

2015

Stonecutter Eco-Shower Business Plan

CLEANSE YOUR CONSCIENCE



Stonecutter Eco-Shower

CEO: Alex Kiani and Derek Yan
VP of Design: Alex Reep
VP of Marketing & Sales: Evan Schneiderman
VP of Finance: Derek Yan

Business Contact Info:

-Phone: 1 (800) BE-GREEN
-Email: support@stonecutter.com
-Website: stonecutterappliances.com

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Executive Summary

Stonecutter Eco Showers offer an environmentally-friendly alternative to the traditional showerhead. Consumers benefit from cutting their water bills by conserving water.

Our clients include anyone seeking methods to conserve water, especially those concerned about the water they use while showering. Stonecutter Eco Showers implement a timer that dictates the duration the water will flow when the user showers him or herself. This gives the user a visualization on how much water is being used, and times when the user will have the water off to cleanse them self. While the user rinses in the shower, a steamer powers on a minute before the water turns off in order to maintain the warm temperature. People often complain about the “stop-and-go” method when it comes to showering, because turning the water off makes people cold. The steamer eliminates this interval of discomfort by maintaining the warm and relaxing temperatures of the shower without any water actually being flown.

Across the Western United States, local governments have stressed the need for water conservation. Efforts such as increased taxation for excessive water use make our eco shower even more attractive to those affected by such policies. Our recent poll of several California teens found that the average shower is around 15 minutes. Generic showerheads on for this amount of time use 150 gallons of water. This is a surfeit of water, and could easily be reduced by personal steps to cut water usage in the home.

While most companies that develop shower appliances have some environmentally friendly showerheads, no companies offer a shower appliance that combines a water timer with a low flow head and a steamer for personal comfort.

Stonecutter Eco Showers’ marketing strategy is to emphasize the importance of water conservation for a healthier future world. By helping the environment while cleaning themselves, our customers further prove our slogan “cleanse your conscience.”

Our product can be easily installed at home using the standard water main in your shower. The Stonecutter Eco Shower can be purchased online at stonecutterappliances.com or at several retailers near you that sell standard gardening and home appliances.

Stonecutter Appliances’ managers are hired to oversee production and distribution from our headquarters in Berkeley, California. Eco shower creators, Alex Kiani, Evan Schneiderman, Derek Yan, and Alex Reep, work to improve the technology of the product and to hire several competent and dedicated managers.

Based on the current need for water conservation from the drought and the “be green” trend, our sales projections for the first year are \$132,469. The salary for each co-owner will be \$33,117.

Stonecutter Eco-Shower Business Plan

We are seeking an operating line of \$50,000 to finance our first year growth. The co-owners, in addition to their families, have invested \$37,500 to contribute to our initial costs of equipment and manufacturing.

Our managers are actively pursuing product availability at markets involved in home and bathroom appliances, such as Home Depot, Orchard Supply, Target, and Sears. We plan to build our client base through social media campaigns, local television, and radio. Our environmentally friendly shower appliance will appeal to any “water-conscious” consumer. Together, we can all make a difference.

Company Responsibilities

Mission Statement

Stonecutter Eco-Shower Appliances exists to serve our customers' personal care needs while also promoting a healthier environment. Our specially adapted design addresses personal comfort while also limiting the amount of water used in the shower.

Culture Statement

We strive to create a healthy working environment for our employees. Our production is centered in the United States and we encourage interaction between employees and managers, striving to address any concerns quickly and efficiently.

Social Responsibility

Our company works to hire and support a wide array of citizens. We hire the disabled and elderly to promote a driven and diverse workforce of equal opportunity for employment. Additionally, our employees are encouraged to attend community service days and free company lunches.

Company Description

Stonecutter Eco-Showers will provide an eco-friendly alternative to traditional showerheads and appliances. With a focus on water conservation, our products include cutting edge technology for a personalized shower experience.

Stonecutter Eco-Showers legal structure is a corporation, providing each retailer protection against personal liability and each customer the opportunity to express concerns with fair compensation in the event of manufacturing error.

Stonecutter products can be purchased online or at several retailers near you. Installation services can be provided at extra expense to the consumer, within a 200 mile radius to production facilities in the West Coast.

Opportunity Analysis

Industry Analysis

Currently California is in its driest year since 1950. Each Californian uses an average of 181 gallons of water per day. With regards to gender, 55% of women and 43% of men take showers longer than 10 minutes, and our shower appliance would target both genders equally. With that said, the U.S. as a whole is trending towards using more and products that aim to conserve water. The target market is Bay Area residents between ages 18-64. In 2010, 73% of San Francisco residents were of this age group and had a median income of \$70,000, perfectly matching Stonecutter's predicted consumers.

Target Market

Population:

Men and women between the ages of 18-64, indiscriminate of occupation and education.

Personality:

The Stonecutter Eco-Shower targets people who are interested in helping to mitigate homeowner effects of the drought in California, or are interested in lowering their water bill through prolonged use. Customers would likely be homeowners experiencing the effects of the drought.

Behavior:

The Stonecutter Eco-Shower targets anyone who regularly showers or lives in a home with multiple people. Customers would likely be living in suburban neighborhoods or are owners of hotels or apartments interested in lower water bills and an "eco-friendly" message.

Income:

Our customers would likely earn \$50,000 or more and would live in a household with one or more other person who often purchases home improvement appliances impulsively to keep up with trends or after making a careful decision to help the environment.

SWOT Analysis

S (Strengths)

- Efficient and effective without sacrificing comfort
- Unique
- Environmentally friendly
- Economically practical
- Conforms to “green” trends

W (Weaknesses)

- Pricey compared to a regular showerhead

O (Opportunities)

- Expansion to states experiencing drought
- Partnerships with bigger retail companies
- Expansion to housing complex and hotel owners

T (Threats)

- End of drought, and thus, a perceived end of the “need to be green”
- Innovative competitors that may develop a similar product

Competitive Analysis

What makes the Stonecutter so unique is its marriage of steam and water to produce the perfect combination of water conservation with the typical enjoyments of a shower. No competitor has such a duo, so the Stonecutter is truly one of a kind. Certain showerheads, such as the WaterSense showerheads, aim to reduce the water flow of shower per minute. What they don't do is time water flow to truly reduce the amount of water lost. Even the most eco-friendly showerheads lack the ability to sustain that shower heat after the water flow cuts off. While many showerheads are less expensive than the Stonecutter, there is no shower appliance that combines all of its features. Due to the Stonecutter's unique nature, it will be easier to advertise via large market advertisements (television, radio) than competing showerheads because the uniqueness of the Stonecutter is much more memorable than its competition. With its innovation comes an easy way to forge a strong brand and set a new revolution in showering.

Opportunity Summary

The Stonecutter Eco Shower Appliance provides an innovative solution to helping mitigate the drought and the depletion of potable water across the world. Our product is appealing to the consumer because it focuses on comfort and helping them to decrease their water bill or comply with recent city ordinances to limit water use. Our team is passionate about the environment, so we will maintain an interest in running our business and expanding.

Marketing Strategy & Plan

- **Product**

The Stonecutter is unique in that it does not sacrifice the comfort of warmth in the shower, while also benefiting the environment. The innovative steamer would power on shortly before water times out to make the shower temperature comfortable as the user washes them self. The timer has a maximum limit of ten minutes of water-time and provides a reminder to the user of how long they have been in the shower and how many gallons of water are going down the drain. Customers enjoy knowing that they are positively impacting their environment, so Californians living in a drought will take great satisfaction and pride knowing their using of the Stonecutter is conserving water. Since no product on the market conserves shower water while simultaneously heating the shower without water, the Stonecutter will be the only product of its class and will dominate the showerhead industry because of that.

- **Price**

Stonecutters are set at a suggested retail price of \$200, a reasonable price that will attract customers while also generating an ideal profit. While the Stonecutter is priced higher than most competing showerheads, it is less expensive than most steaming machines that cost up to twice the Stonecutter Eco Shower itself. Because the Eco Shower's steamer remains small to focus on only heating the shower, it would cost significantly less than most traditional steam room appliances. The Eco Shower's lengthy 6 month warranty ensures a fair amount of time for customers to test the product and get reimbursed for error. However, the elite quality control of all Stonecutter products makes us confident that very few of those warranties will ever be honored. While warranty is set by Stonecutter, forms of payment, return/exchange policies, and shipping agreements are determined by the retailer of purchase.

- **Promotion**

Paid: Local TV advertisements and radio station promotions

Non Paid: social media campaigns, YouTube video explanations and promotions

- **Place/ Location**

Our location is in Berkeley, California because it is a central location, near multiple distributors and suburban/ urban cities. Additionally, Berkeley area is experiencing consequences of the drought, further motivating our employees and consumers to support our business.

- **Philanthropy**

Our products are made in the United States and our company hires the disabled and elderly. Additionally, we encourage our employees to attend community service events organized by management and we host free company meal gatherings to promote a healthy work experience.

Appendix

Executive Officer Resumes

Alex Kiani (CEO) graduated from Davis Senior High School, and then attended Sacramento City College for two years. Weeks before attending Stanford University, Alex dropped in order to pursue a great opportunity in jumpstarting the robotics industry. His first business venture consisted of him leading a team into developing the IGLOO operating system, the standard OS for most of today's robotic appliances, while also creating the very first household robots sold to the public consumers. Never known for having a myopic vision, Alex has set the precedent for what the world is going to be for the next century. His tenacious work-ethic has always been contagious, and his influence created the new wave of what entrepreneurship is. As his co-partners say, "Everything he touches turns into gold."

Derek Yan (CEO/CFO) is a young and ambitious entrepreneur from California. He is from a small town in the bay area called Pleasanton. He attended Amador Valley High School, and he later graduated from Stanford University with an MBA degree. He is currently developing new companies with his team to help save the environment. Currently, his major emphasis is to conserve water in an effort to mitigate the effects of the drought in California. His team has developed innovative technology to save the amount of water used for showering. He encourages everyone to be environmentally friendly and aware of the nature around them.

Evan Schneiderman (VP of Marketing) brings a lot to the table for making this product absolutely marketable; under his belt, Evan Schneiderman with a valedictorian status quo and his bachelor's in Marketing from UC Berkeley along with Masters in Environmental Sciences from UC Davis, is a key to the business success. In the past few years, Evan's marketing and rhetoric he says has led to companies such as Electric Visual, the eco-watch, and Dirty Velvet Shirt Company became a huge success and makes Evan a reliable pitcher. His knowledge and compassion of California's preservation helps to swing the perspective of people to make a change.

Alex Reep (VP of Design and Manufacturing) is a talented and innovative problem solver from the Bay Area in California. After graduating from Benicia High and taking a year abroad in Europe, she earned a bachelor of science from the College of William&Mary and a master's degree in environmental science from Georgetown University. After working at the EPA in Washington, DC for several years, she returned to the Bay Area to help focus on product development to help alleviate the effects of the drought in California. She remains passionate about preserving the environment and helping solve the most pressing natural issues of our time by exercising her design skills that she developed after several years study graphic design and art in San Francisco.