



What's the
♥ Scoop? 

Sowmya Duggirala
Business Plan NLC 2019
Rampart High School
Colorado State

Table of Contents

I. EXECUTIVE SUMMARY 2

II. COMPANY PROFILE 3

 A. Legal Form of Business

 B. Effective Date of Business

 C. Mission Statement

 D. Company Governance

 E. Company Location

 F. Immediate Development Goals

 G. Overview of Company’s Financial Status

III. INDUSTRY ANALYSIS 6

 A. Description of Industry

 B. Size and Growth of the Industry

 C. Nature of Competition

 D. History

 E. Industry Trends and Strategic Opportunities

IV. TARGET MARKET 8

 A. Size and Growth Potential

 B. Target Market Needs

 C. Market Analysis

V. COMPETITION ANALYSIS 10

 A. Key Competitors

 B. Potential Future Customers

 C. Barriers for Future Entry

VI. MARKET PLAN AND SALES STRATEGY 14

 A. Key Message

 B. Message Delivery

 C. Sales Procedure

VII. OPERATIONS 17

 A. Business Facilities

 B. Production Plan

 C. Personnel Plan

 D. Impact of Technology

VIII. MANAGEMENT AND ORGANIZATION 20

 A. Key Employees

 B. Advisory Committee

 C. Employee Process

 D. Compensation and Incentives

IX. COMPANY LONG-TERM DEVELOPMENT 22

 A. Important Assumptions

 B. Short and Long Term Goals

 C. Strategy to Reach Long Term Goals

 D. Risk Analysis

 E. SWOT Analysis

X. FINANCIAL PLAN 25

 A. Accounting Systems

 B. Capital Expenditures and Loan Request

 C. Monthly Cash Flow Statement

 D. Monthly Income Statement

 E. Annual Income Statement

XI. SUPPORTING DOCUMENTS 30

I. Executive Summary

A. Business Concept

Warm and gooey cookies that are fresh out of the oven are a nostalgic treat that truly has the ability to trigger anyone’s childhood memories. On the other hand, a refreshing (yet rich!) scoop of ice cream on a sunny day has always been seen as a perpetual way to cure a sweet craving! Cookies and ice cream have evolved into classic American desserts that deeply resonate with most people. The American public largely shares a profound love for desserts, and this has allowed for confectioneries to explode in popularity over the past few years. However, it is rare for shops to innovate with timeless treats and also offer a wide variety of products. For everyone who aspires to craft their confectionary dreams into reality, What’s the Scoop? is the only venture that incorporates both classic and contemporary flavors of cookies and ice cream into a customizable experience that is sure to satisfy any sweet craving!

The most distinct component of the experience at What's the Scoop? lies in its ice cream and cookie sandwiches. Each customer will traverse through an interactive experience at the shop, where they can either choose a cookie or brownie base and add any toppings. Then, they move to the ice cream station, where they select mix-ins that are evenly distributed throughout a chosen ice cream flavor. Finally, the desired ice cream is sandwiched between the freshly baked cookies. In addition to the sweet delicacy of ice cream

What's the Scoop?



Cookies, Ice Cream, Brownies, Milkshakes and More. The possibilities are endless with the flavors, toppings and mix-ins that you can choose from. Pick a 'Chewy, Gooey' element and a 'Rich and Creamy' component to make your dessert fantasies come true.









cookie sandwiches, customers can also choose from a variety of traditional desserts such as milkshakes, brownies, cookies, ice cream sundaes, and just about any combination of these treats. The sweet treats also meets many prominent dietary restrictions (like gluten-free, dairy-free, nut-free, and vegan), and are always made from ingredients that are sourced from local farms. The innovative flavors of ice cream and cookies and the endless combinations that are possible will truly allow What’s The Scoop? to become a market leader due to its innate ability to combine the most popular and mouth-watering desserts.

B. Industry Analysis

The market share for the desserts industry is estimated to skyrocket due to the increasing demand of Americans to indulge in a sweet treat. The reason why people consume sugary novelties at such high frequencies can mostly be attributed to the appeal of a sweet taste. Therefore, as the consumption of sugar rises, so will the demand for desserts. This trend is often dubbed as the “sweet euphoria”, and it is expected to substantially increase in the next few years, which will undoubtedly generate demand for confectioneries such as What’s the Scoop?. (*“Confectionery Market Is Expected to Grow by Million, Globally.” Allied Market Research*)

C. Competition

What's the Scoop? faces no major competitors in the confectionery industry. Although there are numerous bakeries (which specialize in cookies) and ice cream chains that have separately been able to retain a dedicated clientele, What's the Scoop? offers a customizable experience that has never been seen before, in which both of the aforementioned desserts are available. The unique combination of cookies and ice cream is distinct to What's the Scoop? and ensures that the business can offer a one-of-a-kind dessert experience which can be catered to meet each customer's specific tastes. (*"Dessert Trends for the Foodservice Industry."*) In addition to the variety of options available at What's the Scoop?, the sweet treats will also meet many prominent dietary restrictions which will further enlarge the potential customer base.

D. Marketing Plan and Sales Strategy

In order to ensure that all potential customers are aware of What's the Scoop?'s services, there must be a strategy in place to market to the targeted customer base. By utilizing these marketing strategies, What's the Scoop? will be able to keep customers coming back and create a dedicated clientele.



II. Company Profile

A. Legal Form of Business

What's the Scoop? will operate as a Limited Liability Company that will be owned and run under the founder, Sowmya Duggirala. This legal form of business will be the most advantageous to Sowmya, as her assets will be legally separated from the business' assets and liabilities. This ensures that her personal holdings are protected if the business was to go bankrupt. Under an LLC, Sowmya will not incur major losses as owners are only liable to pay obligations that directly correlate to their individual capital contributions. (*"Limited Liability Company LLC | Internal Revenue Service"*) LLCs also allow the owner to be flexible with their business operations, as they are endowed the freedom to determine how revenue is utilized. With its operational flexibility and protection of personal assets, Sowmya can be certain that operations will run smoothly under the Limited Liability business model of What's the Scoop?. (Keyt, Richard C. *"How to Form a California Limited Liability Company."* California Limited Liability Company Law. N.p.)

Benefits of a Limited Liability Company (LLC)

Protection of Assets: The owner's personal assets are protected

Pass-Through Taxation: A LLC's profits will not be taxed by the government on a company level

Financial Advantage: Less paperwork and lower filing costs

B. Effective Date of Business

The concept, design, and business plan of What's the Scoop? was created by Sowmya Duggirala throughout 2019. Sowmya will utilize the first six months of 2020 in order to make renovations, organize staff and conduct trainings, create a proper working environment for employees, and most importantly, create a space that can provide a magical experience of sweet fantasy for the business' clientele. Operations of the first venture of What's the Scoop? will officially launch on July 15, 2020 in Huntington Beach, California.

C. Mission Statement

What's the Scoop? is the confectionary that will combine the most beloved sweet treats of the country into an imaginative way to enjoy your favorite desserts. The business hopes to enthruse customers to indulge in an ice cream cookie sandwich that is crafted to perfection. Warm, gooey and freshly baked cookies served with cool, creamy, and rich ice cream allows for a food match made in heaven - this delectable treat can undoubtedly cure any sweet craving. What's the Scoop? strives for perfection with its food quality by ensuring that it will only acquire natural ingredients sourced from local farms and markets. The nature of What's the Scoop? is that every batch will be made fresh; so when a customer digs their teeth into a treat, they truly will be immersed into a sweet lover's fantasy. Moreover, there is something for everyone at What's the Scoop?. Orders are always personalized to the customers, who can choose from a variety of cookie dough bases, mix-ins, ice cream flavors, and toppings in order to articulate their own culinary masterpiece. What's the Scoop?'s mission is for everyone to be able to indulge in a novel ice cream and cookie confection. The uniquely customized treats will always be served fresh and available at affordable prices, which will ensure that everyone can savor the sweet fantasy available at What's the Scoop?

D. Company Governance

Under the Limited Liability Company, the proprietorship and revenues of What's the Scoop? will rightfully be owned by Sowmya Duggirala, who will govern over the company. However, in order to aid with critical decision-making as well as provide financial assistance to Sowmya, What's the Scoop? will also have an Advisory Board. This committee will be comprised of private investors who have invested in What's the Scoop? and appropriated a portion of the startup expenses. (*"Considerations in Drafting Board Advisor Arrangements."* American Bar Association.) The Advisory Board primarily will be involved with crucial executive decisions that are made at What's the Scoop?. Both before and after the official launch of What's the Scoop?, the owner will hold bimonthly meetings with the Advisory Board, who can propose suggestions on how to improve the nature of business operations. The committee will also be able to moderate the company's finances and ethics. However, although the Advisory Board holds a lot of power over What's the Scoop?, any final decisions regarding the

company will always be made by the rightful owner, Sowmya Duggirala in a democratic business leadership style. (Morgan, Jacob. "Types of Business Organizational Structures." *Forbes*. N.p. Web.)

E. Company Location



The ideal location for What's the Scoop? is in the thriving Yorktown District of Huntington Beach, California. This area is primarily a residential community with lots of families who have school-age children, as well as many older couples that have retired. ("Demographics." *City of Huntington Beach, CA - Demographics*. N.p., n.d.) The company will be surrounded by excellent schools, numerous recreational parks, and many affordable shopping and dining centers. The convenient location of What's the Scoop? will provide easy access to these families and retirees, who make up the intended customers of the

business. As well as that, there is no major competition for What's the Scoop?, since there are no other dessert shops within close proximity. What's the Scoop? is conveniently located on 258258 Adams Avenue, which ensures that customers throughout the city Huntington Beach can easily access the confectionery through the connecting roads of Main Street and Adams Avenue. The location is also favorable for clients who live far away, as the close proximity to the San Diego Freeway connects What's the Scoop? to heavily populated urban cities such as Long Beach, Anaheim, Santa Ana, Irvine, and Los Angeles - all of which are within an hour of driving distance. The warm climate of California makes it an ideal location for a confectionery that serves ice cream products in order to allow for year long revenue. ("Overview of Huntington Beach, California (City)." *The Demographic Statistical Atlas*)

F. Immediate Development Goals

In order for What's the Scoop? to attain success, it must establish a standard of high quality with its premium and locally-sourced products, design a family-friendly environment that serves desserts in a creative and contemporary fashion, and be recognized as one of the most distinct confectionery services in the local area. In order for these objectives to be fulfilled in the future, What's the Scoop? must achieve the following development goals prior to the company inauguration.

- **Hire and train employees to ensure that the business operates smoothly.**
- **Implement marketing strategies by establishing a website and a mobile app; additionally, advertise on social media platforms to easily contact customers.**
- **Remodel the existing building and design a unique ambience, so that customers can easily traverse through a customized step-by-step ordering process.**
- **Develop a customer loyalty program that includes a variety of different initiatives that will encourage clientele to repeatedly visit the business.**

G. Overview of Company's Financial Status

The initial start up costs of What's the Scoop? approximate to \$295,000 in total. In order to finance this, Sowmya, the owner, will request a SBA 504 loan of \$295,000, which includes a fixed interest rate

and a reduced down payment of 10%. (*“Before Applying for Financing, SBA Term Loans, and Understanding Business Financing | Wells Fargo.” Wells Fargo - Small Businesses. Wells Fargo and Company, 2017.*) Additionally, funds have already been allocated to cover operating expenses for the first two years before What's the Scoop? can establish profitability. This includes \$32,000 obtained from the owner’s personal savings and a contribution of \$473,500 from the advisory committee. These monetary contributions will appropriately be allocated towards expenses when revenues are sparse and the company has yet to reach break-even. All of the sales estimates and projected expenses are evaluated conservatively based on the financial accounts of the competitors of What's the Scoop?. (*“504 Loan Program | The U.S. Small Business Administration.” SBA (U.S. Small Business Administration). N.p., 2016.*)

III. Industry Analysis

A. Description of Industry

According to *US Market Research*, the ice cream industry will benefit from an approximate increase of \$10 billion dollars within its overall global market share from 2013 to 2018. However, it is not only the ice cream industry which is projected to prosper; the market share for confectioneries and all desserts is estimated to skyrocket due to the increasing demand of Americans to indulge in a sweet treat. (*“Ice Cream Market Research Reports & Industry Analysis.” US Market Research*) The reason why people consume ice cream and frozen novelties at such high frequencies can mostly be attributed to the appeal of a sweet taste. Therefore, as the consumption of sugar and other sweeteners rises, so will the demand for ice cream and other desserts. This trend is often dubbed as the “sweet euphoria”, and it is expected to substantially increase in the next few years, which will undoubtedly generate demand for confectioneries. Although a large percentage of the population in America is aware of the increased risk of disease that is associated with eating excessive amounts of sugar, this does not stop them from indulging in their favorite desserts quite frequently. The average American is one of the top consumers of desserts in the entire world, by eating approximately 48 pints of ice cream and 300 cookies each annually. (*“Ice Cream Sales & Trends.” International Dairy Foods Association, www.idfa.org/news-views/media-kits/ice-cream/ice-cream-sales-trends.*)

B. Size and Growth of Industry

The global ice cream market was valued at \$68 million in 2016 and is projected to reach \$97 million by 2018, which would register a CAGR (Compound Annual Growth Rate) of 5.4% in the past two years. (*“Ice Cream Market Size Worth| CAGR.” Market Research Reports & Consulting*) The growth of the ice cream industry is primarily driven by the availability of ice creams that have avant-garde flavors. As ice cream consumers are more willing to pay a premium price for experimental flavors, this in turn will increase the overall revenues of the ice cream market. The value of the global ice cream market is expected to reach \$2.5 billion by 2023, thereby recording a projected CAGR of 4.9% in the next few years. The exponential rise in income and growth of the market is essentially driven by a vast increase in demand for a sweet taste that can be present in innovative flavors. (*“Ice Cream Market Share, Trends, Growth, Research Report, 2016-2025.” Ice Cream Market Share, Trends, Growth, Research Report, 2016-2025*)

C. Nature of Competition

What's the Scoop? faces no major competitors in the confectionery industry. Although there are numerous bakeries (which specialize in cookies) and ice cream chains that have separately been able to retain a dedicated clientele, What's the Scoop? offers a customizable experience that has never been seen before, in which both of the aforementioned desserts are available. The unique combination of cookies and ice cream that is distinct to What's the Scoop? ensures that the business can offer a one-of-a-kind dessert experience which can be catered to meet each customer's specific tastes. (*"Dessert Trends for the Foodservice Industry."*) In addition to the variety of options available at What's the Scoop?, the sweet treats will also meet many prominent dietary restrictions (like gluten-free, dairy-free, nut-free, and vegan), which will further enlarge the potential customer base. Although other confectionaries may offer some products that are similar to What's the Scoop?, the innovative flavors of ice cream and cookies and endless delectable combinations will truly allow the business to become a market leader in the desserts industry due to its innate ability to combine two of the most popular and mouth-watering desserts. (Canal, Emily. *"These Sweets Startups Are Building Fast-Growing Companies in an Old-Fashioned Business."* Inc.com, Inc.)

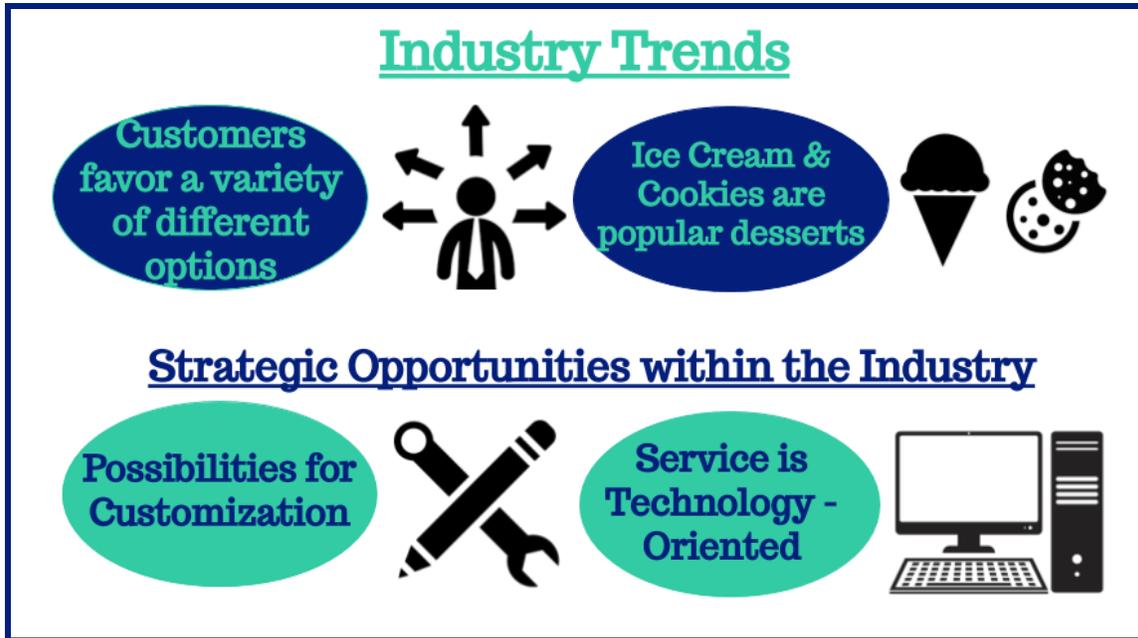
D. History

Warm and gooey cookies that are fresh out of the oven and baked with love are a nostalgic treat that truly have the ability to trigger anyone's childhood memories of baking with their family. Cookies have evolved into a classic American dessert that can deeply resonate with most people, which is why they are one of the most beloved comfort foods. (Bomberger, Sabrina. *"America's Love of Baked Goods."* WebstaurantStore, WebstaurantStore) However, confectionaries have only recently been willing to experiment with this timeless treat, with What's the Scoop? being the only venture that is willing to incorporate both classic and contemporary flavors of cookies into a customizable experience. On the other hand, a refreshing (yet rich!) scoop of ice cream on a sunny day has always been seen as a perpetual way to cool down and cure a sweet craving! Today, ice cream has retained its place as one of the most popular American desserts, mainly due to its position in modern society as a classic comfort indulgence. (*"Americans Are Scooping Up Better-for-You Sweetness for National Ice Cream Month."* What People Watch, Listen To and Buy) The American public largely shares a profound love for desserts, and this has allowed for confectionaries to explode in popularity over the past few years. (*"Confectionery Market Is Expected to Grow by Million, Globally."* Allied Market Research) With its vast variety of cookies and ice cream (which can then be shaped into other desserts, like brownies, milkshakes, and cookie dough), there is something to appease any customer at What's the Scoop?, which will undoubtedly allow the business to succeed amidst the overall desserts industry.

E. Industry Trends and Strategic Opportunities

The ongoing trends within the industry will drive What's the Scoop? to cater the services around what customers want by taking advantage of available strategic opportunities. The process of optimization of industry trends will ensure that What's the Scoop? can become a market leader. Some of the trends within the current dessert industry is the "sweet euphoria" that causes more Americans to crave sweet treats and desserts daily. In particular, the most consumed desserts by Americans is ice cream and cookies. This will be an industry advantage for What's the Scoop? as the provided products match with the demand for it in the industry. Another current trend is the features of the fourth industrial revolution allowing for the increasing demand for customization in not only desserts and food

products, but for any good or service offered. This can become an opportunistic strategy within What's the Scoop?'s business plan as it will allow more customers to fit the potential customer base and be satisfied with the wide array of options that are offered. Another feature of the current fourth industrial revolution is the increase in variety. The use of technology in everyday business operations is substantially growing in all industries. This is another opportunity for What's the Scoop? to take advantage of kiosks for customers to place orders with and allow for economies of scale to occur within the company. This will be a financial advantage for the company in the long term and allow for the margin of error in operations to decrease drastically with minimized human contact.



IV. Target Market

A. Size and Growth Potential

What's the Scoop? aims to attract a wide target market, as all of the desserts that it offers can be incorporated into a customizable experience based on customer preferences. However, young couples, families with children, and retirees make up the ideal demographics of potential customers at What's the Scoop?. 90% of the population of Huntington Beach is made up of young families and retirees, and the numbers of these targeted age groups are expected to grow substantially in the next couple of years. Young children and teens (from ages 0-18) make up over a fourth of the total population in the city, and nearly 65% of the rest of the population is made up of young and old couples, all of whom make up the intended audience of What's the Scoop?. (*"Population Estimates, (V2015)." Huntington Beach City California QuickFacts from the US Census Bureau.*) As a result, nearly 30,000 families in Huntington Beach fit the ideal demographics for What's the Scoop? and can fully enjoy the special dessert experience that it has to offer. The average income in Huntington Beach for a household of three or more people (with two working adults) is approximately \$117,471, as nearly 96.7% of the



population is employed and 75.8% of the population have some form of college education. So, nearly every one of these households will be able to afford the inexpensive personalized dessert experience available at What's the Scoop?. (*"Demographics." City of Huntington Beach, CA - Demographics.*)

Analysts have forecasted that Huntington Beach has a lot of population growth potential in the near future. Its population of around 200,000 is expected to grow at a rate of 4.83% every year starting in 2019, so the number of households in the city within the next ten to fifteen years will equal 81,647. (*"Huntington Beach, CA Population Growth and Population Statistics." CLRSearch.*) Accordingly, around 50,000 families will then fit the ideal demographic range that What's the Scoop? hopes to attract. Huntington Beach has also been named as one of the upcoming family and retirement-friendly cities in America, as increasingly more young couples, families, and retirees are projected to move in the area within the next five years. Although the Huntington Beach population is at the smaller end of the spectrum, an estimated 16 million tourists visit Huntington Beach each year, which will undoubtedly expand the business' clientele if its unique customizable experience is appropriately marketed. In all, the growth potential of the target market for What's the Scoop? is immense as Huntington Beach will ideally be home to many young couples and older families in the near future.

B. Target Market Needs

In order to ensure that What's the Scoop? is properly marketed to all of its potential customers, the future owner, Sowmya, has created a chart to visualize which areas of the market will be specifically targeted. Using the P's of the Marketing Mix (Price, Product, Place, Promotion, People, Process), each area will identify ideas that can be utilized to target the market.



C. Market Analysis of Potential Patterns and Sensitivities

The average American eats approximately six gallons of ice cream every year, which means that total ice cream sales in the country approximate to \$5.5 billion annually. The average American also eats approximately 300 cookies a year, which further proves that desserts as a whole are a prominent portion of the American diet. (*"Ice Cream Sales & Trends." International Dairy Foods Association.*) The desire to indulge in a sweet treat is undeniably apparent across all age groups in the US, which

means that there is a dire necessity in the market for a confectionery that can provide high-quality sweet treats. With an average temperature ranging between 60° and 70°, Huntington Beach is the perfect location to enjoy ice cream on sweltering days and warm cookies when the weather gets chilly. ("Powered By Yorktown." Yorktown - Huntington Beach - CA. N.p., n.d. Web.) Moreover, the confections at What's the Scoop? will entice customers of all ages, as desserts are a universal treat. Young children and teens make up a fourth of the total population in the city, and nearly 65% of the rest of the population is made up of young and old couples, all of whom make up the intended audience of What's the Scoop?. As a result, nearly 30,000 families in Huntington Beach overall fit the ideal demographics for What's the Scoop? and can fully enjoy the special dessert experience that it offers. ("Demographics." City of Huntington Beach, CA - Demographics.)

V. Competition Analysis

A. Key Competitors

Baskin Robbins - A global chain of ice cream parlors 	
Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ (Digication EPortfolio :: Ariel M. Obando :: Strengths and Weaknesses.) ➤ (Bhasin, Hitesh, et al. "SWOT Analysis of Baskin Robbins - Baskin Robbins SWOT Analysis." Marketing91.) 	
<ul style="list-style-type: none"> ➤ Variety of Available Options - Baskin Robbins originally started with 31 flavors (for each day of the month), but now offers over 1,000 flavors for customers to choose from. The chain also concocts specific flavors based on the location of the franchise. ➤ Superior Customer Service - Baskin Robbins has always maintained a good reputation for positive customer relationships. ➤ Innovation and Adaptability - Baskin Robbins creates specific flavors to cater to customers in different locations or with varying demographics. They are also updated with trends and constantly design initiatives to attract new customers. 	<ul style="list-style-type: none"> ➤ High Price Points - Baskin Robbins charges high prices for their premium flavors, which can detract some customers from buying their ice cream. ➤ Not Adaptable to Food Restrictions - Currently, the chain only offers dairy-free and vegan options in the form of sorbets, which is not appealing to customers who desire a true alternative to rich ice cream flavors. ➤ Lack of Differentiation - Baskin Robbins does not possess a specific unique selling point to attract customers and distinguish itself from competitors. Its traditional environment merely offers ice cream with toppings - therefore, there is no distinctive experience for customers, who are usually left wanting more.

Cold Stone Creamery - An American ice cream chain	
<ul style="list-style-type: none"> ➤ (Writer, Strategy Staff. "Cold Stone Creamery SWOT Analysis and Matrix." Blue Ocean University, Blue Ocean University.) ➤ (Zigu. "Cold Stone Creamery SWOT Analysis Competitors & USP BrandGuide.") 	
	
Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ High Quality Products - Cold Stone Creamery is known for their premium ice cream, which means that customers are willing to pay higher prices ➤ Customer Personalization - Customers can choose between a variety of flavors, mix-ins and toppings. This allows for endless combinations and ensures that each customer can cater the experience according to their preferences. ➤ Effective Marketing Strategy - Cold Stone has an immense number of followers on social media in addition to an interactive website design, which allows the chain to easily contact a broad range of customers on different platforms. 	<ul style="list-style-type: none"> ➤ Generalized Product Standards - The majority of Cold Stone's products must conform to equivocal corporate regulations, which leaves little room for creative innovations that can provide the chain with a unique selling point. ➤ High Price Points - Cold Stone charges high prices for their premium flavors, which can detract some customers from buying their ice cream. ➤ Not Adaptable to Food Restrictions - Currently, the chain only offers dairy-free and vegan options in the form of sorbets, similar to Baskin Robbins, which is not appealing to customers who desire a true alternative to rich ice cream flavors.

The specialty of What's the Scoop? is that it truly provides customers with the ultimate confectionery experience. Not only does What's the Scoop? have the same strengths as its strong competitors, it also has formed their weaknesses into opportunities, which will ultimately allow the business to produce a positive brand image and maximize its customer loyalty. Similar to its competitors, What's the Scoop? will ensure that customers are offered a vast range of high- quality products, albeit in a more personalized experience. What's the Scoop? will initially launch with around 50 flavors that are most suitable to the preferences of the Huntington Beach community. However, its business model ensures that customers can interactively choose both their cookie base and its mix-ins and also their ice-cream flavor, mix-ins and toppings, all of which consolidates into a unique customizable experience where customers can make their dessert fantasies into a reality. By only sourcing its ingredients from local markets and farms, What's the Scoop? will be able to create products that are of supreme quality, and customers will actually be able to taste the difference. The company will also utilize marketing strategies to contact potential clients on a variety of different platforms, and also provide them with loyalty benefits and other special incentives to entice them to make a visit. In all, the aforementioned strengths of its competitors will undoubtedly prove to be an asset to What's the Scoop?.

			
Pricing	✓	✗	✗
Automated Process (Kiosks & Technology)	✓	✗	✗
Mobile Application, Social Media, Website	✓	✓	✓
True Alternatives for Dietary Restrictions	✓	✗	✗
Customer Loyalty Program	✓	✗	✗
Customizable and Interactive Process	✓	✓	✗

In order to put What's the Scoop? ahead of its competitors, the company will fix the weaknesses of its counterparts as part of its business model. Foremost, unreasonable prices of desserts are a frequent hindrance to many customers. Therefore, in order to offer a competitive pricing strategy, What's the Scoop? will lower its average prices by selling at $\frac{3}{4}$ of its competitors' prices. By selling its products on a more reasonable level, What's the Scoop? will be able to make a profit and can also benefit from hosting more customers, who will undoubtedly enjoy premium products for relatively cheaper prices. (*"Ice Cream Trends Point to Greater Demand, Lower Costs."* Cold Stone Creamery Franchise.) In addition, What's the Scoop? will also broaden options for clients with dietary restrictions. As the number of Americans with these limitations has increased over the past few years, it is important to account for these customers by providing them with an alternative options that is just as delicious as the original. What's the Scoop? will target potential customers that are vegan, vegetarian, gluten-free, dairy-free, and nut-free by crafting regular products with ingredients that are sensitive to dietary restrictions, such as flaxseed eggs for vegans, almond and other nut-flours for gluten-free clients, and almond milk and soy milk ice creams for dairy-free and vegan customers. What's the Scoop?'s competitors merely offer limited options to accommodate dietary restrictions, such as sorbet for dairy-free clients. However, this is definitely not appealing to customers who desire a true alternative to rich ice cream flavors. (*"Dietary Restrictions."* Holistic Health Magazine.) What's the Scoop? will

specifically find exact alternatives to each of its products, so that all of its clients (either with or without food limitations) can indulge in the same dessert fantasy. Lastly, the customizable experience offered at What's the Scoop? must remain as its unique selling point in order to maximize customer loyalty. Although clients can order a variety of different cookies, milkshakes, freakshakes, ice cream scoops, and other confections that are specific to each week, the most distinct component of the What's the Scoop? experience lies in its cookie ice cream sandwiches. Each customer will traverse through an interactive experience at the shop, where they either choose a cookie or brownie base and add any mix-ins into the batter before baking it. Then, they move to the ice cream station, where they select mix-ins that are evenly distributed throughout a chosen ice cream flavor. Finally, the desired ice cream is sandwiched between the freshly baked cookies and any additional toppings will then be added. The remarkable concept and products offered at What's the Scoop cannot be found at any of its competitors, which will ensure that the customizable experience will undoubtedly keep customers coming back for more. (by: Sort, et al. "Desserts Market Research Reports & Industry Analysis." Market Research.)

B. Potential Future Competitors



Cream is a small confectionery in California that serves both ice cream and cookies, similar to What's the Scoop?. As this joint is the only other sweet treats service to do so, it could serve as a potential competitor in the future. However, as Cream is relatively new to the market and has not spent a lot of resources on enhancing its brand image, What's the Scoop will be able to easily overtake its position in the market as long as it develops an effective marketing strategy that can attract a dedicated clientele. The business operations of Cream can sometimes be inefficient and result in long lines for customers; What's the Scoop? will instead strive to offer a unique customization service with kiosks in order to make the customer experience more enjoyable and interactive. Lastly, What's the Scoop? aims to provide premium products that are crafted with high-quality ingredients, which is not always apparent with what is offered at Cream. As such, customers will be enticed by the decadent taste and superior flavors that are available at What's the Scoop?, and will be more inclined to visit it rather than Cream.

C. Barriers for Future Entry

Although ice cream joints are popular across the entire world (irrespective of climate), it is not possible to duplicate the services offered at What's the Scoop?. Foremost, What's the Scoop? has obtained a patent on the designs for its dessert kiosks, which will ensure that no other confectionery can replicate the modernized, interactive, and effective method of placing orders. This is undoubtedly one of the most distinct features of What's the Scoop? and acts as a unique selling point, as customers will be intrigued by the customizable nature of this state-of-the-art experience. Due to these features, What's the Scoop? will be able to differentiate itself from its competitors on the basis of service. Another reason why future competitors cannot replicate the experience at What's the Scoop? is because of varying pricing strategies. Major competitors like Baskin Robbins and Cold Stone Creamery charge anywhere from \$5 to \$7 per unit, which can be expensive for many customers. ("Sweet Baked Goods: U.S. Market Trends." Sweet Baked Goods: U.S. Market Trends : Market Research Report.) However, by offering extremely affordable prices, What's the Scoop? will utilize a competitive pricing strategy in

order to increase its presence in the market. With prices from \$3 to \$4 per unit, no other competitor will be able to entice customers with its economical products in the same way as What's the Scoop?. (Danny. "Restaurant and Confectionery Prices Are Rising along with Increasing Traffic." *QSR Magazine*.) Moreover, the business is able to charge reasonable prices while still offering high-quality products, mainly by sourcing ingredients from local farms and by accepting lower measures of profitability in order to maximize customer satisfaction and loyalty.

VI. Marketing Plan and Sales Strategy

A. Key Message

What's the Scoop? will allow customers of all ages to create a dessert of their confectionary dreams by striking the perfect balance between warm and chewy cookies, and rich and creamy ice cream. This message will be communicated with the population of Huntington Beach in order to ensure customers are aware of the products that the business offers. What's the Scoop? will work towards advertising this key message through a variety of different platforms.



B. Message Delivery and Utilization of Web Processes

What's the Scoop? is located conveniently on 258258 Adams Avenue, which allows customers anywhere in Huntington Beach to easily access the confectionery via the connecting roads of Main Street and Adams Avenue. This area is also very favorable for clients that live far away, as the close proximity to the San Diego Freeway connects What's the Scoop? to heavily populated urban cities such as Long Beach, Anaheim, Santa Ana, Irvine, and Los Angeles - all of which are within an hour of driving distance. This allows for a massive amount of potential customers (there are upwards of three million households in these areas), all of whom can enjoy the unique experience that is only offered at What's the Scoop?.



What's the Scoop? will utilize technology as part of its marketing strategy, primarily by advertising the business on various social media platforms, a company website, and a mobile app. This will allow What's the Scoop? to connect with a broad target audience, and will serve the purpose of enticing younger customers (like Generation Y or Z) through a medium that attracts their attention the most. This method of advertising is not only cost-efficient, but will also increase awareness about the company, enhance its brand image, and will also allure customers to make a visit through promotional deals and loyalty discounts.

What's the Scoop? will aim to reach older audiences through a different channel. For instance, flyers will be circulated throughout the Yorktown district of Huntington Beach so that these customers will be

aware of what the business offers. What's the Scoop? will also make regular appearances at local fairs and markets in order to give out product samples, which will attract potential customers and convince them to visit the confectionery. Lastly, What's the Scoop? plans to partner with local bowling alleys and family fun centers in order to enhance brand recognition. By offering deals with places that share a similar customer base, What's the Scoop? will be able to increase its sales both before and after the promotional period and partnership events.

The Search Engine Optimization (SEO) is a web process that will be utilized by What's the Scoop? in order to increase the quality and quantity of web traffic. The visibility of the What's the Scoop? Web page when using a search engine is crucial in increasing the awareness of the business and its offers. A strong SEO process will ensure that What's the Scoop? will show up on the first page of results. The company website must focus on developing both offsite and onsite factors. Onsite factors will include the usage of key words such as “desserts”, “ice cream”, and “cookies” as well as posting relevant and up to date content. The offsite factors consist of creating business partnerships, advertisements, and postings that will lead web traffic to our website.



C. Sales Procedure

What's the Scoop?'s clients will have an opportunity to earn many incentives as part of the business' customer loyalty program. The customer loyalty program consists of three levels of achievement, namely the 'Ice Cream Dreamers,' 'Cookie Connoisseurs,' and 'Pro Scoopers'. Each client's progress will be tracked digitally and can be accessed at all times using the What's the Scoop? app. Depending on how many times customers visit the shop, they can earn a variety of prizes, such as a 'Free Scoop', a free dessert, or merchandise that has the What's the Scoop? logo on it.

Title	Reached When....	Rewards
Ice Cream Dreamers	After 10 visits to What's the Scoop? or buying over 200 scoops.	Clients who have achieved the level of Ice Cream Dreamers will be able to get an unlimited number of mixins for an additional \$2.00 instead of the usual \$0.50 per mix-in or topping. Ice Cream dreamers get a custom bowl that has their name painted on it as well as the logo. Ice cream

		dreamers will also receive a pass for three free desserts to redeem on any day.
Cookie Connoisseurs	After 25 visits to What's the Scoop? or buying over 50 scoops.	Cookie connoisseurs will receive water bottles, a spatula, and hat customized with their name as well as embedded with the company logo. As cookie connoisseurs, clients will also have the exclusive right to an extra cookie or and extra scoop of ice cream on any order for only an additional \$1.00. Customers will also receive a pass for five free desserts to redeem on any day.
Pro Scoopers	After 50 visits to What's the Scoop? or buying over 100 scoops.	Pro Scoopers will not only receive merchandise such as a Hoody, Cookie Cutter, Rolling Pin, an Apron and our Signature Ice Cream scoop not only with our company logo on it, but it will also be branded with the special customers' name. Pro Scoopers will also be entered into one of many giveaways including vacations, cars and other expensive prizes. Customers will also receive a pass for ten free desserts to redeem on any day.

			
Price per Unit (Small)	\$3.25	\$5	\$4.38
Price per Unit (Medium)	\$3.70	\$5.25	\$4.78
Price per Unit (Large)	\$4	\$5.75	\$5.98
Customer Loyalty Program	✓	✗	✗
Competitive	Penetration	Mark-Up Pricing	Price Skimming

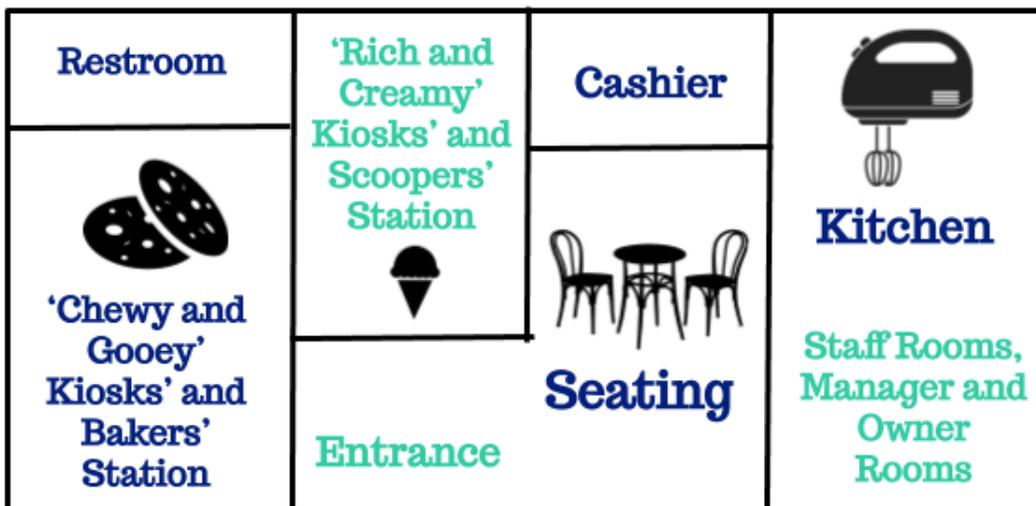
Pricing Strategies	Pricing, Loss Leader Strategy	Strategy	Strategy
---------------------------	--------------------------------------	-----------------	-----------------

The in-store sales procedure relies on our scooper employees as well as an array of interactive kiosks. To make an order, customers will be guided through the store in a strategic pathway. From cookies, to ice cream to toppings, most of the design of the dessert is done through interactive kiosks that effectively display all of the options to the customers. Then customers will be able to choose their preferred flavors, toppings, and mix-ins and the kiosk will then print a receipt that can be taken to the bakers, scoopers, or finally the cashier who will then prepare your custom dessert. In one dessert experience, customers move from the cookie, brownie, or baked treat kiosk, to the ice cream and milk shake machines, to finally the cashier where the final order ticket will be scanned to determine the final price of the ordered product. The machines will ensure a smoother process when taking customer orders that allows the process to run through more quickly as well as in a fun and efficient method.

VII. Operations

A. Business Facilities

What's the Scoop? is conveniently located on 258258 Adams Avenue in a 5,250 square foot building. Approximately 70% of the area will be utilized for customer resources such as ordering and assembly of the food, seating areas, and areas for customers to relax and enjoy their sweet confection. The remaining 30% of the building space will be used for staff rooms, storage rooms, and the large, open kitchen required for making large quantities of sweet treats. The interior and exterior of the building will be decorated aesthetically with a homely-and comforting feel as well as a chic finish to be appealing to the customers as well as to provide an appropriate ambiance. The customer space will include cute and comfortable tables and chairs to relax and eat at and free Wi-Fi will be available to customers. It is important to ensure that customers truly feel at home at What's the Scoop? which is intended to get across a comforting feel and ambiance while still being functional and modern with the advanced technology.



B. Production Plan

The employees at What's the Scoop? on a daily basis include bakers, scoopers, cashiers, managers, and the Owner. While the owner and the manager(s) will be focused on the financial stability, the marketing campaigns, operations, and the overall growth of the company in terms of an increased customer base as well as profit, the workforce will be the personnel who has primary contact with the customers. Upon entering What's the Scoop?, customers will first use the large, easy-to-follow signs to be directed towards the 'Chewy, Goopy' kiosks which allow customers to choose a cookie, cookie dough, or brownie base. Upon deciding, handing the bakers the order ticket dispensed from the kiosk and receiving the base of their dessert, customers will then move to the 'Rich and Creamy' kiosks. At this station, customers will choose between ice creams, milkshakes, and methods of assembly, as well as their favorite mix-ins and toppings. After once again receiving an order ticket from the kiosk, the customer waits for the scooper to finally build and assemble their treat in front of them and can easily asks for adjustments. Finally, the client will take their receipts to pay for their dessert masterpiece with cash or credit card to the cashier and then indulge in their creation. With the advanced technology and the kiosks, there is limited contact between employees and customers and therefore, minimal room for error and customer dissatisfaction.



C. Personnel Plan

Both the managers and the owner will create a flexible schedule each week to ensure that management services are always available during operating hours of What's the Scoop? In order to be flexible, the owner, Sowmya, will decide hours and timings of work with the managers on a weekly basis. The managers will exchange shifts with each other throughout the weekdays and will ensure that at least one manager is always present during operation. Along with the manager, the owner will also be available to take care of finances. However, on the weekends when the owner may not be present for whatever reason, both managers will be required to be there to assist staff with the weekend rush and

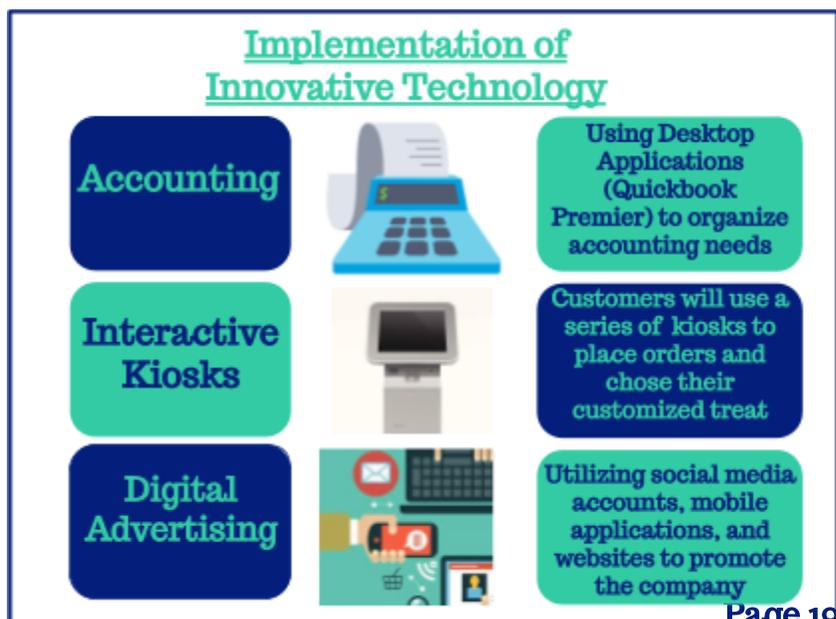
perform managerial functions. This flexible schedule planning will ensure that there is always managerial staff available as a resource while still allowing for the most conforming schedule possible. As for staff that includes cashiers, bakers, and scoopers, will take turns for shifts each week. Similar to the flexibility given to managers, the workforce will also be able to design their work schedules around other activities and ensure that these part-time workers will be able to work with a schedule that is suitable to their needs. At all times, at least one cashier, two scoopers, and two bakers must be present. However, all ten staff members are expected to be present during the weekends when there is a high chance of customers visiting.

The operating hours of What's the Scoop? Will be from 11 a.m. to 10 p.m. during which personnel will assist customers, prep ingredients, and maintain the cleanliness of the environment. During these hours, managers will be observing business activities and operations as well as fill in for any position as necessary. The owner will be in an office observing inventory, sales, and future projections and analyzing marketing strategies and other methods of improvement to help enhance the service available at What's the Scoop?



D. Impact of Technology

What's the Scoop? will keep up with the 'Technology Era' by utilizing various kiosks, and automated systems to satisfy customers and allow business operations to run smoothly. (*"The Technology Era | Tech Magazine & News."* TTE, thetechnologyera.com/.) Technology will play a crucial and large role in the operations of What's the Scoop?. In the most obvious method, technology will be used to advertise What's the Scoop? and to connect with customers through the mobile phone app, social media platforms, and on the website. These three



channels of technology will allow for customers to receive updates, gain access to special deals and coupons, place orders and look at the available options, and be aware of the newest products and connect with other fellow customers. Not only that, but technology plays a major role in the internal sales procedure of the product. When a customer wants to make an order, they are assisted by a series of interactive kiosks. First, customers go to the 'Chewy and Goopy' kiosks which allows customers to select any bases such as cookie dough, brownies, or baked cookies as well as mix-ins that can be added into that base. Once customers are done ordering, the kiosk prints out a receipt which is taken to the available bakers who use the ticket as a guide to mix up the customers order. After clients have received their base, they go the 'Rich and Creamy' kiosks where customers can choose between ice cream scoops on the side, an ice cream sandwich, or a milkshake to go with their base. Customers will be able to choose from a variety of flavors, toppings, and mix-ins to create their ice cream base. After the receipt is printed, the scoopers will assemble the final treat. Lastly, customers take their tickets to the cashiers who will use our special technology to scan the two receipts to obtain the final cost of the orders. The use of technology allows for a more smooth-running and efficient process when it comes to ordering and does not make the obligation of needing to hire more staff members. With What's the Scoop? being very reliant on technology to get some of the work done, What's the Scoop? can ensure that these processes will get done in a smooth manner and operations can be more fast and efficient. Through the utilization of interactive kiosks, and technology platforms to use for business operations and marketing, What's the Scoop? will ensure effective performance and therefore an increase in sales.

VIII. Management and Organization

A. Key Employees

What's the Scoop? will require the assistance of four different categories of employees. Bakers, scoopers, cashiers, and managers will be present each day and will help with day-to-day operations. Personnel such as scooper, bakers, and cashiers will approximate to ten total staff members and will perform their duties in making the treats and helping the customers with their orders and enhancing their experience.

- **There will be four bakers present who will use customer order tickets to mix cookie dough or brownie batter with mix-ins and bake it according to preference.**
- **Next, four scoopers will aid customers with the ice cream element as well as assembly and toppings using the customer ticket from the kiosk as a guide.**
- **Finally, when customers have created their ideal dessert, they can take their kiosk tickets to one of two cashiers, who will scan the tickets and account for the total price of the order.**
- **There will be two managers to manage the operations of What's the Scoop? daily and will set schedules each week to ensure that all times are being covered while still arranging a flexible schedule for employees.**
- **As the owner, Sowmya Duggirala will be present as much as possible especially during the peak times of business. During weekend breaks and to adapt with flexibility, when the owner will not be available to come in, then both managers will**

be working in order to ensure that all of the management as well as behind-the-scenes production work will be done.

B. Advisory Board

As a Limited Liability Company, What's the Scoop? is not required to have a board of directors however, the management does entail an advisory board which will aid with critical decision-making as well as provide financial assistance to Sowmya. Not only will the advisory board be invested in What's the Scoop? and provide some of the expenses for the start-up costs, but the committee will also be involved in crucial executive decisions made at What's the Scoop? and will be allowed to vote on and contribute to ideas relating to the operations of the business. The advisory board will hold bimonthly meetings with the owner, Sowmya, and provide any advice for operations and financial details and be allowed to vote on what they believe would be the best option for future success and growth potential for the company. Not only that, but the advisory committee will meet with staff in order to help them meet superior standards for customers and meet with the scoopers to test the products coming out of What's the Scoop?'s kitchen to ensure that the bakers are effectively performing their job and making the highest-quality of premium confections. The Advisory board will act as an external opinion to aid in the improvement of business operations and will be allowed to help the owner with decision-making.

C. Employee Process

The employees that need to be hired for the functioning of What's the Scoop? are our bakers and our scoopers. Our bakers will require a level of baking experience and expertise to ensure that our products can be withheld to a high standard. However, the scoopers who will manage customer orders as well as serve as cashiers for the customers can typically be a part-time high school student or college student. Employees will be hired through a specific process that ensures that the owner, Sowmya Duggirala will be able to hire the best possible employees. Interested applicants and potential employee matches will find the online application which is available not only on What's the Scoop?'s social media platforms but also our interactive website. Potential employees will also be contacted through attending fairs and events at local high schools and colleges to attract interest students as well as through other websites such as LinkedIn which can notify students in the area about job opportunities. Potential employees will go through a three-step process before hiring. First, candidates will have to fill out the application form which has information, experience, and short-answer questions, as well as a resume. After clearing this stage of employment, candidates will have to go through an interview process which will help our owner, Sowmya, get a better perspective of real-life characteristics. Reliable employees must be flexible, responsible, trustworthy and have the proper personable skills pertaining to their specific job.

D. Compensation and Incentives

What's the Scoop? provides all employees including scoopers and bakers with a clean-working environment, flexible hours, a reasonable wage, as well as a free treat during each shift. Offering employees incentives not only will ensure that they perform their work to the best of their ability but are also more inclined to stay with the company with increased job satisfaction. Employees are offered salaries higher than minimum wage (of \$11 in the state of California) starting at \$12.50. Scoopers and

Bakers will also be able to increase their monthly wage or even move up into higher positions through good performance. From time-to-time, members of the advisory board will observe staff and rate their performances. In addition to that, customers will be able to rate their experience at What's the Scoop? in terms of customer service which will give first-hand insight into employee performance. Employees who show great improvement and are well-liked by clients will be given pay raises and promotions which will motivate employees to work harder and more efficiently. Not only that, but these customer reviews and observation under advisory board members will allow for other incentives for employees. Each month, one person from staff is awarded the employee of the month award and gifted a present that they have listed on their wishlist and is under the cost of \$25. By treating employees with respect and ensuring their needs are met, they will be satisfied with their job at What's the Scoop?. By providing ways for improvement and recognition, employees will strive to work harder and perform with the utmost effort which will in turn allow business operations to run smoothly.

IX. Company Long-Term Development

A. Important Assumptions

The financial and logistical estimations and projections were predicted in regards to the current economic market, trends, and environment of Huntington Beach.

- **The economies of California and the United States will not incur a significant alteration or change.**
- **The market for small businesses in Huntington Beach will continue to grow at the steady rate that it currently is.**
- **The government will continue to support small businesses by providing them with tax breaks and other benefits.**
- **The industry for confectioneries and ice cream will continue to grow at the rate forecasted for the future.**
- **The cost of inventory, redesign, and start-up costs is based off of current estimates in the Huntington Beach area.**

These assumptions will allow for future predictions of the company's operations and financial needs and details. There is current evidence to prove that none of these will prove to be the problem or alter future data and estimates, however, it is not for certain that these trends will be followed and the estimates will be met.

B. Short and Long Term Goals

In order for What's the Scoop? to see progress in the future, the company needs to set overall goals for both the short-term and the long-term and deadlines that they need to be met by. By setting and then achieving these goals, What's the Scoop? will be able to show growth continuously and achieve the stability required to be successful in the market and the industry. Short term goals are intended for between the first and third year and long term goals should be accomplished after the tenth year in operation.

Goals for Year 3

- Reach break-even point in profits within two years of operation
- Pay off the SBA 504 Loan within five years
- Establish a loyal customer base of 1,500 clients
- Improve marketing strategies and implement campaigns
- Establish strong partnerships with local companies, markets and fairs to increase distribution channels

Goals for Year 5

- Expand current location to be more suitable to a wider customer base
- Increase workforce to suit the needs of the expanded location
- Become a market leader within the area of Huntington Beach with a high company image
- Implement more customer loyalty schemes and employee incentive campaigns
- Establish a franchise closer to Los Angeles

C. Strategy to Reach Long-Term Goals

The long-term goals of What's the Scoop? includes, expanding the existing location, increasing workforce, and becoming a market leader through additional marketing campaigns. In order to ensure that these goals are attainable, the “SMART GOALS” method was utilized. “SMART” is an acronym that stands for, smart, measurable, attainable, relevant, and time-based. Following this method will allow each goal to be broken up into smaller steps that are achievable. To accomplish the first goal, renovations will need to made and new equipment needs to be purchased. In order to achieve the second goal, What's the Scoop? will need to build a dedicated customer base and a good brand image which will be able to increase the revenue of the company. In turn, the firm will be able to hire more staff utilizing the increased funds that are available. Lastly, to achieve the third goal, What's the Scoop? must implement customer loyalty programs and utilize different methods of advertising to new potential customers in order to gain a loyal customer base. An increase in dedicated clientele will boost sales and revenue and allow the firm to become a market leader.



D. Risks and Adverse Results Analysis

Employee Variability	<p>Employees pose a risk to any company as they will interact with the clients. In the case that employees mistreat customers or make mistakes that would affect the financial return or the operations of the company, What's the Scoop? would be negatively affected. Either through loss in customers, uneffective operation, or deficiency of revenue, employees may positively or negatively impact the company which is a variable factor.</p>
Technological Difficulty	<p>What's the Scoop?'s operations are very reliant on the use of technology for day-to-day operation by using kiosks to take orders. It is imperative that technology that controls the operations of a company may fail from time to time. Therefore, it is important to ensure there are alternative methods of operation. In terms of What's the Scoop?, not only will managers with technological expertise be hired so that they could easily fix a tech problem might it occur, but employees will also be trained to take orders manually in case of emergency.</p>
Natural Disasters	<p>Natural disasters pose an imminent threat to any business. As for What's the Scoop?, located in Huntington Beach, California, it faces the risk of earthquake, wildfire, tsunamis, or hurricanes which are commonly associated with the area and present in the past. Since these events are uncontrollable but also very likely to occur, it is vital to equip the building and the area with necessary equipment in the case of an emergency. First aid kits, supplies, and shelters will be included, as well as retaining insurance and property damage safeties to prevent major consequences and financial losses.</p>
Business Model Risks	<p>With a food services business specialized in desserts, there is a chance and a risk that clients could outgrow the offered tastes and only have a limited customer lifetime in which they would make frequent visits to the shop. To mitigate this risk, What's the Scoop? will continue to reach out to new potential customers and perform marketing and advertising strategies constantly to ensure a continual return of customers. A loyal customer base will also be developed through the customer loyalty program which will ensure that customers want to work toward the exclusive high-quality prizes and benefits that come with visiting What's the Scoop? frequently. In addition, What's the Scoop? will constantly be adding more flavors, toppings, and mix-ins, as well as other initiatives to make each experience unique and for there to always be something new for customers to try or do.</p>

E. SWOT Analysis

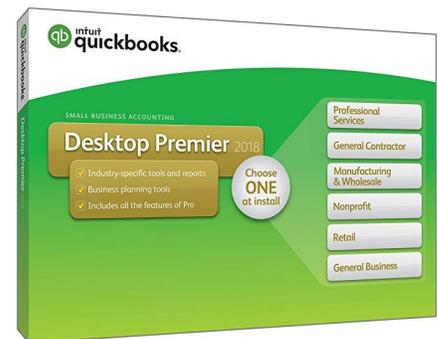
Strengths	Weaknesses
<p>*Use of technology to perform operations allows for effective and smooth performance. *Hiring employees with experience and are</p>	<p>* What's the Scoop? is not a company leader and has not yet established its company image compared to other major competitors.</p>

<p>clearly passionate will enhance customer experience.</p> <p>*Acquiring an SBA 504 loan will allow What's the Scoop? to establish a relationship with a bank.</p> <p>*A unique and patented design with kiosks and dispensing and assembly of treats will make getting sweet treats a unique experience</p> <p>*Suitable to customers of all ages.</p> <p>*A customizable experience can be changed to be suitable to match anyone's needs or preferences.</p> <p>*Adapting to food limitations and dietary restrictions makes What's the Scoop?'s products available and suitable to virtually everyone</p>	<p>* Maintaining an effective workforce and interactive technology for daily use is expensive</p> <p>*Higher initial capital expenditures and start-up costs makes it difficult to reach the break-even point</p> <p>*Variability in employee and technological performance can lead to varied results in customer satisfaction and experience.</p>
<p>Opportunities</p>	<p>Threats</p>
<p>* Government support of small businesses and increasing growth</p> <p>* First to use the unique interactive kiosk design allows What's the Scoop? to receive a patent so that no other future companies can copy the design</p> <p>*Rapid advancement in the confectionery industry with a large customer base in favor of sweet treat bakeries and ice cream parlours</p> <p>*The monthly cost for ingredients and food expenses are available locally for relatively cheap prices allowing for a larger profit margin.</p>	<p>*Unstable political and economic atmosphere leads to uncertainty in the market and could have negative direct impacts on the companies legal taxation and operations.</p> <p>*Increased wages make it difficult for small business owners to adequately pay employee salaries, especially in the first few months where profit and revenue may be sparse.</p> <p>*Competing with other competitors in the industry, especially those who already have a lead over What's the Scoop? will make it harder to establish the brand image within customers' minds.</p>

X. Financial Plan

A. Accounting Systems

What's the Scoop? will utilize a computerized point of sale accounting system in order to keep track of the company's transactions and finances such as Quickbook Premier. The use of a computer application accounting system will allow for easy to use features that are more quick, reliable, more accurate, and secure than other methods of accounting. Not only that but the easy to use features in the computerized point of sale accounting system can create sales orders and track backorders, manage billing rates, entail company transactions, as well as analyze profitability. The overall use of the computerized accounting system allows for the use of special features that are more effective in managing the accounting and finances of What's the Scoop?.



B. Capital Expenditures and Loan Request

To fund What's the Scoop?'s initial start-up costs, the owner, Sowmya, will request an SBA 504 loan of \$295,500 from the Bank of Wells Fargo. The advisory board who have also invested into the company have accumulated enough money to be used for the first and second years of operation.

What's the Scoop? Start-Up Analysis	
<u>Start-Up Capital:</u>	
Owner's Cash Contributions	\$32,000
Board of Investors from the Advisory Committee	\$473,500
SBA 504 Loan	\$295,500
Total Cash Available	\$801,000
<u>Cost of Capital Equipment:</u>	
Location Security Deposit	\$104,100
Equipment	\$89,750
Remodeling Costs	\$64,500
Legal Fees	\$3,400
Advertising	\$24,500
Hiring Expenses	\$9,250
Total Start-Up Expenses	\$295,500
Beginning Cash Balance	\$505,500

Therefore, the amount of loan requested based solely off of the start-up expenses. The SBA 504 loan, or a U.S. Small Business Administration backed loan, is especially designed for new companies like What's the Scoop? that are looking to effectively finance commercial real estate and equipment for use in their business operations. Unlike its counterpart (the SBA 7(a) program), the SBA 504 loan offers borrowers a fixed interest rate for ten to twenty years with lower repayment fees overall and a reduced down payment of 10% that does not drastically change with the size of the project. This loan is ideal for What's the Scoop?, as it offers Sowmya the flexibility to maximize the tax benefits of ownership and appreciation of the business while minimizing their liability within the company. As well as that, the owners will not be required to pledge all of their available collateral (a monetary surety promised as security for the repayment of a loan), such as their personal residences, to secure the 504 loan. The low monthly payments, affordable and predictable upfront costs, and financial security for the borrower all make an SBA

504 loan the optimal choice for Sowmya to select in order to fund the new enterprise, What's the Scoop?. Financing for a typical 504 loan is broken into three parts, with 10% put down by the borrower (Sowmya will pay about \$29,550, or 10% of their asked loan amount of \$295,500). An additional 40% (about \$118,200) is provided by a Certified Development Company (CDC). CDCs are nonprofit corporations connected to the U.S. SBA that provide loans to encourage small business growth in their local communities and are unique to the 504 Loan program. The remaining 50% (about \$147,750) is provided by a banking partner. For What's the Scoop?, Sowmya has designated the Bank of Wells Fargo as their chosen financial institution.

Initial Start-Up Expenses	
Location Security Deposit	\$104,100

Office Remodel	\$64,500																														
Equipment	\$89,750																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">Wh</td> </tr> <tr> <td></td> <td style="text-align: right;">Statement of Cas</td> </tr> <tr> <td></td> <td style="text-align: right;">Dec</td> </tr> <tr> <td style="text-align: right;"><u>Cash Flow for Operating</u></td> <td style="text-align: right;"><u>Cash F</u></td> </tr> <tr> <td style="text-align: right;"><u>Activities:</u></td> <td style="text-align: right;"><u>Investi</u></td> </tr> <tr> <td style="text-align: right;">Net Income: \$39,590</td> <td style="text-align: right;">Purcha</td> </tr> <tr> <td style="text-align: right;">Depreciation Expense: -\$2,500</td> <td style="text-align: right;">Equip</td> </tr> <tr> <td style="text-align: right;">Increase in Inventory: -\$23,000</td> <td style="text-align: right;">Net Ca</td> </tr> <tr> <td style="text-align: right;">Increase in Accounts Payable:</td> <td style="text-align: right;">Investi</td> </tr> <tr> <td style="text-align: right;">\$21,750</td> <td style="text-align: right;">-\$89,75</td> </tr> <tr> <td style="text-align: right;">Net Cash Provided by Operating</td> <td></td> </tr> <tr> <td style="text-align: right;">Activities: \$35,840</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Increase in</td> </tr> <tr> <td></td> <td style="text-align: right;">Cash Balance a</td> </tr> <tr> <td></td> <td style="text-align: right;">Cash Balance at Dec</td> </tr> </table>		Wh		Statement of Cas		Dec	<u>Cash Flow for Operating</u>	<u>Cash F</u>	<u>Activities:</u>	<u>Investi</u>	Net Income: \$39,590	Purcha	Depreciation Expense: -\$2,500	Equip	Increase in Inventory: -\$23,000	Net Ca	Increase in Accounts Payable:	Investi	\$21,750	-\$89,75	Net Cash Provided by Operating		Activities: \$35,840			Increase in		Cash Balance a		Cash Balance at Dec	\$24,500
	Wh																														
	Statement of Cas																														
	Dec																														
<u>Cash Flow for Operating</u>	<u>Cash F</u>																														
<u>Activities:</u>	<u>Investi</u>																														
Net Income: \$39,590	Purcha																														
Depreciation Expense: -\$2,500	Equip																														
Increase in Inventory: -\$23,000	Net Ca																														
Increase in Accounts Payable:	Investi																														
\$21,750	-\$89,75																														
Net Cash Provided by Operating																															
Activities: \$35,840																															
	Increase in																														
	Cash Balance a																														
	Cash Balance at Dec																														
Initial Advertising and Marketing																															
Legal Fees	\$3,400																														
Hiring Expenses	\$9,250																														
TOTAL: \$295,500																															

C. Monthly Cash Flow Statement for the First Year of Operation

Cash flow is the the total amount of money being transferred into and out of a business. Therefore, to determine the annual cash flow for What’s the Scoop? operating activities, investing activities, and financing activities were considered. For the monthly cash flow, the net incomes are subtracted from depreciating expenses and investments. For the cash flow of operating activities, the depreciating costs, and inventory decrease were deducted from the expected net income. For the cash flow of investing activities, the expense of income is deducted from the overall profit. This equipment is an initial start-up cost which will occur within the first year of operation. In terms of the cash flow from financing activities, there is a surplus of cash. The bank loan proceeds entails the money that What’s the Scoop? receives from the bank loan and the repayment of the loans is a deduction for the loan repayment. Lastly, the proceeds from capital investment includes \$32,000 from the owner’s personal

savings as well as the contribution of \$473,500 from the board of investors from the company advisory committee. Due to the surplus of contributions received from the bank loan and the investment from the advisory committee, at the end of the first year, the cash flow is predicted to be \$725,490.

D. Monthly Income Statement for First Year in Operation

The monthly income statement for the first year was calculated by multiplying the number of daily customers and their average spending. What's the Scoop? expects 65 customers per day on average (average between the weekdays and the weekends) who will spend approximately \$5 each. Competitors of What's the Scoop? are expected to have approximately 100 customers daily between weekdays and weekends who spend an average of about \$7. The income statement was underestimated vastly to calculate the worst possible situation. Using similar statistics of competitors of What's the Scoop? will allow for an accurate estimation on projected income. In terms of operating expense, there are fixed expenses that stay constant every month as well as variable costs which change from month to month. These were estimated based of of similar competitors as well as through average expenses that What's the Scoop? is expected to have.

Year 1 (2020- 2021)	Jan '20	Feb '20	Mar '20	Apr '20	May '20	June '20	Jul '20	Aug '20	Sept '20	Oct '20	Nov '20	Dec '20
Revenue	\$29,763	\$30,986	\$31,465	\$34,921	\$38,720	\$42,351	\$45,681	\$40,976	\$37,980	\$33,542	\$30,657	\$29,987
Direct Costs	\$7,741	\$11,229	\$11,232	\$15,014	\$17,272	\$21,178	\$24, 132	\$19,356	\$17,651	\$12,886	\$10,095	\$9,339
Gross Margin	\$22,022	\$19,757	\$20,233	\$19,907	\$21,448	\$21,173	\$21,549	\$21,620	\$20,329	\$20,656	\$20,562	\$20,648
Operating Expenses												
Wages	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166	\$11,166
Employee Benefits	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640
Payroll Tax	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177
Marketing	\$3,000	\$1,000	\$1,000	\$1,000	\$2,00	\$2,000	\$2,000	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000
Internet	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Utilities	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Insurance	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Technology Maintenance	\$400	\$400	\$400	\$400	\$650	\$650	\$650	\$650	\$800	\$800	\$800	\$800
Total Operating Expenses	\$17,883	\$15,883	\$15,883	\$15,883	\$17,133	\$17,133	\$17,133	\$17,133	\$16,283	\$16,283	\$16,283	\$16,283
Operating Income	\$4,139	\$3,874	\$4,350	\$4,024	\$4,315	\$4,040	\$4,416	\$4,487	\$4,037	\$4,373	\$4,279	\$4,365
Interest	\$582	\$567	\$543	\$591	\$523	\$579	\$541	\$498	\$587	\$602	\$564	\$538
Depreciation and Amortization	\$258	\$258	\$258	\$258	\$369	\$369	\$369	\$369	\$472	\$472	\$472	\$472
Total Expenses	\$18,723	\$16,708	\$16,684	\$16,732	\$18,025	\$18,081	\$18,043	\$18,000	\$17,342	\$17,357	\$17,319	\$17,293
Net Profit	\$3,299	\$3,049	\$3,549	\$3,175	\$3,423	\$3,092	\$3,506	\$3,620	\$2,978	\$3,299	\$3,243	\$3,355

E. Income Statement for Years 1, 3, and 5

The monthly income statement analysis for the first year was determined by approximating the average daily customer traffic per day, which is estimated to be approximately 65, by the average expense per customer which is approximately \$5. Sales for year three are projected to be a 12.5% increase due to

increased awareness and relatively loyal customer base that has already been developed. Sales from year five are expected to see a 34% increase from year three sales. This will be as an effect of successful marketing campaigns, a loyal and well-established customer base, and for being in operation for a long enough time to be well established within the market.

The increase in salaries from year to year can be accredited to the owner's increase in pay. In addition to that, the owner, Sowmya, must implement higher wages in order to keep up with employee pay and customer traffic. On the other side, a stable cost that remains constant within all five years is the rent for the building. This is a fixed cost that remains a constant monthly expense. The reason for the higher price is due to the prime location that the building is located in. In order to ensure profitability, What's the Scoop?'s sales have been underestimated and the expenses have been overestimated. Even with these projections, What's the Scoop? is expected to surpass competitors and incur profits in years one, three, and five.

Projected Yearly Income Statements			
	End of Year 1	End of Year 3	End of Year 5
Revenue			
Sales	\$434,500	\$529,800	\$646,300
Sales Allowances	\$16,900	\$21,300	\$30,400
Net Sales	\$417,600	\$508,500	\$615,900
Cost of Goods Sold	\$102,700	\$124,300	\$139,700
Gross Profit	\$314,900	\$384,200	\$476,200
Operating Expenses			
Salaries and Wages	\$134,000	\$148,900	\$163,400
Licenses	\$680	\$350	\$350
Legal and Accounting	\$4,200	\$4,700	\$5,200
Supplies	\$23,000	\$28,000	\$35,000
Repairs and Maintenance	\$7,000	\$9,000	\$11,000
Marketing Expenses	\$5,600	\$6,200	\$7,600
Rent Expenses	\$82,300	\$82,300	\$82,300

Utilities Expenses	\$5,980	\$6,020	\$9,450
Insurance Expenses	\$750	\$750	\$750
Interest Expenses	\$1,650	\$1,790	\$340
Depreciating Expenses	\$2,500	\$3,400	\$5,600
Total Operating Expenses	\$267,660	\$291,410	\$320,990
Profit Before Taxes	\$47,240	\$92,790	\$155,210
Estimated Income Tax	\$7,650	\$8,050	\$19,800
Operating Profit	\$39,590	\$84,740	\$135,410

XI. Supporting Documents

A. Works Cited

"504 Loan Program | The U.S. Small Business Administration." *SBA (U.S. Small Business Administration)*. N.p., 2016. Web. 28 Dec. 2018.

"Before Applying for Financing, SBA Term Loans, and Understanding Business Financing | Wells Fargo." *Wells Fargo - Small Businesses*. Wells Fargo and Company, 2017. Web. 12 Dec. 2018.

"Business Credit Center | Wells Fargo." *Wells Fargo - Small Businesses*. Wells Fargo and Company, 2017. Web. 5 Jan. 2019.

"C Corporation vs. LLC." *Diffen*. N.p., 2017. Web. 24 Nov. 2019.

"Demographics." *City of Huntington Beach, CA - Demographics*. N.p., n.d. Web. 21 Dec. 2018.

Morgan, Jacob. "Types of Business Organizational Structures." *Forbes*. N.p. Web. 5 Jan. 2019.

"Powered By Yorktown." *Yorktown - Huntington Beach - CA*. N.p., n.d. Web. 14 Dec. 2018.

B. Supporting Documentation

Join Us at What's the Scoop? Now and
Get 2 FREE COOKIES
 Coupon Code: 7N2A15R14S




Valid only when you first join the What's the Scoop? community. Each cookie will be of your choosing in dietary restrictions and with a scoop of ice cream.