



Little Miss Gelato, Ltd.
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Offering for Sale

Little Miss Gelato Ltd.
Nelson, BC



Executive Summary

Little Miss Gelato Ltd. (LMG) is an artisanal Italian ice cream company based in Nelson, BC, that is well-loved throughout the Kootenays. Manufacturing gelato and sorbet from scratch in small batches, its delicious products are enjoyed in pints sold at grocery stores as well as in scoops at festivals, markets, and special events throughout the summer.

A 100% share sale of the corporation includes all of the gelato making equipment, the recipes, and the current client list. It also includes everything needed to participate in over 20 markets and festivals throughout the summer, including a display freezer cart, a beautiful lever-action espresso machine and cart, festival tent, a 6X12 enclosed ramp trailer, and a 2005 Dodge Dakota to transport everything. The purchaser will also receive training in gelato manufacturing and business operations, among other subjects.

Asking price is \$55,000.

Facility

LMG has manufactured its products in a commercial kitchen located at 79 Government Rd. in Nelson for its entire 13-year life. It is equipped with single- and three-phase power adequate for the current production capacity with some room for future expansion. The lease was originally one year in length and is now month-to-month. LMG has an excellent relationship with the landlord and the other tenants in the building.

Products and Services

LMG has relationships with several Nelson businesses to provide pints or trays of gelato and sorbet to sell to their customers. With their recent expansion, the Kootenay Co-Op has become LMG's best client, reserving a significant amount of shelf space for over 15 varieties of gelato and sorbet. Burrell Grocery, which is recently under new management, continues to be a strong supporter with a large and loyal customer base.

In terms of selling directly to the public, LMG has long-standing relationships with the Cottonwood Market and many festivals throughout the West Kootenays, including Sunfest, Kootenay Festival and Canada Day in Castlegar, Market Fest in Nelson, the Kaslo Jazz Festival, and the Tiny Lights Festival in Ymir, among others.

Growth Opportunities

There is a significant opportunity to increase pints sales within the West Kootenay region and beyond. Pints are currently only available for purchase at one location outside of Nelson, namely at Ferraro Foods in Rossland. If proper marketing and product support were done, there are many locations that more pints could be sold successfully, such as Castlegar, Trail, Creston, Kaslo, New Denver, Nakusp, and Grand Forks.

In terms of increased opportunities for other businesses to scoop LMG, a method for inexpensively offering scooped gelato has been developed but not implemented. These plans would be shared with the new owner.

With a fairly simple upgrade, the festival equipment could have a much longer range, allowing access to more events that are further from Nelson, such as festivals in Creston, Grand Forks, and Rock Creek. There are also a few additional festivals in the immediate region that could be attended, such as Starbelly Jam in Crawford Bay and the Kootenay Country Music Festival in Castlegar.

Additional effort and planning could be put into providing gelato and sorbet to West Kootenay restaurants as well as teaming up with catering companies to provide a unique twist to weddings and parties for both locals and visitors alike.

As a four-season tourist town, Nelson attracts many visitors throughout year. Despite this, it lacks a proper ice cream parlour. With the equipment and recipes acquired in the purchase of LMG, a downtown gelateria could be created, providing locally-made gelato and organic espresso to locals and visitors alike.

Equipment

Kitchen

- Gelato batch freezer with pasteurizer
- Upright freezer
- Fridge
- Various chest freezers
- Induction cooktop
- Netbook and label printer
- Leasehold improvements to kitchen
- Kitchen smallwares

Vending

- 2005 Dodge Dakota
- 6X12 enclosed ramp trailer
- Branded festival tent
- 9-pan display freezer cart
- Espresso cart
 - La Pavoni 3-head lever-action propane espresso machine
 - Mazzer Super Jolly electronic grinder
 - Rancilio Rocky grinder
 - Water pump system
 - Mini-fridge
- Drip coffee machine with airpots
- Coleman hot water on demand system
- Triple sink + hand wash and grey water tank
- Various tables, bins, and equipment

Human Resources

At the current level of production, LMG is generally operated by the owner. During the summer months, a student is hired with help from the Columbia Basin Trust's SummerWorks program. Although a new application is needed each year, LMG has been successful in receiving a substantial grant from this program for each of the last four summers. A third person is needed sporadically for busy festivals during the summer—a list of contacts of people who have assisted at festivals will be provided.

The new owner will receive one month (approximately 160 hours) of training, including, but not limited to:

- Product manufacturing
- Business operations
- Basic bookkeeping
- Festival application process
- Festival preparation and execution
- Espresso machine use and basic maintenance

The Market

LMG is currently the only gelato manufacturer in the West Kootenay region. Although it is in competition with several national and international brands, there is a strong “buy local” movement in the area which gives LMG a niche in which to market and sell its product. There is one direct competitor for sales in stores and several for events and festivals, but LMG has always enjoyed significant support in both areas from the local population.

Additional outlets and basic marketing through product support and brand knowledge will result in an increase in grocery store sales. Dedication to a continued presence at local and regional festivals will result in growth in both this category and in grocery store sales.

Financials

Little Miss Gelato - Basic Adjusted Financials

	2017	2016	2015
Sales - Wholesale & Retail	\$ 69,367	\$ 64,519	\$ 56,852
Cost of Goods Sold	\$ 19,111	\$ 19,012	\$ 17,691
Non-Owner Wages & Payroll Expenses	\$ 3,919	\$ 665	\$ 1,693
Gross Profit	\$ 46,337	\$ 44,842	\$ 37,467
Adjusted Expenses	\$ 17,547	\$ 15,943	\$ 14,477
Net Discretionary Income	\$ 28,789	\$ 28,899	\$ 22,990
Profit Margin	41.5%	44.8%	40.4%

About the Area

Nelson, BC, has a diverse population of close to 10,000 people—a hidden gem in the Kootenays. Nestled in the Selkirk Mountains along the West Arm of Kootenay Lake, it's just 35 minutes from Castlegar Airport, an hour's flight from Vancouver or Calgary. It has a vibrant and carefully restored downtown shopping area and a busy social scene with live performances nearly every night of the week. The legacy of the past, evident in the more than 350 preserved heritage buildings, mixes with a dynamic arts and culture scene attracting outdoor enthusiasts, creatives, entrepreneurs, and urban refugees year round. Known as the “Queen City” for over one hundred years, Nelson has more lovingly restored heritage buildings per capita than anywhere else in the province.

