

THE KNIFE GLIDER™

***Powered by :
Brilliant Inventors LLC.***

Business Plan



PREPARED WITH THE ASSISTANCE OF THE UNIVERSITY OF TEXAS-PAN AMERICAN'S SMALL BUSINESS DEVELOPMENT CENTER, A COMPONENT OF THE BUSINESS DEVELOPMENT AND INNOVATION GROUP AT COMMUNITY ENGAGEMENT, DIVISION OF BUSINESS AFFAIRS

The owner(s) supplied business specific information contained herein. The Small Business Development Center's (SBDC) responsibilities were limited to the compilation of information supplied by the client into a professional format. The SBDC research staff may have also supplied part of the demographic and industry information.

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INTRODUCTION

Brilliant Inventors LLC is a product development company that takes innovative ideas from concept to market. Established in 2010, the company is owned and operated by Jennifer and Samuel Shipp as a Limited Liability Company. *Brilliant Inventors LLC* is located at 2314 Norma Dr., Mission, TX 78574. Mission is a border town in South Texas; the area is referred to as the Rio Grande Valley. The company falls under NAICS Code 54142 (Industrial Designers). Its first product, *The Knife Glider*, falls under NAICS Code OD4259 (Kitchen Knife Manufacturing).

Brilliant Inventors LLC was established in 2010. The company's primary product is *The Knife Glider*. *The Knife Glider* is a gadget that eliminates potential food preparation injuries in the kitchen. It performs several safety functions to greatly reduce the danger of chopping, peeling, and slicing any type of food, hot or cold, cooked or raw. It also speeds up the food preparation process. It safely removes foods stuck on the knife after chopping. Food preparation is more sanitary because the food is being touched less by human hands. Finally, it helps safely transport food from the chopping board to the pot or pan for cooking. Children can take a larger role in food preparation because *The Knife Glider* greatly reduces the chance of being cut.

The company has already invested significant resources to build the platform necessary to successfully launch this innovative kitchen gadget in the kitchen accessories niche market. Research, focus groups, and surveys have been conducted to verify a demand exists for *The Knife Glider*. A successful crowdfunding campaign raised startup funds and verified project validity from the public, the eventual end consumer. Several prototypes have been made and improved to perfect the feel, design, and function of *The Knife Glider*. The final CAD design has been drafted for the plastic injection molding process. Social media websites have been created for branding and product awareness.

The Knife Glider can be found on its own website www.knifeglider.com, Amazon, Ebay, Facebook, Twitter, Pinterest, and YouTube. *The Knife Glider* is patented with a U.S. non provisional utility patent that includes 10 intellectually protected claims. Important key contacts have been established to assist with marketing, advertising, production, sales, and distribution. *The Knife Glider* has transitioned from the startup phase, and is being manufactured and sold in the United States. In preparation for a national product launch of *The Knife Glider*, Mr. and Mrs. Shipp are competing for the InnovateHER grant of \$40,000 in hopes that these funds can be used toward production, manufacturing, logistics, marketing, and advertising costs.

The Knife Glider got its start when co-inventor, Jennifer Shipp, was preparing dinner and cutting a raw vegetable. Under great force, the knife slipped, and deeply cut her hand resulting in a trip to the emergency room and stitches. Mrs. Shipp and her husband Samuel came home to a bloody mess. Mrs. Shipp commented that there must be something out there to purchase to keep her from ever harming herself again in the kitchen. Mr. Shipp looked online for a product like *The Knife Glider* that would protect Jennifer not just while chopping food, but while doing any type of food preparation activity. Oddly, no product existed that did it all! Samuel asked other women and their families and found that 100% of all

women he talked to had injured themselves in one way or another. At that moment, Mr. Shipp began designing a *The Knife Glider* that would make a measurable impact in the lives of women and their families by protecting them while handling sharp food preparation cutlery. 3 weeks from that time, Mr. and Mrs. Shipp were invited to showcase their concept at the Inventors Corner of the Electronic Retail Association, (ERA) Convention in Las Vegas Nevada. This was a great opportunity to beta test the industry to see if *The Knife Glider* had potential to be developed and sold to women across America. The response was amazing! With nothing but a homemade prototype, *The Knife Glider* came away from the show with 2 license agreement offers and invitations to be on both QVC and HSN.

Armed with the desire to improve the lives of millions of women, and with overwhelming support from the Direct Response Television Industry; Mr. and Mrs. Shipp began patenting, developing, and raising capital to bring *The Knife Glider* to market. Today, *The Knife Glider* is on the threshold of being launched online and on Television. The InnovateHer Grant would contribute significantly to the successful launch of *The Knife Glider*.

The Knife Glider has been made by a minority-woman, for women, and their families. *The Knife Glider* has been identified as a product with the capability to fill a need in the marketplace. Product testing supports that there is a demand for this type of product in the kitchen accessories segment. *The Knife Glider* has tested very well in focus groups, surveys, and at demonstration events. In focus groups, participants saw and used *The Knife Glider* for the first time. Groups discussed several topics such as overall concept, potential market demand, ease of use, pricing, and favored marketing channels. Surveys were used and tabulated to statistically measure *The Knife Glider's* market potential. Statistics supported a strong likelihood of *The Knife Glider's* acceptance in the marketplace. Feedback has been carefully taken into consideration to improve *The Knife Glider's* design.

In regard to competition, competitive products currently are available to consumers. Products like chain-link gloves, chopping gadgets, and shields do exist. However, all of them lack the functionality that *The Knife Glider* provides. In addition, none of these competing products have been promoted as a feature product on television and the internet like *The Knife Glider* will be. *The Knife Glider* provides a food preparation experience that does not currently exist today. The biggest alternative to *The Knife Glider* is not using any means of protecting hands and fingers at all during food preparation. This is both a disadvantage and an opportunity. A disadvantage because the customer base has a traditional concept of food preparation and could be resistant to change. However, *The Knife Glider* is the first to introduce this type of safe, food preparation. Acceptance from the client base can occur when it sees *The Knife Glider's* affordable purchase price, obvious benefits, and ease of use through well targeted marketing.

Brilliant Inventors LLC executed a successful crowdfunding campaign on www.indiegogo.com. Crowdfunding offers small businesses a chance at success, by showcasing their businesses and projects to the entire world. Instead of traditional investors, crowdfunding campaigns are funded by the general public. This further proves that *The Knife Glider* fills a need in the marketplace because it was funded by the public, who is the eventual end consumer, and raised startup funds for *The Knife Glider*.

The Knife Glider has been analyzed by the nation's top marketers like Kevin Harrington, Advertising Executive and past cast member of the hit TV show Shark Tank. The Knife Glider was also seen by pitchman Anthony Sullivan. The producers of QVC acknowledged that The Knife Glider had great potential and requested to have *The Knife Glider* featured on their network. The feedback and information gathered from trade shows overall has been extremely positive. This is further supporting evidence that The Knife Glider has potential to do well in the marketplace.

Brilliant Inventors LLC has the potential for commercialization in the immediate future. It is already working with strategic companies to develop production and fulfillment processes. They have the contacts in place to standardize operation processes and become a successful product development company based in Mission, Texas. Because of the Rio Grande Valley's unique location and trade with Mexico, local companies are already in business that satisfies each step in the product development process. *Brilliant Inventors LLC* intends to support the local economy and utilize local companies to satisfy as many of its development needs as possible. Local CAD Design, prototype development, market testing, manufacturing, warehousing, packaging, multimedia producers, call centers, and fulfillment companies are currently and will continue to be used in *The Knife Glider* development, testing, and product launch processes.

Strong evidence beyond initial research, focus groups, and surveys exists indicating that *The Knife Glider* will be successful upon product launch. Several very reputable retailers have already contacted Brilliant Inventors LLC with correspondence of interest to carry *The Knife Glider* in their stores. These companies include As Seen On TV, QVC, HSN, Amazon, and HEB Groceries. *The Knife Glider* has been offered several license agreements. However, Brilliant Inventors LLC has opted to take *The Knife Glider* to market itself to create work in the local economy and maximize profit potential. Feedback from expert panels at international trade shows has been extremely positive. Additionally, *The Knife Glider* was a case study for an MBA marketing class at UTPA, and received very positive reinforcement to move forward with *The Knife Glider* launch. All this is strong evidence that *The Knife Glider* has potential to be successful in the marketplace and that demand exists for this unique product.

Brilliant Inventors LLC will begin its campaign by appearing on QVC in Jan. 2016. If *The Knife Glider* sells well, the company will team up with nationally recognized DRTV Company Merchant Media to launch a nationwide infomercial campaign. The campaign will grow the brand in several ways. First, it will capitalize on *The Knife Gliders* recent appearance on QVC and increase national product recognition. Second, *The Knife Glider's* credibility as a high quality kitchen safety product will be solidified. Lastly, if the infomercial is successful, the campaign will attract the attention of retail buyers and national large box shops looking to carry *The Knife Glider* in their stores after the infomercial has run its course in the As Seen On TV product life cycle. *The Knife Glider* will be sold on the Internet continuously during its TV campaign. To extend product life, Brilliant Inventors LLC is currently in negotiations with the largest kitchenware distributor in the United States, Lifetime Brands. Lifetime is interested in assimilating *The Knife Glider* into all of their

cookware lines which include Farberware, KitchenAid, Bombay, and Guy Fieri. If *The Knife Glider* sells well, all the pieces are in place to ensure a bright future for *The Knife Glider* and its users.

The Knife Glider has a very simple yet functional design, (See Figures #1-12). It has specialty grooves at its base to help hold food in place while cutting and chopping. Below the protective handle is a specialty slit which safely removes foods stuck on the knife. The specialty slit can also be used to cut foods in half. Attachments expand *The Knife Glider's* functionality. An attachment equipped with prongs puncture food and holds it in place for easy peeling. Another attachment has metal spikes at the base that sink into and hold hot or cold meat during slicing or cutting. It will be transparent and come in the three most popular kitchen accessory colors. It is 100% EPA and Phthalate free, made of heat resistant FDA grade plastic, and will be dishwasher safe. It is collapsible for easy storage. To date, *The Knife Glider* is patented and trademarked. There is nothing else like it currently on the market.

SERVICES AND OPERATIONS PLAN

Brilliant Inventors LLC's offices are located at 2314 Norma Dr., Mission, TX 78574. The regular business hours are Monday through Friday 8:00 a.m. to 5:00 p.m. Because *Brilliant Inventors LLC* is a results oriented business, careful planning is being implemented to minimize expenses and maximize productivity each day. Daily implementation of the business services is set out in a very clear and concise workflow. Programs and support systems are in place to facilitate the smooth transition of a concept from one step in the workflow to the next. *Brilliant Inventors LLC* is committed to providing superior service to its customers with the highest quality of products in the industry. In order to protect the company and qualify to work on prestigious projects, *Brilliant Inventors LLC* is represented by a patent attorney to ensure the legality and transparency of all its projects. It also intends to have ample insurance policies in place to protect the company and its intellectual property.

As the company grows, Mrs. and Mr. Shipp have set the following growth objectives for the next three years of operation. Build the company's operational infrastructure, including establishing a central headquarters in Mission, Texas, refining *Knife Glider* prototypes, executing its social media promotional campaign, and creating documented processes from starting operations to final completion. Enhance its business culture of productivity and resourcefulness for all staff by encouraging great ideas through developing excellent procedures and by rewarding creative and productive staff members for their contributions. Meet and exceed quarterly and annual sales targets. Increase the number of sales each year by 20%. Develop a sustainable business, operating from its own cash flow. Capture sales through effective networking and sales channels. The InnovateHER grant will assist the company to achieve a more rapid and stable growth by injecting cash flow into the operations and meeting the company's goals and objectives sooner.

For the first two years, Mrs. and Mr. Shipp have been carrying out business operations themselves and contracting with local specialized businesses. Priority Tool in Mission, Texas has provided a prototype design, concept development, CAD design, 3-D rendering, and consultation services preceding prototype

production. Emu Plastics offers scalable plastic injecting molding services for mass production of *The Knife Glider*. Copy Zone of McAllen provides graphic design, packaging, and promotional solutions. It has been in business for decades and has several valuable connections to help projects succeed. Creative Social Studios provides web-based services such as web site design, social media marketing, and web site optimization. They have provided us with an innovative and modern website to complement the design of *The Knife Glider*, as well as a plan for a social media campaign which is being finalized and carried out at this time. They have and are assisting in statistically identifying if a concept has potential to be successful in the marketplace. When growth demands and working capital allows, a fulfillment company will be chosen that will take orders from customers and coordinate with collection, manufacturing, and shipping companies to insure *The Knife Glider* is shipped to the consumer in a timely manner. *The Knife Glider* will be produced on demand as orders are made by customers. This will reduce warehousing overhead costs dramatically. The intent for using local businesses is to bolster the local economy and support the community. Mrs. and Mr. Shipp truly want *The Knife Glider* to be "HOME GROWN".

At the appropriate time, administrative staff is being and will continue to be hired, as the need requires, to substantially speed up growth. This frees up Mrs. and Mr. Shipp to increase company growth instead of everyday office and operating activities. This staff consists of Mr. Shipp, a Public Relations Manager, and an Internet Marketing and Website Design Expert. Mrs. and Mr. Shipp are focusing on obtaining new business and interact with clients before, during, and after service to ensure they understand and are comfortable with every service provided to them. He is also directing the overall progress of each project. The Public Relations Manager focuses on public relations, marketing and advertising. The Internet marketing and web site design expert provides services to allow customers to establish a solid online foundation to build from. *Brilliant Inventors LLC* currently focuses on only one or two projects a year. Selecting which projects to work on will be essential to the success of the company. Potential projects will be analyzed very thoroughly before being chosen.

To separate itself from the competition and constantly stay informed of the latest market trends, the company is a member of marketing and e-commerce associations such as The Electronic Retailing Association, (ERA), NPD Group, and International Housewares Association. These memberships allow the company to hold the strategic advantage of knowing the upcoming trends and spending habits of market populations.

MARKET ANALYSIS

The Knife Glider's niche market of nonelectric kitchen accessories is growing, especially in the online segment. The nonelectric kitchen accessory industry has grown over the past five years. Consumers are purchasing more online, and are expected to increase Internet spending in the next several years. The Electronic Retailing Association is projecting U.S. retail e-commerce sales of \$338.9 billion in 2015 and increasing to \$434.3 billion in 2017. This is a significant increase from \$194.7 billion of sales reported in 2011, (Exhibit #1). According to The NPD Group, consumption of meals in the home is on the rise. More mothers are looking for new recipes to prepare. In 2011, 67% of US households searched online for new

recipes compared to 64% in 2008. This trend supports the assumption that Residential customers are the primary focus of sales for *The Knife Glider*. Recent economic improvements have increased consumer spending. The retail and online markets are the primary drivers of industry growth because consumers spend the most in these two markets. In addition, the current overall upward trend in economic recovery and increased consumer spending is a positive indicator for the company's growth. *Brilliant Inventors LLC* is entering the market with *The Knife Glider* at an ideal time as the economy is on the rise during its recovery.

Locally, economic indicators are positive. The McAllen-Edinburg-Mission Market Sales Area (MSA) is ranked 4th fastest growing MSA in the U.S. between 1990 and 2000. CNN Money recognized McAllen MSA among its Best Places to Launch a Small Business in 2009. In 2012, CNN Money ranked McAllen Metro as the 7th fastest growing in America. McAllen's total population is 15th among Texas cities, yet it ranked 12th in overall Retail Sales and 3rd in the State in total Retail Sales per household and per capita. It is an undisputed fact that the Rio Grande Valley MSA is the retail center of South Texas and Northern Mexico, drawing from a consumer base of over 10 million people within a 200-mile radius. In the bi-national metropolitan area, Rio Grande Valley retailers serve an immediate market population of 1.8 million. This area's growth will allow *Brilliant Inventors LLC* to do business with more companies. A larger selection of businesses to work with in each step of *The Knife Glider* development process translates into higher industry competition in the Rio Grande Valley. As a result, *Brilliant Inventors LLC* will receive higher quality service and more competitive pricing.

With respect to *The Knife Glider*, the company plans to continue capturing market share during the next three years through its aggressive marketing campaign and by providing superior customer service. The company will use standardized policies and customer agreements to ensure the satisfaction of its clients. *Brilliant Inventors LLC* will build a positive reputation as it puts its business plan into action and execute successful projects through careful selection and efficient step by step execution. *Brilliant Inventors LLC* positions itself in the high quality, high price quadrant of the sales market. *Brilliant Inventors LLC* will create barriers for entry into the market from similar companies in the Rio Grande Valley by being the most efficient, standardized, and professional company in the market to do business with. Additionally, *Brilliant Inventors LLC* sets itself apart from the competition by introducing innovative ideas like *The Knife Glider* to the market faster than competitors are able to develop similar products. With this strategy, *Brilliant Inventors LLC* establishes itself as the early leader of its innovations.

Based on market research, *The Knife Glider* will generate the most sales if marketed to women and mothers between 25 and 55 years of age. This demographic was chosen very carefully for the following reasons. According to The NPD Group's most recent report, 85.4% of nonelectric kitchen accessories were female purchases, (Exhibit #2). Mothers are inherently sensitive to safety in the home because of the risks that their children are exposed to. Focus groups also indicated that women will purchase *The Knife Glider* as a gift for their aging parents to help them be safer in the kitchen. Women ages 25 to 55 are reasonably financially stable and have the luxury of buying a kitchen accessory such as *The Knife Glider*. Combined, 25 to 55-year-olds generated 66.7% of nonelectric kitchen accessory purchases in 2012, (Exhibit #2).

Women are largely responsible for food preparation in the home. Lastly, women are generally health-conscious and prone to preparing healthy food which requires chopping as part of its preparation. *The Knife Glider* provides unparalleled food preparation protection to its target market, women, and possible end users, their children and parents, making it a great product fit with incredible sales potential.

The Knife Glider has been identified as a product with the capability to fill a need in the marketplace. Product testing supports that there is a demand for *The Knife Glider* in the kitchen accessories segment. *The Knife Glider* has tested very well in focus groups, surveys, and at demonstration events. *The Knife Glider* has also been featured at national trade shows. These trade shows include the Electronic Retail Association (ERA) and International Housewares Association conventions.

The annual ERA convention is the largest telemarketing trade show in the world where telemarketing professionals of every facet of the business mingle to promote their products and services. The International Home and Housewares Show is the largest Housewares show in the world. More than 60,000 of the world's most important professionals gather at this show to do business. *The Knife Glider* earned showcase booths at the Inventors Corner at both of these shows. *The Knife Glider* has been analyzed by the nation's top marketers like Kevin Harrington, Advertising Executive and past cast member of the hit TV show *Shark Tank*. *The Knife Glider* was also seen by pitchman Anthony Sullivan. The producers of QVC acknowledged that *The Knife Glider* had great potential and requested to be contacted when it is ready for market. The feedback and information gathered from trade shows overall has been extremely positive. This is further supporting evidence that *The Knife Glider* has potential to do well in the marketplace.

THE KNIFE GLIDER LAUNCH MARKETING CAMPAIGN

The first step in the product launch marketing campaign is to build a positive online reputation for *The Knife Glider*. Marketing *The Knife Glider* begins with an Internet campaign using word-of-mouth through social media as the main source of exposure. At the appropriate time, *The Knife Glider* will be sold on television through short form television infomercials and television shopping networks like HSN and QVC. The end objective is to sell *The Knife Glider* at retail locations, wherever kitchen accessories are sold. Traditional paradigms of information dissemination are changing. Social media via the Internet has opened new more affordable methods of marketing. More than 1.1 billion people worldwide belong to Facebook and other social media web sites. Instead of relying on mainstream news organizations for updates, many individuals rely on sources such as Twitter, where they have access to real-time updates including reports from live sources, those monitoring police scanners, and even amateur photographs. Social media marketing is an ideal cost effective method for *The Knife Glider* campaign to build momentum and reputation.

The Knife Glider has its own website giving full product descriptions, demonstrations, and pricing. Consumers are able to order directly from the website. *Brilliant Inventors LLC* currently owns the domain names www.theknifeglider.com and www.knifeglider.com. Both domain names lead to the same website, which are heavily tagged with key words to be found easily on search engines. The website is also optimized to appear near the top of search engine results. *The Knife Glider's* homepage is the central hub

from which the Internet campaign will be based. In addition, *The Knife Glider* is also sold on trusted online stores such as Amazon, The Grommet, and EBay.

To compile information to more effectively bring to pass its goals of the marketing campaign, *Brilliant Inventors LLC* will contact local businesses to use and experience *The Knife Glider*. Quotes, testimonials, video and audio clips, and other promotional material will be gathered from a variety of chefs and restaurants in the Mission/McAllen area of Texas. This promotional content will be posted and promoted on social media websites such as Facebook, YouTube, Twitter, and Pinterest. The websites contain leads and links to *The Knife Glider's* homepage where customers can find more information and place orders. Social Media is extremely cost effective. Each of these websites is at little or no cost to use. As exposure to *The Knife Glider* increases on the Internet, *Brilliant Inventors LLC* intends to contact national cooking and kitchen magazines, celebrities, and television hosts. Many of these connections, *Brilliant Inventors LLC* has already established at its participation through tradeshow. These endorsements will also be posted on all social media for *The Knife Glider* and enhance its reputation further.

A portion of revenue generated from *The Knife Glider* sales is being used to film a short form television infomercial. It will be aired in select markets across the United States. Television channels and airtimes will be carefully selected and tested to target the correct demographic. If the television campaign proves profitable, it will expand into other geographic locations in the United States. Shop at home television networks such as QVC and HSN have contacted Mrs. and Mr. Shipp to show interest in selling *The Knife Glider*. *Brilliant Inventors LLC* is currently in the process of contacting them to negotiate air times and terms. When *The Knife Glider* reaches appropriate benchmarks, it will have enough exposure and reputation to approach the retail market. These stores include Walmart, HEB, Walgreens, CVS, and other retail locations. HEB and national distributor Lifetime Brands has agreed to meet with Mrs. and Mr. Shipp at the appropriate time to negotiate sale terms. *The Knife Glider* will be found in the "As Seen on TV" section of these stores. At cooking and kitchen accessories stores, *The Knife Glider* will be found in the appropriate department.

With this growth strategy, *The Knife Glider* begins in the most economical Internet market, where it will gain capital, exposure, and momentum to successfully enter the television and then retail markets. When the marketing campaign is fully implemented, *The Knife Glider* will be generating sales from multiple media sources. Improvements will be constantly made to *The Knife Glider* and additional attachments made available to lengthen its product lifecycle as much as possible.

MANAGEMENT PLAN

Brilliant Inventors LLC is owned and operated by Jennifer and Samuel Shipp. Mrs. Shipp has a Bachelor of Science in Public Relations with Emphasis in Advertising from Brigham Young University-Idaho, and an Associates of Science and Arts in Public Relations also from Brigham Young University-Idaho. Mr. Shipp has a Bachelor of Science in Business Management with Emphasis in Marketing from Brigham Young

University-Idaho and an Associates of Science and Arts in Business Management from Rick's College. Mr. Shipp holds a Master's Degree in Business Administration from Idaho State University.

Mr. Shipp began his professional career in 2003 as a Maintenance Manager for the Madison Gymnastic Center in Rexburg, Idaho. At the same time, Mrs. And Mr. Shipp were also responsible for managing an apartment housing complex until 2005. From there, Mr. Shipp worked as an assistant company manager for Devon Hughes Properties LLC., in which he was responsible for the day-to-day operations of residential construction projects located in Rexburg, Idaho. In 2005, Mrs. and Mr. Shipp moved to Texas in the Rio Grande Valley. Mrs. Shipp worked for the next several years at Texas State Bank as a Commercial account representative. Mr. Shipp was offered the position of Chief Financial Officer for the Pena Eye Institute. From there, he moved to Unitech Engineering, as a Chief Financial Officer. In both of these positions, he was responsible for coordinating all monetary activity. These activities included payroll, accounts receivable, accounts payable, financial projections, and budgeting. Finally, in 2008, he decided to open Brilliant Elegance LLC, a professional window cleaning, building maintenance, and janitorial company. Brilliant Elegance LLC has substantially grown by 40% every year in business. Mrs. and Mr. Shipp also established *Brilliant Inventors LLC* in 2010. So far, the main focus of this company has been to forward the progress of *The Knife Glider*.

Mrs. and Mr. Shipp are utilizing their strong network of professional and advisory support that has been established through Brilliant Elegance LLC to ensure the success of *Brilliant Inventors LLC*. Hector Rivera CPA, from the Hector Rivera Accounting Tax Firm, provides advice on accounting matters. Willis and Associates Insurance Group offer extensive coverage at competitive prices and usually go through great efforts in protecting the company from unforeseen damages and threats. Susan Ochoa and Associates is an experienced patent attorney firm that provides sound advice, services to protect intellectual property, and assists in the application process for patents and trademarks.

SALES PLAN

According to the U.S. Census Bureau of 2012, there are 85.4 million mothers between 25 and 55 years of age in the United States. Over its lifecycle, *The Knife Glider* has a target goal to convert .005% of this target market. Even when using this conservative number of 427,000 total units at \$19.95 are projected to be sold, generating \$8,518,650 in sales. *Brilliant Inventors LLC* is projected to have sales growth every year once *The Knife Glider* is introduced into the market. *The Knife Glider* entered the online marketplace November 2015. It is predicted to sell 300 units its first month and increase sales by 50 units every month thereafter. The company sales projections are \$ \$233,415 gross, \$128,131 net for 2016. Extensive startup costs and a short sales year are the influencing factors responsible for such a low net income in 2015, (Exhibit #6). Cost of goods sold for *The Knife Glider* is as follows. Target pricing for *The Knife Glider* will be \$19.95 plus shipping and handling. *The Knife Glider* and its attachments are projected to cost between \$4-\$6 total. Packaging prices range between \$.50 and \$.75 per unit. In total, the production costs of *The Knife Glider* will be between \$4.50 and \$6.75 per unit. This yields a profit margin of \$15.45 and \$13.25, or 66%-77% per unit sold.

Strong evidence beyond initial research, focus groups, and surveys exists indicating that *The Knife Glider* will be successful upon *The Knife Glider* launch. Several very reputable retailers have already contacted *Brilliant Inventors LLC* with correspondence of interest to carry *The Knife Glider* in their stores. These companies include As Seen On TV, QVC, HSN, Amazon, and HEB, (Exhibit #3-4). *The Knife Glider* has been offered several license agreements, (Exhibit # 5).

All current efforts both financial and operational of *Brilliant Inventors LLC* are concentrated on manufacturing, successfully launching *The Knife Glider*, and growing sales in the US market. *Brilliant Inventors LLC* will begin its campaign by appearing on QVC in January 2016. If *The Knife Glider* sells well, the company will team up with nationally recognized DRTV Company Merchant Media to launch a nationwide infomercial campaign. The campaign will grow the brand in several ways. First, it will capitalize on *The Knife Glider's* recent appearance on QVC and increase national product recognition. Second, *The Knife Glider's* credibility as a high quality kitchen safety product will be solidified. Lastly, if the infomercial is successful, the campaign will attract the attention of retail buyers and national large box shops looking to carry *The Knife Glider* in their stores. *The Knife Glider* will be sold on the Internet continuously during its TV campaign. To extend product life, *Brilliant Inventors LLC* is currently in negotiations with the largest kitchenware distributor in the United States, Lifetime Brands. Lifetime is interested in assimilating *The Knife Glider* into all of their cookware lines which include Farberware, KitchenAid, Bombay, and Guy Fieri. If *The Knife Glider* sells well, all the pieces are in place to ensure a bright future for *The Knife Glider* and its users.

To improve sales and customer service, *Brilliant Inventors LLC* has developed satisfaction surveys that will be taken by customers after purchase to better tabulate and quantify marketing information. Online customer testimonials and celebrity endorsements will also be important to improve *The Knife Glider* branding and public relations as a high-quality product. One of the ways that the company is planning to promote itself is to approach potential vendors with very professional promotional packets that will set *The Knife Glider* apart from its market competitors. The packet includes *The Knife Glider* benefits, facts, and testimonials. Rates and order estimates will be given upon request.

Following the successful launch of *The Knife Glider*, *Brilliant Inventors LLC* will reinvest capital to launch other products. *Brilliant Inventors LLC* currently has several unique concepts that it would like to pursue. In the case of internal projects, *Brilliant Inventors LLC* will shoulder the cost of each step in the production process. *Brilliant Inventors LLC* will act as a coordinating hub between all the businesses involved in the promotion, sales, production, and shipping of its projects. The number of office workers and office capabilities will grow as needed to match the demand of each step of its projects. Eventually, it may become necessary to transition from a small independently owned entity to a relatively well sustained business with managers, supervisors, and promotional experts.

FINANCIAL ANALYSIS

Brilliant Inventors LLC will begin with a small negative cash flow. Cash Flow is usually the largest barrier of expansion for most companies. The InnovateHER Grant will provide working capital and make it possible to pay for manufacturing, marketing, and advertising expenses. The grant will help generate a positive cash flow. After sales of *The Knife Glider* begin in November 2015, *Brilliant Inventors LLC* will generate a continuously growing positive cash flow. For the first 2 years, *Brilliant Inventors LLC* will exclusively focus on *The Knife Glider* because it will not have the cash flow to pay for expenses of additional projects, (Exhibit #9). If *The Knife Glider* is as successful as research indicates, it will generate enough working capital to reinvest into future projects.

Detailed Income Statements and Balance Sheets are provided for more in-depth analysis. Financial analyses include the InnovateHER grant of \$40,000, (Exhibits #7). Substantial production marketing, and advertising expenses are currently being incurred to launch *The Knife Glider* into the market. Below are the initial costs to develop *The Knife Glider* for production.

Use of \$40,000 grant from InnovateHER Program	Dollar Amounts
Knife Glider Production: (7000 Units)	\$13,020
Social Media, Print, and Trade Show Marketing	\$10,000
Package Graphic Design and Production	\$5,850
Lawyers' fees:	\$5,000
Professional web site design	\$6,500
Liability Insurance	\$3,300
Total Expenses	\$49,520

Brilliant Inventors LLC has already started to execute its product launch marketing plan. With a \$40,000 InnovateHER grant, *Brilliant Inventors LLC* will continue manufacturing *The Knife Glider* as sales demand. Plans will also move forward with the first phase of marketing *The Knife Glider* to create public awareness on the Internet and Television.

The InnovateHER grant will make it possible for *The Knife Glider* to move forward. With the infusion of the grant to support the company's operations, the projected year 2016 and 2017 ratios show *Brilliant Inventors LLC* in a strong financial position. The projected cash flow demonstrates sufficient cash in order to operate a successful business. Mrs. and Mr. Shipp have already invested approximately \$35,000 of their personal funds toward *The Knife Glider*. They have become acquainted with the market and have established vital marketing and production contacts to successfully launch *The Knife Glider*. The grant will guarantee and enable production of *The Knife Glider* and its product launch.

Appendix

Fig. 1 - The Knife Glider



Fig. 2 - Peeling Attachment



Fig. 4 - Meat Carving Attachment

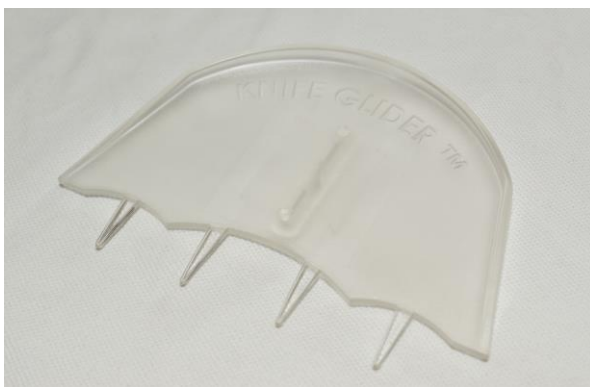


Fig. 5 - Knife Glider Package



Fig. 6 - Initial Cut



Fig. 7 - Chop



Fig. 8 - Glide Feature



Fig. 9 - Scooping Feature



Fig. 10 - Peeling Attachment



Fig. 11 - Meat Attachment



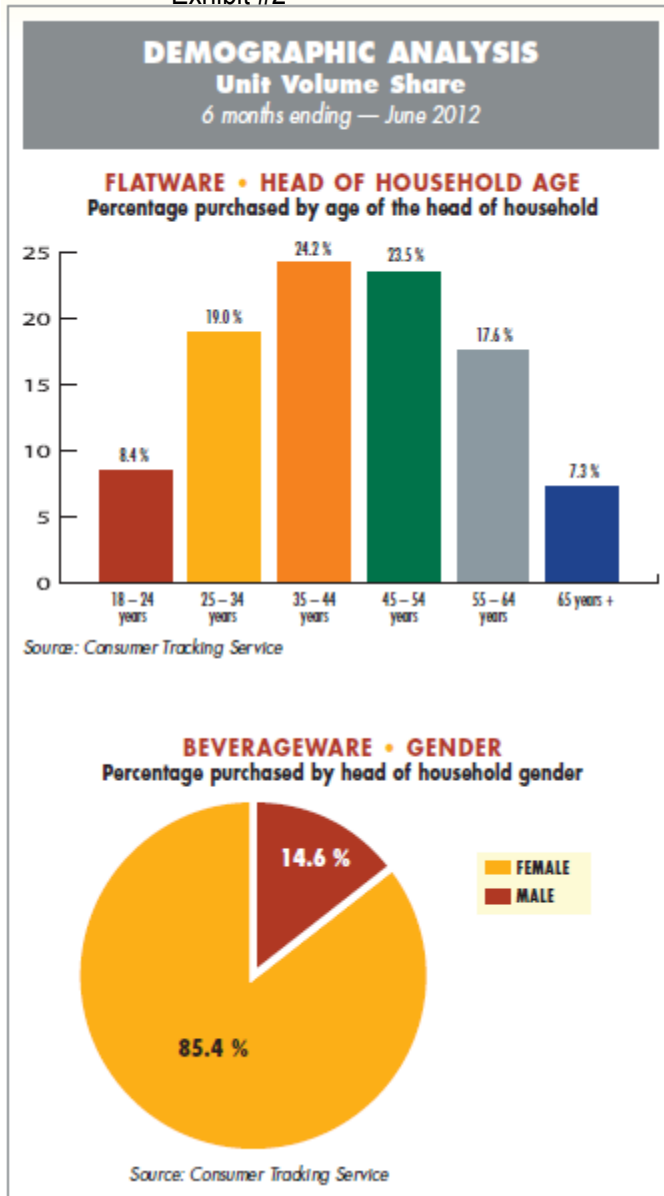
Fig. 12 - Collapsible



Exhibit #1



Exhibit #2




Source: The NPD Group 

Exhibit #3

Build your brand with amazon.com!!! Case ID 2741399052

home-buying-team <home-buying-team@amazon.com>

Hi Brilliant Inventors LLC,

I'm reaching out to you on behalf of Amazon's rapidly growing US Home business. We think your items would be a great fit for our Home store, which includes categories such as Home Decor, Bathing, Arts and crafts, Furniture, Home environment products. We would like to discuss the possibility of setting up a direct retail relationship with you, where we would purchase your products, fulfill them in our warehouses, and ship directly to our customers under the Amazon retail name. We would be excited to partner with you.

Some of the benefits of doing business with Amazon include:

- The Amazon platform provides a direct online communication channel telling customers your brand story. Amazon is the #1 online retail sales, research site and customer experience website. Through a direct relationship you will be able to control what customers are seeing about your products and offer accurate, consistent and extensive product information, including high-resolution images, in-depth descriptions and videos.
- Customers prefer the convenience and trust offered by Amazon which is the most trusted brand in the US according to Millward Brown.
- We have one of the most advanced fulfillment networks in the country and offer guaranteed same day, next day and second day delivery to most customers.
- Amazon has broad reach, including with customers with above average incomes. We have over 239 million active customer accounts worldwide, 51% of which have household incomes above \$75K, and 36% of which are under the age of 35. Our customers are distributed evenly across US geographic regions, many times reaching customers away from your current distribution channels.
- Amazon can help you learn about your customers with detailed sales and operational metrics, including market basket, traffic, and geographic sales analysis.

Please feel welcome to reach out with any questions. If you are interested, please respond to this email and we will follow up with more detailed information regarding our vendor programs.

Thank you,

Regards,

Josephine Sherrina Fernando ||Retail Business Services|| Amazon.com

home-buying-team@amazon.com

www.amazon.com

Work hard. Have fun. Make history.

Exhibit #4

Brilliant Inventors

Dear Sam,

Per our discussion, please review the enclosed Vendor Package regarding our direct response marketing campaign.

Once I receive your *The Knife Glider* sample I can begin the process on my end. This includes a full review of the *The Knife Glider* with our internal evaluations group to determine our initial investment into the *The Knife Glider*.

As discussed, *The Knife Gliders* that are selected are incorporated into a full DR campaign that includes television and a website. Our television distribution utilizes only ABC, NBC, CBS, FOX and major cable networks to bring attention to your *The Knife Gliders*. We produce at our cost, a 60 second commercial and air it at least 150 times in precise demographic locations with your approval. Your approval on all our work is critical to the success of this project. We are not trying to re-invent your *The Knife Glider* just continue the great work you have done in developing the concepts that make your *The Knife Gliders* sell and take them to a greater audience.

Please note that if your *The Knife Glider* is selected, we will purchase an initial amount of *The Knife Glider* for immediate internet sales.

I will call you once I review your sample to discuss the results.

Sincerely,

Lynette

Senior Buyer

As Seen On TV *The Knife Gliderions*

5301 North Federal Highway/ Suite 100

Boca Raton, FL 33487

Exhibit #5

Dear Sam and Jen,

My name is Max Allen and I am a product manager at a small product licensing company called Lightning Launch, LLC. We're a partner of As Seen on TV, Inc. and I came across your product and figured it would be worth a shot to ask if you are at all interested in licensing your product. I know you received successful funding via Indiegogo back in 2013 and I was wondering how business has been since then. If you're at all interested in learning more about what we do at Lightning Launch let me know and I would be happy to chat. Hope to hear from you soon!

Sincerely,

Max Allen

Product Manager

Lightning Launch

EXHIBIT # 6

Brilliant Inventors LLC
Profit & Loss
January 2014 through December 2015

	Jan - Dec 14	Jan - Dec 15	TOTAL
Ordinary Income/Expense			
Income			
Merchandise Sales	75,810.00	233,415.00	309,225.00
Total Income	75,810.00	233,415.00	309,225.00
Gross Profit	75,810.00	233,415.00	309,225.00
Expense			
Advertising and Promotion			
graphic design	500.00	0.00	500.00
Total Advertising and Promotion	500.00	0.00	500.00
Assembly and Packaging	3,790.52	11,670.78	15,461.30
Computer and Internet Expenses			
Website Design	4,000.00	0.00	4,000.00
website maintenance	3,300.00	3,600.00	6,900.00
Total Computer and Internet Expenses	7,300.00	3,600.00	10,900.00
injection mold manufacturing	15,200.00	46,800.00	62,000.00
Order Fulfillment	11,371.52	34,713.03	46,084.55
Professional Fees			
Accountant Fees	500.00	500.00	1,000.00
injection mold template	5,000.00	0.00	5,000.00
Lawyer Fees	5,000.00	0.00	5,000.00
Prototype Design	600.00	0.00	600.00
Prototype manufacturing	8,000.00	0.00	8,000.00
Total Professional Fees	19,100.00	500.00	19,600.00
Rent Expense	6,400.00	5,600.00	12,000.00
Utilities	2,400.00	2,400.00	4,800.00
Total Expense	66,062.04	105,283.81	171,345.85
Net Ordinary Income	9,747.96	128,131.19	137,879.15
Net Income	9,747.96	128,131.19	137,879.15

The owner(s) supplied business-specific information contained herein. The Small Business Development Center's (SBDC) staffs' responsibilities were limited to the compilation of the information into a professional format and may have also supplied part of the demographic and industry information.

EXHIBIT #7

Brilliant Inventors LLC
Balance Sheet
As of December 31, 2015

	<u>Dec 31 15</u>
ASSETS	
Current Assets	
Checking/Savings	
Primary Bank Account	13,000.00
Total Checking/Savings	13,000.00
Other Current Assets	
Undeposited Funds	75,810.00
Total Other Current Assets	75,810.00
Total Current Assets	88,810.00
TOTAL ASSETS	<u><u>88,810.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	66,062.04
Total Accounts Payable	66,062.04
Total Current Liabilities	66,062.04
Total Liabilities	66,062.04
Equity	
Members Draw	-12,000.00
Members Equity	-10,000.00
Opening Balance Equity	35,000.00
Net Income	9,747.96
Total Equity	22,747.96
TOTAL LIABILITIES & EQUITY	<u><u>88,810.00</u></u>

The owner(s) supplied business-specific information contained herein. The Small Business Development Center's (SBDC) staffs' responsibilities were limited to the compilation of the information into a professional format and may have also supplied part of the demographic and industry information.

EXHIBIT #9

Brilliant Inventors LLC
Cash Flow Forecast
Jan 2015 through December 2016

	Accnts Receivable	Accnts Payable	Bank Accnts	Net Inflows	Proj Balance
Beginning Balance	0.00	0.00	0.00		0.00
Jan	0.00	0.00	24,000.00	24,000.00	24,000.00
Feb	0.00	5,600.00	-1,000.00	-6,600.00	17,400.00
Mar	0.00	9,300.00	-1,000.00	-10,300.00	7,100.00
Apr	0.00	1,800.00	-1,000.00	-2,800.00	4,300.00
May	0.00	1,300.00	4,985.00	3,685.00	7,985.00
Jun	0.00	8,697.00	5,982.50	-2,714.50	5,270.50
Jul	0.00	6,846.51	6,980.00	133.49	5,403.99
Aug	0.00	4,496.00	7,977.50	3,481.50	8,885.49
Sep	0.00	4,895.51	8,975.00	4,079.49	12,964.98
Oct	0.00	4,495.00	9,972.50	5,477.50	18,442.48
Nov	0.00	4,894.51	10,970.00	6,075.49	24,517.97
Dec	0.00	5,294.00	11,967.50	6,673.50	31,191.47
Jan	0.00	8,443.51	12,965.00	4,521.49	35,712.96
Feb	0.00	6,093.00	13,962.50	7,869.50	43,582.46
Mar	0.00	6,492.51	14,960.00	8,467.49	52,049.95
Apr	0.00	9,585.25	15,957.50	6,372.25	58,422.20
May	0.00	6,992.26	16,955.00	9,962.74	68,384.94
Jun	0.00	5,247.75	17,952.50	12,704.75	81,089.69
Jul	0.00	8,890.51	18,950.00	10,059.49	91,149.18
Aug	0.00	9,290.00	19,947.50	10,657.50	101,806.68
Sep	0.00	9,689.51	20,945.00	11,255.49	113,062.17
Oct	0.00	10,089.00	21,942.50	11,853.50	124,915.67
Nov	0.00	10,488.51	22,940.00	12,451.49	137,367.16
Dec	0.00	10,888.00	23,937.50	13,049.50	150,416.66
	0.00	159,808.34	310,225.00	150,416.66	
Ending Balance	0.00	159,808.34	310,225.00		150,416.66

The owner(s) supplied business-specific information contained herein. The Small Business Development Center's (SBDC) staffs' responsibilities were limited to the compilation of the information into a professional format and may have also supplied part of the demographic and industry information.