**Introduction** (Shared)

**T:** Good afternoon. I am Tyler Reid

**R:** I am Ross Clay

**Ta:** I am Tanaka Chipotle

**T:** And we are ELITE EATS.

**T:** We are here to show you how your $112,000 loan will yield you a 163% return with virtually no risk.

Elite Eats is an innovative coupon fundraising company that supports local schools and communities. The Elite Eats value proposition garners high profit fundraisers for schools, increased patronage for local merchants, and healthy ROI for investors. Our core product, the **Elite Eats Coupon Book** contains over $1000 worth of deals from over 100 local restaurants. Retail consumers can purchase the book for $20. We will be wholesaling the books to schools and fundraising organizations for half price, allowing our partners to double their money.

What differentiates Elite Eats from its competitors is our database system, which markets to previous customers, giving our fundraising partners a perpetual income stream.

**Marketing (ROSS)**

We target households that earn $70,000 and up. Households with a total income of $70,000 make up 41% of the coupon market and account for more than one half of total restaurant spending.

PRODUCT

All coupons are from local restaurants as an effort to help build our local communities. Research shows that our target customers prefer independently owned restaurants as opposed to chain restaurants. They identify themselves as “foodies.” We choose the name Elite Eats and the sophisticated color palate to appeal specifically to the psychographics of our target customers. Our tagline “Eat Smart. Eat Up” connotes frugal fine dining.

PRICE **(TANAKA)**

The retail price of the book is $20. We are going to sell the products wholesale for $10 to our schools partners. The cost to produce the book is $0.49/book. A 2000% Gross Profit Margin.

PLACE **(TYLER)**

Because we are an outside sales company, minimal office space is needed. Our 1000 square feet floorplan contains adequate space for 4 cubicles, a receptionist, storage, conference room and a private office.

PROMOTION **(ROSS)**

We are going to target the marketing arms of elementary through high schools. We will train student reps to deliver a simple sales pitch: A $20 Elite Eats coupon book purchase produces $1000 worth of discounts, while a $20 purchase from our competitors produces $40-$60 worth of discounts. Restaurant partners fare better as well. When a restaurant partners with Groupon.com, they only receive 50% of the coupon value and Groupon receives the other 50%. However, our partners will receive 100%.

**OPERATION AND MANAGEMENT(TANAKA)**

Elite Eats will be organized as a Limited Liability Corporation. We chose this structure because the members of a LLC do not have personal liability, and because LLCs are not taxed on the profits that the business makes avoiding corporate double taxation.

**TR:** I will serve as CEO. I will set the lonime vision of the company and identify new opportunities, products, and markets. I will also be in charge of personnel.

**Ross:** I will serve as COO. My responsibilities include maintaining the reltionship with the vendors who produce our products, and managing product distribution.

**Ta:** I am in charge of marketing and external relations with school partners. I will be responsible for creating and maintaining our relationships. As chief marketing officer I will also be in charge of marketing to our existing customer database.

We will be hiring a restaurant ops manager who will be responsible for creating and maintaining relationships with our restaurant vendors.

Additionally, we will hire two key employees, a secretary and accountant. We will be outsourcing a digital media designer to produce our marketing materials and website. An outsourced lawyer will develop our legal documents.

**FINANCIALS (Tyler)**

We are asking for a loan of $112,000. We will return you $182,000 over an 8 year span. The loan will finance our first six months of operating expenses and initial one-time startup expenses. Our company will begin to repay the loan after year one.

During year 1 we estimate selling in one market: 5 high schools in close proximity which have 10 feeder middle schools and 20 feeder elementary schools.

We conservatively estimate that the average high school will sell 2700 books annually, elementary school 250, middle school 500. At $10/book, Elite Eats will earn gross revenue of $235,000 from book sales.

We estimate selling $7,000 of advertisement between cover art and interior ads.

The total potential revenue for year 1 is $242,000. The chart illustrates the range between our high estimate: 75% of potential revenue and a low 30% estimate of potential revenue.

Our high profit margins and low operating costs allow us to be profitable by year two. If average per school sales figures hold true, potential gross revenue will be north of $3.8 million by yr 5.

We estimate rapid growth for the first four years by expanding from one market to twelve then slow to steady growth over the next six years as we grow to 24 markets by year ten.

The spike in sales in year three indicates the introduction of the Chewpon Card.

As our income statement shows, Elite Eats moves from a net income of roughly $10,000 in year one to $1.86 million by year four.

**RISKS (Tanaka)**

There are 3 major threats to the successful execution of our plan. There is the risk of having copycat competitors enter the market. We address this by selling our school partners on the perpetual income stream.

We face a threat of shifting preferences to digital coupons. As well as our tangible coupons, we will be developing an app-based version of our product offerings.

Lastly, we have a threat of low sales output from schools. To reduce this threat, we will have unparalleled reward packages to incent kids to sell and we’ll encourage adult supervisors to mandate that their students sell minimum amounts.

**LONG TERM (Ross)**

In year three we plan to introduce a $10 Elite Eats Chewpon card.The reusable card contains twenty different deals from local fast serve restaurants. The tagline “Chews Wisely” suggests budget friendly good eating. The Chewpon target customer is households earning $50,000 and up. Households earning $50000-70000 are the second largest coupon consumers. The card only costs $0.19 to produce, so it will generate excellent ROI for the company, while still allowing our fundraising partners the opportunity to double their money.

Across the United States there are over 37,000 public and private secondary schools. Our 10-year plan only targets 2% of this market.

Additionally, there are almost 3000 four-year colleges and each can be a potential market.

**CONCLUSION**

TYLER: This concludes our presentation. At this time we’ll take questions or if you prefer you can just write us the check.