

BUSINESS PLAN

Blue Cottage Farms
5552 179th Lane NW, Ramsey MN

July 17, 2020

Executive Summary

The Ownership

The company will be structured as a sole proprietorship.

The Management

Christopher and Rachel Massmann are both owners (50/50) of Blue Cottage Farms. The work will be divided evenly between them both.

Rachel will manage the marketing, social media and bookings for all events. She will work with the clients on the details of their events and manage or work with all of the vendors for the event day.

Chris will manage the finances which includes contracts with the clients, invoicing and accounting records. He will be in charge of maintaining the property, landscaping, repairs and upkeep.

Chris and Rachel will work together on the day of the event with set-up of tents, tables, chairs, decorating, and all vendors.

The Goals and Objectives

Create an affordable wedding and event venue for the surrounding community. We have a property with 15 acres of land and a barn that is perfect for hosting small to large gatherings. Our private home is also on the property, which will be off limits to our client and their guests. We were married on this property and have hosted several family graduation parties, birthday parties, and gatherings with friends and family. We understand the work it takes and what the best setup entails for events, big or small. We have the ideal location with plenty of parking.

Financial:

We will have minimal startup costs due to the fact we own and have lived on the property since April of 2015, and have been slowly working on the barn, landscaping, and out buildings. Money received for events will be put back into the business for upkeep and improvements as can be afforded. No loans are required, as personal savings from our full-time jobs are being used for current upkeep and improvements. Our goal is to turn a profit within two years of operating the event business.

Within the calendar year of 2021 we plan to start small by hosting 1-2 weddings, 1-2 small events and

advertise through social media and word of mouth. We have pricing ready for clients and a brochure that lists out costs.

Within five years, we hope to grow the business and have 12 out of 16 available weekends booked for events and we have grown in popularity. At this time, sales should be forecast at 10-15K a month.

The Product

The primary service being provided by Blue Cottage Farms is a venue and event rental space.

The rental space includes a barn and 15 acres of land to hold the events. Clients will sign a contract to be allowed to rent the land and barn for personal events such as weddings, graduation parties, reunions, birthday parties, bridal showers, receptions, ceremonies, etc.

With the popularity of barn venues, this will appeal to many people. You can decorate to your specific taste and style, as our barn will be a blank slate. There is wide open spaces for the ceremony, reception, and parking.

With the current pandemic (COVID-19) there will be a need for outdoor venues over the next few years where people are not in an enclosed space.

The Target Market

The target market is for newly engaged couples looking for an event venue to hold their weddings. The age range is anywhere from 21-65 for a wedding or vow renewal. The venue is perfect for anyone that would like a beautiful outdoor setting and host up to 200 guests.

The second target market is for young adults who graduate from High School and are looking for an event to hold a celebratory reception with their friends and family. Many people like the convenience of hosting events that is not their private residence. This gives them the opportunity to have a unique setting, with less stress.

Pricing Strategy

Our approach will be to host affordable weddings and gatherings. As we gain in popularity and start to acquire assets (tents, tables, & chairs) we will adjust pricing to include the rental of these items.

We have priced out six different event options, in two categories. 1. Small event gatherings and 2. Wedding gatherings (more costly and timely to plan).

Small Event Pricing:

Small Gathering Package

Up to 50 Guests

1 Hour Setup

3 Hour Event

1 Hour Tear Down

Hosts are responsible for tables and chair setup pre-party

Clients are responsible for decor set up, food and drink setup, tear down and cleanup

Porta Potty required and included in rental price

\$550.00

Intimate Ceremony Package

Up to 20 guests

1 Hour Ceremony

Minimal Setup/Decor 1 Hour prior to event

Hosts to set up tables/chairs if needed

Hosts to tear down tables/chairs

No Porta Potty required

\$350.00

Graduation, Open House, Reunions

1 Hour Setup

3-4 Hour Event

1 Hour Tear Down

Clients are responsible for decor set up, food and drink setup, tear down and cleanup

Porta Potty required and included in rental price

\$650.00

Wedding Event Pricing:

Do-It-Yourself Wedding Package

Up to 200 guests

Wedding day 9 a.m. - 11 p.m.

Client rents all tents, tables, chairs and will set up

Client provides all decor, linens and vendors

Client is responsible for tear down and cleanup

Client is responsible for Porta Potty rental

\$1750

Basic Wedding Package

Up to 200 guests

Decor drop off and setup at 4-6 p.m.

Wedding day 9 a.m. - 11 p.m.

Client rents all tents, tables, linens and chairs ~ to be delivered day before to the farm

Client provides all decor and vendors

Setup, tear down, and cleanup will be provided by Blue Cottage Farms

Porta Potty provided by Blue Cottage Farms

\$3000

Ultimate Wedding Package

Up to 200 guests

Rental starts the previous evening for decor set up, rehearsal and dinner 4-8 p.m.

Wedding day 9 a.m. - 11 p.m.

Client provides all decor, linens and vendors

(2-3) 20'x40' Tents, (25) 5' Round tables, 200 White Metal Chairs rented and set up by Blue Cottage Farms

Tear down and clean up provided by Blue Cottage Farms

Porta Potty provided by Blue Cottage Farms

\$5000

Blue Cottage Farms will provide the rentals and one porta potty for specific packages. Pricing will be dependent on number of guests.

If Blue Cottage Farms provides tents, tables, chairs and porta potty the price includes a 60% markup.

The Competitors

There are several barn venues in the Minneapolis/St. Paul and rural areas. Their competitive advantage is an established venue, size of their barns, catering facilities, bathroom facilities, owning tables/chairs/tents and being able to charge a premium price for their business. The prices range from simple ceremonies to elaborate in the \$5,000-\$17,000 price range.

Most of the larger competitors are located more south of the Twin Cities area and 1-2 hours from our own venue. A small competitor with a barn venue is located three miles away and they are competitively priced with a kitchen and bathroom facilities. The barn is not authentic, as it was recently built out of steel and does not have a lot of character. There is no alcohol permitted on the property and with their wedding packages the client must tear down and clean up before the end of the night. We will allow our guests to come back the next morning to clean up and return all rentals by noon.

In 2018, the average cost of a wedding for couples is \$28,000. Our goal is to provide a beautiful, unique venue that is affordable to couples that can't spend a lot of money and want to do the bulk of the work themselves. Our pricing is extremely competitive and a little underpriced to get established and gain clients.

Some advantages we will have with our venue will be an old original barn in excellent condition with rustic charm that couples are looking for. From a planning perspective, a wedding barn is something of a blank canvas. Barns allow for limitless ways to decorate and personalize your nuptials. Rachel has the advantage of being a designer and being able to bring a bride's vision to life, while offering creative services.

Another advantage is the property has fields for parking and everything can be held in one location, from exchanging vows to the reception and dance.

Business Plan - Blue Cottage Farms

The Company

Business Sector

The owners would like to start a business in the professional and technical services sector.

Company Goals and Objectives

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Financial:

We will have minimal startup costs due to the fact we own and have lived on the property since April of 2015, and have been slowly working on the barn, landscaping, and out buildings. Money received for events will be put back into the business for upkeep and improvements as can be afforded. No loans are required, as personal savings from our full-time jobs are being used for current upkeep and improvements. Our goal is to turn a profit within two years of operating the event business.

Within the calendar year of 2021 we plan to start small by hosting 1-3 weddings, 3-5 small events and advertise through social media and word of mouth. We have pricing ready for clients and a brochure that lists out costs.

Within five years, we hope to grow the business and have 12 out of 16 available weekends booked for events and we have grown in popularity. At this time, sales should be forecast at 10-15K a month.

Company Ownership Structure

The company will be structured as a sole proprietorship.

Ownership Background

Christopher and Rachel Massmann (owner):

Chris and Rachel are both educated with college degrees. Chris graduated in 1998 from Hennepin Technical College with an associates degree in cabinet making. Rachel graduated from Bemidji State University in 2000 with a Bachelors of Science degree in Design Technology.

They both have extensive event experience, as they each work for the same company called Star Exhibits and Environments. Chris has been with the company for 22 years and Rachel 20 years. Chris works on the production side of the company managing and running projects which include estimates, drawings and vendors. He works closely with the in-house production facility to ensure timelines are met and projects are built to specific requirements. He is involved in the build and setup of most projects along with supervision of setup and working with clients on their events.

Rachel is a senior graphic designer, providing creative for trade shows, corporate interiors, retail and events. Her main focus is understanding a clients goals and objective for marketing and branding their product at events. She also works with the marketing department within Star to advertise and create brand awareness through collateral and social media. Rachel has also worked with brides for over 15 years creating memorable wedding invitations and signage for their special day. She is a pro at decorating spaces and providing recommendation on set-up and flow for events.

Both Chris and Rachel have a wood working shop on their property which they design and build items for their friends and family, home and personal use. It will come in handy to make improvements and updates to the property as needed and add items to their inventory of offerings for events being hosted on the property.

Chris also owns and operates a business called M&G Properties with two partners. They own and maintain three rental properties. They bought the properties, did all of the work to fix them up and prepare them for renters. He understands about renting, lease agreements, contracts, taxes, accounting and running and maintaining a business.

Company Management Structure

Christopher and Rachel Massmann are both owners (50/50) of Blue Cottage Farms. The work will be divided evenly between them both.

Rachel will manage the marketing, social media and bookings for all events. She will work with the clients on the details of their events and manage or work with all of the vendors for the event day.

Chris will manage the finances which includes contracts with the clients, invoicing and accounting records. He will be in charge of maintaining the property, landscaping and repairs and upkeep.

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Organizational Timeline

Spring of 2020-Fall of 2020:

Work on Barn -

June: Take out old and pour new concrete in barn

July: All new electrical in barn to be up to code

Add EXIT Signs

August: Add wood paneling to walls

May of 2021: Add deck off hay mound, with landscaping

Fall of 2020

Work on Permits -

- Building permits
- Business license
- Certificate of occupancy
- Liquor license
- Food handler's permits
- General liability insurance

Marketing and Advertising -

Summer of 2020:

We plan to advertise through social media such as Facebook and Instagram to reach an audience that has a need for an event venue. This will build interest and attract bookings. List the property on wedding and event venue sites.

Spring/Summer/Fall 2021

Offer bookings starting in May 2021, running to October 2021

Spring/Summer/Fall 2022

Goal is to book six weddings for this calendar year.

Spring/Summer/Fall 2024

Plan to build a bridal and groom suite on the property to accommodate a bridal party. This will give the bride and groom's families the opportunity to have their own space to get ready and store their belongings. Funding will come from profits.

Spring of 2025

Build a bathroom facility. Funding will come from profits.

Spring of 2031

Build a new home on our property to live in. The current home, which is a 5 bedroom rambler would be used as a rental property to the bride/groom. Offered as part of the wedding package for a weekend rental. Can also be used for catering facilities.

Staff

We do not plan to hire staff in the first few years, as we plan to host and run the events. We will be on hand for the duration of every event and proving what is needed. For weddings we will ask the client to be responsible for staffing the event with their catering company and bartenders. We will be on hand for clean up during the event. In our wedding packages, the client will be responsible for set up, tear down, and cleanup. If the business grows to be larger and we can afford to add 1-2 people we will evaluate this need.

Company Assets

Chris and Rachel Massmann privately own the 15 acre parcel of land and barn in which the event business will be run. There is some inventory Blue Cottage Farms owns, along with decor. Assets are valued at or around \$1000.

The Product

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birthday parties, bridal showers, receptions, ceremonies, etc.

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Marketing Plan

The Target Market

The target market is for newly engaged couples looking for an event venue to hold their weddings. The age range is anywhere from 21-65 for a wedding or vow renewal. The venue is perfect for anyone that would like a beautiful outdoor setting and host 200-250 guests.

The second target market is for young adults who graduate from High School and are looking for an event to hold a celebratory reception with their friends and family. Many people like the convenience of hosting events that is not their private residence. This gives them the opportunity to have a unique setting, with less stress.

Pricing

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Advertising

Advertising will take place mainly through social media and work of mouth. Social media will direct interested people to the event website. The website will be created and updated by Rachel, who is a professional designer with experience in maintaining a site. Cost will be \$30 a month to maintain the site, which will be \$360 year.

Branded collateral such as business cards, letterhead, invoices, contracts and downloadable pdf brochures will be created. The cost will be \$150 to print business cards.

A branded sign for Blue Cottage Farms will be designed and created by Rachel to advertise the business. It will have the name and phone number of the business and be placed on the entrance of the road leading to the farm. Chris has built the structure out of materials we own, and the sign will be printed for \$100.

Initial marketing costs for the first year will be \$700. For years following, the marketing plan will be reevaluated and the budget will go up for more marketing efforts.

Ultimate goal would be a vendor at bridal shows to advertise the business.

Competitor Analysis

The Competitors

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Another advantage is the property has fields for parking and everything can be held in one location, from exchanging vows to the reception and dance.

Operations

Daily Operations

Our day to day operations will be maintaining the property - mowing, weeding, painting, repairs. Client calls and working with vendors will take place on evenings and weekends. Event timelines, event details and invoicing will be worked on in the evenings and weekends. Client meetings will take place on the property (Saturdays from 9am - 12pm) and walk throughs will happen one month prior to the event day.

When the event is three days away, the property will be evaluated for any upkeep and repairs.

Day before event Chris and Rachel will set up rental items, working 4-6 hours that day. Day of event will be all day, with operating hours from 9am - 11pm.

Operational Facilities

The main operations will take place at Blue Cottage Farms. There is some work to be done on the barn to prepare for the 2021 wedding and event season.

The barn is in good condition and won't need renovations for the start of the business. There are future plans to add on to the barn space. A large deck from the haymound, landscaping and future cottages for bridal parties are in the five year plan.

The barn is currently 1100 sq. ft. We will need operating permits and occupancy permits with a walk-through by the city to decide on how many are allowed to be inside the barn at one time. All large events 50+ people will be required to be held outside. Tents will be required in the agreement to provide shelter from the weather and elements. Once we are permitted by the city we can book events.

Staffing

Blue Cottage Farms will employ one full-time employee in the initial startup phase.

Blue Cottage Farms
Projected Income Statement

For the year ending the 31st day of October: (USD - US Dollars)

2021

\$

Revenues:

Gross Sales:	12,000.00
Less Cost of Goods Sold:	(4,800.00)
Gross Profit:	7,200.00

Expenses:

Sales and Marketing	700.00
Research and Development	0.00
Insurance	200.00
Legal and Professional Services	0.00
Bookkeeping	0.00
Rent	0.00
Utilities	1,200.00
Repairs and Maintenance	500.00
General Office	0.00
Entertainment	0.00
Licenses	300.00
Salaries and Benefits	0.00
Bank Fees	0.00
Interest	0.00
Miscellaneous Expenses	0.00
Total Expenses:	2,900.00
NET INCOME (Before Tax):	4,300.00