



CANVAWRAP

Team members:

Selina Wang, Sorelle Tan, Lennox Tan

Founded:

November 2022 (Year 1)
Arden Hills, MN

School Information:

Mounds View High School
Teacher: Aaron Oseland
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Visit us at:  @CANVAWRAP | CANVAWRAP.COM



Executive Summary

Mission Statement

CANVAWRAP is a cause-driven company focused on reducing the amount of waste created from plastic gifts. We aim to spread awareness for the issue of climate change and advocate for the Earth.

Product Description

We have upcycled burlap bags from local coffee shops to create eco-friendly gifts. Burlap is a biodegradable material, providing an alternative option to plastic. We have utilized burlap to create wrapping kits that include a square sheet of burlap and come with all-natural accessories. We also have burlap wrapped succulents, decorative vases, and flower wraps.

Summary of Financial Results

In five months of production, we have collectively achieved \$1,560 in sales from B2B and retail sales. Our COGS and expenses add up to \$744 which leaves us with a net income of \$816. Our average net profit margin ratio is 52.32%. We have also received \$600 in seed funding from the JA-Pitchfest Competition and have used that to make new products and reach out to new customers.

Summary Statement of CANVAWRAP Performance

From finding the right material to establishing partnerships with coffee shops, CANVAWRAP has faced many obstacles rolling out our product to the public. But with our hardworking team, we were able to learn to work together to overcome our challenges and have helped to spread awareness about plastic waste. We have also seen early successes in placing first in the JA Pitchfest and JA Company of the Year competition, as well as in establishing partnerships with multiple local gift and floral shops.

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Our Story

CANVAWRAP is fighting climate change one gift at a time. We aim to create high-quality gifts that are both natural and beautiful. Our founders, Selina Wang and Sorelle Tan, believe in driving sustainable change toward a future that is radically less reliant on plastic. All CANVAWRAP gifts are handcrafted from biodegradable, recycled materials and proceeds from every order are donated to support environmental nonprofits taking action against plastic waste. What was once someone's garbage, we repurposed to become high quality, eco-friendly gifts.

In the first month of operation, we participated in the Junior Achievement Pitchfest competition and placed first, receiving \$500 in funding with an additional \$100 invested into our company. We also placed first in the JA North Company of the Year competition and received \$5,000 in scholarships.



Our Product

The Problem with Plastic Gifts

By 2050, there could be more plastic in the water than fish in the ocean.¹

Every 30 seconds, one person dies of disease from plastic and waste.²

Plastic contaminates our earth with waste and toxins, contributing to climate change.³

Plastic packaging and CPG products are the leading contributor to plastic waste.⁴

Plastic gifts are environmentally costly to make and dispose of. Wrapping paper, something that many people think of as recyclable and even eco-friendly, is actually neither. Because of different plastics like foil and glitter, wrapping paper is not biodegradable and adds to the accumulation of plastic waste. Every year Americans flood 2.3 million pounds of wrapping paper into our landfills, which is enough to circle the Earth nine times⁵!

¹ Landesberg, S. (2021, July 6). Plastic is killing our planet. *Will the consumer packaged goods industry step up?* FastCompany.com.

² Williams, M., Gower, R., & Greene, J. (2019). *No Time To Waste: Tackling the plastic pollution crisis before it's too late*. TEAR Report, 1-69.

³ *Would stopping plastic pollution help with climate change? how do we do it?* MIT Climate Portal. (n.d.). Retrieved March 28, 2023, from <https://climate.mit.edu/ask-mit/would-stopping-plastic-pollution-help-climate-change-how-do-we-do-it>





⁴ Landesberg, S. (2021) *Will the consumer packaged goods industry step up?*

⁵ Jackson, A. (2022, December 7). *A whopping 2.3 million pounds of wrapping paper gets dumped in landfills each year - here's how you can make a difference*. The Cool Down. Retrieved March 28, 2023, from <https://www.thecooldown.com/green-home/wrapping-paper-gift-wrap-holidays-waste-trash/>



Meet CANVAWRAP Natural Gifts

By partnering with local coffee shops, we are able to reuse their unwanted burlap coffee bean bags and turn them into beautiful and unique products. By using burlap, an eco-friendly and natural material, we provide an alternative to the use of plastic gifts for consumers. Burlap is also a biodegradable material, meaning that people can throw away our burlap wrapping paper without any consequences. All CANVAWRAP gifts are handcrafted from recycled materials and proceeds from every order are donated to support environmental nonprofits taking action against plastic waste. Our products are also reusable and allow us to spread awareness of plastic waste through the exchange of our gifts.

Giftwraps	Succulent plants	Flower Wraps	Vases
Burlap wrapping kits that come in different sizes. We also have a four-pack bundle that contains all sizes. Each wrap comes with natural accessories (i.e. jute string, dried fruit, etc.).	Cute and eco-friendly succulents wrapped in our burlap that have signs with puns that can make anyone's day!	Biodegradable burlap flower wraps cut to perfection to make your flowers even more magnificent!	Wrapped in burlap the look showcases the highlights of the vase, elevating and creating a rustic look.
			

Partnerships

We have been successful in establishing partnerships with local coffee shops to obtain their burlap coffee bags.

Coffee Shop Partnerships





Traction & Market Validation

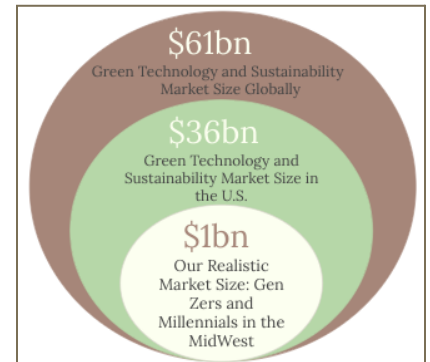
Customers began purchasing CANVAWRAP natural gifts within 30 days of launching our business in November of 2022! By the end of Q1 2023, we had 73 consumer orders and 8 wholesale orders, collectively achieving over \$1,500 in product sales within our first five months in business.

Wholesale orders contribute to 42% of our sales revenue with businesses making purchases toward corporate gifting as well as for resale in boutique floral and gift shops. A few of our business customers are Stahl Construction, Token of Trust, La Vie Est Belle, Mother Earth Gardens and The Hummingbird Floral and Gifts. Our other 58% of sales revenue come directly from consumer purchases driven from marketing campaigns. Our top performing consumer marketing campaigns (e.g. Christmas, Valentine’s Day) follow seasonal behavior and our sales tend to ebb and flow with the holidays.

Opportunity & Market Landscape

Market Forecast

More people have started to turn towards eco-friendly gifts as opposed to plastic ones. According to Allied Market Research, “The global green technology and sustainability market size was valued at \$10.32 billion in 2020, and is projected to reach \$74.64 billion by 2030, growing at a compound annual growth rate of 21.9% from 2021 to 2030.” As more people realize the harmful effects industrial companies can have on the environment, they want to support companies who make sure that their footprints are carbon free. Eco-friendly gifting can be the perfect option for people with allergies or sensitivities as they are sure to be free from any toxic chemicals. Our target audience range from Millennials to Gen Zers as the younger generations have more of an eco-friendly mindset. Since climate change has a bigger impact on the Generation Z and Millennial population, they are more willing to buy products that are natural rather than one that will contribute to climate change. As stated by NASDAQ, “... 75% of Millennials are eco-conscious to the point of changing their buying habits to favor environmentally-friendly products.” We are targeting populations in Minnesota and the surrounding Midwest, but plan on expanding throughout the United States.



Competitive Analysis

There are many options on the market for gifting and decoration. *Hallmark’s wrapping paper* is rated highly for wrapping paper with various designs and themes, including their featured *Pink, Coral, and Gold Foil Stripes Wrapping Paper* and *Sparkly Confetti on Mint Wrapping Paper*. However, these wrapping papers contain foil, glitter, or other plastics, which cannot be recycled. There are also burlap rolls sold in bulk in *Amazon* and *Walmart*, but the burlap is much flimsier than the durable quality of our burlap, making it unsuitable for wrapping gifts as they do not hold their shape. Small businesses on *Etsy* also sell products made with burlap but they are more expensive with no seller specifically selling wrapping kits like CANVAWRAP. With our wrapping



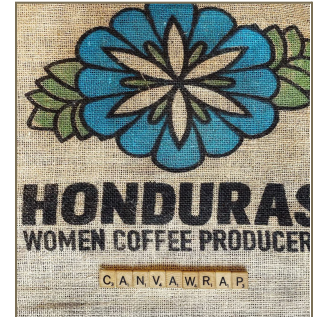
kits we are able to make it easier for consumers to wrap gifts by providing all the materials needed with the upside that everything, even the accessories, are all natural.

There are alternatives to wrapping paper on the market with businesses selling cloth wraps to tie around a gift, but these products are also more expensive than ours with one wrap sold for \$25, compared to CANVAWRAP's bundle of four for \$28. Another alternative for plastic wrapping paper is paper-type wraps. However, these wraps are only good for one time use as opposed to our wrapping kits, which are reusable.

Competitive Advantage

CANVAWRAP is the only company in central Minnesota that makes handcrafted solutions to plastic gifts. All of our decorations and accessories are eco-friendly and non-toxic. Our burlap is sourced from local coffee shops so we frequently get unique designs and patterns on the burlap. We sell in local areas and have more influence over stores within our vicinity compared to large-scale retailers that focus on wider distribution.

We put a lot of dedication and care into our products. All of our products are handmade, and we make sure that the picture represents an accurate interpretation of our product. We also personally deliver our products to local businesses to ensure safety in delivery and increase relations.

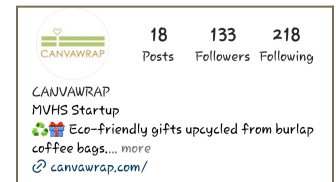


Marketing & Sales Plan

CANVAWRAP has a multi-channel go-to-market strategy that involves selling directly to consumers and through our retail partners. Even though our sales revenue is balanced between these two channels, we are currently more focused on direct to consumer sales because of their higher profit margins. We have been reinvesting this profit to fuel our growth and we will continue to do so.

Direct-to-Consumer Marketing

We sell to consumers directly through both digital channels and in-person events. We have a website showcasing all our products and that explains the problem of plastic waste. Through social media platforms such as Instagram, we post updates on products, recent partnerships, and facts about plastic waste to spread awareness. We also promote upcoming sales at our school with posters and school publications.



Business-to-Business Sales and Distribution

We sell wholesale orders to retail businesses who carry our products in their stores. We also sell to businesses who purchase our products for corporate gifting. Businesses usually discover our products as a result of our B2B sales prospecting efforts – we currently have 64 business accounts (and growing) in our sales pipeline focused in the Minneapolis/St Paul metro region. While our sales have been focused in our local region, we intend to expand into metro regions nationwide at a rate that our inventory can match demand.



A few of our B2B retail and wholesale partners:



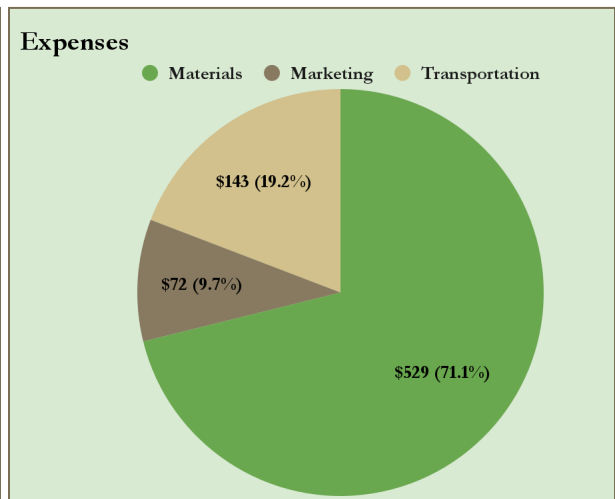
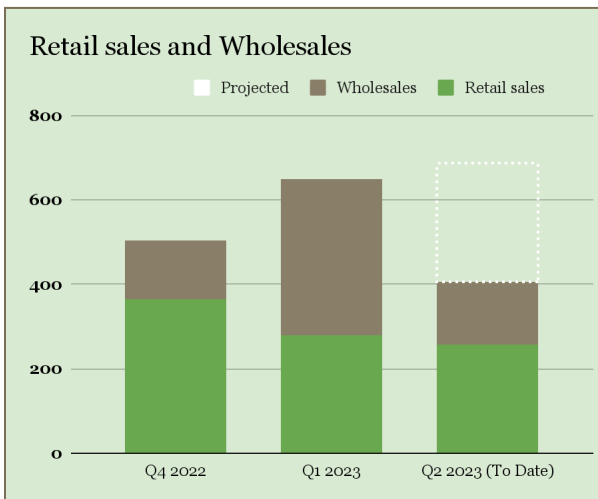
Pricing

Through the experience of selling to both consumers and to wholesales, we have been able to see what they are willing to pay for our products while also ensuring that we are still making profit from our products.

Giftwraps	Succulents	Flower Wraps	Vases
Consumer MSRP: \$5-\$30	Consumer MSRP: \$5	Consumer MSRP: \$7	Consumer MSRP: \$5-7
Wholesale Price: \$3-\$20	Wholesale Price: \$4	Wholesale Price: \$5	Wholesale Price: \$4-5

Financial Summary

Between 2022 Q4 and 2023 YTD, CANVAWRAP has earned over \$1,500 in Revenue from B2B and B2C sales.





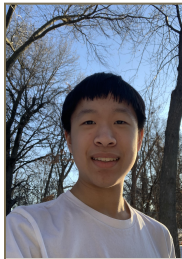


CANVAWRAP Profit & Loss (P&L) by Quarter

	2021 - Q4	2023 - Q1	2023 - Q2 to date	2023 - Q2	JA YTD	JA YTD
	(Actual)	(Actual)	(Actual)	(Projected)	(Actual)	(Projected)
Revenue						
B2B # Orders	2	3	3	6	8	11
B2B Revenue	\$139	\$368	\$148	\$268	\$655	\$775
Consumer # Orders	17	42	14	48	73	107
Consumer Revenue	\$366	\$281	\$258	\$418	\$905	\$1,065
Total Revenue	\$505	\$649	\$406	\$686	\$1,560	\$1,840
Cost of Goods Sold						
Materials	\$133	\$324	\$72	\$202	\$529	\$659
Total Cost of Goods Sold	\$133	\$324	\$72	\$130	\$529	\$659
Gross Profit	\$372	\$325	\$334	\$556	\$1,031	\$1,181
SG&A Expenses						
Transportation	\$26	\$74	\$43	\$71	\$143	\$171
Marketing & Advertising	\$36	\$36	\$0	\$36	\$72	\$108
Total SG&A Expenses	\$62	\$110	\$43	\$107	\$215	\$279
Net Income	\$310	\$215	\$292	\$449	\$816	\$902
Net Profit Margin Ratio	61.31%	33.12%	71.83%	65.51%	52.32%	49.03%

Organization & Management

Our leadership team consists of three hard-working and environmentally conscious high school students who all have skills that benefit the company tremendously. By taking on a specific role in the company, our team has learned invaluable skills in communication and teamwork. As each of us have unique abilities to bring to the table, we are able to effectively work together and complete tasks efficiently. Through working as a startup company, we have also gained entrepreneurial experience that we have learned from and are grateful for.

Selina Wang Co-Founder, Co-CEO & CFO	Sorelle Tan Co-Founder, Co-CEO & COO	Lennox Tan Sales and Marketing Manager
		



CANVAWRAP Reflection

Challenges

When we first started our company and had just been introduced to burlap, we had a hard time figuring out how we could best utilize the material. One issue that we encountered early on was that the burlap would shed. Through research we found a way to make biodegradable and 100% natural mod podge. By brushing on this solution, we were able to work with the burlap in an easier manner and prevent the shedding of the burlap and fraying of the ends. There also came the question of what products to make. Given that we started CANVAWRAP with Christmas in the near future, we turned to making wrapping kits that could help people easily wrap their Christmas gifts while also helping to reduce the amount of waste caused by regular wrapping paper. After Christmas passed, we continued to expand our products to other related gift-giving products. For example, our burlap wrapped succulents, flower wraps, and vases.

Limited Production Capacity: While we are able to successfully sell locally, we are highly limited by our stock. We frequently sold more orders than we could fulfill and had trouble keeping up with demand. Due to all of our products being handmade, we aren't able to make excessively large quantities of wraps, and this limits our ability to expand to larger stores that buy in bulk.

Future Plans

We hope to expand our geographic market nationwide starting with metro areas in neighboring states like Wisconsin. Our current count of followers is over 130 and our goal is to obtain more followers in order to spread our mission and company. In spreading our mission, we hope that we can also increase awareness about climate change and the major contributions plastic gifts have on the destruction of our environment. We will create an account on Square to set up an online store for CANVAWRAP to allow for easy selling and organizing. Selling at the farmers market is also something we plan on doing starting Q3 of 2023. We plan to employ sales representatives to sell to merchants within strategic hub cities in the United States. Our hope is to promote change for our planet by spreading awareness and replacing plastic gifts with meaningful, biodegradable gifts. We want to create a new era where Mother Nature is our direction!