

**Group 20**

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# Green Generation Food Packaging



## Business Plan

Green Generation Food Packaging

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## I. Executive Summary

1. **Overview:** We are a new company setting out to change the way people eat and drink on the go. We are a group of 4 recent college graduates from the college of business at California State University San Marcos that are passionate about reducing the amount of single-use plastic that is used all around the world. Our Products have had widespread success in our online store this year and our projections estimate our sales will double next year based on the the past and current customer growth we are experiencing now.
2. **Problem Statement:** Everyone uses plastic to-go silverware from restaurant establishments, plastic straws any time they get a drink from a restaurant establishment, and people need to have bags to use at the grocery store. These types of plastic are not durable and are intended to be used one time, so the only option for consumers is to throw them in the trash or recycle them. The plastic that ends up in the trash goes to a landfill where it will sit for up to 1000 years while it biodegrades. While recycling companies are making an effort to reuse single-use plastic, because of food contamination and improper sorting only 9% of all plastic can actually be reused.
3. **Solution:** Our products are designed to help consumers be more sustainable in their everyday lives. We have created a line of eco-friendly reusable products such as aluminum straws, produce bags, tote bags, utensil sets, and bento boxes. Customers are benefiting themselves and the environment when they purchase from us.

4. **Customer:** We are marketing our products to the younger generations.

Generation Y and Millennials are coming of age and starting families, and these generations are more environmentally conscious than their parents were. Young people are aware of the impact human activity has on our planet and this encourages them to buy Green Generation products and produce less waste.

5. **Competition:** Our main competition are large companies like Tupperware and Sysco. They are able to produce products at a more affordable price, however the quality in their products is lacking. Buying from these companies will save customers money at the onset but because of the substandard quality, they will end up having to repurchase the same items again when they deteriorate.

6. **Sales and Marketing:** We are operating in a huge market. The need for food accessories and packaging is something that almost all people face every single day. Because of our abundance of resources and growing customer base we are confident we can become a very prosperous company while satisfying the needs of customers.

## **II. Company Description**

### **1. Company mission statement**

Green Generation Food Packaging provides reusable packaging and utensils that give customers the convenience of on the go products while sourcing them sustainably to ensure a collective state of peace of mind.

### **2. Company philosophy and vision**

- a. Green Generation places high value in sustainability, resourcefulness, innovation, and overall respect for our planet. Supporting our company through the purchase of our products allows our customers to live a lifestyle that is directly in line with their morals.
- b. Green Generation strives to become a global company that gives people in all parts of the world the opportunity to enjoy sustainable reusable food products. We understand single-use plastic waste is a worldwide issue that impacts the planet we all share, which drives our decision to go global.

### **3. Company goals**

A goal of Green Generation is removing all single-use plastic from our manufacturing and shipping process. All products will be made from biodegradable materials which significantly reduces our longstanding carbon footprint. We also plan to open an online store to reach a larger market and make shopping for our sustainable products more accessible and convenient for everyone.

#### **4. Target market**

Green Generation plans to market to a younger audience, mainly college-aged students and young families. Green Generation products will save consumers money, as they won't have to rebuy plastic utensils or buy new Tupperware, and our environmentally friendly products will have consumers feeling great about their contribution to the environment and create less waste.

#### **5. Industry**

Industry: Kitchen and Foodware

Competitors: Tupperware, KitchenAid, Ziploc, Sysco, Collingwood Ecoware

#### **6. Legal Structure**

- a. Green Generation Food Packaging is a Limited Liability Company. We choose this style of company to protect both our personal assets as well as the assets of Green Generation. It is also beneficial for us to have this type of company because unlike a corporation we are not taxed as a separate business entity.
- b. Green Generation has four owners.
  - i. Chief Executive Officer: Alora Jones
  - ii. Chief Operations Officer: Mirkan Ogut
  - iii. Chief Financial Officer: Rana Yonan
  - iv. Chief Marketing Officer: Hayley Cleveland

### III. Products

1. Green Generation Food Packaging products: We provide a wide variety of to-go and grocery friendly reusable products that make enjoying food and beverages on the go simple and guilt free. Proposition 67 which placed a ban on plastic bags at large retail stores in California inspired us to create our first product which was the reusable tote bag. Unfortunately, grocery stores still allow customers to use small single-use produce bags which are just as harmful to the environment as the bags used at check out. We decided to begin manufacturing reusable produce bags to solve this problem for our shoppers. Since then we've also developed reusable aluminum straws and utensils that can be taken everywhere in place of plastic to go utensil sets that end up in a landfill or our oceans. In place of plastic food containers used to store and transport food, we have developed bento boxes made of stainless steel that are available in a variety of sizes. The products include the following: stainless steel bento boxes for food storage and transport, aluminum straws, utensil sets including a spoon, fork, and knife, as well as reusable bags. All these products are dishwasher safe, reusable, and eco-friendly.
2. Our products are designed to help consumers be more sustainable in their everyday lives. Everyone uses plastic to-go silverware from restaurant establishments, plastic straws any time they get a drink like an iced coffee or a soda from a fast food establishment, and everybody needs to have bags to use at the grocery store. These types of plastic are not durable and are intended to be used one time, so the only option for consumers is to throw them in the trash or recycle them. The plastic that ends up in the trash goes to a landfill where it will sit for up to 1000 years while it biodegrades. While recycling companies are making an effort to reuse single-use plastic, because of food contamination and improper sorting only 9% of all plastic can actually be reused.

We have created our products to mimic the exact functions and convenience of single-use plastic products without doing extreme harm to the planet in the process.

3. We exist as an online store to make access to sustainable products convenient for people everywhere. We sell all of our items separately as well as package deals (includes; utensil set, aluminum straw, produce bags and a tote bag). We believe this package set is the perfect starter pack for people embarking on a more eco-friendly lifestyle.

## IV. Marketing Plan

### 1. SWOT Analysis

- a. Green Generation's biggest strength is in our products. We are offering unique, environmentally friendly products that our major industry competitors do not offer. We also have the advantage of a very clear target market: Generation Y and Millennials are coming of age and starting families, and these generations are more environmentally conscious than their parents were. Young people are aware of the impact human activity has on our planet, so much so that environmental issues are continuing to be a political hot topic, and young people have shown a tendency to vote for candidates with environmental preservation values in major elections, even if they are hesitant to use the term "environmentalist."

(<http://genprogress.org/voices/2017/10/05/45783/environmentalist-reality-check-age-millennial/>) Additionally, millennials are more likely to purchase products from companies they believe have the best environmental practices, according to Waste360.

(<https://www.waste360.com/generators/millennials-buy-products-they-believe-are-ecofriendly-and-companies-are-responding>)

- b. The major weakness in our company is we are creating a product based on another product. Tupperware products of all kinds already have a major position in the kitchenware market for products of this kind. However, we are able to set ourselves apart with having the most environmentally friendly products available in the kitchenware market, appealing to a very specific market segment.
- c. Green Generation has multiple distribution channels: not only do we have an online store from which our customers can purchase with ease ([greengenerationfoodpackaging.com](http://greengenerationfoodpackaging.com)), but we also have the goal of partnering with major grocery store chains, such as Ralph's, Albertsons, Walmart, and Stater Bros, in order to have our products not only on the shelves but also helping with their own sales. For example, we can supply these major companies with our produce bags for their customers to use. With our help, they will be able to market themselves as a green grocery store. We can also bring our products to QVC channels to be sold by the media. For this distribution channel, we can offer discounts for our bulk sets of products.
- d. Green Generation is entering into a market that is huge already. Kitchenware is a must have for every consumer, and many competitors vie for attention. Specifically for Green Generation, large competitors such as Tupperware and Ziploc are well-known and extensively used. We can set ourselves apart by being an environmentally friendly company with eco-friendly products, but our largest threat is our competitors and the position they already occupy in consumers' minds.

## 2. Competitor Data and Analysis

- a. TupperwareBrands 2017 gross income: 1.51B

(<https://www.marketwatch.com/investing/stock/tup/financials>)

- b. In the five years leading up to 2017, the kitchenware market has seen steady growth due to increase in demand, coinciding with the growth in the housing market. The industry thrives off smaller retailers, with over 60% of retailers of kitchen goods employing nine people or less. Most make their name known by partnering with wholesalers, as we at Green Generation plan to do.

(<https://clients1.ibisworld.com/reports/us/industry/currentperformance.aspx?entid=4272>) In 2017, one of Green Generation's largest competitors,

TupperwareBrands, made over 1.5 billion in gross income.

- c. Ziploc tends towards older consumers

(<http://snapshot.numerator.com/brand/ziploc>)

- d. The Ziploc brand tends to reach older consumers as their main market segment, while Green Generation plans on targeting younger market segments striving to make their living environmentally positive.

## 3. Marketing Expenses

## 4. Pricing Strategies

- a. We have established a relationship with our manufacturers through personal connections and networking that allow us to sell our items at a 5% reduced price in relation to our competitors. Shoppers are inclined to go with the lowest price when it comes to smaller non-technical purchases and because of our competitive advantage, we don't suffer from the slightly lower sales on each product. We provide our customers with extremely high-quality products that

will save them money in the future because of their durability. We acquire aluminum, cotton, bamboo, and canvas from our manufactures.

b. Actual price breakdown:

- Bento boxes
  - Individual large containers (has 6 areas for food): \$11.99
  - Individual small containers (has 3 areas for food): \$6.99
  - Pack of 3 large containers and 5 small containers: \$39.99
- Aluminum straws and one cleaning brush
  - Pack of 4: \$5.99
  - Pack of 8: \$6.99
- Utensil sets including a spoon, fork, and knife: \$10.99
- Reusable produce bags including 6 bags, 1 Small (8 x 10 inches), 2 Medium (10x12 inches), 2 Large (12x14 inches) & 1 Extra Large (14x18 inches): \$13.99
- Canvas tote bags (with design)
  - Small measures 15"x15" with 26.5" reinforced fabric handles: \$14
  - Medium features full side & bottom support gussets, measures 15"x18"x6" with 22" reinforced fabric handle: \$18
- Canvas tote bags (plain)
  - Pack of 5 measures 15.7" x 13.7" with 22" reinforced fabric handles: \$12

5. Distribution Channel Assessment

- a. Online store: [greengenerationfoodpackaging.com](http://greengenerationfoodpackaging.com)
- b. Partner with Wholesalers
- c. QVC channels

- d. The majority of our sales basis

## **V. Operational Plan**

- a. Long Term Goals: We enjoy operating as an online store because of the convenience and accessibility it provides for our customers, however, it is a goal of ours to also have our products stocked in health food stores such as; Trader Joe's, Sprouts, and Whole Foods. There are many advantages to working with already existing companies, the first being that we would not have to use our own resources and capital to pay for a physical store location and the second major advantage would be gaining the customer base of these large corporations. We feel good about working with these companies because they operate with core values similar to Green Generation Food Packing.

## **VI. Management and Organization**

### **Owner and Key Employee Biographies**

*Mirkan Ogut (Owner):* A recent graduate of Cal State San Marcos. Mirkan has had his foot in the door in the food packaging industry for some time now. With his personal experience working in the food industry to his vast connections that he has made through the alumni at his school, Mirkan is more than ready to tackle the obstacles and to fulfill the potential that this company has. Mirkan brings a variety of well-developed skills to the table including his self-taught technical skills, his customer service skills acquired while working in the food industry, and his management credentials bolstered by his B.A. in Business Administration. Which such traits Mirkan makes up the management and organizational portion of the team of owners at Green Generation Food Packaging.

*Alora Jones (Owner):* Alora's dedication to helping the environment and her knowledge of Business Entrepreneurship are the two leading aspects that propelled her into creating Green Generation Food Packaging. She came to the realization a couple years ago that being a more sustainable member of society doesn't have to be expensive or a massive shift in someone's current lifestyle. It can start with one small change, like bringing your own reusable straw to the coffee shop or taking tote bags to the grocery store. She combined her knowledge earned from her B.A. in Business Administration from Cal State University San Marcos and passion for an eco-friendly world with the other 3 owners to create Green Generation.

*Hayley Cleveland (Owner):*

Hayley has been committed to the well-being of the environment since her childhood. Growing up in Southern California made it easy to learn about how to best care for the environment and how important it was for the future. As a teenager, she came into a passion for marketing and through earning her Bachelor's Degree in Marketing from California State University San Marcos, she realized that she could combine these passions. As Chief Marketing Officer for Green Generation, she strives to deliver the best product to the market, satisfy customers, and help make the world a greener place.

*Rana Yonan (Owner):*

Always loved to save trees and had the passion for opening her own business. Rana combined these two goals in one; she opened a business with a small group of people who share the same values and goals, she is working to eliminate plastic and paper products by making reusable products available to consumers at a reasonable price. As an Accountant, she enjoys preparing our financial statements including balance sheets and income statement. Her goal is to save trees, produce more reusable products and make them available to all consumers.

*Jack Kirkland (Chief Plant Manager):* With years and years of experience managing from small operations to full-scale warehouses, Jack has more than it takes to successfully direct our warehouse operations. With a B.A. in Business Administration from Chico State and years of experience managing warehouses for companies such as Coca-Cola and Frito-Lay, he is able to slip into Green Generation's business model with ease and efficiency. Jack displays skills in team management from his years of experience working in the field, skills in task organization, and general knowledge of how to successfully run a warehouse and get the most out of his employees.

*Samantha Goodhart (Advisory Board Leader):* Samantha has been involved in the kitchen and food industry for almost all of her professional career. With a M.A. in Business Administration, she is more than qualified to lead the advisory board in constructing strong strategic opportunities and decisions to relay to upper management. She is determined, organized, and goal oriented. With her natural motivation to make the world more eco friendly she was the first choice for this position.

*Tom Dage (Chief Accountant):* A life dedicated to accounting and constant growth in performance will get you Tom Dage. Tom's performance at other companies in various industries has consistently gotten better and his ambition has led him to become an accountant at a new and exciting organization .He is the most qualified and experienced accountant on the team, therefore he was handed the chief position of the accounting department.

## Gaps in Experience

Although most of the organization is fairly well planned out, there are gaps in the organizational structure that should be addressed and reassured. Although, the owners are fairly new to working in such an industry, consultants have been appointed (Brett Worth and Arthur Anlat) to give proper guidance. The organization has many accountants to combat and resolve any potential financial issues that the upper management may not be prepared or familiar with.

Outside marketers have also been considered to help mitigate any issues with selling and product placement. Any remaining gaps however will be addressed within the company itself. Hiring outside help to train or educate employees on business specifics will be one of the company's main priorities in the early stages. The company aims to be self sufficient and employee people that have sufficient knowledge about the industry and products. However, until that point Green Generations will have to seek outside help.

## **List of Advisors**

### **A. Board of Directors**

*Mirkan Ogut*

*Alora Jones (CEO and Chairman of the board)*

*Hayley Cleveland*

*Rana Yonan*

### **B. Advisory Board**

*Samantha Goodhart (Leader of the Board)*

*Drew Evergreen*

*Miguel Rosas*

*Earl Smith*

*Wayne Casey*

### **C. Insurance Agents**

*Martha Jackman*

*Sarah Scott*

### **D. Consultants**

*Brett Worth*

*Arthur Anlat*

### **E. Attorneys**

*Jessica Parker*

*Matt Ryan*

### **F. Key Accountants**

*Tom Dage (Chief Accountant)*

*Lori Holland*

*Omar Bell*

### **G. Bankers**

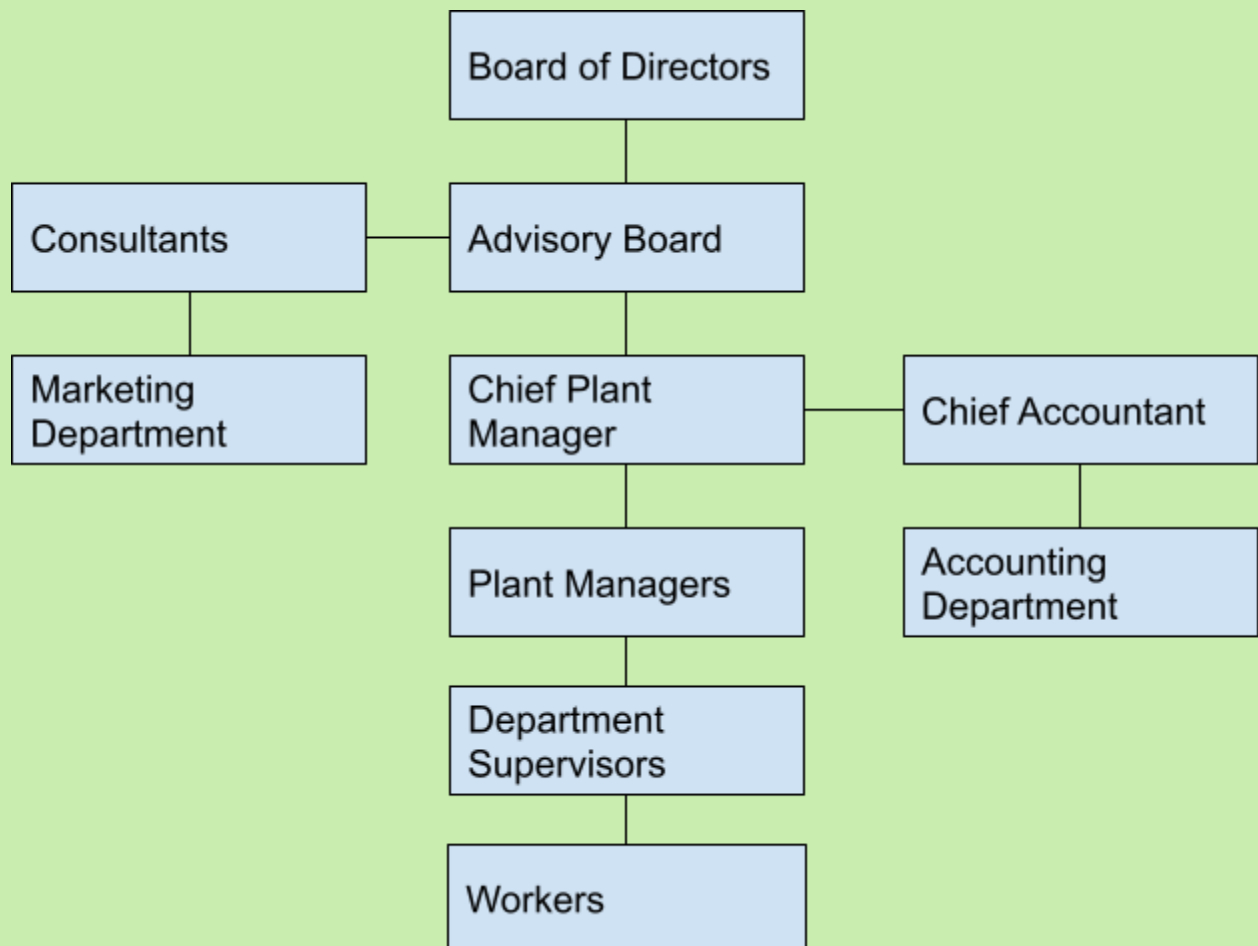
*Ali Azim*

*Travis East*

### **H. Mentors**

*Peter McLaughlin (Business expert and former professor)*

## Organizational Chart



## VIII. Financial Plan (Balance Sheet)

- The balance sheet is one of the four financial statements, and the purpose of the balance sheet is to describe a company's financial position (types and amounts of assets, liabilities, and equity) at a point in time.

| Green Generation Food Packaging |                |                              |           |
|---------------------------------|----------------|------------------------------|-----------|
| Balance Sheet                   |                |                              |           |
| December 31, 2017               |                |                              |           |
| <u>Assets</u>                   |                | <u>Liabilities</u>           |           |
| Cash                            | \$87,165       | Accounts Payable             | 155,000   |
| Accounts Rec.                   | 275,535        | Wages payable                | 105,460   |
| <i>Supplies (Aluminum)</i>      | <i>88,000</i>  |                              |           |
| <i>Supplies (Canvas)</i>        | <i>40,000</i>  | Total Liabilities            | 260,460   |
| <i>Supplies (Bamboo)</i>        | <i>35,500</i>  |                              |           |
| <i>Supplies (Cotton)</i>        | <i>37,500</i>  | <u>Equity</u>                |           |
| <u>Total Supplies</u>           | <u>201,000</u> | Common Stock                 | 240,000   |
| Equipment                       | 145,800        | Retained earnings            | 245,040   |
| Accum. dep.-Equipment           | (12,000)       |                              |           |
| Rent(Prepaid Expenses)          | 48,000         | Total Equity                 | \$485,040 |
| (office & storage)              |                |                              |           |
|                                 |                |                              |           |
| Total Assets                    | \$745,500      | Total Liabilities and Equity | \$745,500 |

- As a growing business of several owners, we feel we're doing good financially. However, we still try to lower our producing costs and strive to improve our products so we can provide our customers with the best quality products at the lowest price possible. We also expect our net income to double this year because the number of items produced was higher and our sales are higher than last year too.

## **Code Of Ethics**

Green Generation is absolutely committed to the happiness and satisfaction of both customers and employees. As such, we have an extensive code of ethics by which the company functions.

Green Generation welcomes all people of all backgrounds and identities. We are an equal opportunity employer and do not discriminate on the basis of factors including, but not limited to race, color, ethnicity, national origin, social and economic class, gender identity, sexual orientation, sex, age, family status, immigration status, religion, and mental and/or physical ability.

Each and every employee of Green Generation contributes to the greater mission of the company: satisfying our customers with our environmentally positive products. As such, the safety and wellbeing of each member of our team is important to us. We strive to make Green Generation a safe, fun, and comfortable work place, and that starts with the behavior of our employees. We encourage all team members to contribute to the company's efforts. An uncomfortable and unsafe environment stifles productivity.

Harassment and exclusionary behavior is not acceptable, for all employees. This includes, but is not limited to:

Threats of violence, Discriminatory jokes and/or language, Unwelcome sexual attention, Personal insults, especially those of a racial or sexist manner, Advocating for, or encouraging, any of the above behaviors

At Green Generation, we consider differences to be strengths, and drive to bring many different people together to make our company stronger. We want employees that agree and are willing to contribute to this overall mission.

All employees should comply with laws, act with integrity, and maintain a professional environment. Employees should treat colleagues, consumers, and products ethically at all times. Employees should always act to protect company assets, be they physical, digital, intellectual, and/or electronic.

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