

Business Model

Chris76 LLC | Chrischon Ellis
Angela Calva and Concetta Regan | BendVision Consulting | SBEAP
University of Notre Dame

Introduction

Chris76 LLC was started by Chrischon Ellis in February of 2023 as a skincare product company that produced two products; the Eczema Cream and the Restoration Gel. With a background in culinary arts and a love for holistic medicine, Chrischon saw a gap in the market for skincare products that were truly effective and could be safe for the most sensitive of skins. Refined for the last ten years, this product proves to be truly effective by the curation of an all-natural and results-driven recipe. The product ingredient list boasts of impressive and effective ingredients such as Echinea, Shea Butter, Aloe Vera, Organic Coconut Oil, and much more. These ingredients are attractive because they possess anti-inflammatory properties, provide soothing, moisturizing, and anti-aging effects. With consistent use, these products have been shown to improve scarring, soothe redness and active flare-ups, and make each customer feel more confident in their skin. Results can be seen after 3-7 days of consistent use depending on the skin condition and severity. Soothing effects of itch and burning sensations can be felt upon application of the Eczema cream.

Currently, Chischon Ellis produces the products in small batches and leverages a commercial and health-inspected kitchen during her free time. Despite operating on a small scale, the firm has been successful in growing a loyal customer base. Approximately 90% of monthly sales come from the Eczema Cream. Her latest product, the Restoration Gel, sees slower monthly sales as it is a less well-known product. There are no competing products in the market that boast of the same results and holistic formula. However, the company does face unique challenges in terms of marketing, product branding, and bookkeeping.

Taking into consideration the previously mentioned information, the intent of this document is to expand on that conversation and outline the business model of Chris76 LLC. This will allow us to establish a framework for identifying viable options for the company's future strategic growth.

Business Model

The purpose of creating a business model is to establish a framework that can guide the direction of the business. This model acts as a snapshot, reflecting the current state of the business. This business model will focus on 5 components:

1. How will the firm create value?
2. For whom will the firm create value?
3. What is the firm's source of competence/advantage?
4. How will the firm differentiate itself?
5. How will the firm make money?
6. what is the entrepreneur's time, scope, and size ambitions?

How will the firm create value?

Chris76 LLC is a product-oriented business that offers two primary products: a 3oz Restoration Gel priced at \$30 and a 2oz Eczema Cream priced at \$20. These products have a focus on natural and holistic skincare, such as gels and creams, that are formulated to treat temporary skin conditions such as eczema, psoriasis, dry skin, relieve itch, rashes, bug bites, and tough skin. Approximately 90% of sales come from the Eczema Cream, the Restoration Gel accounts for the remaining 10% of monthly sales. If used long term, the product has been shown to reduce signs of aging such as fine lines and discoloration. The product mix is primarily product-based and is characterized by a narrow focus on skincare solutions but medium depth given the variations of what skin types and concerns can be targeted. Most notably, there are no competitors in the market that have the same simple ingredient lists and provide noticeable results after 3-7 days of consistent use.

All products are produced by the owner herself, Chischon Ellis, in a county health inspected and an approved kitchen facility. There is no in-house equipment as the owner temporarily uses the facility's bowl, blenders, food processors, mixers, and spatulas. The owner sources all ingredients from Amazon and Walmart. The production is hands-on, which means that every product has a personal touch and quality assurance is taken into account. The product formula is standardized, but there is potential for customization in areas such as ingredients, fragrance, and product size based on customer requests. The products are sold directly to customers either at pop-up events, farmers markets, or through USPS shipping. All online orders have a \$7 shipping fee applicable at checkout.

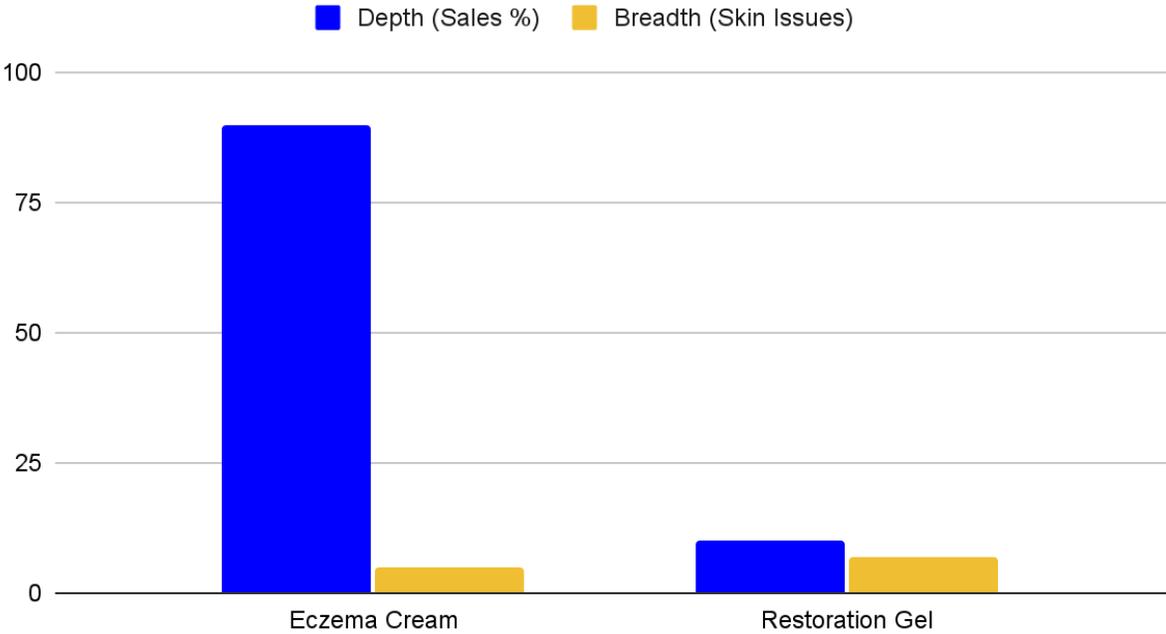
Chris76 LLC is also exploring the possibility of partnering with local co-ops like the Purple Porch Co-Op, Maple City Market, and other small local businesses in the Michiana area. This would considerably increase its distribution reach. In addition to the South Bend Farmers Market, the company is considering also placing their products at the Goshen Farmers Market and the Elkhart Farmers Market. Local boutiques in the Michiana area that could also be considered are Inspire Me Boutique and Ali on the Boulevard (South Bend), Blush Boutique and Sorella Boutique (Mishawaka), Stephenson's of Elkhart, and Found (Goshen). The business currently does not have any formal partnerships, there is potential for future collaboration with local businesses and local health-focused retailers. All ingredient sourcing is done through large retailers.

Value creation for Chris76 LLC is directly impacted by the availability of equipment at the facility, labor, and production capacity. As a result, this creates limitations for the business. Once a month or depending on demand, Chirschon produces both of her products in bulk batches. The Eczema Cream is produced in batches of 24 bottles and takes an hour to do so. The Restoration Gel is produced in a batch of 12 and takes 1 hour as well. Once the formulas are made and complete, they are packaged into their respective 2 oz or 3 oz containers, then they are labeled with the company's logo and product ingredient list, and finally placed in their signature gold wrapped box.

Due to Chrischon handling the entire process herself in a health-inspected facility from production to packaging, her ability to scale is constrained by the lack of specialized equipment and labor. Expanding value creation in the future will likely require that these limitations are addressed through investment in equipment, labor, or potential outsourcing to meet the increased demand for both products.

Below is a visual representation, column chart, of the breadth and depth of the firm’s product offering. The “depth” is represented in sales percentages and “breadth” in skin issues targeted. The blue bars represent the percentage in sales that each product contributes during an average month. The Eczema Cream accounts for 90% of monthly sales while the Restoration Gel contributes to 10%. The orange bars represent the number of skin issues each product addresses showcasing the versatility.

Depth and Breadth of Chris76 LLC's Product Offering



*Created by BendVision Consulting Group.

For whom will the firm create value?

Christ76 LLC falls under the business-to-customer (B2C) market with plans to position themselves in local stores and also be in the B2B market in the future. They create value for customers by offering organic and holistic skincare products. The business targets individuals of all ages with sensitive skin conditions such as eczema, psoriasis, rashes and individuals seeking natural solutions to signs of aging, scars, bug bites, scrapes, and dry skin. The business currently operates on a local and regional level with direct sales being primarily at the farmers market in South Bend, Indiana. Through online sales and USPS shipping, Chris76 LLC reaches a national audience across the United States, enabling the business to further expand its geographical reach.

One of the key demographics that the owner herself has mentioned she has seen repeated sales and success with is at the farmers market with middle class white middle-aged women. These customers most often seek this product out for use in their children or themselves. They have mentioned that they are particularly drawn to the ingredients especially Echinacea and Aloe Vera and the fact the product is safe for allergies and skin sensitivities. The identified possible target markets for these two products include:

1. **“Eco-Conscious Consumers”**: These are individuals who prioritize eco-friendly and natural skincare over environmental concerns and health values. They are typically more keen to preventative skincare regimens that also align to their lifestyle.
2. **“Sensitive Skin and Allergies”**: Consumers with allergies to common skincare industry ingredients and prefer brands that offer hypoallergenic solutions. This segment usually has skin conditions such as eczema, psoriasis, and rashes. They seek natural products that can soothe and care for these conditions.
3. **“Outdoor Enthusiasts”**: This segment includes those who frequently engage in outdoor activities and encounter skin conditions such as bug bites, scrapes, and other exposure-related skin issues.
4. **“Environmentally Conscious Millennial Parents”**: Millennial parents who prioritize natural, non-toxic products that deliver care to their children. They actively seek out products with organic or plant-based ingredients.

These four target segments are more likely to pay higher prices for products that align with their preferences in the skincare solutions sector. They have a strong commitment to health, quality, and the overall environment that often makes them willing to invest in premium products that meet their values. The business focuses on building ongoing relationships with its customer base and does so by offering personalized recommendation and customization of ingredients and fragrances. Repeat purchases are very common due to the product’s effectiveness and visible results within 3-7 days and immediate soothing effects upon applications. This ultimately leads to repeated purchases, fostering trust, and satisfied customers.

What is the firm’s internal source of advantage?

The firm's internal source of advantage is centered around the production and operating process. The firm’s owner, Chrischon Ellis, personally oversees the entire production process from ingredient sourcing to bottling, this allows for full control over the quality and consistency of the products. Her unique formulas for both the Eczema Cream and Restoration Gel as there are no other products in the market that combine these ingredients that provide similar results after 3-7 days of consistent use. Her ability to communicate the benefits of the product’s natural ingredients and also connect with eco-conscious and health-oriented customers further strengthens the firm’s competitive advantage. A commitment to small-batch production ensures that each product made maintains a high level of quality and effectiveness. The firm’s ability to produce in small batches and adjust the formulation as requested by the customer also adds flexibility and responsiveness to market needs.

How will the firm differentiate itself?

Chris76's product line distinguishes itself from larger competitors through its commitment to all-natural ingredients and a holistic approach to skincare. Unlike popular skincare brands, Chris76 offers products enriched with organic vitamins and earth-derived ingredients that appeal to health-conscious customers. The versatility of the product sets it apart, providing benefits ranging from healing dryness and minor cuts to fading scars and discoloration. With over 15 years of refinement and supported by numerous testimonials showcasing visible results, the product has built a strong reputation for effectiveness. What truly differentiates Chris76 in the crowded eczema market is the founder's personal motivation: creating a product that was not only effective but also safe for her family. This reflects her deep care for quality and empathy for those struggling to find skincare solutions that actually work.

Natural Eczema Cream

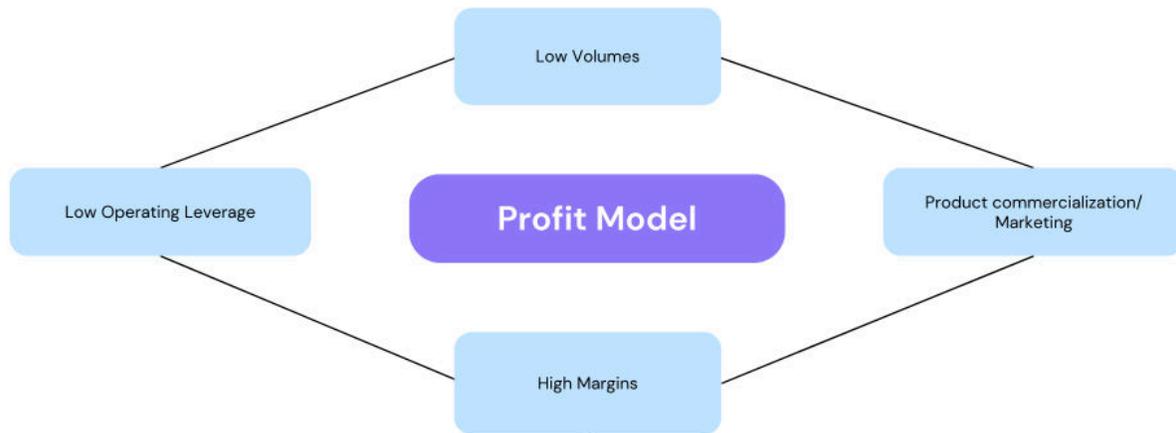
A natural and organic cream designed to treat eczema while providing effective relief for dry, irritated skin. Made with all-natural ingredients, including echinacea, known for its anti-inflammatory and healing properties, this versatile product can also help with minor cuts, scrapes, and burns. Safe for all ages, it's the perfect holistic solution for your everyday skincare needs.

Restoration Gel

A revitalizing gel designed as the perfect complement to our cream, offering powerful skin-restoring and rejuvenating benefits. Formulated to help fade discoloration, hyperpigmentation, and scars, offering renewed confidence by promoting an even, radiant complexion. With aloe vera as its key active ingredient, this gel soothes and supports the skin's natural healing process for a visibly healthier look.

How will the firm make money?

Chris76 is currently experiencing low sales volume, which has led to minimal production levels. Despite this, the owner has successfully kept costs low by purchasing ingredients in bulk. By leveraging available resources, Chris76 has minimized fixed production costs, focusing solely on variable costs such as ingredients and packaging. Currently, it costs \$3.37 to produce each jar of eczema cream, which sells for \$20, and \$4.85 to produce each tube of restoration gel, sold for \$30. This results in a high profit margin of 83% for both products. Moving forward, while the company will continue to operate with mostly variable costs, there may be an introduction of fixed costs to support business growth. These could include product registration, expanded market outreach to stores, and investments in digital advertising as part of the recommended deliverables for this program. While these fixed costs represent a short-term sacrifice, they are essential investments that will pay off as sales increase and the brand gains wider market recognition.



What are the entrepreneur’s time, scope and size ambitions?

Chris76 was created in 2009 for the sole use of the owner’s family and friends. Initially a passion project, the brand remained small and personal for over a decade. It wasn’t until early 2022 that Chris76 began to expand beyond its inner circle, establishing an online presence and appearing at local farmer’s markets. The product line has since gained some recognition for its holistic and all-natural approach to skincare.

however, **due to limited marketing efforts and product commercialization**, the business currently falls into the “survival” category, characterized by a low annual growth rate and modest sales volumes. The company is still in the early stages of scaling, with the primary focus on maintaining product quality while managing production costs.

As for the entrepreneur’s time, scope, and size ambitions:

- **Time Ambitions:** The founder is dedicated to gradually scaling the business, aiming for consistent growth over the next 3–5 years. There is a focus on building brand awareness and improving product outreach. The entrepreneur’s commitment to the business is reflected in their long-term vision, while also balancing current constraints on resources and time.
- **Scope Ambitions:** Chris76 aims to expand its presence beyond local markets. The founder envisions placing products in regional and national retail chains. In addition to physical retail, the entrepreneur plans to scale digital sales through social media marketing to reach a broader customer base.
- **Size ambitions:** While the business remains small, the long-term goal is to transform Chris76 into a recognized name in the natural skincare industry. The entrepreneur envisions growing the business into a **lifestyle model**, where it not only provides value to customers but also supports her family’s lifestyle. She seeks to achieve financial independence through Chris76, allowing the business to generate enough consistent revenue to sustain her family while maintaining flexibility and control over work-life

balance. the goal is to create a mid-sized business, increasing production volume significantly and capturing a larger market share, but doing so in a way that allows her to stay true to her family-centered values. By scaling both online and in retail operations while maintaining high product margins, she hopes to build a sustainable business that supports her desired lifestyle.

Summary

The business model can be characterized as follows:

How does the firm create value?	<ul style="list-style-type: none"> ● Natural and Effective Skincare Solutions ● Personalized, Hands-On Production
For whom does the firm create value?	<ul style="list-style-type: none"> ● Business-to-customer ● Eco-Conscious Consumers ● Sensitive Skin and Allergies Customers
What is the firm's source of competence/advantage?	<ul style="list-style-type: none"> ● Quality Control ● Customization ● Unique Product Formulations
How will the firm differentiate itself?	<ul style="list-style-type: none"> ● All-Natural, Multi-Purpose Skincare ● High Margins with a Focus on Quality ● Founder's Personal Story and Commitment
How will the firm make money?	<ul style="list-style-type: none"> ● High Profit Margins ● Scalable Variable Costs ● Revenue Growth through Marketing and Commercialization
What are the entrepreneur's time, scope, and size ambitions?	<ul style="list-style-type: none"> ● Lifestyle Growth Model ● Nationwide Retail and E-Commerce Expansion

Conclusion

In conclusion, the business model provides a strong foundation for growth by combining high-margin, natural skincare products with a hands-on, small-batch production process that ensures quality and personalization. Chris76 leverages its unique product formulations and personal connection with customers to stand out in a niche market, offering effective solutions for skin conditions that are both eco-conscious and health-oriented. While the current model relies

heavily on the owner's involvement, future scaling opportunities exists through investment in marketing, labor, and strategic partnerships. By maintaining its focus on natural ingredients, quality, and acustomer satisfaction, the business is well-positioned to continue and potentially expand into broader retail markets.