. For example:

- Non-Renewable
- By-product of fossil fuels
- The equivalent of inhaling exhaust fumes
- Creates a large amount of black sticky soot
- Polymers are added to raise the melting point and improve burning qualities
- Paraffin candles are known to drip
- Often scented with artificial fragrance
- Often bleached and dyed with toxic colorants

Soy candles are a popular choice for customers because they claim to be all natural. They are a renewable resource, biodegradable, and are a non-carcinogenic candle. However, there are many cons to soy candles like:

- Soy products are commonly bleached and hydrogenated
- Aesthetically, soy wax is not pretty, and candles often develop bumps and lesions while burning
- Soy wax goes rancid without preservatives
- Some soy wax candles contain additives and hardeners
- Toxic pesticides are often used on soy crops
- Soy candle makers are limited by the type of candle they can make because the wax is so soft.
- Often scented with artificial fragrances
- Soy wax is difficult to ship during hot weather because it will melt

### Potential Future Competitors

The industry as of now has a high potential but is still somewhat unproven. Therefore, there is always the chance of a new up-and-coming candle business. With continuous advertising and special offers, Star City Candle Co. will secure its position in this industry. Applications and services will be updated monthly to avoid falling behind and taking the chance of a future competitor surpassing us in this industry.

### Barriers to Entry for New Competitors

To avoid being surpassed by future competitors, Star City Candle Co. will establish a dominance in the candle business in North Dakota by providing customers with the best product and prices. Once customers learn what harm paraffin and soy candles can do, beeswax candles have the potential to take over the entire industry. If these tasks are completed, customers will only buy beeswax candles from Star City Candle Co.’s services leaving no room for outside competitors.
Marketing Plan and Sales Strategy

Key Messages to be Communicated
The key message to be communicated is that the Star City Candle Co. creates high end, natural, and organic beeswax candles for your home. A variety of options will be utilized to advertise the uniqueness of beeswax candles. The message is that beeswax candles are all natural, environmentally safe and friendly, smell great and are naturally scented by organic essential oils and by honey and floral nectar in the honeycomb. They are also carbon neutral, burn strong and bright, and are the only candle that emits negative ions to purify, cleanse, and improve air quality. They are also hypoallergenic beneficial, or minimize the possibility of an allergic response for those with environmental allergies, sensitivities, and asthma.

Example of 5.8 Ounce Candle
Options for Message Delivery
Because this is a small business, Star City Candle Co. will utilize a variety of options for message delivery utilizing advertising methods that target consumers within the state of North Dakota.

The following is a list of options for message delivery:

- **Broadcast Media** - Television and radio are two traditional broadcast media long used in advertising. Television offers creative opportunities; a dynamic message and wide audience reach.

- **Direct Marketing** - Direct marketing is an interactive approach to advertising that has picked up in usage in the early 21st Century. It includes direct mail, email, and telemarketing. These are direct response efforts to create an ongoing dialogue or interaction with customers. Direct marketing has become more prominent because it allows for ease in tracking customer response rates and helps advertisers better measure return on investment.

- **Internet** - The Internet is used by online and offline companies to promote products and services. Banner ads, pop up ads, text ads, and paid search placements are common forms. Banner pop up and text ads are ways to present an image or message on a publisher's website or on a number of websites through a third-party platform like Google’s AdWords program. Paid search placements, also known as cat-per-click advertising, is where you bid a certain amount to present your link and text message to users of search engines like Google and Yahoo.

- **Social Media** - Businesses can also create different target groups and send ads on social media platforms to users that would be most interested in their products or services. Facebook and Instagram give Star City Candle Co. the opportunity to reach certain demographics in certain areas and promote their services.

- **Advertising Billboards** - Billboards are a great way to communicate or promote a product. The billboard advertisements will be set up next to condensed, widely used roads. Specifically: Highway 41 and Highway 52 that connect eastern North Dakota with western North Dakota and run right through Velva.
Sales Procedures and Methods
Star City Candle Co. will have their primary location in Velva, North Dakota, but also offer an online store. Star City Candle Co. will leverage their competitive advantage of a customer-based business model to rapidly gain market share in the candle market. The objectives of the company are to create a company whose goal is to exceed customer’s expectations, increase clients by 20 percent per year, and to develop a sustainable start-up business that will become a profitable candle company. The first month of business will be to set up the work area, line up retail sales outlets, schedule upcoming craft fairs, and design a website. Star City Candle Co. products will be marketed and sold on the merits of burning organic beeswax candles.

The cheapest candle selling venues include flea markets, e-commerce stores, online auction websites, online artisan marketplaces, and craft shows. There are two highly advertised craft shows that attract people from all over North Dakota and Canada. These craft shows are held in the All Seasons Arena on the North Dakota State Fairgrounds in Minot. Since Velva, North Dakota, is located 20 miles east of Minot, the Star City Candle Co. will rent a booth and sell beeswax candles. A drawing for a candle as a door prize will be offered. Craft fair attendees can sign up for the drawing listing their name, address, telephone number, and email address. In addition, business cards will be available. The first craft show is held in the spring and the second one is held in the fall which are the ideal times of the year for customers to purchase candles.

Fragrance trends are important to watch when selling candles. Bright floral, fresh fruit, and citrus scents are very popular in spring and summer. Whereas, pumpkin, pomegranate, cranberry, peppermint, and balsamic scents do well in fall and winter. Business cards will be available for customers.

It is important to have a marketing plan and sales strategy prior to selling your product. The following steps to consider are your product or service, pricing, position in the marketplace, promotion of the product, people in your business, the way it is presented, and the physical environment where the product is sold. For example, Etsy is the home to thousands of handmade, vintage, and one-of-a-kind products and gifts. It is an online artisan marketplace that would work well as you are not charged a fee until your product is sold.

Star City Candle Co.’s Business Cards

Jadyn Sandy
Owner
214 Prospect Avenue W
Velva, ND 58790
Phone: (701) 822-3904
Website: www.starcitycandleco.com
Email: JadynSandy@starcitycandleco.com
Business Facilities
The Star City Candle Co. will be located at 214 Prospect Avenue W, Velva, North Dakota, which is 20 miles east of Minot, North Dakota. This building has 2,874 square feet of space on 0.330 acres. There are two restrooms and is an open concept. This building is right off Highway 52 and Highway 41 with great location and high visibility. The property is zoned Commercial 1. It was built in 1950. The lot size is 14,375 square feet. It also has a shed in the rear of the building. The inside of the building will undergo a slight amount of renovation to better serve the needs of the business.

Production Plan
The production plan is to purchase wholesale candle making supplies in bulk.

Supplies to make candles are:

- Beeswax
- Wicks
- Glass Mason jars
- Scents (essential oils)
- Glue guns
- Glue sticks
- Funnels
- Stove/Burners
- Stockpots
- #10 cans for melting the wax
- Small dowels
The following is the process for making candles:

- Place beeswax into container and place inside a stockpot filled half full of water. Simmer over medium high heat stirring occasionally as it melts. Add scent (essential oils.)

- Prepare jars by making sure the wick stays in place in the middle of the jar when you pour in the hot, melted beeswax.

- The preferred method would be to use a glue gun to stick the wick to the bottom of the jar. Curl the wick around a small dowel to keep from tipping over. Pour melted beeswax into jar leaving one inch from the top of the jar. Set the jars aside and allow to cool completely. Trim the wick to the appropriate size of the jar.

Beeswax candles do not get rancid so can be stored for a long time. Therefore, a complete inventory of candles can be made and be available for immediate sale.

**Workforce Plan**
Strategic workforce planning is essentially aligning your human capital needs with those dictated by your business plan and strategy. The sole purpose of your strategic workforce planning is to ensure your workforce is aligned with your business objectives. The people who make up your workforce will help you get there, and your results will allow you to determine how best to stay on track.

**5-Step Framework for Strategic Workforce Planning:**

1. **Plan:** Write a good business plan.

2. **Require:** Let your business plan dictate the requirements of positions and people that will help you achieve your plan. Outline the necessary skills, experience, and behaviors that someone will need to succeed in a given role.

3. **Hire:** Create your job description keeping it separate from the job advertisement. The applications and interview process should be well structured.

4. **Inspire:** In order for the business to succeed, you need people who you can rely on. They should feel ownership and purpose. Your workplace cultures should foster collaboration, teamwork, and unity towards your business objectives.

5. **Results:** Choose key performance metrics that will help you determine if you are on track and measure them monthly.
Although Jadyn Sandy will be the owner of the Star City Candle Co., she is going to employ family members to help in the day-to-day operation. Because Velva is a small town, there aren't many opportunities for employment. It is the intent to hire high school students, retired people who may be looking for part-time employment, and anyone else who may be interested in working.

**Impact of Technology**
Initially, all the candles made at the Star City Candle Co. will be individually hand made. As the business grows, automatic candle making machines would be a consideration in order to meet the needs of the customer.

Current technology that is available for business usage will be utilized to run the business. A desktop computer, iPhone, and a cash register will be purchased for the day-to-day operation of the business.

Intuit QuickBooks Desktop Premier 2019 will be used to manage small business accounting. Utilizing this program will help to track, organize, and manage the business.

Another critical use of technology will be the use of the Internet by creating a website and social media to advertise merchandise available for sale.

**Examples of Star City Candle Co.’s Home Page and Contact Page**
Management and Organization

Key Employees/Principals
The key employees and principals of Star City Candle Co. are Jadyn Sandy, Deanna Chrest, Kim Sandy, and Joshua Sandy. Star City Candle Co. will be a family owned and operated business. Jadyn Sandy is the owner. Each of these employees will be responsible for the day-to-day operation of the business. Four additional employees will be hired to help make candles for inventory. These four employees will be hired from a list of applicants from the high school, retired people, and people interested in part-time employment.

The overall aim of achieving the objectives of a business is the process of organizing, planning, leading, and controlling resources within a business. The size of the management can range from one person in a small organization to hundreds or thousands of managers in multinational companies.

The management and organization section of the business plan summarizes the information about your business organizational structure, business members duties, and expertise as well as their education and qualifications. The management team details what your team brings to the business.

Organization structure defines the hierarchy of the organization. It is used to define each employee's duties and roles.
Jadyn Sandy, Owner—Jadyn Sandy is a graduate of Minot State University with a Bachelor of Science Degree in Marketing with 5 years experience in the retail industry. The Owner will be responsible for:

- Overseeing all operations of Star City Candle Co.

Deanna Chrest, Office Manager—Graduate of Minot State University in Business and Vocational Office Education and North Dakota State University with a Master’s Degree in Secondary Administration, and a retired Business and Vocational Office Education Teacher with 30 years teaching experience. The Office Manager will be responsible for:

- Maintaining office services by organizing office operation and procedures
- Maintains office efficiency by planning and implementing office systems, layouts, and equipment procurement
- Designing and implementing office policies by establishing standards and procedures
- Scheduling work schedules and requirements for employees
- Keep management informed
- Maintaining office staff by recruiting, selecting, orienting, and training employees
- Prepare annual budget and achieve financial objectives

Joshua Sandy, Marketing Manager—A graduate of Minot State University in Business and Public Relations. One of the most important duties of a Sales Manager is to plan and organize market research, and to assist the business in product planning by suggesting improvements in product design, style, size, attributes, etc. A sales manager is responsible for:

- Organizing promotional events at trade shows and other venues
- Coordinating with our staff to ensure prompt delivery of materials and merchandise
- Hiring and training a team of marketing associates to coordinate events and conduct outside sales
- Identifying weaknesses in existing marketing campaigns and develop pragmatic solutions within budgetary constraints
- Communicating with senior management about marketing initiatives and project metrics, as well as to brainstorm fresh strategies

Kim Sandy, Sales Manager—Graduate of Minot University with a bachelor’s Degree in Elementary Education Grades 1-6 and Physical Education K-12. Currently teaching Mathematics and Title 1 Mathematics. The Marketing Manager will be responsible for:

- Meeting the sales targets by successfully managing the sales team
o Designing and implementing a strategic sales plan that expands company’s customer base and ensure its strong presence
o Managing, recruiting, objectives setting, coaching and performance monitoring of sales representatives

o **Employee 1, 2, 3, 4**—Employees will be selected from applications of interested applicants, retired personnel and/or high school students. Responsibilities will include:
  o Melting wax and filling jars with beeswax and specific scents
  o Decorating the outside of the jar and attaching appropriate decals
  o Operate register
  o Assist customers

**Board of Directors, Advisory Committee, Consultants, and other Human Resources**
A board of directors is not required in a limited liability company. Therefore, an advisory committee of three members will be formulated in order to benefit from the knowledge and expertise of others. Since there are no businesses that make candles in the immediate area, local businesses will be contacted for advice and information. Initially, meetings will be held monthly. Also, advisory board members will be appointed to a one-year term.

Star City Candle Co. will rely on the advice and direction from the Pride of Dakota, local craft dealers, and area business owners.

**Plan for Identifying, Recruiting, and Securing Key Participants**
Because Velva is a small town, there are not a lot of opportunities for employment. The plan for identifying, recruiting, and securing key participants is to put a “Help Wanted” advertisement in the local Velva newspaper, The Velva Voice. The advertisement will be directed specifically to retirees and students 16 years of age and older. A meeting will be held with the administration in the Velva Public School to see if flyers and/or meetings can be held in the school for students interested in employment. Social media will also be utilized for those living in surrounding towns like Sawyer, Logan, Drake, Karlsruhe, and Surrey to see if they would be interested in applying.

**Compensation and Incentives Plan**
Offering incentive compensation is the supplementary money an employee makes for a certain level of performance on top of their regular base salary. It is a practice that has seen increased popularity over the past decade. Incentives are not the same thing as bonuses. Bonuses tend to reward past actions, incentives aim to encourage future results. So, in a very simplistic sense, you give a bonus for a job well done, but you offer incentives for doing a job well. The first thing to figure out is what kind of business goal you’re trying to incentivize. Star City Candle Co. will use a variety of incentives such as bigger base pay increases, non-monetary benefits such as extra vacation days and flexible work schedules, performance bonuses, and discounts on candles.
Long-term Development

Goals for Three, Five, or More Years
The goal for the Star City Candle Co. is to enter the candle making market primarily in the state of North Dakota and then ultimately expand into national and global markets.

The short-term goals are:

- Obtain and fill out all necessary documents to set up a business, hire personnel, and rent space in which to house the business
- Contact various outlets such as craft shows to obtain booths where the product will be available for sale
- Partner with Pride of Dakota to establish a working relationship for distributing and selling a home-grown product
- Purchase supplies and create inventory available for sale
- Develop a website
- Develop an advertising campaign
- Begin selling candles by April of the first year of business at the Big One Craft Fair
- Produce a product that will continue to grow in sales

The long-term goals are:

- Double the revenue by the end of the current fiscal year
- Achieve at least 95 percent positive customer feedback. Design a questionnaire and include a drawing for free products or discounts on future purchases for customers who take the time to respond
- Build the company’s name recognition within the community and state
- Increase website traffic by at least 50 percent by the end of the current fiscal year
Risks and Potential Adverse Results

- **Economic factors**—contain factors such as economic growth, interest rates, exchange rates, and the inflation rate. Interest rates can affect the cost of capital.

- **Political factors**—analysis is related with how and to what extent a government interferes in the economy. For example, tax policy, labor law, trade restrictions, tariffs, environmental law, and political stability.

- **Social factors**—contain issues such as health consciousness, population growth rate, age distribution, career attitudes, and emphasis on safety. Aging population leads to a smaller and less willing workforce, which increases the cost of labor.

- **Environmental factors**—conditions such as weather, climate, and climate change which may influence farming. In recent years the honeybee population across the continent has plummeted as much as 70 percent, and the federal government plans an allocation of $80 million to fund research. The loss of honeybees could have a devastating effect on agriculture and food supply. One hundred pounds of honey needs to be harvested in order to get one to two pounds of beeswax. One pound of beeswax equals approximately 20 ounces in volume and will fill four small canning jars. Because North Dakota is an agricultural state, there are currently 42 companies under beekeepers listed within the state, and there are four beekeepers within the immediate Velva area.

- **Technological factors**—include ecological and environmental aspects such as automation.

- **Legal factors**—include laws pertaining to discrimination, consumer affairs, antitrust, employment, and health and safety.

Strategy to Reach Long-term Goals

To achieve the goals set in place and avoid as many risks as possible, decisions will be made based upon these schemes:

- Increased advertising
- Customer surveys
- Participate in or sponsor local events
- Offer discounts throughout the seasons to attract business
- Hold employees accountable for productivity
- Reward employees if the sales are high
Financials

Accounting System
Star City Candle Co. will use the accrual-basis accounting system with Intuit QuickBooks Desktop Premier 2020. QuickBooks will:

- Save time on everyday tasks
- Get the business information we need
- Utilize tools tailored to candle making industry

This software will:

- Track sales, sales taxes and expenses
- Be ready at tax time with easy reliable reports such as balance sheets and income statements
- Organize business in one place
- Download bank transactions
- Track inventory
- Create purchase orders
- Get financial sales and tax reports in one click
- View the full picture of the business performance at a glance with Insights Home Page
- Track costs for assembled products and inventory

Financial Projections
It is estimated that it will be necessary to have $50,000 in start-up costs to be used in paying for the first few months of operation consisting of a $30,000 cash investment by the owner, a $10,000 grant from the Magic Fund from the City of Minot, and a $10,000 loan from Peoples State Bank of Velva. The funds will be used to pay business expenses such as rent, salary, supplies, utilities, and advertising.

The funds received from the Magic Fund and the Peoples State Bank of Velva will be used in paying the first few months of operation. After that, the net income from sales will be used to cover the cost of all business expenses. It is anticipated that Star City Candle Co. will continue to grow each year as customers become more aware of the benefits of burning beeswax candles.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Investment</td>
<td>$30,000</td>
</tr>
<tr>
<td>Magic Fund</td>
<td>$10,000</td>
</tr>
<tr>
<td>People State Bank</td>
<td>$10,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$50,000</strong></td>
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### CASH FLOW STATEMENT
For the Year Ended December 31, 2020

#### CASH FLOW FROM OPERATIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$150,140.00</td>
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<tr>
<td><strong>Net Cash Flow from Operating Activities</strong></td>
<td><strong>$150,140.00</strong></td>
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</table>

#### CASH FLOW FROM FINANCING

<table>
<thead>
<tr>
<th>Description</th>
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<tr>
<td>Proceeds from Loan</td>
<td>$25,000.00</td>
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<tr>
<td>Payment of Loan (Year 1)</td>
<td>($2,100.00)</td>
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<tr>
<td><strong>Net Cash Flow from Financing (Year 1)</strong></td>
<td><strong>$22,900.00</strong></td>
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</table>

#### NET CASH FLOW

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td><strong>$150,140.00</strong></td>
</tr>
</tbody>
</table>
## Year 1 Monthly Income Statement

### STAR CITY CANDLE CO.
**YEAR 1 MONTHLY INCOME STATEMENT**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Est. Revenue</strong></td>
<td>$25,000.00</td>
<td>$27,500.00</td>
<td>$30,250.00</td>
<td>$37,812.00</td>
<td>$45,375.00</td>
<td>$59,363.00</td>
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<tr>
<td><strong>Fixed Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Rent</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Salary</td>
<td>$4,335.00</td>
<td>$3,770.00</td>
<td>$4,147.00</td>
<td>$4,147.00</td>
<td>$3,958.00</td>
<td>$4,147.00</td>
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<tr>
<td>Utilities</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
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<tr>
<td>Loan</td>
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<td>$175.00</td>
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<td>$175.00</td>
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<tr>
<td>Supplies</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
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<td>$5,145.00</td>
<td>$5,522.00</td>
<td>$5,522.00</td>
<td>$5,333.00</td>
<td>$5,522.00</td>
</tr>
<tr>
<td><strong>Projected Profit</strong></td>
<td>$19,290.00</td>
<td>$22,355.00</td>
<td>$24,728.00</td>
<td>$32,290.00</td>
<td>$40,042.00</td>
<td>$53,841.00</td>
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### Monthly Projection

<table>
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<tr>
<td>$74,204.00</td>
<td>$81,634.00</td>
<td>$89,798.00</td>
<td>$98,777.00</td>
<td>$123,472.00</td>
<td>$154,340.00</td>
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<tr>
<td>Fixed Expenses</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Rent</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>Salary</td>
<td>$4,335.00</td>
<td>$3,958.00</td>
<td>$4,147.00</td>
<td>$4,147.00</td>
<td>$3,958.00</td>
<td>$2,827.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$5,710.00</td>
<td>$5,333.00</td>
<td>$5,522.00</td>
<td>$5,522.00</td>
<td>$5,333.00</td>
<td>$4,200.00</td>
</tr>
<tr>
<td><strong>Projected Profit</strong></td>
<td>$68,494.00</td>
<td>$76,301.00</td>
<td>$84,276.00</td>
<td>$93,255.00</td>
<td>$118,139.00</td>
<td>$150,140.00</td>
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</table>
Yearly Income Statements for Years 1, 3, 5

<table>
<thead>
<tr>
<th>STAR CITY CANDLE CO.</th>
<th>Income Statements for Years 1, 3, 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>Year 1</td>
</tr>
<tr>
<td>Sales</td>
<td>$214,516.00</td>
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</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 3</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$600.00</td>
<td>$1,200.00</td>
<td>$1,800.00</td>
</tr>
<tr>
<td>Rent</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Salary</td>
<td>$47,876.00</td>
<td>$55,000.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,800.00</td>
<td>$2,500.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Loan</td>
<td>$2,100.00</td>
<td>$2,100.00</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Supplies</td>
<td>$6,000.00</td>
<td>$8,000.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$64,376.00</strong></td>
<td><strong>$74,800.00</strong></td>
<td><strong>$97,900.00</strong></td>
</tr>
</tbody>
</table>

**Net Income**

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 3</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$150,140.00</td>
<td>$225,975.00</td>
<td>$503,649.00</td>
</tr>
</tbody>
</table>

Financial Assumptions

Star City Candle Co. anticipates that its busiest times will be in April, July, and November as that will be when the craft shows and North Dakota State Fair will be held. Utilizing technology will greatly enhance product sales and product exposure not only in North Dakota, but throughout the United States. At the same time, an aggressive advertising campaign will be launched. Due to the uniqueness of the product, repeat customers as well as new customers will be an important component in overall sales.
Supporting Documents

Cost Per Candle
Pricing your product can be one of the most challenging parts of starting a candle business. If the price is too low, you risk not making a profit. If the price is too high, you risk not selling your candles. It is important to not try to beat your competition on price alone. Instead, concentrate on making a quality product, knowing your expenses, and pricing in line with your target market.

Beeswax purchased on Amazon ($15 off on orders over $250)
55 pounds of white beeswax ($4.74 per pound) = $260.59
55 pounds of yellow beeswax ($5.23 per pound) = $287.79

- **Calculate Variable Cost**
  - Enough to make 135 candles, including one fragrance, and a jar that holds 5.8 ounces of wax

- **Calculate Fixed Costs**
  - Labor—5 hours =$7.25 = $36.25 per batch or $0.27 per candle

- **Calculating Variable Cost**
  - Wax $0.44
  - Fragrance Oil $0.46
  - Eco 10 Wick $0.08
  - Straight Sided Jar $0.47
  - Lid $0.21
  - Warning Label $0.04
  - Product Label $0.50
  - Labor $0.27
  - **Total** $2.20 per candle

A traditional metric is to charge two times your cost to wholesale orders and three to four times your cost for direct sales. Twenty-five percent to fifty percent marginal markup percentage based on your costs for a candle business is used.

Price ranges for 5.8-ounce candle

- Mass Market $5 to $8
- Medium Market $9 to $14
- Prestige Market $15 to $22
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