



## **I. Business Category**

Educational Toys

## **II. Executive Summary**

Originating from the Japanese word Kami, meaning paper, Kami Kit is a company dedicated to providing children with enjoyable learning experiences through the power of origami. By providing comprehensive origami kits with a wide range of subjects ranging from team building to mathematics, Kami Kit strives to make learning a fun activity for children and inspire new generations of creative minds for years to come.

Kami Kit plans to enter the rapidly growing educational toy industry. In 2020, the industry was valued at \$19.2 billion, and it's projected to reach \$31.62 billion in 2026, a 60.7% increase in just six years. COVID-19 was a considerable proponent of this growth, as parents began to turn towards educational toys to enhance their children's online learning experience and keep them engaged while doing so. Additionally, with class set offerings, Kami Kit will be able to capitalize on the ever-growing demand for classroom toys within learning institutions. Origami has a history of being very successful at teaching children various concepts from math to creativity and is a great tool for developing motor skills. Although the toy market has a high level of competition with educational toy companies such as LEGO, KiwiCo, and Leapfrog, origami-based products are completely unique within the educational toy industry. The initial product offerings will consist of five different learning categories: basic folding skills, creativity, math, beauty, and team building. Each category will have a wide range of projects to choose from, with kits designed for children from 5 to 12 years old and three tiers of kits ranging from \$7-\$15 each. Additionally, Kami Kit will also provide online guided group lessons at \$10 per participant.

Kami Kit will focus on two main target markets: parents and educational institutions. Because the products are designed for children from ages 5 to 12, Kami Kit will

directly aim to appeal to parents with children of those ages as well as kindergarten and elementary learning facilities. The main customers of the products value giving children entertaining and engaging learning experiences, and they are attuned to the education of children as well as the environmental impact of electronic and plastic toys. They are often creatively inclined and in tune with the latest and greatest kid products. In the process of marketing to these groups, we plan to extensively focus on public relations, working to get featured in various blogs and other media sources in the educational and parenting sectors while also working to connect with various educational institutions to establish healthy business relationships that will provide us with recurring sales. Additionally, Kami Kit will also work to establish a strong online presence by utilizing social media such as Facebook and Pinterest. Facebook is widely used by most parents in our target market, and a large amount of creatively inclined mothers use Pinterest.

Kami Kit's initial start-up team includes me acting as the business owner, five warehouse and shipping employees, an office manager, an in-house designer, a PR specialist, and four part-time instructors.

Kami Kit is seeking a loan of \$850,000 based off the projections of company startup costs and first year expenses.

### **III. Business Description**

Providing approachable and entertaining educational experiences that spark creativity in children is Kami Kit's core goal. Kami Kit offers a wide range of comprehensive educational origami kits for children ages 5 through 12 that contain everything they need to complete a project from start to finish in a variety of subjects. Customers may choose from any of the five learning subjects: origami basics, math, creativity, beauty, and team building. In addition to single kits, Kami Kit also offers classroom sets, allowing educators to purchase material for all their students as well

as guided instructional classes where children and their guardians can follow along with a certified instructor online or in-person.

## **Concepts:**

### **Basic Folds**

Basic Folds kits help make origami accessible to as many children as possible, with friendly and comprehensive instructions to create fun projects while slowly introducing children to origami.

### **Mathematics**

Mathematics kits teach children a range of mathematical concepts, from basic addition, subtraction, multiplication, and division to more advanced geometry-based lessons including shape recognition, tessellations, and more.

### **Creativity**

Creativity kits allow children to use their own ingenuity to create unique models and solve problems, giving them a great sense of achievement.

### **Beauty**

These kits teach children how to make a wide range of stunning models, perfect for being displayed around the house or given as gifts.

### **Team Building**

Team building kits allow children to work together to create collaborative models. They can each work on their own pieces, and then coordinate to assemble and bring their pieces together to a whole.

Despite a plethora of competitors within the toy industry, the concept of origami kits is a unique offering, setting Kami Kit apart from the competition. Additionally, due to the simplicity of origami, the kits are simple and cheap to produce, allowing us to offer our products for cheaper than adjacent companies. Kami Kits will be available in three different variations. Basic kits will be priced at \$7, Intermediate kits will be priced at \$11, and advanced kits will be priced at \$15. Also, Kami Kits will be especially attractive to the growing amount of environmentally conscious buyers, as more

people move away from purchasing toys made from plastics. Kami Kit's offices and warehouse will be based near Minneapolis at 2663 Patton Rd, Roseville, MN 55113. The space will act as both warehouse and office space, 8655 square feet available for our use. Because Kami Kit will not own a retail space, customers are able to purchase products directly from partnered retailers or order anytime from the website. Online orders will only be fulfilled during business hours, 9am to 5pm, Monday through Friday. The products are designed in-house, while the manufacturing and printing of our products is outsourced and ordered in bulk. Kami Kit's initial start-up team includes me acting as the business owner, five warehouse and shipping employees, an office manager, an in-house designer, a PR specialist, and four part-time instructors.

#### **IV. Market Analysis**

Kami Kit plans to enter the rapidly growing educational toy industry. In 2020, the industry was valued at \$19.2 billion, and it's projected to reach \$31.62 billion in 2026, a 60.7% increase in just six years. COVID-19 was a considerable proponent of this growth, as parents began to turn towards educational toys to enhance their children's online learning experience and keep them engaged while doing so. Additionally, with class set offerings, Kami Kit will be able to capitalize on the ever-growing demand for classroom toys within learning institutions. Origami has a history of being very successful at teaching children various concepts from math to creativity and is a great tool for developing motor skills. Although the toy market has a high level of competition with educational toy companies such as LEGO, KiwiCo, and Leapfrog, origami-based products are completely unique within the educational toy industry. The initial product offerings will consist of five different learning categories: basic folding skills, creativity, math, beauty, and team building. Each category will have a wide range of projects to choose from, with kits designed for children from 5 to 12 years old and three tiers of kits ranging from \$7-\$15 each. Additionally, Kami Kit will also provide online guided group lessons at \$10 per participant.

## **Target Markets**

Because our products are designed for children ages 5-12, our two main target markets include parents and educational institutions.

### **Parents**

Gender: Male or female

Age: 30-50 Marital

Status: Single, married, couples

Education: Bachelor's equivalent or higher

Location: United States

Income: \$35,000-\$100,000

The parents Kami Kit is looking to market towards have either one or multiple children between the ages of 5 and 12. They are often creatively inclined and in tune with the latest and greatest products for children. They are very involved with raising their children and pay close attention to the quality of their child's education.

### **Educational Institutions**

Location: United States

Kami Kit's other main target audience includes educational institutions, specifically kindergarten and elementary learning facilities. By targeting learning institutions such as these, Kami Kit is taking advantage of the growing demand for educational classroom toys as more and more educators are seeing the benefits of using toys to create engaging learning opportunities for their students.

## **Competitive Analysis**

### **Lego**

Lego is one of the largest toy companies in the world, famous for their interlocking bricks. They offer a variety of products in a range of categories, including educational building kits.

Revenue: 6.9B USD

Years in Business: Founded in 1932

Location: Sold in 130 countries around the world

**Strengths:** LEGO is a globally recognized and respected brand with licensing deals with many other brands and products spread across multiple forms of media. They are one of the highest grossing toy companies of all time, and they are universally loved by children. Their partnerships with other franchises have allowed them to enter many different niches to reach children with a wide range of interests.

**Weaknesses:** Their simple brick design has led to many cheaper copycats. Because of their high price point, these copycats may be more attractive to lower income families. Despite their huge size as a toy brand, their main focus is not on education, and their education centric kits are very expensive, with most costing over \$100. Additionally, due to their use of ABS plastic, LEGO blocks are not biodegradable, and they are quite bad for the environment.

## **LeapFrog**

LeapFrog Enterprises is an industry leader in the sector of educational toys, creating a large variety of products, both digital and physical, to help children in their developmental journey.

Revenue: 2.17B

Years in Business: Founded 1995

Location: Worldwide

**Strengths:** Leapfrog provides a wide range of toys and innovations within the education sector, including many interactive toys. Their tablets and smart pads are quite popular, and their products are available in retailers worldwide.

**Weaknesses:** There are plenty of customer reviews that complain about the poor quality of their electronic products, both in build quality and functionality.

Additionally, their electronic products contain many other micro-transactions for apps and other functions. Combined with their high prices, this turns away lower

income buyers. Also, most of their products are constructed of non-biodegradable plastics.

## **KiwiCo**

KiwiCo is an online retailer offering subscription based hands-on educational kits for a wide range of subjects such as STEM, STEAM, science, and art that celebrate kids' creativity and curiosity.

Revenue: 10.13M

Years in Business: Founded 2011

Location: Online

Strengths: KiwiCo's kits are designed by experts in their fields for children of a wide range of ages. Their kits cover many different subjects within the STEAM model, and their online marketing campaigns across YouTube and other social media has been very successful.

Weaknesses: Their products are sold online only and not available in any retailers. Additionally, several customer reviews complain about the pricing of their kits, most of which are \$25 or more.

Kami Kit sets itself apart from its competitors by using origami as a teaching vessel as opposed to other learning methods such as building or electronics toys. The pricing of Kami Kit's products gives the company further strength against its competitors; the affordable cost of kits allows for a wider target market and is extremely advantageous in a market where price is mothers' number one concern when shopping for toys.

## **V. Market Strategies**

Kami Kit offers kits in five different categories: basic folds, mathematics, creativity, beauty, and teambuilding. The kits will be available through retailers such as Walmart and Target nationwide as well as on the Kami Kit website. We will also offer in-person and online guided learning lessons as another revenue stream, allowing groups of up



to 30 people to participate and receive any additional help that they may need. Promotion In the process of marketing to these groups, we plan to extensively focus on public relations, working to get featured in various blogs and other media sources in the educational and parenting sectors while also working to connect with various educational institutions to establish healthy business relationships that will provide us with recurring sales. Additionally, we will also work to establish a strong online presence by social media such as Facebook and Pinterest. Facebook is widely used by most parents in our target market, and Pinterest is used by a large amount of creatively inclined mothers. Kami Kits will be available in three different tiers. Basic kits contain the paper and instructions needed to complete a specific project at a \$7 price point, intermediate kits contain more paper and stickers at a \$11 price point, and advanced kits contain extra activities as well as extra stickers and materials at a \$15 price point. Guided lessons will be priced at \$10 per participant. Each class will contain 30 participants and run for up to two hours.

## **VI. Organization and Management**

### **Founder/CEO**

Position: Full-time

Pay: Salary — \$54,000/yr

Responsible for payroll, hiring and firing, and expanding company through business outreach and expansion of products. Sources distributors and communicates with business partners while acting as the face of the company.

### **In-house Designer**

Position: Full-time

Pay: Salary — \$56,400/yr

Responsible for creating the contents of new kits and keeping the website updated. Works to keep the Kami Kit brand recognizable and consistent throughout multiple mediums and collaborates with PR specialist to create effective advertisements.

### **PR Specialist**

Position: Full-time

Pay: Salary — \$69,600/yr

Responsible for creating and maintaining Kami Kit's public image. Develops effective advertising campaigns with the in-house designer and builds connections with crucial partners such as educational contacts and influencers.

### **Office Manager**

Position: Full-time

Pay: Salary — \$75,600/yr

Responsible for overseeing office operations and procedures and supervising staff. Records and analyzes crucial company information such as payroll and expenditures. Identifies trends within the company and creates action plans to accomplish company goals.

### **Warehouse Supervisor**

Position: Full-time

Pay: Salary — \$50,000/yr

Responsible for overseeing warehouse operations and keeping warehouse employees on track. Oversees overall product supply and coordinates buying orders with office manager.

### **Warehouse Workers**

Position: Full-time

Pay: Salary — \$30,000/yr

Responsible for fulfilling online customer orders and shipping orders out.

### **Instructors**

Position: Part-time

Pay: \$16/hr ~\$12,000/yr

Responsible for leading online and occasional in-person group folding sessions.

Outsourced work: Accounting, legal, janitorial

## VII. Funding Request

Kami Kit is seeking a loan of \$850,000 based off the projections of company startup costs and first year expenses.

## VIII. Financial

### Startup Costs

Category	Amount	Freq	Quantity	Cost
<b>Office</b>				
Rent	\$ 4,327.50	/mo	6	\$ 25,965
Router	100	/yr	1	100
Office Chair	300	/yr	4	1,200
Desk	500	/yr	4	2,000
Printer	1,200	/yr	1	1,200
Printer Ink	230	/yr	1	230
Computer	1000	/yr	4	4,000
Monitor	300	/yr	4	1,200
Peripherals	200	/yr	4	800
Renovations	20,000	/yr	1	20,000
Microwave	70	/yr	1	70
Coffee Maker	100	/yr	1	100
Mini Refrigerator	200	/yr	1	200
Microsoft Office 365 Standard (4)	150	/yr	4	600
Conference Table	500	/yr	1	500
Conference Chair	300	/yr	8	2,400

Category	Amount	Freq	Quantity	Cost
<b>Warehouse</b>				
Shelving	200	/yr	50	10,000
<b>Inventory</b>				
Packaging	7,812.50	/mo	2	15,625
Kit Contents	5,833.33	/mo	2	11,666.66
<b>Utilities</b>				
Water & Electric	240	/mo	6	1,440
Internet & 3 Phone Lines	200	/mo	6	1,200
<b>Marketing</b>				
Website	1,000	/yr	1	1,000
Web Hosting	70	/mo	6	840
Adobe Creative Cloud (2)	110	/mo	6	660
<b>Business</b>				
S Corp	2,000	/yr	1	2,000
CPA	8,000	/yr	1	8,000
<b>Miscellaneous</b>				
Auto Expenses	2,000	/yr	1	2,000
			<b>Total</b>	<b>114,996.66</b>

## First Year Expenses

Category	Amount	Freq	Quantity	Cost
<b>Inventory</b>				
Packaging	\$ 7812.50	/mo	12	\$ 93,750
Kit Contents	5833.33	/mo	12	70,000
<b>Payroll</b>				
Owner	4,500	/mo	12	54,000
Warehouse (4)	11,666.66	/mo	12	140,000
Office Manager	6,300	/mo	12	75,600
Designer	4,700	/mo	12	56,400
PR Specialist	5,800	/mo	12	69,600
Part-time Instructors (4)	4,000	/mo	12	48,000
<b>Utilities</b>				
Internet & 3 Phone Lines	230	/mo	12	2,760
Water & Electric	200	/mo	12	2,400
Refuse Service	50	/mo	12	600
<b>Marketing</b>				
Web Hosting	70	/mo	12	840
Social Media	1,000	/mo	12	12,000
Auto Expenses	500	/mo	12	6,000
Entertainment & Meals	5,000	/yr	1	5,000
Printed Materials	300	/mo	12	3,600
Adobe Creative Cloud (2)	110	/mo	12	1,320
<b>Office</b>				
Rent	4237.50	/mo	12	51,930

Category	Amount	Freq	Quantity	Cost
Supplies	150	/mo	12	1,800
Printer Ink	230	/yr	1	230
Microsoft Office 365 Standard (4)	50	/mo	12	600
Janitorial	300	/mo	12	3,600
<b>Miscellaneous</b>				
Unanticipated Costs	20,000	/yr	1	20,000
Travel Costs	10,000	/yr	1	10,000
			<b>Total</b>	<b>\$730,030</b>

## Second Year Expenses

Category	Amount	Freq	Quantity	Cost
<b>Inventory</b>				
Packaging	\$ 8,750	/mo	12	\$ 105,000
Kit Contents	6,533.33	/mo	12	78,400
<b>Payroll</b>				
Owner	4,500	/mo	12	54,000
Warehouse (5)	14,166.66	/mo	12	170,000
Office Manager	6,300	/mo	12	75,600
Designer	4,700	/mo	12	56,400
PR Specialist	5,800	/mo	12	69,600
Part-time Instructors (5)	5,000	/mo	12	60,000
<b>Utilities</b>				
Internet & 3 Phone Lines	230	/mo	12	2,760

Category	Amount	Freq	Quantity	Cost
Water & Electric	200	/mo	12	2,400
Refuse Service	50	/mo	12	600
<b>Marketing</b>				
Web Hosting	70	/mo	12	840
Social Media	1000	/mo	12	12,000
Auto Expenses	500	/mo	12	6,000
Entertainment & Meals	5,000	/yr	1	5,000
Printed Materials	300	/mo	12	3,600
Adobe Creative Cloud x2	110	/mo	12	1,320
<b>Office</b>				
Rent	4237.50	/mo	12	51,930
Supplies	150	/mo	12	1,800
Printer Ink	230	/yr	1	230
Microsoft Office 365 Standard x4	50	/mo	12	600
Janitorial	300	/mo	12	3,600
<b>Miscellaneous</b>				
Unanticipated Costs	20,000	/yr	1	20,000
Travel Costs	10,000	/yr	1	10,000
			<b>Total</b>	<b>\$791,680</b>

## First Year Sales

Item	Sales	Price	Freq	Quantity	Earnings/yr
Consumer Kits	1,202	~\$10	/wk	52	\$625,000
Class Kits	15,000	\$8	/yr	1	\$120,000
Classes	390	\$10	/wk	52	\$202,800
<b>Total</b>					<b>\$947,800.00</b>

## Second Year Sales

Item	Sales	Price	Freq	Quantity	Earnings/yr
Consumer Kits	1,345	~\$10	/wk	52	\$699,400
Class Kits	16,800	\$8	/yr	1	\$134,400
Classes	390	\$10	/wk	52	\$202,800
<b>Total</b>					<b>\$1,036,600.00</b>

Category	Cost
Startup Costs	\$114,996.66
First Year Expenses	\$730,030.00
First Year Expenses + Startup Costs	\$845,026.66
First Year Gross Income	\$947,800.00
<b>First Year Net Income</b>	<b>\$102,773.34</b>
Second Year Expenses	\$791,680.00
Second Year Gross Income	\$1,036,600.00
<b>Second Year Net Income</b>	<b>\$244,920.00</b>



IX. Appendices

Packaging





**Location**



