



The Juice Hut



"a taste of paradise"



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Executive Summary:

Rexburg is thirsty for a new smoothie place and *the Juice Hut* designed to offer organic smoothies at reasonable prices and create a relaxed social atmosphere for smoothie enthusiasts. Providing smoothies to University students in the Rexburg Area *The Juice Hut* will be strategically placed in close proximity to the Brigham Young University Idaho campus and the Rexburg downtown shopping district.

As consumers step through the Juice Hut's doors they will find they are leaving the cold climate of Rexburg and be given a taste of paradise. Through high quality smoothie product and mixed with its themed trendy beach atmosphere.

The Juice Hut's central product will be organic ice cream smoothies that offer a various assortment of natural fruits as well as several of *the Juice Hut's* secret ingredients that cause a uniquely irresistible pleasure frenzy within ones mouth.

Blended with its smooth product will be the Juice hut's casual beach theme which will include the sights and sounds of a trip to the board walk and beach. Contributing to the casual environment will include live bands, several big screen televisions, couches, bean bags and indoor bench hammocks televisions, w displays of beaches, sea gulls and exotic sea life. Also conveniently providing wireless internet access to accommodate the needs of our clientele. Palmyra Management Group enthusiastic about providing our dream to the community of Rexburg and it's possibilities.



General Business Section:

Business Profile:

The Juice Hut has is an ice smoothie parlor designed to offer organic smoothies at reasonable prices and create a relaxed social atmosphere for smoothie enthusiasts. Our target market is university students in the Rexburg, Idaho and Provo Utah area. *The Juice Hut* has several factors to make success viable. Some of which include the location of our store. *The Juice Hut* will be strategically placed in close proximity to the Brigham Young University Idaho campus and the Rexburg downtown shopping district. Other factors include: further competition, level of advertising, pricing strategies, and the continued growth of BYU-Idaho. Our store will be unique to its market, because no other competitor offers a casual social atmosphere we will provide our clientele, mixed with our high quality smoothie product.

Our central product will be organic ice cream smoothies that offer a various blend of natural fruits and vegetables. Our juice smoothie recipes' have been fined tuned by our master juicers; containing the Juice Huts' secret ingredients providing its uniquely irresistible fruit taste. *The Juice Hut* will require frequent shipments of natural fruits and vegetables, as well as several high quality fruit juice blenders.

The Juice Hut will also provide a casual atmosphere through our friendly juicer staff, as well as a trendy beach theme. Our beach theme will include the sights and sounds of a trip to the board walk and beach. Several television screens with displays of beaches, sea gulls and exotic sea life. Quality walkways fashioned as docks. On the walls: fishing net, driftwood etc, pictures of beaches and beach themed decor. Also contributing to the casual environment will include live bands, several big screen televisions, couches, bean bags and indoor bench hammocks. Our physical place will require a room big enough for stadium seating center around a stage, and projection screen.



Anticipated Challenges and Planned Responses:

The Juice Hut will not have a perfect transition with immediate and heavy business into the smoothie market. Some factors with which management will have to deal with are competition with *Jamba Juice*, executing the intended idea of *The Juice Hut*, and successful advertising to our target market.

Jamba Juice clearly has the market for healthy smoothies in Rexburg, Idaho. *Jamba Juice* is part of a successful, national, franchise and has its brand, idea, and quality smoothies well known throughout the country. This factor alone makes opening another smoothie shop daunting. However, we have found an edge that will separate us from *Jamba Juice* and therefore, make us marketable to specific target population. *Jamba Juice* is an in-and-out smoothie shop with a wide target audience. Rexburg has very few places for college students to network, therefore *The Juice Hut* will be a social destination for our college-aged, target audience. By having a comparable quality smoothie and a contrasting service objective, we will create an edge to separate us from *Jamba Juice*.

Initiating the purpose of *The Juice Hut* at its inception will be a challenge. There are no services in Rexburg designed for the mere relaxing and social enjoyment of the customer. Therefore, we intend to communicate the intended use of *The Juice Hut* by hosting "Smoothie Parties" the first quarter of our business. By so doing, we will build our customer base and draw customer loyalty.

Lastly, building an initial customer base may be a challenge. *The Juice Huts'* "Smoothie Parties" will be our most effective marketing strategy. Beyond that, our team will create an effective advertising strategy to attract our target audience. Advertising will focus on singles apartment units and areas in town with heavy college-aged traffic such as *Walmart* and *Broulins*.

The implementation of these responses to our anticipated challenges will create a smooth introduction into the smoothie market and enable us to create a trendy, social location for college students to enjoy smoothies and socialize.



Current Situation:

Rexburg is a college town and students are always looking for ways to relax and meet new people. *The Juice Hut* is a perfect place for both and will also provide quality juices and smoothies. Currently *Jamba Juice* holds most of the market share in Rexburg, but has the potential to challenge and compete based on these factors: lower prices, healthier drinks, and a social atmosphere conducive to its target market. Of the students surveyed, the majority of them liked the idea presented and said they would most likely be a customer. An adequate location near both the campus and the downtown shopping district has been established. Also contacts and tentative contracts have been established with local fruit vendors. We hope to open the *Juice Huts'* doors for business in no more than six weeks.



Company Objectives:

There are many objectives that need to be met for *the Juice Hut* to accomplish its central goals. The first of which will be meeting a few short-term goals to set a foundation for a brilliant future. Hiring outgoing, dynamic employees and training them accordingly. Two, advertise around the community to establish an excitement within the community for *the Juice Hut* name. Including menu items, services provided, and opening date. Three, have a big grand opening. The first week should be very busy for us. We want our customer count to average 225 per day for the first week. Because of the start-up expenses, our net income for the first month will be \$195.

Year One Goals

We want to develop a strong base of dedicated regular customers. Estimating a customer count of approximately 200 per day on average. Continue unique marketing and advertising schemes to tap into a wider market share, drawing in new customers. Create a training program for new employees, so they can be fully trained in one week and be able to make a great customer experience for each customer they deal with. Projected net income for the first year is approximately \$45,840.

Year Two Goals

Develop new flavors for the smoothie menu. Build customer count to 225 on average days. We can accomplish this by continuing to advertise and attract new customers. Projected net income for the first year is approximately \$56,190.

Year Three Goals

We will continue to attract new customers with promotions and advertisements, and increase our average customer counts to 250 per day. Projected net income for the first year is approximately \$77,790. Depending on the overall outlook *the Juice Hut* may be looking into an opportunity for potential expansion to a new location; through customer surveys, and advice from professional consultants.



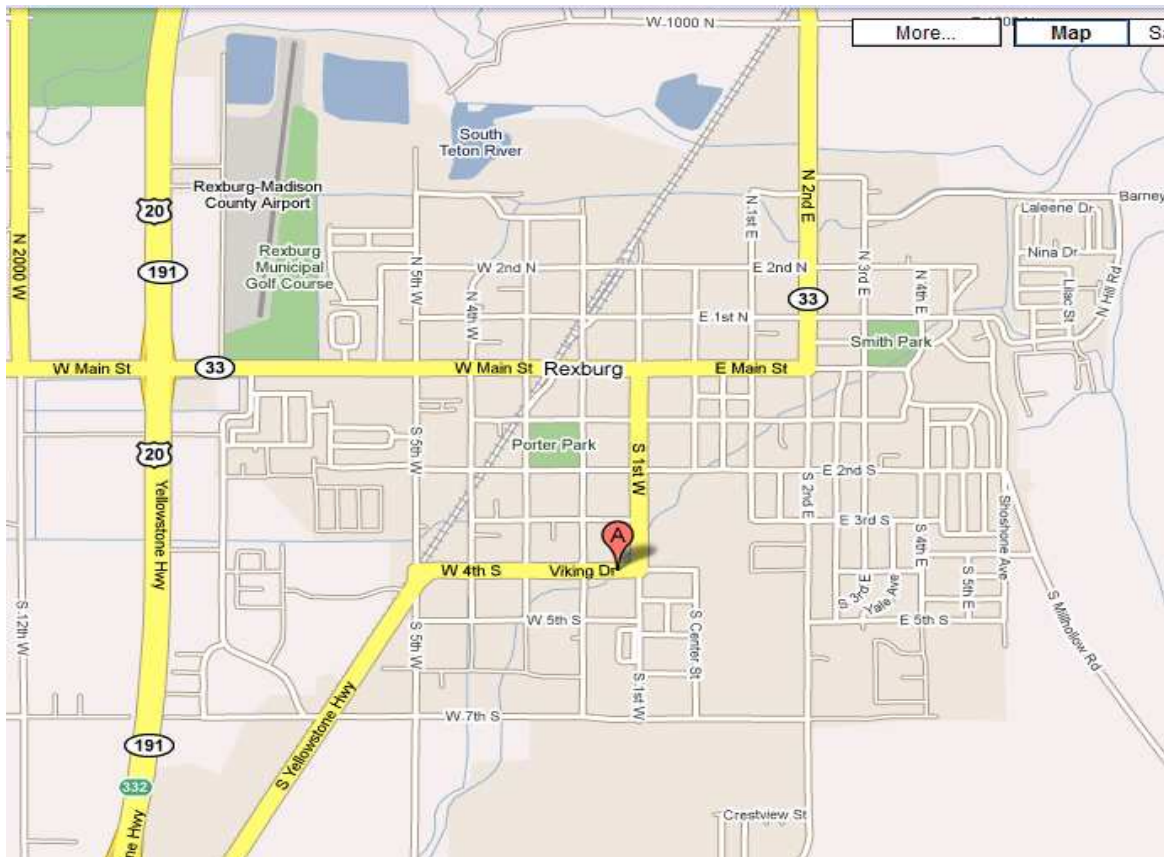
Marketing and Operations Section

Target Market:

The Juice Hut intends to pursue the BYU-Idaho student population as its target market. The ambiance of The Juice Hut will make it enticing to all Rexburg residents, families included, but will focus on college students in need of “a taste of paradise” in the Rexburg Iceland.

Demographics

Our customers will be residents of Rexburg, Idaho, a small town of 13.5 square miles with a growing population of 27,000. The map of Rexburg, pictured below, displays the approximate geographic region from which our customers will come.



- The Juice Hut to be located at marker “A”



Customer Motives

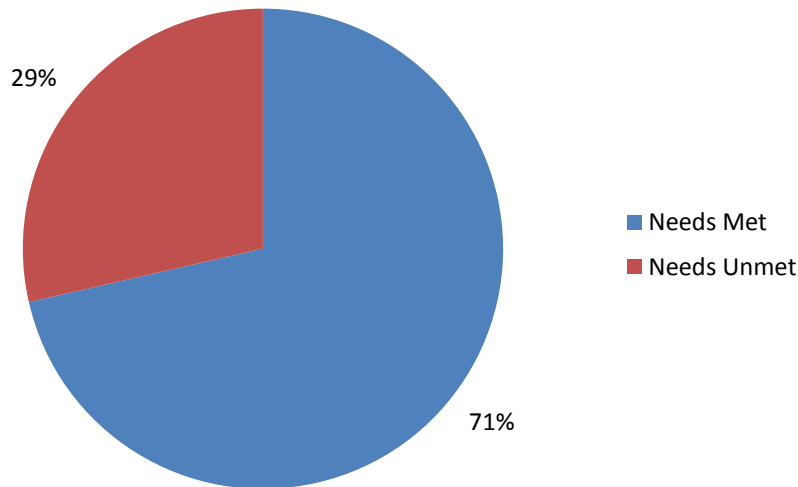
Rexburg is a small town with thousands of students from across the country with different social and entertainment needs that the “small town feel” may not fulfill. There are few places in town where students may go to be entertained, relax, or escape the stresses of college life. Students will be motivated to come to *The Juice Hut* to experience a tropical getaway, relax, and be entertained.

In addition, *The Juice Hut’s* delicious and healthy smoothies will become a typical craving of the average college student. The free wireless internet connection supplied at *The Juice Hut* will make fulfilling those cravings that much more convenient. Students will be able to connect to the internet and work on projects and other class work while treating them-selves to “a taste of paradise.” All of these motivating factors combined with the easily accessed location of our store will compel students to utilize our services.

Customer Needs

The following are the needs of our customers that *The Juice Hut* will address:

- Low cost quality product
- Gathering place for friends
- Late night service
- Comfortable setting
- Fast service
- Convenient location close to campus



- *The Juice Hut* will meet 71% of our customer’s needs.



Competitors

Jamba Juice and *Jolynn's Bakery* are *The Juice Hut's* competition in Rexburg. Both have a long-standing quality reputation.

Jolynn's Bakery is directly on campus and serves fresh baked pastry products, as well as ice cream. Although *Jolynn's* is located directly on campus, they do not have areas for their customers to sit and relax. It is a purchase and go type of store. In addition, *Jolynn's* is only busy during the week days when students are busy with class. It is not a weekend-night destination.

Jamba Juice, our larger competitor, is located next to *Broulim's Market*, the local grocery store. The distance between campus and *Jamba Juice* results in potential sales lost as on-campus students or students without transportation are unable to reach the store. In addition, the products at *Jamba Juice* are more expensive as they appeal to the more health-conscious consumers in Rexburg.

Potential

Rexburg has experienced rapid growth since Ricks College became Brigham Young University-Idaho. Since 2000, the population has grown 58% and continues to grow today. Kim B. Clark, President of BYU-Idaho, has announced the expansion of student enrollment from 11,600 students a semester to 12,500 a semester by 2010. The student head count would be 14,200 and it is suspected that the student head count would be approximately 15,000 students by 2015. The incredible growth of our target market within the next five years will provide *The Juice Hut* with great potential to expand its sales.

Satisfaction

With the great location and structure of *The Juice Hut*, management will be able to satisfy the needs of the rapidly expanding market. *The Juice Hut* will create a new type of atmosphere that our customers will long to be in, and as such, *The Juice Hut* will stay on top of the competition as it becomes a regular destination of the BYU-Idaho students. The ability to adapt to a growing market with new competitors will be enhanced with the unique *The Juice Hut* experience.



Product Strategy:

The initial conception of *the Juice Hut* will occur after we have secured a loan through the bank for a store lease and operation investments, such as freezers, smoothie equipment, selected furniture and flat-screen TVs. After the loan is procured, we will begin the execution of our “Juice Hut” designs.

The Juice Hut will provide delicious and nutritious smoothies made with fresh produce. Produce will be purchased two weeks in advance from vendors and delivered twice a week, Mondays and Fridays, to ensure freshness. In addition, frozen yogurt and ice cream for the smoothies will be purchased in bulk and stored in our freezers. We intend to run an “organic” and “non-organic” smoothie line to provide customers with product and price options. The “organic” menu will consist of organic produce and frozen yogurt while the “non-organic” menu will consist of traditional produce and frozen yogurt or ice cream, determined by customer selection. Pricing will be in direct correlation with the menu. Obviously the ingredients for our “organic” menu are more pricy than that of our “non-organic” menu and therefore will be more expensive.

A significant aspect of *The Juice Hut’s* success is to what extent it becomes a social hub for college students. The more it becomes a traditional destination for our target audience the more successful we will be. Part of our plan to attract students is the “Beach-themed” trendy, relaxing atmosphere. We intend to create this atmosphere with a variety of furniture from hammock chairs, bean bags and couches. Flat-screen TVs will be located at very locations in the store causing customers to gravitate to those spots for socializing or the viewing of athletic competitions. By these means we hope to become a center for student socialization.

Operations Strategy:

The Juice Hut management has made plans to order freezers, blenders, juicers, tables, and chairs from ACityDiscount.com. Because *The Juice Hut* is placing such a large product order with the same company, a discount will be received, reducing the start up costs. Management will also purchase two large couches and three beanbags from the local furniture store *Odell’s*. Cups will be personalized with *The Juice Hut* logo by *Print Appeal*. Lastly, straws and napkins will be purchased from the local *Wal-Mart*.

To insure high quality smoothies, *The Juice Hut* will use fresh fruit that will be delivered twice a week. *The Juice Hut* will be using the *California Fruit Company*, known for its fast delivery and quality fruit. Produce at *The Juice Hut* will be restocked every Monday and Friday.

At the grand opening of *The Juice Hut*, the management will be the main employees to reduce hefty start-up costs. More employees will be hired as needed once *The Juice Hut* is up and running. Starting pay will be \$7.00 an hour and the owners will perform the required training. As employees become acquainted with *The Juice Hut* philosophy, owners will promote them to managerial positions. The goal is to have the new management team running *The Juice Hut* after three months of operations.



Pricing Strategy:

The Juice Hut's pricing strategy is comparable to that of our competitors in the geographic region. However, *The Juice Hut's* appearance and ambiance will be more elaborate than the local competitors. In addition, *The Juice Hut's* close proximity to campus will save students an extra trip into town. *The Juice Hut* will host several "Smoothie Parties" to entice customers and expose them to *The Juice Hut* experience. The "Smoothie Parties" will include various promotional strategies, such as: buy one, get one half-off; buy one, receive a free pastry; *Starving Student Card* promotions and local-ad coupons. The promotional strategies will apply to all customers as management expects *The Juice Hut* to be a popular destination for dates, hang-outs, and family outings. Another aspect of the pricing strategy is the cost of smoothies based on the size of the smoothie. The sizes and costs will be the following: small \$2.75, medium \$3.25, and large \$4.00. Management intends to encourage customers to increase their orders from small to medium by having a small cost differential between small and medium drinks in comparison with a large cost differential between medium and large drinks.

Promotional Strategy:

Positioning statement

The Juice Hut is an ice creamed smoothie parlor designed to create a comfortable social atmosphere. The objective is to blend (pun intended) quality smoothie products with a relaxed social atmosphere. Management will provide organic smoothies via experienced juicers, and an assortment of smoothie recipes. The location of *The Juice Hut* will be in close proximity to campus and the downtown shopping district. This will make an accessible, hang out location for university students to socialize and relax.

Theme and Aesthetic appeal

The Juice Hut will provide a casual atmosphere by way of a friendly juicer staff, as well as a trendy beach theme. The beach theme will include the sites and sounds of a walk on the board walk and beach. Several television screens will be throughout the store displaying beaches, sea gulls and exotic sea life. Quality walkways will be fashioned as docks and fishing net, driftwood, pictures of beaches and beach themed décor will hang on the walls. Live bands, several big screen televisions, couches, bean bags and indoor bench hammocks will also contribute to the casual environment. The building itself will require a room big enough for stadium seating center around a stage, and a projection screen.



Competitors

The Juice Hut will separate itself from its competitors by satisfying the social needs and late night ice cream/smoothie cravings of the local students by molding the hours of operation around the lifestyle of a university student. Therefore, *The Juice Hut* will capitalize on late nights and weekends, 11:00 am-1:00 pm, with closing hour being the BYU-Idaho curfew. *The Juice Hut* will be available for the impulsive and social lifestyle of a student. On the other hand, competitors have an in and out service, closing at 10pm every night.

Advertising Campaign

The Juice Hut's transition into the market is foreseeably tough. As an unknown restaurant, management will need a strong advertising and marketing campaign to build a strong consumer base. Naturally the advertising campaign will target the student market: campus and local newspapers, ads in theaters before movies, and ads on various radio stations will help attract our market. In addition, a full-page color ad in the BYU-Idaho Scroll is \$750, with a half page \$550, and a quarter page at \$350. By advertising in the Scroll, management plans to place coupons with wording similar to the following: "Present this coupon to receive 10% on any one purchase at *The Juice Hut*." Management will also publish ads in the local newspapers. Posting fliers door to door, ad posters around town, as well as highway billboards. Making our presents felt at formal and informal social gatherings.



Management Section

Management Team

The management team at Juice Hut consists of Dan Campnell, Kellene Condie, and, Thomas Wulff. All highly qualified with various back grounds and strengths that prove to give *the Juice Hut* a strong managerial back bone. Together they will be able to adequately perform all the necessary tasks to creating a successful business. Once things are set up and running smoothly they will be able to focus on their individual responsibilities.

Thomas Wulff- President

Thomas has an MBA in business and has held high profile leadership positions in various food chains. His experience in business and in the food market and leadership qualities he has been designated President of *the Juice Hut* by all of the members of the management team. He will overlook all of the operations and have the final say in all financial and operational decisions *the Juice Hut* will face. Thomas will receive a yearly salary of \$25,000.

Dan Campnell- Chief Financial Officer

Dan has an MBA in accounting and worked for an accounting firm right out of college. He then made the switch over to Cisco Systems and was part of their finance team. He has experience keeping financial records and has held various leadership positions. His leadership and experience with finances will be a huge asset to *the Juice Hut*. He will help with budgeting, taxes, ordering inventory, and making sure *the Juice Hut* covers their required expenses. Dan will earn a yearly salary of \$20,000.

Kellene Condie- Advertising Director

Kellene has a degree in Communications and experience advertising and marketing. Her knowledge of design programs will allow her design advertisements that will draw customers into *the Juice Hut*. She will deal will all advertising aspects and promote various activities and offers that will take place at *the Juice Hut*. Kellene will earn a yearly salary \$18,000.



Financial Section

Financial Projections:

The Juice Hut Projected Income Statement For the Period ending May 31, 2009	
Sales	31,200
Cost of Goods Sold	
Produce	12,000
Gross Profit	19,200
Operating Expenses	
Mortgage	1,940
Advertising	500
Utilities	1,500
Salaries and Wages	10,000
Equipment	5,000
Total Operating Expenses	18,940
Income before Taxes	260
Tax Expense	65
Net Income	195

The Juice Hut Projected Income Statement For the Period ending April 30, 2010	
Sales	374,400
Cost of Goods Sold	-
Produce	144,000
Gross Profit	230,400
Operating Expenses	-
Mortgage	23,280
Advertising	3,000
Utilities	18,000
Salaries and Wages	120,000
Equipment	5,000
Total Operating Expenses	169,280
Income before Taxes	61,120
Tax Expense	15,280
Net Income	45,840



The Juice Hut
 Projected Income Statement
 For the Period ending April 30, 2011

Sales	421,200
Cost of Goods Sold	
Produce	162,000
Gross Profit	259,200
Operating Expenses	
Mortgage*	43,280
Advertising	3,000
Utilities	18,000
Salaries and Wages	120,000
Equipment	-
Total Operating Expenses	184,280
Income before Taxes	74,920
Tax Expense	18,730
Net Income	56,190

The Juice Hut
 Projected Income Statement
 For the Period ending April 30, 2012

Sales	468000
Cost of Goods Sold	
Produce	180000
Gross Profit	288000
Operating Expenses	
Mortgage*	43,280
Advertising	3,000
Utilities	18,000
Salaries and Wages	120,000
Equipment	0
Total Operating Expenses	184,280
Income before Taxes	103,720
Tax Expense	25,930.00
Net Income	77,790.00



The Juice Hut
 Projected Income Statement
 For the Period ending April 30, 2013

Sales	514800
Cost of Goods Sold	
Produce	198000
Gross Profit	316800
Operating Expenses	
Mortgage*	43,280
Advertising	3,000
Utilities	18,000
Salaries and Wages	120,000
Equipment	10000
Total Operating Expenses	194,280
Income before Taxes	122,520
Tax Expense	30,630.00
Net Income	91,890.00

The Juice Hut
 Projected Income Statement
 For the Period ending April 30, 2014

Sales	561600
Cost of Goods Sold	
Produce	216000
Gross Profit	345600
Operating Expenses	
Mortgage*	43,280
Advertising	3,000
Utilities	18,000
Salaries and Wages	120,000
Equipment	0
Total Operating Expenses	184,280
Income before Taxes	161,320
Tax Expense	40,330.00
Net Income	120,990.00

- Began payments of an extra \$20,000 towards the mortgage.



Implementation Schedule:

The Juice Hut is scheduled to open for business May 13th 2009. By then the Juice Hut will have obtained ownership of location, equipment needed for production and advertisement of our product by a bank loan of \$315,000. We will have a mortgage to pay off each month. Juice Hut management have selected and purchased an existing building. Have hired a building contractor to make minor adjustments to the building as the agreed upon in tentative planning and estimates, in accordance to local building and zoning codes. Before the opening, *the Juice Hut* management staff will be hiring and training high school and college student to part-time positions to satisfy demands of customers. Weekly inventories will be held with Managers and assistant managers to assurance fresh quality products, evaluate produce needs and order more goods. Research projects that within the first year *the Juice Hut* will sell about 140 drinks a day on average. As the Juice Hut reaches its three and five year goals it will look to expand to other university markets. We believe that our sales, in other locations, will at least remain at the same rate that we project will happen in small town Rexburg.

Statement of Resource Needs:

In order to fulfill initial financial demands *the Juice Hut* will need a loan of \$315,000 for an annual APR of 6.25%. Payments due at the first of each month and will be in the amount of \$ 23,500.

Money acquired for the loan will be used to cover the purchase of our smoothie shop, furniture, large freezers, beach themed décor and equipment. Those involved in *the Juice Hut's* financial planning believe this loan will be sufficient for initial operations, atmosphere and assist in acquiring, location and equipment.