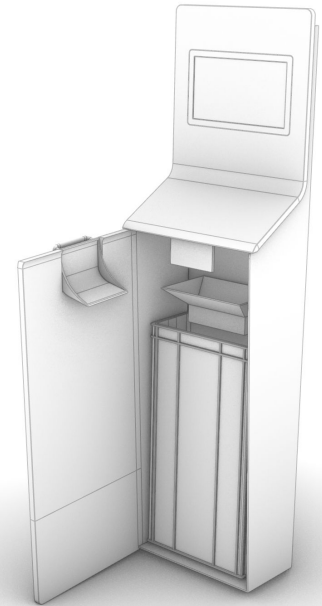


Business Plan

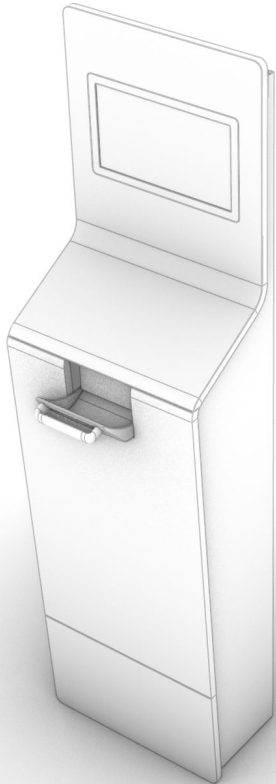
Variable Costs

Item	Description	Quantity	Price/Part	Price/Machine
15.6 inch LCD Screen (4k)	LQ156D1JX02 with controller board	1	\$65	\$65.00
Internal Battery Storage Box	Custom box with dimensions, 15x7x30"	1	\$8.20	\$8.20
Motion Sensor	OKY3271-1, -1 (Ultrasonic Sensor)	6	\$1.64	\$9.84
Weight Sensor (Loading Cell)	TZT Cell-Weight-Sensor Ad-Module HX711	2	\$2.50	\$5.00
Body, Frame, Decal, Assembly	3rd party vending machine solutions company	1	\$1,750	\$1,750.00
Delivery	Weight Estimate: 220 lbs, Freight Class 60, UPS	1	\$320	\$320.00
Total Per Machine				\$2,158.04
Cushion				5%
Total Variable Cost				\$2,265.94

Expected Variable Costs: **\$2,265**



Fixed Costs



Item	Description	Cost
Molding Costs (Minor)	Estimated cost for small molds that cannot be standardized for machine design	\$20,000
Custom Engineering	Estimated 100 hours of custom design work by contractor (3000 per hour)	\$300,000
Database Structuring	Internal process, minimal investment required. \$2,000 for new tool acquisition	\$2,000
QA Testing	Internal process, 2 weeks of work from QA Analyst (80 hours at \$21 per hour)	\$1,680
UI/UX Creation	Internal process, 4 weeks of work from UI/UX members (160 hours at \$60/h)	\$9,600
	Fixed Cost Sum:	\$333,280
	Cushion:	10%
	Total Fixed Cost:	\$366,608

Expected Fixed Costs: **\$366,608**

MVP and Nationwide Costs

MVP (Indianapolis) Coverage Cost	
Walgreens	10
Walmarts	27
Home Depots	5
Best Buys	3
Retail Sites	45
Machines Required	50
Est. Cost / Machine	\$2,266
Fixed Costs	\$366,608
Est. Total Cost	\$479,905

Nationwide Coverage Cost	
Walgreens	9,277
Walmarts	4,756
Home Depots	2,200
Best Buys	1,009
Retail Sites	17,242
Total Machines	17,500
Est. Cost / Machine	\$1,246
Fixed Costs	\$366,608
Est. Total Cost	\$22,176,300

Volume Discounting



	Quantity: 1	Quantity: 100	Quantity: 1,000	Quantity: 10,000
Fixed Cost:	\$366,608	\$366,608	\$366,608	\$366,608
Volume Discount:	0%	20%	40%	45%
Variable Cost Per Unit:	\$2,266	\$1,813	\$1,360	\$1,246
Total Variable Cost:	\$2,266	\$181,275	\$1,359,565	\$12,462,681
Project Cost Estimate:	\$368,874	\$547,883	\$1,726,173	\$12,829,289

Shipping Costs Per Battery

Shipping Costs	
Machine Cubic Inch Space	3,150
Battery Volume (inch)	0.958
Potential Capacity	3288
Est. True Capacity	2000
Weight per Battery (lbs)	0.055
Total Shipment Weight (lbs)	110
Package Dimensions	16 x 10 x 16
Package Cost	\$78.40
Package Battery Count	2000
Cost per Battery	\$0.04



The designed storage capacity in cubic inches



The maximum and realistic number of stored batteries



The calculated shipment details using stored capacity



The cost of the shipment divided by number of batteries

Expected Battery Volume

Battery Estimation	
US population	328,200,000
80% (those in urban centers)	262,560,000
Batteries Per Person	8
National Battery Count	2,100,480,000
Desired Recycling Deposit Rate	5%
Batteries Deposited Per Year	105,024,000

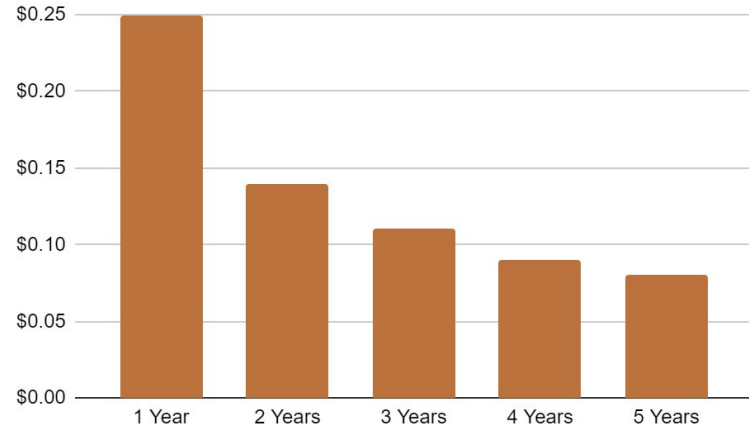
- U.S. Census Data on current national population
- Project does not benefit extremely rural communities
- Annual average of batteries thrown away per person
- The total number of reachable dead batteries in USA
- Desired rate of deposit for dead batteries
- The expected yearly number of deposited batteries

In the first year of the national rollout, the project is likely to experience **over 100 million batteries** deposited

Cost Per Battery

Total Program Cost (Nationally) With Shipping Costs	
US population	328,200,000
80% (those in urban centers)	262,560,000
Batteries Per Person	8
National Battery Count	2,100,480,000
Hopeful Return Rate	5%
Batteries Returned Per Year	105,024,000
Number of Years	2
Total Number of Batteries Returned	210,048,000
Shipment Size (# of Batteries)	2,000
# of Shipments Required	105,024
Shipment Cost	\$78.40
Total Shipping Costs	\$8,233,881.60
Fixed and Variable Costs	\$22,176,300
Total Program Costs	\$30,410,181.35
Cost Per Battery	\$0.14

Cost Per Battery versus Program Duration



Depending on the project duration, Duracell would essentially be paying **between 7 and 15 cents per returned battery** (including shipping)

Retailer Benefits

Walmart, Walgreens, Home Depot, Best Buy

- **No additional costs**, maintenance, or change in worker process
- Customer appreciation and **improved brand image** (retailer logo included in the machine display)
- If customers have batteries, the **machine can be a determining** factor
- McKinsey proved a correlation between supporting sustainability and **financial growth**
- Employees prefer to associate with sustainable companies, offering **increased talent acquisition** benefits
- These stores have expressed a **willingness to partner** towards sustainability in public statements