

Voyageur Soap & Candle Company Ltd.

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May 15, 2008 Newsletter.

We hope everyone has received a bit of sunny weather this spring. As I look outside at the rain, it is hard to believe spring has sprung, but they say the sun is just around the corner.

To give our staff a well deserved break and an opportunity to hopefully enjoy some nice weather, we will be closed this Saturday May 17, Sunday and Monday for the Victoria Day Holiday.

As mentioned in our last email, we will be taking some time in the next few emails to help shed some light on some of the business development questions we often receive enquiries about. This message will focus on discussing the first steps to take in deciding to make your hobby a profit making venture.

But first some business. We have many great online and in store specials that will be running until May 26. They can be viewed in our specials section at:

<http://www.voyageursoapandcandle.com/store/browse.asp?cat=ofer>

The following is a peak at what you will find:

Almond Oil Sweet – 20% off up to 1 Litre, 10% off a 4 Litre

Grapeseed Oil – 20% off up to a 1 Litre, 10% off a 4 Litre

Hemp Seed Oil Refined – 20% off up to a 4 Litre

Macadamia Nut Oil – 20% off up to a 1 Litre

Sea Buckthorne Oil Expeller Pressed – 20% off up to a 500ml

Sea Salt Coarse – 20% off up to a 50lb Bag

Solar Salts – 20% off up to a 50lb Bag

Vitamin E MTS 50 Antioxidant Blend – 20% off up to a 1 Litre Size

Vitamin E D-Alpha Tocopherol – 20% of up to a 1 Litre Size

Pre-made Bases – Just scent and package. 20 % off up to a 4 Litre size of Intensive Moisturizing Lotion, Bath & Shower Gel and Premium Bubble Bath bases.

Packaging:

20% off singles, 15% off 1-3 dozen, 10% off 4-6 dozen, 5% off 7 + dozen

.35oz Natural Mini Oval Stick Containers – Great for samples or purse sizes

2.5oz Natural Oval Stick Container – Great for lotions sticks, massage melts, deodorants, laundry sticks etc....

4oz Clear Shallow Jar with Black or White Caps – Great for salts, scrubs, spa products

.5oz, 1oz, 2oz, 4oz and 8oz White Cosmetic Jar with White Dome Cap

We Also Have Some New Packaging On Sale

.25oz clear thick wall jar with black cap – Great for lip balms and glosses, mineral makeup

.5oz clear thick wall jar with black cap – Great for lip balms and glosses, glitter gel and mineral makeup

4oz Frosted Shallow Cosmetic Jar with White Dome Cap – Great for creams, scrubs, masques

4oz White Malibu Tottle – It looks like a tube but fills like a bottle. Great for lotions, hair products, scrubs and facial products.

To have a look at all of our on-line specials go to:

<http://www.voyageursoapandcandle.com/store/browse.asp?cat=ofer>

We have many new types of packaging that we have put online, please check our New Products section at:

<http://www.voyageursoapandcandle.com/store/browse.asp?cat=new>

As mentioned the next few emails will attempt to shed some light on some of the business development questions we often receive. This email will look at the subject in more general terms, which will be expanded into more specific topics over the next few weeks.

Whether you are just starting to make products for friends and family or you have been selling to consumer or retailers for years, the key to your success will be to have fun and enjoy both making and selling your products. There are countless online resources which give you lots of good information. Some of the best information can be found on bank web sites, as well as on numerous government sponsored small business sites. A couple that we have used in the past are:

<http://www.smallbusinessbc.ca/>

<http://www.canadabusiness.ca/gol/cbec/site.nsf>

<http://www.womensenterprise.ca/>

There are literally hundreds of sites that offer great advice, information on creating business and marketing plans, sources of financing, licensing requirements and sales contacts.

Understandably, we will be covering information unique to the personal care products industry, and giving you links to specific information that you may find useful as you create your labels, and develop your product lines. In the upcoming emails when we talk about regulatory and labeling requirements, it is specific to personal care and cosmetics products, and much of the information you will need can be found online from either Health Canada or the FDA sites if you are in the United States. Use their sites, as well as other small business sites as a resource -- a tool in helping you to educate yourself. Just remember that successful businesses are created every day. The key is having good products, a solid plan, and a passion for what you are about to embark on.

Most of us start out making products for fun, to give to friends and family, or to use ourselves as we search for alternatives to the commercial products sold in most large retail stores. As we share our creations, our friends and family rave about the products we give them. They share them with others, and before we know it we are faced with the dilemma – everyone loves what we make, it is really fun and rewarding to make products and gauge peoples' reactions to them - do we start making products to sell for profit?

This scenario is experienced by many of our customers. It provides the building blocks for the business that is there waiting to be created. The reason it is a great way to start is because those friends and family are potentially your first customers, your first sales people, and also your testing ground to make sure your products are saleable -- and at what price.

Over the years, we have seen many of our customers start small -- in their kitchens, garages and basements -- and now they own their own retail stores, online shops or small manufacturing operations in warehouses. Starting or expanding a small business is never easy, but we encourage everyone who has a passion -- who enjoys making products or selling products -- to explore the possibilities of whether they can make that passion or that hobby a career. The planning and work are worthwhile as it is such a rewarding experience when you make that first sale or see your products on that shelf for the first time. And, with hard work, realistic goals and expectations, and a zest for letting others share in your passion, you will be successful.

Besides the obvious benefits of making a profit, and having the satisfaction of seeing your creations being enjoyed by others, there are also many tax advantages to having a home based business. If you are unaware of these benefits consult a tax professional, or go onto the government web sites. The government of Canada has a good general information site at

<http://www.canadabusiness.ca/gol/cbec/site.nsf/en/bg00330.html>

that will help you decide if you need to register to collect GST, or get a BN number, as well as many other pertinent questions. Just remember, if you are doing business and selling your products, then you are generating expenses and these costs can be used to limit the tax you pay at the end of the year. So keep all your supplier receipts, keep track of all miscellaneous expenses like show costs, marketing costs, cost of sales, vehicle expenses etc... and try to determine how much of your home is being used by your business. The reason for this is that a percentage of your household expenses like telephone, electricity, gas, mortgage interest or rent to name a few can be deducted if they are used in running your business. The key to having a successful business that is still there and profitable 5 years later is in good planning and book keeping, so if you are not taking full advantage of the potential deductions then consult an accountant who is familiar with home based and small business to ensure you are extracting from it every tax benefit you possibly can, and have your accounting set up properly.

One of the most important aspects of starting a business is deciding on your products, making them saleable, and then deciding on how you are going to market them to your customers. Obviously if you are marketing directly to end consumers you will have a different price than if you were selling to a retailer who then has to mark up the product you sold them. Generally, most retailers want to work with at least a double up. So if you sell it to them for \$5, they will want to sell it for \$10. Some specialized retailers want more, some big box retailers work with less. So the first step is to be realistic in your potential target market and decide on whether you are going to price your products for the wholesale or the direct to consumer market.

We always suggest to our customers that they try marketing directly to consumers first. This allows them a higher profit margin and allows them to adjust their product line and work on fine tuning their product mix

before they decide to take it to retailers to market for them. We always tell our customers to take baby steps -- work out the bugs, be conservative in your expectations, and avoid the potential pitfalls associated with promoting your products too aggressively. We have seen many customers who have had their businesses fail because of their success in SELLING or getting large orders before they were able to fill them. A successful business has to have a balance. You want to have lots of sales, but you also need to be able to effectively supply the products you are selling. If you love to sell but find that making products in large quantities is not that enjoyable then out source the production to other companies. In reverse, if you like to make products but hate selling then you need to find someone to help you take your products to market. We will be talking about solutions to these and many other problems in up coming emails.

Thank you so much for your business and the support you give us. Due to the size of the business development topic, we will be discussing the different issues in the next few emails we send out. If you have any feedback on topics you would like us to try to cover please let us know. We will be sending out another email around the middle of next week where we will be discussing in more depth labeling, marketing and some of the different ways to sell your products, and get them to your customers.

As I mentioned earlier, many of you have already taken the first steps and have businesses that are up and running. In this regard, if you have more advanced questions or require specific information such as a list of INCI names for the ingredients we supply, please email us and we will send the information to you.

I have had much of the information from this email supplied by others in our office who have many years of experience in different facets of this industry, so if you have specific questions I can't answer I will direct you to the appropriate person who can. Have a great long weekend.

If you have any questions or concerns or you do not wish to receive our email updates anymore, please email us at neely_jenkins@voyageursoapandcandle.com or simply give us a call at 604-530-8979 or toll-free at 1-800-758-7773.

Sincerely,

Neely

Voyageur Soap & Candle