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## **I. Business Overview**

College students buy many notebooks but rarely do they use every page. When a course ends, they remove their notes and toss the rest away, creating landfill waste. Or, they drop the spent notebooks in a recycling bin, where the pages travel long distances for an energy-intensive recycling process. A low-cost service close to campus could bind their course notes neatly for study and reference – while collecting those wasted pages, and repurposing them in a beautiful, affordable, upcycled journal. ReBound, Ink. serves this market-driven need with an artful, environmental solution. Using comb binding, ReBound compiles student notes. Using thermal binding, reclaimed pages become attractive journals. This start-up business reduces environmental waste, captures an unserved market, and as an added social asset, contributes to the larger community by dedicating a portion of proceeds to a local charity.

### Social and Environmental Value Proposition

The ReBound model promotes a holistic view of sustainability at the community level. ReBound serves three identified areas of sustainability: environment, by encouraging notebook-paper recycling on the East Carolina University campus; economic, by acting as a local social enterprise; and social, by supporting local literacy education programs. ECU collected 453,620 pounds of discarded mixed paper in the 2013-2014 school year. Reducing that paper waste benefits not only the campus itself, but the surrounding communities, which bear the burden of both municipal and university trash disposal. By providing a service that reuses paper materials, we reduce that landfill burden, and offer an alternative to conventional recycling.

ECU is a major research university, yet in our surrounding community many people lack the ability to complete a job application, or even read a street sign. Not only does ReBound, Ink. provide a note-binding service, and an upcycled artisan journal, it also has a philanthropic extension, Notes to Knowledge, that contributes to and supports literacy. In our community, it is a critical need: 20 percent of Pitt County adults lack a high school diploma. Moreover, in Pitt County, 34 percent of adults have basic or below-basic reading and writing skills<sup>1</sup>. These deficiencies make it difficult for them to perform day-to-day tasks, and prevent them from improving their lives through education and employment. ReBound creates attractive, environmentally conscious notebooks from unused paper. Its efforts would reduce waste at colleges and universities; tap into a market for sustainable products; and benefit literacy efforts in the community.

### Business Model

Students will come to our ReBound retail truck and for a low cost have their past semester's notes removed from the original notebook and bound together with additional handouts, class readings, and completed assignments to optimize organization. This product, which we call a "notestack," allows students to use our tiered pricing structure (see Table 1) and leave unused pages of their notebooks with us to receive the lowest service price. If students wish to keep their unused paper, the service will cost more. From the unused paper, ReBound creates new, unique artisan journals for resale. This product, which we call an "artbook," will sell at a higher, but market-driven price. It will include information about ReBound's commitment to improving literacy locally, along with a volunteer and contribution form. A portion of the proceeds from artbook journals will benefit Pitt Literacy through Notes to Knowledge.

### Financial Value Proposition

ReBound's revenue comes from its two service lines. The first is the on-campus notestacks binding service. The other revenue source derives from artbook sales. ReBound avoids the high overhead of most office supply stores, because we are a direct-to-consumer service and distributor. We focus on college students and provide them a valuable service at a reasonable cost - that also allows investors to enjoy a return. We could produce notestacks at a 75-percent margin, with a cost of only 75 cents per notestack,

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<sup>1</sup> <http://www.pittliteracy.org>

selling for a minimum of \$3. We anticipate production costs of each artbook at \$2.40, with sale price of \$12, allowing an 80-percent margin. Revenues are calculated based on ReBound’s on-campus presence six weeks a year during peak final exam and semester start-up times: one week in late August; two weeks in early December; one week in early January; two weeks in late April/early May. We will generate revenues year-round from artbooks sales.

We determined our rates and margins based on feedback from a market interest survey. Of the responses, 87 percent said they would use an affordable, on-campus, note-binding service. The survey results also showed that 87 percent of respondents would buy a \$12 artistic, handmade journal that benefited a charity. Table 1 is a cost breakdown of our products and services.

Table 1: Cost Breakdown							
	247.5 grams (55 sheets)*	405 grams (90 sheets)*	540 grams (120 sheets)*	675 grams (150 sheets)*	900 grams (200 sheets)*	1,530 grams (340 sheets)*	2,250 grams (500 sheets)*
With Recycling Paper	\$3.00**	\$3.35**	\$3.70**	\$4.05**	\$4.40**	\$4.75**	\$5.10**
Without Recycling Paper	\$4.00**	\$4.35**	\$4.70**	\$5.05**	\$5.40**	\$5.75**	\$6.10**
*Pricing is at a rate of 4.5 grams per sheet							
**Each notestack includes a solid colored cardstock cover of your choice							
Artbook-\$12							
Patterned Notestacks Cover-\$1							

Vision

ReBound aims to leverage investment to build out our service to the 17 UNC campuses. The business model described for East Carolina University can be expanded to all campuses. Each location will also have a relationship with an established literacy agency.

**II. The Market**

Customer Identification

ReBound’s dual-faceted operation appeals to two different customer types. The rebinding service has a proven customer base of college students: 94 percent of ECU students surveyed desire a low-cost way to consolidate their notes, course materials, and assignments in an attractive booklet without keeping entire notebooks, binders and folders. These students also value recycling. The university’s Recycling Services collected about 1,146,000 pounds of various materials in the 2013-2014 academic year. These pages would be collected in artisan journals that appeal to customers who desire sustainable, attractive products that also benefit a cause.

Market Need

In 2008, the sustainable product industry was valued at more than \$500 billion by Penn Schoen Berland Associates, a market research firm that studies the green economy, a sector that continues to grow<sup>2</sup>. There is also a growing market for sustainable, handmade, craftsman-styled products as an alternative to mass- produced items made abroad. This distinctive combination – organizational tool, sustainable, attractive journals, and literacy – gives ReBound a market edge. ReBound fulfills the need to reduce paper waste on college campuses, and offers an organizational tool for students to help them succeed academically. ReBound raises awareness of illiteracy in Eastern North Carolina while also contributing to Pitt Literacy, providing a value-added community benefit.

<sup>2</sup> [http://www.nytimes.com/2010/06/12/business/energy-environment/12sustain.html?\\_r=0](http://www.nytimes.com/2010/06/12/business/energy-environment/12sustain.html?_r=0)

### Industry Analysis and Competitive Advantage

While there are several notebook and journal-manufacturing companies, including some that use recycled paper, ReBound takes energy-efficiency to the next level. The conventional process generally proceed as follows: a chemical process washes ink from paper; then the paper is turned to pulp, dried, and fed through a roller to recreate new paper from the old paper remains. ReBound recognizes that this process uses 45 percent less energy than producing paper from raw wood, but we are committed to making new journals from recycled paper by using even less energy. Our process artfully combines clean paper from several different notebook origins using little, or no, carbon-based energy. We combine different paper types, trim pages to a standard size, and bind them into an attractive, eclectic journal with an artisan cover. The exclusive sale of our journals online and via the ReBound trucks reduces the carbon footprint of delivery. Many journal purchasers take for granted the ability to read and write, ReBound's Notes to Knowledge raises funds for and awareness of illiteracy, creating additional market identity.

Our market research shows the cost of binding at national chains far exceeds the price that ReBound offers for the same services. Competitors charge an average of \$7.40 (for 10-15 pages) compared to the \$3 to \$6 ReBound charges for up to 500 pages. ReBound brings binding services directly to college campuses and guarantees the remaining paper is recycled and reused. ReBound tailors its binding service to college students and their needs rather than to career professionals.

### **III. Financial Analysis**

Our start-up funding derives from several sources tailored to our business model and will include micro loans, local business sponsorships, and socially conscious, yet profit-minded investors. Additional potential start-up capital could include any award monies or personal investment.

Projected expenses for Year One include equipment and infrastructure costs. Equipment and materials is expected to cost \$44,486.37 for one location. This total includes a retail truck, commercial grade printing and binding equipment, and miscellaneous materials. In addition to equipment, we will likely incur attorney and accountant fees. A significant portion of start-up costs will be devoted to executing our marketing strategy. Marketing costs will include screen-wrapping the retail truck, radio advertising, campus newspaper advertisement, and social networking advertisements. We also plan website development costs. Another expense stems from our Notes to Knowledge contribution: it is our goal to give 3 percent of net profits to Pitt Literacy. We intend to increase this contribution as our company grows.

Subsequent year costs would be considerably less and would consist of operational materials, truck maintenance, website hosting, and Square card reader transaction fees. During the first year, ReBound principals will waive their salaries. After Year One, our revenues project the ability to compensate the principals. Financial projections indicate an ability to pay all debts in total by Year Three. Tables 2 and 3 (appendix) show the projected revenues, costs, and expenses for Years One through Three.

### **IV. Social and Environmental Impact**

Social and environmental impact will be evaluated using the following indicators:

1. Weight of unused notebook pages collected
2. Increase in charitable donations to local literacy center linked to ReBound's artbook forms
3. Increase in volunteer interest at adult literacy center determined by intake survey
4. Number of artbooks produced

Weight of notebook pages is collected when removed from old notebooks prior to binding notes. Number of artbooks produced (notebooks "saved") measures the reduction in paper waste. Charitable donations to adult literacy centers are estimated based on revenue projections from our financial analysis. Information on volunteer interest levels is collected from the adult literacy center and includes data on visits to the volunteer section of the center webpage, phone and email inquiries into volunteering, and number of volunteers registered.

Appendix

**Table 2**

REVENUE PROJECTIONS													
Year 1	MO 1	MO 2	MO 3	MO 4	MO 5	MO 6	MO 7	MO 8	MO 9	MO 10	MO 11	MO 12	TOTAL
Notestacks	\$3,150.00	\$ -	\$ -	\$ -	\$ 6,300.00	\$ -	\$ -	\$3,150.00	\$ -	\$ -	\$ -	\$ 6,300.00	\$18,900.00
Artbooks	\$ -	\$1,680.00	\$1,860.00	\$1,800.00	\$1,860.00	\$1,800.00	\$1,860.00	\$1,860.00	\$1,800.00	\$1,860.00	\$1,800.00	\$1,860.00	\$20,040.00
Shipping & Handling Collections		\$ 525.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 6,269.00
<b>Total</b>	<b>\$3,150.00</b>	<b>\$2,205.00</b>	<b>\$2,442.00</b>	<b>\$2,363.00</b>	<b>\$ 8,742.00</b>	<b>\$2,363.00</b>	<b>\$2,442.00</b>	<b>\$5,592.00</b>	<b>\$2,363.00</b>	<b>\$2,442.00</b>	<b>\$2,363.00</b>	<b>\$ 8,742.00</b>	<b>\$45,209.00</b>
Year 2	MO 13	MO 14	MO 15	MO 16	MO 17	MO 18	MO 19	MO 20	MO 21	MO 22	MO 23	MO 24	\$ -
Notestacks	\$3,675.00	\$ -	\$ -	\$ -	\$ 7,350.00	\$ -	\$ -	\$3,675.00	\$ -	\$ -	\$ -	\$ 7,350.00	\$22,050.00
Artbooks	\$2,232.00	\$2,016.00	\$2,232.00	\$2,160.00	\$ 2,232.00	\$2,160.00	\$2,232.00	\$2,232.00	\$2,160.00	\$2,232.00	\$2,160.00	\$ 2,232.00	\$26,280.00
Shipping & Handling Collections	\$ 697.50	\$ 630.00	\$ 697.50	\$ 675.00	\$ 697.50	\$ 675.00	\$ 697.50	\$ 697.50	\$ 675.00	\$ 697.50	\$ 675.00	\$ 697.50	\$ 8,212.50
<b>Total</b>	<b>\$6,604.50</b>	<b>\$2,646.00</b>	<b>\$2,929.50</b>	<b>\$2,835.00</b>	<b>\$10,279.50</b>	<b>\$2,835.00</b>	<b>\$2,929.50</b>	<b>\$6,604.50</b>	<b>\$2,835.00</b>	<b>\$2,929.50</b>	<b>\$2,835.00</b>	<b>\$10,279.50</b>	<b>\$56,542.50</b>
Year 3	MO 25	MO 26	MO 27	MO 28	MO 29	MO 30	MO 31	MO 32	MO 33	MO 34	MO 35	MO 36	\$ -
Notestacks	\$4,200.00	\$ -	\$ -	\$ -	\$ 8,400.00	\$ -	\$ -	\$4,200.00	\$ -	\$ -	\$ -	\$ 8,400.00	\$25,200.00
Artbooks	\$2,604.00	\$2,352.00	\$2,604.00	\$2,520.00	\$ 2,604.00	\$2,520.00	\$2,604.00	\$2,604.00	\$2,520.00	\$2,604.00	\$2,520.00	\$ 2,604.00	\$30,660.00
Shipping & Handling Collections	\$ 813.75	\$ 735.00	\$ 813.75	\$ 787.50	\$ 813.75	\$ 787.50	\$ 813.75	\$ 813.75	\$ 787.50	\$ 813.75	\$ 787.50	\$ 813.75	\$ 9,581.25
<b>Total</b>	<b>\$7,617.75</b>	<b>\$3,087.00</b>	<b>\$3,417.75</b>	<b>\$3,307.50</b>	<b>\$11,817.75</b>	<b>\$3,307.50</b>	<b>\$3,417.75</b>	<b>\$7,617.75</b>	<b>\$3,307.50</b>	<b>\$3,417.75</b>	<b>\$3,307.50</b>	<b>\$11,817.75</b>	<b>\$65,441.25</b>

Revenue assumptions for Year 1 are based on 150 notestacks per day on campus (1 week in January, 2 weeks in May, 1 week in August, and 2 weeks in December) at the minimum \$3 price. The artbook calculations are based on 5 per day for each day of the month at \$12 each.

Revenue assumptions for Year 2 are based on 175 notestacks (16.7% growth) per day on campus (1 week in January, 2 weeks in May, 1 week in August, and 2 weeks in December) at the minimum \$3 price. The artbook calculations are based on 6 per day (20% growth) for each day of the month at \$12 each.

Revenue assumptions for Year 3 are based on 200 notestacks (14.3% growth) per day on campus (1 week in January, 2 weeks in May, 1 week in August, and 2 weeks in December) at the minimum \$3 price. The artbook calculations are based on 7 per day (16.7%) for each day of the month at \$12 each.

We project 33% growth from Year 1 to Year 3 in notestack sales and 40% growth from Year 1 to Year 3 in artbook sales.

Appendix

**Table 3**

Cash Flow Forecast - 12 Months (Year 1)														
Month:	Pre-Start	1	2	3	4	5	6	7	8	9	10	11	12	Totals
<b>Receipts</b>														
Sales of Artbooks & Notestacks	0	3,150	1,680	1,860	1,800	8,160	1,800	1,860	5,010	1,800	1,860	1,800	8,160	38,940
Awards & Grants	5,000													5,000
Micro-Loan Received	35,000													35,000
Owner investment	8,000													8,000
Shipping Revenue		0	\$ 525.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 582.00	\$ 563.00	\$ 582.00	\$ 563.00	\$ 582.00	6,269
<b>Total Receipts</b>	<b>48,000</b>	<b>3,150</b>	<b>2,205</b>	<b>2,442</b>	<b>2,363</b>	<b>8,742</b>	<b>2,363</b>	<b>2,442</b>	<b>5,592</b>	<b>2,363</b>	<b>2,442</b>	<b>2,363</b>	<b>8,742</b>	<b>93,209</b>
<b>Payments</b>														
Marketing/Advertising	500.00	125	125	125	125	125	125	125	125	125	125	125	125	2,000
Retail Truck Gas & Maintenance		108	108	108	108	108	108	108	108	108	108	108	108	1,300
Fixed Costs	27,890.00													27,890
Recurring Costs	4,340.25													4,340
Salaries and Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Sales Tax on Artbooks		116.90	116.90	116.90	116.90	116.90	116.90	116.90	116.90	116.90	116.90	116.90	116.90	1,403
Postage-UPS Contract	6,000.00													6,000
Total Soft Costs	12,256.12	0	0	0	0	0	0	0	0	0	0	0	0	12,256
Financial Contribution to Literacy Agency		0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Repayment		783	783	783	783	783	783	783	783	783	783	783	783	9,401
<b>Total Payments</b>	<b>50,986</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>1,134</b>	<b>64,590</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>-2,986</b>	<b>2,016</b>	<b>1,071</b>	<b>1,308</b>	<b>1,229</b>	<b>7,608</b>	<b>1,229</b>	<b>1,308</b>	<b>4,458</b>	<b>1,229</b>	<b>1,308</b>	<b>1,229</b>	<b>7,608</b>	<b>28,619</b>

Cash Flow Forecast - 12 Months (Year 2)		
Month:	Carryover	Totals
<b>Receipts</b>		
Sales of Artbooks & Notestacks		56,543
Yr1 Carryover	28,619	28,619
Shipping Revenue		8,213
<b>Total Receipts</b>	<b>28,619</b>	<b>93,374</b>
<b>Beginning of Year Costs</b>		
<b>Payments</b>		
Marketing/Advertising	500.00	2,000
Retail Truck Gas & Maintenance		1,300
Fixed Costs (Equipment)	5,000.00	5,000
Recurring Costs (Materials)	5,500.00	5,500
Salaries and Wages	0.00	9,600
Sales Tax on Artbooks		1,840
Postage-UPS Contract	6,570.00	6,570
Total Soft Costs	12,256.12	12,256
Financial Contribution to Literacy Agency		
Loan Repayment		9,401
<b>Total Payments</b>	<b>29,826</b>	<b>54,325</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>-1,207</b>	<b>39,049</b>

Cash Flow Forecast - 12 Months (Year 3)		
Month:	Carryover	Totals
<b>Receipts</b>		
Sales of Artbooks & Notestacks	0	65,441
Yr2 Carryover	39,049	39,049
Shipping Revenue		9,581
<b>Total Receipts</b>	<b>39,049</b>	<b>104,490</b>
<b>Beginning of Year Cost</b>		
<b>Payments</b>		
Marketing/Advertising	500.00	2,000
Retail Truck Gas & Maintenance		1,300
Fixed Costs (Equipment)	5,000.00	5,000
Recurring Costs (Materials)	6,300.00	6,300
Salaries and Wages	0.00	14,400
Sales Tax on Artbooks		2,146
Postage-UPS Contract	7,665.00	7,665
Total Soft Costs	12,256.12	12,256
Financial Contribution to Literacy Agency		
Loan Repayment		9,401
<b>Total Payments</b>	<b>31,721</b>	<b>61,640</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>7,328</b>	<b>42,851</b>

Note: Years 2 and 3 include salaries and financial contribution to literacy programs.