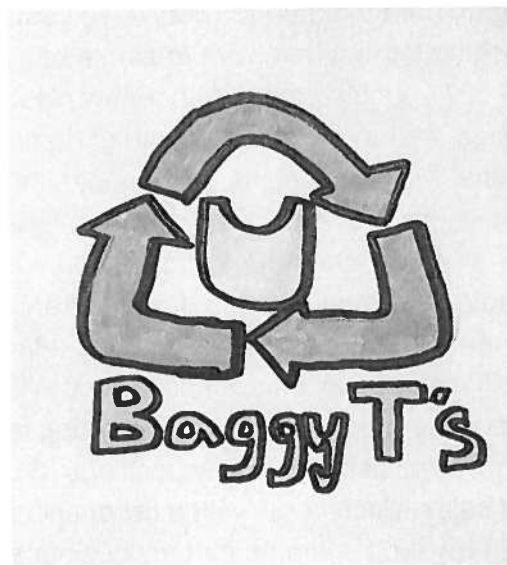


Business Plan

Baggy T's

(December 15, 2014)



Executive Summary

Everyone always has those t-shirts. The ones they love, that they got from somewhere special or they have sentimental value. The problem is, as those t-shirts get old and unwearable, you don't want to see them go into the landfill. My business is the solution to this problem. My business, Baggy T's, will turn all these loved t-shirts into bags you can use for whatever you like. My product, t-shirt bags, are upcycled bags that are durable, eco-friendly, and fashionable. The bags are reusable, reducing the impact of plastic bags being used and the waste from textiles going into landfills. Baggy T's takes reusable bags to a whole new level.

My mission is to provide shoppers with an alternative reusable bag and educate them on plastic bag and textile waste, so they can reduce the impact they have on the earth. My vision is that Baggy T's will become a well known company, providing a durable reusable bag, while reducing waste at the same time. The foundation for my business is based on key values to provide my customers with excellent customer service and a product that they want. Baggy T's target market is girls from fourteen to twenty-five years old, who live in the Bay Area, shop a lot, and are looking for an alternative reusable bag to use. My business is targeting a population of 15,527 young women. With a new plastic bag ban placed on many California cities, reusable bags are having a higher market demand. No other companies make a product quite like mine. Many reuseable bag companies have create a name for themselves, however, my business provides customers with reusable bags made from reusable materials. Baggy T's brand personality is inspiration, environmentally friendly, happy, reliable, creative, and relatable. The brand personality also transitions into the colors choices i pick for the logo to give off certain emotions. I have two marketing objectives with planned out strategies and tactics that will make my business successful. All operations will be done at my house or the MSEL room because production of the t-shirt bag is easy. All t-shirts will be received from donations. My business has four key positions: CEO, head product maker, head marketer, and head of sales. Each come with a list of specific qualifications. The unit cost for each bag is \$0.63. In a year, I estimate that my business will produce a profit of \$991.05. To start my business up, I would only need a start-up capital of \$1.80. Baggy T's the upcycled t-shirt bag to fit all your needs.

Business Description

Positioning statement

Baggy T's is the upcycled t-shirt bag for people who like using reusable bags. By selling my product, I will reduce the waste of plastic bags by having an alternative bag that saves t-shirts from the landfill.

Business Description

My name is Taylor Saling and I'm here to tell you about my business Baggy T's. I always have t-shirts that I love and wear forever, but when they get old I have no use for them. My business has a solution for all those t-shirts that you can't get rid of by turning them into bags that can be used in everyday life. These bags will reduce the waste created by both plastic bags and t-shirts. My product not only helps the environment, but it is durable, fashionable, and ready for all your shopping needs. Baggy T's the upcycled t-shirt to fit all your needs.

Market Opportunity

The Need

The need my business addresses is reducing plastic bag and clothes waste.

Target market

My target market is females ranging from ages 14-25 living in Marin, who want a bag that is reusable.

Persona Profile

A 22 year old female college student who lives in the Bay Area. She likes shopping and cares about the environment. She understands about environmental issues, so she likes reducing, reusing, and recycling.

Market demand

- i) Size of target population- 15,527 14-25 young women living in Marin
- ii) Percentage of possible market that your business plans to capture- 15%
- iii) Average revenue from each potential customer per year- \$20
- iv) Total potential revenue per year- \$4,658
- v) Estimated annual revenue- 3,255.60

Market research

The want:

My customers want a durable reusable bag that they can use while shopping.

Questions that need to be answered to determine that my business will be viable:

How many people in my target market want to buy my product? How many different types of bags should I make? What do my people want?

Primary Research

Survey on Survey Monkey

1. Do you or your family use reusable bags?

80% yes

20% no

2. How many reusable bags do you have?

10% 0-2 bags

20% 3-5 bags

20% 6-8 bags

50% too many to count

3. What size reusable bag do you like?

70% Medium

10% Large

20% I don't know

4. How much are you willing to pay at most for a reusable bag?

\$0-\$5 60%

\$5-\$10 30%

\$10-\$15 10%

5. Would you want the ability to customize a reusable bag?

Yes 100%

No 0%

6. Would you be willing to donate old t-shirts you don't use anymore?

Yes 90%

No 10%

7. Would you buy a reusable bag made out of a t-shirt?

Yes 80%

No 20%

Secondary Research

128 California cities have ban plastic bags. 184 national cities have ban plastic bags (http://www.cawrecycles.org/issues/plastic_campaign/plastic_bags/local). Each year, 11.1 million tons of textiles end up in the landfill. The average American throws away 70 pounds of clothing, linens, and other textiles each year. Only about 15% of textiles are recycled. (<http://www.usatoday.com/story/news/nation/2013/04/20/recycling-clothes-expands-curbside/2092351>). In 2006, 2.5 billion pounds of fabric were kept from the landfills by used-clothing purchases. (<http://homeguides.sfgate.com/recycled-clothing-79332.html>). Textiles has one of the poorest recycling rates of any other reusable material. On average, 8% of people go shopping 4 or more times each week, 11% go 3 or more times each week, 24% go 2 times each week, 39% go once each week, 15% go twice a month, 2% go once a month, and 1% never go shopping. (<http://www.moneysmartfamily.com/polls/grocery-store>).

Competitive Analysis

There are no other companies I found that make t-shirt bags.

Competitors

Built:

1. very popular reusable bag company
2. price is \$20-\$30 for most of their items

Competitive Advantages

- popular
- sturdy
- have good prints

Competitive Weaknesses

- some of their products are not advertised or described

My company is different because Built reusable bags are made out of new materials, while my reusable bags are made out of t-shirts upcycling them into a new product.

Eco Bags:

1. The cost of the bags are around \$15.

Competitive Advantages

- made out of reused cotton
- customizable

Competitive Weaknesses

- handles are hard to hold

My company differs from Eco Bags because I am taking materials that would have been thrown away and turning them into bags.

SWOT analysis

SWOT Analysis: Strengths, Weaknesses, Opportunities & Threats

		<u>Strengths</u>	<u>Weaknesses</u>
Internal:	1	Passionate about my business	1 School project
	2	Good ideas about what to make	2 Limited amount of time
	3	Optimistic about the outcome of my business	3 I don't get to keep the profit
	4	Solid name to attract customers	4 No/little outside of school time to make bags
	5	Bags take little time to make	5
	6		6
	7		7
	8		8
	9		9
	10		10
		<u>Opportunities</u>	<u>Threats</u>
External:	1	No other business like mine	1 No one will buy
	2	Huge target market	2 The bags won't be strong enough
	3	Run by a high school student	3 Run by a high school student
	4	Getting most materials for free	4 Low prices equals less profit
	5	Low prices	5
	6	Bags take little time to make	6
	7	Sell my products on social media	7
	8		8
	9		9
	10		10

Marketing Strategy

Mission, Vision, Values

Mission

My mission is to provide shoppers with an alternative reusable bag and educate them on plastic bag and textile waste, so they can reduce the impact they have on the earth.

Vision

My vision is that Baggy T's will become a well known company, providing a durable reusable bag, while reducing waste at the same time.

Values

- Customer Service
- The Earth
- Quality of our product
- Innovation
- Resourcefulness
- Integrity

Branding

Personality of Brand

Eco-friendly: My product is a reusable bag, so my company has to be known as eco-friendly.

Happy: Happy personality makes happy customers.

Inspiring: I want to inspire my customers to do more to benefit the earth and reduce their carbon footprint.

Reliable: I want my customers to be able to rely on my product and keep coming back for more.

Logo:



Green: I choose green for the reduce, reuse, recycle sign because the color green creates a peaceful and growth emotio. Green is also often related to the environment.

Yellow: I chose yellow for the bag because yellow gives of an optimism emotion. I want my customers to feel optimistic about purchasing my bag.

Blue: Blue is the color of trust, dependability, and strength. I made that the color of my name because I want my customers to be able to depend on Baggy T's.

Slogan: Baggy T's the upcycled t-shirt to fit all your needs.

Marketing Objectives, Strategies & Tactics

**MOST Grid:
Marketing Objectives, Strategies & Tactics**

Objectives	Strategies	Tactics
Look for businesses and farmers markets to sell products	Sell at Marinwood and Terra Linda farmers markets	Contact by emailing both places
		Get business cards and brochures to pass out
		Have a booth with bags for sale
	Sell bags at local businesses	Go talk to owners of businesses
		Email local businesses

**MOST Grid:
Marketing Objectives, Strategies & Tactics**

Objectives	Strategies	Tactics
Sell at least 40 bags per month	Create social media accounts	Promote the instagram page through my instagram
		Create an etsy to sell bags
	Design a website to get the word across	Have a powerful mission statement on the website
		Have a lookbook with products we have made and where to buy

Operations

Production happens at my house or in the MSEL room. The t-shirts are received from donations of old t-shirts people don't use anymore.

Management Plan

Key positions:

Head manager-

- Runs the business
- Makes all the executive decisions
- Keeps workers on task
- Helps in all areas when needed
- Makes products

Head product maker-

- In charge of product design

- Controls the production of all orders
- Makes a lot of the products

Head marketer-

- Designer of logo
- Runs social media accounts
- Creates business cards and brochures
- Creates and runs website

Head sales person-

- In charge of all product sales
- Runs the Etsy
- Contacts local businesses
- Contacts farmers markets
- Deals with all customer service

Qualifications:

CEO-

- Good leadership skills
- Knows the business plan well
- Uses time wisely
- Good at making decisions

Head product maker-

- Knows how to sew
- Creative
- Organized with orders
- Uses time wisely
- Hard worker

Head marketer-

- Knows how to use logo design programs
- Good with social media
- Knows how to make a website
- Good people skills

Head sales person:

- Organized
- Knows how to use Etsy
- Good at professional phone calls and emails

Financials

Unit Cost Analysis

Unit Cost Analysis

T-Shirt Bag

Examples: 1 pie, 1 ceramic bowl, 1 burrito, 1 pair of pants, etc.

	Materials	Total \$ (a)	Quantity (Ex. Pound, ounce, package of 10)	Total # of Units (from this quantity) (b)	Cost per Unit = (a) / (b)
1	T-shirt (Free)	\$0	1	1	\$0
2	Thred	\$1.80	110 yards	55	\$0.03
3					
4					
5					
6					
7					
8					
	Total Material Cost Per Unit:	\$0.03			

Variable Labor:	Wage Per Hour (a)	# of Hours Per Unit (b)	Cost Per Unit = (a) x (b)
Labor	\$9	0.15	\$0.60
Total Variable Labor:			\$0.60

Total Unit Cost (Total Material Cost + Total Variable Labor):	\$0.63
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Forecasted Income Statement

Baggy T's

Annual Income Statement

2015		Total	%
Revenue/Sales			
	T-shirt Bag	\$ 1,320.00	59%
	Small T-shirt Bag	\$ 900.00	41%
	0	\$ -	0%
Total Revenue/Sales:		\$ 2,220.00	100%
Cost of Goods Sold			
	T-shirt Bag	\$ 103.95	70%
	Small T-shirt Bag	\$ 45.00	30%
	0	\$ -	0%
Total Cost of Goods Sold:		\$ 148.95	100%
Gross Profit		\$ 2,071.05	93%
Operating Expenses			
	0	\$ -	0%
	Salaries	\$ 1,080.00	49%
	0	\$ -	0%
	0	\$ -	0%
	0	\$ -	0%
	0	\$ -	0%
	0	\$ -	0%
	0	\$ -	0%
Total Operating Expenses		\$ 1,080.00	49%
Net Profit		\$ 991.05	45%

Required Start-Up Capital

I only need \$1.80 start-up capital for my business to buy thread. The only thing I would need is a sewing machine, which I already have one I can use.

Conclusion

Baggy T's solves two important problems.

Problem number one, the social problem, saves the t-shirts. Instead of having old t-shirts just sit in the bottom of drawers untouched, I came up with a way to put these t-shirts to use. Those t-shirts can now become an item to help people out. The bags can be used for all types of shopping, as a purse, or just to carry stuff in. These bags can not only fit all a person's needs, but they can also educate them on environmental issues, solving problem number 2, the environmental problem. Our world relies on plastic bags, producing huge amounts of waste each year. These t-shirt bags not only reduce the waste of plastic bags but

also saves textiles from going into the landfill by upcycling t-shirts into reusable bags. That completes two spheres of sustainability. My business makes up for the third sphere, economic, also with my little start up cost. Overall, my business is sustainable and I believe that it will be successful.