

ACTS

ACTS AGAINST HUNGER.

BUSINESS PLAN

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COLE CHAPMAN
AND SHELBY BURFORD



ACTS

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EXECUTIVE SUMMARY

COMPANY

ACTS Peanut Butter is gourmet peanut butter with a mission. Each jar of ACTS is a journey for the senses: the taste of sweet honey blended into smooth and savory peanut butter with the crunch of hearty granola, almonds, chocolate chips, or dried fruit. Every jar of ACTS Peanut Butter sold provides a jar of nutrient enhanced peanut butter to a hungry child in a Somalian refugee camp through *ACTS against hunger*.

PRODUCT

ACTS is not your grandmother's peanut butter. ACTS Peanut Butter has a taste profile that is largely unavailable in the peanut butter market, blending high quality toppings into gourmet honey roasted peanut butter. There is no other brand on the market that blends snack ingredients such as granola, chocolate chips, or dried fruit into peanut butter. ACTS is setting out to launch a peanut butter revolution. ACTS is a snack peanut butter that is to be eaten with a spoon straight from the jar, and each package will include a souvenir spoon as a weapon against late-night cravings.

In addition to its unmatched flavor, the ACTS brand will be a branding and packaging outlier. ACTS will leave the pack of ubiquitous peanut butter brands in the dust, using petite jars with textured labels in stacks of four jars called "ACTS Stacks." Each ACTS Stack will be packaged in a specially designed packaging tube.



MARKET & COMPETITION

ACTS Peanut Butter will compete in the snack food production industry (NAICS 311911). Direct competitors consist of the major peanut butter brands: JIF, Skippy, Peter Pan, Justin's and Peanut Butter & Co. The brand most similar to ACTS is Peanut Butter & Co, which makes flavored peanut butter spreads but does not include snack food items in their peanut butter.

The industry produces \$28.4 billion in revenue annually and has an average annual growth rate of 4.2%. Peanut Butter makes up 4.3% of the overall snack food production industry, making it a \$1.2 billion industry.

MARKET

ACTS Peanut Butter will compete in the snack food production industry (NAICS 311911). The industry produces \$28.4 billion in revenue annually and has an average annual growth rate of 4.2%. Peanut Butter makes up 4.3% of the overall snack food production industry, making it a 1.2 billion dollar industry. Though the peanut butter market can cover a wide demographic, ACTS Peanut Butter has chosen to focus on three target customers:

Compassionate College Students: Justice-oriented 18-25 year-olds with disposable income who want to make a difference in the world. Example universities include Baylor University, Southern Methodist University, Boston University, Yale, etc.

Suburban Treat Buyers: Suburban moms looking to provide a fun and healthy treat for their children's friends after school. Females, ages 30-40.

Tasteful gift givers: Magazine-flipping shoppers looking for unique, socially-responsible gift for any occasion. Females, ages 30-55.

COMPETITIVE ANALYSIS

ACTS is the first peanut butter company to mix toppings into its peanut butter. Direct competitors consist of the major peanut butter brands: JIF, Skippy, Peter Pan, Justin's and Peanut Butter & Co. The closest product to ACTS is Peanut Butter & Co, which makes flavored peanut butter spreads but does not include snack food items in their peanut butter. However, Justin's Nut Butter is aimed closest to our target market of the young generation who wants to make a difference in the world.

FINANCIAL PICTURE

Source of Funds

Source	Amount
Management Team Investment	\$15,000
Total Funds Required	\$30,000
Funds Needed From Investor	\$15,000

Use of Funds

Item	Cost
Peanut Butter Grinders	\$10,000
Other Equipment	\$6,000
Website	\$5,000
Initial Supplies and Ingredients	\$1,000
Attorney Fees	\$1,000
Sales and Marketing	\$5,000
Cash and Misc.	\$2,000

Total Required Funds \$30,000

ACTS

BUSINESS DESCRIPTION

OPPORTUNITY: A WELCOME MARKET EXPANSION

Peanut Butter is a \$1.2 billion industry, and is one that hasn't seen a welcome disruption in decades. A handful of legacy brands have held market dominance for years without originality. Meanwhile, children are starving in Somalia, and charitable donations are barely making a dent in the life-threatening crisis. There are two opportunities in play: a market opportunity for a fresh and unique entrant in the peanut butter industry, and an opportunity to save lives through sustainable support.

ACTS PEANUT BUTTER

ACTS Peanut Butter is in the business of crafting premium peanut butter, the business of crafting magazine-worthy gifts, and the business of feeding the hungry.

ACTS is peanut butter with a mission. It's the best peanut butter you've ever tasted, the gift you want to receive, and the change you wish to see in the world. For every jar of gourmet peanut butter sold, a jar of nutrient enhanced peanut butter will be delivered to a hungry child in a Somalian refugee camp. "ACTS against hunger."

ACTS is peanut butter for the well-traveled Nutella junkie, the tasteful gift giver and the gracious hostess; the creative entrepreneur, the compassionate college student, and the wide-eyed world changer.

PHILANTHROPIC OPERATIONS

ACTS will partner with Project Peanut Butter (PPB) in order to reach the starving children of Kenya and Somalia. Project Peanut Butter has clinics and production facilities set up throughout Africa to reach children suffering from Severe Acute Malnutrition. Child malnutrition rates are devastating yet there is hope in the form of a recently created "superfood" that provides the specific high-quality nutrition children need to recover, survive and even thrive. Ready to Use Therapeutic Foods (RUTFs) are high-calorie, fortified peanut butter-like pastes that PPB uses to treat malnourished children.

For every jar of gourmet peanut butter that purchased by the American consumer, ACTS will make sure that a jar of RUTFs is given away to save a starving child. This will be done in the form of donations to PPB for the amount of jars that need to be given away. PPB works with philanthropies such as ACTS to further their mission. The cost per jar is only 55 cents and the distribution to the children is taken care of by PPB. This allows ACTS to focus its efforts on selling more peanut butter which in turn saves more lives.

MARKET ANALYSIS

TARGET MARKET PROFILE

ACTS Peanut Butter will compete in the snack food production industry (NAICS 311911). The industry produces \$28.4 billion in revenue annually and has an average annual growth rate of 4.2%. Peanut Butter makes up 4.3% of the overall snack food production industry, making it a \$1.2 billion industry. Though the peanut butter market can cover a wide demographic, ACTS Peanut Butter has chosen to focus on three target customers.

CUSTOMER PROFILE

The intended customer is a peanut butter loving individual with expendable income that wants to make a difference in the world. ACTS PB gives the consumer that opportunity every time they go to the store. There is a world wide trend today for social change. Americans in particular want to make a difference in the world and people are starting to realize that with all we have been given, we have a responsibility to give back. ACTS Peanut Butter has chosen to focus on three target customers:

Compassionate College Students: Justice-oriented 18-25 year-olds with disposable income who want to make a difference in the world. Example universities include Baylor University, Southern Methodist University, Boston University, Yale, etc.

Suburban Treat Buyers: Suburban moms looking to provide a fun and healthy treat for their children's friends after school. Females, ages 30-40.

Tasteful gift givers: Magazine-flipping shoppers looking for unique, socially-responsible gift for any occasion. Females, ages 30-55.

FUTURE MARKETS

ACTS PB has multiple markets it could enter after using gourmet peanut butter as a launching platform. ACTS PB will evaluate expansion into other nut butters such as almond butter and hazelnut butter. ACTS PB, targeted at a young and trend-conscious generation, will also sell apparel online to support ACTS against hunger. Example product: *ACTS Against Hunger* T-shirt, equal to ten jars of peanut butter given away.

ACTS PB also has plans to create a supplement peanut butter line called Triple2, targeted at athletes. Both endurance athletes and weight lifting athletes consume large amounts of peanut butter because of its nutritional value. Triple2 Peanut Butter will seek to enhance ACTS' current product with additional vitamins and supplements to give athletes the edge on their competition.

MAJOR COMPETITORS

ACTS PB's direct competitors consist of the major peanut butter brands on the market today:

- JIF
- Skippy
- Peter Pan
- Justin's
- Peanut Butter & Co.

The most similar product to ACTS PB is Peanut Butter & Co, which makes flavored peanut butter spreads. However, Peanut Butter & Co. does not blend snack food items into their peanut butter. ACTS PB will differentiate from Peanut Butter & Co. and other competitors by positioning itself as a snack food item that is to be eaten with a spoon rather than a peanut butter spread.

Justin's Nut Butter is aimed closest the ACTS target market of young and cause-driven consumers who want to end injustice in the world, as they support various philanthropic organizations and do business in a way that supports the environment. Justin's charitable contributions are not a large part of their mission or platform, however.

Indirect competition will consist of various companies within the snack food industry competing to satisfy the customers hunger.

COMPETITIVE ADVANTAGES

ACTS PB will be a taste, quality, and branding outlier. Though several companies have added flavors to their peanut butter, no one has included the texture-rich snack foods into their peanut butter that ACTS will. Additionally, ACTS will communicate a story that will enable consumers to make a difference in the world just by purchasing our product. TOMS Shoes could not have taken off like it did without its story. Nor could it have taken off with a great story but a poorly produced product. They needed both. ACTS PB has both a high quality product and a high quality story that is easy to share. TOMS Shoes and ACTS PB have the three elements that all good journalist and good PR professionals know make a great story:

- Differentiation
- Emotion
- Simplicity

ACTS PB is a premium product and will therefore cost more than most peanut butters. The consumer will be willing to pay a premium for our product, not only for the exceptional taste but also for the knowledge that they are also buying a jar of peanut butter for a malnourished child and helping save a child's life.

PRODUCTS

ACTS is not your grandmother's peanut butter. ACTS Peanut Butter has a taste profile that is largely unavailable in the peanut butter market, blending high quality toppings into gourmet honey roasted peanut butter. There is no other brand on the market that blends snack ingredients such as granola or dried fruit into peanut butter. ACTS is a snack peanut butter that is to be eaten with a spoon straight from the jar, and each package will include a souvenir spoon as a weapon against late-night cravings.

In addition to its unmatched flavor, the ACTS brand will be a branding and packaging outlier. ACTS will leave the pack of ubiquitous peanut butter brands in the dust, using petite jars with textured labels in stacks of four jars called "ACTS Stacks." Each ACTS Stack will be packaged in a specially designed packaging tube.

ACTS, working to be "the Ben & Jerry's of peanut butter", will have numerous flavors, such as:

Trail-mix: Honey roasted peanut butter mixed with honey granola and chocolate chips.

Cranberry Craze: Honey Roasted peanut butter mixed with honey granola almonds and dried cranberries.

Chocolate Covered Banana: Honey Roasted peanut butter mixed with cinnamon granola, dried bananas and chocolate chips.

Choco Blanco: Honey Roasted peanut butter mixed with white chocolate and dried cherries

Second Wind Cinnamon: Honey Roasted peanut butter mixed with cinnamon, ground espresso, and chocolate covered espresso beans.

ACTS STACKS

Unlike the legacy brands, ACTS PB will not be sold in individual jars, but will be sold in easily giftable ACTS Stacks. An ACTS Stack consists of four petite jars of ACTS PB stacked on top of each other in a specially designed packaging tube with a keepsake spoon attached to the side. ACTS is not your grandmother's peanut butter, and is best straight from the jar.

PURPOSE OF PRODUCT

The purpose of ACTS PB is two-fold: to feed the customer and to feed the starving people of the world. The product will benefit the customer by providing a welcome addition to the stagnant peanut butter market, while giving them the satisfaction of knowing they are save lives. The product will impact the crisis of hunger both locally and internationally and will give the American people an opportunity to be a part of something greater than themselves. When a consumer pulls a jar of ACTS Peanut Butter off the shelf at their local grocery store, they are not just feeding their family. They're saving a life.

STAGES OF DEVELOPMENT

ACTS PB will have three phases. A brief overview of each phase is as follows:

Phase 1: The current phase of making the peanut butter in small batches out of an apartment and selling it to friends and family.

Phase 2: Moving into a manufacturing facility. ACTS will launch a full scale marketing campaign, connect with retailers, and push online sales.

Phase 3: Move to a full scale manufacturing plant with an industrial peanut butter mill allowing ACTS to drastically increase production.

BARRIERS TO ENTRY

There is nothing stopping an existing peanut butter company from creating a similar product. That being said, the barrier to entry that ACTS will establish is its captivating story. The major competitors may imitate our product, but they cannot imitate our story. If they try to adapt a jar-for-jar concept customers will be able to tell that it is just a profit-seeking scheme and that it is not what their business is founded on. Sketchers tried to imitate TOMS shoes with BOBS. They failed because it was obvious to the public that they were imitators not originators. There is also an invisible barrier to being the first to create something. There has been flavored peanut butter before, but never has such a unique taste profile met such a determined cause.

PRODUCT FEATURES

- Delicious combinations of snack foods (e.g. chocolate chips, dried fruit, granola, espresso beans, etc.) mixed in with all-natural honey roasted peanut butter to create the most delicious peanut butter the world has ever tasted.
- ACTS PB will not be sold by individual jars but in ACTS Stacks.
- With every ACTS Stack purchased, ACTS PB will donate an equal amount of jars of nutrient enhanced peanut butter to a starving child in a refugee camp in Somalia or Kenya. (Later to expand to other parts of the world)

PRICING STRUCTURE

	Cost/ Jar	Cost/ Stack	Retail Price/ Stack	Profit/ Stack	Profit Margin
Trail-mix	\$1.83	\$7.32	\$20.00	\$12.68	63%
Cranberry Craze	\$1.75	\$7.00	\$20.00	\$13.00	65%
Chocolate Covered Banana	\$1.82	\$7.28	\$20.00	\$12.72	64%
Choco Blanco	\$1.85	\$7.40	\$20.00	\$12.60	63%
Second Wind Cinnamon	\$1.88	\$7.52	\$20.00	\$12.48	62%
Average	\$1.83	\$7.32	\$20.00	\$12.68	63%

ORGANIZATION AND MANAGEMENT

MANAGEMENT TEAM

Cole Chapman, Chief PB Giver: Cole is an Internet entrepreneur. He has founded and run four successful businesses before graduating from Baylor University. The most recent of those consist of Guerrilla Consultant, an online marketing firm, and My Wedding Connector, an online lead generation service for the Dallas wedding industry. Cole is experienced in online marketing as well as running offline marketing campaigns. Cole won the Baylor University elevator pitch competition two consecutive years in a row, proving to be a strong public speaker and salesman.

Role in Company: Cole will be in charge of the sales and marketing efforts as well as overall strategy of the company.

Goal of Position: To continue to find new ways to grow the company and get the product on the shelves of as many stores as possible.

Shelby Burford, Chief PB Brander: Shelby graduated from Baylor University's Hankamer School of Business and currently lives in Seattle, working as marketing director for Biz Kid\$, a PBS series that teaches kids about entrepreneurship. Shelby is passionate about design, branding, and telling stories through marketing.

Role in Company: Shelby will be in charge of creating the company identity and establishing a high quality brand as well as focusing on the philanthropic logistics of the company.

Goal of Position: To create an upstanding public image of the company and ensure our philanthropic goals are being met.

ADVISORS

Angela Ahrendts – CEO of Burberry, a top tier British luxury fashion brand. Angela was listed as Forbes top 100 most powerful woman in the world and has unmatched experience in building a high-quality brand.

Peter Nguyen – Serial entrepreneur and leading Internet marketer. Peter is the founder Advertiser360, the most comprehensive online marketing course available to the public as well as a portfolio of various online companies. Peter has valuable personal connections with the movers and shakers of the day. Among those are Tony Robbins and Sir Richard Branson.

OWNERSHIP

Cole: 42.5%. Shelby: 42.5%. Option pool for future employees: 10%. Advisory board: 5%

MARKETING AND SALES STRATEGY

MARKETING

ACTS' marketing plan will seek to familiarize society with the new brand through social influence. Practically, this will include a mix of grass roots campaigns, in store promotions and most importantly, strong Internet marketing and advertising campaigns.

ACTS will reach passionate, justice-minded college students through unique campus events and grassroots efforts. ACTS will partner with local independent coffee shops to offer an ACTS peanut butter & chocolate mocha, and local sandwich shops to serve a gourmet ACTS PB&J. ACTS Stacks will also be sold at partner stores in well-designed displays.

ACTS will establish itself as "not your grandmother's peanut butter" with ACTS cocktail parties, which will showcase delicious hors d'oeuvres with sophisticated uses of peanut butter. Additionally, ACTS will work to get its peanut butter into the hands of culture-shapers such as television personalities and fashion icons.

The majority of initial promotional spending will seek to get ACTS Peanut Butter into the hands of potential customers, focusing first on influencers and culture-shifters through giveaways. On the collegiate level, ACTS will be given away to college students in positions of social influence, placing ACTS peanut butter gift baskets in student government offices, Greek life leadership, etc. Every jar given away will have a coupon code on the label encouraging the recipient to try other flavors on our website. Additionally, ACTS will give product to societal trend setters such as fashion icons and magazine editors through connections to those circles of influence.

BRANDING

If packaging tells the story of brand, ACTS' packaging will tell the story of excellent taste and active compassion. The ACTS branding platform will communicate intelligence, excellence, and heart. Each ACTS jar will be a petite 8 ounce jar, sold in stacks of four. Earth tones of warm golds, bold reds, and rich browns will adorn the natural paper jar labels, communicating attention to detail and dedication to quality.

ACTS' web store will portray simplicity and confidence with limited options, eliminating choice paralysis among potential customers. Sharp photographs with expert lighting and style will display the ACTS line of peanut butter as a premium item for the tasteful shopper.

PROMOTION

FINANCIALS

COSTS

Startup Costs:

Website	\$5,000
Attorney Fees	\$1,000
Sales and Marketing	\$5,000
Cash and Misc.	\$2,000
Mixer	\$2575
Sealing Machine	\$1200
TOTAL START UP COSTS	\$16,775

Variable Costs (Per Jar)

Peanut Butter	\$0.85
Jar	\$0.15
Label	\$0.15
Seal	\$0.03
Typical toppings	\$0.65
TOTAL VARIABLE COSTS	\$1.83

Selling price per stack of 4 jars: \$20

Cost per Stack: \$7.32

Profit per Stack: \$12.68

Breakeven Quantity: 1,323 ACTS Stacks

PROJECTED INCOME

ACTS needs an estimated \$17,000 to get off the ground and on its way to a bright future. The initial capital will be used to purchase necessary equipment and launch the initial marketing campaign that will gain awareness of the brand. See the appendix for financial details.

APPENDICES

A1: FIRST YEAR MONTHLY PROJECTION

Profit & Loss Projections

	Year1	Year2	Year3
Units Sold	10000	25000	35000
Total Sales	\$ 126,800	\$ 317,000	\$ 443,800
Less: Cost of Sales	\$ 73,200	\$ 183,000	\$ 256,200
Gross Profit	\$ 200,000	\$ 500,000	\$ 700,000
Payroll Expenses			
salaries	\$ 40,000	\$ 45,000	\$ 60,000
Total Payroll Costs	\$ 40,000	\$ 45,000	\$ 60,000
Operating Costs			
rent	\$ 5,000	\$ 5,000	\$ 5,000
advertising	\$ 10,000	\$ 10,000	\$ 10,000
printing	\$ 500	\$ 500	\$ 500
travel	\$ 2,000	\$ 2,000	\$ 2,000
other	\$ 10,000	\$ 9,000	\$ 8,000
Total Operating Costs	\$ 27,500	\$ 26,500	\$ 25,500
Net Income (loss)	\$ 132,500	\$ 428,500	\$ 614,500

Balance Sheet

End of Year1

Assets

Current

cash	\$ 132,500
other current assets	30,000
Total Current Assets	162,500

Long-Term

Property & Equipment	
Equipment	3,775
Total Fixed Assets	3,775
Less: Accumulated Depreciation	(500)
Net Property & Equipment	3,275

Total Assets 165,775

Liabilities & Equity

Current Liabilities

Other Accrued Expenses	2,500
Accrued Income Taxes	10,600
Total Current Liabilities	20,700

Long-Term Liabilities

Total Long-Term Liabilities -

Total Liabilities 20,700

Equity

Common Stock	15,000
Paid-In-Capital	15,000

APPENDICES

A2: YEAR 2 QUARTERLY PROJECTION

Profit & Loss Projections

	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
Total Sales	240000	270000	350000	440000	1300000
Less: Cost of Sales	(31200)	(35100)	(45500)	(57200)	(169000)
Gross Profit	208800	234900	304500	382800	1131000
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Payroll Expenses					
salaries	45000	45000	60000	60000	210000
taxes	12600	12600	16800	16800	58800
benefits	3000	3000	6000	6000	18000
Total Payroll Costs	60600	60600	82800	82800	286800
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Operating Costs					
rent	6000	6000	6000	6000	24000
advertising	25000	25000	25000	25000	100000
leases	4000	4000	4000	4000	16000
printing	10000	10000	20000	20000	60000
postage	3000	3000	3000	3000	12000
travel	9000	9000	9000	9000	36000
other	9000	9000	9000	9000	36000
Total Operating Costs	66000	66000	76000	76000	284000
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Other Income (expense)					
interest income	1500	1500	1500	1500	6000
investment income	1000	1000	1000	1000	4000
other income	1000	1000	1000	1000	4000
(interest expense)	(3000)	(3000)	(3000)	(3000)	(12000)
Total Other Income (expense)	500	500	500	500	2000
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Net Income (loss)	81700	107800	145200	223500	558200

APPENDICES

A3: YEARS 3-5 PROJECTIONS

Profit & Loss Projections	Yr. 3	Yr. 4	Yr. 5
Total Sales	1625000	2031250	2600000
Less: Cost of Sales	(211250)	(264100)	(338000)
Gross Profit	1413750	1767150	2262000
Payroll Expenses			
salaries	300000	350000	375000
taxes	84000	98000	105000
benefits	25000	30000	35000
Total Payroll Costs	409000	478000	515000
Operating Costs			
rent	35000	40000	50000
advertising	100000	75000	75000
leases	25000	25000	40000
printing	60000	60000	60000
postage	12000	15000	15000
travel	50000	55000	60000
other	45000	50000	55000
Total Operating Costs	327000	320000	355000
Other Income (expense)			
interest income	10000	15000	20000
investment income	10000	15000	20000
other income	10000	15000	20000
(interest expense)	(18000)	(22000)	(27000)
Total Other Income (expense)	12000	23000	33000
Net Income (loss)	665750	946150	1359000