



Moon Cold Process Soap

Business Plan and Funding Request

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Executive Summary

Moon Cold Process Soap is an online small business started by Julianna Soberanis that will focus on making soap products that will be vegan, cruelty-free, gluten-free, soy-free, palm-free, organic, and eco-friendly with a focus of offsetting its own carbon footprint.

This soap company's primary market is young people, ages 18-25 (in particular, Generation Z). Since this market tends to be online, this company wants to have a strong online presence to advertise its products. Moon Cold Process Soap fills the gap in the market for eco-friendly soap that young people are willing to put money in. After finding that Generation Z will spend up to \$51 in skincare products, Julianna wanted to invest in making a company to meet that demand.

If the online store does well, Moon Cold Process Soap plans to make deals with other business to sell some of its products in those stores.

To start the company, Julianna is asking for an SBA microloan of \$7,300 to pay for the expenses of

- creating 4 different products
- getting proper online materials to create the website and advertise online
- having stock of her products for about 1-2 years.

Each product will sell for \$6-13 each depending on the product, which will quickly return a profit to pay off the microloan.

Market Analysis

The main target of Moon Cold Process Soap will be young people, ages 18-25 (part of Generation Z), who care about what goes into their beauty products and if those ingredients are eco-friendly. According to a [report](#) by Kyra Media, over 50% of Gen Z think it's important to have eco-friendly products. Since this market tends to stick to social media, the best avenue to advertise products would be online, where anyone can access it. Moon Cold Process Soap's products will be vegan, cruelty-free, gluten-free, soy-free, palm-free, organic, and eco-friendly with a focus of offsetting its own carbon footprint.

There is demand, but the way other small business owners try to compensate is not keeping certain audiences in mind. The majority of small soap business owners try to sell their soap at farmer's markets or craft shows, but the target audiences of those events are other soap business owners and older folks who aren't willing to pay \$6-13 per bar of soap.

According to a 2020 [report](#) by First Insight, 73% of Gen Z consumers surveyed were willing to pay more for sustainable products, more than every other generation. This means that younger folks, who are the company's target audience, are willing to invest into these kinds products for the sake of the environment which a lot of other soap businesses do not do. In that same Kyra Media report, in a survey, 75% of Gen Z are willing to spend \$10-51 for a skincare product (which includes soap). This means that the prices put for my products (around \$6-13) will be affordable to this generation.

Competition

LUSH

[LUSH](#) is a chain of organic, "fresh," and supposedly eco-friendly beauty product and cosmetic stores. This company has been around since 1995 and is dedicated to giving their consumers high quality products. They have in-person stores, but they don't have too many, so a lot of their sales are online. Their audience is broader than mine, but they have a similar idea of marketing their products to younger consumers since they know that these consumers are willing to spend more for quality products. They post regularly on different social media platforms, using strategies that some other major soap businesses would not.

They claim that they are sustainable, transparent, and fair trade; however, with research on their website to find where exactly they get their soy products from since soy isn't the best kind of resource to use in cosmetic products. They don't list where their soy is from even though they have an ingredient finder tool. Additionally, according to the [World Wildlife Fund](#) (WWF), "Various aspects of soy production generate greenhouse gases that contribute to climate change. Tropical countries like Brazil, Argentina and Paraguay face emissions from deforestation and area conversion. The Brazilian Government estimates that carbon dioxide emissions associated with conversion of the Cerrado are equivalent to more than half the total emissions from the United Kingdom for 2009."

It's important to know where these ingredients come from if a store claims that they are transparent to their customers about where they get their products from. Moon Cold Process Soap will eliminate this problem by not including soy in its soap products and having where the company gets its ingredients readily available to consumers.

Etsy.com - Small Soap Businesses

[Etsy.com](#) is a great platform for an online small business to start up and get the help they need with advertising and other online needs; however, they have fees that add up and don't allow for business to get all the money they deserve with each purchase. Each small soap business focuses on selling cold process, hot process, and rebatch soap, but there are so many results competition with other small soap business owners that each product competes for a similar audience and they end up selling their soap cheaper than it should be for an actual profit.

As mentioned before, there is a demand, but also too many people competing for a sale on this website. Moon Cold Process Soap goes around this by not competing with the smallest price. The owner will create the company's website and organize the prices she believes fit her products best instead of giving the smallest price for her products.

Additionally, Etsy.com does not regulate and check each listing to make sure it fits with FDA and specific state standards of selling beauty products and cosmetics. Since this is a global online marketplace, it's important to consider the standards that products should be at. It doesn't have the same reputation as other websites do. With these products, the owner will do her best to make sure that it meets up to high quality FDA standards that my customers will expect with specific pH strip testing.

Royalty Soaps

[Royalty Soaps](#) is a small soap and cosmetic online store that also focuses on a younger audience (which includes millennials, ages 25-40). It's a small business, but they always sell out every time they launch a new product. Its soaps are eye-catching and colorful, but they do not have any kind of advertisement towards being eco-friendly. However, this business uses high quality products and is transparent about which resources it uses such as their organic RSPO certified palm oil and the company being soy-free.

This company is a strong competitor that has been in the business ever since 2012, but with my specific audience and method of advertising, I can also stand up to other, strong competitors like this one.

Company Description

Moon Cold Process Soap LLC is a small online soap business selling various types of cold process, rebatch, and glycerin soap. All business affairs will start online using Wix, a website building tool, and social media. This company will be run by one person, Julianna Soberanis, who will be in charge of running the online portion of this business while also creating soap products.

These soap products will be vegan, cruelty-free, gluten-free, soy-free, palm-free, organic, and eco-friendly with a focus of offsetting its own carbon footprint. Using online methods, this company will be able to sell to young people ages 18-25 (the oldest of Generation Z). The products will not completely be cold process soap, but the majority of it is cold process soap.

Organization and Management

Moon Cold Process Soap will be organized as a Limited Liability Company (LLC). Julianna Soberanis will be the sole owner and employee of the company, so the corporation will be considered a single member LLC; therefore, she will fill out a Schedule C on with her Form 1040 for tax purposes. There will be no additional employees unless demand increases drastically. She plans on working with this business as a side job.

Julianna Soberanis, Owner

As the sole owner of this soap company, Julianna will be in charge of:

- Creating content for each social media platform (Twitter, Instagram, and TikTok)
- Keeping up the website with high quality customer service
- Managing the company's website
- Organizing, distributing, and delivering each online/retail order
- Making and testing soap products
- Curing soap products
- Keeping up the brand and image of the company
- Maintaining the financial aspects of the company

Julianna Soberanis currently has a Bachelor of Science in Professional and Technical Communication and is in the process of getting her Master of Arts in the same major.

Her education makes her qualified to organize and advertise this company to make as many sales as possible. She has learned web design principles to build and maintain the company's website; she has also created designs and prototypes of mobile versions of web applications, so the company's website will be responsive and user-friendly. She also has experience in creating content for specific audiences (such as the target demographic for Moon Cold Process Soap). Additionally, she also has a certification in Social Media from HubSpot which taught her the principles of running multiple social media platforms and what to emphasize while creating and reusing content.

Julianna also has a year of experience in making and testing cold process soap. She has three years researching and developing soap recipes with specific measurements and ingredients. Currently, she has made over 30 pounds of soap products and hopes to continue this with this small business.

Marketing and Sales Strategies

Website Creation

Since Moon Cold Process Soap will be online, it must have a secure website that is built specifically for business purposes. The owner plans on using Wix, a website builder that also helps track and secure each business transaction. Wix also includes an SEO builder tool that can help me build my business and keep track of what works on the website. Wix allows website owners to create an online shop and upload new products whenever the owner wants to sell something.

Social Media

Moon Cold Process Soap will be mainly advertising on social media, specifically on Instagram, TikTok, and Twitter. Each social media platform will be advertising the online store and each product. Before the launch a new series of products, the company can advertise the launch to build traction across each platform. One strategy is to keep in mind certain aspects of each platform and what kind of marketing content works on each, but if the company targets the right consumers, this soap business will have more exposure, thus more customers.

To keep up with the demands of social media, the company will be creating content throughout the week that will be reused and posted to each social media platform. In order for this content to be seen, the company will post during peak hours so that potential customers will be exposed to these products.

Below are the days and times when content will be posted:

- **Instagram:** Monday through Friday, 9AM to 4PM
- **Twitter:** Monday through Friday, 12PM to 1PM
- **TikTok:** Tuesday, Thursday, and Friday, 6AM to 10AM

The content that will be posted to each platform will be images, videos, and stories. Using pop culture in a copyright-free setting will allow the company to reach more people it could not otherwise.

Flyers and Deals

This is an online business, but it can still grow locally with flyers and making deals with local retailers in the area. First, this company plans to put up flyers where target customers spend a lot of time. This could be at local coffee shops, colleges/universities, and other places where people who might be interested in soap would be (i.e. gyms, yoga studios, and health food stores).

Second, once there is enough stock and interest in this company, it will be possible to make deals with specific retailers that would be interested in selling beauty products. In the DFW metroplex, some stores specifically sell items that are local to the area. Since these products are made in this area, it will be easy to make a deal with them to sell these products in their stores. These cold process soap products don't expire quickly, so they'll be able to last for a long time and not get damaged during distribution.

Product Line

As mentioned before, Moon Cold Process Soap will be selling various types of cold process, rebatch, and glycerin soap that are vegan, cruelty-free, gluten-free, soy-free, palm-free, organic, and eco-friendly with a focus of offsetting its own carbon footprint.

Below are examples of a few products Moon Cold Process Soap will release on its website's launch date. The owner has made these continually over the past year or so. The rebatch type soap will not be made unless a batch of soap backfires or does not sell as it requires old or bad products.

- **Summery Coconut Lime Cold Process Soap (it is in the image on the cover page)**
 - This cold process soap is made with lye (sodium hydroxide), coconut milk, coconut oil, and lime essential oil. It has a 5% superfat, which means this soap will have moisturizing qualities to it. Will be sold for \$12 per bar due its difficult manufacturing process. The owner will make 30 bars for the original launch date.
- **Triple Chamomile Cold Process Soap**
 - This cold process soap is made with lye (sodium hydroxide), chamomile tea, olive oil, coconut oil, castor oil, chamomile essential oil infused with jojoba oil, and homemade chamomile powder. It has a 5% superfat, which means this soap will have moisturizing qualities to it. Will be sold for \$9 per bar. The owner will make 30 bars for the original launch date.
- **Rose Gardenia Red Clay Cold Process Soap**
 - This cold process soap is made with lye (sodium hydroxide), rose water, olive oil, coconut oil, castor oil, cocoa butter, shea butter, gardenia essential oil, and cosmetic-safe red clay. It has a 5% superfat, which means this soap will have moisturizing qualities to it. Will be sold for \$11 per bar. The owner will make 30 bars for the original launch date.
- **Clear Colored Glycerin Soap Gems and Flowers**
 - This soap is made with a glycerin soap base and soap-safe dyes. This is planned to be sold as "grab" bag with multiple, small clear soaps. Online, these soaps will be for sale during Fall and Winter to prevent melting. In-stores with a deal or partnership, these soaps will be sold year-round. Will be sold in packs of 6 and 12 with prices of \$7 and \$13 respectively. The owner will make 540 individual small soaps for the original launch date.

Funding Request

Through the Small Business Administration (SBA), Moon Cold Process Soap is asking for a microloan of \$7,300 through the [People Fund](#) in North Texas. This will cover online business expenses for two years and enough ingredients for 3 launches which could be last (when starting) about 1-2 years depending on how well successful the business is.

Below is a table of my projected expenses.

Items	What is Included	Costs + Taxes
Wix Website Hosting and Domain for 1 year		\$350.73 x2
Adobe Creative Cloud for 1 year		1,039.07 x2
Carbon Footprint Offset, annual renewal		422.18 x2
Soap Making Ingredients	Lye, coconut oil, olive oil, cocoa butter, shea butter, castor oil, rose water, chamomile tea, coconut milk, red clay, melt and pour base, soap dyes, gardenia essential oil, lime essential oil, and chamomile essential oil	340.08 x3
Soap Making Supplies	Spatulas, funnels, stick blender, container, molds, soap cutter, gloves, goggles, and a safety apron	237.60
Shipping Supplies	Thermal mail label printer, USPS scale, and mailers	253.22
Total		\$7,286.35

Wix Web Hosting and Domain

[Wix.com](#) is a website building platform that has special features for small online business owners. The price included is from their yearly business plan.

Adobe Creative Cloud

In order to create high quality, visual content, the owner requires Adobe Creative Cloud which gives the owner access to different kinds of services such as photo editing, video editing, and more. It also comes with a program that is able to calculate different statistics from social media platforms and the company's website.

Carbon Footprint Offset

The goal of this soap is to completely offset the company's carbon footprint by donating to a company called [Carbonfund.org](https://www.carbonfund.org). With the money they receive, they are able to put the money towards different kinds of carbon reduction project across the planet.

Soap Making Ingredients

Cold process soap requires three main elements: lye, oil, and liquid. As mentioned above in "Product Line," all the cold process soaps list their ingredients and what they need. The price listed is what is enough for one launch, 30 bars of soap for each cold process soap batch. The rest of the cost goes into buying glycerin soap base and soap dye.

Soap Making Supplies

The items listed in this row do not need to be replaced in the next five years. As working with lye is dangerous, the majority of this cost goes into safety equipment and containers to properly hold uncured soap.

Shipping Supplies

This section includes items that do not need to be replaced besides the mailers and shipping labels. The company purposely chose compostable mailers and a thermal printer because they reduce costs and byproduct waste. The USPS scale helps when weighing packages as it has USB connectivity and can input all shipping data to USPS directly.

References

- Gen Z State of Beauty Report*. Kyra Media. Retrieved December 11, 2021 from <https://kyra.com/assets/Kyra%20Media%20-%20State%20of%20Beauty%20Report.pdf>
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