



Business Plan for Monkey Foot Designs, LLC

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Legal Page

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Kristen Valenti in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Kristen Valenti.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to Monkey Foot Designs, LLC.

Upon request, this document is to be immediately returned to Kristen Valenti.

Signature

Name (typed or printed)

Date

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1.0 Executive Summary

The utilization of reusable and multi-purpose bags has been embraced throughout the world; much of society recognizes their role in decreasing waste and choosing environmentally friendly options when available. Wet bags (washable bags with a waterproof lining and cotton exterior) fit this niche very well and are seen as quintessential cloth diapering accessories for the modern parent. They are also commonly used for swimming bags, yoga bags, gym bags, toiletry bags, medical bags, and laundry bags.

Consumers are focused on purchasing high-quality, durable products which have received positive reviews from reputable sources, and which suit their personal style. Monkey Foot Designs, LLC has been making wet bags that meet these criteria since 2006, and is an established leader in the wet bag market. Of note, in 2010, NASA contracted MFD to design and manufacture 1200 bags to be used on the international space station, and MFD has since also completed several other projects with NASA for use on the ISS.

Monkey Foot Designs, LLC is at a point where expansion is critical for further growth; we also see a need to facilitate employment opportunities for women in the NH Lakes Region (in central NH, many women struggle to find employment that is conducive to their children's school schedule / family schedule).

It is our goal to continue to be a leader in the field of re-usable FUNCTIONAL items that are long-lasting, "green", modern, and innovative, while providing women of central NH flexible and reliable employment opportunities. With continued growth, we expect to be able to hire sales representatives throughout the country, with the focus on fostering a positive and family-friendly work environment.

1.1 Keys to Success

- 1.1.1 **Established Leader in Industry:** Monkey Foot Designs, LLC currently has approximately 60 retailers throughout the world (primary locations are the US and England); increased stock availability and competitive pricing will increase retailer satisfaction, and we will continue to provide products of uncompromised quality to our customers
- 1.1.2 **Excellent Customer Service:** timely communication with customers (direct and retail) is essential for customer satisfaction and retention; we are known for our friendly service and we plan to remain customer-focused
- 1.1.3 **Networking:** we plan to continue growth with retailers, and will look into co-branding with diaper/wrap companies, and attending large trade shows
- 1.1.4 **Accessibility:** we will continue to grow our online presence (Website, Amazon store, and Etsy store), in addition to offering drop shipping for wholesale accounts

- 1.2 **Objectives:** Our plan is to expand the manufacturing of our high quality wet bags through either setting in house manufacturing (in the Lakes Region), or working with a larger contract company who is able to manufacture the bags in higher quantity and lower cost (without compromising quality). We will open a commercial location near

Plymouth, NH and hire qualified employees for managing orders, and for sewing custom orders. We will attend trade shows and increase our marketing and networking to fully maximize our presence in the market.

- 1.3 Mission:** We are fully committed towards the production and delivery of high quality wet bags, while focusing on continued growth in the market, and providing an enjoyable, satisfying, and family friendly work environment. We seek fair and responsible profit, enough to keep the company financially healthy for the short and long term, and to fairly remunerate employees for their work and effort.

2.0 Company Summary

The primary nature of our business is to manufacture and sell wet bags. Our intention is to expand our business globally and establish a central NH location to provide family friendly employment opportunities. We will continue to focus on providing our high quality and excellent customer service

2.1 Company Ownership: Monkey Foot Designs, LLC was founded in Plymouth, NH, in 2006, by the Owner, Kristen Valenti. She owns the company 100%. The primary product sold since then is the wet bag. MFD was the first wet bag manufacturer to offer wet bags with side snap straps, and made the first double pocket wet/dry bag.

2.2 Company Locations and Facilities: At present the business is located at 38 Carmel Drive, in Plymouth, NH. With the expansion of the business, the intention is to move into a larger commercial space.

2.3 Start-up Summary: Total estimated expenses covered (including legal costs, stationery/brochures, office/shipping supplies, equipment, materials, web page development, employee hiring and training and rent) came to approximately \$37K. Start-up assets in the company's possession include a computer, printer and fax machine, two snap presses, two double impulse sealers, fabric, and bag inventory.

The balance of funds will be used to maintain a positive cash balance for the first three months of operation.

Requirements:

Start-up Expenses	
Legal & Accounting	\$3,500
Stationary/Brochures	\$1,000
Office/Shipping Supplies	\$1,000
Equipment	\$7,500
Materials	\$10,000
Rent for commercial space	\$5,000
Employee Hiring and Training	\$5,000
Web Page Development	\$3,500
	\$36,500

Start-up Assets	
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Cash Assets	\$2,500
Other Current Assets	\$12,000
Long-term Assets	\$25,000
Total Assets	\$39,500
Total Requirements	\$76,000

3.0 Products

3.1 Product Description

Monkey Foot Designs, LLC wet bags feature a sturdy zipper closure with a long zipper pull for increased ease in opening/closing the bags, boutique quality cotton fabric on the outside, and a waterproof ProCare lining (ProCare is a fabric that is machine washable and dryable and is known for its high duty barrier protection- it is used widely in the medical and diaper fields; Procare has no DEHP, phalates, plasticizers, BPA strengtheners or bromanated fire retardants). Wet bags are used for a myriad of purposes, including storing cloth diapers, gym clothes, bathing suits, shoes / other travel items, snacks, bottles, and protecting electronics.

We currently offer eight sizes of single pocket bags, four sizes of double pocket bags, and one size pail liner / laundry bag. Approximately 85% of the bags sold are sewn by a contract sewer in California; the owner, Kristen Valenti, sews the remaining bags as custom/special orders from customers. Kristen Valenti is also responsible for the shipping of all orders direct to customers.

Current Product Information:

- Single pocket bags: XS bags (6.5" x 6.5") include a small tab at the side of the bag to increase the ease of opening / closing the bag, and for attaching the bag to a carabiner / other carrying device. Perfect for snacks and small electronics. Small (9" x 9"), medium (11" x 14"), large (14" x 16" x 4"), XL (16" x 22" x 6") bags include a 12" long (~ 6" when folded) strap with a snap at the end -increases the ease of opening and closing the bag, and is perfect for hanging, attaching to another bag. The L, XL and XXL (18" x 30" x 6") are also offered with two straps along the top of the bag to allow the bag to hang off of a bar/changing table, or to snap the straps together to create a sturdy top handle.
- Double pocket bags: Small (9" x 7"), Medium (12" x 9" x 2"), Large (16" x 14" x 5") and XL (22" x 16" x 6"). Medium, Large, XL bags all include a long adjustable strap for the bag to be carried as a purse / diaper bag. All bags feature two pockets that are both wet bags – wet items can be carried in either bag.
- Pail liners (to store soiled cloth diapers in a pail) are 23" x 30" and have a side snap strap to cinch the top closed if needed.
- Features of bags: Inner and outer layers are sewn separately to avoid wicking; ProCare seams are heat sealed to keep moisture from leaking out from the sides or the bottom; PVC and lead-free long zipper pulls with strong zipper tape are used for increased ease in opening and for durability; side

snap strap is made from high quality coordinating cotton fabric; superior waterproof ability; machine washable and dryable (cold/warm setting); L, XL, XXL bags feature a gusseted bottom to increase the capacity and to provide a base to the bag to facilitate use

3.2 Competitive Comparison

There are currently several other companies who manufacture wet bags, however Monkey Foot Designs is the only large manufacturer to feature ProCare lining; other companies use PUL (polyurethane laminate), which is laminated on one side and polyester interlock fabric on the other. This fabric often de-laminates and causes leaking; ProCare is a durable barrier fabric (which is not laminated, hence will not leak) commonly used in the medical, diapering and veterinary care markets. ProCare is stable in stretch and recovery, and does not shrink. This fabric meets duty, laundering and material safety standards for use in medical and institutional products - it is CPSIA compliant and very tough & durable (good for 300 industrial washings or 1,000 home washings).

The largest competitors at this time include Planet Wise (offers wet bags, reusable lunch items, nursing covers, pail liners), Itzy Ritzy (wet bags only), Logan & Lenora (wet bags only), Bummi (wet bags and diapers), and Thirsties (wet bags and diapers). With the exception of Logan & Lenora, these companies utilize less expensive component parts for their bags and are able to offer them at prices that are 20% to 30% less than our pricing. Our bags also have features that are unique to the market: added gusset to the bottom of the L, XL, XXL bags, double pocket wet bags, and thick straps on every bag.

3.3 Future Products

- Once wet bag production is well established, diversification will be important to continue growth and meet customer and market needs. Future product ideas include:
 - A budget-friendly wet bag that is made only with the ProCare lining, zipper, and side snap-strap
 - Bibs, Burp cloths, nursing aprons, changing pad with built in wet bag
 - Reusable products for meals: cloth napkins, lunch box
 - Drawstring Backpack with ProCare lining
 - Diaper bag with snap-in wet bag
 - Medical bags: Bags for epi pens, organizational system for diabetics, bags for wheelchairs (small and large), privacy bags for urine drainage bag
 - Custom designs: "SYOF: send your own fabric" / other custom choices
 - Repurposing local materials to decrease waste (ie making makeup and tote bags from used sails from sailboats)

4.0 Market Analysis Summary

As the cloth diapering and reusable goods industries grow, we are confident that Monkey Foot Designs will continue to grow if we are able to expand our stock, improve our marketing and networking, and continue to manufacture durable and reliable goods. The ability to offer custom bags to direct customers and retailers is also an attractive and unique feature.

The cloth diapering industry as a whole continues to improve every year, and the number of cloth diapering / ecologically aware parents continues to grow as well.

4.1 Market Segmentation

We will focus on wholesale accounts/retailers (from independent boutiques to large companies such as Whole Foods and REI) in the following markets: cloth diapering, gyms, pools, yoga studios, day care, and reusable cloth menstrual pads. While cloth diapering is our core market, our wet bags are an excellent fit with the other markets as well. Customization of the bags (ie printing store names and offering exclusive fabrics) is a feature attractive to all markets.

4.2 Target Market Segment Strategy

Our marketing strategy to attract new wholesale accounts will be based on providing a small sample bag (one can feel the quality in our bags!) in addition to clearly outlining attributes and features of our bags which make them unique, more functional, and a wise investment. We will develop our website to be very user friendly, and make all ordering processes clear and easy to understand. With the anticipated decrease in manufacturing cost when we transition to a new cut and sew company, we will be able to offer more competitive pricing and consistent stock availability.

5.0 Strategy and Implementation Summary

Monkey Foot Designs, LLC intends to grow it's current wholesale and customer base through increased marketing efforts, increased visibility at tradeshow and market-specific events, offering competitive pricing, increasing stock availability of all size bags, initiating partnerships through co-branding, offering exclusive pattern choices / customization to wholesale customers, and establishing a dedicated local team that is focused on customer satisfaction and attaining our business objectives.

We will focus on domestic expansion initially; with increased resources we plan to expand internationally.

5.1 SWOT Analysis

5.1.1 Strengths:

- **Established leader in the industry:** we have manufactured high quality and dependable wet bags since 2006 and have a strong customer base; we anticipate continued growth

- **Competitive pricing:** with decreased manufacturing costs we will be able to compete with the current larger companies
- **Diversified customer base:** we plan to obtain orders for our products from a wide customer base (the varied markets mentioned under Market Segmentation). This will ensure lack of dependency on one customer (and market).

5.1.2 Weaknesses:

- Current limited financial base
- History of having low stock and limited variety for wholesale customers
- Significant new organizational practices and new employees will be necessary for growth; all systems are not seamless at this time
- Need to set up new cut and sew operation to decrease manufacturing cost

5.1.3 Opportunities:

- Lack of employment opportunities for women that are conducive to their children's school schedule / family schedule (local unemployment rate is relatively high)
- Current support of women owned businesses and «Made in America» brands
- Potential growth with further government/military contracts, as we are an established manufacturer

5.1.4 Threats:

- Existing competition (Especially Planet Wise, which makes claims such as «patent pending» on their bags –legal council advised us that wet bags cannot be patented; they are a large company that grew quickly and is able to offer low prices)
- Possibility of development of new wet bag companies

5.2 Sales Strategy

As an established company, our marketing strategy will be to emphasize the success that our company has had to date, and the attributes and features of our bags which make them unique, more functional, and a wise investment. This will be done initially by increasing direct marketing, advertising, and attending market-specific events.

Our average yearly sales over the past three years is approximately \$140k/year; we anticipate that within one year of implementation of our growth plan, we will reach approximately \$500K in sales; Year 2: \$750K, Year 3: \$1M.

6.0 Management Summary

Kristen Valenti is the sole owner of Monkey Foot Designs, LLC. She founded the business in 2006 after realizing the need for modern, functional, reusable bags for use with cloth diapering. She has developed her bags over the years to meet

customer needs / requests for durability, ease of use, and functionality. She is currently responsible for all administrative tasks and custom sewing orders; she contracts a cut and sew company in CA to manufacture the majority of bags sold.

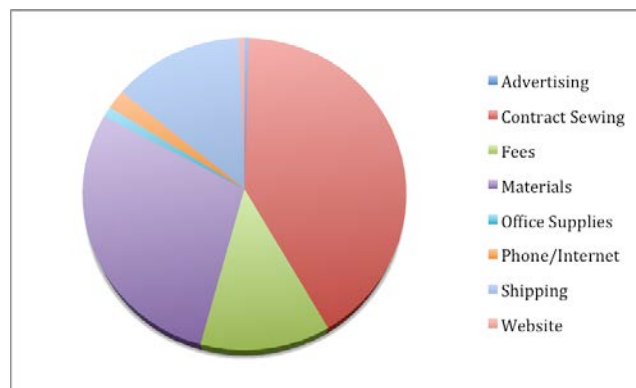
In order to successfully grow Monkey Foot Designs, we will need to hire enthusiastic, capable and motivated staff to address administrative tasks and customer order fulfillment. We anticipate having a non-formal structure at first; with growth there will be more structure to the corporation, with new employees being assigned a supervisor or subordinate. At all stages of growth, we will strive to maintain personal interest in each employee's personal and family welfare, and their contributions to the business. Management's ongoing initiatives will include driving sales, market share and productivity.

7.0 Financial Plan

The financial plan for this expansion is a work in progress. Our average yearly sales over the past three years is approximately \$140k/year; we anticipate that within one year of implementation of our growth plan, we will reach approximately \$500K in sales; Year 2: \$750K, Year 3: \$1M.

Review of average expenses over the past three years shows that the biggest expenses are contract labor and materials.

Advertising	\$500	0.4%
Contract Sewing	\$49,000	41.2%
Fees	\$15,000	12.6%
Materials	\$34,000	28.6%
Office Supplies	\$1,300	1.1%
Phone/Internet	\$2,400	2%
Shipping	\$16,000	13.5%
Website	\$700	0.6%
	<i>\$118,900</i>	<i>100%</i>



To increase profit, we will need to increase productivity and decrease expenses. We will focus on setting up a new cut and sew service (either in-house or contracted),

and buying materials in bulk quantities to decrease cost. We realize that new costs will be generated (salaries, rent, and equipment) in order to grow, and anticipate that these costs can be absorbed mostly with the savings from the changes in contract sewing and materials.

More in-depth financial planning will be established with further development of this business plan.