Turtle King WorkShop

A Space for Longboards and the Community

Business Plan

Spring 2013
Acara Challenge
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TurtleKing Ventures LLC was formed in the summer of 2012 with the help of the Center for Entrepreneurship and the Purpose and Profit grant. Over the winter we have been developing prototypes and building an inventory of boards in preparation for spring sales. The TurtleKing WorkShop’s mission is to utilize the longboard design, construction, and retail process to educate youth on the importance of science and engineering as well as social entrepreneurship. A longboard is like a skateboard except longer, wider, and with larger and softer wheels - making it an effective commuting device. TurtleKing Longboards are made from the highest quality materials, including Great Lakes maple, carbon fiber, and hemp. To capture the greatest aesthetic value in our designs, we will have local artists make the art on the bottom of our boards through silk screening. We beat our local competitors in quality and execution of design, in market capture, and in added social value.

Situated next to one of the nation’s largest urban universities, The TurtleKing WorkShop will be well poised to capture a young and healthy middle class market with ample access to trail infrastructure and with a student lifestyle conducive to hyper-local transportation. As a 50,000 student campus, the University of Minnesota receives 5,000 new freshmen every year, giving us a constantly refreshed customer based looking for exciting ways to explore their newfound home. Between a vibrant campus and a vibrant neighboring community, Cedar Riverside, there is potential for strong community partnerships that we hope to capture through programming built into our business model. A portion of TurtleKing WorkShop profits will go into providing the needed resources to bring University of Minnesota students and Cedar Riverside youth into our space so that through a mentorship model the youth can explore hands-on jobs skills. This interaction will lead to a greater cultural awareness and understanding between the University and Cedar Riverside communities and altogether a more unified Minneapolis.
Company

TurtleKing Ventures LLC, Established July 2012, Minnesota

Mission:
The TurtleKing WorkShop will make and sell longboards and longboard accessories utilizing the help of the Cedar Riverside Youth. TurtleKing’s longer term goals include using QBP which is a national bike parts distributor to gain access into the national bike shop market. When we have a well established foothold in the United States we would take the TurtleKing WorkShop concept to developing countries in Asia and South America where longboards have not been introduced. By establishing WorkShops in these developing regions it would not only give us the opportunity to employ and teach the design, manufacturing, and business skills to the locals, but it would also establish a platform for a TurtleKing micro-financing and development venture beyond longboards.
TurtleKing WorkShop makes longboard skateboards. The components of the longboard are Great Lakes maple veneer, carbon fiber, hemp, epoxy resin, wood glue, polyurethane sealant, iron trucks, ball bearings, and polyurethane based wheels. Over the past several years we have developed and tested prototypes with the best riders in Minnesota. Hearing good reviews we are ready to enter the production stage.

On the service end, we will be offering a free three phase work-training program where 6-9 youth will be guided through the three skill sets involved in the operation of the TurtleKing WorkShop. The three phases are design, manufacturing, and business. The students will be split into three groups and progress through the program simultaneously working on each phase for two weeks at a time. After completing the three phases they will spend an additional two weeks in a phase of their choice, specializing a certain skill. This will bring the total program length to eight weeks. At the end of the program the students will have successfully designed, built, and sold longboards, they will also get to keep one of their creations.

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost/board</th>
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<tbody>
<tr>
<td>Wood Veneer</td>
<td>$25-30</td>
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<tr>
<td>Resin</td>
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<tr>
<td>Wood Glue</td>
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<tr>
<td>Carbon Fiber</td>
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<td>Wheels</td>
<td>$30</td>
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<tr>
<td>Bearings</td>
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<tr>
<td>Grip Tape</td>
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<td>$1</td>
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| Total Cost   | $109-137   |
| Retail Price | $189-250   |
Potential customers: University of Minnesota Students, other college students, Minneapolis youth, suburban youth, ex skaters, gifts for children, internet searches for longboard shops near minneapolis. Growth Markets: Younger kids getting into skateboarding with apprehensive parents wanting a safer alternative, skaters outgrowing the rebellious and dangerous nature of skateboarding wanting a safer alternative. Short-distance commuters.

Longboards are the fastest growing segment of the skateboard industry. The largest skate brand is actually a longboard brand, sector9. Longboard culture unlike skate culture, directly supports healthy and safe riding habits like wearing a helmet and protective gear, which is taboo in the majority of the skateboarding culture.

Longboards face competition in the market from bikes and skateboards. Bikes are an alternative for transportation purposes, but the longboard can be significantly cheaper making it a competitive option. Skateboards are generally used for tricks and are lousy commuting devices, so they will attract a more specific crowd.

The longboard industry’s distribution mechanism is fragmented and unorganized. Most large longboard companies have sister truck and wheel companies, as well as their own distribution arm. The main distributor that carries a variety of mainstream brands is Eastern Skate Supply, with whom we have an account. Being a manufacturer ourselves, we may also have the luxury of buying straight from other manufacturers as we increase the size of our orders.

Competitors: Locally our main competitor is a company called Northern Pine Longboards who has entered the local board shops as there is a high demand for locally crafted longboards. Northern Pine Longboards quality for a long time was sub par and they were not sported by serious riders. They have recently released a board model that could be considered competitive but they are still very much a generic brand.
TurtleKing WorkShop will be located just off campus, in the Cedar Riverside Neighborhood. This strategic location will allow us to connect to our main customer segment, the University of Minnesota student, as year after year 5,000 new freshman become a part of the campus community. In collaboration with the student Longboard Club at the University we will create an event every semester, bringing in a local band and raffling out a free longboard. We will also put our boards in the Coffman Memorial Student Union and the dorms so that students can borrow our boards for small periods of time; this will allow students to try out longboarding on one of our boards for their first time ever at no cost or risk to them. All of this will promote our brand’s image and presence on campus. In addition to this, we will host a relaxed City of Lakes longboard ride along the chain of lakes every Sunday throughout the summer. We also plan on creating the first-ever Minneapolis longboard marathon, where longboarders will race 26.2 miles. Top Minnesota longboard racers who compete regionally will also receive our best boards free of charge, giving our board the credibility it deserves in the competitive longboarding scene. All of this will be done to reach out to a broader Minneapolis audience and beyond by creating a strong brand image and presence.

We will also sell our boards in local bike and board shops to increase TurtleKing’s brand recognition. The buzz from the University of Minnesota and Minneapolis longboard scene will eventually reach our suburban customer segment of middle and high school students and attract them to our website or store.

All longboard transactions are final unless the board definitively shows no signs of use and a receipt is provided. In the TurtleKing WorkShop we will have spare parts for purchase that customers can use to maintain or fix their boards. For a fee we will fix them ourselves and for a little extra we will show them how it is done so that they can do it themselves the next time. Our tools can also be used in-store for a small fee.
TurtleKing WorkShop will be located at 1419 Washington Ave S. Formerly a pawn shop, this building has three different floors that can be adapted to our purposes. During our pilot phase we will occupy only the second floor of the building, which has sufficient space in the rear for our manufacturing equipment and in the front for our retail merchandise. As sales and revenue increase to a sufficient level we will be able to move into the 1st floor retail space which has 1/3rd more space and a large storefront window onto the street - as well as direct access to a basement for storage or manufacturing needs. If this space is unavailable, we can expand into the third floor which is identical to the second floor. The owner of the building is Surinder Singh and when we met with him last summer to tour his property he was very enthusiastic about our business idea, adding that he would be interested in investing a few thousands dollars into our company when we were ready for that stage. Another benefit of having a supportive landlord is that, as the building currently sits vacant, Singh is willing to let us use the first floor’s storefront window to advertise our business at street level until a tenant moves in.

As demand increases for our longboards in bike shops across the metro area through the strong brand image and presence developed at the TurtleKing WorkShop, TurtleKing has a unique opportunity to scale up on a large scale. The $2,000 grant we received from the Center for Entrepreneurship was actually from the Quality Bicycle Products (QBP) founder Steve Flaggs. QBP has a very strong social entrepreneurship history and social venture mission going forward making them a natural ally for us to become their first longboard manufacturer, potentially distributing our product to the 5,000+ stores they service nationwide.
We plan on continually exploring and improving materials to make lighter, more durable boards from materials that we hope to find responsibly/sustainably sourced while still remaining cost competitive. This includes the investigation of materials such as carbon fiber, hemp, bamboo, and bioresins. Prototypes will be built when excess capital allows and then will be given to sponsored competitive racers for user-experience evaluation.

Our biggest risk lies in the reliability of our sales projections (which may in fact be modest), which could be affected if our market does not develop as quickly as we predict it to. We plan on addressing this with aggressive on-campus marketing tactics that will effectively reach a large population of students. We also plan on having a presence in the greater Minneapolis area through online advertising and weekly organized rides.
TurtleKing Longboards is ready to make the next step with the TurtleKing Workshop. We are committed to making our new space as much for our boards as for our community. The location of TurtleKing Workshop is perfect for our mission of connecting the Cedar Riverside neighborhood with the University of Minnesota campus and will serve our biggest customer base well. We know that our customers will see our commitment to community and job-skill development for youth in the Cedar Riverside adding even more value to their purchase of a fun, environmentally-friendly longboard. With your help social entrepreneurship will have a new face in Minneapolis through the creation of a space where cultures will learn from each other; youth will be given the skills, resources, and environment to be successful; and people will have access to a fun, healthy, and environmentally friendly way to enjoy life, on a longboard.