

— SAME —
T H R E A D
— A P P A R E L —

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Mary Berry
President
Fledge, LLC
220 2nd Ave S.
Seattle, WA 98104

To Whom It May Concern:

We at Same Thread Apparel are excited to submit this application for the 2014 spring Fledgling grant proposal competition. We are pleased to be considered as one of the 10 finalists, and if chosen, we would be honored to participate in the business accelerator program.

Our mission at Same Thread Apparel is to facilitate lasting change in the fashion industry through promoting and partnering with organizations that work to ensure the economic empowerment of their workers. We believe that by providing consumers with fashionable, ethically sourced clothing we can help to end the oppressive cycle of the current clothing industry.

Our requested grant amount of \$50,000 would help facilitate our general operating expenses for the first year of this exciting start up. This would include procuring product inventory from our social enterprise partners, the launch of a high capacity e-commerce store, engaging in product development with our partners, and expanding our sourcing channels.

We believe that the Fledgling grant proposal competition is an ideal setting for us to showcase our passion for the fair trade industry and exhibit our plans to be change agents in this sector. Fledgling has a history of launching socially innovative concepts and being a platform for new ideas. We hope to be part of this legacy and gain from the knowledge of those involved in Fledgling.

Thank you for your consideration,

Katie Metzger
Co-Founder – Same Thread Apparel

Executive Summary

Same Thread Apparel is a new fair trade clothing concept that uses partnerships with women-focused organizations to expand access to ethical clothing and while economically empowering female garment workers. In addition, we aid our partners in business and product development to help them expand their scale in the marketplace. Located in Seattle, WA, Same Thread hopes to bridge the gap between fashion and ethics in the growing fair trade fashion sector.

Same Thread Apparel is a general partnership corporation co-founded by Katie Metzger and Danielle Neufeld in 2013. The concept for Same Thread was bred out of a research trip to Southeast Asia that focused on aftercare for women coming out of the Thai sex industry. Katie and Danielle found themselves drawn to the entrepreneurial efforts of many of the NGOs they encountered and felt that these programs could be improved and expounded upon. This interest led to many discussions regarding the role of social enterprise in the economic empowerment of women.

The initial office location will be located in the proprietor's home in the Central District of Seattle, with an eventual dedicated office location being rented in the same neighborhood. Seattle serves as an ideal hub as it is a leader in the fair trade and social enterprise movements. We believe that the support of other likeminded entrepreneurs will serve as a great support network for this venture.

Initial retail channels will include an e-commerce store, wholesale and "pop-up" stores in Seattle markets and at appropriate events. Future goals include

expanded market share in the fair trade clothing industry, the opening of a physical retail location, and profitable wholesaling partnerships.

Mission Statement: To provide mutually beneficial fashion choices for consumer and garment industry workers by partnering with female-focused organizations to produce high quality, fashion forward clothing.

Vision Statement: We envision a world where ethically made clothing is not a luxury, and being paid a living wage is not a privilege. Through partnering together, we believe that both consumer and manufacturer can co-create ethical progress in the fashion industry.

Statements of Belief:

- We believe in freedom of choice for both consumer and manufacturer.
- We believe in the inherent right of all people to freedom, love, safety, shelter, sustenance and the pursuit of self-actualization.
- We believe that all people are entitled to be paid a living wage and to work in a dignified environment.
- We believe that empowering women economically can change families and communities for the better.
- We believe that choosing to buy clothing makes us partially responsible for how the clothing was made.

- We believe that participating in the fashion industry does not have to mean perpetuating an oppressive system.
- We believe that fashion is a valid way of expressing not only individuality and creativity but of expressing beliefs and empathy as well.

Statement of Need

When discussing the issue of ethicality in the clothing industry one may have images of sweatshops and child laborers in developing nations toiling all day in inhumane conditions. Although this image may seem extreme it is a very real aspect of our current garment and fashion industries worldwide. Sweatshops from Bangladesh to Cambodia routinely pay their workers around \$1.20 per day for their work. This is not a living wage, even in poverty stricken communities. The chronic underpayment of garment industry workers creates a cycle of poverty in already struggling communities, in turn contributing to other community social issues resulting from poverty.

Sweatshops are not only present in developing nations but are also a growing problem in the United States. According to the U.S. Department of Labor, in the year 2000 11,000 U.S. based factories were cited as violating workers rights and not paying laborers a minimum wage. This shows that the problem of human rights violations in textile and garment factories is not only an international problem but a domestic problem as well.

In 2006 a study was done by the American Sociological Association regarding the marketability of fair trade products; this study found that an overwhelming

majority of consumers would pay \$1-\$5 more for items they know are made in an ethical way. Although large strides towards ethical production have been made in the coffee, chocolate and food industry, the clothing industry remains hugely underserved. The gap between demand and supply of ethically made clothing is what inspired the idea for Same Thread Apparel. Same Thread strives to bridge the gap between fashion and ethics by making fair trade clothing accessible to a wider consumer base.

Goals and Objectives/ Solutions

The goal of Same Thread Apparel is to expand visibility and consumer access to fair trade clothing by producing competitively priced, ethically made fashion choices.. To achieve this goal Same Thread has both short-term and long-term objectives:

Start Up – 2 years:

1. Launch wholesale manufacturing facility with our garment producer in Thailand.
2. Launch a high capacity ecommerce website to service both direct consumers and retail buyers.
3. Form wholesale partnerships with 20+ retail stores.
4. Increase the scale of our online e-commerce presence to achieve an average of 1,000 unique visitors per day.
5. Launch an ethically focused lifestyle blog that will serve as a marketing and promotional tool for our brand.

2-5 years:

1. Expand our retail presence to include 100+ wholesale customers.
2. Increase our website traffic to 5,000 unique visitors per day on our e-commerce site.
3. Increase the scale of our manufacturing and the number of women we employ
4. Open a flagship physical retail store

By achieving these goals Same Thread Apparel will help to increase the consumption of and demand for fair trade clothing products, in return helping to bring about change in the fashion production industry. It is our belief that if demand for fair trade clothing increases clothing companies will adopt more ethical practices in order to appease their customers.

Methods

Methods to achieve the objectives for the period of Start Up- 2 years:

- Take a scouting trip to Thailand to finalize production plans with our manufacturer
- Currently working with a website designer that will be creating and maintaining our ecommerce site.
- Build our base of wholesale customers through sales and promotion activities including but not limited to: blogging, advertising, social media, and industry networking.
- Rent a retail space and make appropriate aesthetic changes to the location

- Engage in marketing and networking activities with the local fair trade community
- Employ social media marketing opportunities to bring visibility to our e-commerce store
- Work with web design professionals to achieve maximum usability and navigation
- Collaborate with our partners in cross-branding efforts

Methods for achieving the objectives for the period of 2 years-5 years:

- Continue to work with web design professionals to increase the capacity of our ecommerce website.
- Increase marketing and advertising efforts for direct consumers and wholesale clients
- As revenue increases, expand our manufacturing operations
- Secure funds to open a flagship retail store

In addition to the methods outlined we will employ a 3-point growth strategy: product competitiveness, expanded market access through wholesaling, and direct to consumer retail sales. By focusing on these points we believe that Same Thread Apparel will gain an increasing share of the fair trade and clothing markets.

Evaluation

Same Thread Apparel will evaluate objective success through various means. Predetermined monthly sales goals will serve as a measure for our product sales

through wholesaling and direct to consumer channels. These sales goals will be determined by market research and knowledge of seasonal fluctuations. We will be constantly, carefully monitoring our sales and costs to become as efficient as possible. This will include monitoring labor, materials, shipping, and event costs.

We will also be tracking our monthly website traffic. This will help us to evaluate how visible our e-commerce store is and what geographical areas our web traffic is originating from. By evaluating the geographical locations our visitors live in we will be able to more accurately predict where marketing efforts would be the most effective.

Finally, we will be evaluating success by the scale of our manufacturing operation. We believe that it is imperative to increase revenues in order to expand our manufacturing efforts, thusly employing more women at a living wage. We believe that partnership is a key component to our success as an organization and is a good measure of how we are performing as an organization.

Trends

Same Thread Apparel is entering the clothing and fashion markets at an opportune time. Although clothing and accessory consumption in the United States is only predicted to rise by less than 5%; these same sectors are predicted to increase by 50-75% in developing nations such as India according to the 2012 Apparel Industry Trends Report. Due to this gradual change in the market we will not only be focusing on marketing efforts in the United States but will also be exploring opportunities for increased visibility in developing nations.

However, even though developed nations are not necessarily spending more on clothing we are seeing a huge rise in demand for ethically made garments. According to Mintel, a British data analysis firm, sales of fair trade clothing has quadrupled in the last 5 years. This shows that fair trade clothing will slowly increase their market share in the overall fashion industry in the coming years. Same Thread Apparel hopes to capitalize on this trend towards ethical consumption, as currently the number of fair trade clothing retailers is very low compared to the demand. Currently only 1% of clothing in the fashion industry is made in a responsible, ethical manner. Same Thread hopes to bridge the gap between growing consumer demand and the deficiency of what options are available.

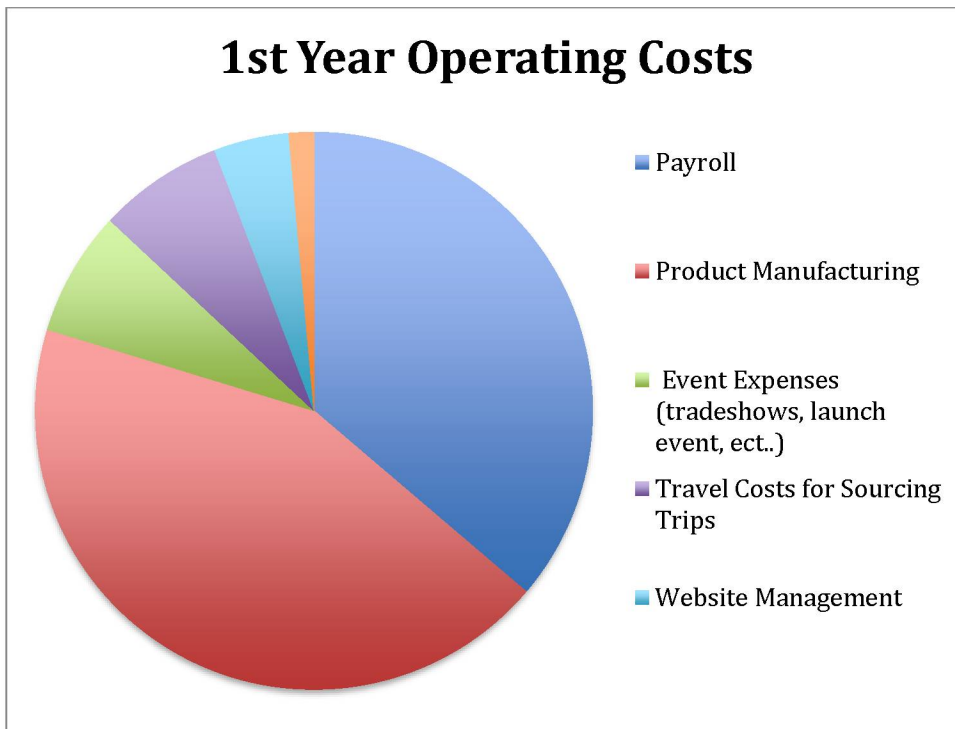
Sustainability

Same Thread Apparel aims to be sustainable by not only retaining funds through grants and sales but by focusing on our viability in the fashion industry. As a social enterprise we believe that focusing on market and product competitiveness will increase our longevity. We do not want to lead simply with our message, but to gain loyalty through providing a great product at a reasonable cost to our customers. Same Thread will offer female consumers a “one-stop-shopping” experience for the socially conscious. We will provide fashionable trend pieces as well as wardrobe basics. Same Thread’s approach is unique since many fair-trade clothing manufacturers focus primarily on either specialty items or casual basics. It is vitally important that we not only focus on the ethicality of the clothing but on being fashion forward as well. This unique blend of fashion, ethics and a competitive

price point will give us a strategic edge over our competition, in turn increasing our long term sustainability. It is our goal to leverage the funds acquired through this grant to increase the scale of our operations so that we can increase efficiencies.

Budget

The purpose of Same Thread Apparel’s grant request is to obtain general support funds for the first 12 months of operation, beginning in January 2015 and ending in January 2016. We have provided a proposed budget of our expected costs and income sources for our first 12 months of operation.



The chart above shows a general breakdown in the allocation of finances in our first year, totally \$138,000. Our estimated first year sales are between \$80,000 and \$88,000. The proposed budget illustrates that the \$50,000 we are requesting would

be used to supplement other income sources to facilitate our general operation during the initial 12 months. After this initial start up period we hope to be self-sustaining through product sales. We are actively seeking out several funding sources to provide the \$50,000 we need to supplement our current budget.