

Red House Ink<sup>°</sup> 2005

# RED HOUSE INK

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**Homes for Everyone in Need**

# The Situation

- + Natural disasters cause great human suffering many times each year
- + One of biggest issues evacuees face is finding acceptable housing
- + Temporary housing for those who have lost their homes is extremely limited
- + Currently, only tents or permanent structures exist as temporary solutions
- + We will offer a hybrid that has a solid frame with fabric parts and can be used for 6 months

# Market Research

- + In just North America from 2000-2005, there were 167 natural disasters
- + 85 of those disasters Disasters were significant (17/year)
  - + over 100 people were homeless, 1000 people were affected, or there was greater than \$10,000,000 in damages
- + Emergency Housing organizations reported providing 50,000+ accommodations to house victims of hurricane Katrina

# Red House at Katrina

- + [www.hurricanehousing.org](http://www.hurricanehousing.org) placed 30,000 people in temporary housing after Katrina.
  - + Our shelter would have been used for the 1-5 day wait for the people who hadn't yet been placed in housing
  - + Our distribution area would also serve as a command center where victims can get connected with aid organizations
  - + We would catalogue what shelter has been given to whom, so aid orgs and family members can find victims, avoiding long lines

# Market Research

- + All Red Crosses are franchises which answer to national chapter in D.C.
- + More red tape for a company that doesn't already have a contract, but it does happen regularly
- + 20-40% discount on goods
- + Mark, from SW Penn. Red Cross chapter, was interested in purchasing units if the venture goes forward
- + Staywell a possible contact

# Market Research



NOAA

# Market Research



Pac-Van

Solid structure, sleeps 4, no relief accessories, must have truck access to disaster area

Price: \$3000-5000



Design Shelter

Industrial frame, high-tech insulated, exterior, long set up, 4-12 people, no accessories

Price: \$2000-5000

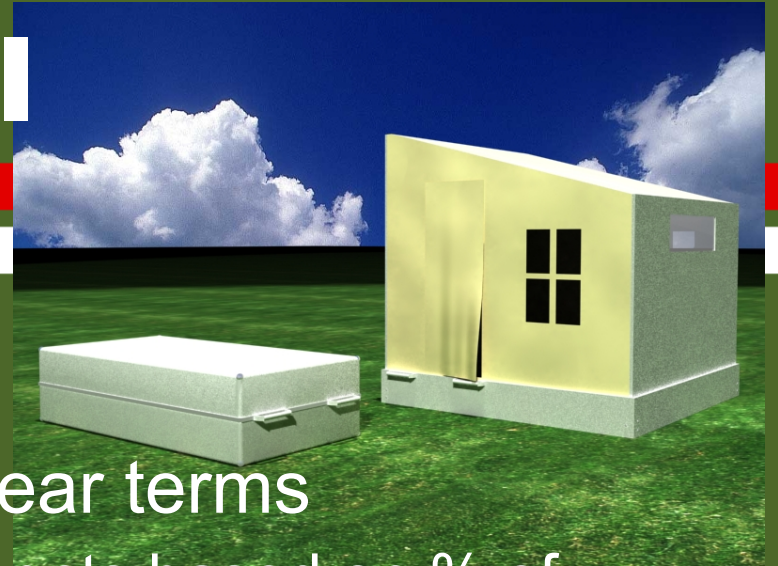


Shelter Systems

20 min set up, 1-8 month use, sleeps 12-16, very heavy, no accessories

Price: \$100-500

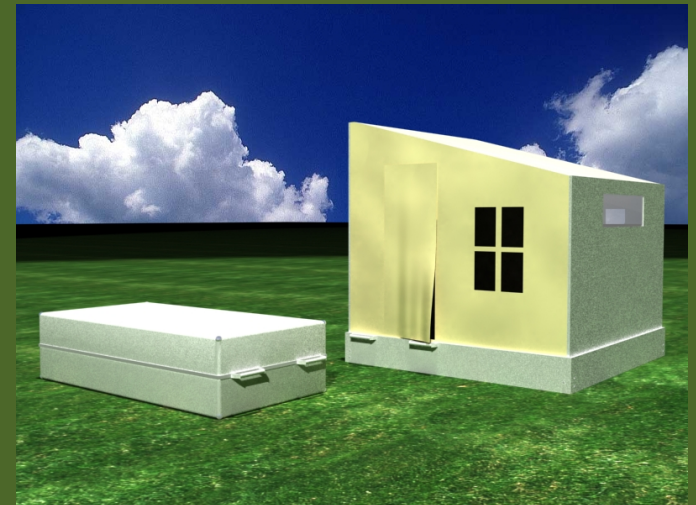
# Business Model



- + Non-profit (IRC 501c3)
- + Units will be leased for 3 year terms
  - + 50% up front, monthly payments based on % of units available
  - + 8 month maximum turnaround
- + Store units at airports for fast distribution
  - + Possible annual storage fee
- + When returned, service fees are collected for repairs and replacements
- + Additional charges for disaster relief accessories (first aid kits, MREs, ponchos, etc.)

# Developing the Product

- + Designed in house
  - + Affords maximum control over design
- + Outsource manufacturing to another company
- + Possible CNC technology
  - + Keep labor costs low
- + Parts shipped to storage warehouses, where where they are assembled and stored
- + Worn out parts will also be Replaced at the warehouse before storage



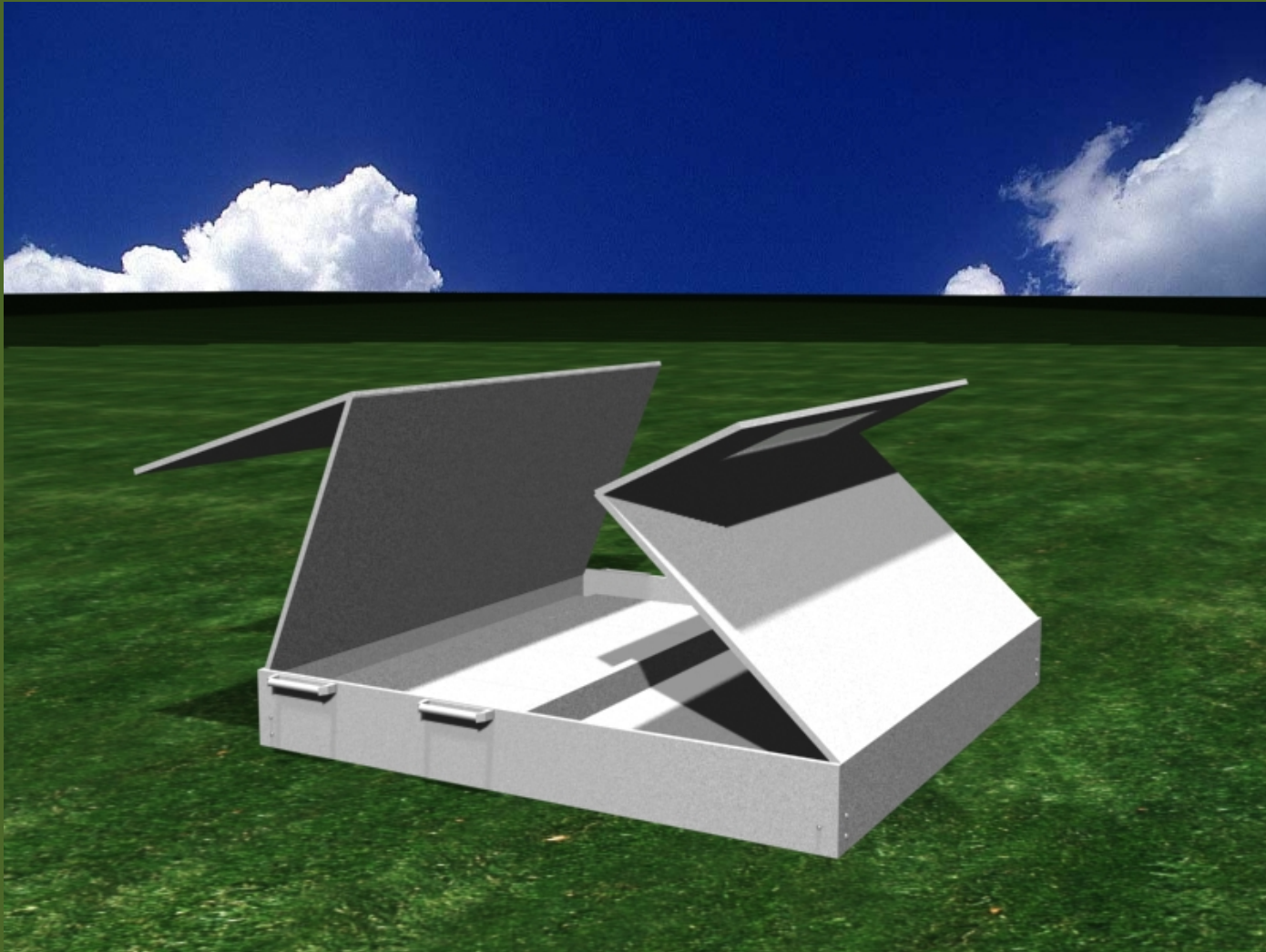
# Cash Flow

	1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.
<b>Income</b>					
Grants	200	450	500	500	500
Donations	10	20	30	30	30
Leases	50	100	200	600	900
Service Fees	20	40	60	70	70
<b>Expenditures</b>					
Product Dev.	500	500	250	100	50
Assembly	10	10	10	10	10
Manufacturing	300	200	100	100	100
Relations + Travel	10	10	20	30	60
Int. Property	6	12	1	1	1
<b>Total</b>	<b>-546</b>	<b>-122</b>	<b>409</b>	<b>959</b>	<b>1279</b>

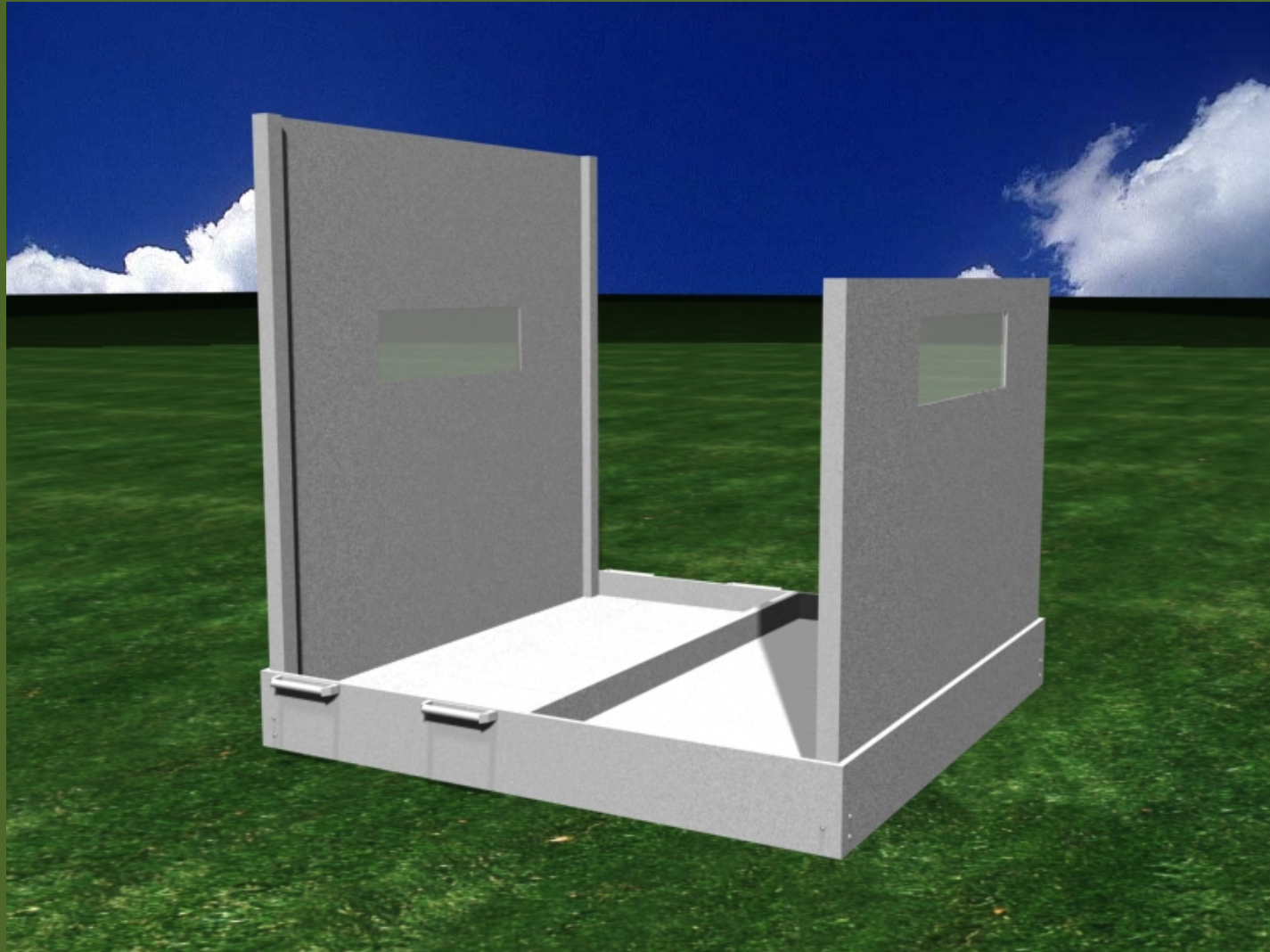
# Funding

- + Grants
  - + Product Development
  - + Organization Support
  - + Financial Assistance for Customers
- + Product Development
  - + Green Communities
  - + LEED Certification
  - + US Department of Housing and Urban Development Grants
- + Organization Support
  - + American Red Cross
  - + Global Green Grants Fund
- + Financial Support for Customers
  - + Homeland Security Housing and Disaster Aid Grants
  - + FEMA – recovery expenses grants

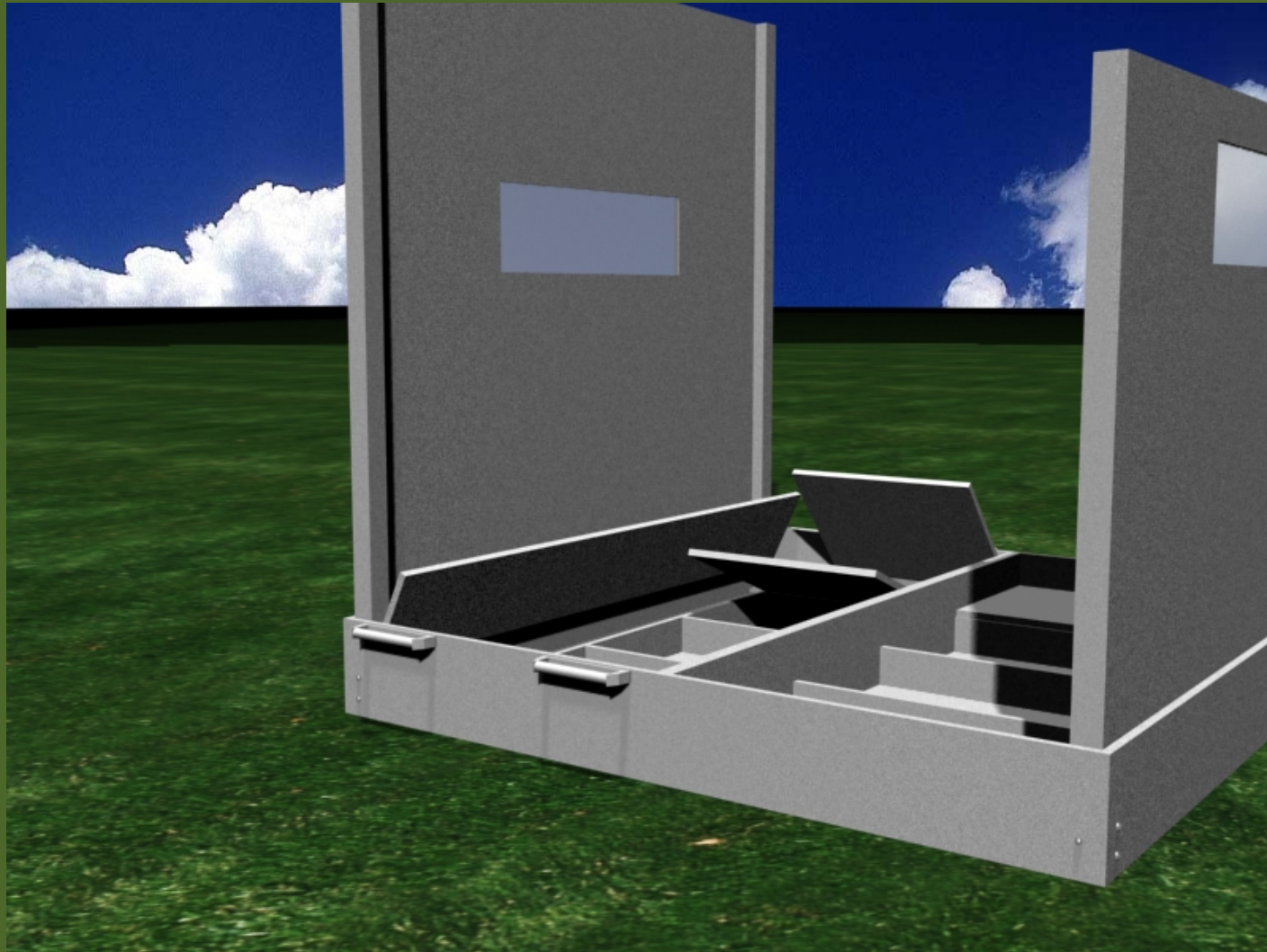
# The Product



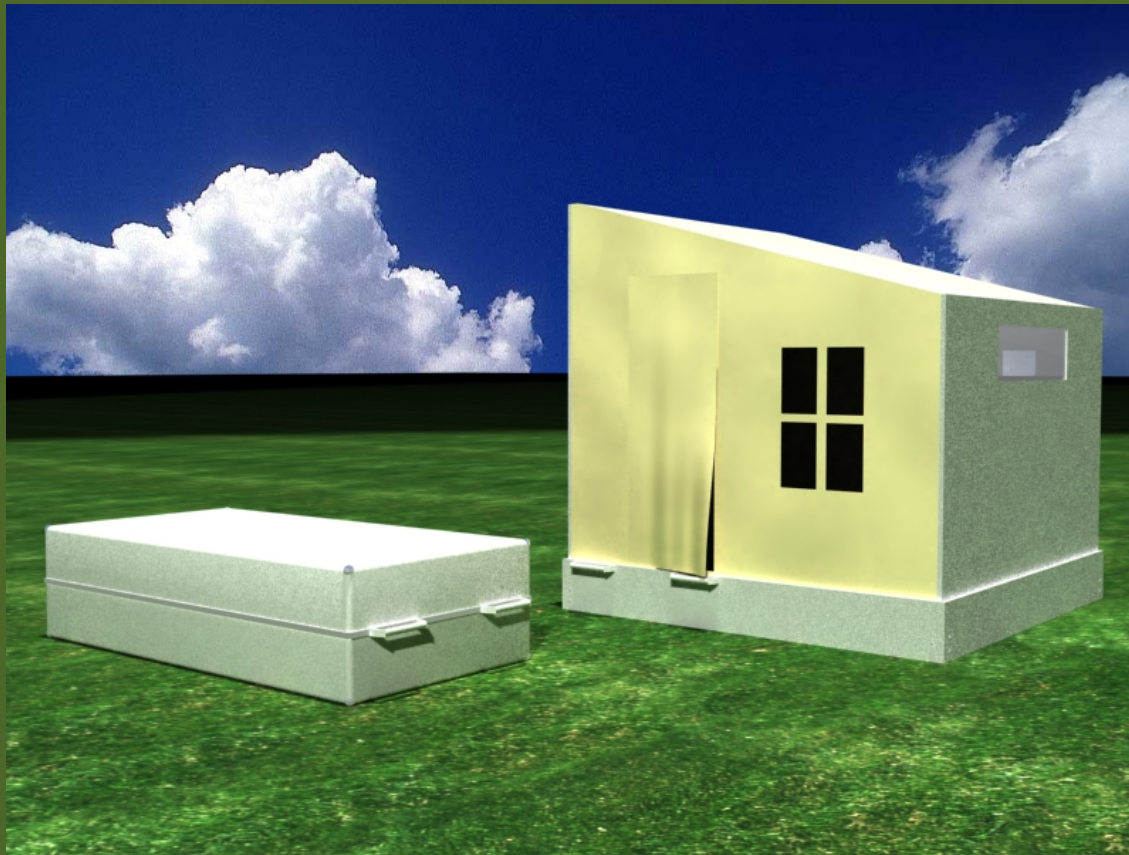
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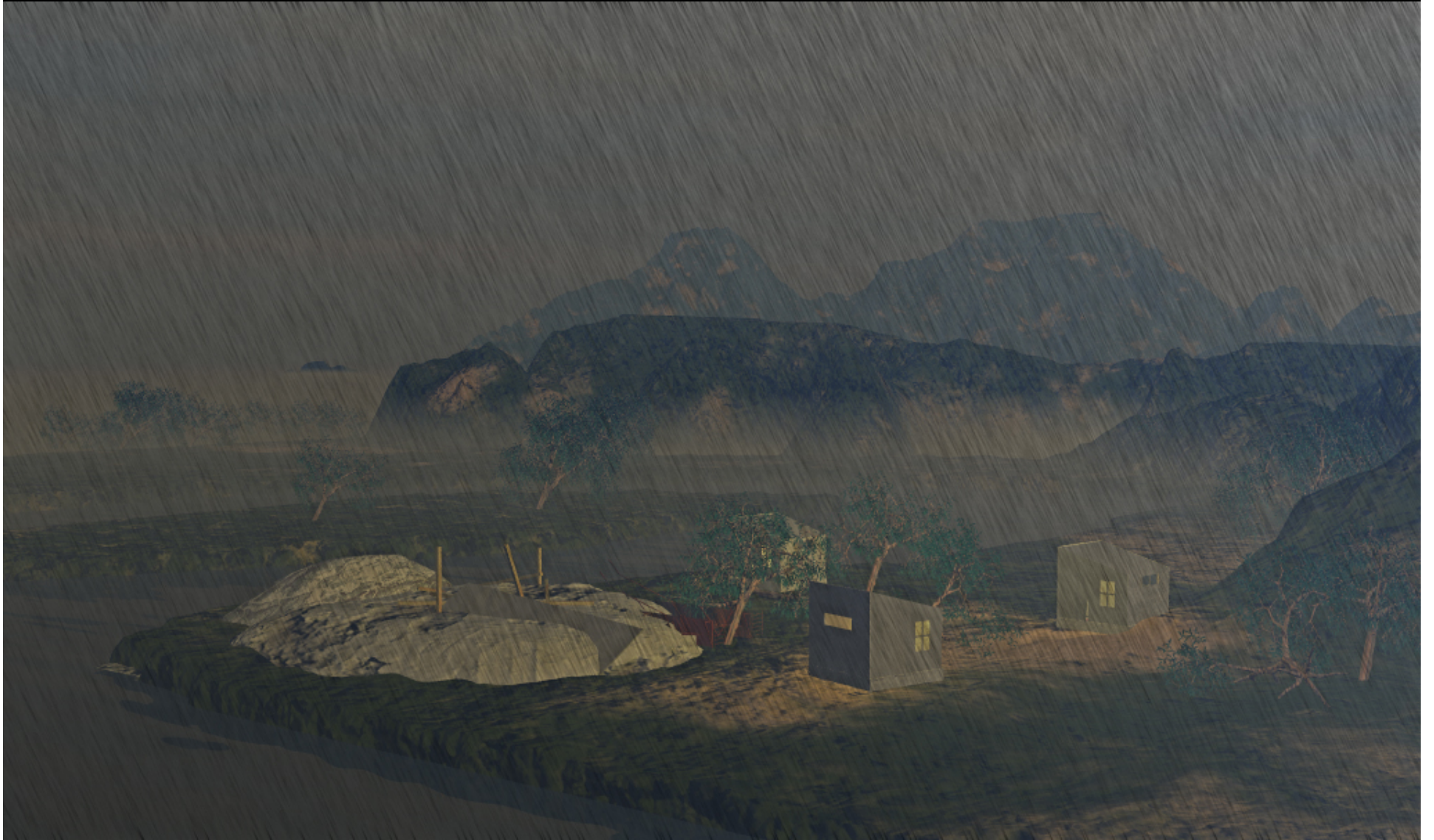
- +Hard and soft construction
- +Easy set up (15 min or less)
- +Sleeps 4
- +Transportable via all methods of transportation
- +Relief accessories available
  - +Sleeping bags
  - +Sleeping pads w/ pillows
  - +MREs
  - +Ponchos
  - +First-aid kit
  - +Flashlights
- +Price: \$300-800

# Goals

- + One year: get patent protection, resolve a working prototype, 3 franchise contracts
- + Five years: prove product/business model in two countries, national Red Cross chapter contract
- + Ten years: additional products, water filtration, command center, latrines/waste management

# Future of Project

- +Provisional Patent (\$200 filing fee) plus lawyer expenses
- +Follow up with 3 patents: instructions, collapsible design, process for recycling plastic (\$12,000 estimate)
- +Promising opportunity
- +Team does not have the time resources to carry it out successfully



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