



2551 Mill Street  
Winterville, NC 28590  
Phone: (919) 123-1234

December 4, 2012

Dr. Bill McDowell  
East Carolina University  
101 East 5<sup>th</sup> Street  
Greenville, NC 27858

Dear Dr. McDowell,

Following our previous conversation, regarding your interest in our business, we are pleased to share iOrganic's complete Business Plan for your review. As discussed, we are very interested in the networking and recruiting opportunities that the East Carolina University College of Business can offer iOrganic. Our Management Team would be honored to take part in your next Pirate Job Fair event in Greenville, NC, and are very interested in being considered for the 'Pirates-Supporting-Pirates' program.

iOrganic and our team take great pride in bringing a niche industry to Pitt County and even though we are listed as an Internet Organic Grocery business, our headquarters is based less than seven miles away, in Winterville, NC. We currently offer a multitude of ordering and delivery options for locally grown organic products; more details can be found regarding our services in our attached plan. We currently focus our supplier recruiting efforts locally and we would like to carry on this trend to our employee recruiting actions; through the potential assistance of the E.C.U. College of Business, of course.

The perspective networking opportunities between our two organizations has the potential of being mutually beneficial. After your team has the opportunity to review our Business Plan, feel free to call or email us if you have any questions or concerns.

The management team, at iOrganic, would like to thank you for your time and consideration. We look forward to the opportunity of speaking with you again soon.

Regards,

Kevin H. Crawford  
Kevin H. Crawford  
Director of Operations  
enclosures: Business Plan & Appendixes

# Table of Contents

Introductory Page .....	1
Executive Summary.....	2
Industry Analysis.....	4
Description of Venture.....	9
Operations Plan.....	12
Marketing Plan.....	14
Organizational Plan.....	16
Assessment of Risk.....	20
Financial Plan.....	22
Appendices.....	24
Works Cited.....	59



**2551 MILL STREET  
WINTERVILLE, NC 28590  
(919) 123-1234  
www.iOrganic.com**

Co-owners: Timothy Alligood, Lincoln Havens, Kevin Crawford, Keli Cox, Teikisha Williams, Kellie White, Sara Skeen

**Description of Business:**

iOrganic is targeted towards college students, busy families especially those with 2 working parents, people that reside in assisted living environments and people that are not mobile and/or disabled. We provide superior service by not only allowing people to call in their organic/natural product needs, we provide a web site and an iOrganic mobile application where customers can select what products they want and then having these products delivered to their door.

**Financing:**

Each co-owner of iOrganic will initially invest \$10,000 into the startup of the company. We will take out a line of credit of up to \$200,000 from First Bank. The money borrowed will permit iOrganic to cover the following: leasing of office space and equipment, supplies, advertising, technology development, salaries and wages and utilities.

This report is strictly confidential and is the property of iOrganic. It is anticipated for usage by the persons to whom it is communicated, and any duplicates or disclosure of any of its contents without prior written consent of iOrganic is not allowed.

## **Executive Summary**

iOrganic is an internet-based grocery business, operating in Eastern NC and specializing in fresh local organic foods and products. Our customers will engage us mostly through our user-friendly web-site and via phone, so no true store-front will be necessary. Our headquarters / distribution center will be located in an environmentally controlled 16,000 sq. /ft. facility in Winterville, NC; from which all our goods are stored until direct shipment to the end consumer.

As previously mentioned, we will only utilize local, North Carolina-based, suppliers and our distribution center will be strategically placed near the local farmers market. This value-added logistic move will aid in the commerce benefits to said suppliers, since most of them will be traveling to the farmer's market weekly. As a company, we pride ourselves on picking the best produce and products; so to that end, we will require all products to be shipped to our distribution center by the suppliers, before being hand-selected for delivery to our customers.

Being recent graduates of East Carolina University and current residents of this area, all of iOrganic's stakeholders have a vested interest, not just in the success of this business, but in the growth of our relationship with the community. Hence, the scope of our sales and delivery services will be concentrated to a 50 mile radius of our Winterville facility. This will ensure that the Quality of our products is not hindered by the Quantity of deliveries made to our customer. With this being said; our delivery service will run twice a week and allow our customers a convenient 1-hour window for receipt of their goods.

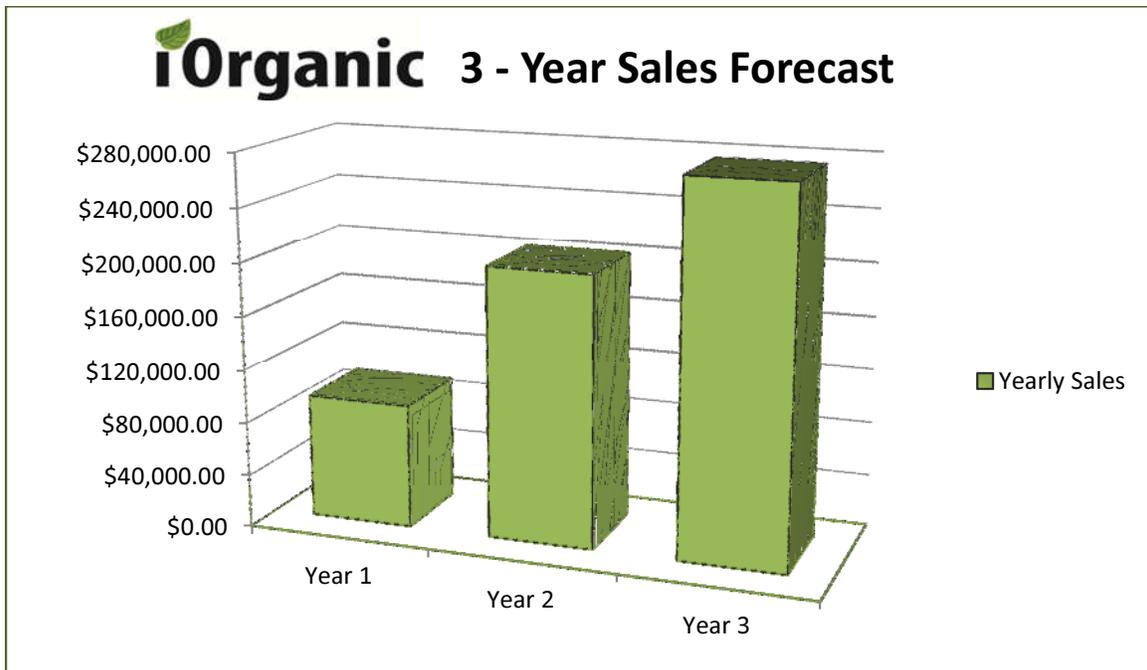
Not all people have the same wants and needs...so to showcase a customizable grocery service option that is predictable, provides the highest quality organic foods and does not require the consumer to leave their house or office, should be a welcome addition to the local marketplace. In this area there are no real competitors offering this same service. So we will be mostly competing with the local large grocery chains; which offer curbside service, but no door-to-door delivery like iOrganic. iOrganic plans to fill this niche market and strive even further by solely providing chemical and preservative free produce and products to our customers.

iOrganic's custom order options and specialized services will fit the needs of our target market; which consists of college students, busy families (with 2 working parents), rest-home residents and people that are not mobile and/or disabled. The majority of the aforementioned target customers will appreciate our dedication to healthy products, our timely delivery service and attention to each individual's specific requirements. We will market to these groups via social networking sites, like Facebook, and print ads in local magazines / newspapers.

Since our business model has diverted from the store-front market, we will allocate more focus toward technological advances that enter into our industry. This will most likely lead into iOrganic opening our services up to some smart phone applications, as well as

allowing our delivery service be prompted via re-occurring shipments (for debit-based customers, that have set accounts). By continuing our strides as leaders in technology, high quality organic foods and treating our customer as we would like to be treated, our business will remain a viable option in this market for many years to come.

Through our dedication to improvements of our processes, providing fresh and quality products to our customers in a timely fashion and supporting our local organic farming industry; iOrganic projects a \$79,424.00 growth in sales over the next three years.



## Objectives

- Provide our customer with a user-friendly ordering service that is value-added and inviting to utilize.
- To be eco-friendly, mindful of our suppliers methods and ensure that all our products meet or exceed all FDA regulations for organically grown or raised products.
- Offer the highest quality and freshest products available to our customers.
- To stay alert to all technology changes in the market and adjust our operation controls accordingly.

## Mission

iOrganic is committed to providing the freshest local organic products and the highest quality of service to our customers and, to that end, the betterment of our community as a whole.

## **Industry Analysis**

### **Future outlook and trends**

*iOrganic* as we have it setup would be categorized under the organic food market according to marketline.com. The US organic food market (composed of mostly fruits and vegetables) grew in 2010 by 7.7% valuing it at \$26.7 billion and by 2015 is estimated to be valued at \$40.1 billion. Henceforth the future is bright for our company, *iOrganic*. With that being said the growth of this market (an average annual compound growth rate of 8.5%) has slowed down but is still on a slow but steady positive trend. The Organic Trade Association (OTA) did a survey in the US in 2010 and found that 4% of all US food sales are organic products. With that being said, this number is much higher than what it used to be. The US is said to account for 45.3% of the world's organic food market value (whereas 26.7% in 2010). Below is a table of the US' organic food market values between 2006 and 2010.

#### **United States organic food market value: \$ billion, 2006–10**

<b>Year</b>	<b>\$ billion</b>	<b>% Growth</b>
2006	17.2	13.0
2007	20.4	18.5%
2008	23.6	15.7%
2009	24.8	5.1%
2010	26.7	7.7%

Compound Annual Growth Rate: 2006–10

---

This industry is characterized by thin product differentiation and relatively small buyer switching costs. Individual consumers have limited buying power and suppliers, usually small-scale farmers, have little influence on the market besides selling directly to people such as at a flea market. The biggest threat our company and industry faces is non-organic products that tend to be cheaper in price. The organic food market is continuing to grow and will likely introduce new products and services in the near future due to technology innovation. The market is benefitting from the increase of technology allowing companies to sell their organic products online. Many organic food companies often advertise online through sites such as Google and Yahoo and also on social media sites such as Facebook.

There is said to be a strong threat of new entrants into the organic industry. Though new entrants aren't happening as often as they once were, the growth of new entrants is still rising. Some factors leading to new entry include: market growth, low-cost switching,

low fixed costs, little regulation, weak brands, undifferentiated products, and suppliers being accessible.

### Analysis of competitors

Some of the major competitors in the organic food industry include: Hain Celestial Group, Inc., United Natural Foods, Inc., and Whole Foods Market, Inc.

Hain Celestial markets, manufactures, and distributes a wide variety of natural and organic products thus operating in a single operating segment. They sell their products to specialty and natural food distributors, supermarkets, natural food products stores, mass-market retailers, and drug stores. They categorize their products into five types: grocery, snacks, personal care, tea, and other. Hain Celestial generated sales of \$917 million in the fiscal year ending June 2010 (\$29 million net income) approximately 18% down from the previous year (net loss of \$25 million). In the US Hain's accounted for nearly 79% of the total sales in fiscal year 2010 and in 2009 the US market segment of Hain's accounted for \$722.2 million in sales. Below is a table representing sales for Hain's.

#### The Hain Celestial Group, Inc.: key financials (\$)

\$ million	2006	2007	2008	2009	2010
Revenues	738.6	892.2	1,046.6	1,122.7	917.3
Net income (loss)	36.4	47.5	41.2	(24.7)	28.6
Total assets	877.7	1,058.5	1,259.4	1,123.5	1,198.1
Total liabilities	259.6	361.5	516.6	422.2	432.4
Employees	2,074	2,100	2,100	2,022	2,059

Below is a chart representing some of their key financial ratios.

**The Hain Celestial Group, Inc.: key financial ratios**

<b>Ratio</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Profit margin	4.9%	5.3%	3.9%	(2.2%)	3.1%
Revenue growth	19.1%	20.8%	17.3%	7.3%	(18.3%)
Asset growth	24.1%	20.6%	19.0%	(10.8%)	6.6%
Liabilities growth	45.2%	39.3%	42.9%	(18.3%)	2.4%
Debt/asset ratio	29.6%	34.2%	41.0%	37.6%	36.1%
Return on assets	4.6%	4.9%	3.6%	(2.1%)	2.5%
Revenue per employee	\$356,103	\$424,840	\$498,378	\$555,259	\$445,525
Profit per employee	\$17,551	\$22,619	\$19,619	(\$12,226)	\$13,899

United Natural Foods (UNF) distributes a wide variety of natural, organic, specialty foods and other non-food products. They offer wholesale services to natural food stores, supermarkets, buying clubs and restaurants throughout the US. UNF operates through two business segments: wholesale and other. The wholesale segment involves the national distribution of natural, organic and specialty foods, and produce and other related products. The other segment is said to include the retail and manufacturing divisions. UNF recorded sales of \$3.6 billion in 2010 (an 8.7% increase compared to 2009). Their net income was figured to be \$68.3 million in 2010 whereas in 2009 it was \$59.2 million. The wholesale segment accounted for 95.6% of the sales and the other segment account for 4.4% of the sales in 2010. Below is a table displaying some of the key financials for UNF.

**United Natural Foods, Inc.: key financials (\$)**

<b>\$ million</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Revenues	2,433.6	2,754.3	3,365.9	3,454.9	3,757.1
Net income (loss)	43.3	50.2	48.5	59.2	68.3
Total assets	704.6	800.9	1,084.5	1,058.6	1,250.8
Total liabilities	341.1	374.1	604.4	514.1	620.4
Employees	4,500	4,800	6,300	6,000	6,500

Below is a table displaying some of the key financial ratios for UNF.

**United Natural Foods, Inc.: key financial ratios**

<b>Ratio</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Profit margin	1.8%	1.8%	1.4%	1.7%	1.8%
Revenue growth	18.2%	13.2%	22.2%	2.6%	8.7%
Asset growth	8.2%	13.7%	35.4%	(2.4%)	18.2%
Liabilities growth	33.4%	9.7%	61.6%	(14.9%)	20.7%
Debt/asset ratio	48.4%	46.7%	55.7%	48.6%	49.6%
Return on assets	6.4%	6.7%	5.1%	5.5%	5.9%
Revenue per employee	\$540,799	\$573,808	\$534,263	\$575,817	\$578,021
Profit per employee	\$9,617	\$10,449	\$7,695	\$9,864	\$10,511

Whole Foods Market, Inc. (WFM) operates natural and organic foods supermarket chain thus operating in one business segment. They offer a wide variety of foods especially perishables. Their products are classified in three groups: grocery, prepared foods, and other perishables. They purchase products from local, regional, national and international wholesale suppliers and vendors. WFM generated sales of \$9,006 million in fiscal year ending September 2010 (an increase of 12.1% compared to fiscal year ending 2009). Their net income was \$346 million in fiscal year ending 2010, compared to \$147 million the preceding year. In fiscal year 2010, the natural and organic foods supermarkets generated sales of \$9,005.8 million, an increase of 12.1% over 2009. The US market accounted for nearly 97% of total revenues in fiscal year ending 2010. Sales reached from US were approximated at nearly \$8, 735.6 in 2010, an increase of 11.9% over 2009. Below are some of WFM's key financials.

**Whole Foods Market, Inc.: key financials (\$)**

<b>\$ million</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Revenues	5,607.4	6,591.8	7,953.9	8,031.6	9,005.8
Net income (loss)	203.8	182.7	114.5	146.8	345.8
Total assets	2,043.0	3,213.1	3,380.7	3,783.4	3,986.5
Total liabilities	638.9	1,754.3	1,874.7	1,742.5	1,613.3
Employees	41,500	52,600	52,900	52,500	58,300

Below are some of WFM's key ratios.

**Whole Foods Market, Inc.: key financial ratios**

<b>Ratio</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Profit margin	3.6%	2.8%	1.4%	1.8%	3.8%
Revenue growth	19.3%	17.6%	20.7%	1.0%	12.1%
Asset growth	8.1%	57.3%	5.2%	11.9%	5.4%
Liabilities growth	22.0%	174.6%	6.9%	(7.1%)	(7.4%)
Debt/asset ratio	31.3%	54.6%	55.5%	46.1%	40.5%
Return on assets	10.4%	7.0%	3.5%	4.1%	8.9%
Revenue per employee	\$135,117	\$125,319	\$150,358	\$152,983	\$154,473
Profit per employee	\$4,912	\$3,474	\$2,165	\$2,796	\$5,932

Some of the main competitors we will face in our Winterville location include Wal-Mart, Harris Teeter, Food Lion, Piggly Wiggly, and Kroger's. We will make our operations better than theirs by expanding the shopping experience online and by offering home/business delivery.

**Market segmentation**

The market is segmented into the following categories: fruits and vegetables, prepared food, dairy, beverages, breads and grains, and meat, fish & poultry. Below is a table that displays this.

**Table 2: United States organic food market category segmentation : \$ billion, 2010**

<b>Category</b>	<b>2010</b>	<b>%</b>
Fruit & Vegetables	10.2	38.0%
Prepared food	5.6	21.0%
Dairy	4.0	15.0%
Beverages	3.5	13.0%
Bread & grains	2.9	11.0%
Meat, fish & poultry	0.5	2.0%
Total	26.7	100%

The market is also segmented by geography. The following is information that was gathered in 2010. The United States makes up 45.3% of the world's organic food market value. The rest of the world looks like this: Europe (41.9%), Asia-Pacific (5.9%), and the rest of the world (6.8%).

The organic industry is not merely composed of fruits and vegetables. It is also made up of products such as natural cleaners, vitamins, herbs, and other food products. By having such a wide variety of products, iOrganic will be able to boost sales and establish/gain more customers.

### **The Target Market**

iOrganic targets college students, busy families (with 2 working parents); people that reside in assisted living environments and people that are not mobile and/or disabled. We believe that by targeting these people we encompass the majority of people who have busy schedules and who would love to be able to receive groceries without going into a grocery store. Please see Appendix 5-6 for demographic information.

### **The Competitive Advantage**

iOrganic separates itself from the rest of the competition by means of convenience, service, time flexibility, high quality standards and delivery service. We believe that by offering a website to order goods and having a direct number to call in order goods, we better the chance for our company to receive more business and more sales. By doing such, iOrganic believes we can sustain a successful business and make a stake for ourselves in the industry. Please see Appendix 7 for a screen-shot of our website.

### **Description of Venture**

#### **Mission Statement**

*The company mission statement of iOrganic is written as follows: Our mission at iOrganic is to conveniently provide an online shopping experience for our customers by offering a vast variety of organic products to promote a healthier lifestyle while supporting local farmers and suppliers and enforce environmental sustainability.*

#### **Keys to Success**

The owners of iOrganic fully recognize and understand the importance of supplying one's body with earthly nutrients. There are many health benefits to eating organically and merging this with the ease of online shopping and a delivery service provides the customer with a great convenience and ability to prioritize other dutiful tasks. It's also of great importance of iOrganic to enforce and comply with the national organic standards set by the USDA as a certified member to sell organic products to the public. We intended to maintain and follow the regulations set forth by the USDA<sup>1</sup>.

The basis of iOrganic's success will be based on educating the consumer of the major health benefits, nutritional value and enforcing a more organic lifestyle by use of everyday products. The USDA's National Organic Program defines organic as: "a labeling term that indicates that the food or other agricultural product has been produced

---

<sup>1</sup> <http://www.ams.usda.gov/AMSv1.0/nop>

through approved methods. These methods integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. Synthetic fertilizers, sewage sludge, irradiation, and genetic engineering may not be used.” As stated in our company’s mission statement, it’s our ultimate goal to promote healthier eating and an overall globally impacted lifestyle. We also feel this growth will stimulate our local economies. Including the convenience of delivering the products to the customer’s home or business is an additional benefit especially to the elderly, busy business persons, parents or those without sufficient transportation.

### **Company Location and Facility**

We’re also confident in our business’ success knowing there aren’t many competitors in the field of providing an online marketplace that delivers organic products in the Eastern North Carolina area. iOrganic plans to lease a climate-controlled warehouse/distribution center located at 2551 Mill Street in Winterville, NC. This will satisfy our requirements and serve as an ideal location because it will be in close proximity to suburban neighborhoods, businesses and universities without the traffic congestion of the Greenville city limits. It will be operate as a distribution/organization center and not an actual storefront that accepts customers. The building is 16,000sq feet with a ceiling height of 16 ft. The cost per square foot is \$8.50 and is zoned for industrial use. A minimum five year lease agreement is required upon use along with any tenant improvements and recommendations to be determined. The building includes one dock door with 2 roll up doors for deliveries. Parking and traffic patterns will allow adequate entrances and exits to accommodate farmers dropping off goods, substantial employees parking and space for drivers to make customer deliveries with ease. The building offers 5,200+/- sq. feet for expansion. Local taxes in Winterville, NC are currently 7%. The building would provide an ideal location for our business because it’s in close proximity to many local farmers in rural locations throughout Eastern NC as well as close to the city limits of Greenville and other Eastern NC towns and cities within a 50 mile radius. Also, the Winterville area is not as congested as larger NC cities and can keep iOrganic’s operational costs at a minimum.

### **Products and Services**

iOrganic will offer the public a large variety of organic foods and products from local farmers and/or suppliers that can be ordered via the internet and delivered within a timely manner to their home or business. Some of the products from the local farmers will include eggs (white & brown), milk, cheeses, variety of fruits & vegetables, beef, chicken, pork, turkey, sausages, breads, muffins, cookies/cakes, breakfast items, chips, soups, jams/jellies, pasta, sauces, olive oil, kid-friendly snacks, baby foods, beverages, coffee and hot/cold teas. In addition to groceries, iOrganic will also sell incidental items such as cosmetics, skin care regimen, vitamins, soaps, flowers & plants, and herbs/spices. We will also offer pre-packed arrangements of produce, meats, bakery items and other inventory for special prices.

## **Equipment and Personnel**

iOrganic will consist of seven business owners/partners, sufficient number of distribution employees, farmers, delivery drivers, accountant, lawyer, website designer and webmaster. Supplies that will be necessary are two delivery SUV vehicles, computers/laptops (for owners use only), computer software, office telephone equipment, smart phones, cash register, credit card processor, boxes of various sizes, packaging materials, dry ice, industrial refrigerators/freezers, conveyor belt system, desks, chairs, various basic office supplies, company t-shirts with logo, and other items as deemed by management as necessary to operate the business successfully.

We will attempt to utilize recyclable materials as much as possible as well as enforce recycling within the facility by supplying separate trash bins for those items (such as aluminum, paper, plastic, etc.).

## **Background of Entrepreneurs**

iOrganic is owned by 7 entrepreneurs who own equal shares (14.29%) of the business.

- ◆ **Tim Alligood** – Over 5 years experience in customer services Retail and Grocery industries. Tim has an important role of distribution warehouse manager. He will make sure major warehouse supplies are ordered, delivered and working satisfactorily so that we are prepared for our target open date of June 1, 2013. His experience in the grocery business makes him a sure fit for handling the warehousing operations.
- ◆ **Kevin Crawford** – Over 10 years experience in quality assurance and logistics within the Manufacturing industry and Fortune 500 companies in North America. Kevin will be handling our website design and implementation. He will oversee the technological aspect of the business as well as ordering office furniture for the owners. His logistical experience will ensure customer orders are being fulfilled in a timely manner.
- ◆ **Keli Cox** – Over 3 years experience in the Regional Commercial loan business. Keli's banking experience makes her highly reliable for handling iOrganic's banking needs by opening and maintaining the business account. She will also order the credit card processing software and train other employees on using it.
- ◆ **Linc Havens** – Over 20 years of transformational Sales and Marketing leadership within Fortune 500 companies working at both the Reseller and Manufacturer level within the High tech industry. Linc is ideal for handling the business relations with the farmers and maintaining the farmer contracts. He's an excellent negotiator and will have iOrganic's best interest at heart due to his extensive sales experience.

- ◆ **Sara Skeen** - Executive assistant at a non-profit. As a recent graduate of ECU, Sara will build her experience portfolio with iOrganic by being responsible for purchasing laptops, smart phones and most technology related needs for the owners. Her good eye for great designs will greatly benefit the marketing team as well as shown in the excellent job showcased on our company logo she created.
- ◆ **Kellie White** - Over 3 years experience in the Regional Commercial loan business. Kellie's business experience will be highly beneficially in the day-to-day operations of the business. She will help get office equipment set up and be responsible for general administrative duties.
- ◆ **Teikisha Williams** – Over 15 years of experience in the finance and accounting industry and in office management. As President of iOrganic, Teikisha has the great responsibility of making major decisions for the business such as acquiring the building & vehicle leases. Her leadership skills and strategic management style will be a great asset to the business and ensure long-term company growth.

## **Operations Plan**

### **Description of company's operation**

iOrganic will be located on 2551 Mill Street in Winterville, NC. This climate-controlled warehouse/distribution center is 16,000sq with 16ft ceiling. This building includes one dock door with 2 roll up doors for deliveries. This property is zoned for industrial use and has a cost per square foot of \$8.50 with a minimum five year lease agreement. The local taxes in Winterville, NC are currently 7%. There is plenty of parking lot space to allow for employee parking as well as deliveries from farmers and our customer deliveries. There is 5,200+/- sq. feet offered for expansion. Please see Exhibits 1-2.

Our equipment will include two SUV vehicles that will be used for delivery of our goods to our customers. We will also have laptops for each of the owners and computer software. For the day to day operations we will have office telephone equipment, smart phones, cash register, credit card processor, boxes of various sizes, packaging, materials, dry ice, industrial refrigerators/freezers, conveyor belt system, desks, chairs, various basic office supplies, company t-shirts with logo, and other items as deemed by management as necessary. These initial items will be crucial to the running of our business from day one.

### **Flow of orders for goods and/or services:**

Our operation begins with the farmers that we will be contracting with to deliver organic goods to us straight from their local farms. To keep our food as fresh as possible we will have deliveries made from the farmers twice a week. It will be in our contracts with each farmer that the food meets the guidelines and standards to be considered organic. Once the food has been delivered from the farmers it will shelved in the proper location and all

any food left over from the previous delivery will be checked for freshness and rotated to the front to ensure no food goes bad from being pushed to the back of the shelf. iOrganic will be available online 24 hours, 7 days a week for customers to place their orders. All orders have a \$30 purchase minimum. After the orders have been placed our staff will pull the items needed for the delivery and place them in labeled bags ready for delivery. Items needing refrigeration will be placed together and kept in our walk-in refrigerator used strictly for items ready to be delivered. This will be the same with all orders needing to be kept frozen; they will be placed in a freezer specifically used for items ready for delivery. There will also be an area for dry products waiting for delivery as well. On the day of delivery the entire order will be brought together and placed in the delivery truck.

To keep our delivery cost as low as possible we will only deliver two days out of the week. This way we are not making multiple trips to the same areas several times a week. We will deliver within a 50 mile radius of our warehouse in the Greenville, NC area. When the orders are placed Saturday through Tuesday will be delivered on Wednesday. Orders placed Wednesday through Friday will be delivered on Saturday. We will give our customers a one hour window for their delivery time to keep from them from wasting their day waiting on their deliveries.

### **Technology utilization**

Our technology begins with our detailed website that features all of our products and services. We will also have information on the owners and why they decided to create iOrganic. Our colorful pages will give you information on all of our products such as nutritional facts on our food and where they were grown. You will also be able to see the price of each item next to its picture. On our website you will be able to select the items you wish to purchase and continue on to the checkout page to purchase these items. Our website will be able to take debit and credit cards.

The inventory system we are going to use is Quickbooks Pro which will be able to track our purchases so we will know exactly how much of each item we have in stock after each sale. This will help us keep track of what items are most popular and what items we should purchase less of on our next delivery. Keeping our inventory levels consistent with sales will help to keep our products from sitting on the shelf too long and spoiling. Quickbooks Pro will also help us manage our customer, farmer and employee information.

iOrganic will also have a smart phone application for our customers who are on the go. This application will have information on all of our products, their prices, and you can place your order straight from your phone. For our customers convenience we will have recipes on this application that they can choose from and place the ingredients straight into their online shopping cart. This will make dinner time easy for even our busiest of customers. At iOrganic we want our customers to not only have the best ingredients but also make it simple and convenient.

## **Marketing plan**

iOrganic is a web-based business that will offer the public organic foods and products from local farmers that can be ordered via the internet and delivered within a timely manner to their home or business. iOrganic has set up to cover a maximum of a 50 mile radius from our Greenville office. This will ensure that the Quality of our service is not hindered by the Quantity of deliveries made per day. Our target market will be College Students, busy families (with two working parents), the elderly, and people that are not mobile/disabled.

### **Marketing Goals**

iOrganic will be a new concept to our area. Since the Greenville area currently has no online, organic grocery service, we should have all of the market share in this particular area. In the broader Greenville organic market, we hope to have a 10 - 20% market share by the end of our first year of operation, and continue to improve from there.

Our goal from our marketing is to gain customers. It will be difficult to get our name out in the community to begin with, so we hope that with heavy marketing in our first year of business, it will be enough to get iOrganic off the ground.

### **Price**

The price of our products will be determined in part by what we need to pay our farmers according to our written up contracts. In our contracts with these farmers, we plan to establish set prices for each product we plan on buying from them. This will be contingent upon seasonal supplies.

iOrganic will also plan on carrying other organic products, such as snacks, canned foods, personal care items, and much more. Our plan is to have our online organic grocery store carry all the same items that a typical grocery store would carry. Our prices will be very competitive with other leading organic chains.

Customers can earn discounts on items by being a member of iOrganic. By signing in and ordering through their account, they will be able to earn a certain percentage back on all that they purchase. This will total and show up on their account as a credit at the beginning of each quarter.

Payment for items will be required at the time of order with a credit or debit card only. Customers choosing to order over the phone will be asked to provide their credit card information over the phone, while customers online will be prompted to pay before they complete their order.

## **Distribution**

iOrganic plans on making contracts for each local farm that supplies us with fresh produce. These contracts will state the guidelines and standards they must follow to be considered organic. It is a top priority to be sure that the food we are advertising as organic, truly is organic. The contract will also state the rate we will be paying them per unit, contingent upon seasonal supplies. Our goal is to keep our inventory fresh. We will have fresh food delivered twice each week.

According to Local Harvest, there are 8 large farms in the Greenville, NC area that we plan on trying to contract with. In North Carolina, there over 870 farms that we can choose to work with if we need more than the 8 farms can provide (Local Harvest, 2012).

iOrganic will deliver within a 50 mile radius of our warehouse in the Greenville, NC area. They must purchase a minimum of amount \$30 in order for us to process and deliver their order. Any orders placed Wednesday – Friday will be delivered on Saturday and orders placed Saturday – Tuesday will be delivered on Wednesday. This helps save costs on our delivery trucks so that we are not driving 45 miles away to deliver one \$30 order. We will give customers a one-hour block when we will be at their home to deliver their food.

## **Promotion**

iOrganic has worked to develop an initial advertising and promotion budget of \$10,000. Materials that we will be paying for are developing a smart phone app, flyers and mailers. We will also take advantage of free social media, such as Facebook and Twitter. Specific groups that we plan on marketing to are college students, stay at home and working moms and families, and the elderly and disabled. A detailed look at the demographics of Greenville, NC can be seen in Appendix 7.1.

The development of the smart phone app will be a big part of our marketing strategy. This will be a simple app that is designed to show organic recipes. Each ingredient will be clickable, which will then redirect them to our mobile site and show them the item for sale on our site. This is considered a simple app, so we estimate the cost to be around \$3,000 (Thomas, 2012). Our app will play a major role in marketing to college students. The app will allow them to find healthy recipes that are budget friendly. They can then order the items they will need, and have them delivered to their dorm room or apartment. This can also be a benefit to busy families. By being able to browse healthy recipes and order their groceries straight from their phone and have them delivered, they will be able to save a great amount of time each week.

Facebook and Twitter will also be avenues for us to advertise and promote iOrganic. People that “like” our Facebook page or follow us on Twitter will be able to see current sales and promotions that are going on, such as we received too many eggs, so there will be a discount on them through Thursday. This will also reach the college students

because many of them are on Facebook and Twitter already. Our sales and marketing department will be in charge of updating and managing our Facebook and Twitter accounts at least three times each working day.

The use of flyers and mailers will also be a benefit to us. iOrganic will make a flyer to post anywhere we will receive exposure. This flyer will have a promo code that they can enter at the time of their checkout to receive a one-time 10% discount off their order. Postcards can be designed and purchased through vistaprint.com for approximately \$4,500. This includes 10,000 mailers and buying the list of addresses to mail them to (2012).

In order to advertise to the elderly and disabled, we will go directly to them. We plan on giving presentations in retirement and rehabilitation centers so that they can understand what iOrganic is. Elderly people, as well as the disabled, can have trouble getting to the store, and many times must rely on someone else to go for them. iOrganic can help them maintain their independence by delivering the food they order directly to them. Since many elderly people do not get online, we will offer a call-in ordering service in addition to online ordering.

### **Product Forecasts**

All of iOrganic's products will be organic. We will carry many of the popular organic brands that people are familiar with, but also carry locally grown and made organic products. As far as produce goes, customers will get to select how many pounds they would like of particular items. Our online ordering service will be available 24/7, while our call-in service will be available from 8:00 am – 5:00 pm, Monday thru Friday.

The outlook for organic foods is very bright. In 2011, the market for organic food saw a 9.5% growth overall. The most popular organic items bought are fruits and vegetables, which accounts for 40% of all organic sales in the U.S. (CNCA, 2012). A list of products iOrganic will carry can be found in Appendix 7.2.

### **Controls**

iOrganic has chosen the marketing strategies that we believe will be the most rewarding. Since this will be our first year in operation, some trial and error will take place. We will monitor each of our marketing efforts to understand which promotions are the strongest, and which ones are not bringing in any customers. We will do this by asking the customer how they found us. It will be required that they check a box that either says Facebook/Twitter, mailer, flyer, or word of mouth before they can complete their order. We will also ask all customers ordering over the phone to let us know how they heard about us. At the end of each year, we will compile the information and decide which marketing efforts need to be eliminated, and which ones need to be strengthened.

## **Organizational Plan**

- Form of Ownership
- Identification of partners or principal shareholders
- Authority of Principals
- Management team background
- Roles and responsibilities of members of organization
- Salaries and other Compensation

### **Form of Ownership**

iOrganic will be a LLC, Limited Liability Company and will be operated as a “Partnership” for tax treatment purposes in the State of North Carolina. The business address will be: iOrganic - 2551 Mill Street, Winterville, NC 28590 (919) 123 -1234. Please see Exhibit 8 for a copy of the Articles of Organization.

**Reason for choosing LLC:** We chose the LLC business entity because of the flexibility it offers in regards to taxes, liabilities and organizational structure.

**Tax benefits:** Although the entire net income of the LLC is subject to Self-Employment taxes like Medicare and Social Security, there are also many tax-deductible benefits that an LLC can take advantage of such as health insurance deductions, automobile, travel and entertainment deductions to offset this. As an LLC we also have the flexibility to determine which tax treatment we wish to be governed by, in our case we will start out as a Partnership.

**Personal liability:** Each member of the LLC has limited liability which is directly proportional to the level of their investment in the company. The LLC becomes a separate entity and thus offers some protection to the members in the unfortunate event of a lawsuit against the firm.

**Organizational structure flexibility:** There are two main benefits of an LLC which provided us with the flexibility we wanted when setting up our company. The first is how the LLC allow us to distribute profits, and the second is how we structure our organization. We did not want to have to deal with a Board while in the first stage of our start up, however we can always change from a Partnership by incorporating as an S or C Corporation later down the road. We will distribute profits in accordance to the investment levels made by each of the members.

**Identification of Partners:** ( See Appendix 9 for resumes)

The principal LLC members will be:

**Teikisha Williams**  
705 Piedmont Ave.  
Rocky Mount, NC 27803

**Kevin Crawford,**  
103 Pine Branches Close  
Winterville, NC 28590

**Sara Skeen,**  
1627 East Allred St.  
Asheboro, NC 27203

**Kellie White,**  
826 Parkside Village Dr.  
Clayton, NC 27520

The Advisory Board will be made up of the following individuals:

**Lincoln Havens**  
8212 Sandybrook lane  
Wake Forest, NC 27587

**Keli Cox**  
4113 Breezewood Drive, Apt. 103  
Wilmington, NC 28412

**Timothy Alligood**  
4786 River Rd Apt 3  
Washington, NC 27889

### **Authority of Principals**

All of the day-to-day decisions and the management of the LLC will be made by the President.

**Management** - Each member will have the power to manage the operational affairs of the business and will have powers to bind the Company contractually. Any legally binding agreement must have two signatures and one must be that of the President.

**All sales contracts** will be negotiated and signed by the Director of Sales and Marketing and approved by the President.

**All supply contracts** will be will be negotiated and signed by the Director of operations and approved by the President.

**All employment contracts** will be negotiated and agreed on by all principals by a vote. This includes the Partners as well as any additional employees.

**All Financial contracts** will be negotiated and signed by the Director of finance and approved by the President. This includes all building rent, utilities, water, cleaning services, trash pickup and other business expense related contracts. The Director of Finance and the President are the only two members that has authority to issue checks on behalf of company

**Voting** - All principal members will have equal voting rights within the company. The majority rule will be in effect when taking a vote. Voting will be used as a way to overcome impasse on company business. All the votes must be in writing.

## **Management Team Background**

### **President – Teikisha Williams**

At the age of 16, Teikisha began her work experience as a cashier of a major grocery chain and has had a passion for finance ever since. She has over 15 years of experience in the finance and accounting industry serving at Assistant Controller/Office Manager of a document imaging company. She was primarily responsible for annual maintenance revenue of over \$2.3 million for 130+ clients as well as managing daily A/R & A/P. She also has elite customer service experience and maintaining positive customer relations to ensure overall stakeholder satisfaction. – Teikisha is uniquely positioned to be the President of iOrganic because of her driven personality which will help keep the team focused on the goals and because of her passion around organic products. Her experience in the grocery business coupled with her financial background will prove to be a combination that will help her to lead our company.

### **Director of Operations – Kevin Crawford**

Kevin has over 10 years of experience in quality assurance and logistics within the Manufacturing industry and Fortune 500 companies in North America. He is an experienced Manager with a strong working knowledge of the ISO 9001 process and FDA regulations. Kevin is a highly experienced operations Director and will provide the structure to help our company grow in the right ways. His knowledge of logistics and operational procedures will help us establish the optimal level of structure as we build our business.

### **Director of Sales and Marketing - Sara Skeen**

Sara's planning and organizational skills over the past several years have helped both a state community college and local nonprofit reach their goals. She has 2 1/2 years of experience working for the state at a community college. She was in charge of all clubs, sports, student activities, and helped with recruitment. She currently is working as the executive assistant at her church (non-profit). She is responsible for all event planning and guest services. Sara's experience with both sales and marketing allows the company to really get "two" people for the price of one. Her organizational skills from event planning and her goal oriented approach to business will allow her to drive sales above goal. She is an experienced marketer with a proven track record.

### **Director of Finance – Keli Cox**

Keli has over 8 years of Management experience with a focus on fiscal responsibility and customer service. Most recently she is working as a Loan Assistant with a regional bank where her expertise in loan writing, analysis both tax and cash flow preparation as well organizational skills add great value to the organization. Keli brings a strong management background to the company. Her organizational skills and ability to take on a large work load will serve the company well. She has the specific financial experience that will complement our Presidents skills as well.

**Advisory Board:** The Board of Advisors (BOA) is established to provide additional support in the development of long term planning and strategy, review of operating and capital budgets, support of key day-to-day activities and owner conflict resolution.

**Lincoln Havens** – Lincoln has over 20 years of transformational Sales and Marketing leadership experience within Fortune 500 companies working at both the Reseller and Manufacturer level within the High tech industry. He has a diversified background and is a thought leader in Scalable Demand Generation models. Lincoln’s background in strategy, hiring and specifically sales and marketing will allow him to add additional value in an advisory role.

**Kellie White** - Kellie has over 10 years of customer services experience in both the Retail and Medical fields. As a sales associate for a major department store, she drove sales and assisted customers with purchases. Her work as a medical assistant allowed her to leverage her outstanding skills in customer service as she worked directly with patients and physicians. Her abilities to clearly communicate information between the patients and physicians facilitated a smooth interaction which led to a more efficiently run operation. Kellie will provide additional strategy and counsel on both customer service and operational areas which pay to her strengths in business.

**Timothy Alligood** – Timothy brings over 5 years of experience in customer services in the Retail and Grocery industries. He currently works in the operations of a local grocery chain with a focus on inventory and product presentations. His attention to detail ensures that the customer experience when visiting the store is above expectations and contributes to repeat visits and increased sales for the company. Tim will be focused on the product delivery and customer engagement areas of the business. Leveraging his real knowledge and experience of the grocery business will prove to add great value.

### **Roles and responsibilities of members of organization**

We expect a culture of team work and collaboration in all aspects of the business. This means that each person will have familiarity with each part of the business and be willing and able to jump in and help out. Even as we build a culture of team work each person will have assigned roles they are responsible for. The structure below outlines our initial set up of the company.

iOrganic Stage I – Organizational structure



accountable for obtainment of goals. One of the main goals initially will be looking for additional capital through loans and other means.

**Director of Operations** – Responsible for the overall operations and systems for the business. The Director of operations will focus on working with the suppliers, ordering products, filling and shipping customer orders, creating process and procedures for the operations of the business. The iOrganic online ordering system and website operability will be under the responsibility of the OD.

**Director of Sales and Marketing** – Developing a Sales and Marketing strategy, primary responsibility is to drive sales through face to face visits and over the phone with a focus on customer satisfaction. Also all marketing efforts with an emphasis on highly scalable tactics that can help reach the mass market.

**Director of Finance** – The Director of Finance and the President are the only two members that have authority to issue checks on behalf of company. The Director of Finance is responsible for the creation of the company's financial plan, all aspects of accounting and book keeping, cash flow set up, forecasts and management reporting. The Financial Director plays an integral role working with the President in positioning, planning and negotiating with potential investors.

### **Salaries and other compensation**

All Partners will receive a distribution on a monthly basis. Each Partner will receive equal amount of distribution beginning in January 2014. The amount of Distributions that will be paid will be determined by a vote by the Partners.

### **Risk Assessment**

#### **Weaknesses of iOrganic**

Though iOrganic does not foresee any major problems, there are some that could arise. In any case, iOrganic has contingency plans in place. The main risks facing iOrganic are unpredictable weather, customer's misconceptions, gas prices, and technology failures. The first risk to look at is the weather. We never truly know what the weather will do. Farmers are especially vulnerable to unforeseen weather conditions. Having an unexpected frost in the Spring, or a drought in the Summer can greatly damage large amounts of crops with no way to recover them. The weather is a major risk to keeping enough supply to meet our demand.

Another risk facing iOrganic are customer's misconceptions from what they read online about online grocery stores. The top three problems consumers have with online grocery shopping are unexpected charges, substitutions, and incorrect delivery addresses (Greenwood, 2010). Since shopping for groceries online is still a relatively new concept, people tend to get reviews online before they try it, and the current reviews are not the greatest.

In today's world, gas prices are a major concern. They fluctuate up and down, but it is now considered normal to have gas prices stay above \$3.00 a gallon. As the cost of gas continues to rise, the amount it takes to fill up our trucks for deliveries will rise. Another weakness that iOrganic may have is the risk of technology failures. Since our business is dependent on online orders, the damages of having our internet or servers down for a day could be terrible. Though we do have our call-in service, our online ordering system will be where we take most of our orders.

### **Contingency Plans**

Though there are weaknesses to iOrganic, there are many ways overcomes these and still be a success. iOrganic has detailed plans in place if any of these problems do arise. In case of weather, there is nothing we can do to prevent what the weather will do. However, we will not let it affect our supply. We plan on working with the eight local large farmers in the Greenville area, and also several smaller farms. As stated in the marketing plan, there are over 870 farms in North Carolina alone. In the case of weather destroying many of our local farm's crops, we will then contract out to other farms in the state that meet USDA organic standards.

iOrganic must work hard to change customer's misconceptions about online grocery shopping. We will make it clear from the beginning of their shopping experience that there will be no unexpected charges when they checkout. The total of their items purchased will be what they pay, and no more. As for substitutions, we will let the customers choose their substitutes. If we are running low on an item, the customer will have a message pop up on their screen when they put it in their cart that we are currently low on that item. They will then be prompted to pick a substitute in case the item is not there. We do not plan on this being an issue, as we intend to keep all items fully stocked. The last concern many people had with online grocery shopping having an incorrect delivery address. After every purchase a customer makes, whether they are a new or returning customer, they will have to verify their delivery address as a final step before the checkout process is complete.

As far as gas prices go, we do not have control over the prices. If prices do go up to higher than we can afford, we will look into more fuel-efficient options for our delivery trucks. Blue Ribbon Foods in Atlanta, GA is a very similar business to iOrganic. Since they also offer free delivery of their groceries, this year they switched to using biodiesel in their delivery trucks (Biofuels Journal, 2012). This is something we can begin to look into once iOrganic takes off.

Technology failures are unavoidable. iOrganic will take every step necessary to make sure a customer's order does not get lost. When a customer places an order, they will be told to watch for a confirmation email. If they do not get that email within 12 hours, they will need to call or email us. The reason we will have it say 12 hours is in case they place an order outside of our normal operating hours. As soon as we receive an order, we will send the confirmation to the customer. We will then print out their order. This is so we have a hard copy of their order in case of technological failures. This hard copy will go to

our warehouse where it will be put with that customers order as a receipt when it is delivered.

## **Financial Plan**

It is assumed that the necessary financing will be received by May 2013 and the business will be operational by June 2013. The growth in revenue will be primarily due to market penetration and growth in the market, as consumers become increasingly aware of the attractiveness and value of the organic and natural product offerings and supporting customer service. The pricing plan will be based on merchandise markup of 30-70% that will yield an overall margin of 90%. For planning purposes, it is assumed that pricing structure and product costs will remain unchanged over the planning period.

### Inventory Pricing List:

<b>INVENTORY</b>					
	Avg Sales \$	Avg Cost		Avg Sales \$	Avg Cost
<b>Eggs (white, brown) 18ct</b>	\$5.00	\$2.00	Olive Oil	\$15.00	\$5.25
<b>Milk - gallon</b>	\$5.00	\$1.75	Baby Foods	\$10.00	\$3.50
<b>Cheeses</b>	\$9.00	\$3.15	Beverages	\$10.00	\$3.50
<b>Fruits</b>	\$7.00	\$2.45	Skin Care	\$18.00	\$6.30
<b>Vegetables</b>	\$10.00	\$3.50	Vitamins	\$25.00	\$8.75
<b>Beef</b>	\$14.00	\$4.90	Soaps	\$12.00	\$4.20
<b>Chicken</b>	\$14.00	\$4.90	Plants/Herbs/Spices	\$16.00	\$5.60
<b>Pork</b>	\$14.00	\$4.90	Prepackaged Bundles	\$50.00	\$17.50
<b>Turkey</b>	\$15.00	\$5.25	Cookies/Cakes	\$18.00	\$6.30
<b>Sausages</b>	\$10.00	\$3.50	Chips/Crackers	\$10.00	\$3.50
<b>Breads</b>	\$7.00	\$2.45	Soups	\$10.00	\$3.50
<b>Muffins</b>	\$8.00	\$2.80	Jams/Jellies	\$8.00	\$2.80
<b>Pasta/Sauces</b>	\$9.00	\$3.15	Coffee/Teas	\$16.00	\$5.60
<b>TOTAL</b>	<b>\$127.00</b>	<b>\$44.70</b>	<b>TOTAL</b>	<b>\$218.00</b>	<b>\$76.30</b>

iOrganic will negotiate fixed discount rates for each farmer and organic wholesaler to predetermine costs for each inventory item. Price comparisons will also be made with various freight carriers (UPS, FedEx, USPS, other local freight carriers) to determine the best rate to ship goods to consumers.

Each owner and advising member will submit an initial investment to iOrganic in the amount of \$10,000 each. Additionally, a working capital line of credit will be obtained from First Bank. Collateral for the line of credit will consist of a 50% SBA guaranty, a first lien on furniture and equipment as well as two 2nd Deeds of Trust on primary residences of two of the members of the LLC. The terms that have been offered are as

follows: 24 months of interest only payments at a rate of Prime + 1% with a rate floor of 5.50%.

Out of the initial \$70,000 investment, iOrganic has paid \$2,500 to an attorney to file the Articles of Organization as well as ordered furniture and equipment to be delivered to the warehouse location. The furniture and equipment consists of desks, chairs, shelving for the warehouse, computers and telephones for a total cost of \$50,000. iOrganic will have a beginning cash balance of \$17,500 to start operations.

iOrganic will obtain sales revenue from the inventory that is sold and from delivery fees. Expected average basket sale is \$50. Financial assumptions have been calculated to iOrganic's sales projection, COGS, expenses and profits. This data will be used to determine pro forma income statements, cash flow analysis and balance sheet on monthly, quarterly and/or annual/year ending basis. Please see Appendix 10-14 for copies of financial statements. It's also iOrganic's intention to forecast a three year projection of profit and loss; all numbers will be measured using a cash flow basis.

<b>Sales Forecast</b>			
<b>Sales</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Fruits/Vegetables</b>	\$15,837	\$34,424	\$46,884
<b>Dairy</b>	\$18,632	\$40,498	\$55,158
<b>Meats</b>	\$25,153	\$54,673	\$74,463
<b>Baked Goods</b>	\$9,782	\$21,262	\$28,958
<b>Desserts</b>	\$8,384	\$18,224	\$24,821
<b>Beverages</b>	\$5,590	\$12,150	\$16,547
<b>Plants/Herbs/Spices</b>	\$4,472	\$9,720	\$13,238
<b>Non-Grocery Items</b>	\$1,118	\$2,430	\$3,309
<b>Packaged Bundles</b>	\$4,192	\$9,112	\$12,410
<b>Total Sales</b>	<b>\$93,161</b>	<b>\$202,492</b>	<b>\$275,788</b>
<b>Direct Cost of Sales</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Fruits/Vegetables</b>	\$1,584	\$3,442	\$4,688
<b>Dairy</b>	\$1,863	\$4,050	\$5,516
<b>Meats</b>	\$2,515	\$5,467	\$7,446
<b>Baked Goods</b>	\$978	\$2,126	\$2,896
<b>Desserts</b>	\$838	\$1,822	\$2,482
<b>Beverages</b>	\$559	\$1,215	\$1,655
<b>Plants/Herbs/Spices</b>	\$447	\$972	\$1,324
<b>Non-Grocery Items</b>	\$112	\$243	\$331
<b>Packaged Bundles</b>	\$419	\$911	\$1,241
<b>Total Costs of Sales</b>	<b>\$9,316</b>	<b>\$20,249</b>	<b>\$27,579</b>

## Appendix 1

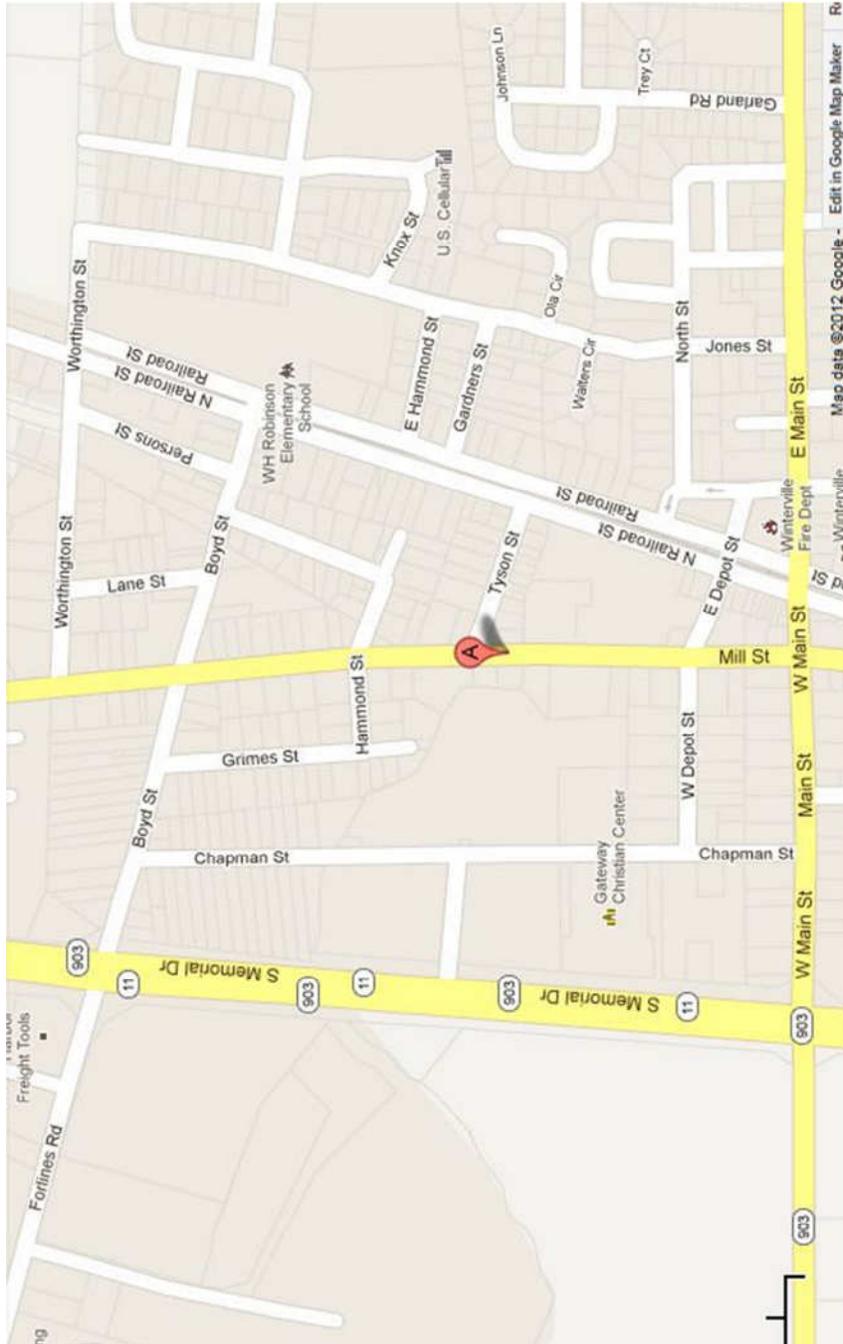
# Winterville Distribution Center Space for Lease



2551 Mill Street, Winterville, NC (parcel 77941)

- 16,000 sf building for office, warehouse, distribution center (Can be subdivided)
- 16' ceiling height
- 1 dock high door 2 roll up (drive in) doors
- Base rent: \$8.50 per square foot NNN for entire space
- Tenant improvement allowance to be determined
- 5 year lease minimum
- 5200 +/- sf additional office space available
- Lay-down yard available
- Winterville Zoning: Industrial
- Contact listing agency for tenant restrictions

## Appendix 2- Mapped Location of Warehouse



### Appendix 3- Responsibilities Chart

	Sign Lease	Contracts with Farmers	Website design and execution	Set up business bank account	Order office supplies	Set up warehouse (purchase conveyor belt, freezers and refrigerators, shelving)	Purchase computers, software, and smart phones for owners
<b>Teikisha Williams</b>	R	A	A	I		I	I
<b>Lincoln Havens</b>	I	R	A			I	I
<b>Kevin Crawford</b>			R				
<b>Keli Cox</b>				R			
<b>Sara Skeen</b>							R
<b>Timothy Alligood</b>						R	
<b>Kellie White</b>					R		

	Set up phones	Purchase SUV delivery vehicles	Order credit card processor	Design and purchase company t-shirts	Order desks and chairs	Order recycled boxes for deliveries and dry ice	Order and set up Quickbooks Pro
<b>Teikisha Williams</b>	I	R	I	A			I
<b>Lincoln Havens</b>	I		I	A			
<b>Kevin Crawford</b>				A	R		
<b>Keli Cox</b>			R				
<b>Sara Skeen</b>				R			
<b>Timothy Alligood</b>				A		R	
<b>Kellie White</b>	R			A			R

R- Responsible

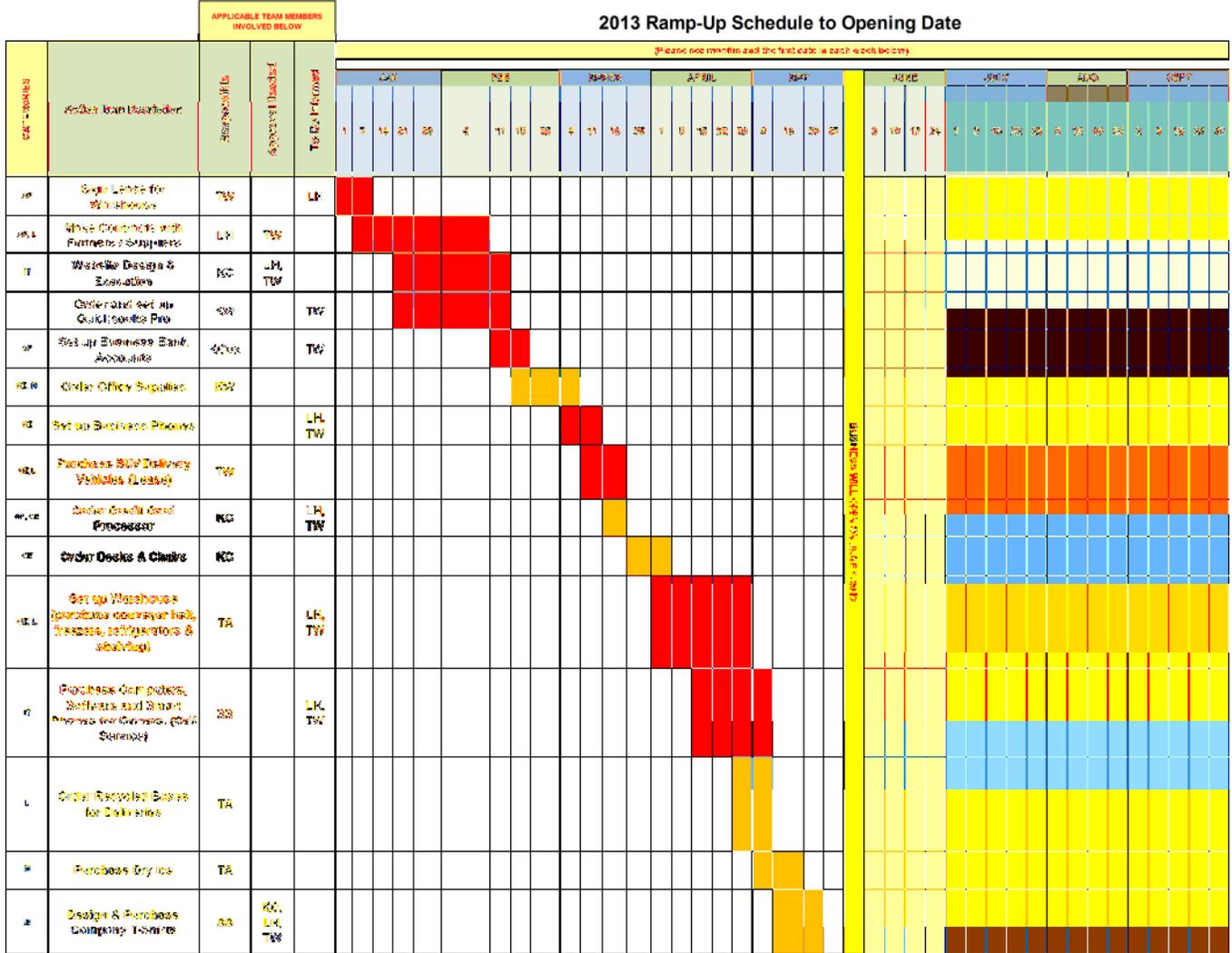
A- Approval

I- Informed

# Appendix 4- Organizational Gantt Chart

## iOrganicGantt Chart

### 2013 Ramp-Up Schedule to Opening Date



LEGEND			
TASK MEMBER		Category	
TA	Task Manager	AS	Accounting/Finance
RW	Buyer	R	Reception
RC	Cost Manager	CD	Control Department
RP	Customer Support	IT	Information Tech/Computers
DD	Desk Clerk	R	Retail Services
JA	Job Admin		Physical Facility
JA	Job Admin		Production/Plant Facility

## Appendix 5 – Pitt County Demographics

DP-1-Geography-Pitt County,  
 North Carolina: Profile of General  
 Population and Housing  
 Characteristics: 2010  
 2010 Demographic Profile Data

Subject	Number	Percent
<b>SEX AND AGE</b>		
Total population	168,148	100.0
Under 5 years	11,233	6.7
5 to 9 years	10,401	6.2
10 to 14 years	10,067	6.0
15 to 19 years	15,443	9.2
20 to 24 years	21,567	12.8
25 to 29 years	13,064	7.8
30 to 34 years	11,101	6.6
35 to 39 years	10,456	6.2
40 to 44 years	10,119	6.0
45 to 49 years	10,379	6.2
50 to 54 years	10,527	6.3
55 to 59 years	9,300	5.5
60 to 64 years	7,872	4.7
65 to 69 years	5,371	3.2
70 to 74 years	3,936	2.3
75 to 79 years	3,012	1.8
80 to 84 years	2,250	1.3
85 years and over	2,050	1.2
<b>RELATIONSHIP</b>		
Total population	168,148	100.0
In households	161,622	96.1
Householder	67,577	40.2
Spouse [6]	26,372	15.7
Child	43,542	25.9
Own child under 18 years	33,080	19.7
Other relatives	9,746	5.8
Under 18 years	4,071	2.4
65 years and over	1,071	0.6
Nonrelatives	14,385	8.6
Under 18 years	546	0.3
65 years and over	254	0.2
Unmarried partner	4,300	2.6
In group quarters	6,526	3.9
Institutionalized population	1,364	0.8
Male	719	0.4
Female	645	0.4
Noninstitutionalized population	5,162	3.1
Male	2,252	1.3
Female	2,910	1.7
<b>HOUSEHOLDS BY TYPE</b>		

Total households	67,577	100.0
Family households (families) [7]	39,665	58.7
With own children under 18 years	18,503	27.4
Husband-wife family	26,372	39.0
With own children under 18 years	10,984	16.3
Male householder, no wife present	2,726	4.0
With own children under 18 years	1,241	1.8
Female householder, no husband present	10,567	15.6
With own children under 18 years	6,278	9.3
Nonfamily households [7]	27,912	41.3
Householder living alone	20,282	30.0
Male	8,610	12.7
65 years and over	1,311	1.9
Female	11,672	17.3
65 years and over	3,561	5.3
Households with individuals under 18 years	20,840	30.8
Households with individuals 65 years and over	12,219	18.1
Average household size	2.39	( X )
Average family size [7]	3.01	( X )

Source: U.S. Census Bureau, 2010 Census.

## Appendix 6 – Product List

### List of Products iOrganic Will Carry:

Baby Foods  
Baking Goods  
Beef  
Breads  
Cereals  
Cheeses  
Chicken  
Chips/Crackers  
Coffee  
Condiments and Dressings  
Cookies/Cakes  
Desserts  
Drinks  
Eggs  
Gluten Free  
Honey  
Jams and Spreads  
Locally Grown Fruits  
Locally Grown Vegetables  
Milk  
Muffins  
Oil and Vinegar  
Pasta  
Personal Care Items  
Plants, Herbs, Spices  
Pork  
Prepackaged Bundles  
Rice and Grains  
Sauces  
Sausages  
Seafood  
Snacks  
Soup  
Soy Products  
Tea  
Turkey  
Vitamins

## Appendix 7 - Website



Find us on:  

[HOME](#) [SHOP ORGANIC](#) [HEALTHY RECIPES](#) [FAQ](#) [CONTACT US](#)



### Why Choose iOrganic?



Our mission at iOrganic is to conveniently provide an online shopping experience for our customers by offering a vast variety of organic products to promote a healthier lifestyle while supporting local farmers and suppliers and promoting environmental sustainability.

The owners of iOrganic fully recognize and understand the importance of supplying one's body with earthly nutrients. There are many health benefits to eating organically; merging this with the ease of online shopping and a delivery service provides you with convenience and the ability to prioritize other dutiful tasks. It is also of great importance of iOrganic to enforce and comply with the national organic standards set by the USDA as a certified member to sell organic products to the public.

**Appendix 8**  
**ARTICLES OF ORGANIZATION**  
**OF**  
**iOrganic, L.L.C.**

The undersigned hereby submit these Articles of Organization for the purpose of forming a limited liability company under the laws of the State of North Carolina.

**ARTICLE I**

**Name**

The name of the limited liability company is "iOrganic, L.L.C." (the "Company").

**ARTICLE II**

**Period of Duration**

The duration of the Company is perpetual.

**ARTICLE III**

**Purpose**

The company is organized for the purpose of owning, operating and managing an online organic store and to engage in all other activities necessary to carry out such purposes. The Company shall have authority to take an actions allowed by law which are necessary to effectuate the above purpose, both within or without the State of North Carolina. The Company shall also have the authority to engage in any other activity allowed under the laws of North Carolina.

**ARTICLE IV**

## **INDEMNIFICATION**

A. To the fullest extent permitted by the North Carolina Limited Liability Company Act as it exists or may hereafter be amended, no person who is serving or who has served as a manager of the Company shall be personally liable to the Company or any of its members for monetary damages for breach of duty as a manager. No amendment or repeal of this article, nor the adoption of any provision to these Articles of Organization inconsistent with this article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.

B. Each person who is serving or who has served as a manager of the Company shall have a right to be indemnified by the Company against any payments made or personal liabilities reasonably incurred by such manager in the authorized conduct of the Company's business or for the preservation of the Company's business or property.

C. The Company may, by action of its managers, provide indemnification to such of the officers, employees, and agents of the Company to such extent and to such effect as the managers shall determine to be appropriate and authorized by applicable law.

D. The rights and authority conferred in this Article shall not be exclusive of any other right which any person or the Company may have or hereafter acquire under any statute, provision or the Articles of Organization or Operating Agreement of the Company, agreement, vote of members or disinterested managers or otherwise.

## **ARTICLE V**

### **Members As Managers**

All members, by virtue of their status as members, shall be managers of the Company.

## **ARTICLE VI**

**Initial Registered Agent and Office**

The street address and county of the initial registered office of the Company is 2551 Mill Street in Winterville, County of Pitt, North Carolina. The name of the initial Registered Agent at such address is Keli L. Cox.

**ARTICLE VII**

**PRINCIPAL OFFICE**

The street address and county of the principal office of the Company is 2551 Mill Street in Winterville, County of Pitt, North Carolina.

**ARTICLE VIII**

**ORGANIZER(S)**

The name and address of the organizer executing these Articles of Organization is:

<b>NAME</b>	<b>ADDRESS</b>
Stephen C. Bailey	7110 Wrightsville Ave, Suite B-10 Wilmington, NC 28403

The organizer shall have the right and power to resign and designate those persons, firms or corporations who shall succeed him. The resignation of the organizer shall not constitute an event of withdrawal described in Section 57C-3-02 of the North Carolina General Statutes.

**ARTICLE IX**

**EFFECTIVE DATE**

These Articles of Organization shall be effective upon filing with the office of the Secretary of State of the State of North Carolina.

This the 5th day of November, 2012.

ORGANIZER:

\_\_\_\_\_  
Stephen C. Bailey, Organizer

## Appendix 9- Resumes

**Kevin H. Crawford**

**103 Pine Branches Close**

**Winterville, NC 28590**

**252-341-4461**

**crawfordk09@students.ecu.edu**

---

### Education

May 2013      **East Carolina University College of Business**, Greenville, NC  
Bachelor of Science in Business Administration, Management  
GPA: 3.62 / 4.00

May 2007      **Lenoir Community College**, Kinston, NC  
Associates in Applied Science, Horticulture Technology  
GPA: 3.28 / 4.00

### Experience

Dec 2010-      **Crown Equipment Company**, Kinston, NC

Present      Quality Specialist

- Streamline the MCS / PPAP process via improved CMM program techniques
- Develop and audit detailed Control Plans and assist with FMEA's
- Verify and review engineering drawings with GD&T
- Perform comprehensive inspections and calibrate gages to ANSI standards

July 2008-      **PAS USA, Inc.**, Washington, NC

Dec 2010      Quality Engineer

- Implemented tracking system for customer and supplier returns and scrap
- Assisted with ISO 9001:2000 internal audits and verified daily compliance

- Trained personnel on CMM operation and use of precision measuring devices

July 2005- **DSM Pharmaceuticals**, Greenville, NC

July 2008 Sterile Processing Specialist

- Received Specialist promotion upon first availability
- Manufactured multiple sterile (injection) products under Current Good Manufacturing Processes (cGMP) guidelines, in Aseptic areas
- Performed Endotoxin and Bioburden tests on product delivery systems

### **Skills**

Certified to program manual and DCC controlled Coordinate Measuring Machines (CMMs).

Proficient with Microsoft Office Package, PCDMIS, GageTrak, QAD, BaaN, and Unigraphics. Experience with MiniTab, SAP, AutoCAD and OpenDMIS software packages

### **Honors / Activities**

Phi Kappa Phi (Spring 2011), Lean Training (2011), Greene Co. Recreation Dept. volunteer for Pee-Wee Baseball and T-ball (2006-2010), Golden Key International Honor Society (Fall 2010), 9001:2000 auditor training (2008), member of the safety and 5-S team (2007)

# LINCOLN G. HAVENS

---

**Address:** 8212 Sandy Brook Lane, Wake Forest, NC 27587 ■ **Phone:** 919.345.8646 ■ **Email:** [havens123@aol.com](mailto:havens123@aol.com)

## Innovative Sales and Marketing Leader

### SUMMARY

*A customer satisfaction focused Sales and Marketing Executive with a proven track record for increasing sales and bottom line profits. Over 20 years of transformational Sales and Marketing Operations experience in both National and International Markets. (United States, Canada, Europe, Asia and Latin America)*

### CORE COMPETENCIES

- |   |  |
|---|--|
| * Global marketing operations                 | * Hiring/ Recruitment and Development      |
| * Demand Gen marketing operations markets     | * Territory Planning – Emerging and mature |
| * Global marketing team management            | * Enterprise level account management      |
| * Workflow management systems                 | * Strategic thought leadership             |
| * Contract negotiations and Vendor management | * Customer and Client SAT                  |
| * Multi channel marketing                     | * Change management                        |
| * Re-seller channels marketing services       | * Inside and outside sales                 |

### EXPERIENCE

**2000 – Present**      **Cisco Systems, Inc.**

---

#### ***Global Marketing Manager - (Research Triangle Park, NC)***

**Innovation and Scalable Marketing Operations** - Managed a multifaceted Demand Gen Marketing organization, operating 3 business models (Scalable, Online and Events). Developed and monitored all project plans, timelines, and budgets.

- \* Created Global Marketing Services Organization – Generated over \$600M in opportunities for Resellers
- \* Implemented fully-integrated workflow management software platform (WMS)
- \* Over 12,000 marketing campaigns executed around the Globe
- \* Budget management responsibility and oversight of over \$10M annually

\* Responsible for customer-facing Mobile Marketing Program, over 11,000 visits annually, National Warrillo Award Finalist

***Area Sales Manager – (Research Triangle Park, NC)***

**Inside Sales Operations** - Company was deploying a new Inside Sales model and required experienced leaders to implement strategy and build out organization. Primarily responsible for setting sales goals, forecasting, staffing, territory management, account assignments, training, and team development.

- \* FY04 Top team at 105% of \$124,000,000 quota
- \* Created marketing programs resulting in incremental \$19M in Pipeline in FY04
- \* Recognized as a top Inside Sales Area Manager at National Sales Convention FY01 – 133% of quota
- \* Developed key strategy and alignment with Outside Sales Team to maximize sales and productivity

**1988 - 2000**                      **CompUSA, Inc.**

---

***Senior Director of Multinational Accounts – (Dallas, TX)***

**Major Account Sales** – Hired and developed Major Account Team, Set the strategy and vision for Enterprise accounts program, including: Contract negotiations, Software integration services, Strategic Manufacture alignment and inventory requirements.

- \* Directed all aspects of sales for CompUSA's largest customers
- \* Developed policy and standards for Multinational Account Program
- \* Responsible for and conducted Customer Executive Briefings program
- \* Generated revenue of over \$285M
- \* Grew account base over 300%

***Senior Director of Call Center Operations – (Dallas, TX)***

**Transformational Leadership** – Charged with re-developing a business model that lacked scalability and was too costly. Transformed business by moving from decentralized to centralized sales model. Responsible for building a high-performing call center team, that focused on customer satisfaction and profitable sales results.

- \* Managed 5 Directors and team of over 500 sales and support personnel

- \* Led and organized centralization efforts of sales personnel and accounts to newly-created call center

- \* Grew sales to \$208M; Improved margin to 25% while cutting overall Sales expenses by over 60%

- \* Co-Developed operating process and procedures for Call Center Sales operations

### ***Director of Sales Operations – (Southeast Operations)***

**Territory and Account Management** - The South East operations consisted of 7 states (TN, GA, AL, NC, SC, MS and FL). The territory was Commercial Midmarket, Fortune 500 accounts as well as Public Sector.

- \* Generated over \$225M in revenue, and \$27M gross profit

- \* Directed 12 Regional Sales Managers with 136 Account Representatives

- \* Developed strategic alliances with key technology vendors

- \* Developed and launched Networking Computer Integrated Services (CIS) program in Atlanta

- \* Responsible for all aspects of staffing including: hiring, counseling, development, and training

- \* Directed all marketing activities and controlled all marketing budgets for operation

- \* Received National Software Licensing Award (Highest Sales) at 6% of total sales

### **EARLY CAREER: United States Navy**

---

**Responsibility and Leadership** - Served on flight deck. Responsible for Crash and Salvage operation, all firefighting and rescue operations, as well as integrity of fire control systems and equipment onboard.

- \* Received Honorable Discharge

- \* Awarded Navy Achievement Medal and Good Conduct Medal

- \* Aviation Boatswain's Mate of the Year for the Pacific Fleet

- \* Received Golden Anchor Award for Career Counseling (Highest Retention Rate)

### **Education and Professional Affiliations, Give Back, Fun**

- \* East Carolina University, Greenville, NC – Business Administration, Management
- \* Member of the American Marketing Association
- \* Member of the Direct Marketers Association
- \* Strategic Selling, LAMP, Miller Heiman
- \* Cisco CCSE Certified
- \* Salvation Army, City Year, Habitat for Humanity, Soccer Coach, HOA Board member
- \* Saltwater Kayak fishing, Runner, Motorcycles

***References available upon request***

**Timothy Alligood**

4786 River Road Apt.3

Washington, NC 27889

(252)402-6075

Alligoodt10@students.ecu.edu

---

**Education**

December 2012 **East Carolina University** College of Business, Greenville, NC

Bachelor of Science in Business Administration, Management

May 2010 **Beaufort County Community College**, Washington, NC

Associate in Arts & Associate in Science

**Experience**

Dec. 2007- Oct. 2011 **Office Depot**, Washington, NC

Sales Representative and Stocker

- Worked with customers one-on-one to address their needs
- Communicated with managers, employees, and customers on a daily basis
- Stocked shelves
- Assisted during inventory with recounts and item checks
- Operated the register
- Received Employee of the Month award during tenure

**Skills**

Proficient with Microsoft Office programs including: Word, Excel, and PowerPoint

**Honors/Activities**

Volunteered at Vidant Medical Center in Washington, NC for three summers (2003,2004,2005)

**Keli Cox**

4113 Breezewood Dr., Apt. 103  
Wilmington NC 28412

(910) 508-9427  
Klc3412@gmail.com

4015 Price Road  
Stoneville, NC 27048

---

**Education**

May 2013      **East Carolina University College of Business**, Greenville, NC  
Bachelor of Science in Business Administration, Management

**Experience**

February 2009-      **First Bank**, Wilmington, NC  
Present      Loan Assistant

- Promoted to Loan Assistant/Head Teller within 10 months of hire date
- Complete loan underwriting analysis including tax cash flows and credit memos
- File and manage over 120 loan files including continually updating financial and insurance information, as well as ensuring all required documents are signed and received
- Assist with customer service and teller duties when needed including: opening accounts, general customer support, taking deposits, and ensuring cash drawer is always in balance

March 2008-      **Private Family**, Wilmington, NC  
February 2009      Nanny

- Responsible for care of two children; Ages 2 and 4
- Created fun learning environment while teaching Pre-K program

June 2007-      **J. Jill**, Wilmington, NC  
November 2008      Part-Time Manager

- Over-saw employees and operations during shift
- Generated weekly reports; dollar sales amounts, credit card sales, returns, and defective

merchandise

- Counted down cash drawers and prepared nightly deposits
- Packaged and shipped defective merchandise to corporate office

June 2002- **Roll-A-Bout**, Eden, NC

July 2005 Session Manager

- Ensured employees were on task and end-of-session cleaning was completed
- Completed end-of-session paperwork
- Balanced cash registers and prepared bank deposits

### **Skills**

Microsoft Office Suite Proficient

### **Honors/Activities**

Veterans Affairs Scholarship Recipient, Port City Young Professionals Networking Group, Volunteer with The Bellamy Mansion and Habitat for Humanity in Wilmington, NC

# Teikisha L. Williams

---

705 Piedmont Avenue, Rocky Mount, NC 27803 • (252) 343-7896 • [teikisha@gmail.com](mailto:teikisha@gmail.com)

<http://www.linkedin.com/in/teikishawilliams>

## Education

Dec 2012 **East Carolina University, College of Business, Greenville, NC**

Bachelor of Science in Business Administration, Concentration: Management

May 2009 **Nash Community College, Rocky Mount, NC**

Associate in Applied Science, Concentration: Accounting

1994-1996 **North Carolina Central University, Durham, NC**

Business Administration - Major

## Experience

July 2012-

Present **Cummins Inc. RMEP, Whitakers, NC**

### ***Document Control/Mfg. Engineering Assistant***

- Update Process Documentation Manual information
- Enter Mfg. Change Request (MCR) data in Access & maintain files
- Record Machining A Downtime data into spreadsheet form daily
- Maintain Non-conforming materials data & report information to management
- Compile Layered Process Audit data on weekly and monthly basis
- Create various PowerPoint reports for management team
- Responsible for safety STOP cards for Machining A Block lines
- Perform various administrative duties as needed

Feb 2000-

June 2012 **Construction Imaging, Rocky Mount, NC**

2006-

June 2012 ***Assistant Controller***

- Manage assets of over \$3.4 million in client maintenance contracts
- Create and send vendor purchase orders and process invoices
- Process monthly vendor expenses accrued and enter journal entries
- Process accounts receivables and credit card payment transactions
- Manage prepaid vendor accounts, update Excel spreadsheet and record journal entries for each
- Process, file and record multi-state sales tax returns on monthly, quarterly or annual basis
- Invoice new, additional or recurring sales orders and send to clients

***Assistant Controller***

- Assist administration department & Controller with various duties as needed
- Maintain professional business relationships with clients & suppliers
- Manage committees in coordinating annual clientele events
- Data entry to Salesforce® customer database

2004-

2006

***Office Assistant/Travel Coordinator***

- Reconcile corporate credit card statements
- Process and pay vendor invoices in QuickBooks
- Process account receivables and make daily deposits
- Coordinate travel arrangements and itinerary for sales and technical staff
- Scan and index corporate documents into imaging software system
- Manage expense report processing to employees and client invoicing
- Update fixed assets and simple inventory listings

2000-

2004

***Administrative Assistant***

- Answer multi-line telephone system
- Word processing and document filing, faxing and copying
- Manage various marketing materials
- Collate and mail sales proposals to prospective clients
- Shipped and received company booths & supplies to/from trade shows
- Assist Office Manager with various duties
- Distribute employee mail & outgoing freight
- Maintain, ordered and stocked office supplies
- Maintain employee directory and corporate toll-free number database

**Key Skills**

Office Skills:	Office Management	Spreadsheets/Reports	Front-Desk Reception
	Records Management	Event Planning	Executive Support
	Database Administration	Certified NC Notary Public	Travel Coordination

Computer Skills:	MS Word	MS Outlook	MS Publisher
	MS Excel	MS Access	MS Sharepoint
	MS PowerPoint	SalesForce	Internet Explorer
	Sage SalesLogix	EMC <sup>2</sup> Xtender Solutions	QuickBooks Pro
	IBM Lotus Notes		

**Honors**

Gamma Beta Phi Honor Society Member

# Sara W. Skeen

1627 E. Allred St.  
St.

(336) 302-9311

1627 E. Allred

Asheboro, NC 27203  
27203

skeens11@students.ecu.edu

Asheboro, NC

---

## Education

December, 2012

**East Carolina University College of Business**, Greenville, NC

Bachelor of Science in Business Administration, Management

GPA: 3.2/4.0

May 2008

**Randolph Community College**, Asheboro, NC

Associates in Arts

GPA: 3.4/4.0

## Experience

April 2012 – Present

**North Ridge Church**, Asheboro, NC

Executive Assistant

- Manage all first-time guests
- Plan and oversee all event coordination
- Assist the lead pastor with daily activities
- Help manage 500+ members

November 2009 – April 2012 **Randolph Community College**, Asheboro, NC

### Student Activities Coordinator

- Supervised all student clubs and activities on campus
- 3,000+ curriculum students
- Served as advisor to Student Government Association
- Created and maintained a budget every year

### Skills

Proficient in Microsoft Office Word, Excel, and PowerPoint

### Honors / Activities

Delegate for Randolph Community College Student Government Association (2007, 2008), Member of Campus Crusaders at Randolph Community College (2007), Participated in study abroad program in Costa Rica (2007), Intramural volleyball participant

**Kellie White**

3718 First Baptist Church Road

Pinetops, NC 27864

(252) 266 - 5810

Kelliwhite2337@yahoo.com

**Education**

December 2012 **East Carolina University College of Business**, Greenville, NC

Bachelor of Science in Business Administration, Management

May 2011 **Edgecombe Community College**, Tarboro, NC

Associate in Applied Science, Business Administration

August 2000 **Medical Careers Institute**, Newport News, VA

Medical Assisting Diploma

**Experience**

02/2006- **Rocky Mount Orthopedics and Sports Medicine**, Rocky Mount, NC

04/2007 Medical Assistant

- Assisted doctors with medical procedures
- Scheduled patient surgeries

08/2003- **Children's Clinic Ltd.**, Newport News, VA

05/2004 Medical Assistant

- Collected patient histories
- Administered treatments and injections

07/2002- **Peninsula Reproductive Medical Specialist Ltd.**, Newport News, VA

08/2003 Medical Assistant

- Prepared exam rooms for procedures
- Assisted doctor with patient exams and answered patients questions

08/2000- **Oyster Point Family Practice, Newport News, VA**

07/2002 Medical Assistant

- Directed patients to appropriate exam rooms
- Aided doctors with patient physicals
- Entered confidential patient information to patient charts

**Honors**

Beta Gamma Sigma International Honor Society

Golden Key International Honor Society Member

Phi Theta Kappa

# Appendix 10

## Pro-Forma Income Statement



**iOrganic, Inc.**  
For 2018 (through 2018)

	JUNE 13	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL 2013	2014	2015	2016
<b>REVENUE</b>											
Gross sales	\$7,716,000	\$11,319,255	\$11,419,255	\$11,419,255	\$17,000,000	\$17,000,000	\$17,000,000	\$60,181	\$202,492	\$279,783	\$400,378
Less sales returns and allowances	139,825	502,351	508,282	268,555	307,112	307,112	307,112	1,877	3,548	4,594	7,203
Net Sales	\$7,576,175	\$10,816,904	\$10,910,973	\$11,150,700	\$16,692,888	\$16,692,888	\$16,692,888	\$58,304	\$198,944	\$275,189	\$393,175
<b>COST OF SALES</b>											
Beginning inventory	771.6	771.6	1141.97	1141.97	1703.2	1703.2	1703.2	86,382	86,318	\$90,949	\$27,678
Plus goods purchased	771.6	1619.74	1141.97	1141.97	1703.2	1703.2	1703.2	10,251	31,192	24,935	82,497
Total Goods Available	1543.2	2391.34	2283.94	2283.94	3406.4	3406.4	3406.4	\$10,633	\$40,188	\$45,155	\$80,075
Less ending inventory	771.6	1141.97	1141.97	1141.97	1703.2	1703.2	1703.2	9,918	20,248	27,579	40,058
Total Cost of Goods Sold	771.6	1141.97	1141.97	1141.97	1703.2	1703.2	1703.2	\$86,382	\$30,944	\$27,585	\$43,355
Gross Profit (Loss)	\$6,804,574	\$9,674,959	\$9,768,996	\$9,998,730	\$14,989,686	\$14,989,686	\$14,989,686	\$21,922	\$168,000	\$177,604	\$259,820
<b>OPERATING EXPENSES</b>											
<b>Selling</b>											
Salaries and wages									\$80,000	\$80,000	\$88,086
Advertising	625	625	625	625	625	625	625	10,000	5,000	3,000	3,000
Depreciation	393	366	303	304	300	300	300	3,586	18,000	12,000	5,000
Other								0	0	0	2,000
Total Selling Expenses	1018	991	928	929	925	925	925	\$13,586	\$23,000	\$15,000	\$7,000
<b>General/Administrative</b>											
Salaries/Wages									\$125,000	\$157,715	\$157,715
Payroll Taxes									\$7,000	\$8,832	\$8,832
Rent/Lease	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$14,000	\$24,000	\$24,000	\$24,000
Insurance	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$1,750	\$3,000	\$3,000	\$3,000
Utilities	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$5,950	\$10,000	\$10,000	\$10,000
Telephone/Cell Phones	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$4,200	\$7,500	\$7,500	\$7,500
Office Supplies	\$117	\$117	\$117	\$117	\$117	\$117	\$117	\$1,400	\$2,400	\$2,400	\$2,400
Packaging Materials	300	300	300	300	300	300	300	\$700	\$1,500	\$1,500	\$2,000
Vehicle Lease	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	\$1,200	\$1,200	\$1,200
Gas	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	\$3,600	\$3,600	\$3,600
Technology Fees	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$720	\$720	\$720	\$720
Freight/Postage	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$1,680	\$3,250	\$3,450	\$2,700
Shipping Supplies	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$700	\$1,300	\$1,300	\$1,600
Credit Card Processing Fee	\$170	\$251	\$251	\$251	\$275	\$275	\$275	\$2,049	\$4,455	\$6,087	\$8,208
Miscellaneous	\$48	\$58	\$58	\$58	\$58	\$58	\$58	\$700	\$1,300	\$1,300	\$1,200
Total General/Administrative Expenses	\$3,828	\$7,925	\$7,925	\$7,925	\$8,525	\$8,525	\$8,525	\$38,249	\$73,025	\$73,185	\$226,379
Total Operating Expenses								\$52,347	\$209,425	\$209,216	\$309,480
Net Income Before Taxes								\$29,321	(\$37,327)	(\$27,974)	\$43,976
Taxes on income-15%								4,499			6,591
Net Income After Taxes								\$24,822	(\$37,327)	(\$27,974)	\$37,385
<b>NET INCOME (LOSS)</b>								\$24,822	(\$37,327)	(\$27,974)	\$37,385

## Appendix 11

Pro-Forma Income Statement					
	iOrganic, Inc.				
	For 2014- Quarterly				
REVENUE	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2014 Totals
Gross sales	\$34,259.04	\$37,684.94	\$55,623.00	\$74,925.02	202,492.00
Less sales returns and allowances	\$626.65	\$678.33	\$1,001.22	\$1,348.65	3,644.85
<b>Net Sales</b>	<b>\$33,642.39</b>	<b>\$37,006.61</b>	<b>\$54,621.78</b>	<b>\$73,576.37</b>	<b>198,847.15</b>
<b>COST OF SALES</b>					
Beginning Inventory	1,700.21	3,425.91	3,703.49	5,562.31	\$14,462.50
Plus goods purchased	5,145.62	4,111.07	7,256.11	9,922.72	\$26,835.52
Total Goods Available	6,845.83	7,536.98	11,124.6	14,965.02	\$40,498.02
Less ending Inventory	3,425.91	3,768.49	5,562.31	7,492.51	\$20,249.21
<b>Total Cost of Goods Sold</b>	<b>\$3,419.92</b>	<b>\$3,768.49</b>	<b>\$5,562.31</b>	<b>\$7,472.51</b>	<b>\$20,249.21</b>
<b>Gross Profit (Loss)</b>	<b>\$30,222.47</b>	<b>\$33,238.12</b>	<b>\$49,059.47</b>	<b>\$66,103.86</b>	<b>\$178,597.94</b>
<b>OPERATING EXPENSES</b>					
<b>Selling</b>					
Salaries and wages	\$10,000.00	\$10,000.00	\$15,000.00	\$15,000.00	\$50,000.00
Advertising	\$1,250.00	\$1,250.00	\$1,250.00	\$1,250.00	\$5,000.00
Depreciation	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$15,000.00
Other					
<b>Total Selling Expenses</b>	<b>\$15,000.00</b>	<b>\$15,000.00</b>	<b>\$20,000.00</b>	<b>\$20,000.00</b>	<b>\$70,000.00</b>
<b>General/Administrative</b>					
Salaries/Wages	\$15,625.00	\$21,250.00	\$21,250.00	\$46,875.00	\$125,000.00
Payroll Taxes	\$1,025.00	\$1,650.00	\$1,850.00	\$2,475.00	\$7,000.00
Rent/Lease	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$24,000.00
Insurance	\$750.00	\$750.00	\$750.00	\$750.00	\$3,000.00
Utilities	\$2,550.00	\$2,550.00	\$2,550.00	\$2,550.00	\$10,200.00
Telephone/Cell Phones	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$7,200.00
Office Supplies	\$600.00	\$600.00	\$600.00	\$600.00	\$2,400.00
Packaging Materials	\$375.00	\$375.00	\$375.00	\$375.00	\$1,500.00
Vehicle Lease	\$300.00	\$300.00	\$300.00	\$300.00	\$1,200.00
Gas	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Technology Fees	\$180.00	\$180.00	\$180.00	\$180.00	\$720.00
Freight/Postage	\$812.50	\$812.50	\$812.50	\$812.50	\$3,250.00
Shipping Supplies	\$450.00	\$450.00	\$450.00	\$450.00	\$1,800.00
Credit Card Processing Fee	\$753.69	\$829.07	\$1,223.71	\$1,648.34	\$4,454.81
Miscellaneous	\$300.00	\$300.00	\$300.00	\$300.00	\$1,200.00
<b>Total General/Administrative Expenses</b>	<b>\$32,421.19</b>	<b>\$48,746.57</b>	<b>\$49,341.21</b>	<b>\$66,015.84</b>	<b>\$196,524.81</b>
<b>Total Operating Expenses</b>	<b>\$47,421.19</b>	<b>\$63,746.57</b>	<b>\$69,341.21</b>	<b>\$86,015.84</b>	<b>\$266,524.81</b>
<b>Net Income Before Taxes</b>	<b>-\$17,204.71</b>	<b>-\$30,508.45</b>	<b>-\$20,281.73</b>	<b>-\$19,931.98</b>	<b>-\$87,926.87</b>
Taxes on income-15%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Net Income After Taxes</b>	<b>-\$17,204.71</b>	<b>-\$30,508.45</b>	<b>-\$20,281.73</b>	<b>-\$19,931.98</b>	<b>-\$87,926.87</b>
<b>NET INCOME (LOSS)</b>	<b>(\$17,204.71)</b>	<b>(\$30,508.45)</b>	<b>(\$20,281.73)</b>	<b>(\$19,931.98)</b>	<b>(\$87,926.87)</b>

Appendix 12

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <h2 style="margin: 0;">Twelve-month cash flow</h2> </div> <div style="text-align: center;"> <h2 style="margin: 0;">iOrganic</h2> </div> <div style="text-align: right;"> <p style="margin: 0;">Fiscal Year Begins: 1-Jan</p> </div> </div>											
	Pre-Startup EST	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	2014	2015	2016
<b>Cash on Hand (beginning of month)</b>	\$0.000	\$17,520	\$18,268	\$22,487	\$26,507	\$31,117	\$42,317	\$52,031	\$61,345	\$19,650	\$5,350
<b>CASH RECEIPTS</b>											
Cash Sales		\$7,716	\$11,420	\$11,420	\$11,420	\$17,092	\$17,092	\$17,092	\$202,492	\$275,729	\$400,379
Loan/ other cash in.									\$50,000	\$50,000	
<b>TOTAL CASH RECEIPTS</b>	\$0	\$7,716	\$11,420	\$11,420	\$11,420	\$17,092	\$17,092	\$17,092	\$252,492	\$325,729	\$400,379
<b>Total Cash Available (before cash out)</b>	\$0.000	\$17,520	\$29,688	\$40,107	\$51,927	\$68,219	\$85,411	\$102,103	\$127,137	\$176,379	\$405,738
<b>CASH PAID OUT</b>											
Purchases (merchandise)		\$772	\$1,512	\$1,142	\$1,142	\$1,142	\$1,798	\$1,798	\$31,182	\$34,308	\$52,487
Attorney's Fees	\$2,500										
Wages									\$175,000	\$220,000	\$220,000
Payroll Tax									\$7,000	\$8,832	\$8,832
Credit Card Processing Fees		\$178	\$261	\$261	\$261	\$373	\$373	\$373	\$4,455	\$8,097	\$8,809
Supplies (office & oper.)		\$117	\$117	\$117	\$117	\$117	\$117	\$117	\$6,400	\$2,400	\$2,400
Advertising		\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$5,000	\$9,000	\$9,000
Vehicle Lease & Gas		\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800	\$4,800	\$4,800
Rent		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	\$24,000	\$24,000
Telephone		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$7,200	\$7,200	\$7,200
Utilities		\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200	\$4,200	\$4,200
Insurance		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000	\$3,000	\$3,000
Interest									\$2,750	\$4,850	\$4,850
Packaging Materials		\$26	\$29	\$29	\$29	\$38	\$38	\$38	\$1,500	\$1,750	\$2,000
Shipping Supplies		\$59	\$59	\$59	\$59	\$59	\$59	\$59	\$1,800	\$1,800	\$1,800
Freight/ Postage		\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$2,250	\$3,450	\$3,700
Technology Fees		\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$720	\$720	\$720
Miscellaneous		\$26	\$29	\$29	\$29	\$38	\$38	\$38	\$1,200	\$1,200	\$1,200
<b>SUBTOTAL</b>	\$2,500	\$5,145	\$7,360	\$6,870	\$6,870	\$9,643	\$9,643	\$9,643	\$122,457	\$122,457	\$154,537
Loan principal payment									\$10,000	\$2,000	\$40,000
Furniture & Equipment	\$30,000										
Owners' Withdrawal											
<b>TOTAL CASH PAID OUT</b>	\$32,500	\$5,145	\$7,360	\$6,870	\$6,870	\$9,643	\$9,643	\$9,643	\$132,457	\$124,457	\$194,537
<b>Cash Position (end of month)</b>	\$17,520	\$10,253	\$21,053	\$32,627	\$44,047	\$61,140	\$78,232	\$95,144	\$116,382	\$136,732	\$181,382

Appendix 13

Quarterly Cash Flow Statement					
	iOrganic, Inc.				
	For 2014- Quarterly				
Cash on Hand (beginning of month)	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2014 Totals
	\$61,845	\$95,700	\$67,690	\$48,778	\$274,013
CASH RECEIPTS					
Cash Sales	\$34,259	\$37,685	\$55,623	\$74,925	\$202,492
Loan/ other cash inj.	\$50,000				\$50,000
TOTAL CASH RECEIPTS					
Total Cash Available (before cash out)	\$146,104	\$133,385	\$123,313	\$123,703	\$526,505
CASH PAID OUT					
Purchases (merchandise)	\$5,146	\$4,111	\$7,356	\$9,423	\$26,036
Attorney's Fees					
Wages	\$25,625	\$41,250	\$46,250	\$61,875	\$175,000
Payro Tax	\$1,025	\$1,650	\$1,850	\$2,475	\$7,000
Credit Card Processing Fees	\$754	\$829	\$1,224	\$1,648	\$4,455
Supplies (office & oper.)	\$500	\$500	\$500	\$500	\$2,000
Advertising	\$1,250	\$1,250	\$1,250	\$1,250	\$5,000
Vehicle Lease & Gas	\$1,200	\$1,200	\$1,200	\$1,200	\$4,800
Rent	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000
Telephone	\$1,800	\$1,800	\$1,800	\$1,800	\$7,200
Utilities	\$2,550	\$2,550	\$2,550	\$2,550	\$10,200
Insurance	\$750	\$750	\$750	\$750	\$3,000
Interest	\$688	\$688	\$688	\$688	\$2,750
Packaging Materials	\$375	\$375	\$375	\$375	\$1,500
Shipping Supplies	\$375	\$375	\$375	\$375	\$1,500
Freight/ Postage	\$813	\$813	\$813	\$813	\$3,250
Technology Fees	\$180	\$180	\$180	\$180	\$720
Miscellaneous	\$1,375	\$1,375	\$1,375	\$1,375	\$5,500
<b>SUBTOTAL</b>	<b>\$50,404</b>	<b>\$65,695</b>	<b>\$74,535</b>	<b>\$93,276</b>	<b>\$263,910</b>
Loan principal payment				\$10,000	\$10,000
Furniture & Equipment					
Owners' Withdrawal					
TOTAL CASH PAID OUT					
	\$50,404	\$65,695	\$74,535	\$103,276	\$293,910
Cash Position (end of month)					
	\$95,700	\$67,690	\$48,778	\$20,427	\$232,595

Appendix 14

## Pro-Forma Balance Sheet



**iOrganic, Inc.**  
December 31st for each year

<b>Assets</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Current Assets</b>			
Cash	\$91,143	\$9,706	\$22,105
Inventory	\$1,706	\$31,182	\$52,497
<b>Total Current Assets</b>	<b>\$92,849</b>	<b>\$40,888</b>	<b>\$74,602</b>
<b>Fixed Assets</b>			
Furniture & Equipment	\$50,000	\$50,000	\$50,000
(Less Acc. Depreciation)	\$11,004	\$22,008	\$33,012
<b>Total Fixed Assets</b>	<b>\$38,996</b>	<b>\$27,992</b>	<b>\$16,988</b>
<b>Total Assets</b>	<b>\$131,845</b>	<b>\$68,880</b>	<b>\$91,590</b>
<b>Liabilities &amp; Owners Equity</b>			
<b>Current Liabilities</b>			
Current portion of long-term debt	\$0	\$25,000	\$44,000
<b>Total Current Liabilities</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$44,000</b>
<b>Long Term Liabilities</b>			
Long-Term Debt	\$0	\$25,000	\$44,000
<b>Total Long-Term Liabilities</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$44,000</b>
<b>Owner's Equity</b>			
Owner's Investment	\$70,000	\$0	\$0
Retained Earnings	\$61,845	\$18,880	\$3,590
<b>Total Owner's Equity</b>	<b>\$131,845</b>	<b>\$18,880</b>	<b>\$3,590</b>
<b>Total Liabilities &amp; Owner's Equity</b>	<b>\$131,845</b>	<b>\$68,880</b>	<b>\$91,590</b>

## Appendix 15

### Merchant Services Proposal

iOrganic

October 22, 2012

We are honored that you have chosen TransFirst and First Bank as consultants for your merchant services program.

Our goal is to become a trusted partner and advisor committed to the success of your business. Our team has developed a custom merchant processing program to help reduce expenses and to provide your business with every tool needed for your continued success. Our custom program recommendations are listed below.

#### Pricing: Two Tier

Qualified Rate: 1.90% + \$.15 per item

Non-Qualified Surcharge: +1.00%

#### Equipment:

Source	Quantity	Term	Make	Price
Purchase	1	N/A	Transaction Express (Virtual Terminal)	\$99

#### Miscellaneous Fees:

Statement Fee: Waived

Application/Reprogramming Fee: Waived

Data Breach: \$41.70 (Optional- Bi-Annual)

Debit Application Fee: Waived

PCI Compliance Fee: \$28.80/Quarterly\*

Batch Settlement: Waived

Gateway Fee: \$10

*\*After the initial \$28.80 charge, the quarterly fee drops to \$18.80 when an online PCI validation survey is completed.*



**FIRST BANCORP**

**FIRST BANK**  
Serving North Carolina & South Carolina

**FIRST BANK**  
OF VIRGINIA

**PRIMER BANCO**  
FIRST BANK

## Works Cited

- Blue Ribbon Foods (GA) Utilizes Biodiesel in Delivery Trucks as Part of Green Initiative | BioFuels Journal. (2012, June 1). BioFuels Journal - News & Information for the Ethanol and BioDiesel Industries. Retrieved November 24, 2012, from [http://www.biofuelsjournal.com/info/bf\\_articles.html?ID=123366](http://www.biofuelsjournal.com/info/bf_articles.html?ID=123366)
- CNCA (2012, May 10). Consumer Demand for Organic Food Boosts Sales. CNCA Health Blog | Helping you take charge of your health. Retrieved October 3, 2012, from <http://blog.cncahealth.com/post/2012/05/10/Consumer-Demand-for-Organic-Food-Boosts-Sales.aspx>
- Covello, J. (2006). The complete book of business plans : simple steps to writing powerful business plans. Naperville, Ill: Sourcebooks.
- Fox, J. (2004). How to make big money in your own small business : unexpected rules every small business owner needs to know. New York: Hyperion.
- Greenwood, M. K. (2010, January 25). Three Most Common Problems with Online Grocery Shopping. Yahoo! Voices - voices.yahoo.com. Retrieved November 15, 2012, from <http://voices.yahoo.com/three-most-common-problems-online-grocery-shopping-5327875.html?cat=46>  
<http://advantage.marketline.com.jproxy.lib.ecu.edu/Product?pid=MLIP0112-0008>
- Local Harvest / Farmers Markets / Family Farms / CSA / Organic Food. (n.d.). Retrieved October 2, 2012, from <http://www.localharvest.org>
- McKeever, M. (2007). How to write a business plan. Berkeley, CA: Nolo
- Morris, M. (2008). Starting a successful business : start up and grow your own company. London Philadelphia, PA: Kogan Page.
- MyCorporation. (2011). How is an LLC different from a Corporation?. Retrieved from <http://www.mycorporation.com/learningcenter/llc-vs-corporation.jsp>
- National organic program. (2012, June 06). Retrieved from <http://www.ams.usda.gov/AMSV1.0/nop>
- Northwest Registered Agent. (2012). *Limited Liability Company Operating Agreement*. Retrieved from <http://www.northwestregisteredagent.com/pdf/multiple-member-managed-operating-agreement-short-form.pdf>
- Roth, C. (2011). The entrepreneur equation : evaluating the realities, risks, and rewards of having your own business. Dallas, Tex. Jackson, Tenn: BenBella Books Distributed by Perseus Distribution.

## Works Cited

- Small Business Administration. (2012). *Limited Liability Company*. Retrieved from <http://www.sba.gov/content/limited-liability-company-llc>
- Smith, J. (2011). *Start an online business : in easy steps*. Southam, Warwickshire, U.K: In Easy Steps.
- Stanley, J. (2006). *Start a business in North Carolina or South Carolina*. Naperville, Ill: Sphinx.
- Stolze, W. (1999). *Start up: An entrepreneur's guide to launching and managing a new business*. Franklin Lakes, NJ: Career Press.
- Thomas, C. (n.d.). How Much Does It Cost To Develop an App | iPhone App Development Costs. iPhone App Marketing | Bluecloud Solutions | How To Make Money With Apps. Retrieved October 2, 2012, from <http://www.bluecloudsolutions.com/blog/cost-develop-app/>
- U.S. Census Bureau (2010). American FactFinder - Results . *American FactFinder*. Retrieved November 29, 2012, from <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkml>
- Vistaprint (n.d.). Vistaprint - Business Cards - Full Color Printing - Digital Printing Company | Vistaprint. Retrieved October 5, 2012, from <http://www.vistaprint.com>