

CASE STUDY: Botanical Colors

Seattle, WA Founded in 2010 by Kathy Hattori

COMMUNICATIONS DIRECTOR: Amy DuFault | LEAD PRODUCTION DYER: Carrie Gunnerson | EMPLOYEES: 5

ABOUT BOTANICAL COLORS

Botanical Colors provides natural dyes that are sustainable, environmentally friendly and support farming communities and small producers. Botanical Colors' Founder Kathy Hattori has personally visited a number of her major suppliers to ensure that their working environments and processing methods are humane as well as economically and socially responsible. All of the dyes Botanical Colors sells are personally tested for quality, light and washfastness and are the historic dyes that have been used for centuries by textile artisans all over the world.

MAIN BARRIERS OR NEEDS

We need higher capacity equipment and a larger space to run more efficiently and attract larger customers. Currently we are turning away business because we don't have capacity for larger scale requests. We could also greatly benefit from machines that can handle higher volumes.

In addition to the equipment, we are hoping to become more water and energy efficient and would love to investigate solar or wind energy as well as water recycling technologies to cut down on our usage.



IMPACT AREAS



Support Farming Communities



Toxins Reduction



Equity and Justice



Economic Development/ Job Creation

CURRENT CAPITAL STACK A/O INVESTMENT TO DATE

We have an SBA loan for operating costs and inventory purchases. All other funding has been through personal loans from family or our own profits.

TYPE AND MAGNITUDE OF INVESTMENT SOUGHT

We are looking for funding to lease or purchase a facility and create a natural dye production dye house in the Pacific Northwest. The capital expenditures for the equipment are about **\$350,000**. This is for dye equipment, dryers and auxiliary equipment (4 dye machines at \$60K, dryers, frames and other equipment).

REVENUE MODEL & PROJECTED PROFITABILITY TIMELINE

We have been profitable for 10 years and demand is growing. We have customers who will transition to higher volumes with the new dye house.

KEY RISKS

Our current limitation is that we are being approached by large brands but do not have the capacity to meet their volumes. The dyestuffs are agricultural products and dependent on successful annual crops. Global warming may impact availability, but we have not seen this occurring yet. We are seeing now that the pandemic is impacting our workforce and we are required to safely distance, which reduces efficiency. We could mitigate this with higher capacity equipment so more volume is completed per work shift. .

INTEGRATED CAPITAL PATHWAY: BOTANICAL COLORS

2010 ————— 2018 ————— 2020 ————— 2020 ————— 2021



\$45,000 Friends and Family loan—100% repaid 2012



Bank line of credit: \$20,000—ongoing



SBA Economic Injury Disaster Loan: \$7,000—no repayment
SBA Paycheck Protection Program loan \$26,000—expected to be 100% forgiven



Paypal: \$30,000 Working Capital loan—100% repaid
SBA Economic Injury Disaster Loan: \$100,000 long term low interest loan



Seeking: Capital investment to scale our natural dye production

TYPES OF CAPITAL



NON-FINANCIAL SUPPORT
Business Planning TA
Network Connections
Advisory Support



GRANTS
State & Federal Grants
Philanthropic Grants



LOAN GUARANTEES
Philanthropic Guarantees
Guarantee Pools



LOANS
Friends/Family Loans
Other Debt Financing
Bank Loans



INVESTMENTS
Revenue Share Agreements
PRIs & MRIs
Equity

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