

Chews Green Executive Summary 2021-2022

ABOUT THE BUSINESS

OVERVIEW

Founded in October 2021, Chews Green started at Morris Hills High School in Rockaway, New Jersey. Our firm sells biodegradable, plastic-free, and chemical-free chewing gum in an effort to reduce the amount of plastic pollution that is caused by traditional gum. Our gum is made from ethically sourced chicle, a natural tree sap base that is not only healthier for human consumption, but also for the environment when discarded. We are a certified benefit corporation as we take pride in our promotion of social responsibility. We believe that our purpose is to create public benefit by spreading awareness for plastic pollution and attracting consumers to alternative chewing gum that does not harm the environment or one's health.

Our Team



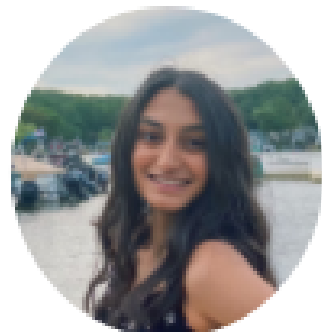
James Johnson
Chief Executive Officer



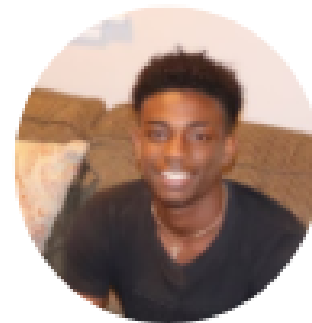
Julia Obser
Chief Technology Officer



Samantha Rosenberg
Chief of HR



Isha Gupta
Chief Financial Officer



Jomar Banguero
Chief Marketing Officer



Mission Statement

Chews Green promotes environmental sustainability by helping to eliminate the unnecessary plastic gum pollution plaguing our planet.

OUR PRODUCT

FLAVORS:

- SPEARMINT
- WINTERMINT
- BUBBLEGUM
- TROPICAL

PRICING

1-PACK: \$3.50
3-PACK: \$8.99
10-PACK: \$22.50
WHOLESALE: \$1.50

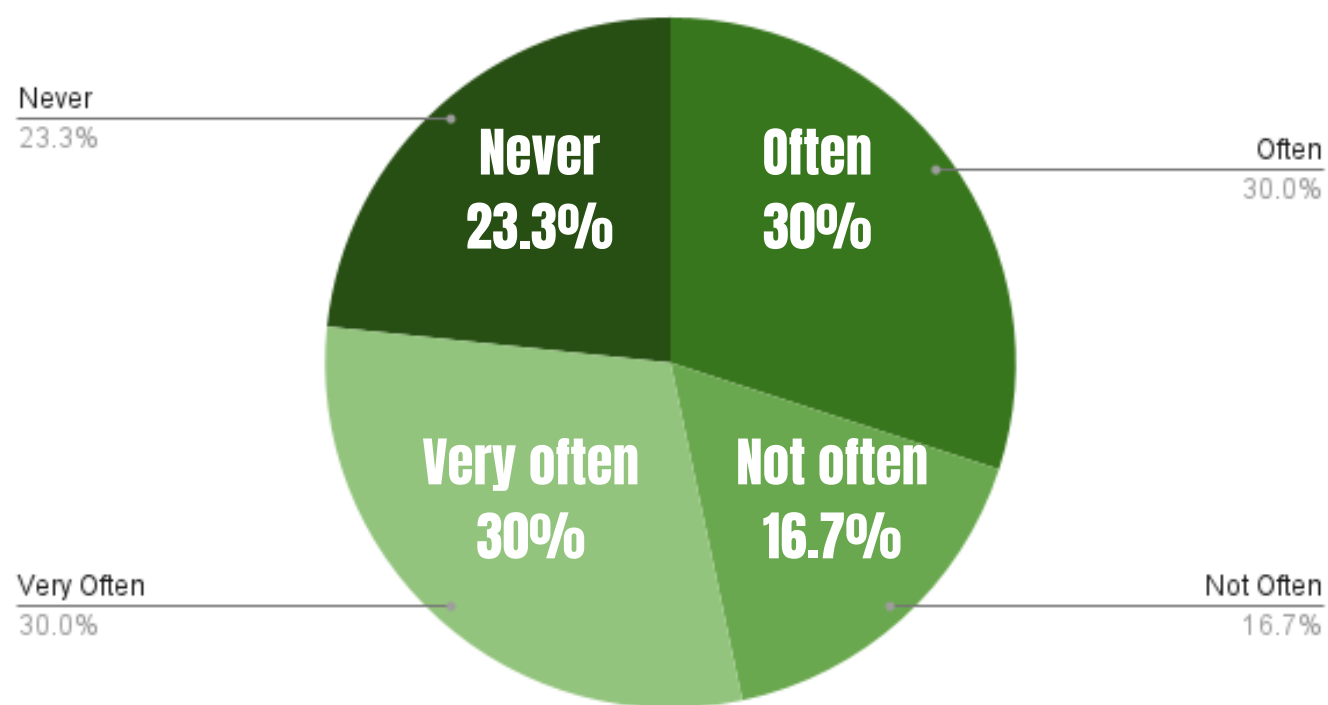


BUSINESS RATIONALE

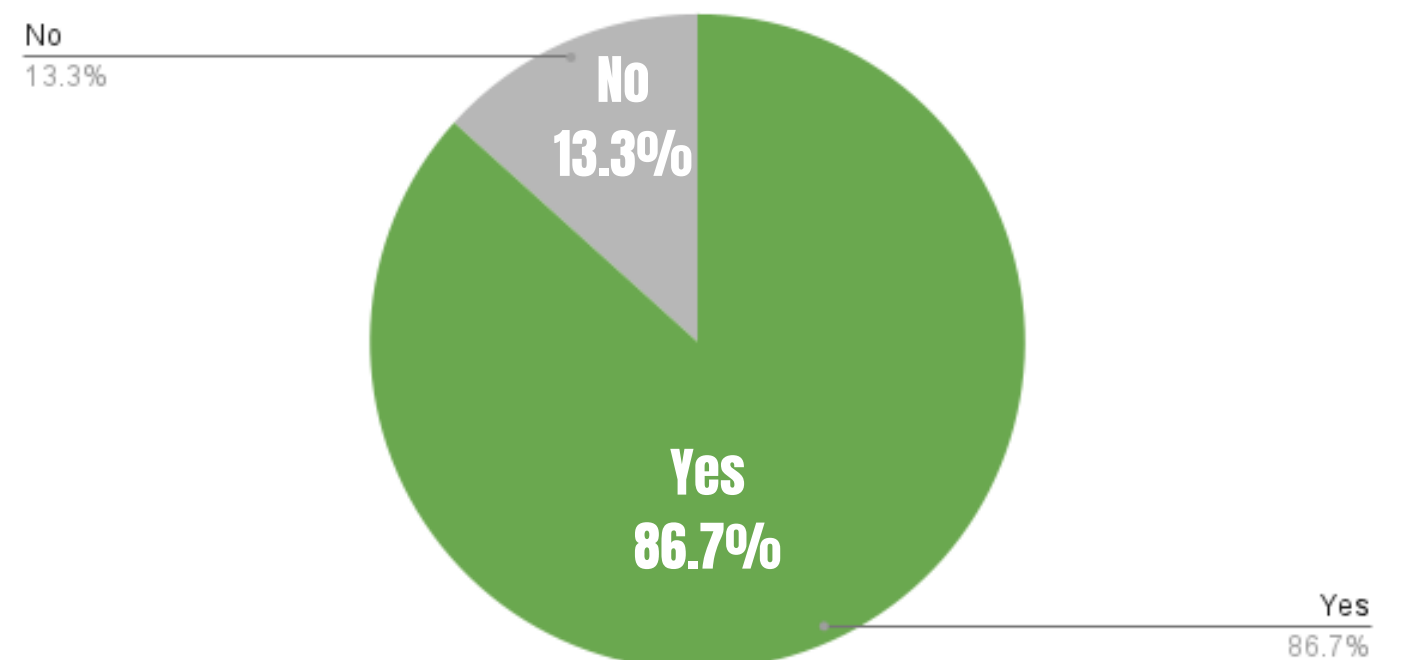
CONSUMER RESEARCH

We sent out a short survey to our student body asking the following questions:

How often do you chew gum?



Does the idea of biodegradable environmental friendly gum sound appealing to you?



CUSTOMER EMPATHY

As young adults, we understand the importance of prioritizing our health. Modern gum can be harmful to oral health as the harsh plastic particles contribute to the breakdown of tooth enamel. Additionally, many popular sugar-free gums contain artificial sweeteners such as **aspartame or sorbitol** which negatively affect the immune system due to the slow rate of metabolization in the human body [1]. Chewing gum should be guilt-free--and with Chews Green it is!

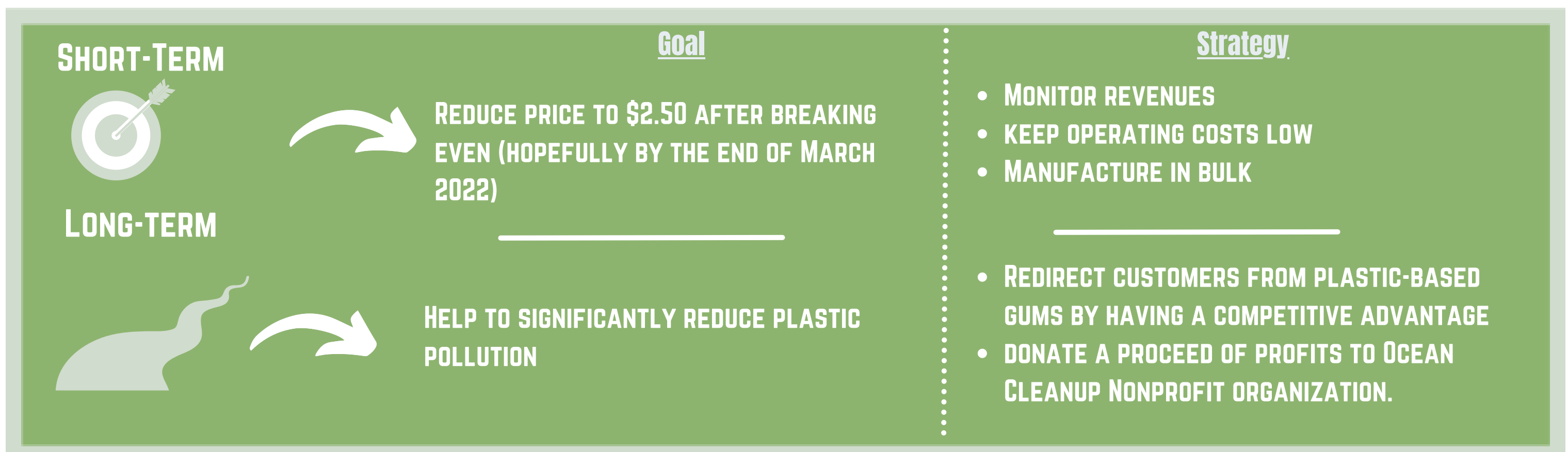
PROBLEM STATEMENT

Most industrialized chewing gum brands contain "gum base" which is comprised of a **long list of synthetic ingredients**, some of which may include petroleum, lanolin, glycerin, polyethylene, polyvinyl acetate, petroleum wax, stearic acid, and latex. When people conveniently and carelessly spit this synthetic malleable plastic onto pavements and sidewalks, it can stay stuck there for **up to 1,000 years**, not only destroying our Earth's natural beauty but also raising the risk of **toxins seeping into land and ocean food chains** [2]. It is estimated that in the next 5 years, **over 1 million tons** of chewing gum will be produced, chewed, and thrown away, completely unregulated [3]. Additionally, when large corporations began using plastic in their products, chicle farmers were abandoned and primary sources of this good including Mexico, Belize, and Guatemala lost an industry significant in bolstering their economy.

SOLUTION STATEMENT

To resolve this **GUM-believable pollution**, Chews Green sells chewing gum that is manufactured with organic ingredients and ethically sourced chicle which helps to **support Guatemalan farmers**. We use **100% xylitol**, a natural sugar alternative, and natural flavors. Our gum **does not contain any dyes, artificial flavors, or chemicals**. Our gum contains no plastic, so if it is littered onto pavements, it will eventually biodegrade, unlike traditional gum.

Company Goals



1] <https://www.uofmhealth.org/health-library/abj7112>

2] <https://makechange.aspiration.com/how-long-does-it-take-for-gum-to-decompose/>

3] <https://justoneocean.org/chewing-gum>

MARKETING PLAN

TARGET MARKET

Almost everyone chews gum! Therefore, Chews Green expects to make sales across all demographics ranging from all ages. With research, we have found that targeting specific ages and psychographics will help us maximize our revenue.

PSYCHOGRAPHICS

Chews Green targets consumers who are conscious about both their health and environmental sustainability. With our healthy sugar alternative use of xylitol, we cater to diabetic individuals or those who want to reduce their sugar intake. In our advertising, we highlight our short list of all-natural ingredients along with our biodegradable packaging. Additionally, our packaging's fun and unique design is aimed to attract younger groups.

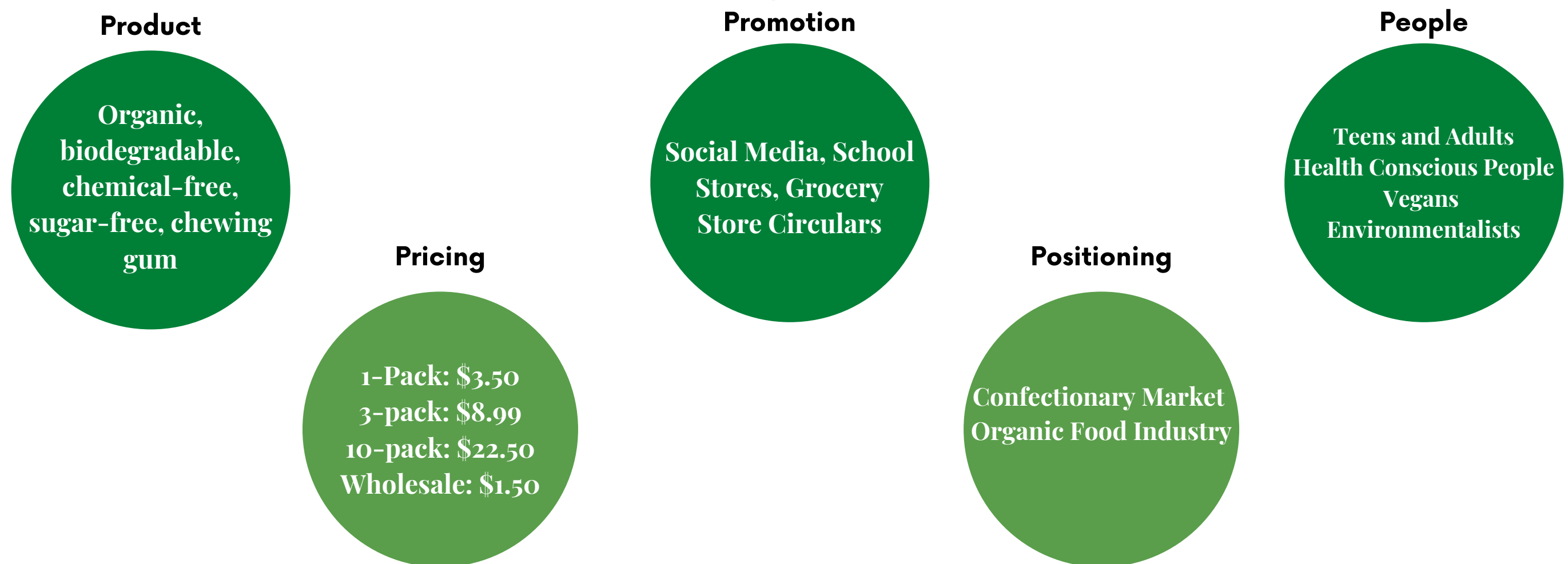
AGE RANGE

Teens and young adults ranging from ages 18-34 have been found to be the primary consumers of chewing gum [4].

GEOGRAPHIC

According to a recent 2020 survey, 160.03 million Americans chew gum and North America is one of the largest consumers of chewing gum [5]. It is also forecasted for the chewing gum market to grow at a rate of 4.39% within the period 2021-2026 [6]. It is noted that expanding health concerns among the population may hinder this growth due to artificial ingredients present in gum; however, Chews Green is not affected by this concern since our gum is all-natural.

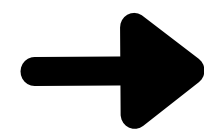
Our 5 P's






Marketing Budget

\$2500 per month

Diagram shows generations that we expect to reach on each platform based on engagement levels.



Instagram 	Google Ads 	facebook 
\$750	\$1000	\$750
Gen. Z	All Generations	Millenials & Gen. X

Risks and Strategies

Risks

- COMPETITION WITH ESTABLISHED GUM COMPANIES (EXTRA, TRIDENT, MENTOS)
- OUT OF NETWORK SALES ONLY WITH ONE GROCERY CHAIN (SHOPRITE)

Strategies

- USE MARKETING TO EMPHASIZE THE HEALTH AND ENVIRONMENTAL BENEFITS OF CHOOSING BIODEGRADABLE CHEWING GUM
- USE YEAR ONE TO GAUGE NUMBER OF RETAIL SALES AND ADJUST ACCORDINGLY THE NEXT YEAR.

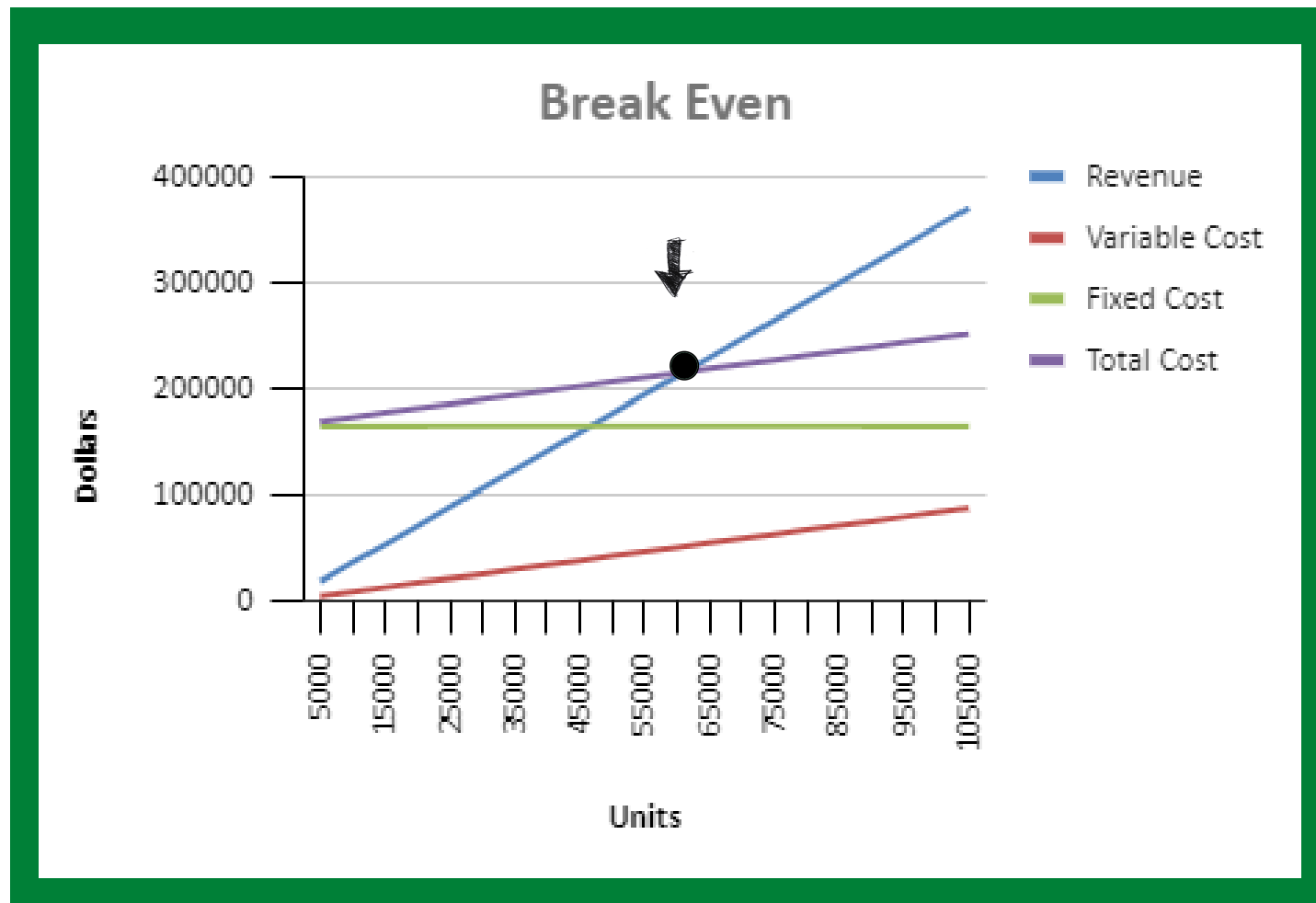
4] <https://www.confectionerynews.com>.

5] <https://www.statista.com/statistics/276026/us-households-consumption-of-chewing-gum-bubble-gum/>

6] <https://www.mordorintelligence.com/industry-reports/chewing-gum-market#:~:text=Market%20Overview,during%20the%20COVID%2D19%20pandemic.>



FINANCIAL HIGHLIGHTS



Break Even Analysis:

Total fixed costs: **\$164,430**
 Total variable costs: **\$50,734.90**
 Average selling price: **\$3.52**,
 Average cost of goods sold per sale: **\$0.83**.
 Profit margin rate: 76.42%.

We project that we will break even at **61,126** units totaling a revenue of **\$215,164**.

- Break even point

Chews Green projects **\$362,226** in total revenue resulting from online sales, trade fair revenue, and contractual sales to non-VE entities (ShopRite). Our cost of goods sold is **\$84,982**, thus making our gross profit **\$277,244** and profit margin **76.54%**. We also project our total operating expenses to add up to **\$164,430.37** including salaries, rent, advertising, etc. As a result, our net income after taxes will be **\$21,987.28**.

Profits and Loss

Projection for the fiscal year ending 4/30/2022

Sales revenues	
Online Sales	\$68,560.00
Trade fair revenues	\$176,371.00
Contractual sales to non-VE entities	\$95,886.31
Total sales revenues	\$362,226.00
Cost of goods sold	84,982
Gross profit	\$277,244.00
Gross profit margin	76.54%
Operating expenses	
Salaries	\$104,580.00
Rent	\$7,000.00
Payroll tax	\$8,000.37
Advertising	\$15,000.00
Promotion	\$15,000.00
Insurance	\$50.00
Supplies	\$1,800.00
Utilities	\$3,000.00
Furniture	\$500.00
Computers	\$4,500.00
Equipment	\$5,000.00
Total operating expenses	\$164,430.37
Income from operations	\$27,832.00
Other revenues/gains and expenses/losses	0
Net income before taxes	\$27,832.00
Corporate income tax	\$5,844.72
Net income after taxes	\$21,987.28

Balance Sheet

As of November 30th, 2021

Cash	\$170,000.00
Investments in stocks	\$0.00
Accounts receivable	\$17,238.00
Merchandise Inventory	\$4,827.00
Supplies	\$300.00
Total Current Assets	\$192,365.00
Fixed Assets	
Computers	\$4,500.00
Less: accumulated depreciation	
Furniture and fixtures	\$500.00
Less: accumulated depreciation	
Office equipment	\$5,000.00
Less: accumulated depreciation	
Total Fixed Assets	\$10,000.00
Total Assets	\$202,365.00
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	\$4,873.00
Sales tax payable	\$1,142.01
Salaries payable	\$24,478.00
Payroll tax payable	\$1,872.41
401(k) payable	\$0.00
Other payable	
Corporate tax payable	
Total Current Liabilities	\$32,365.42
Long Term Liabilities	
Loan payable	0
Total Liabilities	\$32,365.42
Stockholders' Equity	
Common stock, \$10 par value, * # shares issued	170,000
Additional paid-in-capital	
In excess of par value	0
Retained earnings	0

$$\text{Liabilities } \$32,365 + \text{Stockholder's Equity } \$170,000 = \text{Total Assets } \$202,365$$

Chews Green established 3 angel investors at \$50,000 each and 22.5% equity in total (7.5% each). We were also given \$20,000 in seed money to cover startup costs such as rent, equipment, and payroll. Our liabilities are comprised of sales tax, accounts payable (inventory), salaries payable, payroll tax payable, and corporate tax payable. Our assets are achieved through out-of-network sales contracts and fixed assets such as computers and office equipment.