

Taylor Henderson, Bill Balliette
Austin, Tx // SEED STAGE

If awarded, we would use the initial \$10K in prize money to fund the necessary tool to manufacture our phone case molds. Over the course of 2 fiscal years, we will require an additional \$30K in funding to reach a breakeven level of sales and become self-sustaining.

PROBLEM / OPPORTUNITY:

Polyvinyl chloride, otherwise known as PVC, is the third largest manufactured plastic in the world, with over 80 billion pounds produced each year. Although PVC is used to make many important products in our daily lives, from medical devices to vinyl records, it is also one of the most toxic plastics for the environment and human life. Over 7 Billion pounds of PVC is discarded into US landfills and 0.6 billion pounds are burned, every year, which releases toxic dioxins into the atmosphere. Unfortunately, only a few million pounds annually are repurposed.

Along with this problem, we see a trend within the textile industry to dispose of fabric in the same manner, which is why these are the largest polluting industries in the world.

This gives us the opportunity to rethink how we view second hand resources, and how to potentially work with Austin businesses to develop a system of producing new products using sustainable methods that help keep our city cleaner and waste free.

SOLUTION / PRODUCT

By sourcing scrap PVC and textiles that would normally be taken to landfills, provided free of charge from Austin businesses, we can upcycle the waste and manufacture cellular phone cases, creating a sustainable and profitable business. The diversion of PVC waste into cell phone cases would reduce landfill waste and toxic emissions created by traditional disposal practices, while offering stylish fabric back designs (see prototype), all while being completely designed and manufactured in Austin. By creating upcycled cell phone cases, we can manufacture a product that utilizes the waste streams from two industries, while providing a valuable product that merges unique design and function - Individualistic designs with limited edition products, all upcycled, sourced, and manufactured in Austin, Texas.

Goldrush Vinyl, a record manufacturing company based in Austin, Tx, will donate scrap PVC on terms that we collect it at least monthly from their central facility. When they manufacture records, the vinyl is pressed between plates and excess material that squeezes out at the edges is cut off leaving scraps that can be remolded. Goldrush currently throws away over 650 pounds a month. We estimate that starting, we can produce over 2,509 cases from that waste. The vinyl record industry is growing at its highest rate ever, with sales over \$1 billion dollars annually, so this waste stream is likely to grow.

Austin Creative Reuse, a second hand fabric supply store, has agreed to donate fabric on similar terms. ACR receives thousands of pounds of raw fabrics, swatches for interior design, and scrap fabric in

bulk each month. By using these beautifully patterned fabrics as decorative enhancements, we can create limited edition phone cases that look and feel brand new, with unlimited styles available. This creates a more personalized phone accessory, offering both function and style to anyone desiring a unique look for their phone, or anyone simply looking for a more sustainable product.

By joining with two local companies, with all parties committed to waste reduction, we'll create a product that embodies the essence of individuality, positive promotion, and sustainability for a better world. A phone case project that, in a market that thrives on the use of toxic plastics, recognizes that consumers want to adapt to a greener lifestyle, especially in Austin, and promotes this change by doing our part to offset the effects of this industry. We wish to give consumers the opportunity to purchase a product that has a more responsible manufacturing process than our competitors, an affordable price point, and a sustainable phone case to be manufactured/marketed all in Austin.

POTENTIAL RETURN / REVENUE MODEL

Over 300 lbs can be donated each week, and we expect this figure to grow given the rising demand for vinyl records. Each case will weigh approximately 1.4 ounces, leaving enough material to produce 2509 units per year initially, or \$65,000 in total sales. Cell phone accessories are more profitable than ever, with over 1 billion phone cases being produced every year. The global market value for phone accessories was valued at \$224.69 billion in 2018, with projected growth at a 3.1% CAGR over the 2019-2026 period (Source: <https://www.alliedmarketresearch.com/mobile-accessories-market>).

We calculate that more than 300 million pounds of plastic are consumed annually for producing phone cases, but few companies are utilizing upcycled, recycled, and other sustainable raw material resources. iPhone customers will be our primary target market for our first fiscal year. For sustainable phone accessories, the median segment of the market is in the \$22-\$39 price point category, which is where we've targeted our price of \$35.00.

COMPETITION

When discussing the broader range of competitors, outside of the sustainable case segment, our competitors, such as Smartish Cases, offer more affordable pricing (from \$22.99-25.99) on numerous options, but they are very limited on design and patterns, offer no sustainable or eco-friendly cases, and are limited to sales within the amazon marketplace only. This company is based and operated in Austin, Tx, however they manufacture in China.

The overall market leader is Casetify. Known for their diverse range of patterns, color blends, and design, Casetify offers the market the widest variety of options. Their case prices vary widely, with most ranging between \$30.00-45.00. They offer no sustainable designs, but do have customizable color options, and collaborations with various iconic American based brands, helping diversify their demographic range.

The advantage to our phone case is that we are offering the first of its kind within the accessories marketplace; sustainable design, various patterns and limited edition styles, all from upcycled scraps provided by the collaborative efforts of two major Austin businesses.

ENVIRONMENTAL IMPACT

The disposal of polyvinyl chloride to landfills often involves burning the plastics, which release toxic chemicals from the chlorine, phthalates, lead, cadmium, and organotins compounds. Through this process, the chemicals evaporate and spread chlorofluorocarbons and dioxins into the air, causing depletion of the ozone layer, and serious health risks including cancer, respiratory and immune disruptions.

The absorption of PVC waste into a beneficial product will have tremendous environmental impacts in several manners, from offsetting PVC landfill waste, to reducing harmful side effects associated with the chemicals used to manufacture plastics. Our business would allow us to save over 220 lbs of PVC within our first year, with that figure growing significantly to 8,060/year over our 5 year pro forma projection, while also diverting over 1,000 lbs of fabric/year by 2025.

Our design would allow us to utilize 100% of the PVC scraps while also associating the scrap fabric donations into the manufacturing process. This allows us to maximize the amount of waste offset, and to utilize two different industries into one sustainable product. Redesigning an efficient product that is a necessary part of everyday life, but allowing it to be more beneficial to society by offering a greener solution to a rapidly expanding market.

ECONOMIC IMPACT

By promoting a community based business, we can keep jobs within the Austin metroplex. From manufacturing, to local boutique sales and marketing, we plan to keep the cycle of the company close to heart. We're working with 2 molding companies in central Texas (Leander and Georgetown) on supplying the phone cases. We'll eventually be able to supply the molders with over 650 lbs of PVC each month, which will grow significantly as Goldrush Vinyl's business continues to flourish.

We will launch the product via on-line sales, but soon after we begin getting traction through that channel we will reach out to local businesses such as uBreakiFix, Dylan Wylde, ByGeorge, and other boutiques catering to the sustainable lifestyle / cell phone accessory market to sell our cases. As our sales grow, we'll need to hire workers to handle inventory and online sales management.

Although our initial plan is to attach the fabrics to the cases using a strong adhesive, we are also considering other options such as using seamstress organizations. One possibility is Open Arms Studio, who specializes in large production orders of clothing and accessories. This would potentially promote another Austin company through our business plan.

THE TEAM

Taylor Henderson, 7 year resident in Austin, Tx. Fashion designer and stylist specializing in sustainable design and upcycled garments. Currently helping with market research, product design and development, and team management on this project. Strong passion for retail, marketing, and social media strategizing. Planning to use my resources to create a strong brand identity, and provide a clean alternative to a rapidly growing market. I plan to cut budget costs by using my experience in graphic design and marketing.

Bill Balliette, 28 year resident in Austin, TX. An entrepreneur and high-tech commercialization executive with expertise in business development, operations and manufacturing. Bill has worked in the electronics, semiconductor and Oil/Gas industries. Bill will plan out how to use resources to keep molding and manufacturing partners within Austin, and find cost effective methods to create more phone cases and designs. Playing the crucial roles of business management, sales, and financial forecasting for this project.

EXECUTION STRATEGY / GO TO MARKETING

We plan to source cases to a local molding company. We have initiated discussions with two local candidate companies to specify tooling and molding costs. The first use of proceeds from the competition will be to procure the first tool and production run. We will operate as an S-corporation business.

To conserve cash, we will initially operate out of available space at a residence, using an insulated garage already configured for commercial use. We'll use this facility for inventory of cases and fabrics, case customization (applying the fabric to the case) and shipping. With the forecasted ramp in sales, we will need dedicated space sometime in Q4, and we have budgeted rent expenses accordingly.

During the initial startup, we will sell the products exclusively via an ecommerce store, with product launch in July. Beforehand, we plan to run an online startup fund through a Go Fund Me type source, to raise money for forecasted projections, and to promote the successful growth of our company by "seeding" our market presence through the interest of investors as well as consumers.

We will begin taking salaries when the volume of sales can sustain that overhead. The first paid salaried positions will be Marketing Director, then a Quality/Molding Engineer, and finally a Sales Lead for online segmentation.

5 year PRO-FORMA available upon request, in addition to month-by-month PRO-FORMA submitted.