

Bailout Systems, Inc.

Executive Summary

Contact Information

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Industry

Fall Safety

Development stage

Startup, pre-revenue

Year founded

2016

Number of Employees

6

Existing Investors

MiQ partners / Manufacturing
Partnership \$180,0000

1819 Innovation Hub/
\$300,000

THE GRAB

Bailout Systems is a technology company leveraging IP to revolutionize the fall safety industry. Founded by a military Senior Chief/Navy Deep Sea Diver, Bailout Systems has developed the world's smallest, hands-free descent device. While this technology has far-reaching applications in several industries, Bailout Systems will introduce its first product offering to the 1.2 million firefighters in the US market.

PROBLEM/OPPORTUNITY

Firefighters do not use fall safety equipment because today's offerings are heavy, uncomfortable and cumbersome when performing daily tasks. According to a market study by Frost and Sullivan, "fall safety is one of the products with the lowest compliance rates in the personal protective equipment (PPE) market due to a lack of end-user awareness. End-users consider these products as hindrances to productive work."

Low adoption rates, combined with three market factors, provide a brief window of opportunity to disrupt the fire industry. First, synthetics used in modern construction result in fires burning 85% faster than 15 years ago. This dramatic reduction in egress times is leading to an increase in height related injuries and deaths, a \$1.7 billion yearly cost to the industry. Second, our hands-free technology is now small and light enough to be carried by any firefighter without inhibiting their daily activities, something no other device on the market can offer. Finally, with only three major components, our invention can now be manufactured at an affordable price, allowing us mass-market capabilities at high margins.

SOLUTION/PRODUCT

Our device is for firefighters who are dissatisfied with the available self-rescue devices on the market. Our product is a purpose-built fall safety device the size of a hockey puck, that provides hands-free descent, and integrates into current systems without hindering work. Unlike today's market offerings that are heavy, complex, and have long set up times, our device allows firefighters to exit a structure in 2 seconds, requires no user interaction and little training cost, weighing under 1.5 pound.

REVENUE MODEL

Customers within the fire industry want products that offer peace of mind without the need for excess training or cost inputs. Although current fall safety systems do not fully deliver on these needs, firefighters consistently purchase these systems, averaging \$500 per unit. Our first revenue stream is transaction-based, focused on selling our core device to the 1.2 million firefighters and 24,000 fire departments across the United States through online sales and distribution partners. Our second stream results from the repurchase of our specialized line. Mandates within the fire industry govern the life cycle of fall safety lines. We expect repurchase of our line to occur every 1.5-2 years from individual customers, and quarterly from fire departments. Our third and final revenue stream focuses on intellectual property. Our two issued patents and one patent pending, have generated licensing interest from companies both within and outside of the fire industry. Licensing our technology allows us to open new revenue streams while enabling partners to more fully round out their product offerings.

COMPETITION

As a result of all competitors using the same technology (friction based devices), they are forced to compete based on price. This lack of innovation has resulted in an extremely fragmented market where the top 5 fall safety systems account for less than 30% market share. Our competitive advantage is in our IP. Our technology provides a product with true value innovation and an expansive feature set at a competitive price. This allows us to quickly capture a large section of the existing market while simultaneously attracting "non-customers" who do not purchase fall safety equipment.

EXECUTION PLAN/GO TO MARKET STRATEGY

Bailout System's product is the most advanced fall safety device to ever hit the market. With this in mind, we have initially chosen to focus early marketing efforts on social and creative content. We will leverage our team's experience in social marketing to reach individual purchasers and build brand recognition through product launch. Simultaneously, we will sell our product through established distribution partners to reach key firehouses throughout the country. The combination of distribution networks and aligning social campaigns with our revolutionizing technology will allow us to establish our brand as the innovative company within the industry.

FINANCIALS

Projections and Financials available upon requests

THE TEAM/RELEVANT EXPERIENCE

Michael Ragsdale: Co-Founder, President & CEO

Michael Ragsdale has served for the last 17 years in the United States Navy, as a deep-sea diver. He has quickly moved through the ranks to his current position as Senior Chief Petty Officer, the top 2% of the enlisted force. Through his time in the Navy, Michael has assembled and led elite teams all over the world.

Patrick Henke: Co-Founder, Chief Design Officer

Patrick Henke graduated top of his class from the #1 industrial design program in the country. He has experience with user focused product design and research working within fortune 500 companies, such as Honda and Samsung. Most recently Patrick has helped co-found several funded startups focused on user experience and product design.

Ben Krupp: Co-Founder, Chief Engineering Officer

Ben Krupp graduated from Ohio State University with a masters in engineering from MIT. In 2000 Ben co-founded Yobotics, a robotics company that was awarded R&D contracts with NIH, DARPA, and TACOM. In 2008 Ben began consulting, successfully developing and pioneering human augmentation, exoskeletons, biomimetic robotic applications, along with a number of surgical and consumer products.

Haskell Simpkins: Co-Founder, Lead Engineer

Haskell has over 35 years of professional engineering and manufacturing experience in aerospace, automotive, surgical, energy, and consumer products. Throughout his career, Haskell has co-authored and developed 25 US patents across broad ranges of technologies, one of which is a product now available nationwide at over 1,600 home improvement stores.