



International Business Plan Event

DECA Illinois

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I. Executive Summary

A. Company Information

Pipe it Back is an innovative new business centered around the revolutionary CPVC pipe. Recently, the Chinese government discovered lead-contaminated copper pipes carrying water in public buildings throughout the country. Our solution is three-pronged. First, we will distribute CPVC pipes in China to replace the contaminated copper pipes. Second, we will buy back the copper pipes and resell them in the United States for safe applications. Finally, we will partner with Charity: Water, a world-renowned charity, in order to advance our goal of providing clean drinking water to people around the world and further associating the Pipe it Back brand with reliability, safety, and responsibility.

B. Location

In early 2012, international testers from the United Nations found extremely high levels of lead in the running water at a Chinese hospital. Further internal investigations by the Chinese government traced the problem to the lead-based solder used to connect miles of copper pipes throughout China (South China Morning Post, 2015). The lead contaminates China's water supply, causing sickness and, in some cases, death. Pipe it Back has large market potential because lead-tainted systems span the entire country and are most prominent in China's public buildings. The Chinese government has set aside funds to replace the lead-tainted copper pipe system and has placed Hong Kong politician Helena Wong at the head of the project.



C. Planned Operation

Pipe it Back will buy CPVC pipes from the established American Charlotte Pipe and Foundry Company. Pipe it Back will then sell the pipes to its Chinese subsidiary to replace China's copper piping. Additionally, the U.S. parent company will sell product and provide administrative services to its Chinese subsidiary in compliance with transfer pricing rules in order to minimize double taxation of income. The installation and shipment to the United States of the scrap copper from China will be managed by the U.S. parent company through its Chinese subsidiary. Safe applications for this copper are numerous, including to car engine blocks, electrical wiring, and electronic accessories. In addition, Pipe it Back will assist Charity: Water by contributing CPVC piping to the organization, establishing reliable piping systems in impoverished countries.

D. Product and Pricing

CPVC pipe is one of the latest innovations in the plumbing industry. Experts praise CPVC for its longevity, affordability, and durability (Buildings.com, 2006). The power of CPVC lies its advantages over its competitors. Whereas PVC pipe is only suitable for cold water, the much more versatile CPVC pipe is able to handle both hot and cold water because of its chlorine treatment. CPVC's other competitors—copper and galvanized steel—while able to handle the same temperatures as CPVC piping, cost upwards of five times as much. CPVC pipe is the longest lasting pipe on the market; conservative estimates report that the pipe will last at least 75 years (Improvement Center, 2014). Pipe it Back will sell the CPVC pipes at ¥9.67 (\$1.50) per meter and at a discounted rate of ¥8.06 (\$1.25) per meter with copper pipe buy-back. We are confident that Chinese