

Austin Diversified Products, Inc. Corporate Backgrounder

THE COMPANY

AUSTIN DIVERSIFIED PRODUCTS, INC, with corporate headquarters in Harvey, IL, was founded in 1980 by Mr. Nathan Edwards and his wife Mrs. Ruth Edwards.

The company manufactures, markets, sells and distributes proprietary cleaning products. Its most recognizable product is ADVANAGE™ Wonder Cleaner, a highly-concentrated, non-toxic, biodegradable, phosphate-free cleaner that has been sold to over 20 million customers in the company's nearly 30-year history.

Products are primarily sold by Austin sales people and independent distributors who make door-to-door sales presentations to consumers and businesses. In addition the company sells its products over the World Wide Web and via its telemarketing operations.

Austin recruits young men and women from the inner cities of America to fill its sales positions. This approach provides young adults with an opportunity to build a career and earn a good living. Along with basic sales training, the company helps them prepare for a productive life by instilling in them the disciplines needed to cope with life and its uncertainties.

For those sales people who have made Austin a career choice, the company has created a subsidiary called New Challenge, Inc. New Challenge provides Austin's best sales people with an affiliate program that gives these men and women their own personalized web site so they can continue to serve their customers, friends and family with Austin's ever-growing list of fine products. The New Challenge Affiliate program is also open to individuals who wish to own their own business and sell Austin products directly from their own inventory or over their personalized web site.

Products range from the ADVANAGE Wonder Cleaner line to new, ready-to-use cleaners for stainless steel, carpets, hardwood floors, and the bathroom. Like ADVANAGE, all the new products are environmentally friendly, biodegradable, non-toxic and certified green.

HISTORY

Nathan Edwards was born in Greenwood Mississippi. At age 7, Nathan moved to Chicago with his parents. After high school, he took a job to get enough money to buy a car. He soon realized he was not going to achieve his goals working a conventional job. "While I was a cook a Spiegel Catalog Kitchen, I got a raise in the position but not in pay," said Edwards.

At age 19, he responded to a newspaper ad from a company selling magazine subscriptions called "Local Readers Service" in Terre Haute, Indiana. Within two years he was promoted to a supervisory position, responsible for motivating and training sales people. Two years later, his original team of five sales people had grown into an organization of 60 people - an extraordinary feat and something never done so quickly, by anyone so young in the history of the direct sales industry.



ADVANAGE is available in four renditions – Citrus, Green Apple, Lavender, and fragrance-free Clear.

In 1974 Nathan opened his own magazine-clearing house. In 1979 he branched out into publishing his own magazine. And, in 1980, he went back into what he knew best - direct sales. Nathan and Ruth founded Austin Diversified Products, Inc., naming the company after Nathan's father, Austin Edwards. ADVANAGE Wonder Cleaner was then developed, using the Edwards' garage to bottle the product. They then started selling it door-to-door with a crew of 10 sales people. Before he knew it, "Our sales people were selling it faster than we could bottle it."

Soon Nathan opened an office in Harvey, Illinois which has served as company headquarters ever since. Ruth Edwards oversees daily operations at the corporate headquarters.

Proclamations – Nathan T. Edwards Day in the Ohio 21st Congressional District; Nathan T. Edwards Day in Topeka, Kansas.

Awards – Chicago Area Entrepreneurship Hall of Fame; Black Role Model, Orange County, CA; Small Business of the Year by the Chicago Chamber of Commerce.

Memberships – President National Field Selling Association; University of Chicago Family Business Council; Los Angeles and Chicago Better Business Bureaus; NAACP (South Cook County, IL).

A hands-on manager in every sense of the word, Nathan spends most of his time "in the field" working with his many crews of door-to-door sales people. Working with the sales people is an understatement. He lives in the same hotel as they, holds sales meetings everyday of the week (that's seven days) and takes a personal role in keeping them all motivated and trained.

The crews are recruited from the downtown neighborhoods of Chicago, Detroit and other cities where thousands of young people, lacking education, direction and opportunity are looking for a chance to leave a dead-end job or break away from a life of poverty and unemployment.

Austin gives these young adults a chance to learn and earn as they work their way up the Austin organization or go off and start a professional career of their own.

MISSION

Since its inception in 1980, the company mission has never wavered. Austin is a for-profit organization providing meaningful employment for inner city young adults to learn, earn and grow. This is accomplished by selling quality, proprietary products that outperform the competition, are fairly priced and environmentally friendly.

Austin sales people are trained to inspire customer confidence by following the highest standards of business ethics. This is a manifestation of ongoing training, close supervision and a motivating living and work environment. Thus the company mission is to...

Give young people, living in the impoverished, underprivileged neighborhoods of America's inner cities jobs, training and opportunity to become productive citizens.

Manufacture and sell products that do not pollute, keep our waters pure and protect the land for our children and grandchildren.

Inspire young adults, through training and education, to earn a living and achieve professional excellence.

Create distributorship opportunities for individuals seeking to have their own business, control their own destiny and earn economic independence.

PRODUCTS

ADVANAGE Wonder Cleaner is the company's signature product and has been sold to over 20 million customers. ADVANAGE Wonder Blue and Pet Pack are newer products that were introduced to the market in 2006 and 2007.

ADVANAGE Wonder Cleaners. These super-concentrated, multi-purpose cleaners are environmentally friendly, non-toxic, biodegradable, EPA and OSHA approved. Just add water, and one quart of ADVANAGE concentrated cleaner makes as many as twenty quarts. ADVANAGE is available in any of four renditions – Odorless or with a Citrus, Green Apple or Lavender scent. Independent laboratory testing has shown ADVANAGE to outperform the leading retail products.

In late 2008 the company introduced a new, improved ADVANAGE. The new Wonder Cleaners were made even more environmentally friendly by using 'greener' raw materials without compromising the company's proprietary formulations. In addition, the company added its patented Surfactant (Surface-Active-Agent) system which improves the product's emulsification properties, which dramatically improves ADVANAGE's performance on oily, greasy surfaces.

ADVANAGE Wonder Blue. This hard water stain and spot remover is especially formulated to clean hardware spots from windows, mirrors, shower doors, tile, sinks and bathtubs.

ADVANAGE WonderPet Pack. This ready-to-use pet stain and odor remover is safe, easy and fast with more active enzymes than the three leading brands combined. Wonder Pet Pack is scientifically formulated with five safe, non-toxic, biodegradable enzymes targeted for urine, marking scent, sticky mucous pheromone and uric acid. The Pet Pack includes a 16 oz bottle with built-in brush, a 32-oz refill and a 16-oz container of herbal flea spray.

STRATEGIC ADVANTAGES

The company's unique approach to direct sales; i.e., selling door-to-door, provides Austin Diversified with numerous competitive advantages compared to retail and sales by appointment.

Multiple Sales Teams. Austin has one main team of about sixty to seventy outside sales people. In addition, the company has about twelve additional, independent distributor teams of between twelve and 60 sales people each. Each team works a different city, travels, and spend about one month in any given city.

Austin is a minority business enterprise (MBE), meets all SBA size standards, and qualifies as a small business: MBE National Minority Supplier Development Council (Chicago Chapter) Certificate No. CM169.

Tens of Thousands of Sales Calls Every Week. Six days a week, Austin sales crews work full days making cold-calls to homes and businesses. By the end of the week tens of thousands of direct sales calls to residential and commercial customers have been made.

Personalized Selling. Consumers want knowledgeable salespersons to demonstrate how the product they are considering purchasing meets their particular wants and needs. Corporate downsizing has all but made quality sales people extinct for low-cost consumer goods. Consequently, customers are being asked to make buying decisions based on advertising gimmicks, Internet claims, questionable price comparisons, and trendy store locations. All of these factors tend to impersonalise the market places. This is not what consumers want. Instead they want to know and see exactly what problems the product they

are contemplating buying is going to solve for them. They don't want generalities; they want answers that only an informed sales person, like an Austin sales person, can provide

New Customers. Thousands of new customers are created every week forming a large database of potential repeat customers.

NAICS Codes	
325611	Soap and Other Detergent Manufacturing (Primary)
325199	All Other Basic Organic Chemical Manufacturing
325613	Surface Active Agent Manufacturing
325998	All Other Miscellaneous Chemical Product & Preparation Manufacturing

Cash Flow. All door-to-door sales are cash or credit card.

Short Time to New Geographic Markets. Door-to-door teams can be disbursed into new locations in days.

Instant Test Marketing. Sales people (a few or many) can be trained on a new product and then sent out to test market the product.

Talent Pool. Millions of young people graduate high school every year. Many are not cut out for college. Decent jobs for unskilled workers are rare. Austin provides an opportunity for these young people to start a career in sales.

MANAGEMENT

Nathan T. Edwards, President. In 1980, Nathan T. Edwards created a concentrated, environmentally safe cleaning product called ADVANAGE Wonder Cleaner to be sold door-to-door by young people from the inner cities of America. Nearly thirty years later, the company has over 20 Million customers. Mr. Edwards spends most of his time working with and motivating the field sales people and acting as their mentor and role model.

Ruth Edwards, Executive Vice President. Mrs. Edwards is the co-founder of Austin Diversified Products, Inc. along with her husband Nathan. She is responsible for all corporate office operations including finance, operations, and distributor sales.

Arnold Bowen, Chief Financial Officer. Responsible for the company's financial, telemarketing, and IT operations, Mr. Bowen has been with Austin for nearly twenty years. He holds a Bachelor of Science – Business Administration Degree from Roosevelt University.

Tyrone Cooper, Senior Field Coordinator. With over 25 years experience managing door-to-door sales crews; Mr. Cooper is responsible for training new recruits and managing the company's main and largest crew of sales people.

William D. Hughes, Vice President Marketing. Mr. Hughes is responsible for all of the company's marketing and new business development activities. He has over thirty years of experience and has been a senior executive in large and small firms, public and private, serving commercial and government markets.

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