

# Software: Sell My Threads

Online system to enable individuals to use social media to easily sell their gently used clothing and accessories without setting up an online store (Canada)

## Advisors:

Cal Harrison  
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TRL Stage: 3

## Company Summary

A peer-to-peer online system enabling individuals to sell and ship their gently used clothing online without having to set up their own online store or ship their clothing for consignment sales.

## Executive Summary

### Management

- 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

- Selling one or two used clothing items per month does not warrant the cost and effort required to establish and maintain an online storefront
- Selling on mass markets such as Kijiji eBay or Amazon usually means the market is limited to the local market or the shipping becomes a hassle and in-person pick-up or delivery is fraught with inconvenience, and security and safety issues
- Many online clothing sales services require the seller to ship their clothing to the reseller to be sold on consignment which extends the selling time and where the seller pays a commission of between 20% to 95% of the sale price of their clothing
- Customers want a quick, easy and safe method of selling used clothing without the delays of consignment, the risks of local delivery, or the costs and hassles of setting up an online store

### Product/Services

- Web and mobile software

### Target Market

- According to ThredUP.com the global resale market is scheduled to hit \$34 billion (currently \$7B) by 2024
- Females aged 14 to 30 are the primary target
- Older females are the secondary targets

### Business Model

- Free set up, a flat commission of 20% paid by the seller at the time of sale

## Customers/Users

- Paying Customers: Individuals in North America selling their used clothing and accessories
- Free Users: Individuals in North America buying used clothing and accessories.

## Sales and Marketing Strategy

- Primarily Instagram and Facebook social media strategy to generate free registrations resulting in the use of the service
- Pop culture earned and social media to build the brand

## Competitors

- ThredUp
- The RealReal
- eBay
- Tradesy
- Material World

## Competitive Advantage

- Simple and intuitive to use, free and easy to start selling or buying
- Expands market from local to North America
- Removes all payment risk and shipping logistics issues
- Positioning will be for higher value brand name clothing in the \$100 to \$200 sale price
- We will have a significant cost advantage as we will not warehouse or handle clothing but will simply coordinate the shipping directly from seller to buyer

## Financials / Forecasts

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>Total Revenue</b>	\$ -	\$ -	\$ 675,000	\$ 2,025,000	\$ 3,375,000
Tech Dev	\$ 72,500	\$ 92,500	\$ 92,500	\$ 92,500	\$ 92,500
Bus Dev	\$ 45,000	\$ 25,000	\$ 555,727	\$ 1,005,107	\$ 2,681,387
OpX	\$ 6,500	\$ 6,500	\$ 69,000	\$ 79,000	\$ 84,000
<b>Total Expenses</b>	\$ 124,000	\$ 124,000	\$ 717,227	\$ 1,176,607	\$ 2,857,887
Investment	\$ 250,000	\$ -	\$ -	\$ -	\$ -
<b>Net Cash Flow</b>	\$ 126,000	\$ 2,000	-\$ 40,227	\$ 808,166	\$ 1,325,279

Year 5 projections based on 250,000 transactions each generating a \$15 fee. A 10% discount has been applied across all revenue for promotions, other discounts, etc.

## Licensed Technology/Product

- Web and mobile app

## Technology/Product – Current Status

- Proof of Concept/R&D (TRL3)