Spring 4-24-2012

NiceShirt.org-Helping Communities in Need through the Creation of a Supportive Fundraising Platform

Skyler A. Rogers

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Empowering Communities to Wear Their Support, One Shirt at a Time

BUSINESS PLAN Q1 2012

Ron Whitehouse Business Plan Competition
April 6, 2012
David Cullen
Wesley Parsell
Skyler Rogers
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Executive Summary

Opportunity Statement: Each day there are thousands of community based groups trying to fundraise for their cause. These are in addition to the thousands of significant tragic events that occur around the United States which garner considerable response from the surrounding community. Often, an apparel fundraiser is created within a few days after the event or as a general purpose fundraiser and several hundred or even thousands of shirts are sold. Unfortunately, the individuals who set up the fundraiser is often very closely tied to the incident or ingrained in the group. This means that in addition to mourning for the incident and dealing with other time-consuming consequences, they are now also overseeing a shirt fundraiser which brings with it an incredibly tedious and stressful process of designing, ordering, printing, distributing orders, doing returns and much more, generally an unnecessarily painful process for those involved.

Business Concept and Product or Service: NiceShirt.Org enables communities, groups of people with a common interest such as a town, college campus or people connected by a recent significant event, to build awareness and fundraise through the sale of limited edition apparel on an online fundraising platform. In addition to fundraising, the personalized shirt design allows community members to wear their support. An efficient NiceShirt.org campaign replaces the overly time-consuming and ineffective apparel fundraisers that currently take place in these communities.

This is one of the first businesses to combine online custom apparel fundraising with an emphasis on community events including printing and fulfillment. Compared with traditional custom apparel printing companies, NiceShirt.org adds an online selling platform and fulfillment process for the utilization of the communities to raise money and sell shirts without the time-consuming in-person ordering and delivery process. In addition, the platform allows non-profits to hold shirt fundraisers effortlessly with unique apparel. Specifically, the current product offering includes t-shirts and hooded sweatshirts (hoodies) both available for men and women.

Competitive Advantage: Compared with traditional custom apparel printing companies, NiceShirt.org adds an online selling platform and fulfillment process for the
utilization of the communities to raise money and sell shirts without the time-consuming in-person ordering and delivery process. While custom print shops are able to enter online ordering and fulfillment, many of these shops are not tech-savvy and lack an extensive knowledge of e-commerce platforms.

**Description of the Target Market:** Data suggests that those individuals most likely to make an apparel purchase that supports a specific cause are young men and women between the ages of 18-35 years old. This group of individuals is either being educated presently or in the early stages of their careers. While this data represents a majority of statistical market information, the target market will change based on demographics of the “featured” community cause.

The online platform has been live since the end of January 2012. Proof of concept has been established with several different campaigns since the launch in January. Partnering with a non-profit, which supports a hospital for wounded soldiers, helped sell a significant number of shirts and saw a surge in social media traffic. Partnering with the BGSU Alpha Xi Delta sorority chapter united people from all over the country to support the victims and family members of the recent car accident, which took the lives of three sorority sisters.

**Essence of Marketing Approach:** NiceShirt.org is entering an existing market type through an automated, web based selling platform. Because this is a web-based startup, the majority of all marketing efforts (minus print related media and material) will be pushed through digital methods, such as through social media and online news databases. The primary consumer spends significant time on the Internet, and NiceShirt.org’s communication with those consumers will take place in an online community in which the consumer is already engaged.

**Operational Issues:** The apparel items are printed and shipped through our current print and fulfillment partner in Castalia, Ohio. Through direct export of orders on a weekly basis, orders are printed and shipped. As the number of orders increases, orders will be exported and printed on a daily basis.

**The Team:** The NiceShirt team has the proven entrepreneurial and management skills to succeed. They have the combination of business school training and a strong connection with the e-commerce, non-profit and apparel industries. The team consists of David Cullen, Wes Parsell and Skyler Rogers. With experience working in several successful start-up businesses and non-profit organizations in addition to carrying out successful fundraising efforts, the team effectively satisfies the growing needs of the business.

**Economics:** The cost structure consists of primarily variable costs. Sales of t-shirts for $23 and hoodies for $35 in addition to a 2.5% donation fee make up the current line of products. By establishing a close relationship with printing and fulfillment centers, the majority of the costs are incurred from direct shirt costs.

**Financial Highlights:** Break even will be achieved in month one of operations. Because of a successful pilot launch in late January of 2012, an e-commerce platform has been developed and fully paid. Therefore, within the first week of operations in Month 1 (beginning May, 2012) there will be positive cash flow to reinvest in the business and in the future, to pay employees. Within the coming five years,
NiceShirt.org expects extensive growth especially from key national partnerships and the utilization of a fully functional fundraising platform.

**Financial Need:** NiceShirt.org is requesting $15,000 to help in developing a custom automated e-commerce website. This will be added to the owners’ invested capital and the company’s Free Cash Flow to plan for and develop this website over the next 12 months. The requested $15,000 would come from winning the Ron Whitehouse Business Plan Competition through the Dallas Hamilton Center for Entrepreneurial Leadership at Bowling Green State University.

## The Industry

### 1.0 Industry Summary

1.0.1 **Identification:** NiceShirt.org operates by combining services from the apparel industry (NAICS: 448110, 448120) and the Fundraising and Support Industry (NAICS: 561499).

1.0.2 **Characteristics:** The apparel industry is segmented in the following five categories: haute couture, luxury, affordable luxury, mainstream, and discount. NiceShirt.org operates within the mainstream and affordable luxury segment, giving aspirational consumers the opportunity to make higher dollar apparel purchases based on a factor other than luxury itself. The fundraising industry is segmented by use and source of funds, and services those with specific needs. This may differ depending on a service intended for organizations, or groups of people with specific needs. Geographically, the portion of the industry that provides web-based fundraising services reside on the west coast, however, offer services nationally.

1.0.3 **Statistics:** The US Apparel industry was $189 billion in 2009 with 2% increases in 2010 and 2011. As a whole, the industry is facing changes as people are buying apparel through different mediums and with new motivations. In 2010 alone, online sales of apparel grew by over 10%. In 2009, despite the economy, Americans donated over $290 Billion to charities and nonprofits. After inflation adjustment, giving increased by another 3.8% in 2010. Individuals and households gave $211 billion, over 70% of the total donated in 2010. Linking these 2 industries, well known businesses such as Toms Shoes and Warby Parker have made significant advances in providing consumers with products that also support social causes when purchased. They are some of the first major players in the creation of a new industry that supports both commercialism and a “giving” model supporting these social causes.

## 1.1 Current State of the Industry

1.1.1 **Concentration:** The portion of the apparel sector that utilizes benefits of supporting social causes as a medium to sell clothing is quite small. Well-known players in this category mainly exist as web-based businesses. Few, 10 or less, regularly incorporate partnerships with non-profit organizations. Most wide scale arrangements and partnerships between apparel and nonprofit organizations are run via online business.

1.1.2 **Competition:** Direct competition exists in the form of other campaign based apparel businesses, which exist in very few numbers. Differentiations include limited services, number of supported causes, time and frequency of cause campaigns, and the limited scope of the organization supported. On a larger scale, we are competing against online apparel (mainly t-shirt companies) but are differentiated by our partnerships with charities.
1.1.3 **Top 3 Matrix**

<table>
<thead>
<tr>
<th>Name</th>
<th>Size (Annual Sales)</th>
<th>Lifecycle Stage</th>
<th>Public/ Private</th>
<th>Profit/ Non-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selfless Tees</td>
<td>&lt; $1 Million</td>
<td>Introduction</td>
<td>Private</td>
<td>Profit</td>
</tr>
<tr>
<td>Common Threadz</td>
<td>&lt;$1 Million</td>
<td>Introduction</td>
<td>Private</td>
<td>Profit</td>
</tr>
<tr>
<td>Sevenly</td>
<td>&lt;$2 Million</td>
<td>Growth</td>
<td>Private</td>
<td>Profit</td>
</tr>
</tbody>
</table>

1.2 **Porters Five (5) Forces**

1.2.1 **Bargaining Power of Customers: (Low):**

Customers have very little bargaining power over the apparel and fundraising industry. Buyers are not concentrated and individually make up very small portions of overall selling volume. Apparel purchases are made on a regular basis but do not allow the end consumer to accumulate bargaining powers. While there are many apparel suppliers, there are few that target the consumers who buy as a result of an action benefiting a social cause. Therefore, it is possible to stand out within the apparel industry while providing distribution and product infrastructure services to nonprofit organizations.

1.2.2 **Bargaining Power of Suppliers: (Low):**

Suppliers have low bargaining power over the current business model. Apparel suppliers are not concentrated geographically and exist in high numbers from all over the world. There is an abundant supply of blank apparel materials, and few suppliers feature products with truly differentiated attributes that are not replicable by another company. Suppliers are typically resistant of vertical integration, for they have very little control over the supply of inputs (raw materials) in which are needed for production. Switching costs associated with changing suppliers are virtually non-existent. As a result of these factors, suppliers typically compete on the grounds of price and product quality.

1.2.3 **Barriers to Entry/ Exit: (Moderate):**

Barriers to entry within the bridged apparel/fundraising industry are relatively moderate. While startup costs are low, necessary is the creation of relationships with nationally known, wide reaching partner organizations willing to support a startup business. These are hard to come by, as nationally known organizations must act to protect their own brand, “attention” received from supporters, and supporter information. Even with nonprofit partnerships, competencies needed to run a fully automated apparel campaign service range from graphic and apparel design to managing product distribution and shipment networks, to the technicalities of running a comprehensive and fully compatible ecommerce system.

1.2.4 **Threat of Substitute Offers: (Moderate):**

Assuming there are many ways in which a consumer can choose to support a social cause, the threat of substitutes is moderate, as there are a variety of types of products in which can be purchased using a consumer’s spending money. However, consumers who purchase a good that benefits a social cause are creating demand that is slightly inelastic, as price is not always a main factor in the decision making of whether or not to purchase a good. Nearly any consumer product or good can be attached to a beneficiary social cause; however, initial players to market could have an advantage at gaining market attention and capturing a significant market share.

1.2.5 **Competitive Rivalry: (Low):**

Although there are competitors providing similar but unequal services to nonprofit organizations and unique apparel for end consumers, research suggests that there is an increasing demand for socially responsible consumer products and services. Assuming
a wide-scale reach can be obtained, there are virtually unlimited numbers of opportunities to link a consumer purchase to a social cause. NiceShirt.org seeks to be a brand that is known for bridging the gap between consumers and the things that matter most to these globally minded, cause conscious consumers.

1.3 Value Chain Analysis

The current apparel industry that utilizes fundraising as a primary core competency chooses a similar, low-cost structure to operate and offer their services with minimal wasted expenses.

Typically, receiving an order is the action that occurs in which signals the process to begin. After a time period of “X” days or hours, orders are batched and processed in bulk to minimize production cost and time. Additional activities include obtaining partnerships with organizations to attract potential consumers.

Leaders in this industry include the following companies and/or company segments:
- Selfless Tees: Campaign only focus, Sales less than $2million annually
- Sevenly: Campaign only focus, Sales less than $2million annually
- Common Threadz: Storefront only focus, Sales less than $1million annually, Limited to one cause

1.4 Industry Trends

1.4.1 Financial: Overall, product production costs have increased over the past five years for most apparel producers. This is largely due to the rise and variability of cotton prices. Most manufactures have passed slight increases in product cost to the buyer, which means cost increases are generally divided between the supply chain, minimally effecting the end consumer. Costs increases have a greater effect on bottom level suppliers, as their margins are much thinner than the opposing “retail” side of the chain. If prices continue to rise, the incentive to use more sustainable product inputs, such as bamboo, are greater.

Within the fundraising segment, costs have been relatively stagnant as the service provider uses a fixed price infrastructure to offer services. Credit card fees, usage fees, etc. are dependent on the user and the contract at hand, but have been hardly effected by market conditions.

1.4.2 Product/Production: New technology has been changing the way the printed apparel industry operates. Printing options include standard heat press and silk-screening methods. The rise of “inkjet” style printing for apparel, commonly referred to as direct-to-garment (DTG), allows printers to print full color designs with low demand quantities. This also brings new selling opportunities to market, as typical requirements for custom apparel printing are no longer concrete.

1.4.3 Environment: Government authority and other agencies loosely regulate the apparel printing industry. Print designs must follow the common standards of complying with trademarks and usage rights. The regulations in place regarding fundraising companies
are loosely defined and vary from state to state, but are easily abided with the use of contracts and filing proper donation paperwork.

1.4.4 **New Offerings**: The rise of new technology has increased the ability to offer new services to consumers who require printed apparel, including lower quantity minimums, greater color options, and increased printing abilities such as “all-over” prints or prints with larger coverage on a unit of product. Combining apparel print services with fundraising models, there exists new opportunities and ways to market products and services, through the use of website and social media integration. These capabilities provide new ways to reach mass numbers of consumers and maintain better relationships.

1.5 **Critical Success Factors**

1.5.1 **Success Factors**: Any industry in which links commerce, the web, goods for sale, and social causes depends on many factors to deliver services as promised. These are not limited to the following:

- **Distribution networks**: Managing the movement of product from one location to the next, while getting the orders to end consumers in a timely manner
- **Design**: Apparel must be designed with consumer taste in mind, regardless of the alternative reasons for buying a product
- **Web Infrastructure**: An online storefront in which has compatibility with maximum numbers of consumers using different computing platforms.
- **Sales**: Partnerships are key to driving sales and revenue to the business
- **Reach**: Partnerships must be high quality and provide extensive reach to cause followers and consumers

These factors are not mutually exclusive, and are all required to exist for moderate growth in this emerging industry.

1.5.2 **Benchmark**: Industry standards are set by a variety of groups offering services within the apparel and fundraising networks. These standards vary via the method of sales (web vs. retail storefront), and the target market of the specific business. Online apparel operations have benchmarks set by the major players, such as ThreadlessTees.com, ShirtWoot, etc. These are not limited to production time, product quality, and ordering processes. Fundraising platforms such as GoFundMe.com and Sevenly.org operate within very different spaces, however have helped set benchmarks in terms of pricing levels and usability within their respective spaces.

**The Company, Concept and Products**

2.0 **The Company**

2.0.1 **Incorporation**: The NiceGroup LLC was incorporated in Bowling Green, Ohio on January 1, 2012.

2.0.2 **Headquarters**: The official mailing address is PO Box 1284, Bowling Green, Ohio 43402 with headquarters in downtown Bowling Green.

2.0.3 **Nexus**: The company operates out of the state of Ohio.

2.1 **Background**
2.1.1 **Purpose:** NiceShirt.org was created to help communities raise money and support for causes through shirt sales. The online platform enables supporters from around the world to contribute financially in addition to providing them an opportunity to wear their support.

2.1.2 **Mission:** To build support for causes while inspiring a world of nice.

2.1.3 **Core Values:** NiceShirt.org has four main core values, which are a guide for decision making and daily operations:
- N- “Nice” focused actions in all stakeholder interactions
- I- Integrity in all business practices
- C- Community driven- doing what’s best for the community
- E- Embracing and Pursuing Change

2.1.4 **Vision (Future):** NiceShirt.Org envisions an international online fundraising platform to create awareness for causes at a community level. NiceShirt.org campaigns will be held in thousands of communities across the world and millions of dollars will be raised for worthy causes.

2.1.5 **Value Proposition:** NiceShirt.Org enables communities, groups of people with a common interest such as a town, college campus or people connected by a recent significant event, to build awareness and fundraise through the sale of limited edition apparel. In addition to fundraising, the personalized shirt design allows community members to wear their support. An efficient NiceShirt.org campaign replaces the overly time-consuming and ineffective apparel fundraisers that currently take place in these communities.

### 2.2 Product/ Service Mix

2.2.1 **Description:** The current product offering includes t-shirts and hooded sweatshirts (hoodies) both available for men and women. The t-shirts are sourced from Next Level Apparel which feature ultra-soft material at competitive prices. The men’s t-shirt is a crew neck design while a deep V-neck is available for women. The hoodies are sourced from Gildan and are lightweight yet exceptionally comfortable. The design, which is printed on each item, is created exclusively for the cause being supported by a professional graphic artist.

2.2.2 **Application:** The primary users are community members who have been affected in some way by a specific event in addition to supporters of Non-profits. As events arise, NiceShirt.org is prepared to help community members launch a fundraising campaign. For instance, after a tragic school shooting occurs in a community of 5000 people, there are a significant number of people who would like to do something to help out. After seeing the story on CNN, someone in California is compelled to donate money, an alumnus for that High School wants to purchase a shirt and a co-worker of a graduate wants to do both. A NiceShirt.org campaign allows all of these people to effortlessly support the cause in a manner, which is second nature to them, a user-friendly online shopping experience that sells shirts and allows for donations. In addition, campaigns focusing on raising support for national non-profits are the second application.

2.2.3 **Differentiation:** Currently, traditional custom apparel companies are built for bulk orders, which create additional steps for community members who are trying to fundraise through the sale of apparel. From the perspective of a person interested in starting a fundraiser, referred to as an advocate, here is the Niceshirt.org process compared with the process of working with a local apparel company to raise money:
Customer Fundraising Process using NiceShirt.org

- A NiceShirt.org Representative identifies and contacts potential advocates informing them of the fundraising campaign
- Shirt Design is created by NiceShirt.org
- Online campaign is launched on NiceShirt.org
- Advocate spreads the word about the NiceShirt.org campaign in the community and online and asks community to help share
- NiceShirt.org Representative informs all relevant media channels and promotes campaign online
- Orders and Donations are collected online allowing the use of credit cards and with no geographic limitations
- Orders are printed and fulfilled

Customer Fundraising process without NiceShirt.org

- Advocate contacts an apparel company
- Advocate explains the situation to the apparel company
- Shirt design is created by the company
- Shirt design is revised and approved by advocate
- Advocate establishes and promotes time and location to collect orders
- Community members visit location to place order and pay with cash or check
- Advocate goes to the bank and deposits all cash and check into their personal account
- Advocate totals the breakdown of sizes and colors of orders
- Advocate gives order information to apparel company
- Advocate writes a personal check to apparel company for all printed products
- Shirts are printed
- Bulk boxes full of shirts are picked up by advocate
- A location and time is established for customer shirt pickup
- Shirts are individually picked up by each customer
- Phone Calls and emails are made to customers of unclaimed items
- Additional location and times are arranged for unclaimed item pickup
- As awareness is created, additional shirts are ordered
- Order placement, printing and delivery process is repeated with increased low quantity pricing
- Advocate writes personal check to recipients

2.2.4 Competitive Advantage: Each day there are significant events that occur around the United States which garner considerable response from the surrounding community. Often, an apparel fundraiser is created within a few days after the event and several hundred or even thousands of shirts are sold. Unfortunately, the individual who sets up the fundraiser is often very closely tied to the incident. This means that in addition to mourning for the incident and dealing with other time-consuming consequences, they are now also overseeing a shirt fundraiser. Compared with traditional custom apparel printing companies, NiceShirt.org adds an online selling platform and fulfillment process for the utilization of the communities to raise money and sell shirts without the time-consuming in-person ordering and delivery process.
2.2.5 **Success Factors**: The online platform has been live since the end of January 2012. There has been an outpouring of support for the idea and significant sales, both indicating proof of concept.

Proof of concept has been established with several different campaigns since the launch in January. Partnering with a non-profit, which supports a hospital for wounded soldiers, helped sell a significant number of shirts and saw a surge in social media traffic. Partnering with the BGSU Alpha Xi Delta sorority chapter united people from all over the country to support the victims and family members of the recent car accident, which took the lives of three sorority sisters.

2.3 **Market Entry Strategy**

2.3.1 **Commercialization Outlook**: The website is live at this time. Within a few short weeks of business operations, shirts have been sold to over 40 states and to three different countries. The viral nature of cause-based marketing is a powerful component to the business. The market of charitable focused clothing is currently an emerging market in its infancy. Our niche is the intersection of fundraising and apparel.

2.3.2 **Distribution**: The apparel items are printed and shipped through our current print and fulfillment partner in Castalia, Ohio. Orders are exported on a weekly basis at which time, the shirts are printed and shipped. As the volume of orders increases, the shirt printing and shipping process will happen on a daily basis.

2.3.3 **Product Lifecycle**: A typical customer will purchase a shirt during a campaign of relevance to them, such as supporting their hometown or local community in need. Once an additional need arises in that community for fundraising, the consumer will be knowledgeable about the NiceShirt.org platform and will be able to put up a campaign of their own.

2.3.4 **Service**: There is a minimum requirement for follow up service for the product. If there are customer service concerns such as sizing error, print error, etc. those will be handled on an individual basis.

2.3.5 **Key Relationships**: Key partners include the various non-profit and community organizations which the campaigns support, media partners for promotional support, the shirt designers, printers and fulfillment center to effectively design, print and ship the products. Also, social media partners of relevance to the causes are important for promotions.

2.3 Growth Strategy

2.4.1 **Growth Strategy**: Growth will focus on automating the process into a platform that allows anyone to launch his or her own apparel fundraiser. At that point, the online platform will be able to handle thousands of campaigns at once. We estimate a growth of over 80% per year as the organization perfects its process and begins automating the campaigns, and from an increased brand awareness and additional team members on board to help set-up and promote causes on the website. Growth of this rate includes
significant new partnerships with non-profits and communities. In addition, these partnerships fuel continuously growing market awareness, which drive increasing sales growth each month.

2.4.2 Future: The organization will maintain its online presence and expand into additional product lines and further diversity of the type and scope of fundraisers.

2.4.3 Barriers to Entry: To deter future competition, the NiceShirt.Org brand will become synonymous with helping communities in need and the competition will be up against this established brand. In addition, all employees and others with whom business is being conducted will sign non-compete and non-disclosure forms. Finally, as the organization expands, extensive and exclusive partnerships will be created with various organizations.

2.4.4 Exit Strategy: Once the company has a valuation of approximately $20 million, ownership will be transitioned to one of the large shirt companies in the marketplace such as Threadless, Zazzle or Cafe Press.

The Market

3.0 Market Definition

3.0.1 Market: The market that NiceShirt.org targets varies depending on the specific partnership made with an organization. However, data suggests that those individuals most likely to make an apparel purchase that supports a specific cause often fit into the following demographic:

- Young women: Ages 18-35: 65% consumer purchases
- Young men: Ages 18-35: 35% consumer purchases

This group of individuals is either currently pursuing an education or in the early stages of their careers. While this data represents a majority of statistical market information, it will change based on demographics of the “featured” community cause.

However, the overall campaign services will need to be marketed with a different approach and to a different audience. Specifically, these all-inclusive services are to be targeting small to midsize nonprofit organizations (up to a consumer reach of 600,000 individuals) and community based causes.

Customer Demographics: As mentioned above, 18-35 year old men and women are most likely the primary purchasers of apparel that supports certain causes. However, the audience and reach of the specific cause also determines the demographics of the customers. For example, in a previous partnership with “Operation Ward 57” (an organization that supports an amputee ward serving wounded individuals from the military), the consumer demographics shifted to primarily women, aged 25-50 who had a family member or close friends who served in the military. This model with shifting customer demographics is valuable because it introduces additional consumers to NiceShirt.org who have a variety of backgrounds and interests.

3.1 Market Dynamics

3.1.1 Market Size: According to the National Center for Charitable Statistics, there are over 1.6 million non-profit organizations registered within the United States, with over 1 million of those being public charities, and over 450,000 being other types of 501c3 non-profits. Any of these organizations with a consumer reach between 5,000 and 800,000 could potentially utilize or be highlighted through a campaign service provided by NiceShirt.org.
The U.S. Apparel Industry sold over $189 billion worth of products in 2009. Charitable giving that same year from individuals and households was over $211 billion. It is too early to extrapolate data that correctly demonstrates the effects of merging these two industries together, however, the size of both markets clearly demonstrates the opportunity to enter and grow market share.

Additionally, the campaign platform has the ability to support not just non-profit organizations, but also those in need after local or regional tragedies and specific causes such as schools, churches, teams, etc. This is potentially an even larger market, since such events occur on a daily basis around the country and world, each catering to a new market segment and group of individuals both physically and geographically. This is in addition the number of fundraisers that take place on a regular basis.

3.1.2 Market Growth Rate: The Apparel Industry growth rate (men’s and women’s garments) continues to rise by approximately 3% annually and is expected to stay on that track for the next 3 to 5 years. Also, from 1999 to 2009 there was a 32% increase in the number of registered U.S. nonprofits.

3.1.3 Factors Influencing Demand: The emergence of new apparel companies targeting differing socio-economic classes has increased overall spending within the apparel markets. Popular culture within the US continues to influence young buyers and drive purchasing decisions, sourced from not only print media but also from information passed digitally and through social networks. Apparel suppliers are now able to print, design, and produce products with new technologies that appeal to new buyers. Overall, apparel has an increasingly large role in how one identifies themselves to their community.

3.2 Buyer Behavior

3.2.1 Customer Psychographics: Typically, NiceShirt.org targets consumers who were at one point or another connected or engaged with a certain cause or nonprofit. This is known because they, at some point, exchanged their information and signed up for additional nonprofit communications. A nonprofit’s ultimate reason for creating these connections is to increase their opportunity for future donations. Consumers, on the other hand, often feel hesitant to make donations when asked. Their reasoning includes feelings of confusion regarding where their money goes, and what impact their donation actually makes. Once a donation is made, the likeliness of a future donation may be slim, because there may have been marginal feelings of gratification or self-satisfaction, often linking the idea of their donation to a dollar amount, rather than the impact that dollar amount can have on a cause. The “impact” is what NiceShirt.org intends to sell, linked with it’s apparel products.

3.2.2 Purchase Process: On a given day, a consumer who has recently interacted with a nonprofit organization or community cause will receive an email from that organization. The email will feature their NiceShirt.org campaign, and urge the individual to view the website, which shares more about the cause and allows them to buy a shirt that has a very specific impact. The next time the person logs onto Facebook, it is likely that they will see not only another announcement about the NiceShirt.org Cause Campaign, but also, see the people they know that have been interacting with the campaign. After witnessing the social media interaction take place, they will be enticed to click the link.

Once on the website, the user sees the organization and cause being supported. When an impact statement is available, such as “One shirt gives 32 meals for a person in need,” this shows a tangible impact of each purchase. Also, the consumer will feel compelled to “share” the campaign with their friends and family on social media by
clicking on embedded links. After their purchase, they will once again share the cause on their social media accounts, fueling the interactions. Overall, the buying process is between one and seven days, as there is pressure to make an impact because of a limited edition campaign.

At the end of the campaign week, the consumer receives a notification that their product has been shipped, and is encouraged to upload a picture of themselves in their NiceShirt to their social media pages. After wearing the shirt, a consumer will realize that it is one of the softest pieces of apparel they've ever owned. Not only is a consumer satisfied with the quality, but also the fact that they can show to their own community that they have supported a cause that is important to them and to their community.

3.2.3 Major Buyer: The end consumer will vary depending on the cause that is being supported, but will typically by individuals either connected or related to a certain cause or organization. For example, if NiceShirt.org is supporting a national non-profit organization, the following or group of supporters are those who have been connected with or supported that nonprofit in the past. If the company is running a campaign for a local cause that is not connected to a nonprofit organization, the community or region affected by the cause or event will contain its group of supporters, which will vary on the selected campaign. For example, if NiceShirt.org launches a campaign to raise money for the families affected by a local tragic incident, the individuals in that community with ties or relation to the cause or affected individuals will be the main supporters.

3.2.4 Media: Within a partnership with a non-profit organization, most messages are sent through channels owned by them, such as Facebook pages, Twitter followings, and accumulated email lists. Partnerships with local causes that are supporting individuals after tragic incidents will be primarily promoted through local and regional media such as newspapers, television news channels, and most importantly, word of mouth. Though consumers are unlikely to be repeat purchasers, NiceShirt.org will have the ability to reach thousands of new consumers on a weekly basis, as tragic events occur frequently, even every day, around the country. The decision to make a purchase is not fueled by the product itself, but rather, by the recent incident or situation that has occurred in the local community. The consumer feels a need to show support and to donate to the individuals affected.

3.2.5 Customer Feedback: NiceShirt.org will have two main groups of customers. The first group are those connected with the cause. After a tragic event in Chardon, Ohio on February 27th, local students started a t-shirt fundraiser to raise money and show support for families. The fundraiser was overly successful, selling over 8,000 shirts, leaving the high school student coordinators with an incredible burden of collecting payments, placing orders, and distributing items, all during a grieving period, as their closest friends had suddenly passed away. The same situation was a reality for students at Bowling Green State University after a car crash killed three university students. Proactive individuals from the university expressed incredible relief knowing that a service existed that could do everything for them, including ordering, printing, and product distribution, all while accepting credit cards and additional donations through the online portal. Within a few days, a NiceShirt.org campaign had raised over $2000 for the families affected by the crash. The end consumer, the friend, family, or community member who wants to show support for the cause or incident will do so based on emotional pull.

3.3 Segmentation

3.3.1 Market Segmentation: Currently, NiceShirt.org caters to an audience that resides in the United States. Specific geographical locations for end consumers and causes are dependent on the individual campaign.
Local Cause Campaigns- End consumers reside within the United States, but typically are close to the location of the incident or community affected. The age span of supporters increases in size, up to retirees with relationships or connections to the cause or community. Gender specificity also decreases as the cause supports a local need or situation. Benefits sought include the ability to support a cause financially and show support visibly (wearing a t-shirt).

National Non-Profit Campaigns- End consumers reside within the United States, with concentrations, age groups, and specific demographic varying on a campaign basis, as dependent on the organization itself. Consumers are likely to be young, college educated professionals have an interest in causes that make the world a better place. Finally, consumers are 65% female.

3.3.3 Target Segment(s): NiceShirt.org has target segments for both Local and National Nonprofit Campaigns:

Local Cause Campaigns- Future investments in the fundraising web platform will allows us to expand and run an unlimited number of local campaigns at a given time. Specific causes to support include newsworthy occasions, incidents, and events that are receiving media attention while highly impacting a community. These include but are not limited to events and occasions that result in death, destruction, triumph, etc.

National Non-Profit Campaigns- These campaigns are highly visible due to a strategic partnership with a large nonprofit organization or similar entity with a large social and email following. These are limited to causes that consumers are able to relate to, such as ending human trafficking, military medical services, hunger around the world, etc. These will hold a priority less than that of the local campaigns.

3.4 Competition

3.4.1 Competitors: Competitors differ for local cause campaigns versus national non-profit campaigns:

Local Cause Campaigns: T-shirt fundraisers that occur after incidences or events are nothing new. In fact, local companies that compete in this space are small, local screen-printing businesses. Their services are limited to t-shirt printing and delivering the product in bulk to the local organizers, usually family or friends of those affected by the incident. This leaves the organizers to do all the work, including taking orders, collecting cash, placing shirt orders, and delivering and distributing products to those who have made a purchase, which is cumbersome on someone who has incurred a recent tragedy. NiceShirt.org is a technology driven business in which utilized the web to automate these processes, resulting in greater sales, and the ability to accept additional donations nationally, while also accepting credit cards and overall improving the success of a campaign. To this date, there are few if any companies that both print and fulfill with apparel orders through an online storefront at this price-point. Fulfillment agencies typically require high demand minimums.

National Non-Profit Campaigns: While there is a large market for these types of campaigns and NiceShirt.org intends on operating within it, competition does exists. There are similar companies that utilize nonprofit followings to raise money for the organization through apparel sales. Direct competition is limited to 3 main market contenders, including those described below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Size (Annual)</th>
<th>Lifecycle</th>
<th>Public/</th>
<th>Profit/</th>
</tr>
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</table>

15
<table>
<thead>
<tr>
<th>Name</th>
<th>Price</th>
<th>Product Quality (1-10)</th>
<th>Additional Donations</th>
<th>Local Campaigns</th>
<th>Fulfillment Included</th>
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</thead>
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<td>10</td>
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<td>Yes</td>
<td>Yes</td>
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<td>7</td>
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<td>No</td>
<td>Yes</td>
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<tr>
<td>Selfless Tees</td>
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<td>8</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
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<tr>
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<td>10</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Local Printers</td>
<td>DIY</td>
<td>4</td>
<td>DIY</td>
<td>DIY</td>
<td>No</td>
</tr>
</tbody>
</table>

NiceShirt.org has an even bigger space in the world of operating localized cause campaigns. Prices are set to include a donation, as well as print, web, and fulfillment fees, taking that burden off of local organizers. NiceShirt.org prints on premium quality and responsibly produced Next Level Apparel, as does Sevenly.org. Local printers who serve local campaigns do not include fulfillment services nor have the capability of doing so on a national scale at a competitive price, while leaving the organizer to manage payments, collect cash, and distribute product.

3.4.3 **SWOT Analysis:** Individually organized fundraising events have needs that are not currently being met. Apparel fundraisers do not meet the criteria to qualify for reduced pricing in both material and printing costs. They also do not meet the demand criteria to be picked up by a large-scale fulfillment house. Local printers do not have the digital or physical infrastructure to meet fulfillment requirements. Large-scale non-profit fundraisers do not have an automated platform that quickly allows a user to create a campaign for their own cause.

**Strengths:** NiceShirt.org is one of the first companies to focus on this specific segment of the market and is focusing in a way that is a strength:

- Combination of two industries creates niche market
- Limited Fixed Costs allows for minimal cash burn
- Social Focus strengthens brand and reputation for consumers
- Socially beneficial focus significantly aids in hiring ability of top talent
- Limited geographic restrictions
- New, small organization is nimble and allows for quick adaptation
- Quick response to local activities (quick launch of campaigns)
Weaknesses: NiceShirt.org is a new organization with a small team involved which includes various weaknesses:

- Small team is limited in ability to serve extensive numbers of campaigns
- Still in the process of finding and solidifying relationships with suppliers and organizations
- Limited brand awareness in the marketplace
- Limited consumer trust in the organization and motives because of newness of organization

Opportunities: Local printers do not have the ability to provide a web-based, full service print and fulfillment platform to those seeking to run a campaign. They also incur increased order-to-production time, as organizers must collect, gather, and relay information. Large campaign companies fail to have the speed or manpower to launch campaigns quickly in response to local activities. The platform is not automated and does not allow users to create campaigns on their own.

- Inability of local printers to provide web-based, full service print/fulfillment platform
- Increased production time as organizers collect, gather, and relay information
- Slow launch of campaigns/slow response to local activities
- Lack of automation in the marketplace
- Campaigns unable to be created by users
- Speed up ordering process through web-oriented advancements
- Expand into new product lines
- Viral awareness of campaigns/expansion into new markets
- Continuing rise of the Apparel Industry (increase 3% annually, for the next 3-5 years)
- Over 1.6M registered non-profit organizations to utilize through NiceShirt.org

Threats: New technology gives outside companies the opportunity to enter the market of fundraising through apparel sales, specifically those who specialize in both print and fulfillment services. Local printers have the opportunity to become more web oriented and to speed the process up from customer order to final product production. Local companies as well as the large nonprofit campaign companies have the ability to expand into new product lines.

- New technology for apparel companies looking towards print and fulfillment services
- Local printers with advanced web-based processes

3.4.4 Competitive Trends: Recently, trends within the apparel production and distribution space include utilizing technology to decrease order-to-production-to-delivery time. New print technologies are being utilized to increase product offerings, such as print on demand, Direct to Garment (DTG) full color printing. Profit trends on traditional print to blank garments continue to range anywhere from 15-55% depending on scale and methods used. The number of local screen-printing companies is continuously on the rise, creating tension between loyal consumers and their printing relationships.

3.4.5 Market Leaders: The largest competitors in this marketplace who do print on demand and fulfillment services do not actually promote campaigns. However, market leaders in this industry are Zazzle and CafePress.com, which offer full service printing and
fulfillment, at a high price point of around $18 per unit cost, with a retail front without a campaign or cause focus. These types of services utilize a DTG print process, which decrease delivery time but also increases cost significantly. Although we haven’t reached a competitive delivery time, our services are positioned to utilize campaign formats and produce large orders, allowing us to print economically and create profit through large order quantities. Competition has been ignoring the opportunities to launch campaigns for local events because they are not predictable. However, if there are enough events, tragedies, and situations occurring every day in the United States alone, there is viable business opportunity in building support for communities.

3.5 Market Share

3.5.1 Competitive Advantage: Currently, Niceshirt.org offers personalized campaigns for communities and organizations in need of increased support and funding. Compared with the competitors, the NiceShirt.org emphasis on previously ignored local causes is a strong advantage.

The NiceShirt.org business model was built with scalability in mind. With a future investment in an automated platform, individuals around the country will be able to begin their own apparel fundraiser within a matter of minutes. NiceShirt.org will take care of the back end, including order production and fulfillment, accepting donations, etc. This firm has the ability to give the benefits of economies of scale to small-scale fundraisers, something not currently offered to individuals or small groups trying to raise money or show support for a cause.

3.5.2 Customer Lifecycle: Niceshirt.org has the opportunity to be shared through its initial users, utilizing a domino effect to raise awareness of the platform and further increase the number of campaigns supported simultaneously. When one individual starts a campaign, their closest friends, family, and community members choose to support the cause, further resulting in more people becoming aware of the platform.

The featured causes will continue to grow as we continue working with nonprofit organizations. These causes can be featured up to twice per year and are likely to be long-term consumers of the service, while also introducing their own followers to the small-scale fundraising opportunity.

3.5.3 Sales Forecast: As shown in the sales figures, significant sales increases take place throughout the forecasting period. These growing sales figures are assuming that within the first few months, the team will have come to a better understanding of which factors are most important in creating a successful community fundraiser combined with an automated campaign platform. Also, a sales growth of this rate assumes significant partnership creations with Non-profits and communities that are large in nature. These contracts in addition to continuously increasing market awareness fuel increasing sales growth each month.

3.5.4 Market Evaluation: Our targets will be continuously evaluated through combing sales data with consumer and cause information. NiceShirt.org will have the ability to serve almost any cause, but will want to invest in the success of certain campaigns by featuring or highlighting them via main page real estate. Nonprofits and individual campaign holders will complete a brief survey at the conclusion of the campaign, which gives them the opportunity to make known any comments, questions, or concerns with the platform as well as future opportunities. These insights will be utilized to shape future platform development.
Economics

4.0 Revenue Generation

4.0.1 **Revenue Model**: There are two primary streams of revenue within the NiceShirt.org business model:

1. Apparel Sales: All fundraisers will have the opportunity to sell apparel in order to raise money for their cause. The apparel costs the consumer between $20 and $23 depending on the type of fundraiser, with $8 going directly back to the cause. The remaining proceeds go directly to NiceShirt.org and contain all product and distribution costs as well as a profit margin.

2. Donation Fee: Additional revenue will come from donations that are accepted on the website in addition to the apparel. Cash contributions will have a fixed platform fee of 2.5% in addition to credit card processing fees. These are industry standards and well-accepted rates for third-party fundraisers.

4.0.2 **Margin**: Overall unit margin will vary depending on the total order quantity, the campaign price, etc. Product costs include a blank apparel unit ($3.05), approximate print costs ($1.20), and order fulfillment costs ($1.50). Shipping contribution is a fixed amount built within the shipping charge. The following metrics project standard per unit margins:

| Selling Price | $23 |
| Shipping Contribution | $1.60 |
| Donation Expense | ($8) |
| Product Cost | ($5.65) |
| **Contribution** | $10.95 or 44.5% |

The following is a contribution projection on a per campaign basis with the following unit sales:

- 50 units sold: $547.50
- 100 units sold: $1,095.00
- 250 units sold: $2,737.50
- 500 units sold: $5,475.00

4.1 Cost Structure

4.1.1 **Fixed Costs**: Fixed costs on a per unit basis include the donation amount of $8 in addition to $1.50 per order fulfillment cost. These costs do not change with volume at the present time.

4.1.2 **Variable Costs**: Variable costs are limited to the physical print created on the t-shirt. Currently, NiceShirt.org rates are based on order volume and the quantity of print colors needed. The following assumes a 2-color print:

< 36 units ordered: $1.20/unit
36-144 units: $1.05/unit
145-287 units: $0.98/unit
288-575 units: $0.78/unit
576-1151 units: $0.68/unit

4.1.3 **Operating Leverage**: The costs described above are highly fixed, and will not vary outside of the described boundaries with increasing quantities up to 2,000 units/print order. NiceShirt.org controls the fixed donation amount and will assess overall performance with the current donation/price ratio.
4.2 Startup Costs

4.2.1 Resources Required: One-time resources required to start the business included the build, design, and coding of the current web platform. This has been limited to a $5,500 investment to build, design, test, and implement the platform.

4.2.2 Startup Cost Chart:

![Startup Costs Chart]

4.3 Breakeven Analysis

4.3.1 Economic Model: NiceShirt.org will produce revenue and profit from the sales of supportive apparel and through donations made on its online platform. Margins will remain relatively constant throughout low and high quantity volumes, which allow the business to remain flexible as a startup company. These combined factors create an attractive business opportunity that allows the company to remain cash positive even through its startup and growth stage.

4.3.2 Breakeven Volume: As we continue to sell product through campaigns during our startup phase, we need to reach a combined sales volume of approximately 530 units cumulatively through campaigns in order to fully recover startup costs. Following this achievement, NiceShirt.org will begin investing on platform automation to increase the scalability of the business.

Marketing Plan

5.0 Marketing Strategy

5.0.1 Unique Selling Proposition (USP): The nicest way to raise money and support through apparel fundraising.
5.0.2 **Marketing Strategy**: NiceShirt.org is designed to effectively raise money for a cause through social media, news media, and the web. Its capabilities surpass other fundraiser platforms by also selling apparel and distributing products that allow individuals to wear and display their support to the community, while allowing more funding to be raised for a cause or community.

5.0.3 **Market Type**: NiceShirt.org is entering an existing market type through an automated, web-based selling platform. Because this is a web-based startup, the majority of all marketing efforts (minus print related media and material) will be pushed through digital methods, such as through social media and online news databases. The primary consumer spends significant time on the Internet, and NiceShirt.org’s communication with those consumers will take place in an online community in which the consumer is already engaged.

5.0.4 **Differentiation**: NiceShirt.org offers a streamlined apparel fundraising process that enables communities to more effectively fundraise compared with what local custom apparel companies offer. In the future, NiceShirt.org will feature an entirely automated selling platform; giving individuals the ability to create a campaign to start selling and fundraising within a matter of minutes.

### 5.1 Pricing Strategy

5.1.1 **Pricing Strategy**: T-Shirts will be sold for $23 and hooded sweatshirts will be sold for $35. These amounts include a donation amount of $8, and leave a margin after product and distribution costs of just over 40%. NiceShirt.org does not plan to lower prices, but has margins capable of handling cost increases or pricing decreases based on the sensitivity of the market, further increasing scalability of the business.

5.1.2 **Positioning Strategy**: The consumer values the automated ordering, selling tools, and distribution services that go along with raising money. These services are worth the premium price because they are not typically available to consumers.

5.1.3 **Customer Payback Period**: The individual or organization creating and administering the campaign does not incur a cost to them for launching a campaign, but does reap the benefit of time saved. Time would have been spent selling, collecting payment, ordering product, organizing product, and distributing products all while having to administer support for the customer. The pricing is also justified by allowing the individual to raise funds automatically from anywhere in the country.

5.1.5 **Features and Benefit Matrix**:

```
Features and Benefits                          NiceShirt.org | Local Printers
Contacts community member for potential campaign | X |
Custom Apparel Design                          | X | X
Online campaign is launched                    | X |
Custom ordering portal                          | |
Easy Online Sharing through Social Media        | X |
```
5.2 Distribution Strategy

5.2.1 Channels: One information channel that NiceShirt.org will leverage is the Internet, as information will be digitally transmitted. Once physical products are ordered, items are transported through mail via the United States Postal Service. These channels are accessible to any shipping agency or fulfillment center. Costs are typically based on total package dimensions and weight, as well as distance traveled.

5.2.2 Geography: Within the first year, NiceShirt.org will not be constrained to operate in one geographical region over another, but will focus its efforts within the continental USA.

5.2.3 Value Chain:
- Inbound Logistics: NiceShirt.org manages its inbound logistics through a supplier partnership with its operations centers. Operation centers order bulk product prior to printing production occurring.
- Operations: Product printing occurs at the dedicated printing and fulfillment center using agreed-upon rates, after all orders have been completed.
- Outbound Logistics: The same center that prints the product is also in charge of all order fulfillment and shipping via a contracted program through the US Postal Service.
- Sales & Marketing: The web platform and users do the primary marketing for consumer products through social media and email sharing tools available on for use online to promote the campaign.
- Service: Service is an internal function of the company and is performed primarily via email communication.

Primary Value Chain Activities

5.3 Promotional Strategy
5.3.1 **Media Approach:** Initial media approaches for NiceShirt.org campaigns will be diverted from the company and back to the media nearest the cause or local beneficiary. The local community will likely be the main supporter of a cause, allowing the news of the campaign to spread by both word of mouth and virally. The target market will be notified of the new way to support their local cause through both a donation and a t-shirt to show support.

Additionally, free media will come as a result of NiceShirt.org being tied closely to current events, which therefore will further help introduce the fundraiser as a way to show support. This type of media is often copied and duplicated from one media source to the next, further introducing the campaign and NiceShirt.org to a larger population. Social media will continue to feed the campaigns, as social activity on these platforms after such incidents increases typically to show support for a cause or situation.

5.3.2 **Sales Promotions:** NiceShirt.org will not offer special pricing promotions because there will not be any inventory. Incentives will not necessarily include a discounted main product, but could possibly include an additional featured product or discount on an extra item, which demonstrates additional consumer support.

5.3.3 **Cost Schedule:** Initially, NiceShirt.org will not introduce online paid advertising to the market due to high additional click through costs. The donation itself is serving as a cost to acquire a customer. Free media attention will provide the traffic needed to create successful campaigns.

### 5.4 Sales Cycle

5.4.1 **Selling Cycle:** A customer will learn though the web or through print that NiceShirt.org is a convenient and easy-to-use selling platform. Once they visit the website and see the many campaigns that are running to help support individual causes, they will remember the website for the next time they need funding for a project or to raise money for a cause, or the next time someone they know has an interest in running a fundraiser. The length of time between signing up to running a campaign will be a matter of minutes once an automated platform is developed.

5.4.2 **Create Awareness:** Awareness is created in the individual campaigns through the social tools provided by the platform. The campaign leader has the incentive to push the platform to family, friends and the community so that he or she can receive support for the respective cause.

5.4.3 **Generate Understanding and Interest:** Emotional appeal is used to generate interest in a consumer that has the opportunity to support a family member, community, friend, or organization. NiceShirt.org has been built to create an impact for closely-knit communities of people so the knowledge or understanding of the specific cause is a major part of the purchase decision process.

5.4.4 **Close the Sale:** Because the platform makes it easy to understand the cause at hand and to make an impact, the user is persuaded via the community to which they have ties and the information presented of how their donation could make a difference. Physically making the transaction is as simple as making a purchase online.

5.4.5 **Build the Relationship:** Relationships are built throughout the process, not only with the campaign leader and NiceShirt.org, but also with the community supporters who are choosing to take action and make a difference. NiceShirt.org gives updates to community
supporters regarding the progress of the campaign, further displaying the impact that has been made.

5.5 Sales Programs

5.5.1 Sales Force: At first, NiceShirt.org will use an internal team of individuals to reach out and begin campaigns for certain causes. However, once the platform is fully automated, individuals will be able to begin their own campaigns, allowing NiceShirt.org to utilize its resources in other ways, while possibly attempting to support larger, nationwide issues through its fundraising and sales platform.

5.5.2 Lead Generation: Leads for initial campaigns are found through news, web, and social media. The contact information for these individuals is often available through a variety of internet resources.

5.5.3 Sales Incentives: There are currently three phases to NiceShirt.org’s sales incentives. Phase 1 of the business offers an “end of term” bonus for interns and individuals reaching out to causes. Phase 2 and 3 will incorporate paid internal professionals to reach out to larger causes, while most campaigns on the smaller scale are automated through the platform.

5.6 Service Strategy

5.6.1 Customer Service: In the event that the consumer will need additional service due to an error in the ordering process or a faulty product, NiceShirt.org will fix the mistake and work within reason to ensure customer satisfaction.

5.6.2 Warrantee & Guarantee Policy: In the event that a faulty product is delivered, a new product will be produced and shipped to the consumer within 3-5 business days of receipt of proof.

Operations and Development Plan

6.0 Operating Model

6.0.1 Processes:
6.0.2 **Controls**: Control systems that are currently in place include those that fall under shirt design, website operations, printing, fulfillment and customer service.

Shirt Design Control includes working with a variety of designers to ensure a constant flow of designs needed for campaigns. Control systems also include bottlenecks and working through those to minimize lead time throughout the entire campaign process including new cause development, design, printing, fulfillment and customer service. The merchant provider has established a fraud detection system which guards against any potential for credit card fraud. Ensuring that our printer and fulfillment center is efficiently completing the orders in the agreed upon timeframe and quality is essential to success. To follow up with this, randomized quality control checks will be carried out at least once per week. Also, surveying customers about quality of product and service will help to ensure a satisfied customer experience.

6.0.3 **Operating Cycle**: Once a customer places an order for a product, the actual printing and fulfillment takes place up to one week later. Due to the batch order nature of screen printing, there is generally a minimum of 40 shirts per order and it is most cost effective to print all of the shirts in one batch. However, as quantity increases over time, the cost to print direct to garment decreases significantly, opening up the opportunity for much quicker turn-around times and printing once a day or every other day.

### 6.1 Operating Strategy

6.1.1 **Management**: The current operations management process is partially done in-house but mostly outsourced. These outsource decisions were made because they are outside of the core competency, especially as a start-up. By partnering with other companies, costs are reduced and focus is maintained. However, these partners are essential to the operations; nothing gets made or shipped without them. T-shirts and fulfillment are directly tied to the throughput, so to address this, NiceShirt.org is working with a local supplier, which is cheaper and brings the operations closer to the product; quicker
fulfillment mean higher throughput. Specific in-house and outsourced operational activities are listed below:

In-house:

- Web design
- T-shirt design
- Charity development

Outsource:

- Manufacturing
- Pay-pal payments/sales
- T-shirts
- Fulfillment

The overall operations process keeps operational expense extremely low. This system is very lean, because nothing happens until it needs to. Based on the current model, the manufacturing phase doesn’t begin until after the campaign is complete, maintaining little to no inventory and high cash flow. Everything manufactured is linked to a sale.

6.1.2 Labor: Several aspects of the company include labor such as: Design, Website, Campaign Development, Campaign Marketing and Support, Supplier Management, and Accounting/Finance. Each of these aspects will be taken care of by either the current management team or one of several interns being brought on board.

6.1.3 Key Partners: Our ultra-soft t-shirts are sourced from Next Level Apparel, sourcing from exclusively WRAP certified (Worldwide Responsible Accredited Production) factories, which are dedicated to ethical standards of conduct. Also, the current print and fulfillment center is based in Castalia, Ohio. This business has won industry awards for high quality service.

6.2 Scope of Operations

6.2.1 Geographic Location: Our current location is Bowling Green, Ohio. This small town in the Midwest offers convenient location to major transportation networks and a relatively central location of the United States where campaigns are taking place in all directions. Also, this area includes vast labor availability and a favorable business environment.

6.2.2 Capacity: Our current shirt printing and fulfillment center can print and ship up to 8,000 shirts per day. If needed, other print and fulfillment centers are available throughout the region and could accommodate thousands of shirts per day.

6.2.3 Facility: The current NiceShirt.org office headquarters is in downtown Bowling Green, Ohio. This 1300 square foot space includes Internet access, desk space and a flexible, creative and fun environment, which is essential for the growing NiceShirt.org team.

6.2.4 Regulations: Potential legal issues include designing to support a community without infringing on intellectual property. Certain communities, campuses and organizations may have regulations regarding sales in those places. Additionally, the legal agreement with the printing and fulfillment center is an essential part of the business. Fundraising laws in
other states or countries could affect operations. If working with a specific non-profit organization, design input and approval can be a point of disagreement and a potential legal issue.

6.3 Development Strategy

6.3.1 Status: The website that is currently live allows several campaigns to be run at once and for donations to be made. There have been customers from 40 states and three countries who have participated in the first two beta versions of the site. The first site was on the Drupal platform. This allowed a great looking, custom design but offered limited flexibility in terms of e-commerce customization. The current version uses a Magento platform, which is meant for e-commerce websites exclusively. Our long-term site will be custom built to offer automation on the front-end for customers and on the back-end for NiceShirt.org operations. A custom, automated website will require a significant cash infusion into the business.

6.3.2 Difficulties and Risks: The creation of a custom, automated website requires significant insight into the future needs of NiceShirt.org which are hard to fully understand at this point. Additionally, information architecture and data basing needs for future fulfillment growth is a potential challenge.

6.3.3 Costs: For a fully customized and automated website, an anticipated development budget is between $25,000-$35,000. Currently, the NiceShirt.org website team is seeking additional site build and budgetary information.

6.3.4 Intellectual Property: The NiceShirt.org logo and brand identity will be trademarked. Also, each campaign design will be copyrighted to protect NiceShirt.org intellectual property.

Management Team

7.0 Organizational Structure

7.0.1 Structure Narrative: NiceShirt.org currently includes two full-time managers; Wes Parsell who oversees Finance, Design, Operations and IT, and Skyler Rogers who oversees Marketing, Development and HR. In addition, several account representative interns report to the Senior Account Manager, David Cullen. In the first several months, a small organizational structure is important to keep costs low and to maximize efficiency. As the organization grows, the responsibilities will be split and additional individuals will be brought on to keep up with demand.

7.0.2 Personnel Plan: Currently the managers are responsible for each aspect of the business. In the next three months, additional account representative interns will be brought on to facilitate new cause campaigns. These unpaid interns will help find, launch and support campaigns and to help facilitate partnerships with new larger organizations such as non-profits, municipalities, etc. By year two and three, paid account managers,
designers and IT professional will be hired in addition to dozens of interns focusing on the front-end of the website and causes.

7.1 Management Team

7.1.1 Corporate Level Managers: The management team consists of David Cullen, Wesley Parsell and Skyler Rogers.

David Cullen:
David has received a bachelors degree specializing in Marketing and Entrepreneurship at Bowling Green State University. Past entrepreneurial experiences include working for several months at Red Frog Events where he helped secure tens of thousands of dollars in sponsorship dollars, starting a D.J. business for both small and large events, an online retail store providing sporting goods, and an audio equipment rental company that serviced small events throughout Northern Ohio. Business interests include the use of the web, and making a difference in the world. David was has won regional and statewide awards through Bowing Green State University, the Cleveland American Advertising Federation, Xavier University, and the National Federation of Independent Business.

Wesley Parsell:
Wesley is a graduate teaching assistant in the Visual Communication Technology program in addition to working on his Master’s in Education in the Learning Design program at Bowling Green State University. He has his bachelor's degree in Visual Communications Technology with a focus on interactive web media with additional studies in marketing and entrepreneurship.

Some of Wesley's past endeavors include helping organize and market BGSU’s inaugural TEDxBGSU event, a day-long, sold-out event featuring 18 speakers from around the country, the design and implementation of a new, innovative e-commerce system and management of all web based advertising, (including Google AdWords and organic-based search rankings) for The Custom Shop Clothiers, a former INC 500 company. Wes also worked as a campus sales representative for Dell Inc. from 2007 to 2009, helping generate over $3 million in sales through a web-based ordering portal in 2008 alone. In 2009, Wesley founded Twistup Media, LLC, a web design and apparel decorating company that has invoiced over $100,000 in sales to date.

Skyler Rogers:
Skyler is specializing in Marketing and Entrepreneurship at Bowling Green State University with a focus in Social Entrepreneurship. An active member of the University community, Skyler was recently the curator of the first annual TEDxBGSU. Skyler served as the student trustee on the BGSU Board of Trustees, has been a catalyst in the creation of multiple organizations including an internationally recognized socially-focused Net Impact Chapter and helped launch Affirm Global Development, an international distribution company.

A frequent traveler, Skyler recently assisted entrepreneurs in Eastern Africa and throughout India in addition to spending time in mainland China and Hong Kong. He has been awarded various business and university awards for leadership, service and business acumen.

7.1.2 Compensation and Ownership: The ownership team currently has a split ownership in three equal ways. This makes it important for at least two members to agree on key decisions. Currently members are unpaid as the company reaches profitability. A base
salary of $10,000 for each full-time manager/owner will begin in month 6 as indicated in the business plan followed by a $40,000 salary in month 37.

7.2 Advisors

7.2.1 Advisory Board: The company currently operates without an advisory board in place. However, between May 8- June 14, 2012 a framework will be developed for the creation of an advisory board including scope, purpose and a policy around size. By the end of July, 2012 there will be a board in place. This will help hold the management team accountable for their actions and serve as a source of insight, connections and fresh eyes for the company.

7.2.2 Professional Advisors and Services: Legal advice is solicited on an as-needed basis determined by the current needs of the business. A business-focused attorney and an attorney focusing on Non-profits have both been consulted in regards to the business model and current practices. Any future changes or shifts in the business model will be run by these attorney’s to ensure compliance with the legal framework within which we operate. Accounting is primarily handled through a hosted version of Intuit QuickBooks. However, for taxes at the beginning of 2013, a small business accountant will be consulted to ensure compliance with all relevant tax laws.

7.3 Succession (Exit) Plan

7.3.0 Exit Plan: Once the company has a valuation of approximately $20 million, ownership will be transitioned to one of the large shirt companies in the marketplace such as Threadless, Zazzle or Cafe Press. This will obviously be dependent on the state of the marketplace at that time and whatever additional or separate revenue activities that will be in place.

Financials

8.0 Financial Model

8.0.1 Revenue Drivers: Based on initial 5 year projections, revenue is estimated to increase at a rate of over 80% per year. NiceShirt.org will operate and generate revenue through two main product offerings:

- Donation Fees are charges incurred when an individual makes a stand-alone donation through the website. This transaction is not affiliated with a product purchase. This fee is fixed at 2.5% and does not include credit card processing fees.
- Apparel Purchases include fixed donation rates, and leave remaining revenue to cover all associated product costs as well as a significant profit margin.

8.0.2 Cost Drivers: Expenses associated with NiceShirt.org web platform will increase at a slow rate, as larger, more robust web systems will deliver exceptional opportunities to increase scalability through time. The largest expenses with this business are related to physical product and distribution costs, as well as maintaining proper levels of employment to efficiently run the business.

8.1 Financial Assumptions
8.1.1 **Balance Sheet Analysis**: The cash is collected at the time of sale for each product utilizing an online and less than 24 hour from sale to bank account through the e-commerce system. Expenditures for computers and other capital needs of office equipment happen throughout the 5 year period and often coincide with additional employee start times. Payments to the print and fulfillment center happen at the end of each month after the orders have been printed and fulfilled.

8.1.2 **Income Statement Analysis**: Sales expenses primarily include advertising in the online marketplace with Google AdWords, various social media outlets such as Facebook and others. These expenses are difficult to estimate considering the uncertainty of the types and scope of campaigns that are undertaken by NiceShirt.org and the differing prices on these platforms for the scope of search term relevancy. An extensive amount of the expenses are outsourced and are direct variable costs of goods sold. Finally, the assumption of no incentives for sales is given because of the premium nature of the products in addition to the emphasis on fundraising of the platform commanding a higher price.

8.1.3 **Cash Flow Analysis**: Assumptions that were made include collecting revenue immediately upon sale of the product through the online system and paying for the shirt, printing and fulfillment costs within 30 days of the goods being shipped. Salary and wage increases take place in year 3 and 4 for owners and several key staff members. If sales are lower than forecasted, the limited amount of paid staff and overhead expenses are at a minimum which will help with extensive cash burn potential.

8.2 **Five Year Pro Forma Balance Sheet (Attach from Financial Statement Template)**
<table>
<thead>
<tr>
<th>Assets</th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ -</td>
<td>$ 54,955</td>
<td>$ 144,710</td>
<td>$ 334,064</td>
<td>$ 604,841</td>
<td>$ 950,089</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Inventories</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$ -</td>
<td>$ 54,955</td>
<td>$ 144,710</td>
<td>$ 334,064</td>
<td>$ 604,841</td>
<td>$ 950,089</td>
</tr>
<tr>
<td><strong>Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Office Equipment and Fixtures</td>
<td>$ -</td>
<td>$ 6,000</td>
<td>$ 10,500</td>
<td>$ 21,500</td>
<td>$ 32,500</td>
<td>$ 42,500</td>
</tr>
<tr>
<td>Buildings/Leasehold Improvements</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Less: Accumulated Depreciation</strong></td>
<td>$ -</td>
<td>$ 467</td>
<td>$ 2,158</td>
<td>$ 5,875</td>
<td>$ 11,558</td>
<td>$ 19,325</td>
</tr>
<tr>
<td><strong>Net Property, Plant and Equipment</strong></td>
<td>$ -</td>
<td>$ 5,533</td>
<td>$ 8,342</td>
<td>$ 15,625</td>
<td>$ 20,942</td>
<td>$ 23,175</td>
</tr>
<tr>
<td><strong>Long Term Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill/Other Assets to be Amortized</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Deposits</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Long Term Notes Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other Long Term Assets</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Long Term Assets</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ -</td>
<td>$ 60,489</td>
<td>$ 153,051</td>
<td>$ 349,689</td>
<td>$ 625,783</td>
<td>$ 973,264</td>
</tr>
</tbody>
</table>

| Liabilities and Equity   |        |        |        |        |        |        |
| **Current Liabilities**  |        |        |        |        |        |        |
| Short Term Notes Payable  | $ -    | $ -    | $ -    | $ -    | $ -    | $ -    |
| Current Portion of Long Term Debt | $ - | $ - | $ - | $ - | $ - | $ - |
| Accounts Payable          | $ -    | $ 21,984 | $ 40,112 | $ 64,220 | $ 91,533 | $ 124,190 |
| Accrued Expenses and Taxes| $ -    | $ -    | $ -    | $ -    | $ -    | $ -    |
| Accrued Taxes on Income   | $ -    | $ -    | $ -    | $ -    | $ -    | $ -    |
| **Total Current Liabilities** | $ - | $ 21,984 | $ 40,112 | $ 64,220 | $ 91,533 | $ 124,190 |
| **Long Term Debt**        |        |        |        |        |        |        |
| Loans from Shareholders/Members/Partners | $ - | $ - | $ - | $ - | $ - | $ - |
| Long Term Notes           | $ -    | $ -    | $ -    | $ -    | $ -    | $ -    |
| **Less: Current Portion** | $ -    | $ -    | $ -    | $ -    | $ -    | $ -    |
| **Non Current Portion Long Term Debt** | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total Equity**          | $ -    | $ 38,505 | $ 112,939 | $ 285,468 | $ 534,250 | $ 849,074 |
| **Total Liabilities and Equity** | $ - | $ 60,489 | $ 153,051 | $ 349,689 | $ 625,783 | $ 973,264 |

8.3  Five Year Pro Forma Income Statement (Attach from Financial Statement Template)
### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>$292,761.50</td>
<td>$665,106.00</td>
<td>$1,220,810.50</td>
<td>$1,760,823.00</td>
<td>$2,373,048.50</td>
</tr>
<tr>
<td>Allowances &amp; Incentives</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$292,761.50</td>
<td>$665,106.00</td>
<td>$1,220,810.50</td>
<td>$1,760,823.00</td>
<td>$2,373,048.50</td>
</tr>
<tr>
<td>Gross-to-Net %</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cost of Goods Sold (Standard)</td>
<td>$150,257.78</td>
<td>$350,988.42</td>
<td>$644,395.53</td>
<td>$927,024.52</td>
<td>$1,244,719.05</td>
</tr>
<tr>
<td>Standard (First-Cut) Margin %</td>
<td>49%</td>
<td>47%</td>
<td>197%</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>Manufacturing and production costs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Supervision</td>
<td>$15,106.00</td>
<td>$59,096.00</td>
<td>$108,896.00</td>
<td>$125,496.00</td>
<td>$125,496.00</td>
</tr>
<tr>
<td>Total Cost of Goods Sold</td>
<td>$165,363.78</td>
<td>$410,084.42</td>
<td>$753,291.53</td>
<td>$1,052,520.52</td>
<td>$1,370,215.05</td>
</tr>
<tr>
<td>Gross Profit Margin $</td>
<td>$127,397.72</td>
<td>$255,021.58</td>
<td>$467,518.97</td>
<td>$708,302.48</td>
<td>$1,002,833.45</td>
</tr>
<tr>
<td>Gross Profit Margin %</td>
<td>44%</td>
<td>38%</td>
<td>0%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Selling, General &amp; Administrative</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Administrative</td>
<td>$45,446.00</td>
<td>$74,245.00</td>
<td>$88,430.00</td>
<td>$182,249.50</td>
<td>$218,017.88</td>
</tr>
<tr>
<td>Marketing</td>
<td>$12,732.00</td>
<td>$46,998.50</td>
<td>$70,890.00</td>
<td>$81,661.25</td>
<td>$221,913.00</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$1,200.00</td>
<td>$1,500.00</td>
<td>$1,800.00</td>
<td>$2,250.00</td>
<td>$2,612.50</td>
</tr>
<tr>
<td>Total SG&amp;A</td>
<td>$59,378.00</td>
<td>$122,743.50</td>
<td>$161,120.00</td>
<td>$266,160.75</td>
<td>$442,743.38</td>
</tr>
<tr>
<td>Income/(Loss) from Operations</td>
<td>$68,019.72</td>
<td>$132,278.08</td>
<td>$306,398.97</td>
<td>$442,141.73</td>
<td>$560,090.08</td>
</tr>
<tr>
<td>Other Income</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$68,019.72</td>
<td>$132,278.08</td>
<td>$306,398.97</td>
<td>$442,141.73</td>
<td>$560,090.08</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$466.67</td>
<td>$1,691.67</td>
<td>$3,716.67</td>
<td>$5,683.33</td>
<td>$7,766.67</td>
</tr>
<tr>
<td>Net Income/(Loss) Before Taxes</td>
<td>$67,553.05</td>
<td>$130,586.41</td>
<td>$302,682.30</td>
<td>$436,458.40</td>
<td>$552,323.41</td>
</tr>
<tr>
<td>NI Margin %</td>
<td>23%</td>
<td>20%</td>
<td>25%</td>
<td>149%</td>
<td>189%</td>
</tr>
<tr>
<td>Taxes</td>
<td>$29,047.81</td>
<td>$56,152.16</td>
<td>$130,153.39</td>
<td>$187,677.11</td>
<td>$237,499.07</td>
</tr>
<tr>
<td>Net Income/(Loss) AfterTaxes</td>
<td>$38,505.24</td>
<td>$74,434.26</td>
<td>$172,526.91</td>
<td>$248,781.29</td>
<td>$314,824.34</td>
</tr>
</tbody>
</table>

8.4 Five Year Pro Forma Cash Flow Statement (Attach from Financial Statement Template)
## Cash Flow Statement

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (loss)</td>
<td>$38,505.24</td>
<td>$74,434.26</td>
<td>$172,528.91</td>
<td>$248,781.29</td>
<td>$314,824.34</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td>$466.67</td>
<td>$1,691.67</td>
<td>$3,716.67</td>
<td>$5,683.33</td>
<td>$7,766.67</td>
</tr>
<tr>
<td><strong>Net Cash from Operating Activities</strong></td>
<td>$38,971.91</td>
<td>$76,125.92</td>
<td>$176,245.58</td>
<td>$254,464.62</td>
<td>$322,591.01</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Inventories</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$21,983.50</td>
<td>$18,128.46</td>
<td>$24,108.44</td>
<td>$27,313.00</td>
<td>$32,656.60</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$21,983.50</td>
<td>$18,128.46</td>
<td>$24,108.44</td>
<td>$27,313.00</td>
<td>$32,656.60</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of equipment</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>$ (6,000.00)</td>
<td>$ (4,500.00)</td>
<td>$ (11,000.00)</td>
<td>$ (11,000.00)</td>
<td>$ (10,000.00)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) in investing activities</strong></td>
<td>$ (6,000.00)</td>
<td>$ (4,500.00)</td>
<td>$ (11,000.00)</td>
<td>$ (11,000.00)</td>
<td>$ (10,000.00)</td>
</tr>
<tr>
<td><strong>Cash Flows from Financing Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments on Long Term Notes Payable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Payments on Short Term Notes Payable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Proceeds from Long Term Borrowings</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Proceeds from Short Term Borrowings</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Proceeds (Payments) on Shareholder/Member Loans</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Net cash provided (used) in financing activities</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) in Cash</strong></td>
<td>$54,955.41</td>
<td>$89,754.38</td>
<td>$189,354.02</td>
<td>$270,777.62</td>
<td>$345,247.61</td>
</tr>
<tr>
<td>Cash at the Beginning of Year</td>
<td>$ -</td>
<td>$54,955.41</td>
<td>$144,709.79</td>
<td>$334,063.81</td>
<td>$604,841.43</td>
</tr>
<tr>
<td>Cash at the End of Year</td>
<td>$54,955.41</td>
<td>$144,709.79</td>
<td>$334,063.81</td>
<td>$604,841.43</td>
<td>$950,089.04</td>
</tr>
</tbody>
</table>

(Note: Pro forma Financial Statements included in excel document)