

# Tuck and Bundle Business Plan

October 2015



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# INNOVATEHER COMPETITION ABSTRACT

Tuck and Bundle manufactures and distributes modern baby carriers for stylish, active, and loving parents of a new generation. Our baby carrier wrap will have a unique opportunity to impact the lives of both mothers and their families. In 1978, infant mortality rates in Colombia were steadily increasing. The concept of “skin-to-skin”, now known in the research community as Kangaroo Mother Care, was introduced due to a lack of incubators. This easy way to connect the mother with the baby successfully improved the survival rate of premature and low birth weight newborns. Although the medical community associated with babywearing began in Colombia’s hospitals, it has been around for centuries. Re-incorporating something so beneficial to mom and baby is at the core of our company’s mission.

My mother recently suffered a major heart incident and I was thankful to be the one who persuaded her to go to the ER in the middle of the night. As a new mother and breastfeeding mother I would not have felt comfortable going with her to the ER but thanks to my prototyped baby wrap I knew my baby would securely sleep and feed. I once thought my wrap was merely a fashion statement. With a carseat or stroller I would not have been able to be by my mom’s side whipping down hallways, and into surgery. In this terrifying time, I had the only the comfort of my newborn secure at my chest, after hours in the ER I simply loosened the wrap and was able to breastfeed him discreetly. The doctors mentioned I was very lucky to have notice her symptoms and have brought her in when we did and she has now thankfully recovered. After this experience I re-committed myself to my product, that which will help women balance their lives, growing families and care for their aging parents.

Through heavy research I realized my generation’s aversion to the competitor’s wraps. Many Millennial mothers and fathers simply carried their children in front-styled backpacks once they reached the appropriate age because of style and availability. A mother that performed a review for our prototype found that she had bought a front-styled backpack after learning that it promoted lactation, although the torso strap had irritated her cesarean incision site causing it to become infected and jostled her baby. With our wrap she was able to carry her newborn more securely which conformed to her petite newborn also wrapping him 6 inches above her incision. What Millennials may be missing is that wraps are to be used from the first day of life and provide immense medical benefits to mother and baby. Baby wraps are the gateway to babywearing and even toddler wearing. By manufacturing and distributing wraps our company we will also have a forum to educate mothers on the medical benefits of babywearing. Our wraps enable mom to maintain active lifestyles after recovering from childbirth while still freeing up their hands to tend to the other needs of her family. Millennials use technology and social media to shape their spending decisions, drawing on social responsibility, ethical company practices, online forums, price comparisons and the companies receiving their patronage and brand following will have to be effortlessly styled, dynamic, social, innovative, and available at the click of a button.

Tuck and Bundle has identified key gaps in the baby carrier market. Sales for our competitors have more than doubled in the past few years. Our company intends to provide modern styling, educational pairings, bilingual marketing and instructional material, more channels of unique distribution, and overall support of mother and fathers.

**Our company was created by a mother, for mothers, in the hopes that mothers will continue to shape our company and the babywearing industry in a global market. We strive to be a mothering company.**

# BUSINESS OVERVIEW

Tuck and Bundle manufactures modern and stylish baby carrier wraps for a new generation of moms and dads. Our company seeks to broaden the customer base of babywearing, satisfy the growing demand for modern carriers, provide education of benefits to caregiver, and pioneer the gaps in the carrier market. Our company will achieve this success through targeted Millennial marketing and identify unique distribution channels.

- **Date of DBA Formation:** October 2015
- **Legal Structure:** Limited Liability Corporation
- **Office Location:** San Antonio, Texas, USA
- **Business Stage:** Research and Development
- **Press:**
  - o IAmAmericanMade.co Blog Feature (October 2015)
  - o San Antonio OurKids Magazine (November 2015)

## BABYWEARING BENEFITS

The CDC found that in 2013, 40.6% of all births were to unmarried mothers who struggle to raise children on their own. It foremost increases confidence and allows the mother to care for the needs of the whole family. The carrier enables convenience, allowing a mother to keep her hands free and use them to simultaneously take care of other children, make meals, do laundry, or complete a number of other chores. The mother is able to be more responsive to the baby's needs, thus ensuring a safer environment.

The carrier also facilitates initiation and ease of breastfeeding, in addition to helping a mother form an attachment to her baby during the newborn stage and avoid postpartum depression. Babies who are carried at least three hours a day cry and fuss 43% less than babies who are not carried. Wearing a carrier also allows the baby to learn more about the surroundings in a state of quiet alertness.

For babies, carrying decreases infant crying, colic, and infant acid reflux disease. It also promotes healthy physical development of the spine, vestibular system, vision, and other systems within the baby. A baby's mental development is also optimized because the baby has an enhanced and enriched environment that stimulates its brain. Furthermore, a carrier also helps babies to develop socially and to become securely-attached children, which encourages them to develop independence and emotional availability.

See also Appendix 3 for further research and references.

# SUCCESS FACTORS

Tuck and Bundle is uniquely qualified to succeed due to the following reasons:

- **Successes achieved to date:** We have grown a small business collaboration and network in San Antonio comprised of manufacturers, photographers, graphic designers, videographers, babywearing educators, and local moms and dads who support growing babywearing in our community to better the lives of working moms, military families, single-supported families, and growing families. Having already accomplished media attention, social media following, and hometown anticipation which positions us for future success.
- **Product:** Our baby carrier and educational pairings are superior to our competitors because of our millennial targeted instructional material, modern product styling, keepsake instruction manuals, bilingual video tutorials, educational outreach, and babywearing support.
- **Competitors:** There are less than 10 direct competitors in the U.S. market, few of which style, educate, and support the millennial gateway to babywearing
- **Management:** Our management team's competencies include a mother who is a babywearing advocate, U.S. Army veteran, and engineer, a father who is a graduate-degreed financial professional, and a supply chain and operations management MBA.
- **Location:** Locating the business centrally within the U.S, such as in San Antonio, positions it for optimal distribution, fulfillment, and customer service. As a majority hispanic city, San Antonio represents a significant growth market for baby carriers.
- **Partnerships:** We will be partnering with babywearing educators to provide interactive support, lactation consultants for breastfeeding support, and the San Antonio Center for Health Care Services to provide carriers and education. These partnerships serve to raise awareness of the product's benefits and give back to the community. Additionally we will collaborate with fit pregnancy and new mommy bloggers to increase visibility. Brand Ambassadors will be used for networking and product review.
- **Operational Systems:** We have developed systems that enable us to provide high quality product at a lower cost. These systems include our online sales platform, Shopify, unique customer acquisition platforms such as Instagram, and direct customer support through additional social media outlets.
  - o Shopify's integration with Shippo makes shipping easy and cheap, with a developer-friendly API, seamless web interface, and best available shipping rates.
  - o A Made in America position enables us to provide high quality products to our customers quickly while providing them a sense of social responsibility.

- **Fulfillment:** A free shipping model positions us to stand out beyond our competition while providing our customers fewer purchase barriers.
- **Customers:** We will strive to serve a larger demographic of customers by providing our marketing material, product instruction, and video tutorials in Spanish and English.
- **Marketing:** We have unique marketing skill sets that enable us to attract new customers at a low cost. This is accomplished through targeted Millennial marketing, dynamic social media spotlighting a new generation of babywearing, and bilingual campaigns.

# INDUSTRY ANALYSIS

## MARKET OVERVIEW

The market in which Tuck and Bundle is operating can be characterized by the following:

In 2008, industry sales of the baby carrier market totaled \$21.5M, an increase of 43% from 2006 (NY Times article). The current market size is unknown, but has surely increased from the 2008 number.

In 2016, 4.1 million babies are expected to be born in the US (US Census Bureau).

Births to unmarried women (15-44) in 2014: 40.6% (Childstats).

One of the changing trends in society is that the average age of first time mothers is increasing. In 2008, the average age was 25; in 1970, the average age in 1970 was 21 (IBIS World).

## RELATIVE MARKET SIZE

Our relevant market size is calculated as follows:

With less than 5-10 direct competitors in the U.S. market our company will focus on the considerably sized market gaps.

In 2006, 17% of new mothers owned sling carriers (sling refers to a carrier wrap or traditional sling), with 69% of them purchasing them brand new. With about 4 million births that year, 471,000 slings were estimated to be sold. Actual number may be much higher - up to 1 million slings.

In 2016, with the rapid growth in the market, we conservatively estimate that 30% of new mothers will purchase baby carriers, and 70% will purchase them brand new. With 4.1 million babies estimated to be born, 861,000 slings will be sold this year in the U.S. market.

In 2013, within the cities of San Antonio and Austin, 36,000 babies were born.

Our relevant market size in 2016, with the same estimates as above, with 30% of new mothers purchasing slings and 70% purchasing them brand new, we have an opportunity to sell 7,560 slings in our market.

Our financial plan is based on reaching 20% of those 7,560 slings.

Surveys show that about 80% of mothers own more than 2 baby carriers. On an annual basis, mothers would spend about \$130 on our products. Our products will sell at an average of \$65. Therefore, our potential market annual sales are estimated to be \$1,134,000.

**As the analysis shows, our relevant market is large enough for our company to enjoy considerable success!**



# CUSTOMER ANALYSIS

Below is a description of who our target customers are, and their core needs.

## OUR TARGET CUSTOMERS

Below is a profile of our target customers:

- **Primary Customer:** New Mothers
- **Age:** 20-38
- **Secondary Customers:** Can also be worn by fathers, caregivers such as grandparents, aunts, uncles, and nanny's with proper instruction
- **Income:** Often purchased as a gift
- **Gender:** Female and Male
- **Primary Location:** Texas
- **Marital status:** Any
- **Family size:** Any
- **Language:** English and Spanish
- **Values and Interests:** Breastfeeding, Attachment Parenting, Baby and Toddler wearing, Co-Sleeping, Child Development Research, Postpartum Depression Awareness, Fit Pregnancy, Yoga, Health living, Homeschooling, Military Families, Active Children, Growing Families, Bilingual Households, Innovative Baby Products, Child Safety Products, Community Mothers, Parents of multiples, and Special needs children.



# CUSTOMER ANALYSIS

Below is a description of who our target customers are, and their core needs.

## CUSTOMER NEEDS

Below is a profile of the needs that our target customers have:

- **Speed:** Customers want products that ship immediately to meet their desired milestone such as birth of baby, baby shower, first days leaving the house with baby, and calming of baby. Tuck and Bundle will provide free shipping anywhere in the U.S. as part of our business model, why wait to find out *how* to be competitive when we are living in an Amazon Prime world.
- **Quality:** Customers value sustainable design and quality of textile which will embrace their newborns. The baby wrap is made of high end, eco-friendly, breathable, and cool-to-the-touch material perfect for hot weather climates. Our products are Made in America and our company works directly with manufacturer to ensure the highest quality standards suitable for infant use.
- **Location:** San Antonio is the 6th largest city in the U.S., and home to one speciality baby carrier retailer, outside of the big-box competitors. Our company will identify key market gaps beginning with San Antonio. Our company plans to provide carriers to the Center for Health Care Services serving over 500 mothers with babies of developmental needs ages 0-36 months.
- **Reliability:** The baby carrier will undergo testing set by industry experts to include CPSIA, JMPA, and ASTM. Certified Babywearing Educators consult on our product design, manufacturing, and marketing. Our textile source will also undergo brand integrity testing to ensure we are getting the highest quality goods. Quality control will be conducted beginning with material sourcing and through to the customer review.
- **Comfort and Style:** Our customers make motherhood a statement, this statement requires statement pieces, unique style pairings, and comfortable and effortless looks. Our baby carrier is luxuriously soft, cool to the touch,
- **Price:** A customer can expect to pay \$65 retail
- **Value:** Baby Carriers are often sold in exclusive and limited patterns, customers often pay \$40 to \$540 after scouring the internet for a safe carrier that didn't come from other's Target Baby Registry. Companies hold waitlists, invoice lotteries, and exclusive small batch listings to eager baby wearers looking to get future resale value from their carrier. Our company will cater to a new generation of moms and dads who value a stylish and on trend product, accessible with a few clicks, and video instruction all wrapped in a free priority mail package.
- **Customer Service:** A Certified Babywearing Educator will respond to questions regarding fit, newborn positioning, comfort, and safety through email and social media outlets.
- **Ease of use:** With only one way to tie our baby carrier, wrapping can become second nature after practice and review of instructional tutorials. Mothers often find themselves wrapping their infants for hours a day.

# COMPETITIVE ANALYSIS

## DIRECT COMPETITORS

### **Direct Competitor #1: Solly Baby**

- Products: Baby Wrap
- Price point: \$65 (free U.S. priority shipping)
- Unknown yearly revenues, sold primarily online, not available in box retail
- Key strengths: Free U.S. Priority Shipping, Hot weather material perfect for wearing newborns, Modern Styling, Blogger Collaborations, Instagram presence, Charitable Contributions
- Key weaknesses: Incorrect safety warning labeling practices, Slow to rollout newest safety information and research, little to no safety education provided on website or other social media platforms compared to other carrier providers, Limited Colors and patterns, Limited Quantity, Consistently Sold-out, Less than 30 boutiques across U.S. carry wrap, poor trim on product makes difficult to handle and put on correctly, outdated video instruction, brand tag on product can be easily damaged and will often damage product, intentional separation from traditional babywearing community limits their input and support for moving babywearing forward and mainstream in the United States.

### **Direct Competitor #2: Moby**

- Products: Multiple baby wraps, slings, and structured carriers
- Price points: \$45, \$60, and \$80 (shipping not included)
- Unknown yearly revenue, sold primarily in stores such as Target, Babies 'R' Us, and Walmart
- Key strengths: Accessible to everyone in Target, Walmart, and multiple online and retail outlets, Considered pioneers of babywearing in the U.S.
- Key weaknesses: Retailers have been quoted saying "I could not give these wraps away". Unsafe social media images, unsafe instructional practices as deemed by certified babywearing educators, losing support of babywearing educators for lack of innovation, product is too large and overbearing for user, surveys show people are turned away from babywearing due to this product's deficiencies, product size is intimidating for users, limited and outdated colors and patterns, outdated and inconsistent branding, unprofessional and poor quality video instruction. Cotton and bamboo textile.

### **Direct Competitor #3: Happy Wraps**

- Products: Baby Wrap
- Price points: \$45, \$55 (dependent on color and style)
- Unknown yearly revenue, sold primarily online
- Key strengths: Bamboo material good for hot weather climates, Modern Styling, and Blogger Collaborations, Properly labeled according to safety recommendations. Consistent branding and packaging. Typically not "sold out" often which makes it more accessible.
- Key weaknesses: Product is made of Bamboo a very stretchy and thin textile which does not instill confidence for the user and tears and pills easily. Additionally the product is the smallest on the market which limits its customer base. Ideally only for babies first 3-6 months of life as recommended by educators.

# COMPETITIVE ANALYSIS

## INDIRECT COMPETITORS

### **Indirect Competitor #1: Boba**

- Products: Baby Wraps and Baby Structured Carriers
- Price Points: \$39.95 and \$125 respectively
- Key strengths: Price points, exception educational material available online, support of major and minor research endeavors within babywearing community, and accessibility of product in retail.
- Key weaknesses: Focus on structured carriers within social media presence leave market gaps for customers seeking wraps. Lack of modern styling and modern instructional material. Textile made of cotton and spandex.

### **Indirect Competitor #2: Tula**

- Products: Baby wraps, slings, and structured carriers
- Price points: \$145+
- Key strengths: Social media presence, educational material, and accessibility of product
- Key weaknesses: Lack of modern styling and modern instructional material. Size availability confusing and limiting to ongoing use. Textile makeup and length unappealing to babywearing beginners.

### **Indirect Competitor #3: Sakura Bloom**

- Products: Baby slings
- Price points: \$100+
- Key strengths: Social media presence, modern styling, educational material, and accessibility of product
- Key weaknesses: Product is considered a high-end carrier and luxury market status. The company puts out limited editions and quantities often exhausting customers and frustrating the resale hopefuls. A sling may pose a higher learning curve and because a sling can be worn into toddler years a company focus on newborn baby wearing has not always been at the forefront. Sling ease-of-use and length can be unappealing to babywearing beginners.

# MARKETING PLAN

## PRODUCTS AND PRICING

### **The Baby Wrap**

- Product description: A modern newborn baby carrier wrap
- Product Use: Newborn 8-25lbs, Caregiver one-size fits most
- Product benefits:
  - o skin-to-skin development
  - o body temperature regulation
  - o common comfort for Colicky babies
  - o promotes lactation
  - o babies cry 43% less than those not worn
  - o Parental Bonding
  - o spinal support at critical development
  - o prevention of ear infections
  - o constant learning stimulating a baby's senses
  - o physiological system regulation
- Product price: \$65 (Free U.S. Shipping)
- Product expected purchase frequency/quantity: 1-2 wraps per newborn
- Product strengths: Exceptional education resource for child development, breastfeeding, and babywearing community, on trend unique style, color, and pattern options, Made in America, Ethical and Sustainable company practices, Texas hometown focus, Textile made of certifiable 100% Lenzing MicroModal, luxuriously soft and cool to the touch, breathable fabric made from sustainable practices, perfect for hot weather climates, and free of harmful chemicals.

# MARKETING PLAN

## CONTINUED CUSTOMER ACQUISITION

Tuck and Bundle will use the following tactics to attract new customers:

- Texas
  - o San Antonio Center for Health Services, ECI Program (Targeted 3rd Quarter)
  - o Boutique and Retail
  - o Lactation Support Forums and Clinics
  - o Community Babywearing Group Collaborations
  - o Mom Networks & Educator Classes
  - o Babywearing Instructional Classes
  - o Mommy-Baby Yoga Classes and Pre-natal Care courses
  - o Babywearing Community Outreach Programs
  - o City Brand Ambassadors
  - o Event Marketing to include health spas and wellness clinics
  - o Flyers, Postcards, and Lookbooks
  - o SA Current Newspaper
  - o San Antonio Magazine
  - o San Antonio OurKids Magazine
  - o Networking through San Antonio Women's networks
  - o Mom-to-Mom Word of Mouth / Viral Marketing
  - o Pop-Up Shops at area Maternity, Baby, and Gift Boutiques
- Social Media
  - o Instagram Acquisition, Following, Q&A, Giveaways, Exclusive Promo Codes
  - o Social Media Brand Ambassadors
  - o Support and Sponsor Babywearing advocacy & research groups
  - o Facebook Forums
  - o Fashion, Maternity, Motherhood Bloggers
  - o Email Marketing Newsletters
  - o Google Business, Google Ad, and Facebook Ad Promotions
  - o Partnerships and Collaborations with Style Bloggers
- E-Commerce and M-Commerce
  - o Pinterest Following and Pinterest Buyable Pins
  - o Gift Certificates offered on ecommerce site
- ABC Las Vegas Trade Show, Lactation, Doula, Midwife Conferences, and International Babywearing Conventions

# KEY OPERATION MILESTONES

The key business milestones that our company expects to accomplish as well as the risk mitigating milestones are the following:

## MILESTONES

(P) - Product Development    (F) - Financial    (B) - Business Development    (M) - Marketing

### *October 2015*

- (M) Established LLC, Logo, and Brand Identity
- (B) Joined Baby Carrier Industry Alliance
- (M) Created and advertised profile with Made in America networks
- (B) Mentorship Established - Jim Curry, MBA (Former VP of Rackspace, Present BuildGroup Venture Capitalist)

### *November 2015*

- (M) Social Media and Branding Launch
- (B) InnovateHER Challenge Pitch
- (B) Mentorship Established - Debra Innocenti, J.D. (Partner, Strasburger Attorneys at Law)

### *December 2015*

- (P) 1st Prototype completed to include Certified Babywearing Educator Review
- (P) 1st Product Sample Run for government testing

### *Q1 2016*

- (P) 1st Product Sample Run for sale online
- (B) Phase I Website - Ecommerce Launch
- (P) Babywearing Video Tutorials and Benefits Blog Launch
- (F) Secure Phase I Working Capital Investment \$25K
- (F) Sell first 300 units of product
- (F) Achieved revenue of \$4K

### *Q2 2016*

- (F) Achieved Revenue of \$19K
- (B) Launch Merchify Operations - Marketing T-shirts for tagline campaign
- (B) Launch Shippo Operations - Shipping API for Ecommerce

### *Q3 and Q4 2016*

- (B) Launch Pinterest "Buy-able Pins"
- (B) Provide area instruction to Center for Health Care Services in San Antonio
- (M) Sponsor and assist Baby Carrier Industry Alliance in safety awareness campaigns
- (M) Begin Brand Ambassador Collaborations

### *FY2016*

- (F) Sell 1,600 units of product
- (F) Revenue milestone of \$103K for the year
- (F) Secure Phase 2 Working Capital Investment \$20K

# FINANCIAL PLAN

## REVENUE MODEL

Tuck and Bundle generates revenues primarily via sales of products.

## FINANCIAL HIGHLIGHTS

Below please find an overview of our financial projections. See the Appendix for our full projected Income Statements.

**Figure 1 - Annual Financial Summary**

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues	\$102,810	\$204,440	\$406,540	\$808,400	\$1,607,550
Direct Expenses	\$50,050	\$100,530	\$201,930	\$405,580	\$814,590
<b>Gross Profit</b>	<b>\$52,760</b>	<b>\$103,910</b>	<b>\$204,610</b>	<b>\$402,820</b>	<b>\$792,960</b>
Gross Profit (%)	51.3%	50.8%	50.3%	49.8%	49.3%
Other Expenses	\$19,000	\$33,040	\$50,428	\$119,489	\$125,323
<b>EBITDA</b>	<b>\$33,760</b>	<b>\$70,870</b>	<b>\$154,182</b>	<b>\$283,331</b>	<b>\$667,637</b>
Depreciation	\$0	\$0	\$0	\$0	\$0
Amortization	\$400	\$400	\$400	\$400	\$400
Preliminary Exp Written-Off	\$0	\$0	\$0	\$0	\$0
Interest Expense	\$0	\$0	\$0	\$0	\$0
Income Tax Expense	\$11,700	\$24,700	\$53,800	\$99,000	\$233,500
<b>Net Income</b>	<b>\$21,660</b>	<b>\$45,770</b>	<b>\$99,982</b>	<b>\$183,931</b>	<b>\$433,737</b>

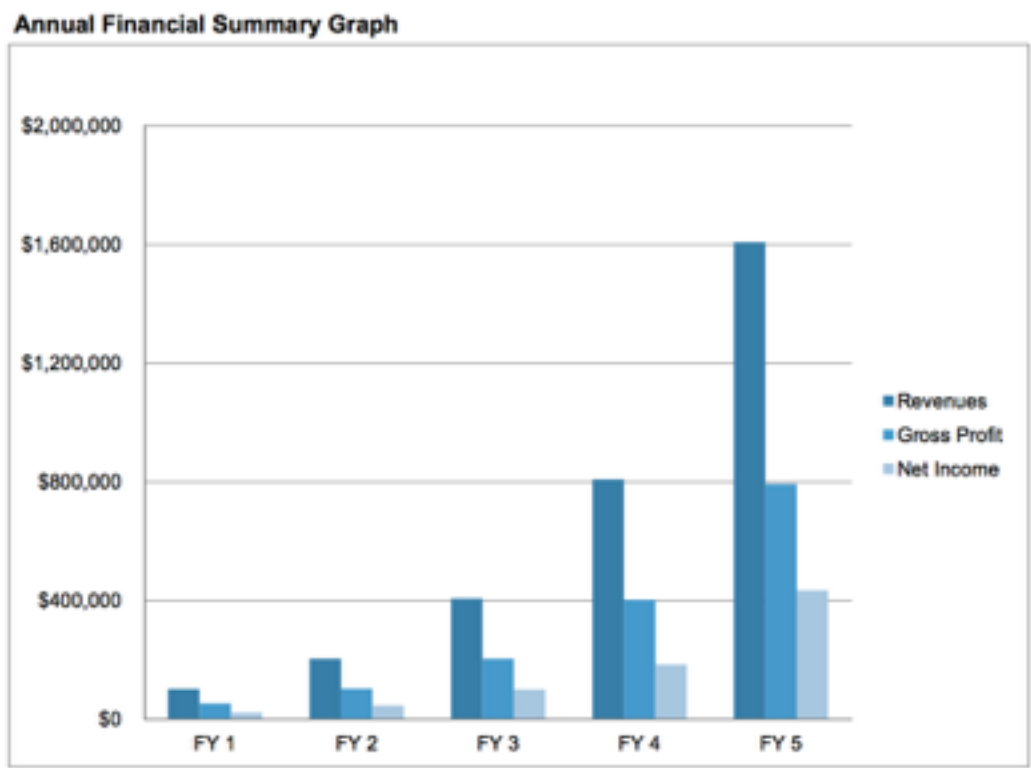
- Other Expenses include marketing and design consulting fees and salaries
- Amortization pertains to trademark expenses
- There are other potential revenue streams that are not considered here, such as educator consulting fees or supporting products such as novelty advocacy t-shirts

## FUNDING REQUIREMENTS AND USE OF FUNDS

To successfully execute on our business plan, we require **\$45,000** in outside funding. The primary use of this funding will include the following:

- Multi-phase Website and Ecommerce Development
- Material / Manuf. Sampling
- Print Collateral Design - Instruction Manual
- Videography - Video Instruction
- Direct Point-of-Sale Equipment
- Product Packaging and Registration
- Government Testing and Certification
- Material / Manuf. for Production
- Wholesale POs
- Trademarks, Design Patents, and Domains





KEY SUPPORTING FINANCIALS

Unit Cost Assumptions

Variable Cost	Per Unit
Materials	\$ 12.88
Production	\$ 5.00
Booklet	\$ 3.00
Muslin Bag	\$ 3.00
Credit Card Fees	\$ 1.89
Shipping	\$ 5.75
Total Variable Cost	\$ 31.51
Revenue (Per Unit)	\$ 65.00
Profit (Contribution) Margin	\$ 33.49
Profit Margin %	52%

Monthly Costs	
Marketing and Advertising Retainer	\$ 1,500
Other	\$ 233
Total Monthly Costs	\$ 1,733

Sales Growth Assumptions

Annual Sales Growth Rate	75% - 100%
Year	Units to be Sold
2016	31,144
2017	34,377
2018	37,946
2019	41,885
2020	46,233

Funding Assumptions

Funding Needs - Year 1	
Trademarking	\$ 3,000
Advertising/Visual Media	\$ 1,200
Wrap Material and Production	\$ 30,913
Marketing and Design Consultant	\$ 9,000
Total Funding Needs	\$ 44,113

- Materials and production costs have yet to be negotiated with manufacturers and vary depending on the dye or pattern selected. An average is presented here.
- The unit cost includes free shipping.
- Credit card fees of 2.9% are factored above, this reflects typical fees from Shopify’s basic plan.
- The breakeven unit sales on any production order is selling approximately half the order, due to the 52% profit margin.
- Not all of the starting capital will be needed up front although this level of funding provides sufficient capital to accomplish the following:
  - o Production needs for FY2016
  - o Complete our marketing and design consultation to solidify our market presence
  - o Protect key names, images, and taglines via trademarking

# MANAGEMENT TEAM

Our management team has the experience and expertise to successfully execute on our business plan.

## MANAGEMENT TEAM MEMBERS

### **Miranda Tripp**

- Title: Founder and CEO
  - o Key Functional Areas: Operational Strategies, Marketing, Advertising Agreements, Wholesale Contracts, Product Sourcing, Design, and Development
  - o Educational background: U.S. Army Veteran, B.S. Civil Engineering, E.I.T. Certification

### **Graeton Tripp**

- Title: CFO
  - o Key Functional Areas: Budgeting, Forecasting, Accounting, and Financial Analyst
  - o Educational background: B.A. Accounting, M.S. Finance

### **Ruth Huoh**

- Title: COO
  - o Key Functional Areas: Financial Analyst, Logistics, Fulfillment, and Shipping Management, Customer Management, and Social Media Content Writer
  - o Educational background: B.S. Finance, B.A. English, MBA Supply Chains and Operations Management

### **Management team gaps to be filled at quarterly milestones are as follows:**

- Title: Customer Service
  - o Key Functional Areas: Provide customer service to online customers, retail and boutique buyers of wholesale, provide question and answer on social media regarding buying, safety, and latest developments in babywearing research. Certified Babywearing Educator
- Title: Accounts Manager
  - o Key Functional Areas: Bookkeeping, Wholesale Contract Management, and E-commerce Reporting and Analytics
- Title: Creative Designer
  - o Key Functional Areas Covered: Graphic Design, Product Photography, Video Tutorials, and Styling

# APPENDIX

Appendix 1: Annual Projected Income Statement

Appendix 2: Further Research and References

## Annual Financial

	FY 1	FY 2	FY 3	FY 4	FY 5
<b>Revenues</b>					
Revenues	\$102,810	\$204,440	\$406,540	\$808,400	\$1,607,550
<b>Total Revenue</b>	<b>\$102,810</b>	<b>\$204,440</b>	<b>\$406,540</b>	<b>\$808,400</b>	<b>\$1,607,550</b>
<b>Direct Cost</b>					
Direct Costs	\$50,050	\$100,530	\$201,930	\$405,580	\$814,590
<b>Total Direct Costs</b>	<b>\$50,050</b>	<b>\$100,530</b>	<b>\$201,930</b>	<b>\$405,580</b>	<b>\$814,590</b>
<b>GROSS PROFIT</b>	<b>\$52,760</b>	<b>\$103,910</b>	<b>\$204,610</b>	<b>\$402,820</b>	<b>\$792,960</b>
<b>GROSS PROFIT(%)</b>	<b>51%</b>	<b>51%</b>	<b>50%</b>	<b>50%</b>	<b>49%</b>
<b>Other Expenses</b>					
Salaries	\$7,200	\$30,240	\$47,628	\$116,689	\$122,523
Marketing Expenses	\$9,000	-	-	-	-
Rent/Utility Expenses	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Other Expenses	-	-	-	-	-
<b>Total Other Expenses</b>	<b>\$19,000</b>	<b>\$33,040</b>	<b>\$50,428</b>	<b>\$119,489</b>	<b>\$125,323</b>
<b>EBITDA</b>	<b>\$33,760</b>	<b>\$70,870</b>	<b>\$154,182</b>	<b>\$283,331</b>	<b>\$667,637</b>
Depreciation	-	-	-	-	-
Amortization	\$400	\$400	\$400	\$400	\$400
Preliminary Exp Written off	-	-	-	-	-
<b>EBIT</b>	<b>\$33,360</b>	<b>\$70,470</b>	<b>\$153,782</b>	<b>\$282,931</b>	<b>\$667,237</b>
Interest Expense	-	-	-	-	-
<b>PRETAX INCOME</b>	<b>\$33,360</b>	<b>\$70,470</b>	<b>\$153,782</b>	<b>\$282,931</b>	<b>\$667,237</b>
Net Operating Loss	-	-	-	-	-
Use of Net Operating Loss	-	-	-	-	-
Taxable Income	\$33,360	\$70,470	\$153,782	\$282,931	\$667,237
Income Tax Expense	\$11,700	\$24,700	\$53,800	\$99,000	\$233,500
<b>NET INCOME</b>	<b>\$21,660</b>	<b>\$45,770</b>	<b>\$99,982</b>	<b>\$183,931</b>	<b>\$433,737</b>
Net Profit Margin (%)	21%	22%	25%	23%	27%

# FURTHER RESEARCH AND REFERENCES

1. Baby Carrier Industry Alliance (BCIA) : An Alliance of Industry Leaders Increasing awareness of the value of quality baby carriers and advancing the well-being and growth of baby carrier manufacturers, importers, distributors, retailers and educators. <https://babycarrierindustryalliance.org/>
2. Center for Babywearing Studies (CBWS) : Certified Babywearing Educator Training Program and Resource. <http://www.centerforbabywearingstudies.com/#home>
3. Babywearing International, Inc. (BWI) : A 501(c)3 non-profit organization whose mission is to promote babywearing as a universally accepted practice, with benefits for both child and caregiver, through education and support. The heart of BWI is our network of local chapters which provide free educational meetings and support within their own communities. <http://babywearinginternational.org/about-bwi/>
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