



Wicked Little Teas

Care for you today.

WICKED LITTLE TEAS, LLC BUSINESS PLAN

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Executive Summary

Wicked Little Teas produces simple and effective herbal teas for tea lovers to drink daily. This company prioritizes high-quality ingredients to formulate herbal teas that are flavorful and effective in alleviating symptoms of common, everyday ailments. Each ingredient is carefully chosen for its specific medicinal properties, ensuring the maximum benefits to tea lovers' minds and bodies.

Wicked Little Teas, LLC, dba Wicked Little Teas, is a small-batch herbal tea company owned and operated by Emma Jo Shatto. It is located in Baltimore, MD, where it will begin manufacturing and packaging herbal teas to sell to educated, women-identifying millennials in the Greater Baltimore area at local farmers markets, tea tastings, and online in January 2024.

Raised in a tea-loving family, Emma Jo Shatto started creating herbal blends during her undergraduate studies to relieve symptoms of anxiety and depression. After completing her bachelor's, Emma became deeply interested in the history of tea, herbal medicine, and nutrition. Emma began to formulate teas to alleviate her friends' symptoms from ADHD to anxiety, and started to develop Wicked Little Teas' six original blends. As of January 2024, Emma will have obtained her certification in herbal medicine and registered as a professional herbalist with the [American Herbalists Guild](#).

In addition to Emma's herbalist experience, she brings entrepreneurial experience to Wicked Little Teas – this is her second entrepreneurial venture.

While working at the Maryland Institute College of Art (MICA) during the COVID-19 pandemic, Emma created, developed, and managed all operations for the MICAMade Marketplace, an online e-commerce marketplace platform with 250+ sellers and 600+ customer accounts. In addition to continuing to promote sales for sellers, Emma produces professional development series for MICA students, staff, faculty, and alumni focusing on smart business practices.

Wicked Little Tea will build brand trust and customer loyalty by hosting tea tastings and vending at Baltimore farmers markets frequented by health-conscious women-identifying millennials searching for easy ways to practice self-care daily. In addition, Emma is putting to work what she learned creating a successful e-commerce site to build an online platform for Wicked Little Tea sales.

Wicked Little Teas is asking for a \$20,000 small business loan with a 5-year term limit offering between a 5-7% interest rate. This loan will contribute to the success of Wicked Little Teas by covering start-up costs enabling it to open its doors. These costs include

- Sourcing and purchasing equipment and inventory and packaging materials
- Covering rent for a commercial kitchen space,
- And purchasing market & event space at local Baltimore markets.

With a \$20,000 small business loan as start-up capital, Wicked Little Teas expects to end its first year of operations positioned for consistent growth in sales.

Wicked Little Teas offers a unique and valuable product to tea lovers. By prioritizing simple blends and high-quality ingredients Wicked Little Teas are among the most effective herbal teas marketed to health-conscious millennials.

Business Overview

Business History & Formation

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Wicked Little Teas is asking for a \$20,000 small business loan with a 5-year term limit offering between a 5-7% interest rate. This loan will contribute to the success of Wicked Little Teas by covering start-up costs and its first year of operations expenses enabling it to open its doors. These costs include

- Sourcing and purchasing equipment, inventory, and packaging materials
- Covering rent for a commercial kitchen space,
- And purchasing market & event space at local Baltimore markets.

Wicked Little Teas, LLC is a sole proprietorship filing federal taxes with the Internal Revenue Service (IRS) and registered with the Maryland State Department of Assessments and Taxation (SDAT) as a Limited Liability Corporation (LLC).

Mission

Wicked Little Teas crafts the highest quality of effective and simple herbal teas delivered with empathy, care, and thoughtful understanding to wellness enthusiasts.

Vision

Tea lovers practice self-care every day.

Values

- Inclusivity
- Sustainability
- Wellness

Product Description

Wicked Little Teas produces simple and effective herbal teas for tea lovers to drink daily. The six flavorful blends offered by this company may be brewed day and night to soothe specific and common symptoms that tea lovers experience related to allergies, menstruation, anxiety, and depression. Wicked Little Tea's original recipes include

- **Sob fest:** a calming blend of sage, peppermint, catnip, and lemon balm to help you slow down and breathe easier during a low day.
- **Hit Snooze:** a motivating blend of lavender, chamomile, peppermint, and lemon balm for those mornings when you have no choice but to get out of bed.
- **Boss B*tch:** an energizing blend of lemongrass, spearmint, and rose hips to boost productivity all day long.
- **Heating Pad:** a soothing blend of yarrow, lemon balm, lavender, and holy basil to ward against bloating and cramps.

- **Ah-choo:** a helpful blend of rosemary, thyme, sage, and peppermint for those moments when your eyes are watering and you've sneezed way too many times.
- **Sleep Sweetly:** a relaxing blend of chamomile, spearmint, mugwort, and rose petals to encourage calming and magical dreams.

Each blend includes a maximum of four ingredients, making Wicked Little Teas' blends more effective in contrast to most of the tea brands available on the market. Each dried herb, root, or flower is chosen for its specific medicinal properties, ensuring the maximum potential to provide optimal benefits to tea lovers' minds and bodies. Most herbal teas are available from small tea companies and grocery stores and have as many as 10+ ingredients. Due to the size of individual tea servings, the more ingredients an herbal blend has the less effective its ingredients are.

Wicked Little Teas' target market is educated, women-identifying millennials searching for healthy ways to practice self-care daily. The company joins a growing market for healthy and flavorful beverages.¹ As health consciousness among millennials continues to gain traction in the United States the herbal tea market continues to expand as private and miscellaneous brands enter.² By prioritizing simple blends and high-quality ingredients Wicked Little Teas are among the most effective herbal teas marketed to health-conscious millennials.

Wicked Little Teas are blended with fresh ingredients from USDA-certified organic farmers with no artificial sweeteners or flavors added. Each herbal infusion blend is packaged using eco-friendly materials. In January 2024, Wicked Little Teas herbal teas will be available at local farmers' markets and tea tastings in Baltimore, Maryland, and online via its Shopify website.

Pricing Strategy

Wicked Little Teas values high-quality ingredients and eco-friendly/biodegradable packaging materials, resulting in a higher cost than many grocery store brands, like Bigelow or Celestial Seasonings. However, Wicked Little Teas is competitively priced against other local, high-quality tea brands. Tea is priced by the ounce. Wicked Little Teas' primary pricing challenge is what it considers a serving per ounce. Competitors more than double the number of servings per ounce of tea than is traditionally advised by herbal tea specialists. For instance, a competitor's two-ounce tin of herbal blend states it makes 40 cups of tea. Traditionally, two ounces of tea make only 12 cups of tea. Wicked Little Teas is using the traditional serving size for its herbal tea blends, so its packaging and marketing emphasize authenticity in its serving size.

The current pricing model for Wicked Little Teas is:

One-ounce loose-leaf tea tins	\$10
One-ounce loose-leaf tea refill	\$7

¹Goggi, Peter F. "State of the US Tea Industry." Tea & Coffee Trade Journal May 2021: 16+. Business Insights: Global. Web. 18 Sep. 2021.

²"Herbal Tea Market Size, Share, Scope, Trends, Opportunities & Forecast." Verified Market Research, 4 May 2021, www.verifiedmarketresearch.com/product/herbal-tea-market. Web. 18 Sep. 2021.

Wicked Little Teas prioritizes sustainability by encouraging its customers to save and reuse their tea tins by offering the option for customers to purchase loose-leaf tea refills packaged in biodegradable and eco-friendly bags at a lower cost.

Additionally, by offering a sample tin of its herbal tea blends, Wicked Little Teas aims to competitively enter the market offering an opportunity for women-identifying millennials to explore each of its blends and find their favorite. This pricing model allows Wicked Little Teas to cover the cost of ingredients and supplies and accounts for operating expenses. This price does not include shipping. However, according to Finance Possible, 48% of millennials are reported to purchase if free delivery is available. Wicked Little Teas is researching the feasibility of offering free shipping, at least locally.

Competitive Analysis

Industry and Market Analysis

The tea industry is one segment of the global coffee and tea manufacturing industry. Tea is the second most popular beverage in the world, second only to water.³ Its origins can be traced back at least 5000 years, with tea assuming global prominence through trade in the early 1600s.⁴ Businesses focus on either blending tea and/or manufacturing herbal tea.⁵ While this industry is mature, it has showcased consistent growth in the last decade. This is due to the increasing demand for organic products due to health concerns related to chemical additives in major conventional products.⁶

In the United States, 159 million people drink tea daily.⁷ In 2020, the tea market measured \$13.12 billion in the United States and this industry is expected to grow 8.2% annually between 2021 and 2025.⁸ As a segment of the tea industry, the herbal tea market was valued at \$3.3 billion in 2020.⁹ According to Market Research Future, the size of the herbal tea market is estimated to grow by 4.94% and will be valued at \$4.2 billion, by the end of 2025.¹⁰ This increase in the herbal tea market is explained by the trend among consumers of seeking preventive health options as alternatives to over-the-counter medications, and growing conscientiousness of products that promote healthy living.¹¹

According to the Tea Association of the United States, international trade today is challenged by the COVID-19 pandemic's impact on the production of raw materials. This is

³Lindenberg, Brett. "57 Stunning Tea Consumption Statistics and Trends." Food Truck Empire, 5 Feb. 2020, foodtruckempire.com/news/tea-consumption-statistics. Web. 19 Sep. 2021.

⁴"History of Tea." The Tea House, 2021, theteahouse.co.uk/tea_culture_history_of_tea.html.

⁵"Coffee and Tea Manufacturing." Gale Business Insights: Global Collection. Gale, a Cengage Company, 2019. Business Insights: Global. Web. 17 Sep. 2021.

⁶Market Research Future. "Herbal Tea Market Segment, Size, Share, Global Trends, 2027 | MRFR." Market Research Future, 1 Feb. 2021, www.marketresearchfuture.com/reports/herbal-tea-market-5420. Web. 16 Sep. 2021.

⁷"Tea Facts 2021." Tea Association of the United States, 2021, www.teausa.com/teausa/images/Tea_Fact_2021.pdf. Web. 16 Sep. 2021.

⁸Conway, Jan. "U.S. Tea Market - Statistics & Facts." Statista, 18 May 2021, www.statista.com/topics/1513/tea-market. Web. 19 Sep. 2021.

⁹"Herbal Tea Market Size, Share, Scope, Trends, Opportunities & Forecast." Verified Market Research, 4 May 2021, www.verifiedmarketresearch.com/product/herbal-tea-market. Web. 18 Sep. 2021.

¹⁰Market Research Future. "Herbal Tea Market Segment, Size, Share, Global Trends, 2027 | MRFR." Market Research Future, 1 Feb. 2021, www.marketresearchfuture.com/reports/herbal-tea-market-5420. Web. 16 Sep. 2021.

¹¹Lindenberg, Brett. "57 Stunning Tea Consumption Statistics and Trends." Food Truck Empire, 5 Feb. 2020, foodtruckempire.com/news/tea-consumption-statistics. Web. 19 Sep. 2021.

causing disruptions in many smaller private and miscellaneous companies' supply chains.¹² Additionally, mandatory closures of herb farms and markets in the United States disrupt local alternatives for sourcing materials.¹³

Concurrently, the ready-to-drink segment of the tea industry is overly available and convenient for tea drinkers who frequent supermarkets or are utilizing easy-to-use apps like InstaCart.^[BC1] In 2020, the grocery and mass merchandise segment saw an unprecedented 18% increase while pandemic protocols shut down tea shops, restaurants, and in-person marketplaces.¹⁴

The isolating, home-bound factor of the COVID-19 pandemic amplified tea's perception as a calming and healthy beverage to be enjoyed daily. In addition to augmenting the herbal tea market's growth, the pandemic increased consumers' perception of tea as an affordable supplement to nutrition and diet that boosts immunity, aids sleep, and energy levels, and reduces stress.¹⁵ Today more consumers are purchasing teas that they perceive to be good for them. This will continue to be one of the most influential industry trends in 2022 and beyond.¹⁶ According to Claire Hagerstrom, tea master at TAZO, "The Covid-19 pandemic has amplified consumers' involvement in their own health and wellness, and consumers are more aware of these innate benefits and are increasingly searching for beverages that promise added benefits".¹⁷

Direct Competitor

Wight Tea Company is located near the Hampden neighborhood in northern Baltimore City. Wight Tea Company was founded in 2016 and frequented local farmers' markets before opening its storefront.¹⁸ Wight Tea Company offers customers packaged loose-leaf teas and sells wholesale to retail, restaurants/bars, and other hospitality needs. A selection of tea accessories is available in-store and on their website. Wight also hosts community events. Their pricing is as follows:

One-ounce loose-leaf tea tins	\$6 - \$7
Two-three-ounce loose-leaf tea tins	\$15 - \$20
Combinations of two-five one-ounce tins loose-leaf	\$10 - \$30

¹²"Tea Facts 2021." Tea Association of the United States, 2021, www.teausa.com/teausa/images/Tea_Fact_2021.pdf. Web. 16 Sep. 2021.

¹³Market Research Future. "Herbal Tea Market Segment, Size, Share, Global Trends, 2027 | MRFR." Market Research Future, 1 Feb. 2021, www.marketresearchfuture.com/reports/herbal-tea-market-5420. Web. 16 Sep. 2021.

¹⁴"Tea Facts 2021." Tea Association of the United States, 2021, www.teausa.com/teausa/images/Tea_Fact_2021.pdf. Web. 16 Sep. 2021.

¹⁵Jay, Erin Flynn. "Sales of Immunity-Boosting & Stress-Relieving Teas Rise During the Pandemic." Tea & Coffee Trade Journal Mar. 2021: 24+. Business Insights: Global. Web. 18 Sep. 2021.

¹⁶Jay, Erin Flynn. "Sales of Immunity-Boosting & Stress-Relieving Teas Rise During the Pandemic." Tea & Coffee Trade Journal Mar. 2021: 24+. Business Insights: Global. Web. 18 Sep. 2021.

¹⁷Jay, Erin Flynn. "Sales of Immunity-Boosting & Stress-Relieving Teas Rise During the Pandemic." Tea & Coffee Trade Journal Mar. 2021: 24+. Business Insights: Global. Web. 18 Sep. 2021.

¹⁸"wight tea co google reviews - Google zoeken." Google, 2021, www.google.com/search?q=wight+tea+co+google+reviews&og=wight+tea+co+google+reviews&ags=chrome..69i57.5121j0j7&sourceid=chrome&ie=UTF-8#lrd=0x89c8054025ad1789:0xe05acdac798fad2f.1,.... Accessed 20 Sep. 2021.

Wight Tea Company positions itself as an opportunity for its customers to enjoy high-quality tea from global suppliers.¹⁹ Wight Tea Company targets local Baltimore residents through events, their physical location, and is available at local tea shops like Pillion Tea.²⁰ Google reviews indicate that many customers have purchased products from Wight Tea Company as gifts to friends, co-workers, and family members.²¹ Furthermore, the company expands its target market to local restaurants/bars, retail, and other companies seeking hospitality needs like gifts and custom blends.²²

They are presently experiencing delays in manufacturing due to international importing being disrupted due to the COVID-19 pandemic and subsequent global economic recovery.²³ Wicked Little Teas plans to mitigate such disruptions in its supply chain by sustainably sourcing its ingredients from local USDA-certified organic herb farms in the tri-state area, thus ensuring fresh, high-quality ingredients while supporting the local economy.

Alternatively, Wicked Little Tea has a select number of herbal tea blends formulated specifically for an ingredient's medicinal value and its effect on the body. Wicked Little Teas is targeting a more specific, niche market of women-identifying millennials that are interested in purchasing primarily functional teas to practice self-care.

Wicked Little Teas will implement an additional product offering featuring a low-cost, loose-leaf refill of each of its blends to its customers in alignment with its value of sustainability. In its second year of operations, Wicked Little Teas plans to introduce a "Sae & Subscribe" subscription model with this product offering. Wicked Little Teas aims to introduce convenience to its customers while encouraging them to purchase more sustainably. This aligns with its target market's commitment to sustainability.

Indirect Competitors

In the United States, Wicked Little Tea's primary indirect competitors are tea-focused, international companies like Twinings of London (United Kingdom), Lipton (United Kingdom), and Celestial Seasonings (United States), and Bigelow (United States) have products available in local grocery stores and supermarkets. In the United States, 71% of people who drink tea purchase it at their local grocery store or supermarket.²⁴

Each company mentioned above was consistently featured in Market Share Reports and Business Rankings Annual top 10 tea brands in 2010, 2015, and 2021.²⁵ By 2020 the large, global brands collectively represented 40.3% of the market share, while private label and miscellaneous brands held the remaining 52.6% of the market share.²⁶ Private label and

¹⁹Wight Tea Co. Wight Tea Co, www.wighttea.com. Accessed 20 Sep. 2021.

²⁰Wight Tea Co. Wight Tea Co, www.wighttea.com. Accessed 20 Sep. 2021.

²¹"wight tea co google reviews - Google zoeken." Google, 2021, www.google.com/search?q=wight+tea+co+google+reviews&oeq=wight+tea+co+google+reviews&aqs=chrome..69j57.5121j0j7&sourceid=chrome&ie=UTF-8#lrd=0x89c8054025ad1789:0xe05acdac798fad2f.1,... Accessed 20 Sep. 2021.

²²Wight Tea Co. Wight Tea Co, www.wighttea.com. Accessed 20 Sep. 2021.

²³Wight Tea Co. Wight Tea Co, www.wighttea.com. Accessed 20 Sep. 2021.

²⁴Conway, Jan. "U.S. Tea Market - Statistics & Facts." Statista, 18 May 2021, www.statista.com/topics/1513/tea-market/. Web. 19 Sep. 2021.

²⁵"Top Loose/Bagged Brands, 2010." Market Share Reporter. Ed. Robert S. Lazich and Virgil L. Burton, III. 22nd ed. Detroit, MI: Gale, 2012. Business Insights: Global. Web. 18 Sep. 2021.; "Top Bagged/Loose Leaf Tea Brands in the U.S., 2015." Business Rankings Annual. Ed. Deborah J. Draper. 2017 ed. Farmington Hills, MI: Gale, 2016. Business Insights: Global. Web. 18 Sep. 2021.; "Top Bagged/Loose-Leaf Tea Brands, 2020." Market Share Reporter. Ed. Virgil L. Burton, III and Robert S. Lazich. 31st ed. Farmington Hills, MI: Gale, 2021. Business Insights: Global. Web. 17 Sep. 2021.

²⁶"Top Loose-Leaf/Bagged Tea Brands, 2021." Market Share Reporter. Ed. Virgil L. Burton, III. 33rd ed. Farmington Hills, MI: Gale, 2023. Business Insights: Global. Web. 7 Nov. 2022.

miscellaneous brands include brands created in-house by larger companies such as Target's *Favorite Day* brand and its products, in addition to small privately owned businesses such as Wight Tea Company. In 2010, private label and miscellaneous brands held 40.1% of the market share, this displays a 31.2% increase in market share between 2010 and 2020.²⁷

Before the COVID-19 pandemic, private label and miscellaneous brands were on the rise and growing a loyal customer base by providing flavorful teas made from ethically sourced, organic ingredients, and competitively priced against larger, well-known tea brands such as Twinings and Bigelow.²⁸ Private label and miscellaneous brands prioritized ingredient quality in exchange for a price, leveraged the convenience of their location, and relied on brand trust.²⁹ This tapped into an unmet need for healthy and ethically-minded consumers like Wicked Little Teas' target market.

While these larger international brands can beat Wicked Little Teas on cost, they offer lower-quality ingredients and complicated tea blends. Wicked Little Teas specializes in selling high-quality and specifically formulated herbal teas that are simple and effective. Additionally, Wicked Little Teas can offer a one-on-one customer experience and excellent service to their customers, which larger more convenient tea companies cannot provide while selling at a grocery store or supermarket chain.

How Wicked Little Teas Will Succeed

Wicked Little Teas will succeed by developing strategies that evolve from thoughtful awareness and research of its customers and the ever-changing wellness-oriented herbal tea industry. By honoring its values of inclusion, sustainability, and wellness instead of simply competing against its competitors in the same way they are operating, Wicked Little Teas aims to stand out as a sustainable, reliable, and inventive business that prioritizes effective strategy as much as effective teas.

²⁷"Top Loose/Bagged Brands, 2010." Market Share Reporter. Ed. Robert S. Lazich and Virgil L. Burton, III. 22nd ed. Detroit, MI: Gale, 2012. Business Insights: Global. Web. 18 Sep. 2021.

²⁸Walker, Jason. "Good Reasons for the Rise in Private Label Teas." Tea & Coffee Trade Journal Jan. 2020: 22+. Business Insights: Global. Web. 18 Sep. 2021.

²⁹Walker, Jason. "Good Reasons for the Rise in Private Label Teas." Tea & Coffee Trade Journal Jan. 2020: 22+. Business Insights: Global. Web. 18 Sep. 2021.

SWOT Analysis

Wicked Little Teas SWOT Analysis 2022

A small-batch herbal tea company providing wellness-minded, women-identifying Millenials with effective and simple herbal teas that soothe common, everyday symptoms related to allergies, menstruation, anxiety, and depression.

Strengths

What do we do well? What separates us from competitors? What unique resources do we have?

Personel	Product	Market/Industry	Brand
Experienced and skilled founder	Original and unique recipes	Proactive wellness trending in the US	Business values align with target audience behavioral characteristics
Starting small to scale for growth	Teas made with a purpose (medicinal, effective)	Consistent growth within the tea industry "specifically privately-owned tea businesses" over the last decade	
	Limited amount of ingredients/supplies needed to get started		



Weaknesses

What do we lack? What do competitors do better than we do? Where are our resources limited?

Personel	Product	Funding	Brand
One-person team	Values vs. available & affordable resources	Cost of running a business	Lack of brand awareness
Events Capacity limited	Focus on herbal teas vs. caffeinated teas	Lack of personal funding/money	
Admin/ Ops/ Marketing capacity limited		FDA regulated product	
Still working towards herbalist certification		State requirements (permits, licenses, ops expenses)	



Brand	Funding	Product
Specialty teas that are grounded in values instead of esteem	Possible participation in venture competitions, incubators, ect within Baltimore	Each tea is created to target a specific ailment and its most common symptoms
Customers interested in supporting small businesses/ entrepreneur vs large business	Apply for an small business loan	
Transparent & ethical processes, values, and sourcing		

Opportunities

Where do we see ways to meet people's real-world needs?
Where are people under-served by existing offerings?



Out of WLT Control

Product	External forces	Sales/Marketing Strategy
Inflation (impact on operations expenses & pricing strategy)	International relations & policy btw US and the world	Possible COVID-related shut downs canceling in-person events
Handling of ingredients/Condition of ingredients upon arrival	Government regulation & policy changes	Competing for space at local farmers markets (limited spots available)
Availability and affordability of appropriate packaging materials	Change in government administration	Social media saturation (competing for customer attention & business)

Threats

What competitors are emerging?
What might get in the way of our success?

STEP Analysis

Wicked Little Teas' STEP Analysis 2022- Questions to consider

<p>Social</p> <ol style="list-style-type: none"> 1. Will your business rely on population demographics? 2. Will your business' success or failure rely on: <ul style="list-style-type: none"> • Income distribution? • Social services? • Levels of education/health? • Attitudes of work/leisure? • Social mobility and cultural changes? <div> <div>MD Population Demographics - Who goes to which farmers markets? Where are they located? How much do they cost to be at weekly, monthly, annually?</div> <div>Levels of education - Target audience includes millennials with a min of a bachelors degree or higher - proportional with a higher level of income/ discretionary budget</div> <div>Health - Interest and commitment to wellness, proactive care or current health status</div> <div>Attitudes btw work/leisure - WLT messaging and positioning is directly intertwined with self-care</div> <div>Social mobility - Wicked Little Teas aim is to be affordable, however depending on external factors/ops expenses this has a expected price threshold</div> <div>Cultural changes - Being queer & woman-owned could impact customers of different values, beliefs, etc from purchasing tea</div> </div>	<p>Technological</p> <ol style="list-style-type: none"> 1. Will your business subject to emerging technologies? 2. Will your business be impacted by availability of high-speed internet and/or reduced communication costs? 3. Will your business' current success or failure rely on technological changes and transfer of availability? 4. Will your business have a shelf-life due to tech shifts? <div> <div>Definitely subject to changing social media platforms as target audience and eventual customer segmentation evolves</div> <div>Relying on an online POS system and website</div> </div>
<p>Economic</p> <ol style="list-style-type: none"> 1. Will your business grow of suffer with: <ul style="list-style-type: none"> • globalization? • unemployment rates? • interest rates & inflation? • availability of loans? • stable energy costs? <div> <div>Globalization - If/when Wicked Little Teas needs to source its ingredients outside of the United States and/or expands its reach to customers outside of the United States</div> <div>Unemployment rates - Tea is very popular, however its not a necessary item to purchase and could be impacted by this</div> <div>Inflation - Yes - cost of materials, shipping, etc impacting the price of the product</div> <div>Loans/Interest rates - depends on if Wicked Little Teas pursues a small business loan (to cover start-up costs, expansion, a warehouse/storage, a retail space)</div> </div>	<p>Political</p> <ol style="list-style-type: none"> 1. Is your business subject to legislation? 2. Is your business categorized as a high tax business? 3. Will your business' success be subject to import/export policy? 4. Will your business' success be subject to changes in politics? 5. Can your business qualify for government contracts? <div> <div>Yes, via the FDA and its regulation of herbal supplements.</div> <div>Import/export- possibly, depends on where/how its sources its ingredients and packaging materials and if it sells over seas</div> </div>

Sales & Marketing

Target Market

The Specialty Tea Institute reported in a national demographics study in 2012 that "Young people are the lifeblood of the tea industry as they will likely be responsible for a

significant expansion of the market as they age and experiment with other forms of tea.”³⁰ A decade later this is the reality of the key target audience for Wicked Little Teas.

Wicked Little Teas is entering the tea industry with effective and simple herbal teas that soothe common symptoms of everyday ailments and prioritize high-quality organic ingredients. Wicked Little Teas is targeting educated, women-identifying millennials who live in the Greater Baltimore area and frequent local farmers’ markets. Wicked Little Teas is planning to expand to an online e-commerce platform resulting in a broader target audience in the future.

The Tea & Coffee Trade Journal reported in 2019 that women had a larger preference for herbal tea versus caffeinated tea and lattes than men.³¹ Millennial women comprise a group of loyal, adventurous, and thoughtful individuals between the ages of 26-40 years old. This generation systematically rebranded retail as “self-care” and began to spend their money to benefit and provide for their minds and bodies.³² This aligns with Wicked Little Teas’ positioning as a brand that provides functional teas formulated for daily self-care routines. Additionally, nine out of ten millennials value proactive health and purchase organic, natural, and ethically-produced products.³³

Wicked Little Teas is targeting educated millennials because statistically more disposable income is available to this customer segment. Among millennials, 39% have a bachelor’s degree or higher, and 43% of millennial women have completed at least a bachelor’s degree.³⁴ There is a large disparity in millennial income depending on if they have completed a bachelor’s degree. As reported in Baltimore City’s Department of Planning 2014 survey, individuals with a high school diploma earned a median of \$31,000 annually versus those who have completed a bachelor’s degree or higher-earning a range between \$46,000 - \$61,000 annually.³⁵

Millennials are more likely to prefer shopping online, with 56% of millennials saying that they would rather shop online than in a physical, retail store.³⁶ Additionally, 57% of millennial women shop with brands that align with their values, and a business’ stance on issues that are important to them. In the United States, millennial women have \$170 billion in buying power equaling a total of 85% of United States millennials.³⁷ Furthermore, millennials are loyal to the brands they value. 70% of millennials will go out of their way to purchase a brand they feel loyal to and 60% of millennials are reported to have continued purchasing from those brands for 10 years or more.³⁸

³⁰Specialty Tea Institute. “Specialty Tea Institute - Demographics Summary.” Tea Association of the United States, 2021, www.teausa.org/teausa/images/2012/02/ppdemo1.pdf. Web. 19 Sep. 2021.

³¹“Tea Consumption in the US Remains Strong: Tea consumption and dollar sales in the United States continue on strong growth trajectories.” Tea & Coffee Trade Journal Sept. 2018: 17. Business Insights: Global. Web. 19 Sept. 2021.

³²“5 Surprising Stats About Gen Z & Millennials’ Shopping.” YPulse, 24 Sept. 2020, www.ypulse.com/article/2020/09/23/5-surprising-stats-about-gen-z-millennials-shopping. Web. 19 Sep. 2021.

³³ “31 Millennial Spending Habits & Income Statistics to Know, 2022.” 2022. Youngandtheinvested.com. June 28, 2022. <https://youngandtheinvested.com/millennial-spending-habits/>.

³⁴“50+ statistics on millennial spending habits in 2021.” LexingtonLaw, Lexington Law, 8 Feb. 2021, www.lexingtonlaw.com/blog/credit-cards/millennial-spending-habits.html. Web. 19 Sep. 2021.

³⁵“Data and Demographics.” Department of Planning, Baltimore City, planning.baltimorecity.gov/planning-data#People++Demographics. Accessed 18 Sep. 2021.

³⁶“5 Surprising Stats About Gen Z & Millennials’ Shopping.” YPulse, 24 Sept. 2020, www.ypulse.com/article/2020/09/23/5-surprising-stats-about-gen-z-millennials-shopping. Web. 19 Sep. 2021.

³⁷Khoros, Digital care, communities, & social media software. “Millennial Buying Stats All Marketers Need to Know | Khoros.” Khoros | Digital Care, Communities, & Social Media Software, 2 Sep. 2021, khoros.com/blog/millennial-buying-habits. Web. 19 Sep. 2021.

³⁸Khoros, Digital care, communities, & social media software. “Millennial Buying Stats All Marketers Need to Know | Khoros.” Khoros | Digital Care, Communities, & Social Media Software, 2 Sep. 2021, khoros.com/blog/millennial-buying-habits. Web. 19 Sep. 2021.

Meet Melanie, a Wicked Little Teas customer

Meet Melanie

General description

- 32 years old
- Queer
- Bachelors in Graphic Design
- Employed as designer at a local design firm
- Works hybrid
- Baltimore, Maryland

Values, Beliefs, and Attitudes

- Concerned about climate change and researches products and companies online before buying from them
- Loyal supporter of local, small businesses and LGBTQIA brands
- Keeps up to date with current events in the news
- Spends time & money on products and services that relieve stress

Habits & Behaviors

- Spends breaks from work browsing Instagram
- Spends more money using her iPhone's wallet app than her physical credit card
- Visits her local farmers market twice a month to shop for fresh produce and goods

Goals

- Train for a spring half-marathon
- Get to the gym twice a week
- Negotiate for a higher-salary during performance review
- Limit take-out to twice a week

Portrait



Accenture Interactive

Melanie Monoski is a 32-year-old professional working for a design firm in Baltimore, Maryland. Melanie wakes up each morning and goes on a jog before her morning cup of coffee and breakfast. This morning she woke up with cramps and a slight headache - her period has set in and she's headed for a low-energy day.

Melanie's job as a graphic designer is hybrid and today starts the first remote day of her week at 9 am. She loves her job and the work she does, but she's pushing for a promotion or considering a new employer in the future. Between projects, she browses her Instagram feed and peruses the most recent reels that come up via the Instagram algorithm for her profile. She's tempted to use their user-friendly Instagram Shopping feature to purchase a new tea mug.

By lunchtime, she's pushing past the afternoon doldrums and reaches for a cup of Wicked Little Teas' *Heating Pad* to help alleviate the headache her coffee didn't help her with and the cramping she's experiencing. Her warm cup of tea helps soothe her symptoms in tandem with the ibuprofen she popped. Half an hour later, Melanie feels a wave of calm relief wash over her and she knows she can get through the remainder of her day.

After clocking out and getting home from her evening yoga class, she spends her night curled up re-watching the new season of Great British Bake Off! with a calming cup of Wicked Little Teas' *Sleep Sweetly* before turning in for an early night.

Sales Strategy

During its first one to three years of operations, Wicked Little Teas will operate at seasonal farmers markets, pop-up events, and holiday markets in the Greater Baltimore area. All sales will be processed via their online Shopify website, utilizing the platform's user-friendly and remote point-of-sale system that directly links all in-person sales to the business' current online inventory. This will allow Wicked Little Teas to streamline tracking its inventory and sales records.

In addition to participation at in-person events and using Shopify as its website platform, Wicked Little will launch and maintain an effective and evolving multi-channel marketing strategy via its online presence and social media platforms that will be directly integrated into its website's administrative dashboard.

Customer Service

Unopened products may be returned and fees refunded within 15 days of purchase. To initiate a return or refund customers must contact Wicked Little Teas via email or its website contact form. Unfortunately, Wicked Little Teas is unable to return opened tea products as blended teas are food items and may not be resold.

Brand Identity & Positioning



Wicked Little Teas
Care for you today.





For women-identifying millennials, Wicked Little Teas is the small-batch herbal company that best delivers flavorful, effective high-quality herbal teas, where each dried herb, root, or flower is chosen for its specific medicinal properties, ensuring the maximum potential to provide optimal benefits to tea lovers' minds and bodies. Each effective and simple herbal tea has the potential to soothe common, everyday ailments. Wicked Little Teas' slogan is "*Care for you today.*" Its purpose is to remind and encourage its customers to take steps toward self-care

throughout every day. As a company, it values inclusivity, sustainability, and wellness. Wicked Little Teas is a queer-woman-owned business and prioritizes support for the LGBTQIA community and women-owned businesses/organizations.

For communications and marketing, Wicked Little Teas embodies an inclusive and friendly voice. Examples of this include:

- Enthusiastic
- Informative
- Trustworthy
- Caring

The Wicked Little Teas graphic/logo utilizes the font, *Lora*, and its brand colors include:

	Green	#008037
	Grass Green	#7ed957
	Lime	#c9e295
	Yellow	#ffde59

Wicked Little Teas uses eco-friendly packaging for their herbal teas and locally sources its ingredients, supplies, and equipment. This is especially important to our sustainability-minded target market of millennials. In 2022, it was reported that 83% of millennials will purchase from a brand based on its level of social responsibility and sustainability practices.³⁹

According to Finance Possible, 47% of millennial shoppers educate themselves on the environmental impacts of the brands they purchase, and 83% of millennials purchase brands that align with their values and beliefs.⁴⁰ Additionally, 73% of millennials are willing to purchase products that value environmental friendliness and social responsibility.⁴¹

Online Presence & Strategy

By June 2022 Wicked Little Teas intends to have built a branded and user-friendly website. In 2021 Possible Finance reported that over half of millennials used their cell phones to research companies and products for purchases. In 2022, it was reported that 42% of millennials shop online from their smartphones.⁴² Accordingly, Wicked Little Teas will build its website with a mobile-friendly Shopify eCommerce platform.⁴³ By March 2022, Wicked Little

³⁹"31 Millennial Spending Habits & Income Statistics to Know, 2022." 2022. Youngandtheinvested.com. June 28, 2022. <https://youngandtheinvested.com/millennial-spending-habits/>.

⁴⁰Fu, Chang. "53 Revealing Millennial Spending Habits in 2021." Possible Finance, 6 Apr. 2021, www.possiblefinance.com/blog/millennial-spending-habits.

⁴¹"31 Millennial Spending Habits & Income Statistics to Know, 2022." 2022. Youngandtheinvested.com. June 28, 2022. <https://youngandtheinvested.com/millennial-spending-habits/>.

⁴²"31 Millennial Spending Habits & Income Statistics to Know, 2022." 2022. Youngandtheinvested.com. June 28, 2022. <https://youngandtheinvested.com/millennial-spending-habits/>.

⁴³Fu, Chang. "53 Revealing Millennial Spending Habits in 2021." Possible Finance, 6 Apr. 2021, www.possiblefinance.com/blog/millennial-spending-habits.

Teas will design branded and unique packaging for Wicked Little Teas' herbal blends and photograph each blend for its website and social media content.

Search engine optimization (SEO), "a process of optimizing your online content so that a search engine likes to show it as a top result for searches of a certain keyword," makes it clear that it is a necessary and effective strategy to create awareness of a company brand with potential customers.⁴⁴ Wicked Little Teas will strengthen its' SEO by improving its on-page and off-page links. This includes integrating keywords from Google searches to capture the attention of potential customers such as

- Loose leaf tea Baltimore
- Tea Baltimore
- Local tea companies near me
- Maryland tea
- Herbal tea

Each keyword listed was determined by scanning competitors' websites with [WordStream's Free Keyword Tool](#).

Social Media Strategy

Wicked Little Teas will utilize social media marketing effectively. According to Cure Media, "a social media presence is no longer a nice-to-have, but a necessity... Millennials are the generation with the highest use of social media (90.4%) and spend an average of 2 hours and 44 minutes on social media each day. This is 18 minutes longer than the global average."⁴⁵ By February 2024, Wicked Little Teas will create social media accounts on the following channels: Instagram, Facebook, and TikTok.

Each platform Wicked Little Teas plans to create complements its purpose to publish informative and relevant content that communicates its values of sustainability, inclusivity, and wellness. Additionally, each platform can provide useful analytics related to our customers and their behavior, providing the opportunity to utilize our research on our target market to create and pay for targeted posts. Leveraging research and using an iterative approach to developing its social media strategy, Wicked Little Teas is focused on testing these platforms out and evolving its process and strategy as time moves forward.

Wicked Little Teas is in the very first year of operations, and is prioritizing growing awareness of its brand to prospective customers. In 2022, brands develop loyal millennial customers by engaging them with interactive, informative, and oftentimes user-generated content.⁴⁶ This is why following the creation of each social media account, Wicked Little Teas will design a content calendar to regulate a consistent posting schedule and develop social media and blog content to be delivered via Wicked Little Teas' social media channels and website blog. Wicked Little Teas will endeavor to schedule and execute the following regular content per month:

- Two blog posts
- One highlighted herb or tea ingredient per week

⁴⁴"Online Marketing Made Simple: A Step-by-Step Guide." Neil Patel, 16 Sep. 2021, neilpatel.com/what-is-online-marketing.

⁴⁵Ekholm, Frida. "MARKETING TO MILLENNIALS." Cure Media, 9 July 2021, www.curemedia.com/marketing-to-millennials.

⁴⁶Goldschein, Eric. "7 Content Marketing Tactics for Targeting Millennials." SocialPilot, 2 Sep. 2021, www.socialpilot.co/blog/content-marketing-for-millennials.

- One shared/curated piece of content per week
- All content is adjusted depending on the time of year, current campaign, etc.

Content examples include but are not limited to:

- “How to Prepare Your Cup of Tea” instructional posts and informative content on herbs and Wicked Little Teas blends,
- Lists of top/best herbs to soothe a specific ailment, and lists of what types of herbs to avoid,
- Q&A or interview write-up with an industry expert from local herbal medicine schools like Maryland’s Wild Ginger Herbal Center,
- Interactive content like surveys, polls, and calls to customers to create user-generated content about their experience drinking Wicked Little Teas herbal blends,
- Seasonal posting about available herbs, local events, and upcoming sales/discounts.

All of Wicked Little Teas’ content will be crafted to be educational and relevant to its customer base. Content will be created and managed by Wicked Little Teas’ founder using Canva, Adobe Creative Suite products, and Google Drive. Additionally, the founder will spearhead community management and social media/platform moderation. At the start, Wicked Little Teas will utilize the combination of Shopify’s social media integrations and Facebook Business Dashboard to manage and publish social media content except for TikTok.

In 2021, 77% of customers prefer to get permission-based promotional messages via email versus other modes of communication like social media, advertisements, or direct mail.⁴⁷ As Wicked Little Teas’ customer base grows it will deliver a monthly newsletter via its Shopify website to its customers to alert them to upcoming sales and the most recent blog content. As content is archived, Wicked Little Teas will submit press releases to the local print and digital newspaper, The Baltimore Patch.

Wicked Little Teas will submit their website to local Baltimore City and County business directories, and cultivate partnerships with local gardening associations, LGBTQIA, and women’s organizations to take part in and host community events like tea tastings. Pairing these strategies with participating as a vendor at the local farmers’ markets will increase Wicked Little Teas’ sales, and boost the visibility of its brand and products while engaging local, millennial customers.

Marketing Goals & Effectiveness

Utilizing the Objectives & Key Results (OKR) framework, Wicked Little Teas aims to achieve the following objectives/goals in its first year of operations:

- A. Objective: Grow brand awareness to prospective tea lovers online and at local farmers markets
 - a. Key Result: Attend one farmer's market per week in Baltimore City resulting in a minimum of 10-15 transactions per market
 - b. Key Result: Build customer base by 15% each month via online and social media marketing channels
- B. Objective: Develop and nurture mutually beneficial relationships with other local small businesses, tea companies, and women-centric and LGBTQIA non-profit organizations

⁴⁷McCormick, Kristen. “The 30 Best Ways to Promote Your Business in 2021—With or Without Money.” WordStream, 5 June 2021, www.wordstream.com/blog/ws/2020/11/02/promote-your-business.

- a. Key Result: Attend and/or host one community event or tea tasting per month in tandem with a local women-centric or LGBTQIA non-profit organization.
 - b. Key Result: Partner with one other small business per month on an event, project, or limited service/product offering
- C. Objective: Maintain consistent growth in sales per week by leveraging online and social media marketing and in-person events
 - a. Key Result: Process a minimum of 24 sales transactions per week with an average order of \$15 per sale equating to one one-ounce tin of loose leaf tea and one tea accessory per sale.
 - b. Key Result: Maintain a consistent bounce rate on its website between 20%-45% per month.

Additionally, marketing activities are measured by calculating Key Performance Indicators (KPIs) such as

- Online website conversion rate (# of orders/#of visits)
- Average order value (total revenue/total # of orders)
- Bounce rate (the percentage of visitors to a particular website who navigate away from the site after viewing only one page)
- The average number of items in each order

Wicked Little Teas' upcoming marketing activities, expenses, and metrics will be documented in monthly reports. These reports will allow Wicked Little Teas to track growth and customer buying patterns while creating a system for archiving past activities and relevant information.

Operations Plan

Management Structure and Key Employees

Wicked Little Teas' founder and Chief Executive Officer (CEO) is Emma Jo Shatto. Emma is the primary owner of the company and manages all business operations including but not limited to operations, marketing and financials.

At this time Emma is in the process of acquiring the following professional accreditations:

- Certificate of Herbal Medicine from the [Wild Ginger Community Herbal Center](#)
- [Masters of Professional Studies in the Business of Art & Design from the Maryland Institute College of Art](#)
- [Current Good Manufacturing Practices \(cGMP\)](#) training and certification via the [American Herbalist Guild's cGMP workshop](#)

In the United States, there is no formal certification or licensing for herbal medicine, however, upon the completion of her certification, Emma will register with the [American Herbalist Guild](#), which is considered a national registry of highly professional and educated herbal practitioners.

With her experience in the industry and familiarity with local herbalist professionals, Emma is exploring their interest in joining an advisory board for Wicked Little Teas to provide informed opinions and guidance on developing her herbal tea company further. Emma will remain working full-time while running Wicked Little Teas for the first one to three years of operations.

At this time, Wicked Little Teas is not hiring additional staff or support outside of contracted legal counseling or accounting services when needed. If Wicked Little Teas is ready to take on more staff, the CEO is responsible for hiring, training, and supervising a new employee. Prospectively, Wicked Little Teas is interested in hiring a \$15 per hour employee at 20 hours per week, in supporting marketing and production.

Location and Facilities Management

In the United States, the sale of packaged herbal teas over state lines is highly regulated. [The United States Food and Drug Administration \(FDA\)](#) requires all products to be stored and manufactured in a licensed kitchen facility registered with the FDA⁴⁸. At this time, Wicked Little Teas is contacting and receiving quotes from potential commercial kitchens and their terms for renting space. This includes larger, shared kitchen spaces like [B-more Kitchen](#) and small, local churches. Each potential space is licensed as a food service facility, zoned commercially, and meets [Maryland Health and Safety requirements](#) for commercial kitchen spaces. By producing a dry-goods product, Wicked Little Teas will only need to rent a commercial kitchen space between one and three times a year to process and package their herbal teas. A majority of facilities offer hourly packages for small businesses.

Production and Operations

Wicked Little Teas' website will be hosted on [Shopify's](#) basic monthly plan. This will require no further website development at this time. Shopify integrates marketing, sales tracking, product management, and inventory tracking into its core e-commerce platform, in addition to external "apps" from companies providing business services like expenditures tracking. Shopify's basic monthly plan features online point-of-sale system users can use at live events, meaning that all sales processed at local farmers' markets and seasonal pop-up markets will coincide with online processes and automatically reflect new information in real-time.

According to the [Dietary Supplement Health and Education Act of 1994](#) (DSHEA) herbs and other botanicals are categorized as dietary supplements. Due to this, as a business manufacturing products from herbs Wicked Little Teas is required to abide by the FDA's [Current Good Manufacturing Practices \(cGMPs\)](#) and have a comprehensive understanding of the requirements and legalities of selling products made with herbs. This includes:

- Manufacturing, processing, packing, and storing food in a licensed facility registered with the FDA
- Maintaining up-to-date recordkeeping of inventory and suppliers,
- Appropriately packaging and labeling ingredients,
- And requiring training and certification for employees managing the company's inventory and production of herbal blends.

These requirements ensure that all "food offered for sale and introduced into interstate commerce be produced under safe and sanitary conditions"⁴⁹. In addition to meeting these

⁴⁸Center for Food Safety and Applied Nutrition. (n.d.). *How to start a food business*. U.S. Food and Drug Administration. Retrieved October 22, 2021, from <https://www.fda.gov/food/food-industry/how-start-food-business>.

⁴⁹Center for Food Safety and Applied Nutrition. (n.d.). *How to start a food business*. U.S. Food and Drug Administration. Retrieved October 22, 2021, from <https://www.fda.gov/food/food-industry/how-start-food-business>.

requirements, Wicked Little Teas will source its ingredients from USDA-certified organic suppliers who abide by FDA cGMPs, for example, [Mountain Rose Herbs](#).

Wicked Little Teas requires the following furniture, supplies, and equipment:

- Assorted stainless steel funnels
- Assorted stainless steel measuring cups
- Industrial digital kitchen scale
- FDA-approved food handler gloves
- Sterile tempered glass jars to store processed ingredients
- Two-piece vacuum caps to seal glass jars
- Stainless steel boiling-water canner
- Stainless steel tongs
- Stainless steel skewer
- Stainless steel sink
- Stainless steel table
- FDA-grade tins
- Appropriate waste disposal and facility management

It is recommended by commercial kitchens and prominent herbal centers that Wicked Little Teas acquires a Business Owner Policy including:

- General liability insurance
- Commercial liability insurance
- Product liability insurance
- Damage to premises renting insurance
- Cyber liability insurance

By operating in a licensed commercial kitchen, Wicked Little Teas will not need to acquire a [food service facility license](#) or [food processing license](#), however by selling at local Farmers Markets the company will need to acquire the following license and permits in Baltimore city and county:

- [Seasonal farmers market producer sampling license](#)
- [Producer Mobile Farmers Market Permit\(s\)](#)
- [Maryland Processing license](#)
- Maryland Department of Agriculture [Organic Certification](#)
- [Maryland sales tax permit](#)
- [Maryland Traders license](#)
- Transient Vendor license

Wicked Little Teas will review and update its policies, procedures, and business plan quarterly to ensure they are up-to-date with current regulations and utilize its monthly operations reports to reflect and refine its processes.

Contingency Plans

If (1) a customer(s) experiences an allergic reaction to a packaged product, and (2) a customer(s) decides to sue after experiencing an allergic reaction, Wicked Little Teas:

- Before the sale of any product, will ensure all known food allergies are labeled appropriately on the packaging,

- Will work with its product liability insurance to determine the cause and scope of the spread,
- Will report the incident to the FDA as required as an “adverse event”,
- Will alert customers who have purchased the specific product batch of the reaction

If the supply chain for ingredients or equipment is disrupted Wicked Little Teas:

- Will initially lower the number of orders it processes,
- Will Maintain a backlog of orders to fulfill after restocking its inventory,
- Will keep a catalog of alternative suppliers on file to reference.

If its’ commercial kitchen space becomes compromised and closes temporarily or permanently Wicked Little Teas:

- Will research the costs associated with building out a professional kitchen space within a commercially zoned area in Baltimore City or County,
- Or will apply to an alternative and comparable commercial kitchen space.

Wicked Little Teas will maintain its orders with its current inventory and alert its customers of a possible change of location and pause in production.

Goals for Growth

Utilizing the Objectives & Key Results (OKR) framework, Wicked Little Teas aims to achieve the following objectives/goals in its first year of operations:

- A. Objective: Aim to process a minimum of 48 sales (inclusive of both online and in-person) a week to
 - a. Key Result: Ensure consistent inventory turn-over throughout each quarter
 - b. Key Result: Result in an average of \$1,782 in sales revenue per month
- B. Objective: Introduce the “Subscribe & Save” order purchasing option and integrate it into the website’s product listings pages, shipping cart, and check-out.
 - a. Key Result: Encourage customers to prioritize “refill” product offering over purchasing new tins of tea in alignment with Wicked Little Teas’ commitment to sustainability
- C. Objective: Create and nurture mutually beneficial partnerships with local yoga studios, wellness centers, and tea stores to expand into wholesale selling
 - a. Key Result: Build mutually beneficial partnerships with local Baltimore businesses for future projects and wholesale selling
 - b. Key Result: Have the plan to implement wholesale selling by the end of Year 2 of operations
- D. Objective: Develop and produce seasonal blends for popular holiday seasons (Christmas, Halloween, Spring, Summer, etc)
 - a. Key Result: Boost sales during peak selling seasons such as November and December during the holidays
 - b. Key Result: Build customer loyalty by offering new products to try and enjoy

Future & Beyond

For its first three years of operation, Wicked Little Teas is aiming to scale organically. With the CEO being the key employee, capacity is a thoughtful consideration for the business.

If Wicked Little Teas gains a large number of new customers and orders to fulfill, Emma Jo Shatto will re-evaluate Wicked Little Teas' operations plan. Wicked Little Teas will need to consider the following:

- The current states and conditions of the tea industry
- The number of live markets and events it participates in and plans
- The cost of part-time staff
- The time the CEO spends at her full-time job versus her time maintaining the business

Depending on these considerations, Wicked Little Teas will consider:

1. Adding staff equal to necessary capacity levels
2. Transferring ownership to an interested party
3. Shifting the role of the CEO to an advisory capacity while maintaining a majority percentage of equity in the business

Financial Plan

Wicked Little Teas start-up costs include business registration, permits/licenses, insurance, inventory, and operations expenses totaling \$11,200. Once all one-time start-up costs are paid Wicked Little Teas needs \$7,700 to operate annually, breaking down to \$934/month. Wicked Little Teas is asking for a \$20K small business loan with a 5-year term limit offering between a 5-7% interest rate. This small business loan will cover its initial start-up costs and up to 18 months of operating expenses. This loan will help Wicked Little Teas succeed by covering start-up costs enabling it to open its doors. These costs include

- Securing business licenses, permits, and insurance
- Sourcing and purchasing equipment and inventory and packaging materials
- Covering rent for a commercial kitchen space,
- And purchasing market & event space at local Baltimore farmers markets, which are

Wicked Little Teas primary sites for sale in its first of operations.

Wicked Little Teas calculated that to break even it needs to sell twelve total batches (96 ounces each) of its herbal tea blends at a minimum of \$642/batch (\$6.68 per ounce) annually. Wicked Little Teas plans to charge \$10 per ounce of herbal tea packaged in tins, and estimates selling 96 total ounces of herbal tea (or one batch) each month of its first year. Additionally, Wicked Little Teas is offering each blend packaged in eco-friendly and compostable bags for \$7 per ounce, and aims to sell an additional batch of herbal tea per month. With this pricing model, Wicked Little Teas estimates it will sell 192 total ounces of herbal tea (or two complete batches) each month of its first year. In addition to its herbal tea blends, Wicked Little Teas will also sell tea accessories. For example, Wicked Little Teas plans to sell a minimum of 50 reusable tea infusers for \$3 each per month (at \$0.33 each).

Wicked Little Teas' projected monthly revenue is \$1,782 for herbal tea and tea accessories, totaling \$21,384 in gross sales in its first year. After accounting for expenses and taxes, Wicked Little Teas will earn a profit of \$9,344 equates to a 44% profit margin. In its second year of operations, Wicked Little Teas aims to increase sales by a minimum of 10% - a \$1,600-\$2000 increase in sales with a 51-53% profit margin.

At this time, Wicked Little Teas is in the process of consulting with established, local tea businesses and researching seasonal customer buying patterns to evaluate its peak sales times. For the first three years of operations, the CEO will continue to work full-time in addition to developing and managing Wicked Little Teas.

Year One Projected Profit & Loss Statement

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTAL
INCOME													
Herbal Tea Blends	1632	1632	1632	1632	1632	1632	1632	1632	1632	1632	1632	1632	19584
Tea Accessories	150	150	150	150	150	150	150	150	150	150	150	150	1800
Cost of Goods	250	250	250	250	250	250	250	250	250	250	250	250	3000
GROSS PROFIT	1532	1532	1532	1532	1532	1532	1532	1532	1532	1532	1532	1532	18384
OPERATING EXPENSES													
Equipment	500	0	0	0	0	0	0	0	0	0	0	0	500
Business Registration	1500	0	0	0	0	0	0	0	0	0	0	0	1500
Website Subscription	34	33	33	33	33	33	33	33	33	33	33	33	400
Market & Event Fees	2000	0	0	0	0	0	0	0	0	0	0	0	2000
Advertising & Promotion	50	0	0	50	0	0	50	0	0	50	0	0	200
Business Owner Policy Insurance	1000	0	0	0	0	1000	0	0	0	0	0	0	2000
Commercial Kitchen Rent	250	0	0	250	0	0	250	0	0	250	0	0	1000
Permits & Licenses	600	0	0	0	0	0	0	0	0	0	0	0	600
													0
													0
													0
													0
													0
TOTAL OPERATING EXPENSES	5934	33	33	333	33	1033	333	33	33	333	33	33	8200
NET INCOME BEFORE TAXES	-4402	1499	1499	1199	1499	499	1199	1499	1499	1199	1499	1499	10184
Taxes												840	840
NET PROFIT AFTER TAXES	-4402	1499	1499	1199	1499	499	1199	1499	1499	1199	1499	659	9344

View in [PDF format](#) on Page 1 or [Google Sheets](#).

Year One Projected Cash Flow Statement

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	TOTAL
CASH RECEIPTS													
Income from sales													
Cash Sales	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	0
													0
Total Cash from Sales	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	21384
Income from Financing	20000												
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	
Total Cash from Financing	20000	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Receipts	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	21384
CASH DISBURSEMENTS													
Expenses													
Cost of Goods	3000												3000
Operating Expenses	5934	33	33	333	33	33	1033	33	33	333	33	33	7897
													0
Loan Payments	400	400	400	400	400	400	400	400	400	400	400	400	4800
Income tax payments													0
													0
													0
	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Disbursements	9334	433	433	733	433	433	1433	433	433	733	433	433	15697
Net Cash Flow													
Opening Cash Balance		-7552	-6203	-4854	-3805	-2456	-1107	-758	591	1940	2989	4338	-16877
Cash Receipts	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	1782	21384
Cash Disbursements	9334	433	433	733	433	433	1433	433	433	733	433	433	15697
Ending Cash Balance	-7552	-6203	-4854	-3805	-2456	-1107	-758	591	1940	2989	4338	5687	

View in [PDF format](#) on Page 2 or [Google Sheets](#).

Year One Projected Balance Sheet

As of: 12/31/2024

ASSETS

Current Assets

Cash	\$5,687
Small Business Loan Cash	\$20,000
Inventory	\$3,500
Prepaid Expenses: Commerical Kitchen Rent	\$1,000
Prepaid Expenses: SGA	\$3,600
Total Current Assets	\$33,787

Fixed Assets

Furniture/equipment	\$500
Accumulated Depreciation	\$100
Total Fixed Assets	\$600
TOTAL ASSETS	\$34,387

LIABILITIES

Current Liabilities

Accrued Expenses	\$3,500
Taxes Payable	\$840
Current Portion of Long-Term Debt	\$2,000
Total Current Liabilities	\$6,340

Long-term Liabilities

Loan Payable	\$18,000
Total Long-term Liabilities	\$18,000

Net Worth

Paid-In Capital	\$1,103
Retained Earnings	\$9,344
Total Net Worth	\$10,447
TOTAL LIABILITIES AND NET WORTH	\$34,787

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4 Year Projected Profit & Loss Statement

	2024	2025	2026	2027	TOTAL
INCOME					
Herbal Tea Blends	19584	21542	23697	26066	64823
Tea Accessories	1800	1980	2178	2396	5958
Cost of Goods	3000	3500	4000	4000	10500
GROSS PROFIT	18384	20022	21875	24462	60281
OPERATING EXPENSES					
Equipment	500	0	0	0	500
Business Registration	1500	0	0	0	1500
Website Subscription	400	400	400	400	1600
Market & Event Fees	2000	3000	3000	3000	11000
Advertising & Promotion	200	200	400	400	1200
Business Owner Policy Insurance	2000	2000	2000	2000	8000
Commercial Kitchen Rent	1000	1500	2000	2000	6500
Permits & Licenses	600	600	600	600	2400
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
TOTAL OPERATING EXPENSES	8200	7700	8400		32700
NET INCOME BEFORE TAXES					
	10184	12322	13475	24462	27581
Taxes	840	1017	1112	2018	2968
NET PROFIT AFTER TAXES	9344	11306	12363	22444	24613

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