



Workwear made by and for  
hardworking women.

SBA InnovateHER 2016 Challenge

Stacey Edwards | [toughergear@gmail.com](mailto:toughergear@gmail.com) | 541.908.4889 | Corvallis, OR

# Table of Contents

<b>Executive Summary</b> .....	3
Problem Worth Solving.....	3
Our Solution .....	3
Highlights.....	4
Mission Statement .....	4
Milestones.....	4
Keys to Success .....	5
<b>Description of Business</b> .....	5
Company Ownership/Legal Entity .....	6
Products.....	6
Location.....	6
Team Members.....	7
Advisors .....	7
<b>Marketing</b> .....	8
Market Segmentation.....	8
About Competitors.....	8
Duluth Trading Co. ....	8
Carhartt.....	9
About Customer Segments .....	9
Brand Positioning Matrix.....	11
Pricing.....	11
Competitor Prices for Work Pants and Points of Differentiation.....	12
Advertising and Promotion .....	12
Strategy and Implementation .....	13
<b>Appendix</b> .....	14
Start-Up Expenses .....	14
Customer Validation Findings.....	14
Cash Flow- Pro Forma.....	15
Income Statement- Pro Forma.....	16
Balance Sheet.....	17
Break-Even Analysis .....	18
Brand Story .....	20

## Executive Summary

---

**TOUGHER** designs women's workwear for the field, backyard, and shop. Our customers are self-described "badass" women in hard labor trades such as agriculture, forestry, fisheries & wildlife, firefighting, and construction. Additionally, we serve the **DIY** community, the 80% of women who initiate home-improvement projects here in the U.S., which include backyard farmers, community gardeners, and hobbyist wood workers. Collectively, this accounts for over 2.8 million women in U.S. professional trades and 39.5M who self-identify as "Do-It-Yourselfers."

Within the apparel industry, workwear is a niche segment. A recent SEC filing by Duluth Trading Co. (a medium-sized competitor) lists its annual revenue for FY 2014 as \$231.9M with 70% being online sales. For a women-focused company like **TOUGHER** that designs workwear to fit, flatter, and function better for women, the prospective company's worth has been conservatively estimated at \$30M and optimistically up to \$300M with adoption from the lifestyle apparel segment.

Key milestones **TOUGHER** has accomplished to date include problem validation by over 300 interviewed women across the U.S., registered trademark provisionally granted by the USPTO, and the identification of its designer, patternmaker, and sample manufacturer to bring its first launch product to life.

### Problem Worth Solving

A prevalent complaint among women is that their apparel fits horribly and lacks durability- even from "women's lines" of established brands. Frustrated, women routinely fight with their clothes or resort to buying oversized menswear, which negatively impacts their performance and presents a safety hazard. Hazards occur when excess material gets caught on machinery, as is the case in forestry and wild land firefighting, or ignites when performing activities like welding.

Based on personal interviews with potential customers, it is not uncommon to hear that women have cut off high waistlines on work pants, rolled up and duct taped coverall sleeves, cut off long leg pants, and patched up blown crotch seams or holes in the pant's hems- all in the name of making their workwear function and be somewhat comfortable.

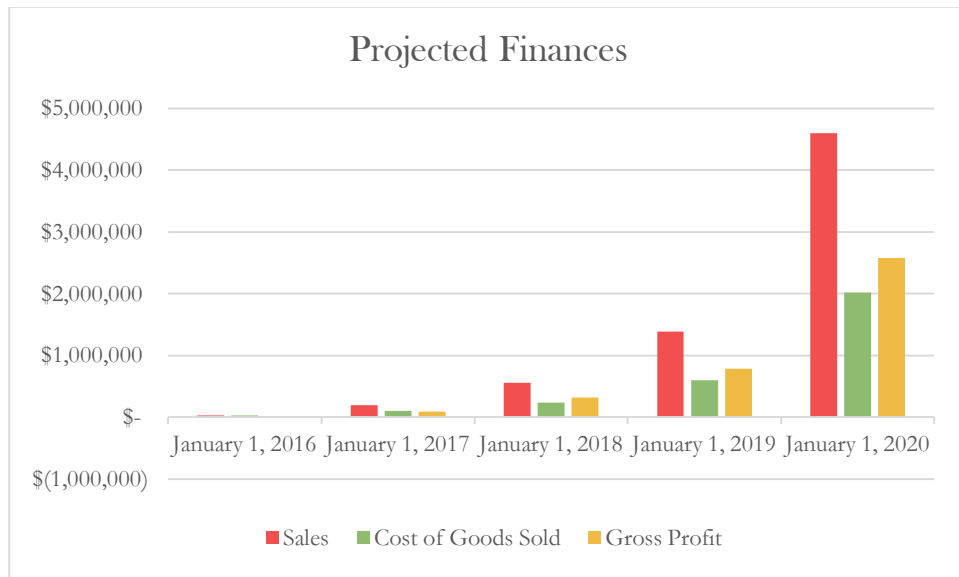
For perspective, more R&D has gone into designing a better running bra for women than workwear that is worn 12-15 hours a day.

### Our Solution

**TOUGHER** designs better-fitting workwear by identifying common areas of poor fit and improving apparel construction to work with the curves of women's bodies. Materials used are also thoughtfully identified for improved comfort and durability.

Specifically, our launch product (work pant) will have improvements made to the crotch seams that commonly fail, provide greater freedom movement while squatting, large utility pockets for tools, reinforcements to pant hems, and increased area around the quads to accommodate muscular legs.

## Highlights



## Mission Statement

At **TOUGHER**, workwear is more than just fabric worn on the body. Workwear is part of the ethos of the hard laborer. When a woman puts on a pair of pants or shirt, it makes her feel like a superhero who can take care of animals, chop wood, or build a fence.

We provide workwear for women to not only perform at their absolute best, but also with the same artisanal pride that she takes from a good day's work.

## Milestones

**FY 2016:** Sample and Prototype Testing/Proof-of-Concept Sales

- January: Design and tech package completed
- February to April: Identify fit model and complete pattern for work pant
- May to June: Manufacture up to 10 sample work pants for market-ready product
- July to December: Manufacture 300 work pants for prototype testing and online sales (proof of concept)

**FY 2017:** 1.5k Work Pant Production, Expansion of Product Line (Tops), Online+5 Retail Locations

**FY 2018:** 3k Work Pant Production, Expansion of Product Line (Accessories)

**FY 2019:** 10k Work Pant Production, Expansion of Product Line (Overalls, Coveralls), Retail Expansion

**FY 2020:** 32k Work Pant Production, Increased Retail Expansion

## Keys to Success

- Better-fitting workwear that allows freedom of motion and comfort for the wearer
- Authentic brand story: first workwear company by a woman for women to provide a full product line of apparel and tools
- Advisors consist of successful entrepreneurs and executives from apparel industry
- Established network of contacts in the apparel industry

## Description of Business

---

TOUGH**HER** follows a similar business as Nike in that it designs and sells apparel, but contracts out for manufacturing. Online sales through our company website will constitute a majority of revenue in the company's early years. This decision is based on initial capital limitations for large production, as well as to capture a larger profit margin by selling direct-to-customer (DTC).

In FY 2017, the goal will be to expand into five specialty retail establishments in the Pacific Northwest (PNW) to gain greater brand awareness and allow women the option to visit a retailer to try on our products. Retailers considered would be Wilco, Coastal Farm and Home, and local workwear specialty stores. Les Newmans Quality Footwear and Clothing has made a verbal offer to provide shelf space for TOUGH**HER** to test market its product in the Bend, OR area. Additional locations considered would be Tacoma, Seattle, Portland, and Sacramento. This is due to the close proximity of professional trades that require workwear (e.g. large agriculture areas, forestry).

Being headquartered in Oregon, TOUGH**HER**'s regional difference brings a fresh design point-of-view and ethos to a mature segment largely dominated by Midwestern companies- the exception being Filson headquartered in Seattle. Being an Oregon brand, women who are organic farmers, forestry researchers, community gardeners, and wild land firefighters will identify more with our brand than the large-production, blue collar vibe that Carhartt and Dickies portrays.

The primary goal for TOUGH**HER** is to be an authentic workwear brand. This goal can be accomplished by its founder staying true to her roots and listening to the needs of other women who use workwear. Similar to the yoga and rockclimbing apparel brand, prAna, its founder was successful because he was prAna's first customer and understood intimately what design and brand elements were needed for others like him.

A second goal for TOUGH**HER** is to build a reputation for apparel that has a craftsman-like quality. Women who use workwear strive to be excellent in their trade or projects. This is accomplished by not cutting corners or using inferior materials that will quickly break down. In similar fashion, women who buy from TOUGH**HER** will notice the same artisanal devotion to quality and construction as they value and practice in their trade or home improvement projects.

A third goal for the company is to sell tools designed for women in the next 10 years. The company will explore co-branding opportunities with companies, like Stihl or DeWalt, to develop a line of tools designed with women's ergonomic needs in mind. Dimensions and weight of tools will be the focus of design.

## Company Ownership/Legal Entity

TOUGH**ER**, LLC is a domestic limited liability company registered in the state of Oregon (Reg. No. 1075686-93). Its sole member and registered agent is Stacey Lynn Edwards. The company plans to convert to a C-Corp in the state of Delaware in 2016 to allow for investment opportunities.

## Products

TOUGH**ER** designs and sells apparel to protect women performing hard labor activities, such as: digging, carrying heavy equipment, hiking, and cutting/sawing. Additionally, we design workwear to protect the wearer against harsh environments. For example, fields with abrasive vegetation, temperature variant work sites, and projects that involve hazardous tools and chemicals.

Given the increased wear and tear on apparel from hard labor activities and work environments, workwear benefits the wearer by not only providing increased safety but also greater durability of fabric to extend the life of the garment.

## Product Lines Offered

TOUGH**ER**'s launch product will be a work pant. Women interviewed have listed this piece of workwear as the worst-fitting for women. Given the variations in hip-to-waist ratios for women, 2-3 styles will be offered. Standard industry variations for women's jeans and other pants are a straight-cut and a curvy-cut. Initially, one color will be offered to reduce costs and potential losses on unsold inventory. A clear favorite by women interviewed is an olive green color. This color would be a strategic choice as it can be used across multiple professional hard labor trades and is standard-issue for men and women's uniforms who work for fisheries & wildlife state agencies.

Following the successful launch of our work pant, tops including long-sleeve, button-up shirts will be offered in addition to breathable wool or organic cotton t-shirts. Further expansion of our product lines will include coveralls and overalls, which women commonly complain have poor fit and lacking style by women.

## Competitive Advantage

TOUGH**ER**'s advantage is its brand story (see Appendix), authenticity, and the current lack of devotion to women. Existing medium-sized and large workwear companies were started by men and still predominately focus on men based on the number of product SKUs offered. Carhartt, in fact, did not offer a women's line until 2007 and the company was started in 1889. Duluth Trading Co. began in 1989 and only offered its women's line starting in 2005.

## Location

Business activities are currently being conducted in several cities in Oregon. Its primary location is Corvallis- the place of residence for its founder. However, meetings with business advisors and contractors also take place in Portland, Eugene, and Bend.

It is the intention of the founder to maintain TOUGH**ER** as an Oregon company. Given the rise of domestic manufacturing occurring in Portland, and a skilled workforce due to apparel giants



such as Nike, Columbia Sportswear, and adidas, the state is rich in human capital and production capabilities.

## Team Members



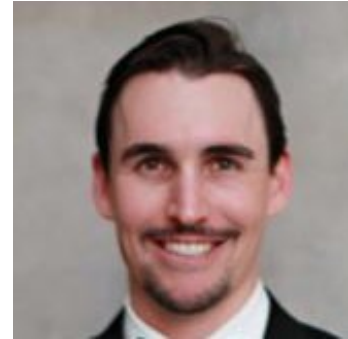
**Stacey Edwards**  
Founder

Fmr Program Coord. and Policy  
Director at Oregon  
State University



**Brawnson Adams**  
Online Sales Operations

Fmr Online Operations Coord,  
Region Sales Rep, and Buyer at  
Local Motion Hawaii



**Justin La Tempa**  
CFO

Investment Intern at Univ. of Oregon  
Portfolio Mgr of Emerging Markets Fund  
UO GTF of Finance and Securities  
Analysis Center

## Advisors



**Sue Levin**  
CMO of Bolt Threads  
Co-founder of Lucy Activewear  
Fmr Nike US Women's Brand Dir

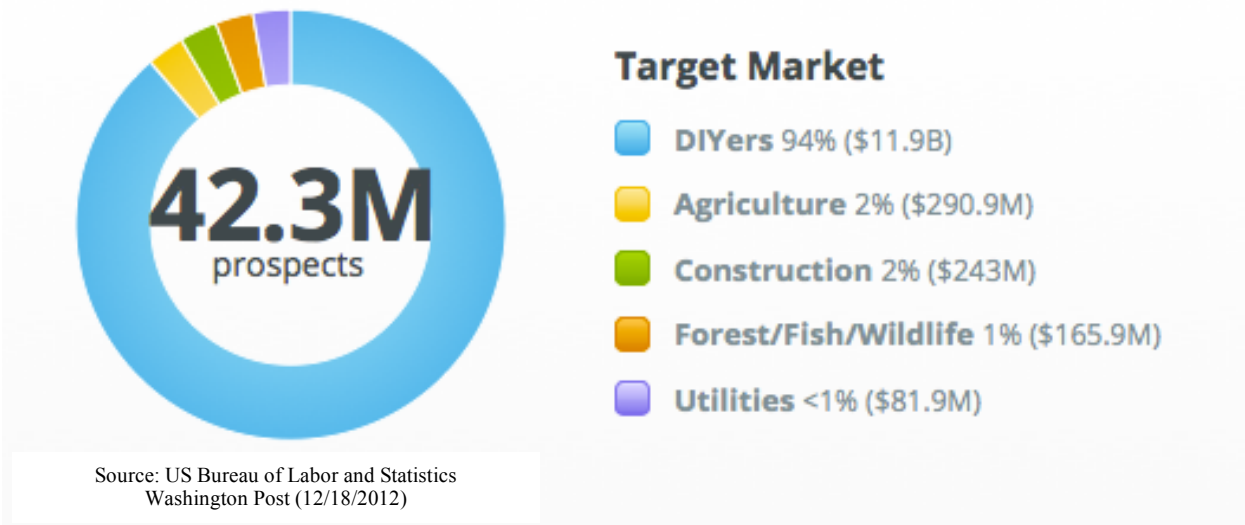


**Sean Beers**  
Pres. Portland Product Werks  
CEO of Korkers  
Fmr Columbia Sportswear Exec



**Julie Ringler**  
Principle, R&D Studios  
VP of Product Design  
Carhartt, Patagonia, Horny Toad

## Market Segmentation



### Sensitivity Analysis for Average Annual Spending:

\$300/yr spend: \$12.7 billion

\$200/yr spend: \$8.46 billion

\$100/yr spend: \$4.23 billion

An industry professional has estimated that TOUGHER's company can conservatively reach \$30M in value and possibly up to \$300M if adopted into the lifestyle segment. As a comparable, Lucy Activewear, a women-specific sportswear brand, sold for \$110M to VF Corp. in 2007.

## About Competitors

All competitors in this space are largely privately held companies with the exception of Duluth Trading Co. and a few subsidiaries of the parent company, VF Corp. Given this, it is difficult to get a comprehensive view of the market's size. However, there are few proxies that can be used. Duluth Trading Co.'s recent IPO filing with the SEC listed its annual revenue for FY 2014 as \$231.9M with 70% being online sales. PrivCo, a subscription-based data aggregator of private companies, lists Carhartt's reported revenue as \$630M in 2014.

### ***Duluth Trading Co.***

Duluth Trading Co. is a medium-sized company headquartered in Wisconsin. It was founded in 1989 as a catalog company for men in plumbing and related trade work. It has since been successful in its expansion to e-commerce.

Within the past five years, Duluth has expanded its retail channel by opening 10 brick & mortar stores in the Midwest (WI, MN, IL, IA). Management has taken a measured approach in locating its new stores, choosing to build where its largest, most profitable catalog customers are located. Its recent public offering will be used to raise capital in order to expand to 100 company-owned stores across the U.S.



## ***Carhartt***

Carhartt, a private, family owned company established in 1889, has consistently maintained high annual growth rates ranging from 1.4% to 14% from 2009 to 2014 (PrivCo, 2015). Based annual revenues, it is the market leader for workwear.

Although the brand has become fashionable in certain circles, for example among urban African-Americans, Carhartt remains dedicated to its blue collar clientele after struggling to balance the fine line between quality and fashion. Carhartt's marketing strategy is to "market to the few to reach the many" ([www.carhartt.com](http://www.carhartt.com)). Demonstrating its dedication to blue collar workers and outdoorsmen and women, Carhartt has partners with and sponsors events of organizations such as the Craft Brewers Association, Future Farmers of America, Helmets to Hardhats, SkillsUSA, and Union Sportsmen's Alliance (Carhartt, 2015).

## **About Customer Segments**

### ***Professional Manual Laborers***

- Agriculture, forestry, fishing, hunting, utilities, and farming segments offer the largest share of women in manual labor (U.S. Bureau of Labor and Statistics, 2010)
- View workwear as an extension of a person's tools to get the job done (company survey).
- Prefer natural fibers over technical fabrics common in the outdoor industry (ibid).
- Work an average of 12 to 15hrs a day (ibid).
- Word of mouth is very important to this segment. Social connections are more trusted than online sources, although women will review information about a product online before buying (ibid).
- A growing trend in construction and agriculture for women has taken place across the U.S. due to the aging out of Baby Boomers. For example, the average farmer is a 67yo male (The Oregonian, Oct. 2015).
- The state and federal government are providing funds to market hard labor trades to women in order to increase diversity of the workforce and replace retiring workers (ibid).
- Oregon and Washington have the highest concentration of women in agriculture (38%) in comparison to the 31% national average of women in this trade (ibid).

### ***Do-It-Yourselfers***

- Female teens growing up in the 1970s and 1980s with single mom households, or low-income households unable to pay for professional repairs, may explain the rise in women today who take on home repairs/improvement projects (Underhill, 2010)
- HGTV and the Be Jane website ([www.bejane.com](http://www.bejane.com)) have high consumption rates by female DIYers. HGTV, for example, has 77 home renovation programs every week or month (ibid.).
- Women spend \$50 billion per year in home repair (ibid.)
- In the home improvement industry, "It's not about things, but projects." (ibid.)
- Women are grasping more onto the "maker" aspect of homemaker (ibid.)
- Big box stores had little success trying to both market to DIYers and professionals (ibid.) Subsequently, they lost some of their professional base (ibid.)
- The act of being a DIY woman has a stronger relationship to craft than actual occupation (ibid.)

### Benefits Customers Seek

- The general consensus for the target consumer in this space is that women want the same premium fabrics and tough garment construction that goes into men's workwear product lines, but they want them to better fit their unique anatomy. A better fit includes more comfort, and greater ease when moving on the jobsite (Obrigkeit, March 2009).

### Motivation behind the Purchase

- Women in professional occupations that are blue collar in nature want durable, high quality apparel with pricing on par with men's workwear (Gordon, 2007).

### Decision Maker

- Nearly 75% of women in the U.S. identified themselves as the primary buyer of their household (MRI, 2011).
- 80% of women not initiate home improvement projects (Washington Post, 2012).

### Retail Channel

- Specialty stores: Wilco (farm and garden retailer in Oregon), Coastal Farm and Home (farm, garden, and lawn retailer in Oregon).
- Online storefront

### Consumer Information Sources

- Consumers who purchase workwear typically base their choice of brand on the endorsement of someone they know and trust- a person that already knows and wears the brand (Obrigkeit, March 2009).
- Many customers in this space, or women who wear workwear, are still unaware that there are workwear product lines available at retail to fit their needs (ibid.)
- Past advertising strategies to consumers have included informational hang tags, in-store posters, print advertising, and other point-of-sale information. Further, ads in trade magazines have also been utilized (Stankevich, 1996).
- If targeting the female DIY segment, click ads on HGTV and Be Jane websites would potentially bring high exposure to the **TOUGHER** brand, as would product placement on HGTV home renovation programs

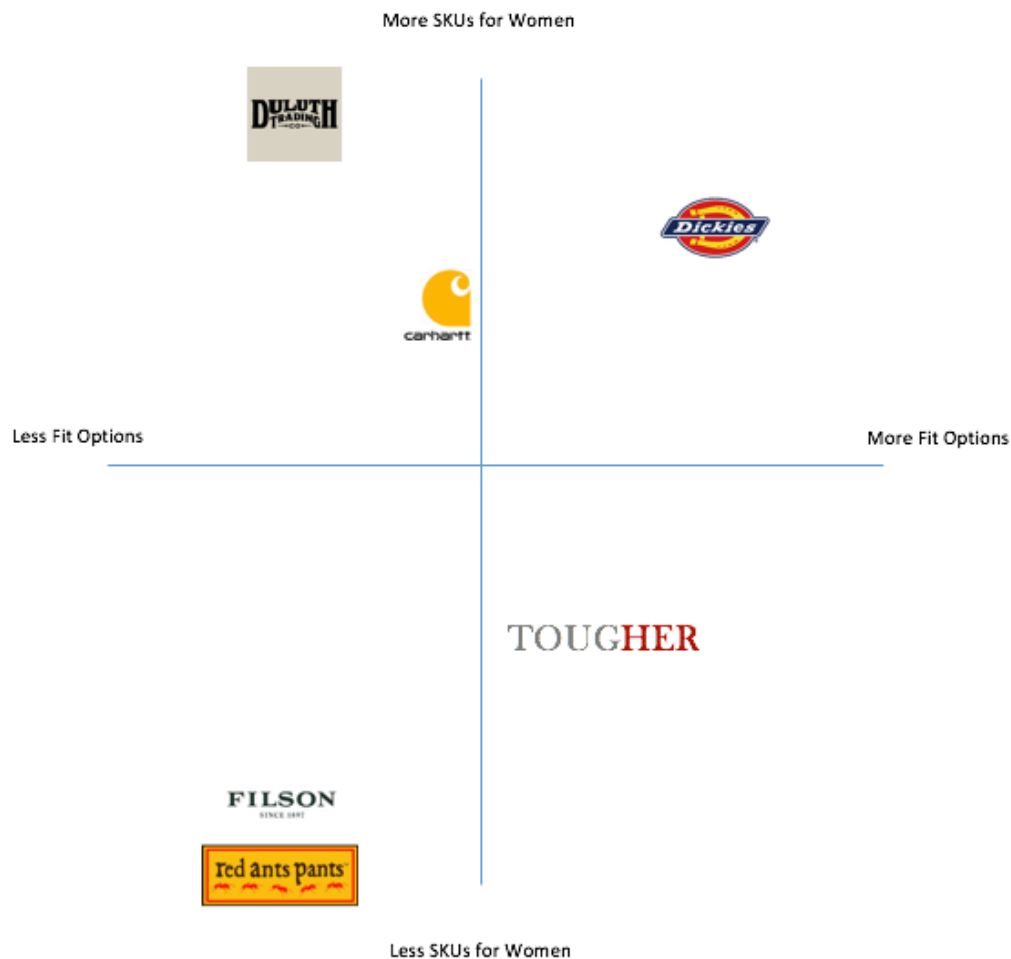
### Trends

- In the women's workwear industry, one of the trends is to focus on lighter-weight workwear options in tops and bottoms (Obrigkeit, March 2009)
- Use of Kevlar® and Cordura® blended with cotton is on the rise for its added strength in high-wear areas.
- Some of the more recent advancements in women's fit designs include more color options, no-gap waistbands, princess seaming, and shirts of longer length, which provide extra coverage for women when bending and reaching on the job (Obrigkeit, March 2009)
- Some of the characteristics that are frequently found in high-quality durable garments, or workwear are (ibid.):
  - industrial strength stitching
  - ring-spun cotton for added softness
  - additional reinforced pockets that are both functional and for personal items
  - adjustable waistbands
  - articulated knees in order to enhance performance and durability

- two-way stretch fabrication

## Brand Positioning Matrix

The matrix below distinguishes each company based on the number of product SKUs offered for women and the fit options provided (e.g. straight cut, curvy, high rise). Given the startup size of **TOUGHER**, its initial number of SKUs will be less than its larger competitors. This is not a source of disadvantage since women who use workwear tend to only use 1-2 pairs of pants and tops throughout a season and hold onto apparel for as long as possible to get the greatest utility out of the garment.



## Pricing

For apparel, keystone pricing is an industry standard for retail ( $\text{COGS} \times 2$ ). Products sold by **TOUGHER** are premium products designed to last longer and emulate a “buy better, buy less” philosophy. Therefore, our price points will be higher than large volume brands, like Carhartt. Our focus is not to compete on price, but fit and quality. Suggested retail price for our initial launch product, the work pant, will be \$120. Part of this premium charge is the need to initially source and manufacture domestically given the small size of the company.

### ***Competitor Prices for Work Pants and Points of Differentiation***

<b>Product Brand (Work Pants)</b>	Relaxed-Fit Kane Dungaree	DuluthFlex Firehouse Cargo Pants	Original Work Pants	Dungaree
<b>Corporate Brands</b>	Carhartt	Duluth Trading Co	Red Ants Pants	Gamine Workwear
<b>Size of Company</b>	Large	Medium	Small, boutique	Small, boutique
<b>POD</b>	Lower price point, high brand equity	Targeted to older, affluent women and patterned after trends in athleisure wear	Made in the USA, targeted largely to farmers and women in timber industry	Made in the USA, targeted to gardeners, positioned as fashion wear as well
<b>Price</b>	\$54.99	\$64.50	\$139	\$120

### **Advertising and Promotion**

From informed interviews, we have learned that most women who use workwear discover brands through their peer networks, friends, and family. Once they learn about a brand, they go online to conduct more research from several sites and then either buy online or go to a local retailer to try on the product.

Social media sites that are heavily utilized, not surprisingly, are the ones that involve connecting to their peers and loved ones. The most favored sites are Facebook and Pinterest.

It is the aim of the company to buy advertising on these two social media platforms, in addition to having both a company Facebook page and a Pinterest board in order for potential customers to view and pin our products to their boards.

Brand and product education will also take place via our company website, which will be live soon at [www.tougher.design](http://www.tougher.design), and potentially a Kickstarter site to fund the second production run of our work pants.

## Strategy and Implementation

Initial proof-of-concept will be carried out through prototyping by brand ambassadors who will be given a free pair of pants to try out, share about the product with followers/friends/family and provide our company feedback. A quantity up to 100 pairs have been allocated and considered a form of marketing and research. Another 200 pairs will be allocated to sell through our online storefront to prove customer validation.

Expanding sales & product lines will be via online, as well as via strategic brick & mortar retailers located initially in the Pacific NW. These locations will include Seattle and Tacoma in Washington, Portland and Bend for Oregon, and Sacramento for California. Workwear retailers sought include: Wilco and Coastal Farm and Home and local specialty stores, like Les Newmans Quality Footwear and Clothing in Bend, OR.

For our version 2.0 workpant, the company is considering a Kickstarter campaign to produce a second-run of 1,500 pants produced and sold. This is slated for FY 2017.

## Appendix

---

### Start-Up Expenses

Business Licenses	\$100/yr
Insurance	\$480/yr
Stationery/Business Cards	\$80
Sample and First-Run Prod.	\$28,780
Advertising (FY 2016)	\$1,000
Cost of Incorporation (Delaware)	\$1,150/yr
<b>Total Startup Costs</b>	<b>\$31,590</b>

### Customer Validation Findings

“I work construction, I need to be able to bend, stoop, climb all day without exposing myself or having to worry about materials getting caught. Bulky clothes can present safety hazards [with] just trying to walk across a wet muddy, slippery job site.”

- Company survey, Spring 2015

“Less short, boxy cuts--coverage without wearing a feed sack. No ridiculous pastel colors. Make shit last! Women's wear always seems like the weak, pink, shrunken version of functional men's work wear.”

- Company survey, Spring 2015

**If you had to describe women who use workwear to your friend, what would you say?**

- We don't all wear pink and purple, and this workwear [brand] doesn't provide that as the only option! Yay!
- She does a great job handling the idiots.
- Tough as nails, ass kickers, confident, intelligent, inventive, strong
- Uncomfortable, hot
- Adventurous, Determined, Hard-Working
- problem solver, tough, level headed, industrious
- Unbreakable, Supermom, self-sufficient, accomplished, powerful, Badass
- Gritty, seasoned
- Sexy, tough, dirty, admirable,
- honorable, alone, safety advocate, against the grain
- Diverse, badass, not pink, tough, relentless

- Company Survey, Nov. 2015



## Cash Flow- Pro Forma

<b>PRO FORMA STATEMENTS OF CASH FLOWS</b>					
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>August 31, 2016</b>	<b>August 31, 2017</b>	<b>August 31, 2018</b>	<b>August 31, 2019</b>	<b>August 31, 2020</b>
Beginning Cash	\$ -	\$ 14,151	\$ 75,135	\$ 167,137	\$ 558,516
Cash Inflows:					
Sales Revenues	24,000	194,000	555,000	1,387,500	4,593,750
Founders' Investment	7,500	-	-	-	-
Angel Funds	40,000	-	-	-	-
Series A	-	-	-	-	-
	71,500	194,000	555,000	1,387,500	4,593,750
Cash Outflows:					
Purchases of Fixed Assets	3,000	-	3,000	-	-
Purchases of Inventory	28,780	103,455	239,070	597,675	2,015,813
Operating Expenses	25,569	16,946	180,727	231,227	396,148
Income Taxes	-	12,615	40,201	167,219	654,177
	57,349	133,016	462,998	996,121	3,066,137
Net Change in Cash	\$ 14,151	\$ 60,984	\$ 92,002	\$ 391,379	\$ 1,527,613
Ending Cash	\$ 14,151	\$ 75,135	\$ 167,137	\$ 558,516	\$ 2,086,128

## Income Statement- Pro Forma

<b>PRO FORMA INCOME STATEMENTS</b>					
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>August 31, 2016</b>	<b>August 31, 2017</b>	<b>August 31, 2018</b>	<b>August 31, 2019</b>	<b>August 31, 2020</b>
Sales	\$ 24,000	\$ 194,000	\$ 555,000	\$ 1,387,500	\$ 4,593,750
Cost of Goods Sold	28,780	103,455	239,070	597,675	2,015,813
Gross Profit	\$ (4,780)	\$ 90,545	\$ 315,930	\$ 789,825	\$ 2,577,938
Operating Expenses:					
Payroll	\$ -	\$ -	\$ 138,882	\$ 150,516	\$ 155,032
Research & Development	10,430	2,975	-	-	-
Rent	-	3,180	3,180	3,180	3,180
Marketing	3,245	9,700	31,200	72,825	233,138
Utilities & Facilities	3,000	-	3,000	-	-
Insurance	394	591	3,465	3,705	3,799
Legal & Professional	8,500	500	1,000	1,000	1,000
Miscellaneous	-	-	-	-	-
Total Operating Expenses	\$ 25,569	\$ 16,946	\$ 180,727	\$ 231,227	\$ 396,148
Other Expenses:					
Depreciation Expense	600	\$ 600	\$ 1,200	\$ 1,200	\$ 1,200
Income (Loss) Before Taxes	\$ (30,949)	\$ 72,999	\$ 134,003	\$ 557,398	\$ 2,180,589
Provision for Income Taxes	-	12,615	40,201	167,219	654,177
Net Income (Loss)	\$ (30,949)	\$ 60,384	\$ 93,802	\$ 390,179	\$ 1,526,413

## Balance Sheet

<b>PRO FORMA BALANCE SHEETS</b>					
	<b>As Of</b>	<b>As Of</b>	<b>As Of</b>	<b>As Of</b>	<b>As Of</b>
	<b>August 31, 2016</b>	<b>August 31, 2017</b>	<b>August 31, 2018</b>	<b>August 31, 2019</b>	<b>August 31, 2020</b>
<b>ASSETS</b>					
Cash	\$ 14,151	\$ 75,135	\$ 167,137	\$ 558,516	\$ 2,086,128
Inventories	-	-	-	-	-
Fixed Assets	3,000	3,000	6,000	6,000	6,000
Accum. Depreciation	(600)	(1,200)	(2,400)	(3,600)	(4,800)
<b>Total Assets</b>	<b>\$ 16,551</b>	<b>\$ 76,935</b>	<b>\$ 170,737</b>	<b>\$ 560,916</b>	<b>\$ 2,087,328</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>					
Capital	47,500	47,500	47,500	47,500	47,500
Retained Earnings	(30,949)	29,435	123,237	513,416	2,039,828
<b>Total Equity</b>	<b>16,551</b>	<b>76,935</b>	<b>170,737</b>	<b>560,916</b>	<b>2,087,328</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 16,551</b>	<b>\$ 76,935</b>	<b>\$ 170,737</b>	<b>\$ 560,916</b>	<b>\$ 2,087,328</b>

## Break-Even Analysis

<b>BREAKEVEN ANALYSIS</b>					
<b>Operational Breakeven</b>					
	<b>December 31,2016</b>	<b>December 31, 2017</b>	<b>December 31,2018</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
<u>Fixed Expenses:</u>					
Payroll	\$ -	\$ -	\$ 138,882	\$ 150,516	\$ 155,032
Research & Development	10,430	2,975	-	-	-
Rent	-	3,180	3,180	3,180	3,180
Marketing	3,245	9,700	31,200	72,825	233,138
Utilities & Facilities	3,000	-	3,000	-	-
Insurance	394	591	3,465	3,705	3,799
Legal & Professional	8,500	500	1,000	1,000	1,000
Miscellaneous	-	-	-	-	-
Depreciation Expense	n/a	n/a	n/a	n/a	n/a
Total Fixed Expenses	\$ 25,569	\$ 16,946	\$ 180,727	\$ 231,227	\$ 396,148
Average Gross Margin %	-19.92%	46.67%	56.92%	56.92%	56.12%
Average Margin Per Unit	\$ (15)	\$ 64	\$ 64	\$ 64	\$ 64
Annual Breakeven Units	-1,658	263	2,808	3,593	6,155
Annual Breakeven Dollars	(\$128,380)	\$36,308	\$317,486	\$406,200	\$705,915
Monthly Breakeven Units	-138	22	234	299	513
Monthly Breakeven Dollars	-\$10,698	\$3,026	\$26,457	\$33,850	\$58,826
Formula for Breakeven Units:	Fixed Expenses/Average Margin Per Unit				
Formula for Breakeven Dollars:	Fixed Expenses/Average Gross Margin %				

<b>Accumulated Costs Breakeven</b>					
	August 31, 2016	August 31, 2017	August 31, 2018	August 31, 2019	August 31, 2020
Total Operating Expenses	\$ 25,569	\$ 29,561	\$ 220,928	\$ 398,446	\$ 1,050,325
Accumulated Operating Expenses	\$ 25,569	\$ 55,130	\$ 276,058	\$ 674,504	\$ 1,724,829
Annual Revenues	\$ 24,000	\$ 194,000	\$ 555,000	\$ 1,387,500	\$ 4,593,750
Accumulated Revenues	\$ 24,000	\$ 218,000	\$ 773,000	\$ 2,160,500	\$ 6,754,250
Accum Revenues minus Accum E:	\$ (1,569)	\$ 162,870	\$ 496,942	\$ 1,485,996	\$ 5,029,421
<b>WHAT IF ANALYSIS:</b>					
<b>What is the monthly breakeven in units based on various margins and increases in Marketing Costs</b>					
[----- Margin Per Unit -----]					
		\$3,000	\$3,500	\$4,000	\$2,500
	\$0	1	1	0	1
Marketing Costs	\$200,000	6	5	5	7
	\$400,000	12	10	9	14
	\$600,000	17	15	13	21
<b>What is the monthly breakeven in dollars based on various margin %s and increases in Marketing Costs</b>					
[----- Margin Per Unit -----]					
		60%	65%	70%	40%
	\$0	\$3,101	\$2,867	\$2,658	\$4,651
Marketing Costs	\$200,000	\$30,878	\$28,556	\$26,467	\$46,318
	\$400,000	\$58,656	\$54,244	\$50,277	\$87,984
	\$600,000	\$86,434	\$79,933	\$74,086	\$129,651

## Brand Story

TOUGH**HER**'s founder, Stacey Edwards, comes from several generations of farmers in Iowa. Her parents broke tradition by moving the family to California when Stacey's dad lost his job at John Deere. While she grew up a city girl, she has always felt a connection to working outdoors. To this day, she enjoys helping out on the family farm when visiting or working around the farm house she resides in. Even now, raking leaves or building an outdoor storage bench is equivalent to a spiritual retreat for Stacey.

However, there's always been a problem. The workwear items Stacey had been donning for over two decades to perform hard labor have always been men's apparel. Always. What's available from leading brands fit Stacey terribly and are uncomfortable – even clothing items from a brand's "women's line."

What Stacey learned from over 300 women interviewed was that she was not alone. In light of all this, she enrolled last year in the University of Oregon's MBA track with the explicit goal of starting a company. Stacey is currently in the process of bringing its first product, a women's work pant, to life.