



EMPLOYEE HANDBOOK

2017

Last updated: 9-12-17

Working at Original Fuzz

This handbook provides a framework for how employment, expectations, advancement, and compensation work at Original Fuzz.

No employee handbook can anticipate every circumstance or question about policy and procedures. As Original Fuzz continues to grow, the need may arise and Original Fuzz reserves the right to change, add to or delete any policies or portion of the handbook from time-to-time as it deems appropriate, in its sole and absolute discretion. Employees will, of course, be notified of such changes to the handbook as they occur.

I agree and understand that this Letter of Understanding and the Original Fuzz Employee Handbook do not constitute an employment contract and they are not intended to create contractual obligations of any kind. Neither the employee nor Original Fuzz are bound to continue the employment relationship if either chooses, at its will, to end the relationship at any time.

Goals for this handbook:

- Gives employees a clear path for advancement with a fair & transparent way to share in our success.
- Allows employees to learn and practice new skills that will expand their careers.
- Builds better teams that are flexible and effective at working together to solve problems.
- Reduces burnout caused by production work.

- Gives the company redundancy on production so that it doesn't stop if someone needs a sick day or takes a vacation. It's essential that we do this so that we build processes that are interchangeable between people. Swapping roles throughout the week will force us to build the muscles we need to sustain a resilient business.
 - Aligns everyone that works here across all functions of the company to achieve our goal for the year. The goal for 2017 is to sell 6,000 units of any product.
 - Gives us a framework for working together and spreading the wealth when the company succeeds.
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Our Goal in 2016

Sell 6,000 units of any product.

Who are we for?

We're for people like us are people who like to make things. We write songs. We enjoy inventing our own recipes. We are people who value music, art, design, and culture and want to make a creative contribution to the world.

What change do we seek to make?

We want to help our people do better work and feel more creative. We want to help folks do their best work by making things that inspire and help them share their individuality.

What story are we telling?

We tell the story of what it takes to do great work, original work—the obstacles that you have to overcome and what it looks like on the other side. How our creative heroes were just like us at some point. Our customers are the heroes in this story. They are the members of Joy Division at their first Sex Pistol's show realizing that they could start a band too if those guys could do it.

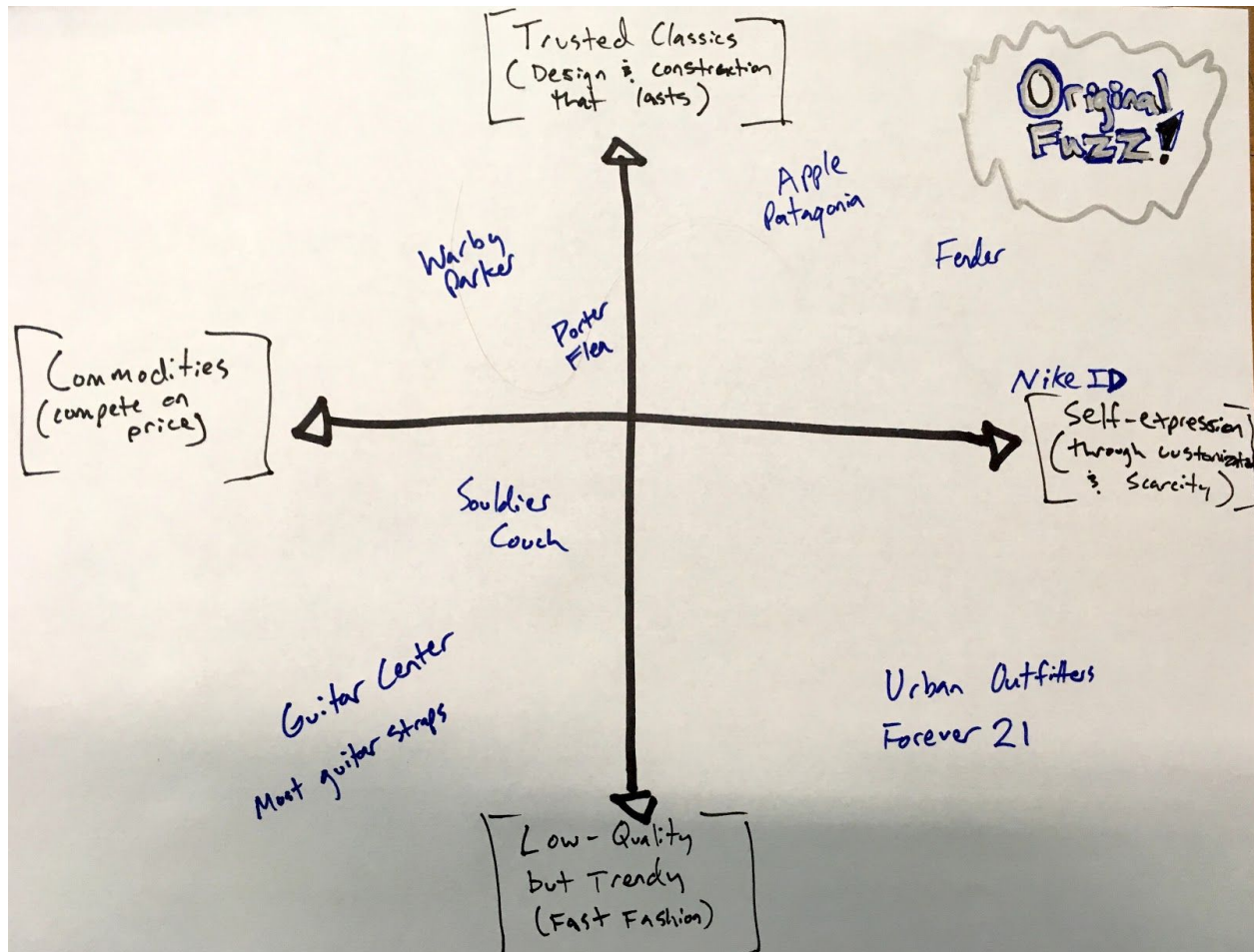
What promise are we making?

We'll give you a quality product and support it by repairing or replacing when it breaks for as long as we're in business. We'll provide fresh takes on classic designs so that they will age well and hold up far longer than the latest fashion trend.

We'll allow you to express your individuality by customizing our products and by working hard to use materials that you can't find anywhere else.

It will always be a pleasant experience to interact with us, and we'll do our best to inspire and teach by sharing what we learn along the way and what's inspiring us.

Our Strategic Position



Our Pricing Philosophy

We don't compete on price, and we won't be the cheapest, but we are not a luxury brand. We are high-quality goods for a democratic people.

Our products are not the cheapest, but they aren't out of reach for a young person or someone on a budget. It's where brands like Warby Parker, the iPhone, or Patagonia thrive. You could think of this price range as "democratic quality." High-quality, and a little more expensive, but available to most people. Key

to this positioning is the customer knowing that when you buy an iPhone it's the same iPhone a billionaire can buy. As Andy Warhol said:

"What's great about this country is that America started the tradition where the richest consumers buy essentially the same things as the poorest. You can be watching TV and see Coca-Cola, and you know that the President drinks Coke, Liz Taylor drinks Coke, and just think, you can drink Coke, too. A Coke is a Coke and no amount of money can get you a better Coke than the one the bum on the corner is drinking. All the Cokes are the same and all the Cokes are good. Liz Taylor knows it, the President knows it, the bum knows it, and you know it."

We charge 20%-30% more than our competitors, but we are still attainable, it just make take some extra work or patience. This process actually adds value to the experience with our products and the story you tell yourself when you buy our products.

What is the thing we do that makes us most remarkable? What is the change we're most proud of that people talk about the most? It's probably our fabrics. How we go to great lengths to bring people cool fabrics that no one else is willing to deal with because it's harder. We're most proud of this too because we take the time to design custom prints with artists we like, we import it fair trade from Peru, or we recycle old fabrics.

An in-depth discussion of our history, our goals, and our strategy can be found here:

<https://originalfuzz.com/pages/inside-original-fuzz>

Everyone Is a Maker

Until you reach the level of a salaried employee, you'll spend some of your time making products that ship to customers and some of your time on growth and operations, which includes things like marketing, sales, content development, photography, design, lowering costs, improving our supply chain, new product research, prototyping, etc.

Why This Structure?

Product design and sales are inextricably connected. Marketing begins with understanding the audience for your product, which informs product design. Product design is constrained by options in the supply chain. The supply chain affects pricing, which is also influenced by what your audience is willing to pay. It's a continuous cycle.

Everything essential to a product company's success is connected. We want to hire the type of people who don't mind getting their hands dirty, yet have the ability to manage other aspects of the company's functions. This model of "everyone is a maker" applies to all hourly employees, but it doesn't create a glass ceiling. As the company grows, people who help build the value of the company as hourly employees will be able to move up into higher-level roles.

A company of makers—craftspeople in all areas—should be at the core of who we are, and rotating responsibilities is a way to bake this into our culture while giving smart, conscientious people a way to advance and expand their skills. It also gives

us a sustainable production process by us addressing the problem of burnout on the production line.

Job Categories

Trial Period

Everyone at Original starts out with a two-week to one-month trial & training period. If you're training to do production work we often start you out a lower position and then graduate you to the next level and pay rate once you're confident and trained on shipping products to customers. The level that you start at depends on your experience coming in and advancement depends on your time at the company and the quality of your work.

Contractors

- Occasional independent contractors who help with production or help on outside projects such as design or photography
- Compensation: determined on a per-project basis
- We work with them on an as-needed basis and operate outside the apprentice structure

Intern

- Short-term entry-level position with an emphasis on recruiting new talent
- Compensation: college credit
- Will assist with production and marketing/operation projects

Production Assistant

- Long-term entry-level position at Original Fuzz
- Compensation: minimum wage to \$12 per hour depending on prior experience and time at the company

- Will learn production and basics of marketing/operations
- Doesn't assume any prior knowledge

Production Lead

- More seasoned position at Original Fuzz
- Compensation: \$13-\$15 per hour depending on prior experience and time at the company
- Will run production and often help with basics of marketing/operations
- We might hire someone directly at this level if they have production or marketing/operations experience, and then train them on the other aspects of the company
- Works with assistants to ship products and complete projects

Production Manager

- Leads production and marketing initiatives with production leads and production assistants
- Compensation: \$16-\$20 per hour depending on prior experience and time at the company
- Starts to spend less time on production and operations execution and more time helping makers and apprentices execute tasks.
- Still gets their hands dirty on production as needed
- Last step before advancing to a salaried management position
- Helps management set priorities and goals
- More active in operations, helping control costs, working with suppliers, and developing strategy

Salaried Positions

- Includes management and higher-level positions

- We might sometimes bring outside people in directly at this level
- Anyone hired at this level will also work in production at the beginning of their tenure

Part-time Positions

- We often hire for all job types categories (intern, assistant, maker, lead, etc.) in part-time and full-time roles.

What We Look for in Employees

- Ability to write well: this is the foundation for all marketing and operational effectiveness. We look for past writing samples when evaluating potential hires. Asking them to write a guest blog post is a great test run.
- Attention to detail: whether you're writing a blog post or making a guitar strap, we expect you to deliver quality.
- Understanding of how to edit things down to their essence, whether that is copy or a product design. Ability to cut the deadwood.
- Good taste in design

What We Expect from Employees

Respect for Others

- Original Fuzz is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual

orientation, or any other legally protected characteristic will not be tolerated.

Assignment of Work

- Companies like Original Fuzz that design and produce a myriad of products must protect their work product. It is the essence of the company. Any work product produced by an employee on behalf of the company while employed by the company belongs to the company. This includes, but is not limited to, things like blog posts, artwork, photography, graphic design, product designs, and prototypes, etc.

Non-Compete Agreement

- In the event that an employee leaves the company, they agree that they won't directly compete with Original Fuzz by selling similar products either personally or on behalf of another company or competitor. Employees understand that they will be learning trade secrets, meeting key suppliers, learning internal processes, and more during their time at the company, and they agree not to use this knowledge against the company's interests for at least one year. Employees also acknowledge that this is a fair and standard agreement in any employer/employee relationship.

Good Housekeeping

- Please show up on time and give it your best.
- Please give us a couple weeks notice if you need to take vacation or a personal day. Be sure to list it on the shared calendar in basecamp and notify everyone. If you're

sick, do us the courtesy of calling in before your shift starts.

- Please clock in and out of your timesheet in real time while on your shift.
 - Please help keep our inventory levels accurate and update the production log at the end of the day.
 - Please help us keep our shared workspace clean. Everyone pitches in on vacuuming, taking out the trash, etc.
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How We Work (aka Our Values)

What you're not willing to do is our opportunity.

- Doing things that others are not willing to do is one of our key competitive advantages. Doing things that don't seem scalable, or seem difficult, or expensive, are actually key ways we build a moat around our business. A great example of this is how we use fabrics that have to be cut and folded. Almost all of competitors limit themselves to 2" ribbon that does not have to be tediously, cut, folded, ironed, and then sewn. But, by making this a core competence, we get faster at it, it becomes cheaper, and we're able to source a much wider variety of fabrics.

We Take Pride in Our Craft

- We are people that pay close attention to detail and have high personal standards of quality for any product (physical or digital) that goes out our door.
- We take pride in the small details that make things great.

- We all pitch in to keep the workplace clean and operating smoothly.
- We fix things that are broken and help maintain the equipment we use to make our products.
- When we notice something that could be better we take action to fix it. Even if that is just logging a note in basecamp so that it gets addressed later.

We Strive to Be Sustainable

- Sustainability starts with our products. We should always aim to make something that will last a long time and that is useful and beautiful enough to get passed on, instead of going to landfill.
- Supply chain: Know where all of our raw materials come from and how they're made. Ensure that people making our materials are paid a fair wage and treated fairly. Use organic fibers and textiles when possible. Be proud to talk about this with our customers.
- Packaging: Reduce our dependence on natural resources whenever possible. For instance, we strive to use packaging made from recycled materials and that's also easily recyclable.
- Fix things that are broken: We should always try to buy the best equipment and tools that we can afford, keep them a long time, and fix them when they're broken rather than buy new things.
- Sustainability is a daily practice and process of continual improvement.

Customer Service Is About Empathy

- The most important thing you can do when dealing with a customer is to put yourself into their shoes and treat them how you'd want to be treated. It takes a long time and a lot of effort to build word-of-mouth about our products, but it only takes a second to erode all of that goodwill.
- Don't ask permission to fix a problem for a customer or right something that is wrong. There's practically no budget constraint for doing that.
- Invest in Speed: Spending time improving things that customers will always want, such as fast shipping or quicker customer service response times, is always a good investment. Focus on improving these evergreen features that customers will always want.
- Work on things that the customer is willing to pay for—a better product, more delightful packaging, or quicker response times, etc.
- Do things that don't scale: If it's something that makes customers happy, such as a personal handwritten note in every order (even if it doesn't scale), it's worth the investment.
- The customer is not always right: providing top-notch customer service does not mean that the customer is always right. This does not mean we shouldn't listen to the customer. Everyone should feel heard, but that doesn't mean we will always change how we do business based on one person's feedback. It's our job to synthesize all of the feedback into a cohesive direction for the company.

We are Lean

- Talk to customers: we constantly talk to customers, asking them what they want in new products, existing products, or product ideas.
- Lean Manufacturing: Inspired by the Toyota production system, this is a process of constantly improving problems in production as they arise, and taking the time to think critically about fixing the root problem, even if it slows down production in the short term.
- Iteration: tweak your idea, put it out there, get feedback, adjust it, and repeat.
- We don't carry much inventory. We make and order things "just-in-time" as much as possible.
- We prioritize tasks that the customer is willing to pay for and minimize "back-office" work as much as possible.

We Are Constantly Improving

- Real artists ship. There's a fine line between perfecting something before releasing it and needing to ship it and move on. When we're working on something we should be doing our absolute best to make it great, but we shouldn't let perfect be the enemy of good. Get it out there and start asking customers what they think about it. Listen to their feedback, adjust, and repeat.
- Did you do something to materially improve the business by 1% today? If we all did this we would see tremendous compounding results over time.
- Experiment: Treat all ideas as valid until proven otherwise. If you have a good idea, don't be precious with it. Treat it as a theory and test it. Get it out there and see what happens.

We Are All Directly Responsible Individuals

This idea is best summed up by [Seth Godin](#):

"The secret of the fly ball is that you don't shout, 'you've got it.' It's not up to us to assign who will catch it. If you can catch it, you call it. The thing about responsibility is that it's most effectively taken, not given."

- This concept is also a collective, organization-wide way of following "Get Things Done" principles, which is a simple method for making sure things that we need to do don't fall the cracks. A good overview of "GTD or Get Things Done" can be found here:

<http://www.43folders.com/2004/09/08/getting-started-with-getting-things-done>

- Use Basecamp to help us maintain "Inbox 0" as a company. If there's something we discuss that has a decision or next action then either "Delete, Delegate, Respond, Defer, or Do." The best way to do this is to use Basecamp to capture all of our ideas and next steps. There should be nothing "floating" out there that we don't record in Basecamp. If you're the Directly Responsible Individual for a task or project, it's your responsibility to make it happen or discuss with the team how they can help you or what you might be blocked on. A good overview of Basecamp can be found here: <https://basecamp.com/3/features>
- The things that come into our collective "Inbox" might literally be an email, or it could be a customer request, an idea that we need to execute, etc. Our inbox includes

anything that needs to get done. When we have a new item in our inbox we are all responsible for logging it in basecamp, doing it, or assigning it to someone who will get it done.

- We know that when we delegate something to someone in the organization we can trust that it will get done or they will raise issues with the group, or delegate it to someone else.
- Basecamp is the hub for this. If it is not in Basecamp it doesn't exist. If there is no next action for a project with a directly responsible individual assigned to it, then it doesn't exist.
- People can be "owners" or the DRI on entire projects, a shift of work, or tiny next actions. This is outlined by assigning it to them in Basecamp.

We Know How to Focus

- 1 goal + 5 top priorities + consistent habits each day, week, month, quarter, and year
- We only have one goal each year. In 2016 it is to grow the sales on our website by 2.5% week-over-week.
- We take pride in what we say no to doing.
- As a company, we only have 5 priorities at a time. If we had more then we'd have no priorities. This blog post is a great overview of this concept:
jamesclear.com/buffett-focus
- Beyond the day-to-day tasks of talking to customers, making products, and shipping orders, we should all be helping push our top 5 priorities forward.

- Until we are the best in the world at making straps-guitar, banjo, camera, etc.-we should not add any new product lines.

We Help Keep the Company Healthy

- We have a good attitude. We collaborate with others, and we aren't afraid to have a dissenting opinion that we share in a way that's respectful to everyone else.
- When we notice something that could be better we take action to fix it. Even if that is just logging it in Basecamp to be addressed later.
- We all participate in the marketing at the company—we help write blog posts, make video content, record podcasts, take photographs, make artwork, etc.
- We are good stewards of spending and our budget.
- We all understand that customer service is a team effort and is a part of everyone's job.
- We are proactive and self-reliant. It's better to ask for forgiveness than permission.
- We all help measure and track performance metrics-weekly sales goals, inventory levels, production output, etc.

Performance Reviews

- Periodically we ask every employee to take a brief survey to give us feedback on how they're doing, what we can improve, etc. Then we'll follow this up with a meeting

between managers and employees about job performance, things we'd like to improve about how we can work and collaborate better.

- The feedback and review process is a two-way street and feedback should go both ways from manager to employee and vice versa.