

## **Executive Summary**

The concept of healthy living is a major growing lifestyle all over the world. It has helped in creating a rapidly growing health conscious population in most developed nations including the emerging economies. Fresh House Inc (HICH Herbal Ice-Cream House) was established with a base in Thailand, to launch 'herbal ice-cream to low and middle income consumers globally.

The main objective of the Company is to offer food with improved nutritious content in the form of low-fat ice cream product with herbal alternatives retrieved from Thai local produce. These herbal ingredients, all of Thai origin, include ginger, green tea, black sesame, mulberry leaf, lemon grass, lychee, longan, grapes and others, all of which are in abundance of supply in Thailand today. The company also further aims to develop a new range of herbal ice-cream product that will be suited for consumers who are sensitive to weight gain and high sugar content.

The herbal ingredients and their flavor, in its original forms (example, lychee and longan as fruits) are very popular with the Asian population. The exotic taste of these herbal ingredients stays in every one of their memories for all those who have tasted them. Unfortunately, many who have migrated overseas over the years never had the opportunity to taste them again because of the difficulties in getting access to these ingredients and their flavor (in the unprocessed form) in their adopted home in foreign land. This group of consumers will be delighted to receive the herbal ice cream product when they are launched in their countries.

Additionally, the herbal ice cream product, when exported globally, will make up for the loss in export of the ever-popular local Thai herbal ingredient produce which themselves face the difficulty in export because of short product shelf life.

Ice cream product has many benefits when properly marketed as a dessert and snack. This is especially true in tropical Asia when the cooling taste of ice cream adds a refreshing dimension and welcome to the exciting hot weather. And when the ice cream is made from healthy and refreshing herbs and fresh fruits mixed into a low –

calorie ice cream formulation, this almost completes the perfect product offering with the company's own variety of toppings enriched with Aloe Vera jelly, collagen, AHA, DHA, Q10, and ginseng that provides various benefits according to customers' needs.

The Company proprietary manufacturing process has a focus in producing ice cream for the health conscious consumers. The process is broadly conducted in nine steps involving, mixing of ingredients, pasteurization, homogenization, heat treatment and rapidly cooling cycle, Aging for smoother texture, freezing and addition of herbal and fruit mix, filling, packaging, and finally, blast freezing to harden the ice cream product.

Presently, even though there are some companies who attempt at producing herbal ice cream. But none of them are sufficiently focused to market the product intensely; especially to the low and middle income consumers. Moreover, Fresh House is somewhat differentiated and creates entry barrier in the form of expertise and special formulations which has competitive advantages over the competitors in ice cream market such as the high nutrients, low calories, various tastes and special nutrients extracted syrup in uniquely packaging that satisfies different needs of consumers.

Fresh House Company will start by capturing prospect customers in Bangkok with expansion of 15 outlets in the first two years. The Company will focus their outlets location in major departmental stores and in major business areas such as Thonglor and Silom to reach most of the company's target market. In five years, the company will introduce its ice cream box to be located within supermarkets around Thailand.

Plans are for the Company to expand to international market by franchising the business concept first to Singapore, China, Japan, Korea, USA, and other European countries.

To finance the business, the company has its start up capital provided for by the eight founders of the business in raising US\$ 24,000. And additional loan of US\$ 550,000 will be raised in the form of debt financing from financial institutions. The company is profitable and economically feasible. It is expected to produce a positive net present value ( $NPV > 0$ ) at 15% discount rate. Its internal rate of return (IRR) has been worked

out to be 22%. Since its IRR is greater than its cost of capital investment the company will create value for its share holders. The expected return on equity (ROE) is 3.65% and the return on investment (ROI) is 2.56%

Fresh House Company possesses the potential to manufacture and successfully market herbal ice-cream because of the growing health awareness of consumers worldwide. Moreover, the Company's major raw materials such as fruits and herbs can be obtained competitively priced in Thailand resulting in an attractive business venture for local market and export. The ice-cream shelf life of around one year has provided the company the ease of product distribution and business expansion through franchising the business concept all over the world.