

ENTREPRENEURSHIP–STARTING A BUSINESS

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PAIR INC.



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I. EXECUTIVE SUMMARY

Pair Inc. is a startup technology company whose goal is to solve the problem of protecting one's investment in technological gadgets via nano-tracking technology. Coupling existing nano-technology with a passion for providing peace of mind to customers, Pair Inc. has designed a customized earbud skin that provides real-time GPS tracking for each individual wireless earbud, essentially eliminating the stress of accidentally misplacing an expensive accessory. The earbud skins feature extended battery life, location-altitude recognition, antibacterial materials, and the ability to track the location of dead earbuds. This product is intended to complement the true wireless (TWS) devices that are currently available on the market and usher in a new wave of nano-technology applications.

Pair Inc. was started by two visionaries whose values of creativity, inclusive technology, and consumer awareness inspired the creation of the earbuds skin. It is these core values and the belief that firms should be held accountable for their governance practices as well as their impact on society and the environment that influence Pair Inc. 's founders' and employees' actions everyday. In return, Pair Inc. is purposefully nurturing a culture that follows transparent business practices, encourages innovative ideas, and strives for continuous improvement that follows the company's mantra of "technology that cares".

These attributes, as well as the company's predicted growth for its first year of operation, is catching the attention of prospective shareholders. These shareholders are further enticed by Pair Inc.'s foresight as it organizes its company in a manner that will allow it to seamlessly become a C-Corporation that will eventually be publicly traded per Pair Inc's 5-10 year plan. To do this, Pair Inc. is already practicing adherence to the strict regulatory requirements set forth by the SEC for publicly traded companies as best exemplified by the companies compliance with Generally Accepted Accounting Principles (GAAP).

At present, Pair Inc. is a small c-corporation whose upper management consists of a CEO, who doubles as the VP of sales and marketing, and a CFO, who is also the VP of Engineering and HR. As for human capital, the company has one full-time and one part-time employee who will be tasked with

manufacturing and packaging parts. In the coming year, it is expected that the first iteration of a Board of Directors will be formed, consisting of the company's CEO and CFO as well as a couple of Outside Directors whose main role, besides ensuring shareholders desires are met, will be to help mentor the structuring process of Pair Inc. to ensure that it is positioned for success.

II. PROBLEM

In December of 2016, Apple Inc. accelerated the revolution of bluetooth TWS earbuds with the launch of Apple AirPods. This disruptive technology, first met with skepticism, eliminated many of the problems that traditional wired earbuds posed such as the potential of being unplugged, damaging the connection, or fussing with a tangle. However, with this new technology came a new problem: the risk of losing the small and expensive earbuds. In fact, the largest complaint since the launch of wireless earbuds has been an abundance of misplaced or lost earbuds. Small in nature, it is even harder to locate these newfangled earbuds if they have fallen out or dropped somewhere without a cord to trace them too. Company's, like Apple Inc., have tried to alleviate this problem through tracking apps and tracking devices, but these attempts are still far from the solution consumers really seek.

What customers really want is the ability to accurately track misplaced devices easily using technology that is both comfortable and aesthetically pleasing. The solutions that are currently offered on the market are steeply priced relative to the solutions ability to meet these simple requests. Consumers are paying too much for devices that offer no altitude recognition capabilities, customization or ability to track battery-drained earbuds.

Pair Inc.'s Ranked Consumer Wants & Needs		
Primary Needs Secondary Needs	Rank	Weakness of Existing Solutions
Locate Misplaced Unit		1
Accurate Location Detection	1.1	To use the Find My app one must have an iPhone 11 or newer with IOS 15 or newer to get the most precise location The app doesn't provide altitude information (i.e. what floor the earbud was left on). Tile products must have location on at all times to give an accurate location, which can drain phone batteries quickly.
Location Availability with No Charge	1.2	Apple's Find My App can not track the location of a dead AirPod. It can only provide the last known location of the AirPod.

Ease of Use		2
<i>Compatibility</i>	2.1	Find my Airpods is only available on the newest iPhones and is not available when Airpods are paired to any phone other than an iPhone.
<i>Easy to Install</i>	2.2	Comes installed on Apple products but is uninstallable on non-Apple products.
Comfortability & Appeal		3
<i>Ergonomic</i>	3.1	The current design of Apple AirPods does not offer any customization or fit to the user's ear. The hard plastic can hurt after extended use, opposed to a softer silicone
<i>Aesthetically Pleasing</i>	3.2	Current AirPod cases come in a wide variety of color, patterns, etc, but the earbuds themselves are white. Which is a hard color to keep clean.
<i>Cleanliness</i>	3.3	LG's Tone+ earbuds are currently the only earbuds on the market with a case that uses UV to kill bacteria.

(Figure 1) - Pair Inc.'s identified primary & secondary desires of the consumer base.

III. CUSTOMER SEGMENTS

Industry or Application Segments

The popularity of AirPods has been instrumental in driving the demand for true wireless stereo (TWS) in North America. Several competitors have introduced wireless earbuds with specialized connectivity to their own devices. Complemented by the rapid increase of smartphone replacement cycles, many consumers are also seen investing in related accessories.

The global TWS earbuds market size is currently valued at USD 25.32 billion and is expected to grow. The ever-increasing demand for streaming content, social media and video apps, has accelerated the TWS earbuds market growth. The pandemic has also increased consumer demand; with a push to move towards virtual modality and working from home, there is an increased need for convenient, mobile, and comfortable communication devices.

Customer Type Segments

As technology changes so do those who use it. At current, technologies are geared towards Generation Z and millennials who use these devices most often. Due to the sheer amount of time these consumers spend on their devices, they are the target audience for Pair Inc. Totaling some 68 million people, Gen Z makes up roughly 20% of the U.S. population. Unlike baby boomers, and many

millennials, most GenZers cannot remember a time where technology was not present in their upbringing so staying on top of the newest trends and products is key to keeping them interested.

Example Marketing Persona #1		
Brianna the Forgetful Gen-Zer		Characteristics
 <p>Age: 15-25 years old Income: Comes from a Middle to High Income Family Education: Highschool to College Education Employment: Part to Full Time Employee (Depending on the time of the year)</p>		<ul style="list-style-type: none"> • <i>Financially mindful</i> • <i>Pragmatic</i> • <i>Progressive</i> • <i>Technology comes naturally to her</i> • <i>Values diversity of thoughts and ideas</i> • <i>Believes less is more</i> • <i>Values independence</i>
Priorities		Narrative
<ol style="list-style-type: none"> 1. Obtaining her degree. 2. Saving money for her future. 3. Being up-to-date on latest trends. 4. Remaining relevant within her social circles. 		<p>Brianna is a college student that has a lot on her plate between classes, working part time and managing a busy social life. Her packed schedule does not allow much time for searching for missing earbuds, which she needs for her online classes and working out at the gym. She is also living within a very tight budget that makes it very hard for her to replace her beloved earbuds when she does lose them.</p>

Example Marketing Persona #2		
Parker the Traveling Business Man		Characteristics
 <p>Age: 26 - 35 years old (Young Millennial) Gender: Male Marital Status: Married Income: Middle to High Income Education: College Education Employment: Full Time Employee</p>		<ul style="list-style-type: none"> • <i>Progressive & open to change</i> • <i>Challenges the status-quo</i> • <i>Free-thinking, creative</i> • <i>Values those that are willing to take risks.</i> • <i>Appreciates products that offer flexibility.</i> • <i>Spends a lot of time listening to podcasts.</i>
Priorities		Narrative
<ol style="list-style-type: none"> 1. Advancing his career 2. Saving for a starter home and his future family 3. Being efficient in all manners of life 		<p>Parker is a young to middle aged work professional who is working hard to advance his career. As a result, he spends a lot of time on the road - whether that's commuting to or traveling for work. In the hustle bustle of life and travel Parker often loses his earbuds, making for a long trip home and a not-so-happy wife. He is looking for a product that will help him stop losing his earbuds and, in turn, save money and keep his wife happy.</p>

(Figures 2 & 3) - Two example marketing personas created based on target audience surveys conducted through local universities

IV. UNIQUE VALUE PROPOSITION

Problem-Solution Fit

Pair Inc. is a company that designs earbud skins that use nanotechnology to provide live location tracking of earbuds. Useful, aesthetic, and user-friendly, this product aims to improve upon

existing technologies, and provide the best service for all customers. Unlike competitors, this product provides altitude information, is compatible with all devices, and provides location tracking even when an earbud is dead. It is fully customizable to the consumer's desired style and earbud design.

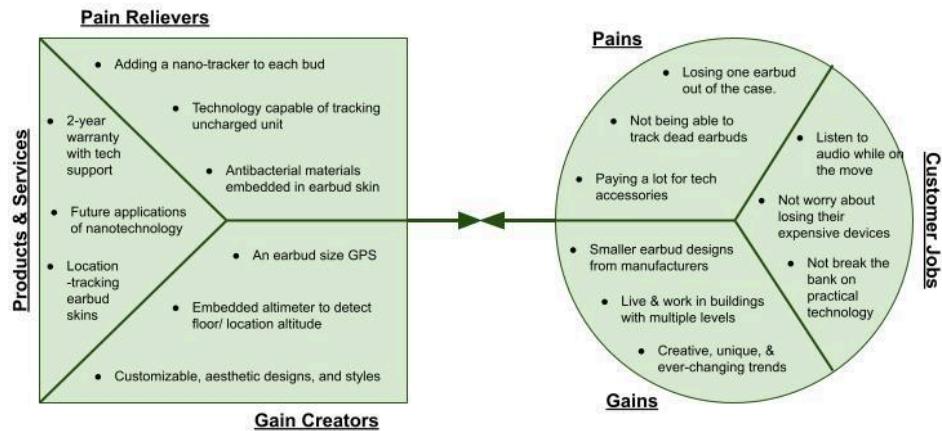
Product-Market Fit

Current competitors offer consumers two options: the ability to pair to both Apple or Android products at the expense of using a bulky tracking device or the ability to only pair the device with one phone type with the benefit that the tracking device is small. In many instances, the tracking device, even if it is small relative to the competitors, is not feasible for something the size of an earbud. Many of these tracking devices, such as Apple's AirTags, are only small enough to be embedded in a case that covers the earbud's case, but this does not help consumers locate their earbuds once they are separated from their case.

To establish a name in a market where brand loyalty is high, Pair Inc. intends to start a contract with Apple & others wireless earbud providers in exchange for a bulk amount of units to retail with their earbuds.

Business Model Fit

The use of nanotechnology is a relatively untapped technology segment. Pair Inc.'s intention is to become a leader in this up and coming technology segment before the market becomes saturated. To do this, Pair Inc. is launching earbud skins, operating under the assumption that consumers are willing to purchase a skin to pair with their earbuds. Pair Inc. will offer free, mail-in tech support and IT services to customers under a 2-year warranty (additionally offered for a cost). Future nano-tracking technology to come includes skins for computer/phone styluses, credit cards, and keyfobs.



(Figure 4) - Pair Inc.'s customer profile and value proposition for the new nanotech earbud skins.

V. CHANNELS

Social Media Accounts

Given the company's target demographic, the best start to advertise the product and to increase brand awareness is to start social media accounts on all major platforms. It is equally as important to build a website, which has the opportunity to grow by implementing a blog and help resource center.

Social Media Account Strategy by Platform		
Platform	Audience	Content / Strategy
Website	All Audiences	Share company mission, values, products, testimonials. The all-encompassing advertisement for Pair Inc.
Instagram	Target Audience	Share product photography, new initiatives, launch campaigns, and boost engagement through giveaways and business collaborations
Tiktok	GenZ, Younger Audience	Less structured/scripted, behind the scenes, info on new launches. *Large opportunity for growth & expansion
LinkedIn	Professional Audience	Share initiatives, spark conversations, link to other social medias, create professional links
Facebook	Millennial, Older Audience	Seek sponsorship/find shareholders, showcase new initiatives, professional presence.

(Figure 5) - Pair Inc.'s strategy for initiating social media accounts on platforms such as Instagram, Facebook, etc., and the audience for each

Social Media Advertisements

Commercials need to be bite-sized to match the content on social media today. The perfect avenue to do this is through platforms such as Spotify, Pandora, and Kindle. To promote products even more, Pair Inc. plans to implement paid partnerships with social media influencers and celebrities who are popular among Pair Inc.'s target audience in return for support of the product.

Blog & Email Marketing

A blog can be housed in the company's website to share advancements in nanotechnology and the skins' development. This will help create constant traffic to the website to keep up with changing concepts and new ideas. This will also help foster a community within the company's consumers to interact with not only shareholders, but also each other and foster a community of inclusive technology.

VI. REVENUE STREAMS

Pair Inc. is founded on a production revenue model, meaning that the incorporation earns its revenue by marketing and selling items that are manufactured within their own production facilities. This revenue model makes the most sense for the type of product that Pair Inc. has to offer to the market as the product is neither quickly consumed nor is it one that individuals would feel comfortable renting. As the company and products mature, a channel for revenue via a subscription option for premium features - such as sharing device locations with others - will become more feasible given resources.

Lifetime Value Metrics		
<i>All values are based on Pair Inc.'s 2021 records.</i>		
Metric	Notes	Value
Average Value of Sales		\$55.00
Purchase Frequency	<i>Purchases per three years</i>	1
Customer Lifespan	<i>Measured in years Based on average lifespan of wireless earbuds</i>	3
Gross Margin	<i>See 'Gross Margins' Section of this report for more details</i>	28.40%
Customer Acquisition Costs	<i>See 'Customer Acquisition Costs' Section of this report for more details</i>	13.34
Customer Lifetime Value		\$33.52

(Figure 6) - Pair Inc.'s lifetime value metrics, all values based on 2021 records

Pair Inc.'s Gross Margin	Best Case	Worst Case
Unit Price <i>Includes Airpod Skin for the Left and Right Earbud</i>	\$65.00	\$55.00
Unit Cost <i>GPS Tracker, Battery, Material, Hours, Etc.</i>	\$40.50	\$44.50
Gross Margin	37.70%	19.10%

(Figure 7) - Pair Inc.'s high and low end gross profit margin based on unit price and cost.

VII. COST STRUCTURE

Customer Acquisition Costs - 2021 Fiscal Year		
Expense Type	Description	Cost
Marketing Campaign	Instagram Account	\$0.00
Marketing Campaign	Instagram ads <i>Charged at a \$1 cost-per-click rate</i>	\$3,000.00
Marketing Campaign	Spotify Ads <i>Auto Everywhere Ads (Ads Between Songs)</i>	\$4,000.00
Wages	Sales and Marketing Manager Salary <i>One Full-Time Employee</i>	\$50,000.00
Software	Canva Pro <i>Annual Subscription for 5 people</i>	\$119.99
Software	Zendesk Account <i>Sell Professional Account</i>	\$588.00
Professional Services	Product Photoshoot and Videography <i>Media Content for Website and Ads</i>	\$1,000.00
Professional Services	Website <i>Website Development, SSL Certificate, Plug-ins, Theme, Domain Name, Etc.</i>	\$5,000.00
Overhead	Overhead Costs Attributed to Marketing Campaign <i>Rent, Equipment, etc.</i>	\$3,000.00
Total Marketing Campaign Costs Related to Acquisition		\$66,707.99
Total Customers Acquired		5000
Customer Acquisition Cost		\$13.34

(Figure 8) - Pair Inc.'s customer acquisition costs for the 2021 fiscal year.

Distribution Costs - 2021 Fiscal Year		
Expense Type	Description	Cost
Warehousing Costs	Packaging Costs <i>Rigid Bag Mailers - \$84 per case of 250</i>	\$3,024.00
Warehousing Costs	Storage in Warehouse <i>Pair Inc. uses a just-in-time manufacturing methodology. If there is any inventory, it is stored on a few racks in a small area of the manufacturing plant.</i>	\$1,000.00
Transport Fees	Shipping Fees <i>\$9 per package through USPS</i>	\$81,000.00
Total Distribution Costs		\$85,024.00

(Figure 9) - Pair Inc.'s distribution costs for the 2021 fiscal year

Human Resources Costs - 2021 Fiscal Year		
Expense Type	Description	Cost
Onboarding Costs	Training of New Employees	\$2,000.00
External Recruitment Costs	Job Posting Websites <i>Standard Annual Membership</i>	\$960.00
External Recruitment Costs	HR Salary <i>Salary of one full-time employee</i>	\$50,000.00

Total Human Resource Costs	\$52,960.00
Total Hires	15
Cost per Hire	\$3,530.67

(Figure 10) - Pair Inc.'s human resource costs for the 2021 fiscal year

VIII. DETAILED FINANCIALS

Income Statement By Month												
Pair Inc.												
For Fiscal Year Ending December 31, 2022												
	January	February	March	April	May	June	July	August	September	October	November	December
INCOME												
Revenue	\$55,000.00	\$55,550.00	\$56,100.00	\$56,650.00	\$57,200.00	\$57,750.00	\$58,300.00	\$58,850.00	\$59,400.00	\$59,950.00	\$60,500.00	\$66,000.00
Gross Margin %	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%	28.40%
Cost of Goods Sold	\$13,340.00	\$13,473.40	\$13,606.80	\$13,740.20	\$13,873.60	\$14,007.00	\$14,140.40	\$14,273.80	\$14,407.20	\$14,540.60	\$14,674.00	\$16,008.00
Gross Margin	\$2,280.00	\$2,302.80	\$2,325.60	\$2,348.40	\$2,371.20	\$2,394.00	\$2,416.80	\$2,439.60	\$2,462.40	\$2,485.20	\$2,508.00	\$2,736.00
OPERATING EXPENSES												
R&D	\$450.00	\$475.00	\$500.00	\$525.00	\$550.00	\$575.00	\$600.00	\$625.00	\$650.00	\$675.00	\$700.00	\$725.00
Sales and Marketing	\$300.00	\$310.00	\$320.00	\$330.00	\$340.00	\$350.00	\$360.00	\$370.00	\$380.00	\$390.00	\$400.00	\$410.00
General & Admin.	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00	\$250.00	\$260.00	\$270.00	\$280.00	\$290.00	\$300.00	\$310.00
Total Operating Expenses	\$950.00	\$995.00	\$1,040.00	\$1,085.00	\$1,130.00	\$1,175.00	\$1,220.00	\$1,265.00	\$1,310.00	\$1,355.00	\$1,400.00	\$1,445.00
Depreciation (10%)	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00	\$150.00	\$155.00
Total Operating Income	\$1,230.00	\$1,202.80	\$1,175.60	\$1,148.40	\$1,121.20	\$1,094.00	\$1,066.80	\$1,039.60	\$1,012.40	\$985.20	\$958.00	\$1,136.00
Finance Costs	\$400.00	\$450.00	\$500.00	\$550.00	\$600.00	\$650.00	\$700.00	\$750.00	\$800.00	\$825.00	\$875.00	
NET INCOME												
Income Before Tax	\$830.00	\$752.80	\$675.60	\$598.40	\$521.20	\$444.00	\$366.80	\$289.60	\$212.40	\$160.20	\$133.00	\$261.00
Income Tax Expense (20%)	\$166.00	\$150.56	\$135.12	\$119.68	\$104.24	\$88.80	\$73.36	\$57.92	\$42.48	\$32.04	\$26.60	\$52.20
Net Income	\$664.00	\$602.24	\$540.48	\$478.72	\$416.96	\$355.20	\$293.44	\$231.68	\$169.92	\$128.16	\$106.40	\$208.80

(Figure 11) - Pair Inc.'s Income Statements - First Year's Operations

Using Median Gross Margin %

Projected Cash Flow By Month												
Pair Inc.												
Fiscal Year Beginning Jan. 01, 2022												
	January	February	March	April	May	June	July	August	September	October	November	December
Cash From Operations												
Net Income	\$664.00	\$602.24	\$540.48	\$478.72	\$416.96	\$355.20	\$293.44	\$231.68	\$169.92	\$128.16	\$106.40	\$208.80
Depreciation	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00	\$150.00	\$155.00
Changes in non cash working capital												
Accounts Receivable	\$845.00	\$832.00	\$851.00	\$756.00	\$758.00	\$795.00	\$832.00	\$843.00	\$832.00	\$825.00	\$725.00	\$756.00
Inventory	\$462.00	\$452.00	\$256.00	\$302.00	\$350.00	\$354.00	\$367.00	\$400.00	\$357.00	\$367.00	\$381.00	\$395.00
Accounts Payable	\$150.00	\$100.00	\$154.00	\$175.00	\$189.00	\$167.00	\$240.00	\$265.00	\$275.00	\$246.00	\$237.00	\$321.00
Total	\$1,721.00	\$1,681.24	\$1,383.48	\$1,246.72	\$1,215.96	\$1,212.20	\$1,122.44	\$1,074.68	\$943.92	\$929.16	\$825.40	\$883.80
Cash Invested												
Capital Expenditures	\$1,500.00	\$1,750.00	\$2,100.00	\$2,230.00	\$2,500.00	\$2,650.00	\$2,750.00	\$3,325.00	\$3,570.00	\$3,750.00	\$4,000.00	\$4,350.00
Acquisitions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,500.00	\$1,750.00	\$2,100.00	\$2,230.00	\$2,500.00	\$2,650.00	\$2,750.00	\$3,325.00	\$3,570.00	\$3,750.00	\$4,000.00	\$4,350.00
Cash from Financing												
Increase (Decrease) in Debt	\$400.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$25.00	\$25.00	\$25.00
Equity Issued / Repurchased	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividends Paid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$400.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$25.00	\$25.00	\$25.00
Total Cash	\$3,621.00	\$3,481.24	\$3,533.48	\$3,526.72	\$3,765.96	\$3,912.20	\$3,922.44	\$4,449.68	\$4,563.92	\$4,704.16	\$4,850.40	\$5,258.80
Opening Balance	\$0.00	\$3,621.00	\$7,102.24	\$10,635.72	\$14,162.44	\$17,928.40	\$21,840.60	\$25,763.04	\$30,212.72	\$34,776.64	\$39,480.80	\$44,331.20
Increase (Decrease)	\$3,621.00	\$3,481.24	\$3,533.48	\$3,526.72	\$3,765.96	\$3,912.20	\$3,922.44	\$4,449.68	\$4,563.92	\$4,704.16	\$4,850.40	\$5,258.80
Closing Balance	\$3,621.00	\$7,102.24	\$10,635.72	\$14,162.44	\$17,928.40	\$21,840.60	\$25,763.04	\$30,212.72	\$34,776.64	\$39,480.80	\$44,331.20	\$49,590.00

(Figure 12) - Pair Inc.'s projected cash flow by month for the first year of operations

	2022	2023	2024
Products and Services	<i>In its first year, Pair Inc. will launch its first nano-tracking skin compatible with numerous TWS</i>	Research and development efforts will continue for nano-tracking skin designs for	With profits & funding increasing, opportunity for growth includes skins for styluses, and key fobs

	<i>earbuds</i>	credit cards. Product to launch by November of 2023	
Budgeted Costs	\$800,000	\$1,950,000	\$4,300,000
Exp. Gross Sales	\$1,500,000	\$3,420,000	\$7,850,000
Distribution Strategy	<i>Launch Pair Inc. with business collaborations with Apple, Jabra, and Samsung to push the new earbud skins on the TWS market.</i>	Once Pair. Inc has grown a following, the company will be able to start retailing products directly through the website.	After footing is established in the digital shop platform, Pair Inc. can move into a larger commercial space and discuss further distribution.
Marketing Initiatives	<i>The company has established a brand identity and is in the process of starting all relative social media platforms, emphasizing the website.</i>	Once the website blog has picked up pace, and social media following has increased for Pair Inc. Initiatives can move towards television ads, and a YouTube channel.	Pair Inc. will continue to attract consumers with modern, digital advertisements. Utilizing all platforms, and capitalizing off of YouTube content.
Community Effect <i>The Technological Education/Outreach Community</i>	<i>Starting small with a blog on the company's website will provide an opportunity to gain a following. As an addition, fans can opt to receive email messaging on new tech advancements.</i>	With Pair Inc.'s anticipated growth, a larger commercial space is inevitable, and with that comes a physical presence in the community able to establish connections and outreach with local schools	As nanotechnology becomes more and more available on the market, the community of STEM individuals involved will become similar to that of robotics and automation. Pair Inc. will be at the forefront of that movement.

(Figure 13) - Pair Inc.'s anticipated three year plan in regards to products and services, distribution strategy, and marketing endeavors, and community effect.

Balance Sheet			
Pair Inc.			
Fiscal Year Ending Dec. 31st, 2022			
Assets	2022	Liabilities	2022
Current Assets		Current Liabilities	
Cash	\$49,590.00	Accounts Payable	\$321.00
Accounts Receivable	\$756.00	Short-Term Loans	\$3,000.00
Inventory	\$395.00	Income Taxes Payable	\$52.20
Prepaid Expenses	\$0.00	Accrued Salaries and Wages	\$90,000.00
Short-Term Investments	\$3,000.00	Unearned Revenue	\$0.00
Total Current Assets	\$53,741.00	Current Portion of Long-Term Debt	\$600.00
Fixed Assets		Total Current Liabilities	\$93,973.20
Long-Term Investments	\$8,000.00	Long Term Liabilities	
Property / Equipment	\$40,000.00	Long-Term Debt	\$0.00
(Less Accumulated Depreciation)	\$2,000.00	Deferred Income Tax	\$1,500.00
Intangible Assets	\$15,000.00	Other	\$0.00
Total Fixed Assets	\$61,000.00	Total Long-Term Liabilities	\$1,500.00
Other Assets		Owner's Equity	
Deferred Income Tax	\$0.00	Owner's Investment	\$5,000.00
Other Assets	\$0.00	Retained Earnings	\$1,750.00
Total Other Assets	\$0.00	Other	\$0.00

		<i>Total Owner's Equity</i>	\$6,750.00
Total Assets	\$114,741.00	Total Liabilities & Owner's Equity	\$102,223.20

(Figure 14) - Pair Inc.'s projected balance sheet for end of first year's operations

Planned Growth of Pair Inc. and Proposed Plan to Meet Capital Needs

Pair Inc. firmly believes that growth is achieved by investing in research and development and effective marketing campaigns. These two activities are essential for remaining competitive, offering superior products, creating brand loyalty and brand awareness. It is estimated that focusing on these areas of opportunities will produce at least 90% growth year over year during the first three years of operations. In preparation for the extensive R&D and marketing campaigns that Pair Inc. is set to launch in June 1, 2022 the company has secured personal investments from the owner's and current shareholders, a line of credit with a local bank that the owners have a positive relationship with and has plans in place to reinvest at least 50% of profits back into the company. Pair Inc. is also in the process of securing more financial resources from other external sources.

IX. KEY METRICS

Metric	Plan to Achieve Metric
Reduce CAC costs to \$13.15	Engage in efficient marketing campaigns.
Increase Gross Margin to 30%	Use R&D funds to streamline the production process.

(Figure 15) - Pair Inc.'s key metrics for success.

Financial		Customer	
Goal(s)	Measure(s)	Goal(s)	Measure(s)
Survive Profitability	Cash Flow Return on Investment (ROI)	Launch products consumers desire Responsive supply	Percent of sales from new products Percent of sales from proprietary products On-time delivery (defined by customer)
Internal Business		Innovation & Learning	
Goal(s)	Measure(s)	Goal(s)	Measure(s)
Manufacturing Excellence Design Quality Latest	Cycle Time (MOST) Unit/Inventory Analysis Silicone comfort & GPS efficiency	Leadership in Technology Ample Marketing Advance	Developing the next generation Monitor competitors vs. new product competition

Technology Introduction	Scheduled release vs. actual vs. competitors		
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(Figure 16) - Pair Inc.'s balanced scorecard assessment of the following perspectives: financial, customer, internal business, and innovation & learning.

X. COMPETITIVE ADVANTAGE

Competitors Product/Service Summary			
Product	Price	Strengths & Weaknesses	
Apple's Air Tag	\$29.00	+ <ul style="list-style-type: none"> 1. Can be attached to any device (i.e. backpack, bike, keys). 2. All items that have been air tagged can be tracked in one App 3. Plays a sound when prompted to help locate an item. 4. Uses Apple device network to locate items that were lost far away. 5. <i>Android's can scan Airtag to reveal contact information.</i> 	- <ul style="list-style-type: none"> 1. Too Bulky to attach to individual earbuds. Only suitable for attaching to an earbud case. 2. Need to buy additional accessories to attach it to items. 3. Does not work if no iPhones are in the area. 4. No Altimeter; Can not tell you what floor a device was left on 5. Precision location is only available to iPhone 11's or newer
Tile's Tile Mate	\$19.99	+ <ul style="list-style-type: none"> 1. Compatible with IOS and Android 2. Item Reimbursement - Tile will reimburse customers who can't find their tiled item 3. Users can scan the device for your contact information if it's lost. 	- <ul style="list-style-type: none"> 1. Non-replacable battery 2. Too large to attach to small items, such as ear buds. 3. Compatibility issue with Samsung phones; Samsung phones will force the tile app to go to sleep even if the app is set to never go to sleep. 4. Does not over live tracking, therefore, it is not good at tracking moving devices. 5. Location services on the app must be turned on at all times which can drain a phone's battery.
Apple's Find My App	Free	+ <ul style="list-style-type: none"> 1. App comes installed on iPhones. 2. Can track multiple items within the app. 	- <ul style="list-style-type: none"> 1. Only available on iPhone's. 2. Must have an iPhone 11 or newer with IOS 15 or newer for precision location to work. 3. Can not track earbuds if they are dead or inside their case.

(Figure 17) - An analysis of Pair Inc.'s current competitor products' strengths and weaknesses.

Competitive Product/Service Feature and Specification Comparison				
Feature/Spec	Apple Air Tag	Tile Mate	Find My- App	Pair Inc. Peels
Product Dimensions	3.27 x 0.47 x 4.09 inches	1.49 x 1.49 x 0.28 inches	N/A	15mm x 26mm x 5 mm
Item Weight	0.39 ounces	1.4 ounces	N/A	0.42 ounces
Power Source	(1)CR2032 Lithium 3V Coin Battery	Battery	N/A	(1)LR626 1.5V Button Coin Battery
Power Source Replacement Cost	\$0.38	Can't Replace Battery. You must buy a new tile device.	N/A	\$0.30
Range	About 800 ft (Must be within bluetooth range of an iPhone)	Up to 250 ft	About 800 ft (Must be within bluetooth range of an iPhone)	In the research and testing stages

Battery Life	About one year	Up to 3 years	N/A	Up to 3 years
Price	\$29.00	\$19.99	Free	\$55-65
Material	Metal	Plastic	N/A	Silicon Rubber
Operating Temperatures	-	-	0-35°C (iPhone's Operating range)	-40°C to 85°C
Accuracy	-	-	-	< 2.0 m (Horizontal Position) <4.0 m (Vertical Position)
Waterproof	IP67 water and dust resistance rating	Water Resistant (IP67)	N/A	Silicon rubber has an absorption rate of 1%
Hygiene	-	-	N/A	Infused with Copper for its antibacterial properties

(Figure 18) - Feature and specification comparison of Pair Inc. and competing products.

XI. CONCLUSION

Pair Inc.'s new earbud skins will serve as a catalyst for a new wave of technology. This is only the start of Pair Inc.'s nanotechnology revolution. Today, shareholders are seeking an investment of \$15,000 for marketing and research & development initiatives. With additional funding, more opportunities will be made available to satisfy staffing needs, improve Pair Inc.'s online presence, remodel the website, and fund promotional activities such as social media commercials. Pending the launch of the company's initial product, engineers plan to engage in new prototyping for nano-tracking skins for computer/phone styluses, credit cards, and key fobs. The opportunity for nanotechnology GPS tracking is abundant and will continue to grow in parallel with the ever increasing prices of personal technology.

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