



IDEAS TO MARKET BUSINESS NETWORK  
SELF RELIANCE THROUGH SELF EMPLOYMENT

# ITM BUSINESS NETWORK GUIDEBOOK



## The ITM Business Network Process

The Ideas To Market (ITM) Business Network initiative is a member and partner based process that incorporates collaboration for the objective of creating revenue through the sales of locally and regionally manufactured products.

The ITM process involves 3 key components:

- 1) Potential collaborators meet on the ITM Business Network Forum at <https://itmbusinessnetwork.ca> where they can discuss ideas that they are interested in, and those in which they may have a role in that they can fulfill. Another strong benefit of the forum is that ideas are presented where member manufacturers, marketers and investors can see them first.
- 2) Once the key pieces of a potential collaboration have been confidentially agreed upon, the partners enter into an ITM Exclusive Business Cooperation Agreement that identifies roles, responsibilities and revenue-sharing parameters.
- 3) Products are then manufactured and distributed to participating retail outlets and/or via online sales. The proceeds of the sales are then distributed to the partners through the ITM Business Network.





IDEAS TO MARKET BUSINESS NETWORK

# THE ITM FORUM



## Idea People and Designers

Present your ideas for products, services and systems and earn royalties.



## Makers and Manufacturers

Use slack shop time to produce prototypes and increase short-run production.



## Marketers

Partner with other members to help them bring their products to market.

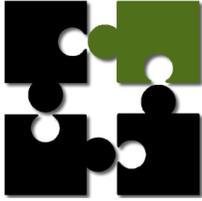


## Investors

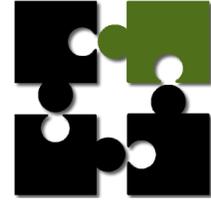
Access viable investment opportunities from the ground floor.

[www.itmbusinessnetwork.ca](http://www.itmbusinessnetwork.ca)





## The ITM Forum: Putting the ITM Pieces Together



ITM is designed to develop revenue generation mechanisms by bringing together idea and design people, makers and manufacturers, and marketers and advisors, with the specific aim of bringing products to online and other retail markets.

### What is an ITM “Idea”?

Ideas can be new or a refinement of what is already in the marketplace. Some ideas could be a product made a bit sturdier, a new farm implement that makes a farming operation easier, a new piece of recreational equipment, new designs for home products, textiles and furniture products, or any other product that can create commercial viability. Members that forward ideas, and that partner with other ITM members, with the result that product sales are made, will earn royalty revenues from those product sales. The amount of royalty may vary with each individual partnership and will be defined in the ITM Exclusive Business Cooperation Agreement.

### What is an ITM “Maker”?

Maker is a term used to describe a person or group who has the tools, abilities, space and passion to make things. Makers could use the Ideas To Market process to fill workbooks during slack periods, decide on purchasing new production equipment based on the flow of ideas, or participate however they wish or wherever they see an opportunity.

### What is an ITM “Marketer”?

A marketer will bring the product to online and/or retail sales outlets. This activity is more than sales as in most cases the marketer would be involved in the development of distribution channels, market plans and branding campaigns relating to the product. Marketers can be full-time product sales developers or part-time depending on the individual’s situation. People who are interested in the gig economy may become a marketer as a first step into entrepreneurship.



## **What is an ITM Partner?**

An ITM partner is an ITM member with an idea, or an ITM member with manufacturing capability, or an ITM member with marketing capability, that has entered into an ITM Exclusive Business Cooperation Agreement with other ITM members.

## **What is an ITM Exclusive Business Cooperation Agreement?**

An ITM Exclusive Business Cooperation Agreement (EBCA) is a document that is completed by a group of ITM members that have partnered together to work to bring a product to market. The EBCA was drafted by securities lawyers i) to create a “formal handshake” between ITM members that have agreed to work together on a specific product and ii) to ensure legal compliance by all agreement partners. The agreement describes the roles and responsibilities of each partner and defines how much revenue each will earn from the sales of the product. Additionally, the EBCA will be helpful for engaging financing options as the agreement becomes a value proposition that explains to potential lenders and/or investors the arrangements that are in place that will work to bring a product to market. A confidentiality agreement is also a part of the business cooperation agreement.



## Investing in ITM

The ITM Business Network offers 2 types of investment opportunities that support local business development and that result in BC made products being marketed worldwide:

### Investor Type 1: The Idea Creation Investor

This type of investor wants to work with idea people, manufacturers and distributors to fund the creation of a prototype and/or a marketing campaign to bring the product to market. Budget and cash flow conscious strategies are employed to ensure the product is brought to market at a competitive price. Active idea creation investment will lead to robust outcomes for the local economy. Although this type of investment bears the most risk in the product development model as it is the seed money, rates of return will vary as per the popularity of the product. The standard investment agreement will carry a rate of return of 2.5 times (ie. \$1000 investment would payback a total of \$2,500) at a rate of 10% of the target market price until such time that the investment and agreed return is repaid by the partner group that is subject to the business cooperation agreement. For example, if the subject product had a target price of \$20,000 on an investment of \$60,000; 30 units sold would return the initial investment - and then a further 45 units sold would provide additional return revenues.

Royalty revenues from product sales would be disbursed to the agreement partners as sales occurred or would, at the agreement of the agreement partners, fund refinements and further developments of the product.

### Investor Type 2: The Idea Multiplier Investor

This type of investor may not want to participate in product development investments but has an interest in the creation of cash flow from a market tested product. Investments provided would constitute working capital against approved orders and seasonal inventory production. A negotiated share of revenue will be disbursed to investors from the point of sale on a sale-by-sale basis or through negotiation with the distributor. Rates of return will range depending on i) current pricing for short-term loans and inventory financing and ii) early stage start-ups.



## ITM Revenue Distribution Example

The following is an example of how revenue sharing on a product can work. Every product revenue distribution model may be customized to the participants' particular, and agreed upon, pricing model.

<b>Product Unit Price</b>		<b>\$ 1,000.00</b>
Development Fee	(5%)	\$ 50.00
Investor (optional)	(10%)	\$ 100.00
Marketing/Distribution	(35%)	\$ 350.00
Manufacturing	(50%)	\$ 500.00
<b>Total:</b>		<b>\$ 1,000.00</b>



## ITM Membership

Members of the Ideas To Market Business Network collaborate to support the development of local cottage industries. Some members may own cottage industries while others may play a role in developing ideas, manufacturing and marketing products, and/or by contributing advice on any topic that helps bring products to market. Some people will join with specific roles in mind while others will join to generally support the idea of self-reliance through self-employment. Membership in the ITM Business Network is open to everyone in BC.

### Annual Membership Fees

Individual Member	\$ 35.00
Business Member	\$150.00
Non-Profit Organization Member	\$ 75.00

### Membership Includes

- ✓ Access to the confidential ITM Business Network Forum
- ✓ Access to the ITM Business Network Toolkit
- ✓ Royalties and revenue distribution management
- ✓ Receive ITM Newsletters and Updates
- ✓ Receive Invitations to events and meet-ups
- ✓ Access to ITM advisements that assist in the completion of Exclusive Business Cooperation Agreements
- ✓ Access to counselling on value chain development and other business advisements
- ✓ ITM coordination services
- ✓ Access to organizational policies and suggested best-practices
- ✓ ITM maintains the archive of completed Exclusive Business Cooperation Agreements



## **ITM's Role in the Community**

Instituting the ITM Business Network in a community will encourage community members to identify the roles they wish to play in the development and sales of locally-produced innovations. The role could be in the innovation itself, the manufacturing of the products, the marketing of the products, or investment in the product's development.

### **Localization of production and economic community resilience are the goals of ITM!!**

Some Examples of Potential ITM Community Benefits Could Include:

- Seniors have many experiences to share which could lead to new product innovations.
- Farming communities can use winter work. Products can be made in farmstead shops for sale in the spring. Good for seasonal products
- Shop floor innovations from trade shops. These innovations could include new tools and processes.
- Products created through “home-built” processes can be refined and commercialized as products.
- Artisans that want to get their products to an online market



# Appendix: The Mongrel Wood Collaborative

*An Ideas To Market (ITM) Initiative*



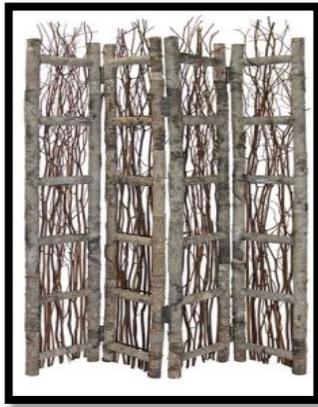
Mongrel Wood Collaborative is a conceptual marketing and distribution organization that seeks to market Rustic Design products made from locally-sourced botanical forest materials that are of no commercial value to the current forest industry.

Examples of potential products include willow and other scrub tree pieces for the craft and do-it-yourself markets; as well as pine cones and other botanical products for customers associated with the souvenir, miniature, craft and decoration markets.

It is proposed that these products will be cut into set lengths, dried and/or cured as necessary, and distributed and marketed in build-it-yourself kits; or in the case of pine cones, the product will be cleaned and bagged.

In order to reduce storage requirements, and to keep inventory in the distribution channel at a minimum, it is proposed that the harvesting and collection of botanicals will be done by independent contractors supplying Mongrel Wood on a “just-in –time” basis as orders dictate. Products made in BC and distributed/marketed by the Mongrel Wood Collaborative will be sold under the Mongrel Wood brand in order to build public interest and brand awareness.





## Initiative Benefits

1. Business is a low cost investment regarding supply and/or fabrication categories.
2. Sales generate cash flow that increases proportional to business growth and product sales.
3. Simple and easily taught business opportunity.
4. Suitable for community workshops.
5. Realistic business opportunity for at risk people.
6. Highly diversified market opportunities with potential for numerous products.
7. Products easily accessible and plentiful.
8. Strong existing market for botanical forest products.
9. Requires only basic tools to harvest and fabricate.
10. Initiative contains numerous potential sectors. For example; the craft market, the furniture market, the seasonal and ornamentation market, the miniature market, and the souvenir market.
11. Table-top or small workshop manufacturing potential. Opportunity for additional income.
12. A Green Initiative. All products will be natural, locally sourced in BC and are materials currently considered of no value to the existing forestry industry.

## Collaborative Structure

1. **Supplier:** The supplier harvests the materials, sorts, packages and/or assembles the product, satisfies regulatory requirements, and gets it to the retail market or distributor. The supplier can also market and sell products directly.
2. **Distributor:** The distributor transports the products to the stores and manages the wholesale and retail sales experiences (ie. represents products, performs customer service, etc.).
3. **Mongrel Wood:** Connects the suppliers with the distributors, facilitates the maintenance of the supply chain, creates brand awareness and recognition for rustic design through marketing activities, develops and conducts community workshops, and develops pricing standards.



## Pricing

- Pricing will follow examples of current pricing for similar products that are currently available on-line.
- Pine cones: small pine cones harvesting price .03 per pine coned cleaned and bagged. Twenty-five cones per bag. Price per bag to be determined.
- Bulk orders will be priced on an order-by-order basis.
- A sample pricing matrix is attached to this overview.



## Mongrel Wood Sample Pricing Matrix

Aspen poles	Quantity	US WEB (\$)	Supplier	Distributor	Retail Target
1 - 2'' x 4 ft	5 poles	30.00	6.00	14.00	28.00
2.25 - 3'' x 4 ft	5 poles	30.00	6.00	14.00	28.00
3.25 - 4'' x 4 ft	4 poles	40.00	8.00	18.00	36.00
4.25 - 5.5'' x 8 ft	1 pole	25.00	5.00	12.00	24.00
5.75 - 6.5'' x 4 ft	1 pole	40.00	6.00	14.00	28.00
1.5 - 2'' x 6 ft	5 poles	30.00	6.00	14.00	28.00
2.25 - 3'' x 6 ft	4 poles	40.00	8.00	8.00	36.00
3.25 - 4'' x 6 ft	4 poles	50.00	10.00	23.00	46.00
4.25 - 5.5'' x 6 ft	1 pole	35.00	8.00	18.00	36.00
5.75 - 6.5'' x 6 ft	1 pole	50.00	10.00	18.00	36.00
1.5 - 2'' x 8 ft	5 poles	40.00	8.00	18.00	36.00
2.25 - 3'' x 8 ft	4 poles	50.00	10.00	23.00	36.00
3.25 - 4'' x 8 ft.	3 poles	60.00	12.00	27.00	54.00
4.25 - 5.5'' x 8 ft	1 pole	65.00	12.00	27.00	54.00
5.75 - 6.5'' x 8 ft	1 pole	80.00	15.00	33.00	66.00

**\*US Web Price:** Research survey conducted on the web on April 18, 2021 (US Dollars).

**\*\* Retail Pricing:** Determined through public sales price, dealers, at community markets and/or online.



## **Rustic Design Souvenir Production.**

The tourism industry has been particularly affected by the COVID-19 pandemic. A notable result of this situation is that the souvenir market has been severely impacted. Post-pandemic projections show a rebound in tourism and therefore a rebound in the souvenir market.

Currently the souvenir market is dominated by products made offshore, mostly in Asian countries, much to the frustration of consumers who prefer products made in the region visited.

There are three price ranges that are attractive for souvenirs in the retail market:

### **1. Under \$10.00 retail suggestions:**

Handmade paper from recycled sources

Simple Craft items

Candles

Cast-moulded products

Prints (silk-screening, other)

### **2. Under \$20.00 retail suggestions:**

More complex craft items (simple beadwork)

Small wood products

Prints (silk screening)

### **3. Under \$30.00 retail suggestions:**

Small gift hampers Crafts

Small wood products

Leather crafts



# Examples of Rustic Design Products

(with current online prices in \$CND)

## Miniature Twig Furniture



Fairy Campfire & Marshmallows

**\$48.39**



Fairy Ladder

**Starts at \$34.75**



Fairy Bridge

**\$27.91**

## Souvenirs



Rustic Wood Coasters

**\$20 to \$30**



Wood Keychains

**\$10**



Wooden Bookmarks

**\$15**

*\*Opportunities for Authentic First Nations Art additions*



## Ornaments



Bottle balancer

**\$19.99**



Pine Cone Wreath

**\$40**



Farmhouse Book Stack

**Starts at \$41**



Wooden Hearts

**\$39.99**

## Furniture



Privacy Screen

**\$89**



Rocking Chair

**\$760**



End Table

**\$150**



Copper/Stump  
Side Table

**\$6,000**



## Crafts and Bulk Products



Branches/Sticks 12 inches or 30 cm

**Starting at \$22**



Rainbow Stacker Craftware

**\$24.99**



Starter Box Mixed Wood

**\$79.99**



Mini pinecones for crafts

**\$21.99 for 50 pack.**

