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Executive Summary:

406 Lips is a product line that was developed specifically to address problems associated with carrying and maintaining lip balm. Our goal is to provide convenient, fashionable solutions that reduces waste, stops product loss, and save money. Our Lip Balm Holders conveniently clip to your purse, school bag, jeans loop, water bottle, lanyard, and key ring. Not only does this provide quick and easy access, it also so securely retains the lip balm preventing loss of product and other valuables.

Company Introduction:

At 406 Lips our mission is to provide all lip balm users with the best way to reduce the loss of their lip balms. Our short term goals include increasing our market presence by attracting two to four new wholesale accounts, and increasing our in person sales to 500 units in 2019. Long term goals include adding a second sewing machine, and enlisting the assistance of a second sewer to ease the manufacturing process, and taking our products to the Made in Montana Tradeshow in 2020.

Background:

After losing multiple lip balms in the wash, under furniture, and other places, I knew there had to be a better way. So I tried to find the solution, only to find ways that didn't work, for example a clip top cap. Taking this knowledge, I improved these ideas with my own lip balm holder. Seeing that this is a problem that many others face as well, I decided to create 406 Lips to help reduce the loss of lip balm. Now, our product flies off the shelves.

Market Descriptions:

406 Lips has two markets, a buying market and a target market. We have seen at many craft shows that our buying market is primarily women from the ages of 35-60. These women usually buy for others rather than themselves. Most of the time these women buy for our target market, teenage girls. Our target market usually does not buy for themselves, as we observed at a high school craft show, but instead has others buy for them. This makes our marketing system complicated because we have to appeal to both groups of people.

Marketing Plan:

Our multi-tiered marketing approach includes local and in-person marketing, Montana Trade Shows, and social media marketing. The local approach includes door to door sales and craft shows. Benefits of meeting people on a one-on-one basis include our ability to build relationships, it helps us gain invaluable feedback on our products. Attending Trade Shows give us the opportunity to introduce our products to an entirely new market. Not only are we able to interact with other businesses, but we have the ability to interact with their business markets as well. Social Media opens up our business to the entire internet, this gives us a local-like experience with a larger market.

Finance:

Fabric: \$0.24 Key Fob: \$0.26 Clips: \$0.15 Total Material Costs: \$0.65	Cost Retail: \$10 Cost Wholesale: \$5	Profit Retail: \$9.35 Profit Wholesale: \$4.35
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This year, 2019, our goal is to increase profit by 200%. To do this we will take last year's gross income, and take 20% of that number out of our net income to make new products. This percentage will triple the product sold last year, which will have the opportunity to triple gross income and ultimately double net profits. This is all shown in the figure below.



