



@food4thoughtvei

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# FOOD4THOUGHT



## ABOUT THE BUSINESS

Food4Thought offers healthy, artisanal snacks packed with nutrients and vitamins geared toward boosting mental wellness. The company provides accessible, on-the-go snack boxes where health and flavor align to feed your mind. The company began operations on October 1st, 2022. The company has a production facility at 3600 Pegasus Drive in Bakersfield, California. Food4Thought's website and app allow consumers to purchase snack boxes. As a start-up company, Food4Thought deemed it best to file as an S-corporation. Additionally, the company utilizes a circular org chart to promote a unified and collaborative work environment.

## MISSION STATEMENT



“Food4Thought offers healthy, artisanal snacks packed with nutrients and vitamins geared toward boosting mental wellness by providing accessible, on-the-go snack boxes where health and flavor align to feed your mind.”

## PROBLEM STATEMENT

According to a 2020 study produced by Health Match, 70% of Generation Z experienced symptoms of stress, anxiety, or depression in the past year. Additionally, 30% of Gen Z parents recognized symptoms of declining mental wellness within their children. These figures have, and continue to increase. Generation Z is also the most likely to snack on foods that contain extremely high amounts of sodium, fats, sugars and carbohydrates. According to Mental Health First Aid, high intakes of these macromolecules can cause blood sugar levels to heavily fluctuate, which can lead to symptoms including irritability, low energy, and even stress.

## SOLUTION STATEMENT

Food4Thought used the information gained from customer surveys to formulate a solution: healthy, artisanal snacks packed with nutrients and vitamins geared toward boosting mental wellness. The company has identified several ingredients with vitamins that are scientifically proven to reduce mental wellness problems. For example, vitamin B12, omega 3, L-theanine, and magnesium can lower stress and anxiety. Customers are able to purchase boxes focused on different mental wellness goals, such as the Anxiety Variety, a snack box geared toward reducing symptoms associated with anxiety.



## SHORT TERM GOALS:

- Increase app participation by 11% each month.
- Obtain majority (51%) of food and beverage market share within VEI.
- Increase monthly web sales by 15%.

## LONG TERM GOALS:

- Venture into mental health boosting meal kits by 2025.
- Create business-to-business contracts with 3 California school districts by 2026.
- Implement the company's top 3 snacks into big-box retail chain stores by 2026.

## PRODUCTS

The company centers each of its nutritional snack boxes around a specific mental struggle by implementing nutrients that are proven to reduce these problems. Food4Thoughts **four** separate wellness boxes include:

- 1) **Morale Munch**  
(depression)
- 2) **Snacks that Relax**  
(stress)
- 3) **Everything Will Be O-kale**  
(anxiety)
- 4) **Focus Fuel**  
(cognitive health)
- 5) **Custom and Holiday Specials**

## TARGET MARKET

### PRIMARY:

**Generation Z**, ages 16 to 25 are the most likely to snack. It is found that more than half of this age range suffers from depression or anxiety according to The Annie E. Casey Foundation. This demographic also aligns perfectly with the Virtual Enterprise audience, consisting of high school students.

### SECONDARY:

School districts throughout the state and eventually the nation.

### PSYCHOGRAPHIC:

Healthy minded consumers, who prioritize foods that boost physical and mental wellness.

### GEOGRAPHIC:

Food4Thought serves as an online retailer which allows the company to reach customers **nationwide**.

## PROMOTION

### Social Media:

- Seasonal campaigns
- Engaging posts
- Interactive surveys
- OTT Marketing

### Food4Thought App:

- Early access to products
- Exclusive deals
- One on one help
- Email promotions

### Trade shows:

- Giveaways
- Direct Selling
- Limited Sales

### B2B Contract/Partnerships (K.C.B.H.R.S. and C.A.P.K)

- Community outreach
- Pop up shops
- Personal selling
- Philanthropic footprint

## PRICE

Standard Boxes:

**\$15-45**

Custom Boxes:

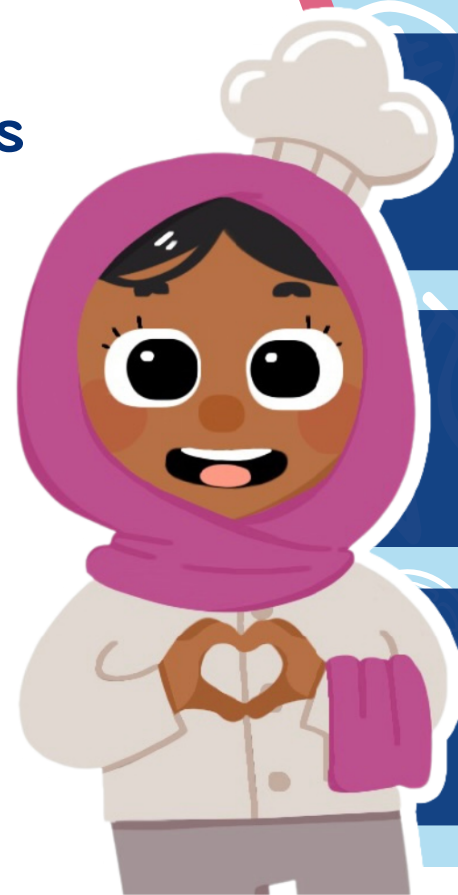
**\$14-84**

Average Retail Price:

**\$30**

Average Quarterly  
Subscription:

**\$150**



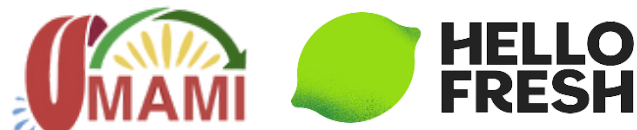


## GRAB-AND-GO

NUTRITIOUS



UNHEALTHY



## TIME INTENSIVE

## POSITIONING

Food4Thought positions itself as a nutritious, grab-and-go snacking option. The company prioritizes common mental health struggles by providing concentrated boxes with daily snacks proven to combat these problems. As busy lifestyles may lead to a lack of attention towards nutrition, the company hopes to alleviate some of this stress with convenient, on-the-go, nutritious snacks. By purchasing a Food4Thought snack box, consumers find peace of mind by effortlessly snacking in a healthy manner.

## RISKS

Heavily reliant on recurring sales and business-to-business contracts...

Consumers not utilizing the online snack shopping method, and instead opting for grocery stores...

Consumers not fully embracing the connection between nutritional snacks and their effect on mental wellness...

## SOLUTION

The company promotes special long-term price reduction in order to entice subscribers.

Food4Thought snacks are convenient, easy to select, and promoted through exclusive deals.

The company provides various informational videos and backed research on the company's website that show the science behind the effect of snacks on mental health.

## FINANCIAL HIGHLIGHTS AND PROJECTIONS

### START UP BUDGET

Fixed Assets	(\$92,215.00)
Operating Expenses	(\$329,904.00)
Total Out of Network Contract	\$147,600.00

**Total Cost Needed...**  
**(\$274,519.00)**

Total Loan Amount	\$150,000.00
Total Seed Money	\$125,000.00

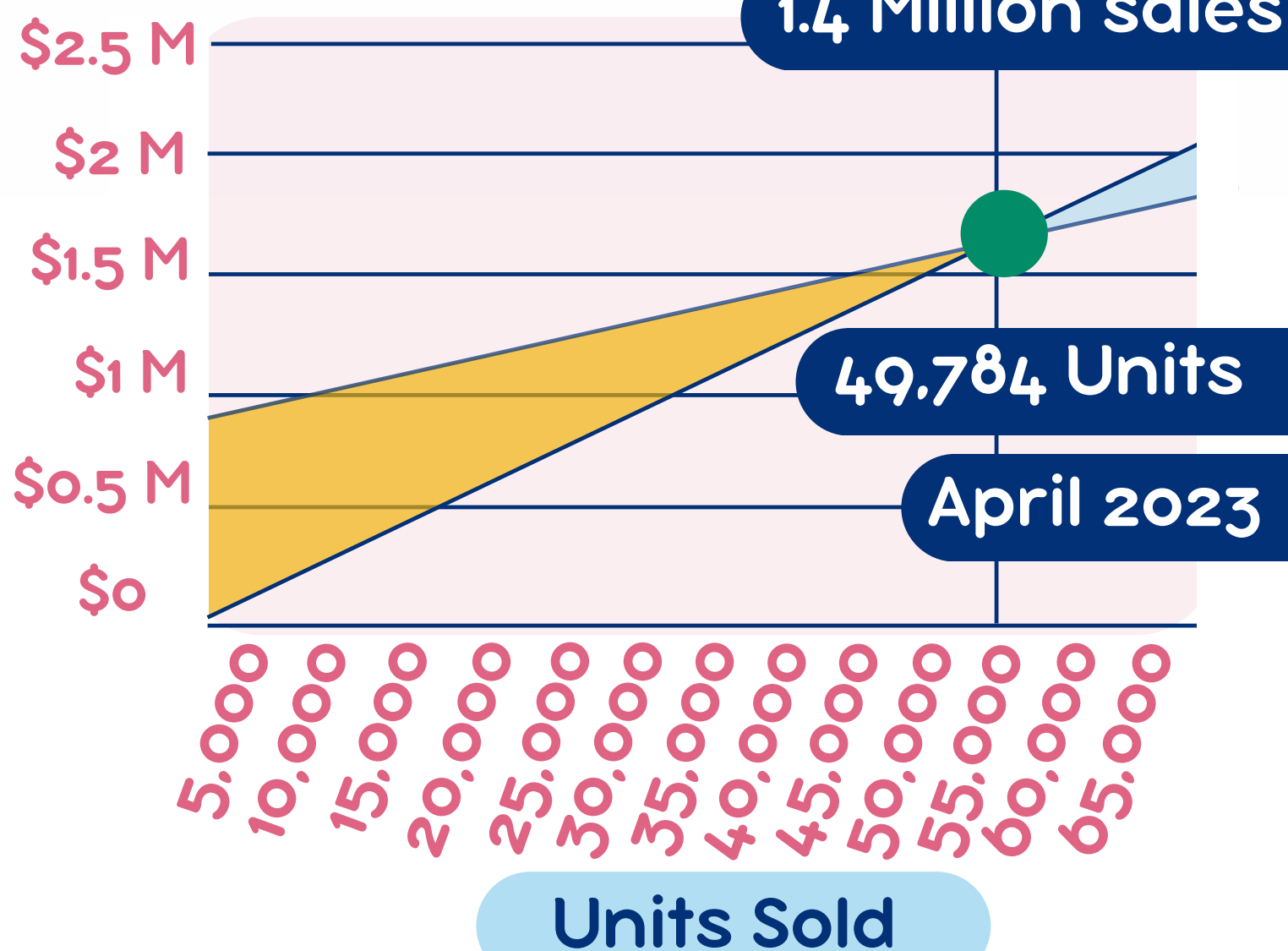
**Total Start up Amount...**  
**\$275,000.00**

During the initial planning of the company, purchases of necessary equipment and 2 months' worth of operating expenses equaled \$274,519. Food4Thought chose debt financing when considering initial start up cost. After taking out an initial loan of \$150,000, the company received \$20,000 of seed money from Virtual Enterprise. The executive board purchased \$105,000 worth of stock in the company. This investment allowed Food4Thought to successfully pay the initial start-up cost.

### BREAK-EVEN POINT

Food4Thought is expecting an annual fixed cost of \$785,090. The company's average retail price is \$30 with an average cost-of-goods sold at \$14.23. This gives the company a healthy profit margin of 53%. Food4Thought's break-even point is predicted in April of 2023 (based on sales projections) at 49,784 units sold, which equates to approximately \$1,493,513 in revenue.

\$ in Millions





# BALANCE SHEET

The company's Balance Sheet indicates that the company's total assets are \$482,640.29 and its total liabilities are \$219,922.66 as of February 2023. The company had \$137,718 in positive retained earnings. Additionally, the company has a current ratio of 1.98 and a quick ratio of 3.98 for the month of February.

Food4Thought Balance Sheet	
As of 2/28/2023	
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$198,267.06
Inventory	\$199,842.83
<b>Total Current Assets</b>	<b>\$398,109.89</b>
<b>Fixed Assets</b>	
Kitchen Equipment	\$75,000.00
Production Tools	\$13,600.00
Furniture and Electronics	\$3,615.00
Less: Depreciation	\$ (7,684.60)
<b>Total Fixed Assets</b>	<b>\$84,530.40</b>
<b>Sum of Assets</b>	<b>\$482,640.29</b>

Liabilities+Equity	
<b>Current Liabilities</b>	
Loan Payable Current Term	\$17,447.18
Salaries Payable	\$46,000.00
Sales Tax Payable	\$23,099.69
Payroll Tax Payable	\$11,294.00
<b>Total Current Liabilities</b>	<b>\$97,840.87</b>
<b>Long Term Liabilities</b>	
Notes Payable Long Term	\$122,081.79
<b>Total Long Term Liabilities</b>	<b>\$122,081.79</b>
<b>Equity</b>	
Common Stock @ \$10 per value, 2000 shares iss	\$125,000.00
Retained Earnings	\$137,717.63
<b>Total Equity</b>	<b>\$262,717.63</b>
<b>Sum of L+E</b>	<b>\$482,640.29</b>

# PROFIT AND LOSS (AS OF FEBRUARY 2023)

Income Statement									
For the Year Ending 4/30/2023									
	Actual October	Actual November	Actual December	Actual January	Actual February	Projected March	Projected April	Total	
<b>Gross revenues</b>									
Trade show revenues	\$ -	\$ 89,034.80	\$ 89,218.68	\$ 282,148.75	\$ 116,129.23	\$ 240,591.15	\$ 255,000.00	\$ 1,072,122.61	
Online Sales	\$ -	\$ 30,116.98	\$ 46,004.38	\$ 68,755.71	\$ 90,067.07	\$ 102,450.00	\$ 150,300.00	\$ 487,694.14	
Contractual sales to non-VE entities	\$ 73,800.00	\$ 73,800.00	\$ 73,800.00	\$ 73,800.00	\$ 73,800.00	\$ 73,800.00	\$ 73,800.00	\$ 516,600.00	
Donations	\$ -	\$ (964.20)	\$ (1,047.49)	\$ (2,116.83)	\$ (1,399.50)	\$ (2,084.21)	\$ (2,395.50)	\$ (10,007.73)	
<b>Total gross revenues</b>	<b>\$ 73,800.00</b>	<b>\$ 191,987.58</b>	<b>\$ 207,975.57</b>	<b>\$ 422,587.63</b>	<b>\$ 278,596.80</b>	<b>\$ 414,756.94</b>	<b>\$ 476,704.50</b>	<b>\$ 2,066,409.02</b>	
<b>Cost of goods sold or services provided</b>									
<b>Total Cost of Goods Sold</b>	<b>\$ 35,005.80</b>	<b>\$ 91,527.36</b>	<b>\$ 98,087.39</b>	<b>\$ 201,454.11</b>	<b>\$ 132,808.59</b>	<b>\$ 161,866.25</b>	<b>\$ 227,253.10</b>	<b>\$ 948,002.60</b>	
<b>Operating expenses</b>									
Advertising/Promotion	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 150,000.00	
App Development & Maintenance	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 8,000.00	
Facility Construction/Improvement	\$ 40,000.00					\$ 25,000.00		\$ 65,000.00	
Food Handlers Licenses (18)	\$ 151.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151.00	
Loan Interest (7.5%)	\$ 937.50	\$ 924.57	\$ 911.57	\$ 898.48	\$ 885.31	\$ 872.06	\$ 858.72	\$ 6,288.21	
Payroll	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 322,000.00	
<b>Payroll Taxes</b>									
Federal & State Withholding Tax	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 7,315.00	\$ 51,205.00	
Matching Medicare Expense	\$ 667.00	\$ 667.00	\$ 667.00	\$ 667.00	\$ 667.00	\$ 667.00	\$ 667.00	\$ 4,669.00	
Matching Social Security Expense	\$ 2,852.00	\$ 2,852.00	\$ 2,852.00	\$ 2,852.00	\$ 2,852.00	\$ 2,852.00	\$ 2,852.00	\$ 19,964.00	
State Disability Insurance	\$ 460.00	\$ 460.00	\$ 460.00	\$ 460.00	\$ 460.00	\$ 460.00	\$ 460.00	\$ 3,220.00	
Rent	\$ 6,450.00	\$ 6,450.00	\$ 6,450.00	\$ 6,450.00	\$ 6,450.00	\$ 6,450.00	\$ 6,450.00	\$ 45,150.00	
Security	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ 1,393.00	
Sewage	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 2,600.00	
Supplies	\$ 2,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 26,000.00	
Telephone/Internet	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 2,450.00	
<b>Total Insurance</b>									
Business Damage Insurance	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 10,500.00	
General Liability	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 21,000.00	
Workers Comp	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 7,000.00	
Trade Show (Online) Placement Registration						\$ 2,000.00	\$ 2,000.00	\$ 4,000.00	
Utilities - Gas and Electric	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 35,000.00	
Utilities - Water	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 2,100.00	
<b>Total operating expenses</b>	<b>\$ 120,581.50</b>	<b>\$ 106,417.57</b>	<b>\$ 106,404.57</b>	<b>\$ 106,391.48</b>	<b>\$ 106,378.31</b>	<b>\$ 133,365.06</b>	<b>\$ 108,351.72</b>	<b>\$ 785,090.21</b>	
<b>Income from operations</b>	<b>\$ (81,787.30)</b>	<b>\$ (5,957.35)</b>	<b>\$ 3,483.61</b>	<b>\$ 114,742.04</b>	<b>\$ 39,409.90</b>	<b>\$ 119,525.63</b>	<b>\$ 141,099.68</b>	<b>\$ 333,316.21</b>	
<b>Other revenues/gains and expenses/losses</b>									
Depreciation (20% Fixed Assets Anually)	\$ (1,536.92)	\$ (1,536.92)	\$ (1,536.92)	\$ (1,536.92)	\$ (1,536.92)	\$ (1,536.92)	\$ (1,536.92)	\$ (10,758.42)	
<b>Net income after taxes</b>	<b>\$ (83,324.22)</b>	<b>\$ (7,494.27)</b>	<b>\$ 1,946.69</b>	<b>\$ 113,205.12</b>	<b>\$ 37,872.98</b>	<b>\$ 117,988.72</b>	<b>\$ 139,562.76</b>	<b>\$ 322,557.80</b>	

# SALES PLACEMENT



# SALES PROJECTIONS

