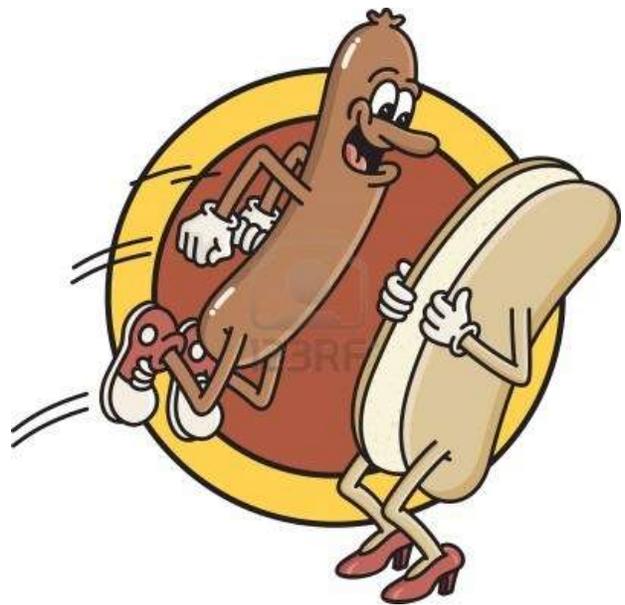


FLUFFY BUNS



Abstract

In a world where cased meat is king, buns seek to partner

Team: CJ Ehrentraut, Zac Scott

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EXECUTIVE SUMMARY

Executive Summary

Fluffy Buns

Fluffy Buns is an organization that has been around since the dawn of the 2013 Fall EMBA semester. In its short time of existence, owners Zac Scott and C.J. Ehrentraut have realized that we live in a world dominated by the almighty hot dog and other various cased meats. The vision and culture of this young, but extremely attractive organization is simple- bun companies must conform to the meat if they are to survive in a brutally efficient market economy. The company's main strategy is to take the guesswork out of the bun decision by making a healthy product that also matches the exact number of hot dogs an individual wishes to buy. Early in the process, Fluffy Buns challenged themselves to make a product where no bun would be left behind. How is this possible? Simply put, we had to follow the packaged meats lead and deliver our buns bundled to the exact count.

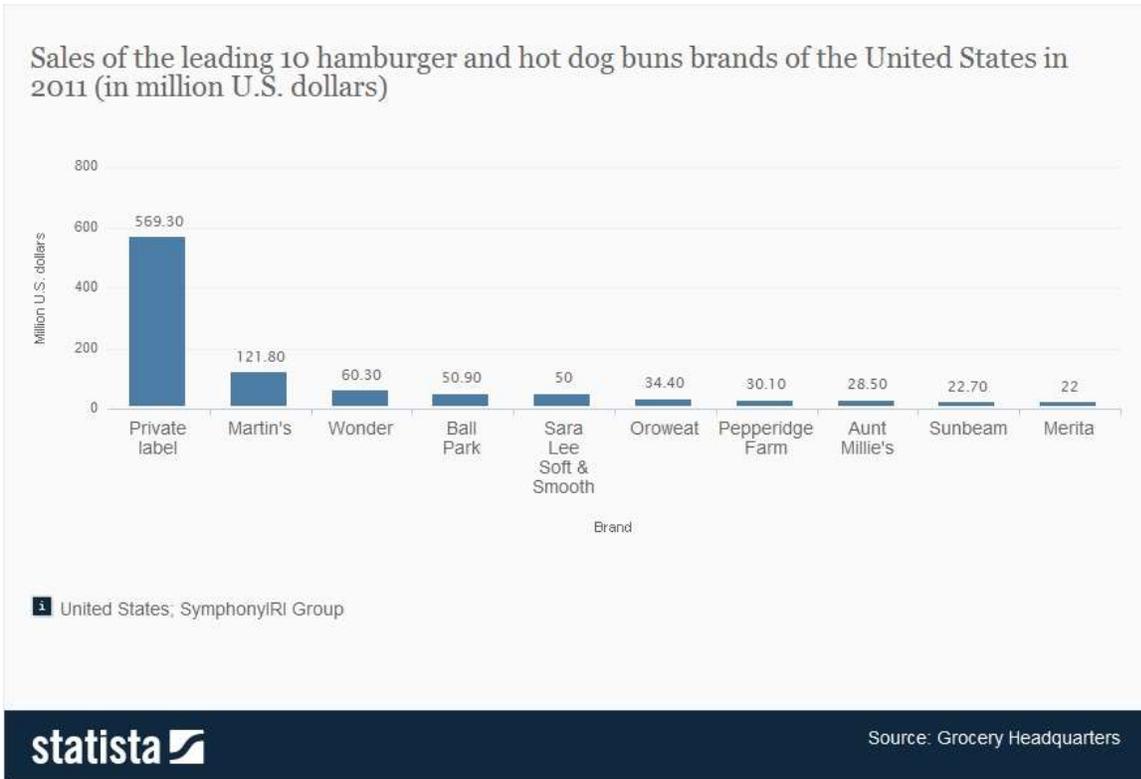
The vision for the future of Fluffy Buns is to completely monopolize the bun industry. By compounding marketing tools with the strategy of taking the guesswork out of the equations in regards to bun selections, Fluffy Buns can become the Wal-Mart of bakery departments worldwide. We already have an agreement with Hebrew National to discount the price of our buns if customers buy their product. This opportunity allows for a 2 percent share of profits if their hot dog sales increase by 20 percent. Talks with other hot dog organizations are also underway to raise their sales while supplying Fluffy Buns with supplemental income and a slow market takeover.

After total domination of the hot dog bun industry, Fluffy Buns plans to ease its way into other bread markets. Ultimately, there will be no reason for grocery stores to stock their shelves with anything except a "fluffy bun."

COMPETITIVE OVERVIEW

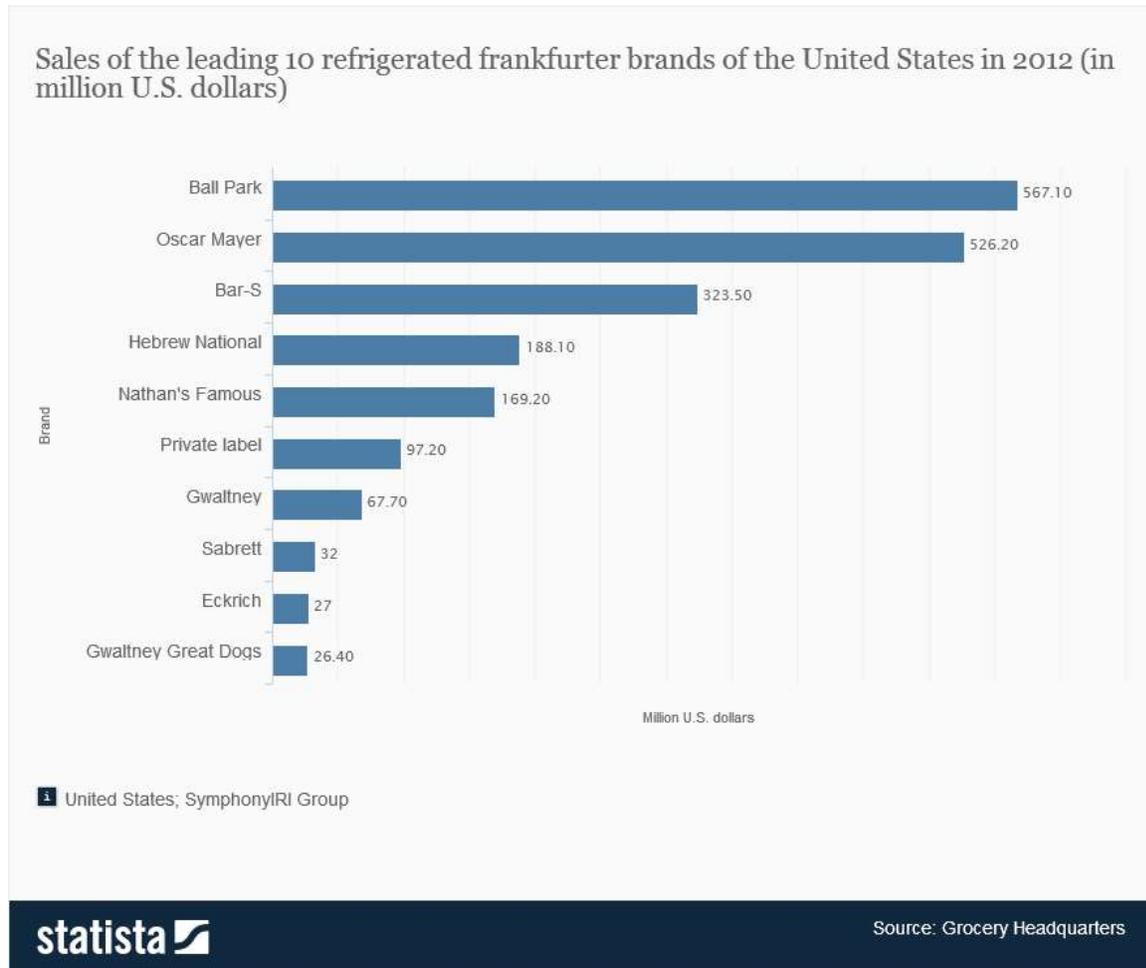
Competitive Overview

As you can see from the data below that the large manufactures are secondary market players. We want to focus on the private label competition and take market share.



COMPETITIVE OVERVIEW

We have a limited partnership in place with Hebrew National. They buy in to the matching concept of dog and bun. Through this partnership, we have been able to produce revenues of \$850K



COST ANALYSIS

Cost Analysis

Our recipes are top secret, but we brought some

Bun Cost per 10 pack of Buns		
Ingredient	Quantity	Cost
Enriched Wheat Flour	xxxxx	xxxxx
Water	xxxxx	xxxxx
High Fructose Corn Syrup	xxxxx	xxxxx
Yeast	xxxxx	xxxxx
Soy Bean Oil	xxxxx	xxxxx
Salt	xxxxx	xxxxx
Wheat Gluten	xxxxx	xxxxx
Monoglyceride	xxxxx	xxxxx
Calcium Propionate	xxxxx	xxxxx
Sodium Stearoyl Laytlate	xxxxx	xxxxx
Modified Corn Starch	xxxxx	xxxxx
Citric Acid	xxxxx	xxxxx
Absorbic Acid	xxxxx	xxxxx
AZA	xxxxx	xxxxx
Calcium Peroxide	xxxxx	xxxxx
Sodium Alginate	xxxxx	xxxxx
Polysorbate	xxxxx	xxxxx
Total		\$1.30

Bun Cost per 12 pack of Buns		
Ingredient	Quantity	Cost
Enriched Wheat Flour	xxxxx	xxxxx
Water	xxxxx	xxxxx
High Fructose Corn Syrup	xxxxx	xxxxx
Yeast	xxxxx	xxxxx
Soy Bean Oil	xxxxx	xxxxx
Salt	xxxxx	xxxxx
Wheat Gluten	xxxxx	xxxxx
Monoglyceride	xxxxx	xxxxx
Calcium Propionate	xxxxx	xxxxx
Sodium Stearoyl Laytlate	xxxxx	xxxxx
aModified Corn Starch	xxxxx	xxxxx
Citric Acid	xxxxx	xxxxx
Absorbic Acid	xxxxx	xxxxx
AZA	xxxxx	xxxxx
Calcium Peroxide	xxxxx	xxxxx
Sodium Alginate	xxxxx	xxxxx
Polysorbate	xxxxx	xxxxx
Total		\$1.45

samples for the very lucky investor panel today.

COST ANALYSIS

Analysis of Variable Ingredient costs

10 pack Wheat Buns		10 pack White Buns		10 pack Pretzel Buns	
Sales Price	\$ 6.50	Sales Price	\$ 6.00	Sales Price	\$ 7.55
Variable Cost	\$ 1.30	Variable Cost	\$ 1.12	Variable Cost	\$ 1.45
Contribution Margin	\$ 5.20	Contribution Margin	\$ 4.88	Contribution Margin	\$ 6.10
Fixed Cost	\$ 2.00	Fixed Cost	\$ 1.50	Fixed Cost	\$ 2.25
Profit	\$ 3.20	Profit	\$ 3.38	Profit	\$ 3.85
Margin	49%	Margin	56%	Margin	51%
12 pack Wheat Buns		12 pack White Buns		12 pack Pretzel Buns	
Sales Price	\$ 7.25	Sales Price	\$ 6.75	Sales Price	\$ 8.25
Variable Cost	\$ 1.45	Variable Cost	\$ 1.27	Variable Cost	\$ 1.65
Contribution Margin	\$ 5.80	Contribution Margin	\$ 5.48	Contribution Margin	\$ 6.60
Fixed Cost	\$ 2.00	Fixed Cost	\$ 1.50	Fixed Cost	\$ 2.25
Profit	\$ 3.80	Profit	\$ 3.98	Profit	\$ 4.35
Margin	52%	Margin	59%	Margin	53%

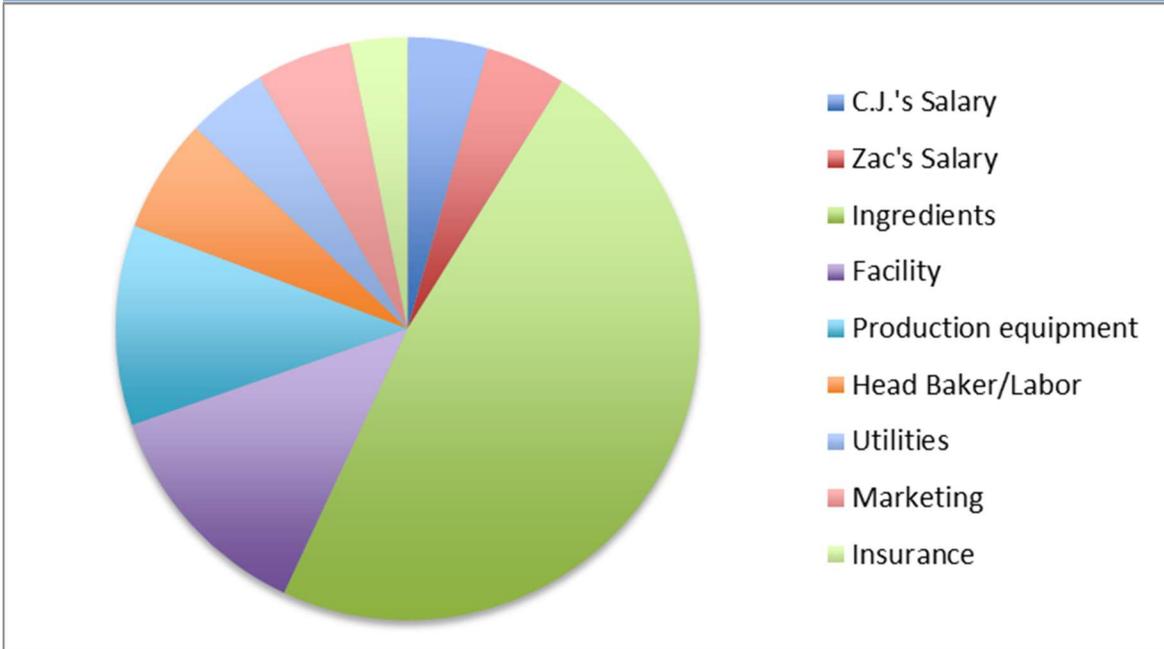
COST ANALYSIS

Breakdown of Monthly Expenses

COST ANALYSIS

Expense Overview (Monthly)

Description	Projected Cost	Actual Cost	Difference
C.J.'s Salary	\$7,000	\$7,000	\$0
Zac's Salary	\$7,000	\$7,000	\$0
Ingredients	\$75,757	\$40,550 ▲	\$35,207
Facility	\$20,000	\$15,000 ▲	\$5,000
Production equipment	\$17,500	\$12,500 ▲	\$5,000
Head Baker/Labor	\$10,000	\$6,850 ▲	\$3,150
Utilities	\$7,000	\$4,200 ▲	\$2,800
Marketing	\$8,350	\$0 ▲	\$8,350
Insurance	\$5,000	\$4,000 ▲	\$1,000
Totals	\$157,607	\$97,100	



Analysis of Consolidated Monthly Income vs. Expenses

COST ANALYSIS

Fluffy Buns Projected Revenue			
Projected Monthly Income			Projected Monthly Expenses (Fixed and Variable)
Revenue	\$360,000		\$157,607
Total income	\$360,000		
Current Monthly Income			Current expenses
Income 1	\$208,000		\$97,100
Total income	\$208,000		
Monthly balance (income - expenses)			Projected Yearly Profit
Projected Balance	\$360,000		\$2,428,716
Expences	\$157,607		
Difference	\$202,393		5% of yearly profit
			\$121,435.80

MARKET OPPORTUNITY

Market Opportunity

Expansion

We have an opportunity to expand our relationship with Hebrew National in to 10 additional regional markets over the next 2 quarters. We are also in very positive conversations with 3 other hot dog manufactures that do not have the market share of Hebrew National. These 3 hot dog manufacturers are very hungry (no pun intended) to partner with us and are willing to provide larger bonuses to us to partner with their brands.

We need \$250K to expand and effectively grow the business.

We plan to use the money in the following ways:

\$100K for Marketing and Advertising

- \$50K for Commercial Development and Placement
- \$25K for Sporting Events Sponsorship
- \$10K for Website Development
- \$15K pay down debt of bun purchase on Oscar Meyer Winiermobile

\$100K for Equipment Purchase

- \$30K Industrial Oven
- \$20K Industrial Mixer
- \$25K Automated Packaging Machine
- \$25K to Automate Existing Equipment

\$50K for Space Expansion

- Additional Manufacturing and Warehouse Space

Partnership Opportunity

For \$250K investment, we are offering 5% Company Ownership (No Brainer- Don't be Stupid)

CONTACT INFORMATION

Contact Information

To replace a photo with your own, right-click it and then choose Change Picture.

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