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**lactation suites**

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**Oklahoma LLC**

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Leche Lounge LLC has created lactation suites that enables businesses to comply, easily and inexpensively, with federal and state laws requiring nursing mothers be provided a space to pump breast milk in the workplace; in addition, they offer the only wheel chair accessible portable lactation suite in the market. These units offer businesses an affordable compliance solution, while offering nursing mothers privacy, convenience and the dignity they deserve.

**I. Executive Summary**

Leche Lounge LLC was formed May 2015. We offer affordable, and portable, lactation suites that allow businesses to easily comply with federal and state laws that require nursing mothers be provided a space to pump breast milk in the workplace for up to one year after giving birth. We also offer the only wheel chair accessible portable lactation suite in the marketplace and have a patent on the only “portable lactation suite with built-in hospital grade breast pump for nursing or breastfeeding women in public places and in the workplace.” Our units give businesses an affordable option for compliance, while providing a comfortable, private space for nursing mothers. The result is higher employee satisfaction, productivity and retention rates, and lower costs associated with health care and sick leave, and increases general goodwill for the business.

Our turnkey solutions empower businesses to avoid the cost of fines from the Department of Labor. We enable employers to retain employees and lower enterprise health care costs. Our beta tests indicate that placing a unit boosts employee morale even for those who aren’t nursing, who are thankful that the business cares about the next generation. Additionally, employers aren’t retraining the workforce and replacing employees when moms are forced to choose between their job and their child. Clearly, this value proposition goes beyond compliance.

In order to paint a clearer picture of the need in the market, please consider these facts: Breastfeeding rates are on the rise in the United States. The Center for Disease Control and Prevention's [2013 Breast Feeding Report Card](http://www.cdc.gov/breastfeeding/pdf/2013BreastfeedingReportCard.pdf) found that 77 percent of new mothers are breast-feeding their babies, up from 71 percent about a decade ago. And almost half of breast-feeding moms are continuing to do so for at least the recommended six months. "Also, breastfeeding lowers health care costs," said the CDC's Frieden. "Researchers have calculated that $2.2 billion in yearly medical costs could be saved if breastfeeding recommendations were met. It is critical that we continue working to improve hospital, community and workplace support for breastfeeding mothers and babies and realize these cost savings," he added.

Approximately 1.5% of the world's women are pregnant today, or 95 million. There are approximately 350,000 births per day in the world (http://www.census.gov/cgi-bin/ipc/pcwe). Multiplied by 9 months, makes 95 million births from the world’s approximately 3 billion women. In the United States alone, according to the CIA World Factbook, the birthrate is 14.18 births/1,000 population. The U.S. population is 303,824,640, which means that about 4,308,233 babies will be born in the United States in 2008. That's 11,795 babies per day, and the average gestation period is 280 days, which means that at least 3,302,684 women are pregnant at any given time.  In the U.S., approximately 3.23% of women of childbearing age, are pregnant at any given time.

Currently, Leche Lounge has two employees and our assets include the intellectual property of our patent pending and the prototyped units. We also have strong community support. For example, Oklahoma State University Health Science Center has agreed to act as our Chief Medical Officer.

The initial targeted market for direct sales includes enterprise-wide adopters and Working Mother Magazines Top 100 Places to Work. We are also focusing on those who were cited by the United States Department of Labor for not providing accommodations to help them meet their legal requirements – these businesses include Starbucks, McDonalds, Dillard’s, Dollar General and 21 other businesses with tens of thousands of locations.

We also plan to place 10 Leche Lounge’s units at airports, event centers, zoos and other public places where women have requested accommodations to breastfeed or pump. We will then pair each unit with an advertiser for a 6 or 12-month contract as sponsor of the space as a guest amenity. We will be gaining advertising revenue of $10,000/month and our cost of goods sold will be $2,352/month. We are amortizing these initial 10 units over three years.

Our sales process includes talking with women in the community who contact us directly through social media, on our website and by phone. We are actively engaged in breastfeeding support groups and are able to monitor the commentary of businesses and public spaces that are routine offenders. For example, “Has anyone pumped at the OU stadium?” to which a fellow Sooner replied “I can’t even leave the stadium and be allowed for reentry and my pump bag is too big to get by security.” We are working with facilities to place a unit near first aid where they can offer a free OU lunch pail with ice to moms who have pumped. With our unit, moms will only need to bring the $30 kit that hooks into the engine.

Our main competitive advantages are that we have the only wheel chair accessible portable lactation unit in the marketplace, and we have patented the only “portable lactation suite with built-in hospital grade breast pump for nursing or breastfeeding women in public places and in the workplace.” There are breast pump companies that are interested in this IP and furniture companies that focus on medical spaces – like one-stop telemedicine spaces – that are motivated to talk with us to have access to the opportunities to integrate a breast pump into a portable space. We value that employers can integrate the fastest and most efficient breast pumps for women to get in and out of our units. This is more than a changing room – this is a way to support mothers returning to the work place. A hospital grade breast pump rents for an average of $80/month and most hourly employees cannot afford this expense. We do not increase the cost of the breast pump but provide it because we know how necessary it is for the support of our communities and our economy.

Our NAICS Code is 54321 for prefabricated structures a scaffolding and wood product manufacturing or prefabricated wood building manufacturing.

Our customers are:

* Universities
* Airports
* Conference Centers
* Hotels
* Employers who must comply with the Affordable Care Act Requirements including Retailers, Restaurants, and Call Centers.

We are 100% Native American woman owned by Stephanie Conduff and Elena Conduff.

The future holds great opportunity for our business and our industry because more than 66% of businesses do not provide a private place for women to pump. There is an incredible opportunity for our business and improving the health of our communities.

**II. General Company Description**

Company Goals and Objectives: Our goal is to create spaces that are quantifiable by millions of gallons of breast milk. But we won’t ever know that number. So, really, we are going to get our units in public places and in corporations and businesses that are legally mandated to provide places for moms who are intimidated after coming back from FMLA to ask for their place to pump. Just like families want a healthy baby. We want a healthy, successful company with good margins. We want the company with chubby cheek margins that make investors happy and improve our opportunity to keep providing more spaces. We want to be the leader in lactation suite accommodations. And to ensure that our mothers are happy and that those who purchase our custom spaces leave with customer satisfaction.

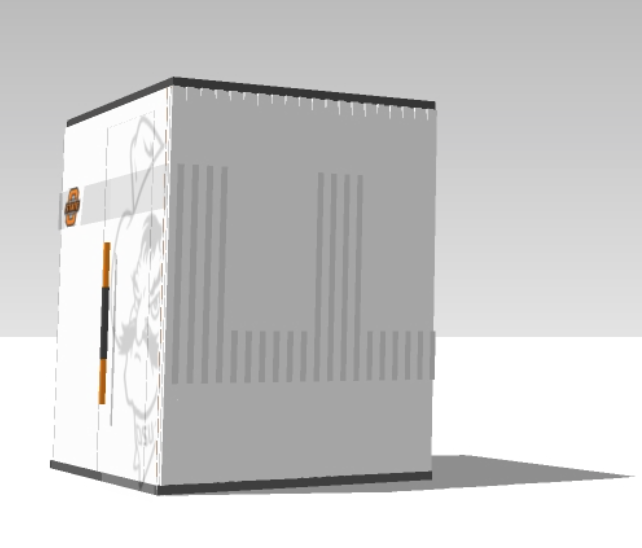
Business Philosophy: We are here to create intentional space for families. Yes, at first, people think we are a product for women. But we are really selling mostly to men. And we are here for communities. It is families who benefit from healthy children and healthy moms. That is why we consider Leche Lounge a strong support for the entire community.

Our products are marketed to corporations with multiple locations whose employees don’t have offices with doors they can close. And to event centers, airports and government buildings.

We are an Oklahoma LLC.

**III. Products and Services**

We provide three products. We have a wheelchair accessible unit, a 4x4 unit and a tented unit. Each unit has an integrated hospital grade breast pump. Please see the appendix for additional views of our units and floor plans of the spaces. The tented version is being prototyped and is not yet available in this business plan.



**IV. Marketing Plan**

**Customers**

Our customers are human resources professionals, or someone in compliance, at a corporation who understand the Affordable Care Act.

* 45-65
* Male
* East/West Cost
* $100,000+
* Human Resources
* Masters or above

For business customers, the demographic factors might be:

* A large number of cubicles (call center, etc.)
* Warehouse
* Manufacturing
* Agriculture
* Retail
* Food Services

**Competition**

Our major competitors are:

* Continued non-compliance
* Mamava
* Privee

The market is large enough that we can all have an opportunity. We have a utility patent, and are much more than a changing room, which adds value. We are also a 100% Native-owned company and are building out as a quasi-billboard company that can have reoccurring revenue in public places to diversify our revenue if there is a lull in enterprise sales. We will continue to focus on 10-15 sales at a time and leave less than 5 sales to our competitors.

**Niche**

We have a niche product and a window of opportunity to capitalize on this market with our intellectual property with the utility patent. We are confident that we can identify enterprises that want to keep their litigation and public relations budgets down by proactively building morale and adopt our product in their workplace.

**Promotion**

Currently, we are utilizing a website, [www.lactationsuites.com](http://www.lactationsuites.com), and social media through a strong presence on Twitter and Facebook. We also have a stellar graphic designer who continues to create great content for our website, individual pitches and social media.

We have a full advertising campaign that highlights three women pumping in the bathroom and two CEO’s eating on TV trays in the bathroom that will be released this spring. It is being submitted to national advertising competitions and we believe will gain national recognition.

We are working with breastfeeding groups to take a bottom up approach to request our product and HR groups to start a top down approach.

We are also working on catalog placement and attending tradeshows as speakers and as vendors.

We are positioning ourselves as a solution to a critical issue that is cost effective and timely. Leche Lounge is less expensive than litigation or arbitration.

**Promotional Budget**

We have integrated this into our financials which are available in the appendix.

**Pricing**

Our prices are lower than the competition because we integrate a critical piece – the hospital grade breast pump. We are competitive and near their price even while giving women more. The idea of providing a better experience, while keeping our pricing competitive, gives us a sense of great satisfaction.

**Distribution Channels**

We plan to sell our products or services in a multitude of ways:

* We have a retail space at our incubator.
* We will offer the units as direct sale on the website and in catalogs for facilities procurement and HR professionals.
* We will also be at tradeshows and speaking at HR professionals events on accommodations where we will highlight our option that is for sale.
* We will use our own sales force and offer commission on each unit sold.
* We will bid on government contracts.

For example, the Department of Veterans Affairs put out solicitation number VA25514Q1026 in June 2014 for a lactation (portable) room in Tucson, Arizona. This unit was not wheelchair accessible. However, our unit would come with an integrated hospital grade breast pump and would be wheel chair accessible. We are also located in a HUBZONE and are a Native, woman owned business. We feel that we have a significant competitive advantage over others competing in the federal government marketplace and that many corporations would prefer to do business with an organization like Leche.

**Sales Forecast**

Our forecast is provided in the appendix for your review.

**V. Operational Plan**

**Production**

Our products are produced with a manufacturer in the United States. We are keeping this information proprietary because this business plan can be provided to anyone under the Freedom of Information Act. 5 U.S.C. § 552.

**Location**

We are located in The Forge, a small business incubator, in Tulsa, Oklahoma. The mission of The Forge is to accelerate the development and success of start-ups and existing businesses in Tulsa. It offers a place where raw ideas and passionate people are shaped into entrepreneurial success stories. They provide a trusted environment, along with a network of mentors, connections and information needed to overcome the challenges of entrepreneurship. Among the membership benefits include: being affordable (furnished offices that include paid utilities, shared meeting spaces, and high-speed internet), a one year free membership to the Tulsa Regional Chamber, and tenant exemption from state tax liability on income earned as a result of occupancy for at least five years and it could expand to up to 10 years based on sales outside of the state of Oklahoma.

**Legal Environment**

Our business has a compliance element to it following the implementation of:

Patient Protection and Affordable Care Act (“PPACA”), which took effect when the PPACA was signed into law on March 23, 2010 (P.L. 111-148). This law amended Section 7 of the Fair Labor Standards Act (FLSA). It requires:

Employers are required to provide “reasonable break time for an employee to express breast milk for her nursing child for 1 year after the child’s birth each time such employee has need to express the milk.” Employers are also required to provide “a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk.”

The FLSA requirement of break time for nursing mothers to express breast milk does not preempt State laws that provide greater protections to employees (for example, providing compensated break time, providing break time for exempt employees, or providing break time beyond 1 year after the child’s birth).

This means that we also follow the trends in each jurisdiction to see if there are market opportunities that are more optimal to enter into, like Minnesota. For example:

**181.939 NURSING MOTHERS.**

(a) An employer must provide reasonable unpaid break time each day to an employee who needs to express breast milk for her infant child. The break time must, if possible, run concurrently with any break time already provided to the employee. An employer is not required to provide break time under this section if to do so would unduly disrupt the operations of the employer.

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express her milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this section, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer may not retaliate against an employee for asserting rights or remedies under this section.

**History:**

[1998 c 369 s 1](https://www.revisor.mn.gov/laws/?id=369&year=1998&type=0); [2014 c 239 art 4 s 3](https://www.revisor.mn.gov/laws/?id=239&year=2014&type=0)

* We continue to monitor the modular structure legal requirements, especially in California where they are oftentimes most stringent for fire, life and safety. We are focused on regulations for tents, awnings or other fabric enclosures in connection with any occupancy and also for those connected to membrane structures with occupancy.
* We are insured through State Farm
* We have a patent pending for a provision utility patent pending for a “portable lactation suite with built-in hospital grade breast pump for nursing or breastfeeding women in public places and in the workplace.”

**Personnel**

* We currently have two employees.
* We need professional and sales services in our front office. We need manufacturing at our facility to create the units.
* We are using contract workers for graphic design, website management and photography.

**Inventory**

* We have the ability to keep inventory in our large manufacturer warehouse but no capital at this point.
* Our lead-time on ordering is 2-weeks.

**Suppliers**

Our goal is to have a local supplier long-term and to create jobs in Indian Country. This could be a strategic connection with a tribal holding company to create manufacturing jobs or an exit strategy for our company to be acquired.

Our experience has been that there is a slower turnaround in getting quotes from suppliers, and we acknowledge that research and development is a lengthy process. Once we get the first quote, it will be easier to replicate. When we sell to an enterprise wide corporation like Arby’s or McDonalds, then we will have to ensure they understand the lead time required to fill the orders and manage the shortages this could create while we rely on one vendor for production.

**Managing Your Accounts Receivable**

We will have policies in place for dealing with any slow-paying customers:

* We will make a phone call after 5 days.
* We will send a letter after 10 days.
* We will send a letter from our in-house counsel after 15-days.

**Managing Your Accounts Payable**

We will continue to work with our manufacturer to lower the cost per unit and the supplier of the breast pump to get the cost per unit down. This is the most critical part of our business. If we pay early, then this will improve our vendor relationship and may be able to improve our goodwill.

**VI. Management and Organization**

Elena Conduff manages the day-to-day operations. She has managed a multi-million dollar construction company and household and understands the dynamics required in direct sales.

Stephanie Conduff manages the direction of the company. She has a masters degree in public policy and her J.D. As a nursing mom, she understands the issues first hand. She would rather empower businesses with a solution than see them in litigation or with mounting fines from governmental agencies.

Our technical co-founder is Jerry Conduff, Jr. Head Architectural Designer, Direct to Consumer, Nike. He has redesigned our Leche Lounge and works directly with the manufacturer on all aspects of production.

**Professional and Advisory Support**

* Our Management Advisory Board is:
  + Philip Reedy, Former CFO CITGO
  + John Waldorf, Strategic Investments at a tribally owned holding company
  + Jay Calhoun, Strategic Investments at a tribally owned holding company
  + Cheryl Hill, President Hill Manufacturing
  + Joey Wignarajah, Argonaut Private Equity
* Our attorney is Destyn Stallings
* Our account is Michael Lewis
* Our insurance agent is Matt McCoy

**VII. Personal Financial Statement**

Stephanie Conduff owns her vehicle. She has no outstanding debt. Together, with Elena Conduff, Stephanie owns the home she and her family live in valued at $125,000. Elena Conduff, with her husband Jerry, own the vehicle she drives and the home she lives in and it is valued at $225,000. She has no outstanding debt.

**VIII. Startup Expenses and Capitalization**

We are incubated at The Forge, Tulsa’s first business incubator located downtown, and operated by the Tulsa Regional Chamber. Because of an Oklahoma tax provision, we are state income tax free for 5-years and can be state income tax free for up to 10-years. We have reduced rent and have access to professional mentoring and shared services.

Our biggest expense is in research and development of the manufactured unit and patent process. To date, we have expended $30,000. For an expanded understanding of our capital outlay, please reference the appendix for our balance sheet and financial projections for growth opportunities with a modeled and projected $300,000 investment.

**IX. Financial Plan**

We have provided our financials in the appendix.

With our current debt, we have to sell 10 of our wheelchair accessible units to breakeven and not have any additional capital outlay. A Native CDFI will have to make loans on our purchase orders to be able to finance the manufacturing of future units or we can assign the receivables to the manufacturer as we continue to build our sales and seek alternative financing or strategic partners.

**X. Appendices**

See additional attachments.