

# Business Plan for Beanz – N – Greenz ®

It's A Juicy Lifestyle

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*Beanz-N-Greenz*

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BEANZ AND GREENZ IT'S A JUICY LIFESTYLE

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## 1.0 EXECUTIVE SUMMARY

### 1.1 Introduction

Beanz – N – Greenz ® will start as a small start-up business venture targeting the OKC metro area tapping into a 5M dollar market based on current coffee sales data (70B total coffee market). We will be focusing on a single store offering coffee with a vision to grow into a multi-store and product franchise across the country. Our core product competency will be coffee with secondary focuses on juices and teas with expansions into the integration of beverage infusions as well as a final phase adding medicinal cannabis dispensing. Our niche into this competitive market space will be to focus on the health aspects of this industry and the atmosphere of the store by providing a unique experience with both of these elements feeding into cutting edge customer satisfaction.

We are seeking 150K investment capital to start our business for an exchange of a 23% ownership position resulting in an initial evaluation of \$576,923. We are also including variable investment options, seed round stages for risk mitigation as well as franchising opportunities for growth potential. We will utilize these funds to get our first store up and running for business including such things as renovations and equipment costs. We are targeting a sustainable 500K yearly revenue (10% market capture) within the first 2yrs of operation to generate enticing ROIs for our partners. This revenue goal is also based on competitor studies of existing well established businesses including franchises as well as younger local ones in the surrounding area. As stated, we also offer a 5yr and 15+ store growth plan into a franchising opportunity targeting 7.6M revenue for us and our investment partners.

### 1.2 Customers

We will serve a diverse and wide spectrum customer base ranging from students to business executives, in essence anyone who wants to come in and enjoy the atmosphere and a nice cup of coffee. We will also cater to those specifically interested in pursuing healthy lifestyles such as vegans and vegetarians which also includes “gym rats”, essentially those that workout and are athletically centered wanting to become more fit, active and healthy. Again this will be our niche focus and what will set us apart from our competitors such as Starbucks or Duncan Doughnuts. We will specifically target these customers with our juice and tea product lines as these are added at later phases per business growth plans. Furthermore, our products including raw materials will be more natural, organic, local and sustainable when possible to support improved health and well-being as well as the surrounding community and farms.

### 1.3 Future

We will offer a unique in store experience that is welcoming and calming and not simply just another drive-thru, however, we will offer this option it will just not be the centric element of our business model. Furthermore, as stated the company will be built in various phases (4 total). The initial phase (1) will consist of developing the coffee and (2) juices and teas as a core competency to grow a solid customer base with later expansion focusing on (3) THC/CBD infused beverages and (4) medicinal cannabis dispensary as a final phase based on legal restrictions and future state regulations. Again we will start in the Oklahoma City metro targeting either downtown OKC and/or Edmond areas expanding to other parts of the state then finally franchising across various other locations within the U.S. such as Colorado and Illinois as initial targets. We also have international expansion plans initially targeting Dubai partnering with the Cherokee Nation organization. Again our aggressive 5yr growth plan includes expanding up to 15 stores with a 7.6M revenue goal as detailed in the market analysis section as follows.

## 2.0 COMPANY DESCRIPTION

### 2.1 Vision

The vision for Beanz – N – Greenz ® is centered in creating a revolutionary therapeutic *experience* where the customers can come in enjoy the positive, calming and revitalizing atmosphere and products. As stated, this is not meant to be a typical “drive-through” but an in-store experience which provides a healthy lifestyle as a result of the environment including the healthy products and educational opportunities as part of the guest speakers offered as additional “entertainment”.

We want customers to feel warm and welcomed when they come in and refreshed and energized when they leave. We will offer accommodations for both quick service as well as more long-term which would include both readymade and made to order product (beverages) options including more specialty items. As stated, we will offer drive-thru accommodations for those on the go, but do not want this to be the main centric focus of our business strategy.

Also according to our marketing analysis, it is known that approximately 2/3 (67%) of the revenue at Starbucks is generated by drive-thru sales, thus we do not want to exclude this lucrative revenue generating option from our business model. We will also have accommodations for mobile phone and delivery orders. We have also investigated the potential of a virtual or ghost store option where all of the products are made to order and delivered. However, this takes away from the traditional in-store experience for traditional coffee drinkers.

Each Beanz – N – Greenz ® coffee shop will maintain the same integrity and vision operationally while being a uniquely designed store to match the surrounding energy of the location as well as the customers. In other words, no two stores will be the same. We also want our staff to have magnetic and compassionate personalities ensuring to provide best in class customer service. This unique structure and business model will allow us to have a competitive edge against other larger cooperate franchise entities such as Starbucks. Also merging the coffee, juice and cannabis industries will give customers a more diverse product selection as well as colorful experience based on the entertainment options offered as discussed further in the product advantages section as follows.

### 2.2 Product Advantages

No other coffee shop in the surrounding area (OKC metro) will provide our diverse products. We want to offer this unique range of products to help ensure our competitive edge and overall customer satisfaction and promotion of a healthy, integrated and holistic centric lifestyle. This further enhances and supports our health niche in the market space. A list of those products include the following:

1. Beverage Options:

- A. Coffee
- B. Herbal Teas (various blends; names and menu pending)
- C. Juices to be approved by Certified Nutritional Dietitian as well as linked to a display/map of the body which would indicate the specific area of interest such as support for healthier hair, skin, teeth/bones, nails, joints, muscles, eyes etc:  
(1) Juicy Life (2) Candy Coated (3) Mango Monroe (4) Red Fusion (5) Crusty Cake (6) Mango Passion (7) Fruit Fusion

It should be noted that each juice will be designed to address a specific area of interest. An example would be Juicy Life could be specifically tailored for healthier hair and so on.

- D. CBD/THC infused beverages (names pending). We also plan to explore a genetic hybrid strain of coffee/cannabis.
2. Entertainment:  
(1) T.V.s (2) Free Wi-Fi (3) Guest Speakers (4) Open Mic. Night (5) Music, Rhythm and Poetry (6) Rentals for special events (7) Nutritional and Supplemental Education (display board) also in the form of guest speakers (8) e-Book discounts
  3. Medicinal Cannabis (various strains; names and menu pending)

It should be noted again that these products will be brought on in phases with Coffee as stage (1), Tea/Juices stage (2), Infusions as stage (3) and medicinal cannabis as stage (4) per previous explanations. All of the “entertainment” options will be offered at stage (1) with the only exception being the nutritional display board for our juices.

We will be seeking products from vendors with both high quality ingredients and competitive pricing. We will also consider setting up licensing and exclusivity agreements with selected wholesale vendors for large bulk orders to reduce product overhead costs. Each store will have minimal storage for the raw materials. Logistics and distribution will be centered within the wholesalers. Refer to the expenses and profit margins section for detailed break-down of the raw material cost expectations.

## 2.3 Principle Members

The principle members bring a wide range of skills and expertise including previous start-up experience as well as management and leadership. We plan to have partnerships with various other industry leaders such as with other coffee shop owners and raw material suppliers as well as additions to the corporate structure to help build the business and offer cost competitive advantages. In other words we plan to include those who have already been successful in this industry as part of our team either working directly with us or through a partnership opportunity to help ensure success. We will create both cooperate holding and subsidiary companies as distinct legal entities for the purposes of creating taxation, regulation and liability individual advantages. Essentially this structure allows us to have strategic operating advantages both legally and operationally to run more cost effective and efficient.

Furthermore, the principle members are as follows with individual resumes provided as requested:

- Christopher Tahchawwickah with holding/parent company Bedabow Association ® – Owner, Operator and Co-Founder
- Matthew Landsberger with holding/parent company Zero Gravity ® – Investment Partner and Co-Founder



## 2.4 Legal Structure

Beanz – N – Greenz ® is a pending subsidiary Limited Liability Company (LLC) of holding company Bedabow Association ® also pending with both to be incorporated in Delaware with registration to do business in the state of Oklahoma.

Depending upon the legal aspects associated with integrating medicinal cannabis with the “food” industry specifically for the infusion option we could either infuse all of the beverages in which case we would

offer a potency range (infusion spectrum) and those beverages which only include CBD with no THC. We have also considered selling the infusions separately from the coffee such that the customer actually adds the tincture at their convenience to further avoid legalities. Relative to the dispensary opportunity a 3<sup>rd</sup> party vendor could be setup to provide these services as a complimentary store either next door or as an alternate floor such as a second story as an alternate operational option again depending on legal impacts.

Plans to accommodate this integration phase are highly and generally dependent on the results of the upcoming March 2023 ballot as it pertains to the legalization of the recreational use of cannabis and its application to the associated business sectors.

## 3.0 MARKET RESEARCH

### 3.1 Market

To date the current “coffee shop” market is a \$5M dollar industry in the OKC metro area, \$10M within the state of Oklahoma and \$500M in the U.S. with total sales in excess of 70B for the entire coffee commodity market. Also according to the Oklahoman American’s are drinking about 491M cups of coffee per day. Therefore, if we sold an average \$3.00 cup of coffee with 100% market capture would be ~1.5B in potential sales in the US alone. Based on this, we plan to target a 10% conservative market capture within each of these sub-sectors giving us initial gross profit margin (yearly revenue) expectations in the \$500K range within our first few years of operation and expanding accordingly. This revenue expectation also correlates to our corporate competitor market analysis calculated at \$506,497 as shown in Graph 2. This data is also used to predict initial Return on Investment (ROI) projections for our partners at the first store location as well as successive stores to be added as part of our future 5yr. growth plans as shown in Graphs 8 & 9. Also refer to competitor market analysis section as follows for further details.

### 3.2 Competitor Analysis

Our competitor analysis included an evaluation of other companies which sell similar products and services to help substantiate our projected revenue. A summary of competitor store revenues are shown in Graph 2 and itemized list of the data in Table 2 below. According to the data using 8 different stores, the average yearly revenue is projected to be \$506,497, which correlates to our estimates of 500K for our first store based on the market research section. The revenue numbers range from \$106,441 for Dunkin Donuts to \$1,303,430 (1.3M) for Dutch Brothers Coffee. Considering the large range it was deemed appropriate to calculate sample 95% confidence intervals (\$143,728 to \$928,037) based on the average of \$506,497. This range is quite high and if Dutch Brothers revenue numbers are considered an outlier and excluded from the calculations the average drops to \$392,649. However, this number is still within the range of our 95% confidence interval.

Accordingly, the high range is also attributed to the fact that each company has a wide array of stores as indicated in Graph 2 as well as the potential for online sales. Online sales will be something we are considering but would more than likely be integrated at a later date of operation. Starbucks is the leader at 31,256 (as of 2019) stores nationwide while Coffee Beanery the lowest at 120. Each business model is considered to be substantially different as well as the products offered which have variable profit margins such as food at various stores. All of these variables combine contributing to the wide range of revenue numbers calculated. However, despite the range in the data, 500K revenue expectations are considered appropriate in that it is approximately in the middle (mean) of the competitor data. Furthermore, revenue expectations will be discussed more in the “Profit Margin and Expenses” section as follows. We also plan



to do further market analysis of local businesses in the future which will also include an evaluation of the potential for online sales integration. Some of those local small business competitors will include; (1) Clarity Coffee, (2) Eote Coffee Company, (3) Spiked, A Coffee Concept., (4) Sincerely Coffee Roasters, (5) Elemental Coffee, (6) Coffee Slinger Roasters, (7) Zero Tolerance Coffee & Chocolate, (8) Not Your Average Joe, (9) Ellis Island Coffee & Wine Lounge, (10) The Underground and (11) Comma.

### 3.3 Advertising

We have budgeted \$1,100 per month for advertising which is reflected and detailed in the “expenses and profit margins” section. We are also planning on hiring a “marketing firm” to help with our advertisement strategy at least for the first few quarters of operation or until a solid customer base is established. We also calculated we needed 457 customers per day to meet our 500K revenue targets per the “expenses and profit margin” section and this will be taken into account with the advertisement strategy we utilize. We will ensure that the location we select has enough potential customers in the surrounding area and is also not saturated by competition. Psychographic variables impacting consumer characteristics such as lifestyle, opinions, interests and attitudes may be considered in developing a segmentation strategy. An example of this would be that Starbucks focused on “Sobriety” as an alternate experience to a bar for later night outings. Our basic marketing strategy consists of the following and the funds will be allocated accordingly per recommendations made by said marketing firm in order to grow the company’s customer base again also considering the potential for online sales:

1. (1) word of mouth (grassroots) (2) e-commerce & social media (Facebook, Instagram, company website (email) [beans.greens55@gmail.com](mailto:beans.greens55@gmail.com), YouTube, twitter and *Google*) (3) radio (4) coupons/discounts (5) creating a franchising opportunity (6) other company collaborations and partnerships (7) mobile phone APP (8) hire a marketing firm (9) online sales
2. We will also utilize direct customer feedback to continue to make changes as to how we run our business, what products we offer as well as the very nature of the atmosphere. We truly want to integrate the mentality that the “customer is ALWAYS right” utilizing their direct feedback into our vision of success.

## 4.0 FUNDING & INVESTMENT OPPORTUNITIES

### 4.1 Funding Strategies

As stated Beanz – N – Greenz ® is seeking a 150K total investment opportunity for a 23% ownership position to fund our first store project resulting in an initial evaluation of \$576,923. Refer to “Fund Allocations” section as follows and Graph 1 for more details on how this capital is planned to be utilized. It should also be noted that we will be seeking startup capital from many sources other than individual investors. Generally speaking those sources include but are not limited to:

1. Personal/Corporate/Business Bank Loan
2. Small Business Investment Companies
3. Venture Capital Firms
4. Minority Enterprise Small Business Investment Companies
5. SBA Financial Programs:
  - A. Guaranteed Loans Program
  - B. Immediate Participation Loans Program
  - C. Local Development Companies Program
6. Foreign Investors:

- A. Japanese Venture Capitalists
- B. Cherokee Nation (Dubai)

## 4.2 Investment Structure

This structure as outline is considered a personal investment opportunity per item 1 above. The investor(s) will be paid based on the stores net revenue, which is targeted to be \$506,497 per the competitor analysis. Using a \$506,497 net revenue and 23% investment position totals a yearly amount of \$115,000 to be paid to the investors based on the proposed structure per the “Market Research” section. This amount will be paid in four periods (quarters) which equals a total of \$28,750 per quarter payments. Each payment will be made at the end of the respective quarter. It should also be noted that there is no limit on the number of investors while we are targeting to have no more than 3. The investors overall qualifications, not just financial, will be taken into consideration as well prior industry experience to determining eligibility. Some of these qualifications could be general business knowledge, industry connections as well as specific experience with the coffee industry. This investor would be considered more of a strategic partner.

The following is a summary of the various investment offering strategies A, B and C respectively:

1. Lump Sum: We will offer a lump sum opportunity to a single investor of 150K in exchange for a 23% ownership of the first store as previously discussed.
2. Phases: We will offer investment phases based on the progress of our first store project to help minimize investment risk with respect to project progress. Example of ownership opportunities with increasing dilution and decreasing risk would be seed round (1) \$50K for 10%, round (2) \$50K for 8% and finally round (3) \$50K for 5% yielding total projected cost of \$150K and dilution investment of 23%. All of these offerings are subject to change based on investor proposals. A single investor could purchase all 3 seed phases, 1 investor per phase or partial phase opportunities can also be considered although not ideal.

Based on this structure and projected gross revenue of \$506,497 per year, yields a projected ROI of 8.3% (\$4,1667) within the 13<sup>th</sup> month for round (1), 7.1% (\$3,333) within the 15<sup>th</sup> month for round (2) both to be paid at the end of the 1<sup>st</sup> quarter of the second year and 4.2% (\$2,083) within the 25<sup>th</sup> month (2.1 yrs.) for round (3) to be paid at the end of the 1<sup>st</sup> quarter of the second year of operation at our first store. Refer to Graph 6 investor ROI chart for further details. Based on these estimates, all investors are projected to be paid back by the end of the 2<sup>nd</sup> year’s 1<sup>st</sup> quarter. It should be noted, however, that it could take up to 2yrs of operation to be at a ~500K revenue in which case the return numbers must be taken as speculative estimates only and are subject to change based on performance.

The main objective of seed round (1) is to allow us to complete renovations, round (2) the purchase of all of the equipment and (3) order the products (raw materials) and finalize all of the legal paperwork. In summary, completion of these activities would allow us to open the store for business.

3. Franchising: We also plan to offer an investor franchising option which will be a further dilution ownership of future store projects based upon our 5yr growth plan. An example would be ½ (50%) ownership dilution on the 2<sup>nd</sup> store, 1/3 (33%) on the 3<sup>rd</sup> such that investment dilution equals 1/n where n equals the number of stores. Also refer to ROI predictions section under Market Analysis



and Graphs 8 and 9 for further details of projections and potential payout amounts relative to year of operation and number of stores.

### 4.3 Fund Allocations

The bulk of the money \$60,000 (40%) will be used to renovate an existing building location to be designed for a coffee shop as well as for the equipment costs \$33,000 (22%), \$32,810 (20%) buffer for emergencies and to cover up to one month of operational expenses \$31,710 (21.9%) and first 2 months of raw materials \$9,053 (6.0%). A summary of each line item is as follows as well as shown in Graph 1 below:

1. Renovations: For the renovations we plan to get at least 3 independent quotes from general contractors and will accept the most competitive bid based on cost and timeline. We plan to have renovations completed no later than 3 months of start date. We are also targeting a 1100 – 1500 square foot facility which is in the mid-size range in comparison to competitor stores located in the OKC metro area according to our local competitor analysis. We also plan to hire a design firm to work alongside the general contractor during store renovations to help with aesthetics creating the desired atmosphere as well as the layout of the store to maximize efficiencies and optimize the floor plans for overall operational performance. We will get quotes for this work as well and is included in the 60K estimates as stated here.
2. Equipment: We will need to generate a more detailed itemized equipment list with cost including quotes and lead-times from specified vendors in order to meet our 3 month renovation schedule but some of the basic items will be an industrial coffee bean grinder and coffee brewing machines, juicers, freezers and refrigerators, storage materials, water filtration system, and furniture including tables and chairs. We will look at both new and used items purchasing the most economical. We plan to have the equipment arrive in tandem with the renovation schedule.
3. First Month of Expenses: This may not be needed and is intended to be used as a “20% buffer” in the event that the first month of operation is not profitable. This money will ultimately be added to the company savings account to be used for emergencies only.
4. 2 Months of Additional Product Costs: This was also considered to be “buffer” money but is intended to be used to get the business going since we will have to place bulk large quantity orders for all of our raw materials. Refer to “Profit Margin and Expenses” section for further details regarding raw material costs and projections.
5. Overages: It should also be noted that the \$2,737 (1.8%) “overages” item will be used to start a company savings account only to be used in the event of an emergency combining this money with the “Frist Month of Expenses” money.
6. Attorney Fees: We plan to have an attorney on retainer starting at the 5K range budgeting up to 12.5K initially to help us generate our company operating agreements, investor contracts, non-compete agreements, restaurant licenses and file trademarks. This number is likely to increase based on company needs as well as when we get to phases 3 and 4 during medicinal cannabis integration. We plan to get quotes from attorneys to determine more exact cost prior to execution.

## 5.0 FINANCIAL ANALYSIS

### 5.1 Expenses and Profit Margins

A summary of all of the expenses is shown in Graph 4 and Table 3. The expenses were analyzed to determine profit margin expectations for the owners which also determines revenue requirements for a “break-even” point. Based on the analysis, the total operating expenses are expected to be \$34,406 per month or \$412,870 per year. Assuming 500K gross revenue per the competitor analysis leaves a net profit of \$75,130 (15.0%) per year. It should be noted that payments to the investors is considered an “expense” in this case. These operational expenses were compared to the local competitors and found to be comparable with Clarity Coffee being the highest at xyz and Elemental Coffee at xyz being the lowest (this is only an example).

The highest expenses in descending order are the employee costs (1), investors (2) rent (3) and raw materials (4) at \$164,352, \$115,000, \$48,000 and \$42,318 per year or \$12,800, \$9,583, \$4,000 and \$3,526 per month respectively. The employee and raw material costs were also broken down in more detail as shown in Tables 3.A and 3.B respectively. A more detailed description of these main expenses are as follows:

1. Employee Costs: We plan to have a total of 4 employees and 1 store manager making \$15 and \$20 per hour or \$28,000 and \$38,400 per year respectively. The total cost of these 5 employees including the manager is \$164,352 per year. It should be noted that these salaries also include 7% to be paid for unemployment. In comparison to the average salary at Starbucks being \$13.41 per hour, this was deemed to be a competitive salary. At any given time, there will be 3 employees working with a store manager. This allots for at least 2 employees running registers during peak hours floating to other activities, 1 employee dedicated to the drive thru at all times and the store manager floating across all job functions during peak business hours (breakfast/lunch/dinner rushes) while also maintaining the store’s overall operations at all other times. With only 1 dedicated store manager 1 of the owners will also need to act as a floating manager to fill in during days off and when needed. The immediate plan will be to have 1 of the 4 employees working towards an assistant manager with a lead position. The lead position would also perform minimal management duties and be proficient at all of the store functions and operational procedures.

The number of employees was also based on the number of sales made per day and hours needed to support our 500K revenue expectations. Based on an average sale of \$3.00 per coffee, we would need to make 457 sales per day and using an 8hr day results in just under 1 sale needed every minute. 8hrs per day was also used as a conservative number also consider single shift operations based on optimizing the number of employees to minimize overhead expenses. The \$3.00 average coffee cost is also discussed further in the “Raw Materials” section as follows. In order to serve 457 customers per day is why we wanted to have at least 2 people operating registers during peak hours. This is also buffered by the fact that we will have at least 1 person dedicated to drive thru sales at all times not just peak hours. Based on research, it was found that Starbucks serves an average of 1,920 customers per day at each store location thus substantiating our 457 customer need to support our projected revenue of 500K. This is also summarized in Table 3 under “input data” for further details. The 457 customers needed per day will also be taken into consideration when we do our in depth market analysis and further plan the first store location.

It should also be noted that we will have several other people that work with us in various capacities other than direct employees that we consider outside expertise many of which have been mentioned thus far. Examples are investors, accountant (CPA), attorneys, industry partners, advertisement firm, contractors, industrial designers, nutritional specialists and guest speakers/performers. These would be people or entities which provide products and/or services

outside of ours who are paid on an as required basis and would not be on a continuous payroll excluding the investors which are considered an “expense” as previously discussed.

2. Investors: A breakdown of the investor payments (expenses) has already been discussed in the investment structure section as well as graphs 7-9 which also include our 5yr growth plans. Also refer to “ROI Projections” section for further details as follows.
3. Rent: We will need to get actual rent quotes based on the location selected. It should be noted, however, that this amount was compared to an equivalent hypothetical loan amount assuming we were to purchase a building under a mortgage agreement. According to the amortization calculations as shown in Table 2, we would be able to buy a building for \$667,100 at a 6% interest rate with a 30yr. term and it would carry a principle plus interest mortgage payment of \$4,000, which is equivalent to the assumed rent cost. We used this calculation to help us target this estimated “rent” payment for our expenses projections and also used to determine most economical solution of rent vs. own. At this time, we are leaving both rent and own options open for consideration based on the location(s) that is selected.
4. Raw Materials: The annual raw material cost of \$42,318 was calculated assuming Coffee, Sugar, Creamer, Cups and misc. items such as whipped cream and chocolate as the main constituents. The constituent cost was calculated to be \$0.027, \$0.064, \$0.067, \$0.050 and \$0.050 respectively for a total cost of \$0.26 per 16oz cup of coffee. This analysis was also done using these items considering that the coffee market is planned to be our core product competency initially. We plan to do this same analysis relative to the juices, teas and cannabis in the future. The pricing numbers were obtained from basic google searches based on bulk orders and will need to be refined once specific vendors are selected and quotes obtained.

A summary of the raw material costs can be seen in Table 3.B. All of the numbers were calculated using 457 customers per day which was based on the average cup of coffee selling for \$3.00. \$3.00 was calculated using data from Starbucks (public menu) at an average of \$3.27 per 16oz (this is the grande size) cup because this did not include various “specialty items” which sell for an average of \$4.44 which is \$1.17 more than the traditional average cup of coffee. The average of all of the coffee sold at Starbucks was \$4.17. Therefore, our average sales price was considered both accurate and quite competitive. It should be noted for comparative purposes that if we used \$4.17 instead of \$3.00 this would drop our customer need from 457 to 329 per day (difference of 98). Thus, this gives relative perspective of how the cost per cup impacts customer per day requirements in relation to revenue expectations. Refer to Graph 6 and Table 4 for more details.

In summary, the calculations included the raw material price, purchased in bulk, thus determining how much would need to be purchased both on a monthly and yearly basis to serve/sell 471 cups of coffee per day at \$3.00 per cup to produce our projected revenue of 500K per year. A 16oz size cup was used as the mean sold at Starbucks, but can be adjusted to a larger size with little increase to our expenses since the raw material cost per ounce is very small as indicated in table 3.B. In fact the annual raw material cost of \$42,318 only accounts for 10.75% of our overall expenses. As an example the monthly coffee cost goes from \$370.10 to \$462.62 for a 16 vs. 20oz cup equaling a different of \$92.52 increase resulting in 0.28% overall monthly expense increase or 2.62% increase of just the raw material cost. It should be noted that as part of our 5yr growth plan we will continually be monitoring raw material costs and doing price reduction efforts with our vendors as purchased quantities increase.

## 5.2 ROI Predictions

Based upon the competitor analysis which helped to substantiate the revenue expectations as well as the profit margin and expenses studies, a more in depth ROI study was also done including future growth potential. Most of the ROI numbers were covered in the “Investment Structure” section excluding growth. It should be noted again that we used the \$506,497 revenue number as calculated per the competitor analysis section to calculate all of the ROI numbers. It should also be noted again that given the competitive nature of this industry and per our local competitor analysis we may need at least 2yrs of operation to achieve our revenue goals.

Again all investor payouts will be at the end of each quarter so 4 payments per year will be made. Graph 9 includes both our first store projections as indicated by the purple bars as well as successive years. The orange color bars are our second year with a total of 2 stores and so on.

We have seed rounds 1-3 and total payout based on 150K investment at 23% ownership moving from left to right respectively. Depending on the investment amount and seed round, it is easy to calculate predicted ROIs. For example, if I was a seed round 2 investor (second bar graph from the right) I would be paid a total of \$40,520 the first year (purple bar) and \$60,780 the second (orange bar) based on a second year growth of 1 additional store. This would be 4 quarterly payments of \$10,130 the first year and \$15,195 the second. It should then be noted that the ROI projections, therefore, in Graph 7 do not include any growth or addition of stores. It is easy, though, to calculate the ROI projections with growth potential. Taking the previous example for a seed round 2 investor one could simply take the amount paid out minus the investment amount, in this case, it would be \$50,000. So by the end of the second year the total payout would be \$101,300, equaling a total return of \$51,300, essentially doubling ones return on investment and in this case this would be a 50.6% ROI. These calculations could be carried forth assuming any one of the investment offering strategies as covered in the investment structure section.

## 6.0 INNOVATION

### 6.1 Intellectual Property

We are currently in the process of trademarking the company logo (as shown here) as well as the company name “Beanz – N – Greenz it’s a Juicy Lifestyle ®” which has been used as “Beanz – N – Greenz” in this document for short-hand purposes.

### 6.2 Research and Development

Beanz – N – Greenz ® is planning on performing research and development for proprietary blends of juices and coffees as well as THC/CBD infusion options. The juices will be developed to address specific nutritional deficiencies and body focus areas to enhance overall health and well-being. Examples of focus areas would be hair, skin, teeth/bone, nails, joints, muscles, eyes etc. We also plan to explore a genetic hybrid strain of coffee/cannabis which could result in the generation of “proprietary blends”. This IP would also feed into our business model associated with online sales. Any online sales would be considered a “bonus” to be paid to the investment partners above and beyond the store revenues.

## 7.0 SIGNATURE PAGE

X

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Matthew Landsberqer  
Co-Founder and Investment Partner

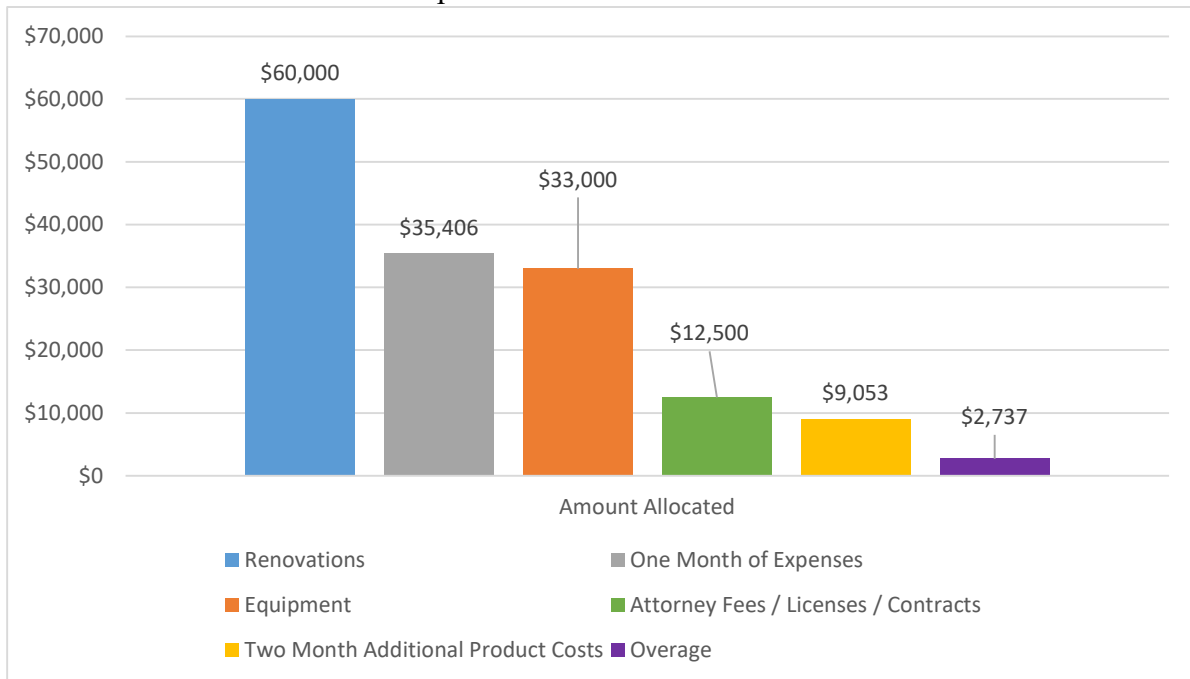
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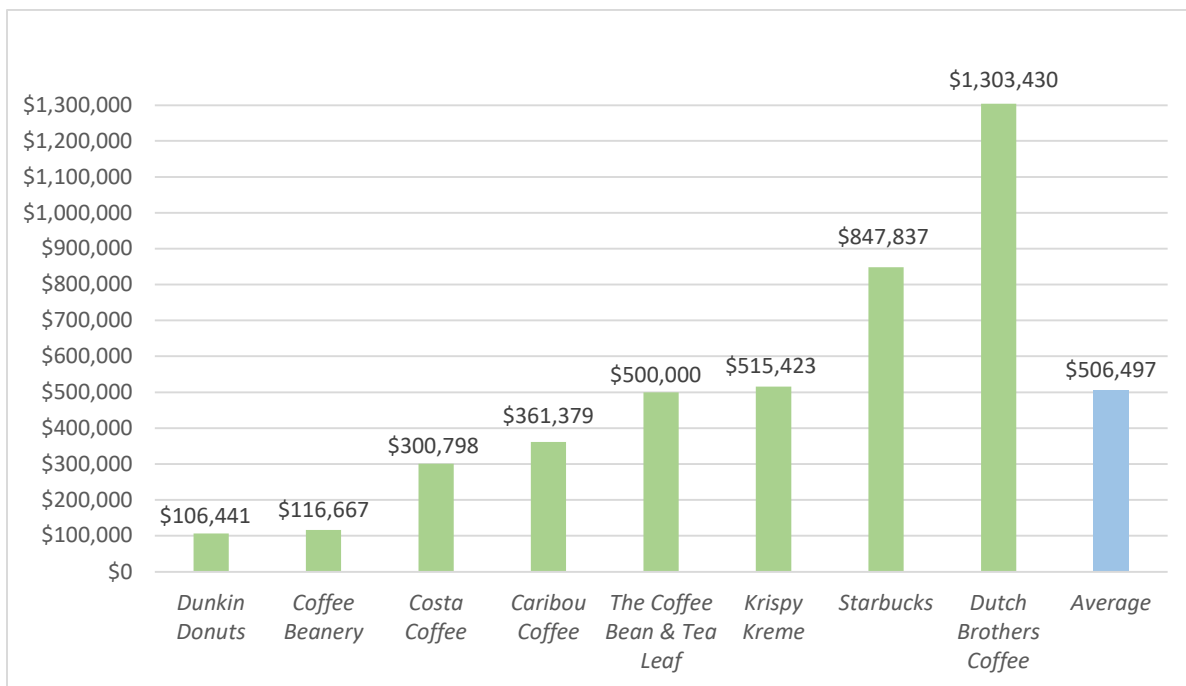
Christopher Tahchawwickah  
Co-Founder and Operator

## 8.0 GRAPHS AND TABLES

Graph 1: Investment Allocations



Graph 2: Sales per Store Data





Graph 3: Number of Stores Owned by Competitor Franchise Operator

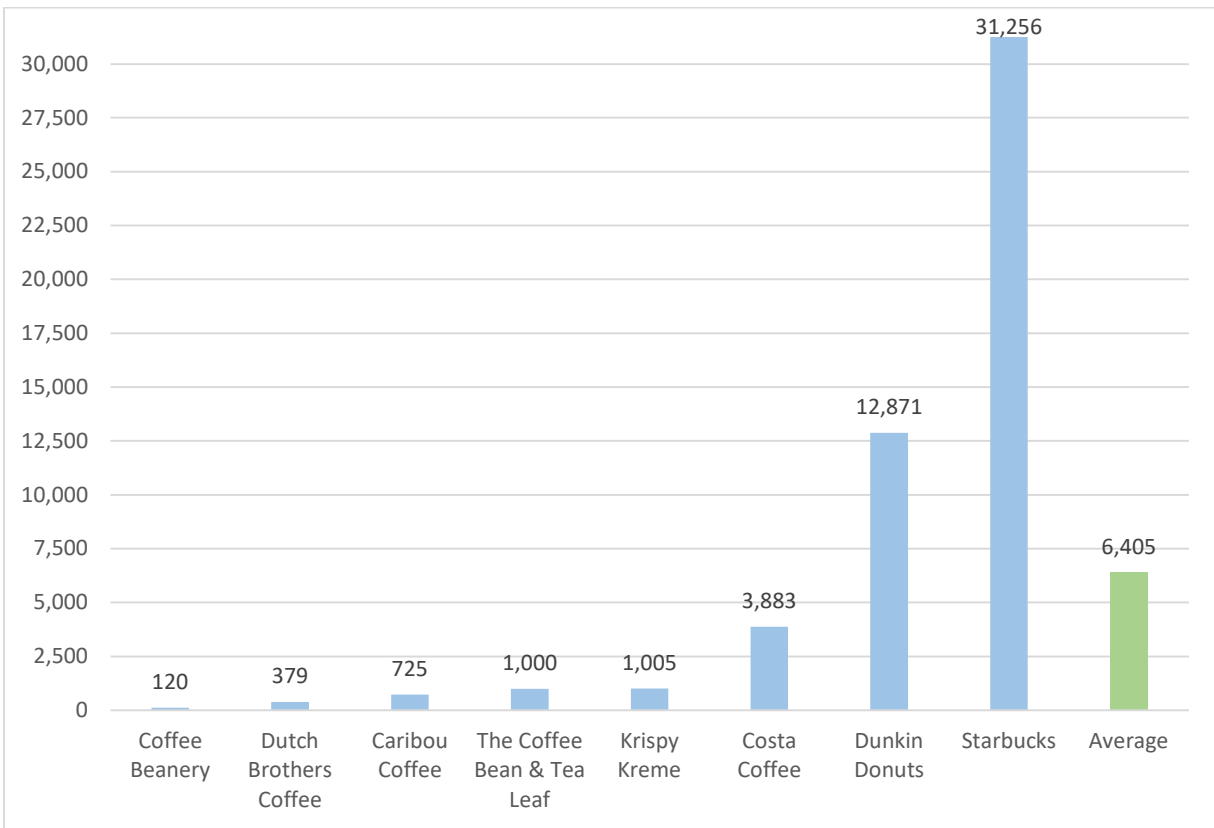


Table 1: Raw Revenue Data

Franchise Operator	Number of Stores	Yearly Sales (Revenue)	Sales Per Store
Coffee Beanery	120	\$14,000,000	\$116,667
Dutch Brothers Coffee	379	\$494,000,000	\$1,303,430
Caribou Coffee	725	\$262,000,000	\$361,379
The Coffee Bean & Tea Leaf	1,000	\$500,000,000	\$500,000
Krispy Kreme	1,005	\$518,000,000	\$515,423
Costa Coffee	3,883	\$1,168,000,000	\$300,798
Dunkin Donuts	12,871	\$1,370,000,000	\$106,441
Starbucks	31,256	\$26,500,000,000	\$847,837
Average	6,405	3,853,250,000	506,497

Table 2: Mortgage Estimates

Mortgage for Beanz and Greenz		
Principal	Interest	Term (Years)
\$667,100	6.0%	30
Monthly Payment	Cost Per Year	Total Amount Paid over Life of Loan
\$4,000	\$47,995	\$1,439,857

Graph 4: Expenses per Year Summary

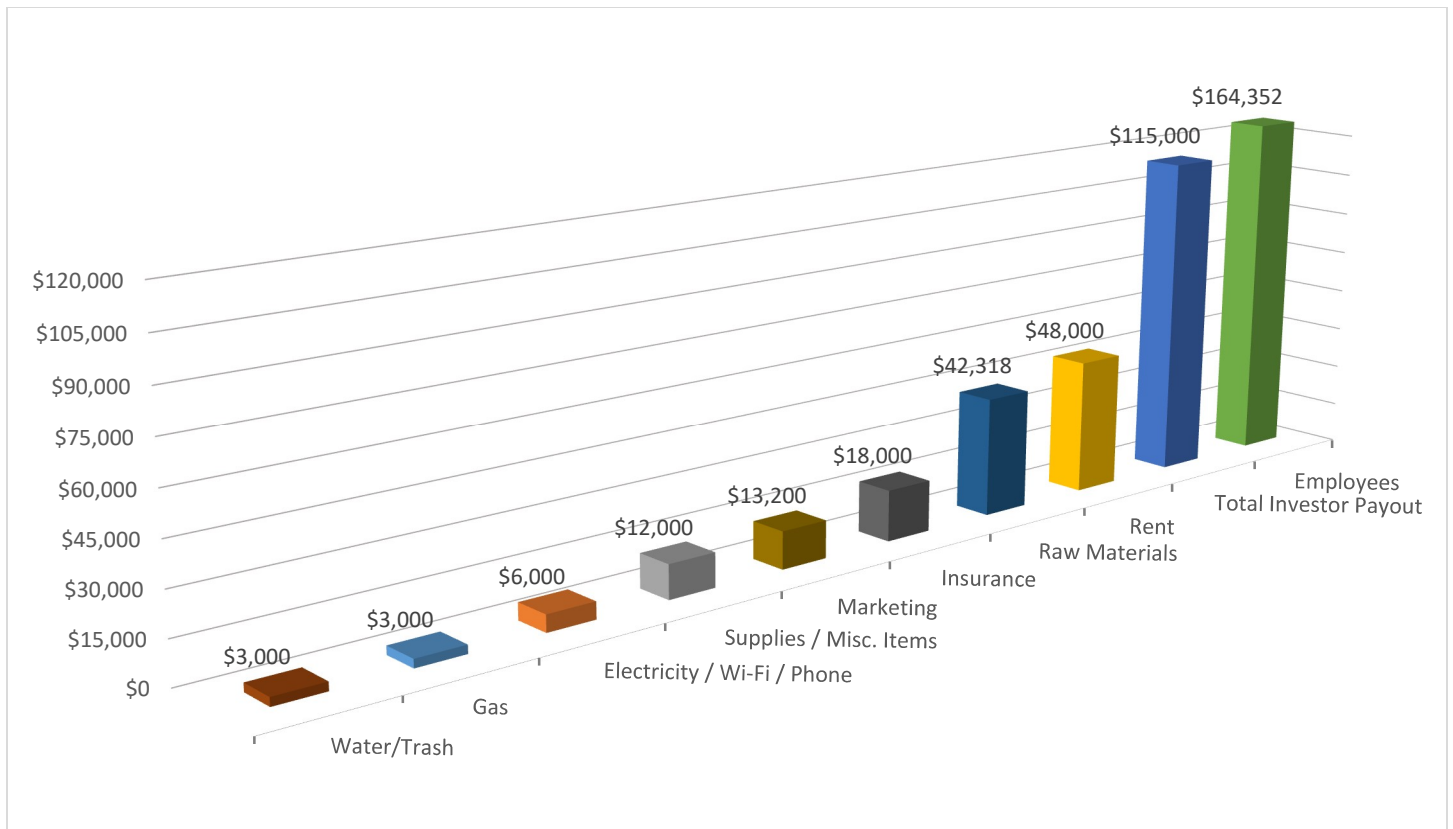


Table 3: Expenses and Profits Data

Line Item	Cost Per Month	Expenses Per Year	Input Data
Gas	\$250	\$3,000	<b>Yearly Revenue</b>
Water/Trash	\$250	\$3,000	\$500,000
Electricity / Wi-Fi / Phone	\$500	\$6,000	<b>Customers Per Day Based on \$3 cup of coffee sold to hit Revenue</b>
Supplies / Misc. Items	\$1,000	\$12,000	457
Insurance	\$1,500	\$18,000	<b>Customers Per Minute Based on \$3 cup of coffee sold to hit Revenue</b>
Marketing	\$1,100	\$13,200	0.951
Rent	\$4,000	\$48,000	<b>Mark-Up Percent Based on Revenue</b>
Total Investor Payout	\$9,583	\$115,000	117.7%
Employees	\$13,696	\$164,352	<b>Profit / %</b>
Raw Materials	\$3,526	\$42,318	\$75,130
<b>Totals</b>	<b>\$35,406</b>	<b>\$424,870</b>	15.0%

Table 3.A: Detailed Employee Expenses

Employee Count	Employee Dollar per hour	Cost Per Month	Yearly Salary
4	\$15	\$9,600	\$28,800
Manager	\$20	\$3,200	\$38,400
Starbucks	\$13.41	\$2,146	\$25,747
Competitor Difference	\$1.59	\$254	\$3,053

Table 3.B: Detailed Raw Material Expenses

<b>Coffee Cost</b>					
Coffee Cost Per Ton	Cost per Pound	Ounces of Coffee Produced per Pound of Coffee	Coffee Cost Per Ounce	Coffee Cost Per 16 Ounce "Cup"	Coffee Cup Ounce Input
\$3,270	\$1.48	878.4	\$0.00169	\$0.027	16
Ounces of Coffee Produced per Ton of Coffee	16 Ounce Cups of Coffee Produced per Ton of Coffee	16 Ounces of Coffee Sold Per Day	16 Ounces of Coffee Sold Per Year	Total Cost In Coffee Per Month to Hit Revenue Target Based on 457 Customers per Day	
1,936,540.8	121,033.8	4,034.5		\$370.10	

<b>Sugar Cost</b>					
Sugar Cost per 50 Pounds	Cost per Pound	Cost Per Ounce	Cost Per Teaspoon	Cost per Cup of Coffee using 3 Teaspoons	Number of Teaspoons per Cup of Coffee
\$100	\$2.00	\$0.125	\$0.021	\$0.064	3
Teaspoons per Pound	Teaspoons per 100\$	Cups	Cups Per Day	Total Cost In Sugar Per Month to Hit Revenue Target Based on 457 Customers per Day	
94.1	4,705.9	1,568.6	52	\$873.29	

<b>Creamer and Cup Cost</b>					
Creamer Cost per 60 ounces	Cost per Ounce	Cost Per Cup using 1/2 ounce	Cup Cost	0.50 Ounce per Cup of Coffee	Number of Ounces per Cup of Coffee
\$8	\$0.13	\$0.067	\$0.050	\$0.067	0.50

Beanz and Greenz Business Plan

Ounces per 8\$	Cups per 8\$	Misc. Items such as Chocolate/Whipped Cream (extra \$0.05 per cup)	Total Cost In Cups Per Month to Hit Revenue Target Based on 457 Customers per Day	Total Cost In Creamer Per Month to Hit Revenue Target Based on 457 Customers per Day
60.0	120.0	\$684.93	\$684.93	\$913.24

Graph 5: Raw Material Cost Summary per Year

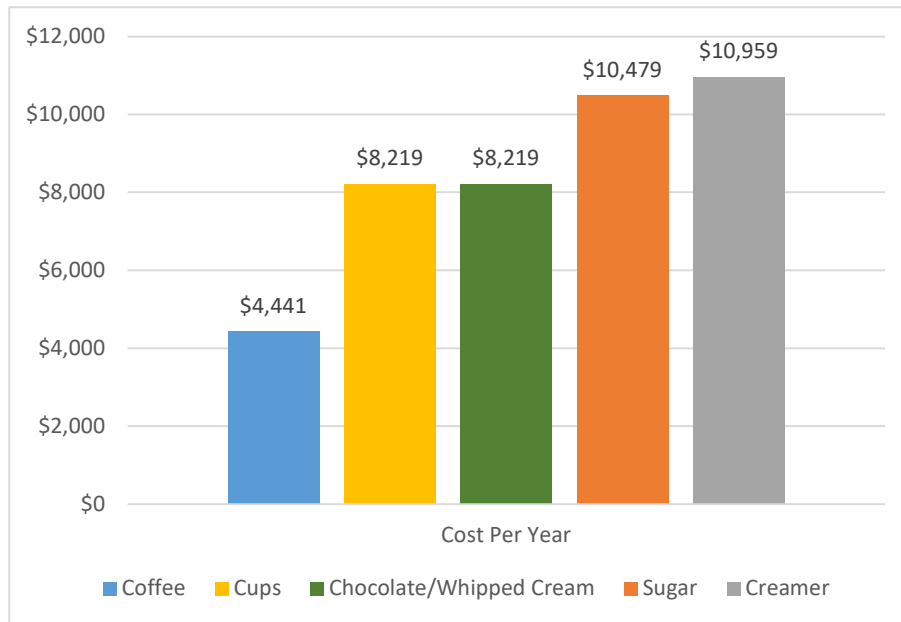


Table 3.C: Summary Raw Material Expenses

Summary Data		
Raw Material	Cost Per Month	Cost Per Year
Coffee	\$370	\$4,441
Sugar	\$873	\$10,479
Creamer	\$913	\$10,959
Cups	\$685	\$8,219
Chocolate/Whipped Cream	\$685	\$8,219
Total	\$3,526	\$42,318

Graph 6: Average Starbucks Coffee Prices (menu)

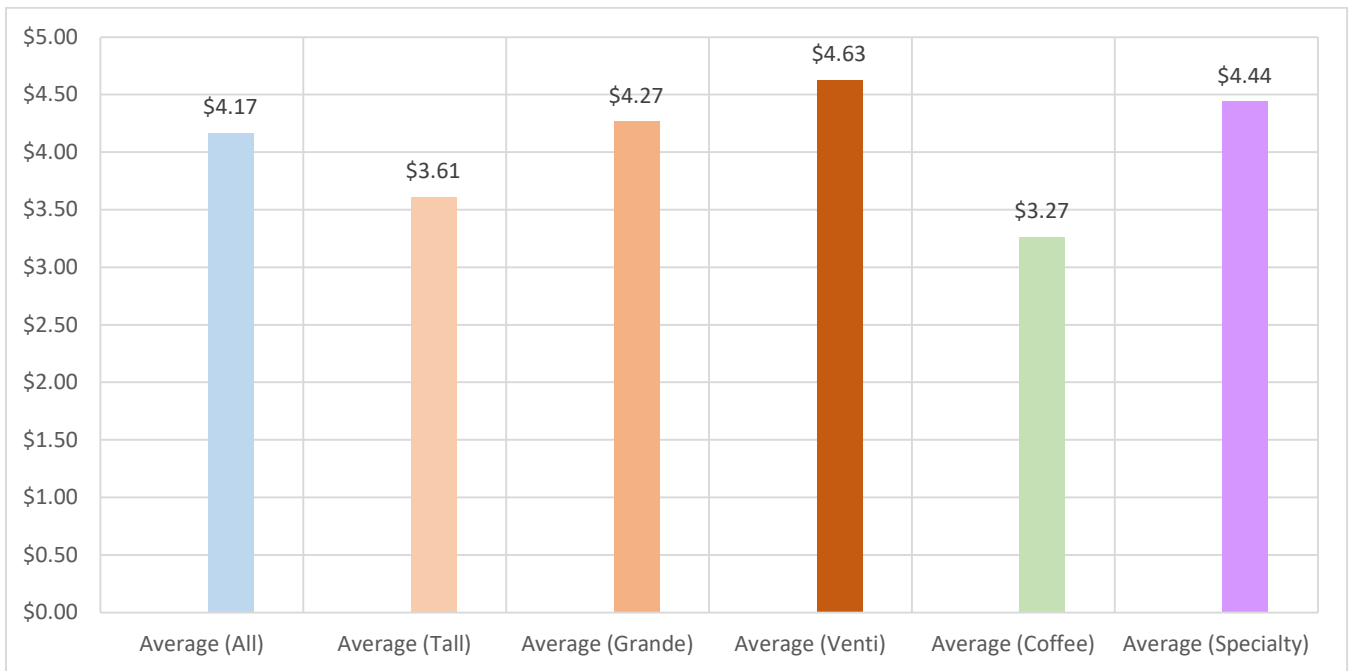
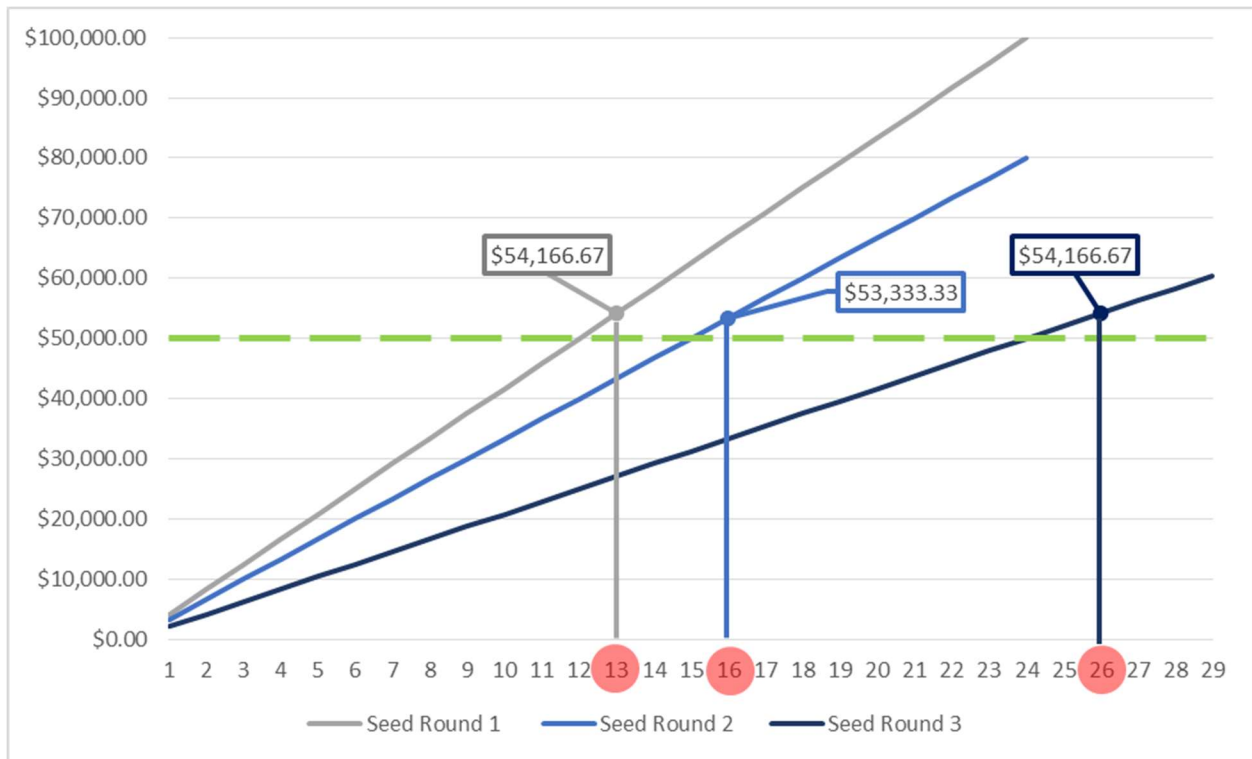


Table 4: Starbucks Size Descriptions

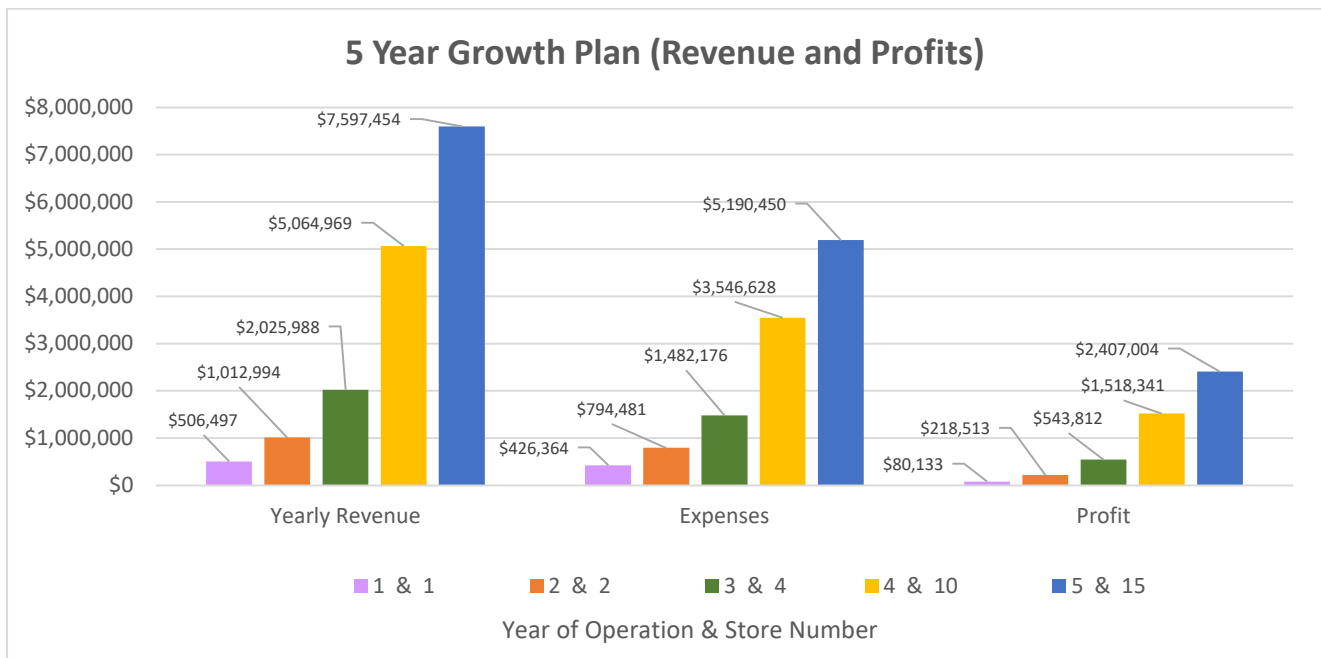
Name	Measurement	Notes
Short	8 US fl oz (240 ml)	Smaller of the two original sizes
Tall	12 US fl oz (350 ml)	Larger of the two original sizes
Grande	16 US fl oz (470 ml)	Italian for "large"
Venti	20 US fl oz (590 ml) - Hot	Italian for "twenty"
	26 US fl oz (770 mL) - Iced	
Trenta	30 US fl oz (890 ml)	Italian for "thirty"



Graph 7: Investor ROI Projections at First Store



Graph 8: 5yr Growth Plan Projections (Revenue / Expenses / Profit)



Graph 9: Investor ROI Including 5yr Growth Plan Projections

