The Problem & Solution

Goodwill Hunting provides small businesses a unique, low-cost, sustainable way to market their brand, turning second-hand clothing into first-rate apparel.

Students and employees want to show their love of their school or small business without hurting the planet or their wallet. Currently, there’s not a way to do both. You can purchase logoed apparel from a school store, or buy some apparel for your employees from a supplier like Zazzle. However, by purchasing brand new apparel we are contributing to climate change, water shortages and toxic waste. According to clothing magnate Eileen Fisher, “The clothing industry is the second largest polluter in the world … second only to oil” (EcoWatch Report). More sustainable apparel options are limited and often more expensive, which doesn’t work for students or small businesses watching their budget. Even if they do shell out more, there are major hurdles to producing truly sustainable clothing. It can still take 700 gallons of water to produce one t-shirt (World Wildlife), and organic cotton is currently limited in supply. Finally, students and employees want to show off their community, not their conformity, yet there’s no way to buy unique branded apparel.

Goodwill Hunting recognizes a tremendous opportunity in recycled apparel and merchandise, newly branded by a business with customers who love that business and want to promote the company with one-of-a-kind, low-cost merchandise responsibly sourced. Using Otto Scharmer’s method for balanced prototyping - we describe how our solution appeals to the head (reflection), heart (network) and hand (action):

Head

Today’s consumer is increasingly driven by sustainable attributes, with 70% of shoppers considering sustainability in their purchase decisions (Styling Sustainability Report) - without giving up quality and “edge”. Amazingly, Americans currently throw away an average of 70 pounds of clothing/textiles per year. And in cities like Seattle, waste management programs are stipulating ALL textiles be donated rather than trashed. Business Insider says clothing resale is now a $16 billion industry.

Heart

We also live in an age where brands have evolved to nouns and verbs. Our attachment to brands is personal and pervasive - they are how we connect with causes, memories and people we care about. And companies recognize that while products/services/trends come and go - brand stays, and building brand value is the long-term investment.

Hand

Goodwill Hunting bridges small business merchandise needs with a sustainable solution. Our buyers source unique, quality, used apparel and merchandise for branding with the company’s distinct logo. The loyal customer has their choice, no two pieces will be the same! You get to pick the item that suits you best for cost and function. And carry a keepsake from the business you love, sustainably. A purchase that feeds you, your community, and your planet.
The Team

Presidio Graduate School

All three team-members are pursuing an MBA in Sustainable Systems at Presidio Graduate School.

Presidio is the global leader in sustainable business education, educating and inspiring a new generation of skilled, visionary and enterprising leaders to transform business and create a more just, prosperous and sustainable world. With a focus on systems-thinking, triple-bottom line accounting, and changing business for good, Presidio will prepare Dave, Amy and Robbie to create a company that solves real problems and creates value for all stakeholders.

Dave Bergart

Dave Bergart is a seasoned entrepreneur with a passion for wellness and sustainability, an ability to build bridges and buzz, and a drive that never quits.

Dave was the elected as a city council representative in Victor, Idaho, and was invited to the white house to meet the President as a “young elected official.” During this time, he worked with multiple agencies, including the Idaho Department of Transportation to reconfigure downtown streets and parking and improve safety for drivers, pedestrians and bike riders. Dave performed cost benefit analyses on capital projects totaling over 15 million dollars.

Dave cofounded an Idaho-based nonprofit to promote healthy lifestyles and economic development through cycling. He planned and promoted bike races that attracted over 1300 riders, and built and maintained a community bike park, gaining national coverage. He also served on the board for a nonprofit focused on petroleum reduction in the Yellowstone ecosystem.

Dave will use his experience to drive strategic partnerships, build brand awareness and stay focused on success.

Amy Villanueva

Amy Villanueva is development professional with 13 years experience in program management, extensive international experience, and a proven track record of social enterprise.

Amy has visited or lived on 35 countries on five continents. She joined the startup team for Mercy Corps’ new operations in Sri Lanka following the December 2004 tsunami, and more recently helped launch the first design-build architecture studio in the Philippines.

Domestically, Amy’s career has spanned Puget Sound’s most effective non-profits dedicated to creating jobs and health for those who need it most. At The Gates Foundation, she supported a team that was managing over $22M investments in behavior change and primary health care. At FareStart, she wrote over 100 proposals, including the top three largest grants they had ever received (Walmart, Boeing, JPMorgan Chase). Amy helped create a national network, incubated by FareStart. Within one year launch, her team had succeeded in recruiting 20 members and raising $1 million.

Her passion for sustainability traces it roots to her six-week trip sailing from the cape of Massachusetts to the Caribbean. Her research team collected and studied pelagic plastics in the Sargasso Sea – contributing to
the most extensive study of maritime plastic debris in the world.

Amy will use her experience to understand the international apparel supply chain, raise necessary funds from aligned investors, and provide job opportunities for marginalized populations.

Robbie Goehrke

Robbie Goehrke is a mission-driven intrapreneur with an understanding of both nonprofits and for-profits, a track record of data-driven innovation, and experience in customer service and sales.

Robbie was awarded 3rd place in Seattle Startup Weekend for his idea to use cascading incentives to create a better world-wide lost and found service. He has dedicated his career to education, working in both nonprofit sector (including the Woodland Park Zoo) and for-profit sector (The Princeton Review). He conceived and launched internal idea sharing platform that launched to over 200 employees and garnered over 50 ideas, with funding for the top four.

Robbie has developed the highest-rated instructors in his company by treating his employees like customers, and measuring and achieving an 87% workload satisfaction rate and 46% Employee recommend rating. He retains over $400k in revenue per year through empathetic communication, consultative questions, and creative solutions, while closing individual sales of up to $6600.

Robbie got his start through two years of AmeriCorps at Solar Youth -- a nonprofit recognized as Environmental Education Organization of the Year in Connecticut. He reduced attrition rate from 50% to 0% for middle school program in New Haven’s highest opportunity neighborhood by co-designing the program with the students themselves.

Robbie will will use his experience to cocreate with the partners and customers, use data to drive decisions, and close sales both big and small.

Our Advisors & Mentors

Goodwill Hunting has been received warmly by local experts in Sustainable Apparel, Embroidery, and Goodwill itself.

Stacy Flynn, Sustainable Apparel Expert

Stacy Flynn is the CEO & Co-Founder of Evrnu, SPC. She is eager to advise our group, but is checking on the rules since she is also a judge of this competition.

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[From LinkedIn]: After a diverse background working with both start-ups and large multi-national corporations like DuPont, Target, Eddie Bauer, and Rethink Fabric, Stacy launched Future Resource Collective (FRC), a collaboration hub and incubator for sustainable innovations in the apparel and textile industry. In 2014, FRC launched its first social purpose corporation, Evrnu, which uses a patent-pending technology that recycles cotton garment waste to create premium, renewable fiber.

Stacy is a textile and apparel specialist with a BS in Textile Development and Marketing from the Fashion Institute of Technology and an MBA in Sustainable Systems from Bainbridge Graduate Institute at Pinchot University [now Presidio Graduate School]. She is actively reinventing the textile and apparel business model to preserve the future of apparel.
Stacy won Honorable Mention in the 2014 University of Washington Environmental Innovation Challenge, and was an Investment Round Finalist in the 2014 University of Washington Business Plan Challenge Investment Round Finalist.

Pat Hamerton, Embroidery Expert

Pat Hamerton is the owner at Crossings Design Group, and embroidered our prototype batch. He is excited for our project and has provided insights and guidance about both the technical and business aspects of embroidery. In addition, he is a board member of Salvation Army Seattle, and is connecting us with local staff to discuss possible partnerships and discounts.

[Adapted from website] Pat founded Crossings Design Group in 1987 as a retail apparel business, and has since evolved it into a full service custom apparel and promotional merchandise company.

Pat has focused on developing the skills and techniques that produce world-class custom embroidery. He has applied expertise to rendering artwork ranging from simple one color logos to extremely complex full color fine art. In addition to his state of the art digital equipment, his expert team are masters at interpreting artwork to transform it into full color, highly detailed embroidery.

He is committed to delivering the best possible results for customers. Whether a project is simple or highly complex, Pat knows how to provide a cost-effective, high quality solution.

Brent Frerichs, Goodwill Expert

Brent Frerichs is the Director Business Development and Strategies at Seattle Goodwill. He has expressed initial enthusiasm about our business plan, and will be meeting with us on Friday, February 24 to give us a tour of the facility and to discuss immediate bulk discounts on clothing and a long-term strategic partnership to co-create more jobs.

[From LinkedIn] Brent is responsible for forming and guiding strategic alliances, pursuing new avenues of financial growth as well as internal analysis and strategies to optimize sales and revenue.

He is a retail and marketing executive with leadership experience in brand development, strategic alliances, business analysis, strategy development, marketing strategy, consumer insights, loyalty marketing and account management.

Goodwill shares in our team’s mission to create jobs for those who need them, and shares our value of stewardship ‘by being socially, financially, and environmentally responsible.

The Concept

Our concept is to source all orders from second-hand suppliers, embroider or print screen the custom logo and return to customer at bargain prices.
### Day 1
**Order Received**
Items Sourced & Delivered to Embroiderer

### Days 2-8
**Up-Cycling**
Logo Set-up & Items Branded

### Days 9-10
**Delivery**
Each Item Priced $10-25 (20% Discount for Bulk)

Above: Prototype apparel with our school’s logo embroidered  Below: Our tags educate the consumer and give thrift-style pricing

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**goodwill hunting**
Finding your sustainable swag

Did you know?
It can take 5,000 gallons of water to manufacture one new t-shirt and a pair of jeans.

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**goodwill hunting**
Turning second-hand clothing into first-rate apparel

Did you know?
The clothing industry is the second largest polluter in the world... second only to oil.

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**Market Research & Scope**

*Our buyers are small businesses, sports fans, and organizations interested in sustainability and a unique look.*

Today’s consumer is increasingly driven by sustainable attributes, with 70% of shoppers considering sustainability in their purchase decisions ([Styling Sustainability Report](#)). While consumers want to support and purchase “green” products, they are also averse to paying more.

Goodwill Hunting capitalizes on this growing market of consumers who shop their conscious, want unique styling, but want to pay less.

Industry reports underestimate the sustainable appeal of second-hand consumption. They predict that with unemployment dropping and economy improving that secondhand sales will fall. And, in the past, people who
shopped second hand clothing stores were stigmatized as broke or cheapskates. Today these views couldn’t be further from the truth. Over the past decade public perceptions have rapidly changed and thrift stores like Goodwill or the Salvation Army have become cool and trendy. “Thrifting” has become a verb and its popularity brought mainstream after hip-hop duo Macklemore and Ryan Lewis won a 2013 Billboard Music Award for their hit song "Thrift Shop." In fact, this year 16-18% of all Americans will visit a thrift store compared to just 11.4% who will shop in a factory outlet or 21.3% who will visit a major department store. This growing consumer segment has created a 18 billion dollar industry with annual growth of 4.9% (IBISWorld Industry Market Research).

*Our suppliers are Goodwill, Value Village, Salvation Army, other second-hand clothing collectors/retailers.*

In order to provide our consumers with low cost apparel we are currently working with Goodwill and the Salvation Army to arrange wholesale pricing. This will allow us to pass along cost savings through to our customers.

*Our Competitors are Zazzle, CustomInk, CafePress Inc. Commercial Embroiderers/Screen Print shops*

While commercial embroidery is on the decline due to technology and global supply chains shifting the work offshore, the demand for customization is on the rise - along with broadband connectivity. Over 10,000 businesses are now operating in this space, due to limited start-up costs and low skill level/lack of certifications required. Sourcing the raw materials offshore, however does introduce delays and potential quality issues and there are no competitors seriously addressing sustainability in their operations or product life cycle. Currently this industry generates eight billion dollars in revenue with annual growth of 5.25% (IBISWorld)

**Cost vs Impact**

We were able to demonstrate our proof of concept with just $800 of prototype funding that was awarded to our team from the Buerk Center of Entrepreneurship. Although our costs are small our impact is not. Every time we can provide a school or business an alternative branding solution we are able to reduce the environmental impact along the entire supply chain.

In addition to being environmentally focused, Goodwill Hunting is a socially conscious company. As we grow we see opportunity to create meaningful employment for underserved individuals.

**Cost to Produce**

Here is a sample table to show the costs going into one embroidered sweater, which is at the higher end of our apparel.

<table>
<thead>
<tr>
<th>Item</th>
<th>Retail Cost</th>
<th>Discount</th>
<th>Discounted Cost</th>
<th>Embroidery Cost</th>
<th>Direct Cost</th>
<th>Distributed Setup Cost</th>
<th>Distributed Labor Cost</th>
<th>Total Cost</th>
<th>Our Price</th>
<th>Contribution</th>
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<tbody>
<tr>
<td>Prototype</td>
<td>19.97</td>
<td>20%</td>
<td>15.98</td>
<td>5</td>
<td>20.98</td>
<td>6.25</td>
<td>0</td>
<td>27.23</td>
<td>25.00</td>
<td>-2.23</td>
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</table>
Higher volume & Paying shopper

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Discount</th>
<th>Quantity</th>
<th>Total</th>
<th>Quantity</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>19.97</td>
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<td>15.98</td>
<td>5</td>
<td>20.98</td>
<td>1</td>
<td>23.98</td>
<td>1.02</td>
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</table>

Higher discount from Goodwill

<table>
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<tr>
<th></th>
<th>Price</th>
<th>Discount</th>
<th>Quantity</th>
<th>Total</th>
<th>Quantity</th>
<th>Total</th>
<th>Additional Fee</th>
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</thead>
<tbody>
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<td>5</td>
<td>14.99</td>
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<td>17.99</td>
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</table>

Highest discount from Goodwill

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<th>Price</th>
<th>Discount</th>
<th>Quantity</th>
<th>Total</th>
<th>Quantity</th>
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<td>5</td>
<td>9.99</td>
<td>1</td>
<td>12.99</td>
<td>12.01</td>
</tr>
</tbody>
</table>

### Timeline of Launch

We are selling our first batch of apparel on Tuesday, February 28 to a group of five Presidio students after their marketing class. This will provide firm customer validation and feedback, which will inform our future batches. Our next batch has been purchased, and will be embroidered in time to sell to a group of over forty students and faculty on March 11. At that point, we will also take requests for specific sizes and styles to test how well that model works.

If these initial launches prove the promise of this concept, then we will aim to launch fully this summer, securing three additional community groups, schools or businesses to work with. At that point, we can develop and test out a more strategic partnership with Goodwill.

If this business proves viable, we will spend our second year in our MBA program developing it in our year-long Entrepreneurship track, with a full-scale launch in summer of 2018.