

OffCuts

Construction (Canada)

Local contractors can use this site to sell leftover materials from a building job that may otherwise go to the landfill.



Advisors:

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www.offcuts.ca

Company Summary

Reduces building waste by selling leftover items that may otherwise end up being thrown out and increases revenues that would be lost due to waste. Uses an innovative algorithm and GPS enabled map showing local businesses who are participating and what items they have for immediate pick up. Integrate with online payment and delivery options.

Executive Summary

Management

- CEO - Damon Surzyshyn, Senior digital marketing executive and 20+ year general contractor.
- General Manager/CMO – Cal Harrison BA, MBA, CMC Senior sales and marketing and start-up executive.
- CIO – Heather Surzyshyn BA, Dipl. IST Senior healthcare IT professional.
- Other - TBD

Customer Problem

- Most commercial construction projects generate leftover materials that although small and varied in batch size, aggregate to a significant value, and over several projects can be financially significant. This often ends up in the landfill because the cost of managing the sale of the material is too great to make commercial sense.

Product / Services

- Cloud hosted software, including web applications for head office tracking
- Mobile app software for construction site and project managers

Target Market

- The building construction industry in North America is expected to record a CAGR of 4.8% to reach USD 1,792.6 billion by 2024.

Business Model

- Success fees of 5% of sale price automatically collected and remitted to OffCuts at the time of sale.

Customers

- Construction contractors, construction site managers, and construction project managers with profit responsibility on new construction, re-development, maintenance projects.
- Corporate finance directors in larger construction companies.

Sales and Marketing Strategy

- B2B sales to construction companies using remote selling tools such as the phone and online Zoom or Skype demonstrations
- Social media and online promotions
- Long term includes construction and procurement industry trade shows

Competitors

- Ecohome
- Diggerslist
- Salvex
- Habitat ReStore
- Craigslist/Kijiji/etc.

Competitive Advantage

- While most competitors are focused on the small builder or DIY customer, Off Cuts is focused on the construction site manager and professional builder.
- Other resale sites such as Kijiji are too general in nature and sales activity cannot be monitored by the corporate office.

Financials / Forecasts

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Total Revenue	\$ -	\$ -	\$ 750,000	\$ 3,000,000	\$ 7,500,000
Tech Dev	\$ 73,500	\$ 93,500	\$ 92,500	\$ 92,500	\$ 92,500
Bus Dev	\$ 45,000	\$ 25,000	\$ 461,368	\$ 817,107	\$ 867,107
OpX	\$ 5,950	\$ 5,050	\$ 65,900	\$ 75,900	\$ 75,900
Total Expenses	\$ 124,450	\$ 123,550	\$ 619,768	\$ 985,507	\$ 1,035,507
Investment	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ 125,550	\$ 2,000	\$ 132,233	\$ 2,146,726	\$ 8,611,219

5% of sale price is the fee to OffCuts. Average transaction value of \$7,500. Number of transactions by year 5 is 25,000.

Licensed Technology/Product

- Cloud hosted software and phone app

Technology/Product – Current Status

- Technology Evaluation completed (TRL 2)