**CartPilot**

a multi-channel, vertically-integrated consumer product launch platform

**Abstract**

The emergence of numerous digitally-native vertical brands, or “DNVBs,” over the past few years can be attributed to numerous executional aids and moving parts once reserved for teams within much larger organizational structures. Most notably among these aids are the accessibility of manufacturers on a global scale, and inexpensive freight forwarding, third-party logistics and cost-per-click bidding. Brands like Bonobos, Everlane and Casper emerged as companies born and built online, despite selling physical products and competing with showrooms in brick-and-mortar stores. These companies are able to gain market traction despite selling commodified products by operating on a lean model. CartPilot aims to provide a multi-channel consumer product launch platform by packaging existing relationships and supply chain components into an easy-to-use dashboard for curators of DNVBs.

**Product**

The CartPilot product includes both a consumer-facing front-end and client-facing dashboard. Our team maintains a Github repository (cartpilot.github.io) to push updates on a continuous basis. The front-end is built on Bootstrap. It includes a branded navigational header with links to the product feed (“Feed”), product submission form (“Submit an Idea”) and informational page about the company and its team (“About Us”). The landing page also includes a jumbotron, abridged product feed, and containers with links to the product submission and about us pages. The footer includes the same links as the header in addition to FAQs (Schedule A), privacy policy, terms of use, social media profiles and a newsletter signup (termed the “Launchpad”).

The Feed includes a sortable, infinitely-scrollable feed of approved product submissions with names, images, short descriptions and links to their respective carts. The Submit an Idea page requires sign-in for access. Once a user has registered and logged into the platform, the user is met with an interactive product interview (Schedule B). Once a product has been submitted, it is sent to CartPilot for review. All submissions are approved or rejected within a 24 to 48 hour window of due diligence. Due diligence involves a holistic view of the product viability in addition to evaluation of freight costs (ocean, air and FTL/LTL on per-unit basis); pick, pack and ship costs; cost-per-click bid costs; estimated volume; licensing and distribution viability and interest amongst CartPilot followers. If approved, a product is onboarded through the aforementioned channels. Onboarding requires up to 30 days and involves freight forwarding, warehouse integration, front-end development and cost-per-click bid campaign management. Additional services such as licensing and distribution may require longer timeframes. Product evaluation involves projected volume and level of propriety (Schedule C).

Customers may opt to received financing for their product as well. CartPilot can provide debt or equity financing to products it deems worthy of funding. In this capacity, CartPilot may also act as a venture capitalist.

We intend to drive traffic and interest to CartPilot via paid and organic search, display, mobile and video advertising. We intend to use existing product launches as a promotional tool and accrue a following on social media and email. CartPilot will monetize its product by initiating profit-splitting and/or buy/sell agreements with clients. In a profit split, we would onboard a product and evaluate optimal pricing less ad spend (costs-per-acquisition) less cost of goods sold (FOB price plus freight plus 3PL costs). The resulting net income would be paid out on a 30-day rolling basis to clients via an 80/20 split between CartPilot and the client with CartPilot receiving the former. This would be subject to change and would be similar to Uber’s rideshare agreements with drivers. The buy/sell agreement would see clients provide goods at an agreed upon wholesale price to CartPilot and CartPilot would capture the net income from optimal pricing less ad spend. As brands gain traction, costs-per-acquisition would be diluted by organic sales of product. Products with ad spend greater than gross margin would be aided by CartPilot’s following and pushed more aggressively to its followers. Additional sales channels would also mitigate cost-per-click bid risk. Ideal products would be tied to intellectual property, sold in high volume and operate in markets with few or no substitutes. These would also be ripe for debt or equity financing.

**Relationships**

Our team maintains relationships with numerous vendors whom we intend to include as outlets for products submitted to the CartPilot platform. Our supply chain relationships include domestic and international manufacturers of consumer goods, Flexport as technologically-enabled freight forwarding solution and Rakuten Super Logistics as a low-cost alternative to Fulfillment by Amazon for third-party logistics. Flexport provides an easy to use dashboard for ocean, air and LTL shipments. Users can also submit a database of suppliers and warehouses to easily repeat shipments, and shipping quotes are usually provided in under 48 hours. Rakuten Super Logistics provides low-cost picking and packing based on dimensional box weight and passes through volume shipping discounts via UPS, FedEx and DHL as a service to customers. They also provide LTL freight as a service. Our team is able to switch forwarders and third-party logistics suppliers with ease should lower cost alternatives become available. This may also be done on a per-product basis. We are also able to stock products in our office-to-be in Chicago, where UberRUSH and Postmates can guarantee delivery on demand.

By way of licensing via the National Football League, Major League Baseball, National Basketball Association, National Hockey League and over 200 collegiate institutions, we have also built a reputation with Rico Industries, Inc (“Rico”). Rico is a Niles, IL-based supplier of licensed goods to major domestic retailers. They are the licensee for the POWERDECAL® product and have an open channel for licensing additional products through the four major North American sports leagues and colleges. The POWERDECAL® product has also been featured on zulily, ABC’s Shark Tank, Good Morning America (“Deals and Steals” with Tory Johnson) and The View (“View Your Deal”) on multiple occasions. We would continue to push products on these platforms. Flash sales have no impact on the functionality of our e-commerce platforms and our 3PL is able to handle the spikes in traffic seamlessly.

The AEROTRAP® product line is distributed by a Northbrook, IL-based company called Optimum Fulfillment, LLC (“Optfill”). Optfill procures and ships products from its warehouse in Peru, IL to most North American big box retailers (Schedule D). By shipping via LTL from Rakuten Super Logistics to Optfill, the AEROTRAP® line is managed with little to no overhead. It is also funded by cost-per-click bids in the $0.30 to $0.36 range. Similarly, the VOYADESK® line is bootstrapped by cost-per-click bids in the $1.60 to $1.81 range. Large quantity corporate buys can also be shipped by LTL.

**Schedule A**

What is CartPilot?

CartPilot is the ultimate product launch platform. We turn great ideas into great products. Our team has extensive experience in launching consumer products and managing supply chains. We also aid in distribution and licensing.

Who uses CartPilot?

CartPilot is used by designers, inventors, and entrepreneurs. If you have a great idea for a product (or service), we’d love to help.

We also provide a feed to promote recently launched products to our followers.

What do I need to get started?

You need only a great idea for a product (or service) and our team can help fill in the blanks. Most submissions have completed the design and sourcing phase of product development, but we’re happy to help with those, too.

How long does it take to launch a product?

Our team will review your submission and follow up with a notice of approval (or rejection) within 24-48 hours. Once approved, our team will spend up to 30 days onboarding your product. Additional services like licensing and distribution may require a longer timeframe.

Does CartPilot provide financing?

Yes, we do! Prior to launch, you may elect to receive debt or equity financing for your product. If approved, debt financing allows you to retain ownership, but you will be required to make interest payments. Equity financing requires you to sell an ownership interest in your product.

We also provide merchant cash advances to existing products.

Does CartPilot provide crowdfunding?

No, unfortunately we do not provide crowdfunding.

How do I protect my idea?

Our best product submissions are tied to one or more forms of intellectual property (trademark, utility patent, etc.). We highly recommend this, but we are happy to accept (and approve) generic products as well.

**Schedule B**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Form** | Digital | Physical |  |  |  |  |
| **Name** |  |  |  |  |  |  |
| **Short Description** |  |  |  |  |  |  |
| **Long Description** |  |  |  |  |  |  |
| **Images (1000px min)** | Image 1 | Image 2 | Image 3 | Image 4 | Image 5 |  |
| **Trademark?** | Yes | No |  |  |  |  |
| **Trademark No.** |  |  |  |  |  |  |
| **Patent?** | Yes | No |  |  |  |  |
| **Patent No.** |  |  |  |  |  |  |
| **Licenses?** | Yes | No |  |  |  |  |
| **Licenses** |  |  |  |  |  |  |
| **Variants?** | Yes | No |  |  |  |  |
| **Variants (SKU(s))** |  |  |  |  |  |  |
| **UPC(s)** |  |  |  |  |  |  |
| **Country of Origin** |  |  |  |  |  |  |
| **Location(s)** |  |  |  |  |  |  |
| **Case Pack** |  |  |  |  |  |  |
| **Carton Size** |  |  |  |  |  |  |
| **NW/GW** |  |  |  |  |  |  |
| **20'/40'/40'HQ** |  |  |  |  |  |  |
| **Pricing** |  |  |  |  |  |  |
| **MSRP** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Wants** |  |  |  |  |  |  |
| **Cart** | Yes | No |  |  |  |  |
| **Licensing** | NFL | MLB | NBA | NHL | College | Other |
| **Distribution** | Schedule D | |  |  |  |  |
| **Financing** | Debt | Equity |  |  |  |  |

**Schedule C**

|  |  |  |
| --- | --- | --- |
|  | **Generic** | **Proprietary** |
| **High Volume** | ??? | Stars |
| **Low Volume** | Dogs | ??? |

**Schedule D**

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Accounts** | **Description of Account** | **Status** | **Vendor** |
| BJs Wholesale - C96 | Club/Online Retailer | not active today |  |
| Bon Ton Stores |  | Active |  |
| Boscovs - C125 | Online Retailer | Active |  |
| Brookstone.com - C83 | Catalog/Online Retailer | Active |  |
| Costco.com - C33 | Online Retail | not active today |  |
| eBags | Online retailer | Active |  |
| Fingerhut.com - C41 | Catalog/Online Retailer | Active |  |
| Groupon - C102 | Deal of the Day Retailer | promotional only |  |
| HSN.com - C53 | Online Retail/Home Shopping | Active |  |
| JC Penney |  | Active |  |
| Jet.com | Owned by Walmart | Active |  |
| Kmart.com - C40 | Mass Market Online Retailer | Active |  |
| Kohls.com - C29 | Mass Market Online Retailer | Active |  |
| Lowes.com - C112 | Online Retailer | Active |  |
| Overstock.com - C19 | Online Retail | Active |  |
| QVC |  | not active today |  |
| Sears.com - C39 | Online Retail | Active |  |
| Sharper Image |  | just active 9-15-16 |  |
| Target.com - C11 | Mass Market Online Retailer | Active |  |
| Toys R Us.com - C51 | Online Retailer | Active |  |
| Walmart.com - C45 | Mass Market Online Retailer | Active |  |
| Wayfair (Formerly CSN Stores) - C57 | Online Retail | home goods only |  |

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**Education**

**University of Illinois at Urbana-Champaign**

*Bachelor of Science in Finance* August 2012 – May 2015

* GPA: 3.4/4.0
* ACT: 33 Composite, 12 Writing
* Complemented degree with proficiency certification in Bloomberg, MATLAB, Moody’s KMV, Morningstar Direct, S&P Capital IQ and Oracle Crystal Ball
* Graduated in six semesters

**Experience**

**3F Digital, LLC** Chicago, Illinois

*Founder and Manager* July 2014 – Present

* Raised start-up financing and managed all aspects of corporate formation and business operations during third year of undergraduate studies
* Formed strategic partnerships with Google, MailChimp, Shopify and Zendesk to implement proprietary e-commerce platforms, targeted cost-per-acquisition campaigns, content marketing strategies and email marketing campaigns
* Ranked within 88th percentile among over 5,000 Google Partner digital marketing and development agencies in North America for client revenue
* Developed six proprietary e-commerce platforms in HTML/CSS/JS; aggregated over 2,100,000 page views; over 600,000 user sessions and over 420,000 unique visitors; converted over 5% of all visits into sales or visitor engagements
* Implemented global sourcing model for client firms in the consumer goods industry including two companies as featured on ABC’s Shark Tank
* Sourced ocean freight and LTL quotes for client firms; managed all operations, inventory, profit/loss, financial reporting, vendor and banking relationships
* Established and maintained social media accounts with aggregate following in excess of 40,000 accounts across five platforms
* Grew email marketing lists from 0 users to over 36,000 aggregate opted-in users; achieved open rates of 23.1% on all mass email marketing campaigns with opt-in rates exceeding 50.0%
* Closed over 13,000 product support tickets with an average response time under 24 hours by implementing macro-based response system via Zendesk
* Coordinated third-party logistics with facilities in Olean, New York; Lithia Springs, Georgia and Henderson, Nevada; achieved an average per order handling time under 24 hours
* Successfully coordinated sales events on zulily, ABC’s Good Morning America and The View
* Grew client platform sales from $0 to over $3.6 million during the first 30 months of operations

**Interests**

competitive hockey • recreational kickball and softball • alpine skiing