



## EXECUTIVE SUMMARY

### Company Overview:

As a "green" e-commerce company, [reuseit.com](http://reuseit.com)<sup>®</sup> is dedicated to serving the triple bottom line. We believe a business that provides a real benefit to people and our planet can be both profitable and sustainable.



We offer a selection of smart, eco-friendly products *and* lifestyle information designed to help people consume less, reduce waste, and save both money and resources. For most of our existence (from 2002 through July 2010), people have known us as [reusablebags.com](http://reusablebags.com) - the site that spawned the reusable shopping bag movement and raised awareness of the plastic bag problem. However, through our vision and actions we've always been much more. To embody what we're all about, [our store](#) and [proprietary line](#) of innovative products were rebranded in August 2010 to [reuseit.com](http://reuseit.com)<sup>®</sup> (reuse it). The new name captures the essence of our proactive spirit, and our comprehensive commitment to helping people reduce waste.

More than just an e-tailer, [reuseit.com](http://reuseit.com)<sup>®</sup> also acts as a grassroots, activist organization enabling consumers to feel empowered while consuming less and saving money and resources. We accomplish this by:

1. **Leadership and innovation:** By clearly packaging the problems and offering strategic, pragmatic solutions to over consumption, we've been a major catalyst—inspiring a reusables movement. We're constantly learning, improving, and leading in all areas of the business. It shows in our product selection and design, and in our thought leadership. We are always asking tough questions and looking for smart answers.
2. **Educating and raising awareness:** We provide [news](#) from around the world, deliver [top facts](#) about consumption and [bust common myths & misconceptions](#).
3. **Empowering people to [take action](#)** and spread the word with sensible ideas and tools like [policy resources](#), [DIY projects](#), and more.
4. **Enabling people to consume less** with our family of "best of the best" reusables in many categories, so customers can eliminate disposables from every part of their lives—from bags and bottles to lunch containers, to household items and beyond. Practical, innovative and high-quality, our offerings give consumers smart alternatives to use-and-toss items and the false promise of [cheap reusables](#) flooding the marketplace. We only select items that meet our strict

criteria for quality, style, performance, durability, value, safety and ecological impact.

## Planet

Our mission would not be fulfilled through financial success alone. As a triple bottom line company, making a positive impact on the planet is a core value and focus.

We have inspired millions of people to cut waste and reduce their consumption of use-and-toss items. Most of this consumption is unnecessary, and needlessly fills our waterways and landfills (not to mention, wastes raw materials and transportation resources). Our community is choosing reusables, do-it-yourself projects, and a “just-say-no to unnecessary waste” mentality. Their changing habits inspire those around them, and it adds up fast. Just think about how many of these one can go through in a year: grocery bags, coffee and water cooler cups, plastic utensils, napkins, paper towels, plastic bottles, zip-lock bags, etc.

**We've empowered 270,000+ customers to eliminate over 1,000,000,000 use & toss items**

A major criterion for our product selection and development is the impact and quality of materials and manufacturing. Only materials free of unnecessary harmful contents and by-products are selected (e.g. no PVC, BPA, etc.) Our reuseit brand is the first to offer a line of shopping bags made with [bluesign® certified](#) fabrics—ensuring the low environmental impact of both raw materials and manufacturing process. We were also the first to offer a shopping bag made from a [cradle-to-cradle](#) fabric, which can be recycled and repurposed with no loss in material quality.



Those who subscribe to our Reusables Lifestyle are called to action at a local level and armed with valuable tools. We offer news on trends and provide the resources to drive retail stores to support reusables, governments to institute laws regarding use-and-toss items, and more.



Since 2006, we have been an active member of [1% for the Planet](#). Each year we show our commitment to making a positive impact by donating 1% of our sales to environmental causes. Organizations we have donated to include:



## People

Our social conscience extends to the people the Company touches. For instance, our product selection criteria require product manufacturers meet fair labor and wage standards. Our reuseit house brand products are manufactured in factories that are committed to following the same fair labor and wage standards. We are members of Chicago Fair Trade, a non-profit organization promoting environmentally sustainable practices and fair treatment of workers, artisans and farmers worldwide ([www.chicagofairtrade.org](http://www.chicagofairtrade.org)).

Through the products and resources we offer, we are also empowering thousands to improve their environment and save money. At reuseit.com® our community has access to the best products, smart achievable solutions, and a network of like-minded individuals. Ultimately, we help them achieve their desire to make a positive impact on the planet.

Each employee of reuseit.com® brings a unique perspective and skill set to our team, but all are passionate about reducing waste. Every member is here to make a difference in the world, and will put in extra effort to achieve our vision. In return they are supported for their hard work and commitment. All employees have health and dental care paid by the company. Compensation packages include performance bonuses, profit sharing, and employee stock options. Continuing education is encouraged and generally paid. Vacations are insisted upon, and personal interests are supported.

Sharing our story with other mission driven organizations is another way we strive to make a positive impact. As an active member of Social Venture Network, our founder Vince Cobb has encouraged other triple bottom line organizations through stories of our own challenges and successes.

## Profit

As noted in the attached spreadsheet, we have achieved tremendous financial success. We've exceeded \$6,200,000 in sales at 12% profitability. Along the way we have also achieved:

- 270,000 customers
- 100,000 newsletter subscribers
- 27,000 product reviews
- 11,000 Facebook Fans

Plus, we've had hundreds of media hits and [endorsements](#) recognizing our leadership position – both in terms of product and on the issues. Additionally, we have been recognized with [awards](#) including:

- Bizrate Circle of Excellence customer service award
- Green America's People's Choice Awards: Green Business of the Year and Longtime Leadership
- INC 500 Fastest Growing Company 2008 and Fastest Growing Company 500|5000 2009
- Better Business Bureau Complaint Free and A+ rating
- Constant Contact All Star

- Stella Service “Excellent” rating

**These awards along with our vast number of [Customer Testimonials](#) and [Partner Endorsements](#) have helped to build a powerful brand and passionate following.**

We have been a nimble and forward thinking organization, able to navigate several years of 3x annual growth quickly followed by the economic collapse in 2008-2009. In early and mid-2008, we were ramping up our operations based on our growth rate. As the economy contracted, we acted quickly to maintain breakeven while ensuring employees were treated fairly.

In early 2010 we saw an economy that was not rebounding, and therefore a tremendous opportunity to invest in ourselves and emerge as a stronger company positioned for growth. We focused on embracing our transition from reusablebags.com® to reuseit.com®. This included a doubling of our product line, complete rebranding, expansion of the reuseit™ house brand into new categories, and the creation of creative new shopping tools like our “Shop by the Disposable You Want to Replace”. With more products and categories, we have more to sell to our current customers.

This effort was not without its setbacks. This transition triggered a massive drop in natural search traffic. We assumed we would need to rebuild domain dominance, but due to poor technical implementation and a new product filtering feature, we also lost 50% of our natural search traffic. We are still recovering from this today and have made some progress.

Despite this and the still weak economy, we were able to achieve a near-breakeven year in 2010 and believe we are much better positioned for long-term growth.

How did we hit \$6 million in sales then drop to \$3million? We achieved \$6 million in 2008 in a market with virtually no competition and at a time when “green” issues were top of mind and all over the press. Those factors have changed the landscape. However, reducing waste and saving money are still timely, powerful ideas.

### **The Opportunity**

reuseit.com® is a strong brand with a large and passionate following. It has achieved triple bottom line success, and has taken advantage of the economic downturn to reposition and reinvest for future growth.

#### **Additional Facts**

- Hundreds of valuable URLs including reusablebottles.com, ecolunch.com, reusablebags.com, etc.
- Registered trademarks for reuseit.com, reusablebags.com, plastic bags blow, ecolunch, & more
- #1 Google search ranking for “reusable bags” and top performer for countless other keywords like: “reusable bottles” (#4), “lunch bags” (#5), “reusable sandwich bags” (#2), “paper towel replacement” (#1), “zip-lock replacement” (#2), etc.
- Fulfillment is handled in Chicago via a 3<sup>rd</sup> party partner
- The store-side of the website is build on osCommerce, and the info-side on Digitalus CMS
- Reducing waste and saving money are timeless, powerful ideas.
- (see end of doc for more facts)

## *New Categories*

We have expanded into new product categories – all designed to reduce common use-and-toss items (e.g. batteries, napkins, detergents and cleaners, zip lock bags, diapers, and more). This is intended to grow revenues with repeat/existing customers and attract new customers. By filling out current categories, expanding into new categories, and educating consumers that we carry these items, we can dramatically increase our sales and provide our community with more ways to make a difference. Combined with our excellent customer service reputation, we are creating compelling [reasons for customers to shop with us](#).

**A major opportunity exists in expanding beyond the idea of “reusables for every part of your life” to include a much larger offering of “products that help people reduce waste”.** Doing so will attract new customers while better serving our existing customers. In addition, it will significantly boost revenue and help build an even stronger brand.

## *Product Mix*

We manage three main product types: Competitive items, Unique items, and House Brand items. Each has a pricing strategy and target margin. Competitive items offer lower margins (40-50%), but help attract a wide audience. We monitor the market to ensure our prices are compelling. Unique items have stable market pricing, and offer better margins (50-60%). The reuseit™ house brand products, which account for roughly 15% of sales, offer our best margins (60-80%) and are available exclusively at reuseit.com®.

Our Competitive line (products that are also carried by big box retailers) will continue to change—adding bestselling products and discontinuing poor performers and outdated products. These products are priced competitively, and draw a wide audience to our site through product feeds and natural search. However, they are the most widely available. These are common brand names like Chico Bags, Klean Kanteen, Sigg, and Camelbak.

Our Unique line is what gives us a competitive edge. These are small, up and coming brands that are the innovators in a category (like reusable snack and sandwich bags). reuseit.com® offers the Unique brands we carry powerful exposure to our many followers beyond consumers, (e.g. media, retailers, etc.) Our suppliers value not only our direct sales, but also indirect sales resulting from this exposure. Based on this, we receive 10-20% discounts with our Unique category suppliers (and some of our Competitive brands as well). With the explosion of new brands and products in recent years, we are in a prime position to strengthen our role as a **product editor**—helping our customers navigate the market, finding the best products and avoiding poor solutions. We are expanding into more categories, picking up more brands, and continuing to offer the best products from our current brands.

Finally, we are refining and expanding our proprietary line of house brand products. Now branded [reuseit™ products](#), our house line has tremendous opportunity to grow into new categories while

continuing to lead in current categories. We continue to improve designs and offer more sustainable materials. In the last year we expanded into new categories like [napkins](#), [biodegradable garbage bags](#), and [reusable DIY cleaning spray bottle](#). This expansion will continue in categories that show clear opportunity.

#### *Customer & Community Support*

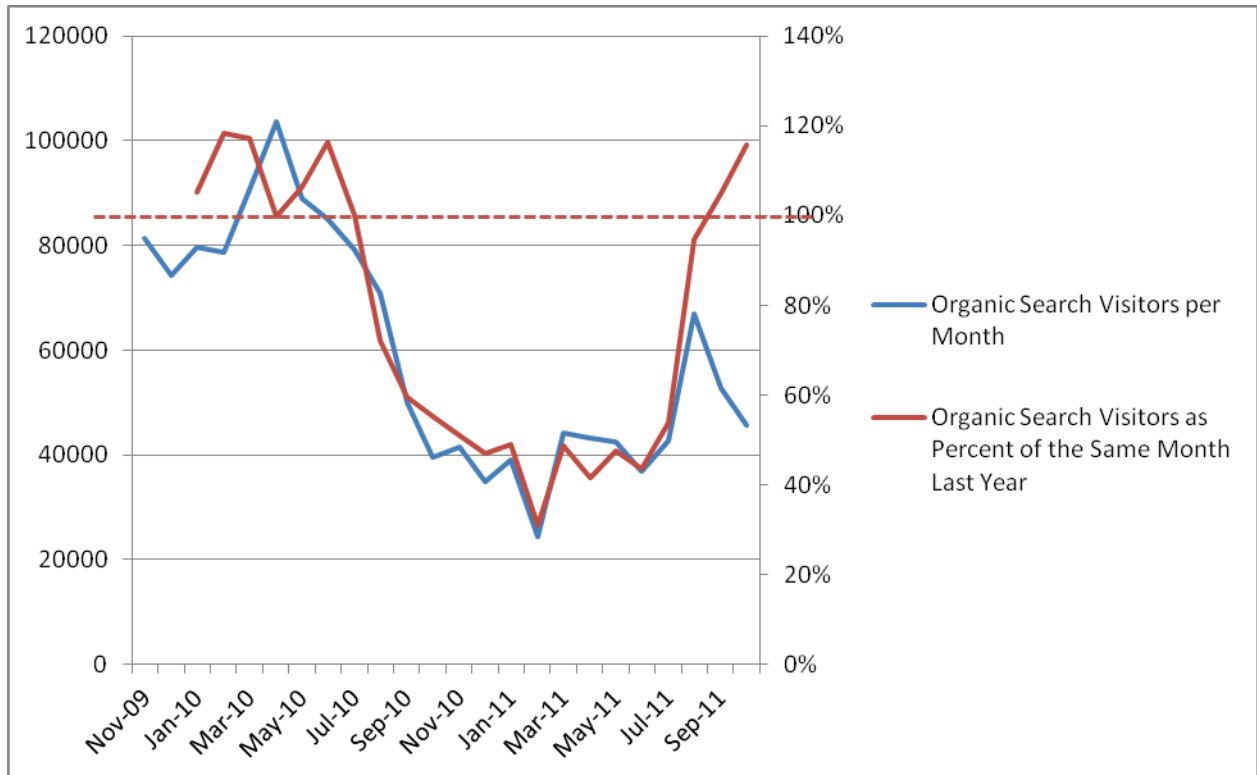
Our customer service and e-commerce excellence has led to an extremely loyal following. We have accumulated 27,000 product reviews in just a few years. We plan to strengthen our customer retention with new incentives, unique product offerings, and opportunities to share and collaborate. In early 2011 we launched a Customer Referral program which incentivizes our followers to share reuseit.com® with their network. We also plan to offer a **loyalty program** that rewards repeat shoppers, and have plans to further integrate our content with social media allowing and promoting users that share product reviews and favorite site content with their network.

#### *Technology, Website Design and Content*

New features and functionality have been identified that will help the “stickiness” and usability of our website: Save for Later, Wishlists, Loyalty Program, Customer Directed Donation, improved Site Search, additional payment types (e.g. Google Checkout, PayPal Express) along with several incremental improvements to merchandising, content and user experience. We are also developing a price management tool for Amazon Marketplace (to be released in December).

As for SEO, while we experienced a drop in website traffic in August of 2010 of about 50%, we have recovered some of this traffic and it continues to improve (see graphs). Plans for SEO include: more optimizing around keywords - we started with 25, and have identified at least 50 more; continuing to optimize URLs to be more category specific (i.e. more like a folder which is google-friendly); more content optimization within our website and directed content creation from bloggers (to get links into the site).

This graph shows the dip in search traffic when we launched the new website (July/August 2010) and then the gradual recovery of traffic. We have 3 major seasons: Earth Day, Back to School and Christmas.



### Additional Data

#### Customers

- Number of total customers that ordered in past:
  - 12 months = 45,000
  - 18 months = 62,000
  - 24 months = 82,000
  - 36 months = 127,000
  - 48 months = 197,000
  
- % order coming from repeat customers vs new = 30/70
- Newsletter Subscribers: 100,522

#### Other KPI

- Current YTD Averages for:
  - Traffic: Visitors/Month: 117,056 (as high as 154,391 in August)
  - Newsletter open rate: 12.45%

- Newsletter Click through rate: 13.49%
- Newsletter Conversion Rate: 3.5% (as high as 4.9% this year)
- Conversion rate: 2.86% (as high as 3.43% in August)

Number of people to run the business:

- Customer Service Person
- Inventory Manager / Buyer
- Marketing Manager
- Web Design & Development (both PT)
- Book keeper (PT)