



Burlington, VT

INDEPENDENT BUSINESS PLAN EVENT 2016

King Philip DECA Chapter

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I. EXECUTIVE SUMMARY

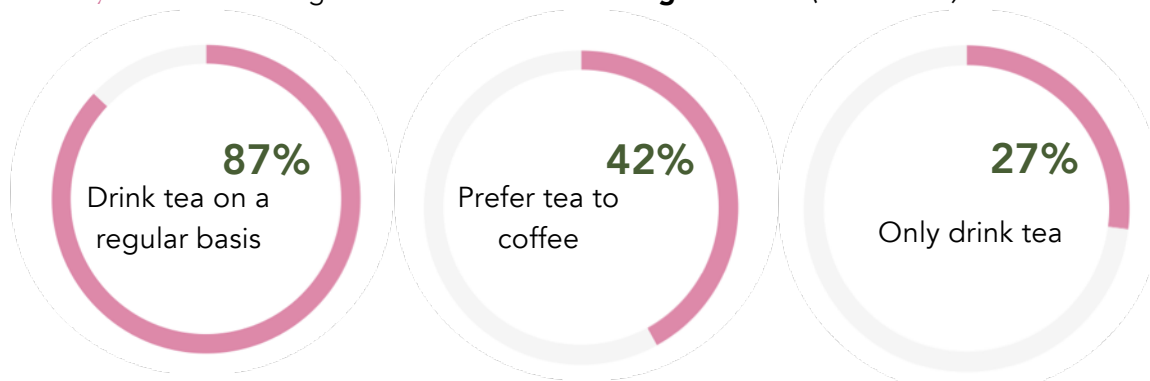
Our mission is to share our passion for tea and build a welcoming, stimulating, and healthful atmosphere for tea loving individuals, one cup at a time.

The tea industry is on the rise and anticipates strong, continuous growth, in all segments driven by convenience, health benefits, innovation, and the discovery of unique, flavorful, and high-end tea. **LEAFbyLEAF** is an innovative, on-trend tea cafe based out of Burlington, Vermont that is transforming the tea market. **LEAFbyLEAF** provides customers with fresh, high quality, personalized blends of loose-leaf tea in a modern, comfortable, eco-friendly atmosphere that encourages relaxation and productivity. We have a passion for tea and the benefits it offers. Our business fulfills not only an individual's unique tea tastes, but also provides a place where all tea lovers can come together and share their similar interests.

	PROBLEM	SOLUTION
Customization	Tea drinkers have limited choice when it comes to picking flavors. Other businesses with tea have it prepared behind a bar or sell it to make at home in an impersonal, one-way transaction, which leaves little say in consumer drink individuality.	We give our customers choice and voice. LEAFbyLEAF's customizable feature gives customers the ability to individualize their drinks in a way that is not available anywhere else. We offer them a two-way relationship and always welcome ideas and suggestions.
Wellbeing	A Peaceful, Pure, and Fresh environment is missing from the current market offerings. Existing cafes serve pre-selected flavors in pre-packed, wasteful bags of partial tea leaves in noisy, generally coffee-fueled environments that can increase stress.	LEAFbyLEAF offers pure, fresh whole-leaf tea in a relaxing, friendly environment that provides both inner peace and satisfying social connections. Tea is blended on the spot and steeped using an aromatic, flavorful and nutrient-rich loose-leaf method.
Social Responsibility	There is a shortage of businesses that give back to their community and environment. When operating as a business with a conscience, society can be benefited and a balance is maintained between the economy and environment and increases businesses customer loyalty. Burlington is a very green city so being eco-friendly is particularly important to satisfying our customers.	To fulfill our social responsibility and minimize our environmental and carbon footprint we looked at all aspects of our business and where environmentally friendly solutions could be integrated. We use organic fair trade suppliers, and eliminate waste using loose-leaf tea and reusable cups and steepers. We are in tune with the citizens of Burlington and understand how important being green is to them.

CUSTOMER SEGMENTS

LEAFbyLEAF's focus target market is the **millennial generation** (1980-2000).



The popularity of tea is climbing in all generations, but, according to our research, the millennial generation is the driving force behind it. Burlington has over **42,000** residents: **19,000** in the millennial generation and **14,000** of which are college students, accounting for **45%** of Burlington's total population. We focused our strategies and tactics on millennials preferences with features and benefits that deliver what is most meaningful to them, yet still appealing to all generations of tea drinkers.

UNIQUE VALUE PROPOSITION

LEAFbyLEAF's unique goal to give customers a fully satisfying experience is vastly different from other establishments. Our unique value lies in our *mission statement*. While competitors have tea prepared by a barista behind a counter and offer very little in the area of seating and in-store comfort, we give customers full control over their beverages with an easy three step process and offer an atmosphere that encourages tea lovers to stay and relax. We want customers to enjoy their time with us and feel good long after they leave.



CHANNELS

Since millennials are "digitally native" **LEAFbyLEAF** utilizes a multi channel marketing strategy. Due to the pedestrian nature of Church Street, foot traffic and word of mouth marketing will continually draw in customers. Additionally, using offline marketing, we will hold weekly and monthly promotional events including discounts, open mic, and holiday and seasonal inspired events. There will also be programs specifically to promote the problems we address in Burlington. Online we will communicate with customers through Facebook, Twitter, and Instagram and release newsletters through email to subscribed customers. Customers are encouraged to share their experiences at **LEAFbyLEAF** online.

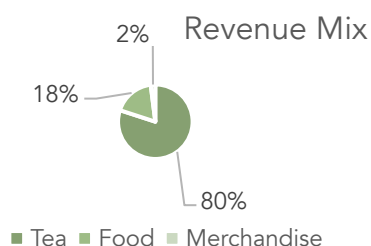
REVENUE STREAMS

Revenue model – With financial expert John Vacha, we created a detailed and accurate financial plan to ensure **LEAFbyLEAF** success, incorporating our revenue, COGS, capital and operating expenses over the first three years of operations.

Lifetime values – \$13,312

Gross margin – 80%

Revenue – **\$427,874** in year 1 **\$614,296** in year 2 and **\$779,076** in year three



COST STRUCTURE

By properly analyzing our cost structure, we can understand how much profit our company will make.

Customer acquisition costs – \$0.15

Distribution costs –

Year 1	Year 2	Year 3
\$239,190	\$220,160	\$229,367

Human resources costs – **\$186,016**

Additional costs –

Year 1	Year 2	Year 3
\$94,513	\$143,187	\$122,058

DETAILED FINANCIALS

Seeking \$
\$100K for a **20%** stake in **LEAFbyLEAF**

Financial Projections	Year 1	Year 2	Year 3
Revenue	427,874	614,296	779,076
Cost of Goods Sold	85,172	123,294	156,367
Gross Margin %	80%	80%	80%
Operating Expenses	333,704	363,346	351,425
Operating Margin %	2%	21%	35%
Net Income/(Loss)	(\$7,788)	\$88,944	\$209,712

Return on Investment – The initial **\$100K** will be paid off by the start of calendar year **3**

\$30,000 in fiscal year **1**

\$70,000 in fiscal year **2**

After this initial investment is paid off, we are offering a **20%** stake in our business. This translates to **\$41,000** in fiscal year three.

LEAFbyLEAF will begin operation on September 1st 2016. Our business is expected to begin gaining profit quickly, and will generate a profit of **\$209,712** by year three. The desired \$100,000 investment will cover our initial start up costs.

We are confident our business will maintain sustained success in the market and become a well-known provider in the beverage industry. With our unique essence, we plan to eventually franchise **LEAFbyLEAF** locations so that everyone can enjoy the **LEAFbyLEAF** experience.

KEY METRICS



Tea accounts for 80% of our revenue mix, so it is essential to analyze sales. On an average day, **25** cups of tea will be sold per hour. Using this number, sales can be observed and inventory orders can be adjusted if records necessitate it.



Customer satisfaction is additionally important to **LEAFbyLEAF**. Customer in-store comfort is important to our business, so customers will constantly be asked to give feedback and offer suggestions so no assets are being wasted.

COMPETITIVE ADVANTAGE

LEAFbyLEAF combines several unique and meaningful benefits to deliver a completely millennial friendly experience that will initiate brand loyalty. This aspect of our business also protects us from any fast followers. If competitors such as Starbucks, David's Tea, or Teavana wanted to copy our services, they would be put in a precarious position and would need to alienate their current customer base in order to go after ours. They focus marketing on people 35-55 while we focus on people 16-36.

CONCLUSION

We strive to be a top provider of high quality tea products in the beverage industry. **LEAFbyLEAF** will create a tea experience that will raise the bar for business excellence. We look forward to discussing our business with you and hope you see the value in our business and choose to

Steep Awhile with **LEAFBYLEAF**

II. PROBLEM

Customization

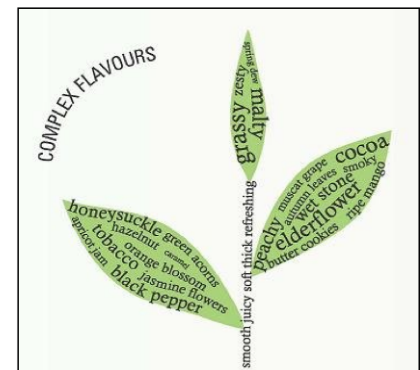
The first problem LEAFbyLEAF will address within Burlington is the lack of customizable options in tea cafes across the nation. There are other businesses on and around Church Street that offer some elements of product customization, but none that offer an entirely custom tailored experience like LEAFbyLEAF. Establishments that offer limited customization, generally offer pre-selected flavors in prepackaged, wasteful bags of broken partial tea leaves. Businesses that have loose-leaf tea generally keep it behind the counter, leaving it to be prepared by a barista. The only hands on customization available to tea enthusiasts is within packages purchased in store and made at home. This leaves little say in consumer drink individuality.

LEAFbyLEAF only sells high quality, fresh, organically grown loose-leaf tea, and customers have complete control in the flavor of their cup of tea.

This creates a favorable and unique experience, offering many benefits for our customers. Bagged tea is typically dust and fannings, or smaller pieces of tea from broken tea leaves, whereas loose-leaf tea utilizes the whole tealeaf. Using loose-leaf tea over bagged tea provides people with the

ability to mix a wide variety of teas for a unique, individualized drink flavor and gives the drink more flavors and aromas. Also, when steeping loose-leaf tea, there is room in the bag for the leaves to absorb the water and expand. This allows the water to extract more flavor and nutrients, while flavor from steeping bagged tea is limited to the size of the bag. Its customizable feature is **LEAFbyLEAF's** strongest point of differentiation and what our brand equity will be most heavily built on. In order to attract our desired audience, a visit to

LEAFbyLEAF needs to be personal and customized. This freedom to individualize a visit makes LEAFbyLEAF stand out in the market and provides customers with something fresh and one of a kind.



Loose-leaf vs. bagged tea

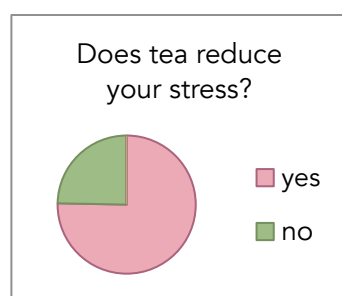


Wellbeing

Peaceful, Pure, and Fresh

Tea is well known for its health benefits and calming effects. The tea industry is experiencing rapid growth as people learn of the benefits drinking tea offers to the mind and body. Tea industry growth in the U.S. began over two decades ago. Since then, the total wholesale value of tea sold in the U.S. has grown from less than 2 billion dollars to more than 10 billion dollars and continues to grow (Tea Association). Total hot tea sales have increased more than 17% over the last five years. This industry anticipates strong, continuous growth, which will come from all segments driven by convenience, interest in the health benefits of tea, continued innovation, and the discovery of unique, flavorful and high-end tea.

With our focus on targeting the millennial generation, we want to pursue a millennial defined health and wellness. **LEAFbyLEAF** offers a place that is *peaceful, pure, and fresh*, rather than the usual raucous coffee-fueled atmospheres of cafes, in order to improve mental and physical health and wellness. This attraction is missing from the current market offerings. According to a health study done by the Associated Press, eight in ten college students experience stress on a daily basis. Stress can have a negative impact on one's day to day actions, as well as worsen or increase the risk of conditions like obesity, heart disease, diabetes, gastrointestinal



problems, and asthma. It can also lead to disorders such as depression, anxiety, eating disorders, and substance abuse. We conducted a survey within our own community of individuals ranging from ages 16-40 who drink tea, asking if they believe drinking tea reduces their stress. 75% of the 130 participants in the survey replied "yes", further supporting that **LEAFbyLEAF** will be successful in reducing

the stress of our customers and attracting those who experience it daily.

Tea biologically reduces stress as the chemical properties of tea have a positive effect on our bodies and brains. The ritual itself of making and drinking tea is known to provide soothing qualities. The findings of a study conducted at City University London reveal that tea can significantly reduce anxiety and stress levels following a stressful experience. Volunteers (British and American participants) were placed in various stressful situations,

and those who did not receive a cup of tea immediately after showed a 25% increase in stress. LEAFbyLEAF's combination of high quality tea and a unique way of providing it will assist in reducing stress levels in our target customers.

LEAFbyLEAF will also provide our customers with a healthy and delicious drink option. American's have become more health conscious, particularly the millennial generation, and the benefits tea offers are boosting its popularity. Tea is widely regarded as one of the healthiest beverages one can drink. It is full of antioxidants that can lower blood pressure and cholesterol, as well proven anti-cancer properties. Polyphenols in green tea, and theaflavins and thearubigins in black tea, contain free radicals that might protect cells from DNA damage, and, in effect, help prevent cancer.

Tea has also become very popular as a weight loss remedy and cleansing option, now being used in detoxes and diets (Tea Association). Tea is a healthy alternative to energy providing beverages such as coffee and soda. While black coffee is a healthy drink choice, our target market often does not drink coffee black, pumping it full of cream and sugar and ordering calorie and fat laden drinks. With tea, people often drink it as is or with a small spoonful of sugar, eliminating unnecessary fat and calories. Just consuming 2-3 cups of tea daily can decrease one's chances of chronic disease and help boost one's body's systems (Tea Association).

People tend to drink an overabundance of coffee when their schedules become hectic and their stress levels rise, in order to stay awake and alert. Tea offers the same energy providing effects craved in coffee with added benefits. Coffee is known to make people more nervous and jittery and drinking too much of it comes with an eventual "crash." Tea provides drinkers with steady energy and improved mental alertness, information processing abilities, and memory (Tea Association). LEAFbyLEAF's products offer customers with a healthier, and an overall beneficial drink to get them through a busy, stressful day.

Social Responsibility

The last problem LEAFbyLEAF addresses in Burlington is social responsibility. Many businesses tend to ignore corporate social responsibility in their community. By operating as a business with a conscience, society is benefited and a balance is maintained between the economy and environment. LEAFbyLEAF is committed to

having a positive impact on the communities we serve. Burlington is ranked the second greenest city in America. In early 2015, Burlington became the first city in the U.S. to run completely on renewable energy. While many residents take their individual social responsibility seriously, there is a shortage of businesses that give back to their community and ecosystem. In order to fulfill our social responsibility, our cafe will operate so its environmental and carbon footprints are minimal. Our pursuit of profit will be balanced with a commitment to ethical conduct. Having a devotion to not inflicting damage to the environment or the people within it will attract more customers and increase customer loyalty.



III. CUSTOMER SEGMENTS

LEAFbyLEAF's focus target market is the **millennial generation**, people born from 1980-2000; however, the cafe will hold appeal for all age groups. We chose this generation because approximately four in five consumers drink tea on a regular basis, the millennial generation being the most likely. A survey conducted by YouGov, an international market research firm, shows that 87% of the millennial generation drinks tea, 42% prefer tea to coffee, and 27% only drink tea. Tea is becoming increasingly popular among young Americans and is expected to continue to gain popularity as consumption of coffee decreases. Additionally, people of generation Z, immediately following the millennial generation, are incredibly similar to millennials. As a result, as millennials get older, **LEAFbyLEAF** will have no need to reinvent itself or change our target market and marketing strategies. Millennials will still be attracted to **LEAFbyLEAF**, and generation Z will eventually become our customers. Failure to choose the proper target market can be damaging to new businesses. Often there is little to no market for



the product and service built. **LEAFbyLEAF** is deliberately built around its target customers. By doing so, we can guarantee our business has a strong customer base to gain profit.

We have strategically placed **LEAFbyLEAF** at **144 Church**



Street in Burlington, Vermont to achieve the maximum number of customers. Church Street is a pedestrian street located in the heart of Burlington. Burlington is home to 42,284 residents, 19,000 of which are millennials,

and 14,000 that are college students. The University of Vermont and Champlain College are both located directly in Burlington and St. Michael's College and Burlington College are just a 10-minute drive to Church Street. Burlington is the largest city in Vermont and therefore draws visitors from throughout the state as well as vacationers from out of state and out of the country.

A large portion of the millennial generation is not yet financially stable, but LEAFbyLEAF's reasonably priced products make it affordable. The college students living in Burlington, while not particularly wealthy, have the money to purchase tea from LEAFbyLEAF and non-college students in Burlington will also be able to afford prices. We charge \$3.50 per cup, which is low enough for customers to afford but high enough to yield a profit. Food will also be affordable falling in a range of \$2.00-\$12.50.

We have accounted for our customer population at all times of the year. Sales are expected to remain stable throughout the year. During the summer months, when college students leave campus, Burlington welcomes its busiest tourist season, which is between the months of May and September. Over 5 million tourists visit the city during this time, according to Vermont's Agency of Commerce and Community Development. Visiting millennials in the summer will make up for students lost.

Burlington also has a reputation for being environmentally conscious, and that attitude that compliments well with LEAFbyLEAF. Our tea is all-natural and is served in reusable mugs, thereby minimizing waste. The audience we seek to acquire in Burlington will appreciate our attention to the environment and an all-natural product. Below we segmented the market into 4 categories:

Geographic Segmentation

- Located in Burlington, Vermont.
- Because Vermont is located in the northeast, the climate is temperate. Winters are extremely cold, and summers are quite warm so demand for hot and cold beverages will fluctuate based on the season but remain constant overall.

Demographic Segmentation

- Burlington is primarily a college town. Therefore, the majority of the population consists of college students.
- They will be able to afford the price of a LEAFbyLEAF tea at \$3.50. This price is lower than competition at Starbucks and Teavana.

Psychographic Segmentation

- Burlington is the second greenest city in America so the environmentally conscious nature of LEAFbyLEAF will appeal to the psyche of Burlington residents.
- By fulfilling our social responsibility we will build customer loyalty.

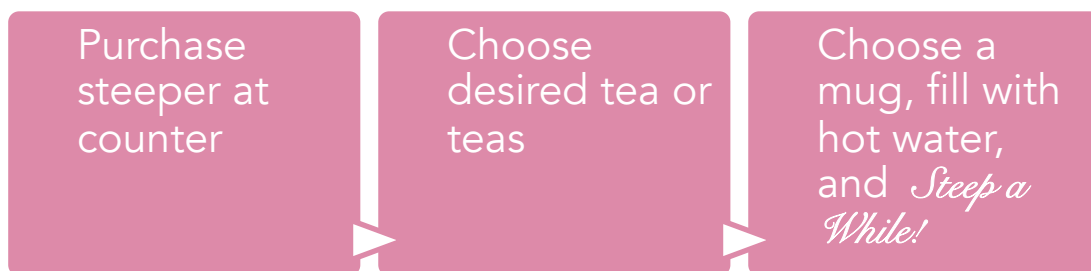
Behavioral Segmentation

- Millennial generation have a passion for tea and understand the health benefits associated.
- 55% of people drink tea everyday or almost everyday (87% of millennials) so we expect a heavy usage rate.

IV. UNIQUE VALUE PROPOSITION

Our mission is to share our passion for tea and build a welcoming, stimulating, and healthful atmosphere for tea loving individuals, one cup at a time.

LEAFbyLEAF's unique value is built off of our mission statement. We want to share the delight of tea with our customers. LEAFbyLEAF promises to provide its customers with a completely satisfying experience through the use of loose-leaf tea and a relaxing and productive environment. LEAFbyLEAF is a cafe unlike any other. At LEAFbyLEAF, we strive to embody certain qualities to set us apart, create a business that lasts, and persuade prospective customers that we are a company worth their loyalty. Our business is remarkable, personal, and genuine. Our distinctive features make us worthy of attention. Our personal touch and involvement in our business lets us get to know our customers, and lets them know us. Incorporating being personal into our brand strategy makes us more accessible and allows for one-on-one communication and interaction. Our focus on three important and unaddressed problems makes us different and worth visiting. From the moment a customer enters LEAFbyLEAF, and even after the leave, they get the LEAFbyLEAF experience, as we cater to their comfort and complete satisfaction. Customers enter into a tranquil environment. Once inside, tea can be obtained in three easy steps:



Customers pay by the steeper at the front counter. At the tea station, customers are able to choose and combine whatever loose-leaf tea combination they wish to have. LEAFbyLEAF is designed in a similar fashion to many frozen yogurt shops - with easy self-serve tea dispensers lining the walls of our cafe and a station with hot water, mugs, and

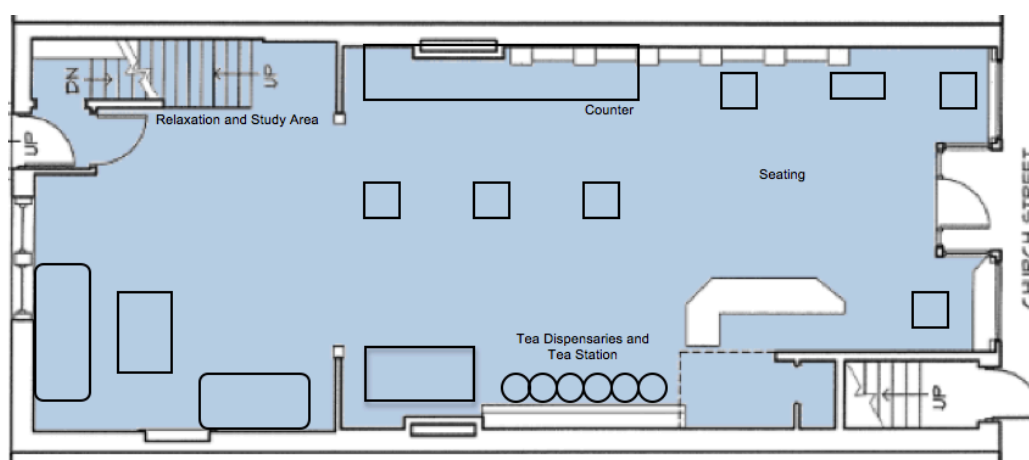


Tea dispensers in LEAFbyLEAF

sweeteners. An interesting feature of LEAFbyLEAF is that no two mugs are the same. Customers can find a favorite from our selection, and are even welcome to bring their own from home.

LEAFbyLEAF's interior is designed to be modern rustic, with a classy touch. The front room includes tables where customers can socialize, relax, or tackle work. Natural light filters in through large accordion windows, which helps ease the mind and allows people to remain focused for longer periods of time. The back room has large, comfortable furniture and a fireplace for the harsh Vermont winters. Relaxing music, which has been proven to reduce stress and help listeners focus, will play. There is high speed, free wifi for our tech savvy customers, and a small library for those who wish to relax with a good book or magazine.

LEAFbyLEAF's floor plan is shown below:

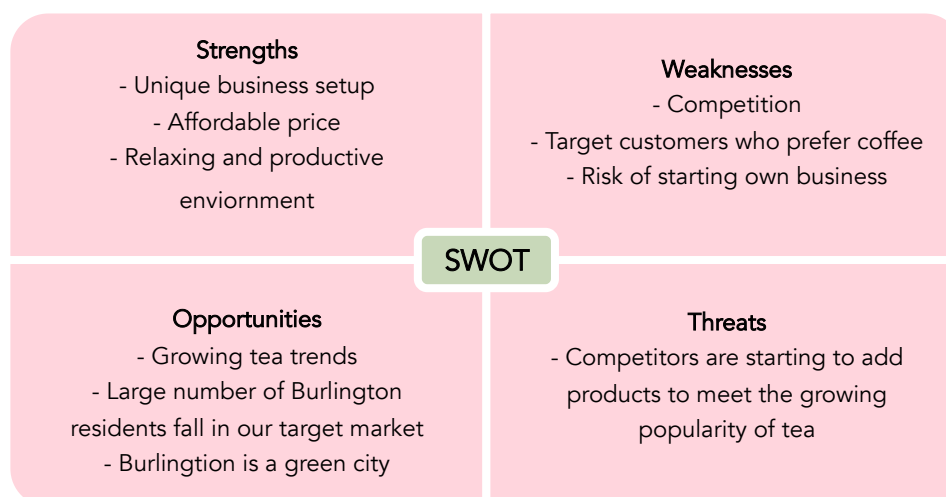


Our main focus is not just providing our customers with delicious tea, but an unforgettable experience as well. A loose-leaf tea cafe like LEAFbyLEAF does not currently exist anywhere else. Our competitors, businesses like David's Tea, Starbucks, and Teavana, focus more on bagged tea in-store, and the purchase of loose-leaf tea in large quantities for use at home. LEAFbyLEAF will offer the option of buying a tin of loose-leaf for use at home, but our main focus is providing customers with a full LEAFbyLEAF experience. This means, to us, purchasing and enjoying loose-leaf tea in-store.

Today, the on-demand economy of receiving things quickly and efficiently is largely prevalent in society. We expect to have a large market of customers that want a place to relax and not rush, but we also expect some customers that want our product, but need it quickly. For these customers on the run, LEAFbyLEAF offers grab-

and-go options, where compostable and recyclable cups and steepers will be given at the counter. This way, customers can bring the **LEAFbyLEAF** experience with them.

We conducted a SWOT Analysis, shown below, to understand **LEAFbyLEAF's** threats, opportunities, and the unique value.



V. SOLUTION

Customization

In order to address the lack of customization in tea in the Burlington area, **LEAFbyLEAF** has a special approach to obtaining tea. Glass dispensers, similar to what is seen in candy and frozen yogurt shops, line the wall for quick and easy access. Customers can scoop tea into their steepers and have their drinks ready in less than five minutes.

LEAFbyLEAF takes pride in its customizable experience and our modern approach to presenting the diversity and traditions of tea. Customers have the ability to explore the wide range of colors, flavors, and aromas of tea. Our customizable feature goes right down to the mug you choose - no two mugs in

LEAFbyLEAF are the same. It is very important for people, specifically those

from the millennial generation, to be able to have control over the products they receive, and **LEAFbyLEAF**

caters to that desire. For customers without much knowledge about tea, there will be guides at the tea station

on how each tea tastes, suggestions for combinations to try, the different benefits of each, and suggested steep



times so they can create the perfect cup of tea every time. This freedom to customize will encourage customers to keep coming back and will set LEAFbyLEAF apart in the market. This option of customization is LEAFbyLEAF's strongest point of differentiation, so it is important for us to defend it from competition.

Wellbeing

Peaceful, Pure, and Fresh

As previously mentioned, in a study conducted at City University London, the chemical properties of tea, as well as the ritual of preparing it, help reduce stress and promote health and wellness. To fully address this problem in our market, the setup, environment, and services of our business all are designed toward providing our target market with the best solution to increasing their overall health and wellness. LEAFbyLEAF is pursuing a millennial defined health and wellness to properly address the problems of our target market and draw customers in. This version of health and wellness will be peaceful, pure, and fresh.

The peaceful ambiance created within LEAFbyLEAF will improve overall wellness and aid in reducing stress. LEAFbyLEAF's environment encourages customers to complete work with our free wifi, while listening to relaxing music and drinking hot tea by the fireplace. Studies show that certain environments can reduce stress as well as increase productivity. Our color scheme will adhere to warm and earthy tones. Greens, for example, fight fatigue, while keeping you relaxed and efficient at the same time. Purples and pinks evoke a peaceful feeling. Additionally, the process of getting tea at LEAFbyLEAF is enjoyable and easy, calming our customers even before the first sip.

The health benefits of tea are a key selling point of LEAFbyLEAF. We are committed to promoting a healthy and pure lifestyle through our loose-leaf tea. American's have been becoming more health conscious and the benefits tea has to offer have been boosting its popularity. Tea is full of antioxidants that can lower blood pressure and cholesterol, as well proven cancer-fighting properties. Tea also offers a lower calorie caffeinated option in comparison to coffee and energy drinks. This helps eliminate excess fat and sugar from our customers' diets. We are committed to ensuring our customers are healthy and happy, and want our customers to take

advantage of the health benefits our products provide. To ensure we offer the freshest products to our customers, we purchase our tea through reliable markets that sell only premium, organic, high quality tea.

Social Responsibility

To fulfill our social responsibility and minimize our environmental footprint, we looked at all aspects of our business and where environmentally friendly solutions could be integrated.

LEAFbyLEAF only sells high quality tea from The Tea Spot, an organic fair trade supplier, and fresh organic food courtesy of August First Bakery on Church Street.



Tea has a smaller carbon footprint (the greenhouse gases produced from a products starting point to the consumer) than the average caffeinated drink, which helps fulfill our social responsibility. The carbon footprint of a cup of tea is approximately 20g CO₂, far less than other beverages (soda is 129). Tea's carbon footprint is slightly lower than that of coffee as well. Coffee's higher weight gives it a slightly bigger footprint, and additives most people put in coffee can bring its carbon footprint up to as much as 340g, which is the carbon footprint of a large latte. The natural flavors of loose-leaf tea encourage people to add fewer sweeteners. Loose-leaf tea helps reduce our carbon footprint in many ways. First, it eliminates waste. With tea being prepared in a reusable steepers, no tea bags are disposed. Customers can also re-steep their tea, eliminating waste of tea leaves. All disposable products of **LEAFbyLEAF** are compostable. The used tea leaves can be composted; we will have a bin labeled for this purpose in store. We use ceramic mugs and reusable steepers to eliminate harmful waste such as Styrofoam cups, which are not biodegradable. Our to-go cups and to-go tea bags will be made of recyclable and compostable material, but we hope most of our customers remain in-store to enjoy the features of **LEAFbyLEAF**. Our food will be made with organic ingredients, as promised by August First Bakery. Any food remaining at closing will go to local soup kitchens and homeless shelters; food waste will be composted.

VI. CHANNELS

Because the millennial generation is digitally native, we plan to reach our customer base through a multi-channel approach. **LEAFbyLEAF** will utilize both on and offline marketing strategies. Our location is widely accessible on Church Street, so foot traffic and word of mouth marketing alone will bring tea lovers into our

warm and inviting storefront. Church Street sees almost 3 million visitors annually, bringing new people to Burlington every day. We will pay particular attention to our storefront, so that it is exciting, interesting and enticing. Our use of bold color and imagery will draw in customers, and on warm days our accordion floor to ceiling windows will be left open, enticing customers with the heady scent of brewing tea drifting out to the sidewalk. There is ample room for outdoor seating that conveys LEAFbyLEAF's relaxing atmosphere as much outside as inside the cafe. This will gain the attention of passer's by and makes our establishment a inviting and positive experience from the start and on every visit.

We also sell logo printed merchandise which will help us reach our customers when people wear and use our products. To increase our consumers' connection to our store, we will hold events as often as possible. We have both weekly and monthly promotional events scheduled as shown below:

Sunday:	Monday:	Tuesday:	Wednesday:	Thursday:	Friday:	Saturday:
Tea of the Week & High Tea @ 5 pm		Two Tea Tuesday BOGO!			Open Mic 5-10 pm	Study Saturday & Open Mic

On Sunday mornings, the Tea of the Week will be posted on LEAFbyLEAF's Twitter, Instagram, Facebook, and website. At 5pm, High Tea will be served, consisting of English Breakfast tea and tea sandwiches. High Tea was once a social event for the upper classes to gather to drink tea before a meal, dating back to 18th century England, and our version of it will attract all tea lovers. On Tuesday's, the second cup of tea purchased will be half price. Friday's will be an open mic night where customers can come and take part in storytelling, poetry sharing, musical performances or whatever they would like to do. Saturday's have time set aside specifically to allow students a quiet environment to drink tea and complete work. After the study hours have ended, LEAFbyLEAF will host open mic and musical performances to meet the booming nightlife of Church Street. Local bands and musical groups will be occasionally hired to play at LEAFbyLEAF. On Monday's, Wednesday's, and Thursday's there is open space for week-to-week activities to be booked, or for the space to be rented for

book clubs, parties, or study sessions. These weekly promotional events will help draw in new customers and keep current ones coming back.

To meet the demands of the digitally native millennial generation, we will also use social media as a pathway to our customers. Biweekly newsletters will be released to subscribed customers by email and our website will be updated constantly to inform our customers of upcoming events. In addition to weekly promotions,

LEAFbyLEAF will hold monthly promotion events, shown on the calendar below. Monthly promotional events will give customers incentive to visit the cafe during certain promotions. Prior to **LEAFbyLEAF's** grand opening, on September 9th we will have a soft opening starting September 1st where small promotional events will be hosted to attract customers and spread word of our cafe. This is the best time for us to open, because Burlington's millennial population is at its highest. College students have moved back onto campus and summer tourists are still present.

January	February	March	April
National Hot Tea Month Buy one hot tea get one ½ priced every Wednesday	Cups of Kindness Month Celebrate Valentine's Day by buying a cup of tea on hold for someone		Stress Awareness Month 10% student discount when student ID is present
May	June	July	August
	National Iced Tea Month Buy one iced tea get one ½ off every Wednesday in June		Peach Month Peach iced tea will be offered at a discounted price during the month of November
September	October	November	December
	Costume Promotion 10% off for people in Costumes the week of Halloween		Ugly Sweater Month Customers wearing an ugly sweater receive 20% off their tea order the week before Christmas

In addition to our usual events, we will also hold promotional events that connect to the three main problems we are addressing with our business in Burlington. We will host speakers to talk about the importance of stress management, healthy lifestyle choices, and the state of the environment and what can be done to improve it. We will have composting and recycling competitions that will encourage our customers to start a compost bin at their home, school, or workplace and we will recycle or up-cycle wherever possible. To increase the

customizability option of **LEAFbyLEAF**, we will hold competitions for customers to create and name new tea combinations using the flavors we have in store. The winner will have their flavor featured for the week and will receive a free cup of tea during that time. We will also hold mug painting and pottery classes where customers can create their own mug to drink from.

LEAFbyLEAF's hours of operation are as follows: **Monday - Thursday 7 am to 8 pm**

Friday - Saturday 7 am to 10 pm

Sunday 11 am to 10 pm

Due to the unique structure and location of **LEAFbyLEAF**, our hours are slightly irregular. We expect mornings to be slow because the majority of businesses along Church Street do not see many customers until later in the day. We have later hours than a traditional cafe because our emphasis on relaxation and productivity dictates staying open for customers to relax inside. There will also be extended hours during exam weeks to accommodate the student population in Burlington. We do not expect business to fall at any point during the year. When usual student customers are gone, summer tourists will replace them. **LEAFbyLEAF** holds appeal for people year round; hot tea, a warm fire, and cozy furniture in winter months and cold tea, our accordion doors, and outdoor seating in summer months.

We will be the owners and managers of **LEAFbyLEAF**, employing one additional assistant manager, two full time employees, and two-part time employees. Wages are as follows:

Position	Number of Employees	Wage
Assistant Manager	1	\$16 per hour
Full time	2	\$9.60 per hour
Part time	2	\$9.60 per hour

When **LEAFbyLEAF's** begins business operation, we will work in the store to be sure our business launches smoothly. Once confident **LEAFbyLEAF** is running efficiently, we will no longer work in the cafe and will instead manage it externally. Depending on how busy the cafe, two to three employees are required to be present at all times.

VII. REVENUE STREAMS

A. What is the revenue model?

	Year 1 (US \$)	Year 2 (US \$)	Year 3 (US \$)
Revenue - Black Tea			
Black Tea Sales	18,836	27,048	34,304
Average Selling Price	3.16	3.16	3.16
Sales from Black Tea	59,522	85,473	108,400
Revenue - Green Tea			
Green Tea Sales	18,836	27,048	34,304
Average Selling Price	3.23	3.23	3.23
Sales from Green Tea	60,840	87,366	110,802
Revenue - Herbal Tea			
Herbal Tea Sales	18,836	27,048	34,304
Average Selling Price	3.17	3.17	3.17
Sales from Herbal Tea	59,710	85,743	108,743
Revenue - Oolong Tea			
Oolong Tea Sales	18,836	27,048	34,304
Average Selling Price	3.30	3.30	3.30
Sales from Oolong Tea	62,159	89,260	113,203
Revenue - White Tea			
White Tea Sales	18,836	27,048	34,304
Average Selling Price	5.25	5.25	5.25
Sales from White Tea	97,914	142,004	180,096
Revenue - Egg & Cheese Sandwich			
Egg & Cheese Sales	2,260	3,246	4,116
Average Selling Price	5.25	5.25	5.25
Sales from Egg & Cheese Sand	11,867	17,040	21,611
Revenue - Egg, Cheese & Meat			
Egg Cheese & Meat Sales	2,260	3,246	4,116
Average Selling Price	5.75	5.75	5.75
Sales from Egg, Cheese & Meat	12,997	18,663	23,670
Revenue - Chef Salad			
Chef Salad Sales	1,130	1,623	2,058
Average Selling Price	9.50	9.50	9.50
Sales from Chef Salad	10,736	15,418	19,553
Revenue - Harvest Salad			
Harvest Salad Sales	1,130	1,623	2,058
Average Selling Price	9.25	9.25	9.25
Sales from Harvest Salad	10,454	15,012	19,039
Revenue - MT&B Sandwich			
MT&B Sand Sales	1,130	1,623	2,058
Average Selling Price	9.25	9.25	9.25
Sales from MT&B Sand	10,454	15,012	19,039
Revenue - Vermonter Sales			
Vermont Sales	1,130	1,623	2,058
Average Selling Price	9.75	9.75	9.75
Sales from Vermonter Salad	11,019	15,823	20,068
Revenue - Baked Goods			
Baked Goods Sales	2,260	3,246	4,116
Average Selling Price	5.50	5.50	5.50
Sales from Baked Goods	12,432	17,852	22,641
Revenue - Merchandise			
Merchandise Sales	622	770	977
Average Selling Price	12.50	12.50	12.50
Sales from Merchandise	7,771	9,629	12,212
TOTAL REVENUE	427,874	614,296	779,076

With financial expert John Vacha, we have created a detailed and accurate financial plan to ensure success for **LEAFbyLEAF**. This financial plan incorporated our Revenue, Cost of Goods, Capital and Operating Expenses over the first three years of operation. Our revenue was calculated by dividing expected product sales over the first three years of our financial plan by expected operation costs. We researched numerous cafes to obtain information regarding expected sales. We expect an average of 25 drink sales per hour, coming to 9,300 cups of tea per month. Customers can choose from an assortment of black tea, green tea, herbal tea, oolong tea, and white tea. In addition to tea, **LEAFbyLEAF** will also be selling food products provided to us by August First Bakery on Church Street, and **LEAFbyLEAF** logo printed merchandise. We have established a mutually beneficial agreement with August First Bakery that provides us with freshly baked goods in return for a small percentage of profits and free advertising. Through our strategic marketing, advertising, and promotions, we will make a total revenue of **\$427,874** by the end of the first year, and **LEAFbyLEAF** will begin gaining profit soon after in opens.

B. What are the lifetime values?

Our customers are very valuable to us at **LEAFbyLEAF**. It has been calculated that each customer of **LEAFbyLEAF** has an average lifetime value of **\$13,312**.

First, the variables were averaged. Our average customer lifespan is 20 years, the average customer expenditure per visit is \$4.00, the average number of visits per week per customer is 4, and our profit margin per customer is 80%. Next, an accurate lifetime value was calculated.

$$m \left(\frac{r}{1 + i - r} \right)$$

Lifetime Value Formula:

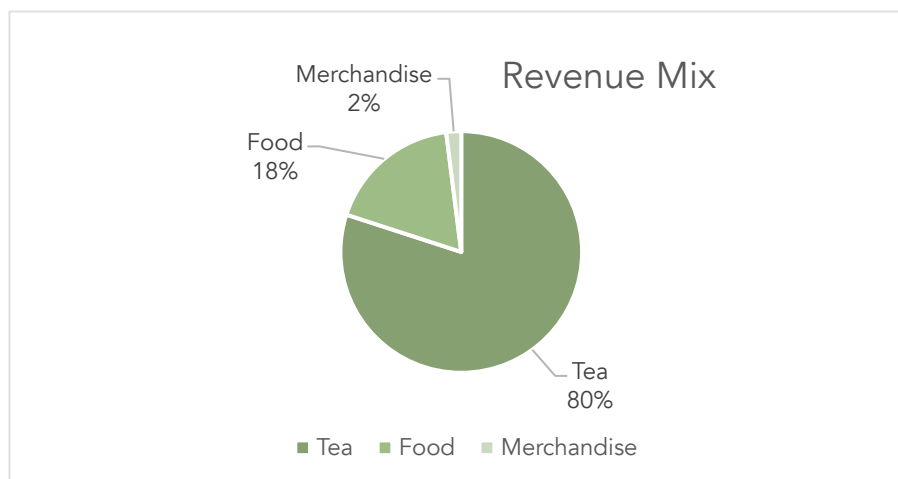
m= avg. profit margin

r= customer retention rate

i= rate of discount

C. What is the revenue?

LEAFbyLEAF will begin earning income immediately. In year one, LEAFbyLEAF will earn revenue of **\$427,874**. In year two, our revenue increases to **\$614,296**. In year three, LEAFbyLEAF will earn **\$779,076** in revenue. Our revenue mix, pictured below, consists of tea at 80%, food at 18% and merchandise at 2% of the revenue mix.



D. What is the gross margin?

The total revenue over three years is **\$1,821,246**. The cost of good sold (COGS) for three years is **\$364,833**. Therefore, the gross margin for LEAFbyLEAF is 80%.

VIII. COST STRUCTURE

A. What are the customer acquisition costs?

The customer acquisition cost (CAC) for LEAFbyLEAF is **\$0.15**. This was found by dividing \$17,393 in total average marketing costs by 111,600 cups of tea sold per year.

B. What are the distribution costs?

Our distribution costs are costs incurred to get products from the point of production to consumption.

Operating Expenses	Year 1 (US \$)	Year 2 (US \$)	Year 3 (US \$)
Sales	98,918	101,886	104,943
Marketing	18,600	16,380	17,199
Operations	121,672	101,894	107,225
Total Expenses	239,190	220,160	229,367

C. What are the human resources costs?

Our human resources costs include funds that go to our employees per year.

Position	Salary per year (US \$)
Owner/Manager	50,000
Owner/Manager	50,000
Assistant Manager	30,720
Full Time 1	18,432
Full Time 2	18,432
Part Time 1	9,216
Part Time 2	9,216
Total Human Resources Cost	186,016

D. Additional costs?

Our additional costs include all general and administrative costs:

General/Administrative Costs	Year 1 (US \$)	Year 2 (US \$)	Year 3 (US \$)
Legal	6,000	6,180	6,365
Audit/Tax	600	618	637
Insurance	36,000	37,080	38,192
Office Supplies	1,200	1,236	1,273
Depreciation	1,000	1,000	1,000
Credit Card Fees	16,713	23,983	30,408
Investor Pay Back	30,000	70,000	41,000
Misc. Expenses	3,000	3,090	3,183
Total G&A	94,513	143,187	122,058

Total Operating Expenses (HR costs are included in sales):

Year 1 - \$333,704

Year 2 - \$363,346

Year 3 - \$351,425

IX. DETAILED FINANCIALS

A. Projected income statements by month for the first year's operation

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Revenue												
Black Tea	1,580	2,370	3,555	5,333	5,439	5,548	5,659	5,772	5,888	6,005	6,125	6,248
Green Tea	1,615	2,423	3,634	5,451	5,560	5,671	5,784	5,900	6,018	6,138	6,261	6,386
Herbal Tea	1,585	2,378	3,566	5,349	5,456	5,565	5,677	5,790	5,906	6,024	6,145	6,268
Oolong	1,650	2,475	3,713	5,569	5,680	5,794	5,910	6,028	6,148	6,271	6,397	6,525
White Tea	1,650	3,938	5,906	8,859	9,037	9,217	9,402	9,590	9,781	9,977	10,177	10,380
Egg/Cheese	315	473	709	1,063	1,084	1,106	1,128	1,151	1,174	1,197	1,221	1,246
Egg/C/S/H	345	518	776	1,164	1,188	1,211	1,236	1,260	1,286	1,311	1,338	1,364
Chef Salad	285	428	641	962	981	1,001	1,021	1,041	1,062	1,083	1,105	1,127
Harvest Salad	278	416	624	937	955	974	994	1,014	1,034	1,055	1,076	1,097
MTB Sand	278	416	624	937	955	974	994	1,014	1,034	1,055	1,076	1,097
Vermonters	293	439	658	987	1,007	1,027	1,048	1,069	1,090	1,112	1,134	1,157
Baked Goods	330	495	743	1,114	1,136	1,159	1,182	1,206	1,230	1,254	1,279	1,305
Merchandise	625	625	625	625	625	625	638	650	663	677	690	704
Total Revenue	10,828	17,391	25,774	38,349	39,104	39,873	40,671	41,484	42,314	43,160	44,023	44,904
COGS												
Black Tea	78	116	174	262	267	272	278	283	289	295	300	306
Green Tea	116	174	262	392	400	408	416	425	433	442	451	460
Herbal Tea	83	124	186	278	284	290	295	301	307	314	320	326
Oolong Tea	151	226	339	509	519	530	540	551	562	573	585	596
White Tea	151	1,500	2,250	3,375	3,443	3,511	3,582	3,653	3,726	3,801	3,877	3,954
Egg/Cheese	120	180	270	405	413	421	430	438	447	456	465	475
Egg/C/S/H	135	203	304	456	465	474	484	493	503	513	523	534
Chef Salad	120	180	270	405	413	421	430	438	447	456	465	475
Harvest Salad	90	135	203	304	310	316	322	329	335	342	349	356
MTB Sand	120	180	270	405	413	421	430	438	447	456	465	475
Vermonters	120	180	270	405	413	421	430	438	447	456	465	475
Baked Goods	120	180	270	405	413	421	430	438	447	456	465	475
Merchandise	95	95	95	95	95	95	97	99	101	103	105	107
Total COGS	1,498	3,473	5,162	7,696	7,848	8,003	8,163	8,326	8,493	8,663	8,836	9,013
Gross Margin	9,330	13,918	20,612	30,653	31,256	31,870	32,508	33,158	33,821	34,497	35,187	35,891
Black Tea	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Green Tea	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
Herbal Tea	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Oolong Tea	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
White Tea	91%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Egg/Cheese	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Egg/C/S/H	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
Chef Salad	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
Harvest Salad	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%	68%
MTB Sand	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%
Vermonters	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%
Baked Goods	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%
Merchandise	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Total	86%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Operating Expenses												
Sales	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243
Marketing	4,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Operations	32,935	7,967	8,008	8,069	8,073	8,077	8,080	8,084	8,088	8,093	8,097	8,101
General/Administrative	4,407	4,664	4,991	5,481	5,511	5,541	5,572	5,603	5,636	5,669	5,702	5,737
Total Operating Expenses	49,885	22,174	22,542	23,093	23,127	23,160	23,195	23,231	23,267	23,304	23,342	53,381
Income from Operations	(40,556)	(8,256)	(1,930)	7,560	8,129	8,710	9,312	9,927	10,554	11,193	11,845	(17,490)
Investment Income	20	20	20	20	20	20	20	20	20	20	20	20
Taxes (Including NOL's)	0	0	0	1,668	1,793	1,921	2,053	2,188	2,326	2,467	2,610	0
Net Income (loss)	(40,536)	(8,236)	(1,910)	5,912	6,356	6,809	7,279	7,759	8,247	8,746	9,255	(17,470)

B. Projected cash flow for the first year

Year 1 - 2016 (US \$)	
Cash Flows from Operations	
Net Income (Loss)	(7,788)
Depreciation & Amortization	9,333
Dec / (Inc) in AR	(44,904)
Dec / (Inc) in Inventory	(5,768)
Dec / (Inc) in Prepaid / Other	0
Inc / (Dec) in AP	76,197
Inc / (Dec) in Accrued Expenses	0
Sources / (Uses) of Cash from Operations	27,072
Cash Flows from Investing	
Purchases of PP&E	(28,000)
Changes in Other Assets	0
Sources / (Uses) of Cash from Investing	(28,000)
Cash Flows from Financing	
Investment Financing	100,000
Sources / (Uses) of Cash from Financing	100,000
Cash From Operating Activities	99,072
Beginning Cash - Balance Sheet	0
Cash Available to Finance Business	99,072
Additional Financing Requirement	0
Ending Cash - Balance Sheet	\$99,072

The cash flow statement above shows the incoming and outgoing capital for the first year of operation for **LEAFbyLEAF**. The cash flow statement on the following page goes into further detail, presenting the incoming and outgoing capital month by month for the first year of operation. Costs were determined through extensive market and competitor research.

C. Projected cash flow by month for the first year's operation

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Cash Flows from Operations												
Net Income (Loss)	(40,536)	(8,236)	(1,910)	5,912	6,356	6,809	7,279	7,759	8,247	8,746	9,255	(17,470)
Depreciation/Authorization	778	778	778	778	778	778	778	778	778	778	778	778
Dec/(Inc) in AR	(10,828)	(6,564)	(8,383)	(12,575)	(754)	(770)	(797)	(813)	(830)	(846)	(863)	(880)
Dec/(Inc) in Inventory	(2,199)	(1,052)	(1,578)	(95)	(97)	(100)	(102)	(104)	(107)	(109)	(111)	(113)
Dec/(Inc) in Prepaid/Other	0	0	0	0	0	0	0	0	0	0	0	0
Inc/(Dec) in AP	97,134	(54,659)	1,946	646	130	134	137	140	143	146	149	30,152
Inc/(Dec) in Accrued Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Sources / (Uses) of Cash from Operations	44,349	(69,733)	(9,148)	(5,333)	6,413	6,851	7,295	7,759	8,232	8,715	9,207	12,466
Cash Flows from Investing												
Purchases of PP&E	(28,000)	0	0	0	0	0	0	0	0	0	0	0
Changes in Other Assets	0	0	0	0	0	0	0	0	0	0	0	0
Sources / (Uses) of Cash from Investing	(28,000)	0	0	0	0	0	0	0	0	0	0	0
Cash Flows from Financing												
Investment Financing	100,000	0	0	0	0	0	0	0	0	0	0	0
Sources / (Uses) of Cash from Financing	100,000	0	0	0	0	0	0	0	0	0	0	0
Cash From Operating Activities	116,349	(69,733)	(9,148)	(5,333)	6,413	6,851	7,295	7,759	8,232	8,715	9,207	12,466
Beginning Cash - Balance Sheet	0	116,349	46,615	37,468	32,135	38,547	45,399	52,693	60,452	68,684	77,398	86,605
Cash Available to Finance Business	116,349	46,615	37,468	32,135	38,547	45,399	52,693	60,452	68,684	77,398	86,605	99,072
Additional Financing Requirement	0	0	0	0	0	0	0	0	0	0	0	0
Ending Cash - Balance Sheet	116,349	46,615	37,468	32,135	38,547	45,399	52,693	60,452	68,684	77,398	86,605	99,072

D. Projected balance sheet, end of first year

Year 1 - 2016 (US \$)	
ASSETS	
<u>Current Assets</u>	
Cash	99,072
Account Receivables	44,904
Inventory	
Tea	2,331
Food and Merchandise	3,437
Prepaid/Other	0
Total Current Assets	149,743
<u>PP&E</u>	
PP&E-Gross	18,667
Other Assets	0
TOTAL ASSETS	168,410
LIABILITIES & EQUITY	
<u>Current Liabilities</u>	
Accounts Payable	76,197
Accrued Expenses	0
Total Current Liabilities	76,197
<u>Shareholder's Equity</u>	
Additional Financing Required	0
Beginning Retained Earnings	100,000
Net Income	(7,788)
Ending Retained Earnings	92,212
TOTAL LIABILITIES & EQUITY	168,410

E. Projected three-year plan

	Year 1	Year 2	Year 3
Revenue	427,874	614,296	779,076
Cost of Goods Sold	85,172	123,294	156,367
Gross Margin %	80%	80%	80%
Operating Expense	333,704	363,346	351,425
Operating Margin %	2%	21%	35%
Net Income/(Loss)	(\$7,788)	\$88,944	\$209,712
Ending Cash	\$99,072	\$227,155	\$403,967
P&L Break Even	Dec-16		
C/F Break Even	Jan-17		

F. A brief narrative description of the planned growth of the proposed business, including financial resources and needs

To meet our financial needs in the first year of business, LEAFbyLEAF requires a **\$100,000** investment in return for a **20%** stake in our company. Between year one and year two, LEAFbyLEAF will see an increase in profit as we gain recognition and customers, and we expect to see continued growth as LEAFbyLEAF becomes better known in the Burlington community. In the future, once our business sees the success we expect it to, we will look into franchising LEAFbyLEAF to other locations. There are several locations throughout the country where LEAFbyLEAF would see immense success. Any additional LEAFbyLEAF locations will have emphasis on a unique tea experience just as the Burlington location does.

G. Proposed plan to meet capital needs

1. Personal and internal sources

We, as owners and workers, are our own personal and internal sources. We will work in the store and ensure that everything is running efficiently. Through these actions, we will put “sweat equity” into LEAFbyLEAF. We will invest money from our salaries if needed to meet financial needs, but we expect LEAFbyLEAF to continuously gain profit without having to do this.

2. Earnings, short-term and long-term borrowing, long-term equity

Our net income (earnings) will be used to pay out a portion of the annual profits to investors based on their 20% ownership of LEAFbyLEAF. We are offering long-term equity through 20% ownership of our Burlington LEAFbyLEAF location for as long as it operates.

3. External sources

Our external sources are investors of LEAFbyLEAF. They provide us with the initial capital needed to operate LEAFbyLEAF. The requested \$100,000 will be borrowed short-term and will be paid off by year the end of calendar year three of operation: \$30,000 paid in our first fiscal year, and \$70,000 paid in our second. After this initial investment is paid off, we are offering a 20% stake in the business. This 20% translates to \$41,000 in year

three. The way our financial plan is constructed, we can make LEAFbyLEAF successful with the \$100,000 investment.

4. Short-term and long-term borrowing, long-term equity (if applicable)

Refer to section 2 above for information regarding all short-term borrowing, long-term borrowing, and long-term equity.

5. Repayment plans

We desire a \$100,000 investment in return for 20% of our company. We want to repay borrowed money as soon and efficiently as possible. Repaying the initial \$100,000 will take two years, translating to \$30,000 in year one and \$70,000 in year two. After this initial \$100,000 is paid we will pay an additional 20% of our net income. This translates \$41,000 by the end of year three. LEAFbyLEAF will gain profit soon after opening, so return on investment will be quick and definite.

6. Plan to repay borrowed funds or provide return on investment to equity funds

Refer to section 5 above for information regarding all repayment plans.

X. KEY METRICS

Because tea is LEAFbyLEAF's main source of income, it is essential to measure sales or profit could be significantly affected. On average, LEAFbyLEAF will sell 25 cups of tea per hour. Based upon this value, we can determine that we will sell approximately 2,325 cups of tea per week and 9,300 cups per month. If we find that the number of cups we sell per hour or per week drops below the average we calculated, we will be able to determine areas of weakness in marketing that we can improve upon.

The experience of customers is also important to measure considering it is what makes LEAFbyLEAF so unique. Surveys will be periodically released to customers in LEAFbyLEAF as well on our website to measure experience of customers. Customers are also encouraged to share their experience on their social media channels. Any problem areas that arise will be adjusted accordingly so customers can continue to get our unique LEAFbyLEAF experience.

	Hours open	Tea sold per hour	Total tea per day
Monday	13	25	325
Tuesday	13	25	325
Wednesday	13	25	325
Thursday	13	25	325
Friday	15	25	375
Saturday	15	25	375
Sunday	11	25	275
Tea per week- 2,325 Tea per month (4 week average) - 9,300 Total cups of tea sold per year - approximately 111,600			

XI. COMPETITIVE ADVANTAGE

Competition that poses potential threats to **LEAFbyLEAF** includes businesses with similar products such as David's Tea, Teavana, Starbucks, and other local tea and coffee shops in the Burlington area. We completed thorough research on these businesses to ensure that **LEAFbyLEAF** and its unique features cannot be easily duplicated.

LEAFbyLEAF combines several unique and meaningful benefits to deliver a completely millennial friendly experience that will initiate and uphold brand loyalty. This aspect of our business also protects us from any fast followers. If competitors sought to copy our business, they would be put in a precarious position, as they would need to alienate their current customer base in order to go after ours. Our primary target market is the millennial generation while our competitors primary focus is on customers aged 35-55. Our target market provides us with a large customer base that other establishments with tea have trouble getting to. After seeing sustained success of **LEAFbyLEAF**, we will further protect our business by beginning the process of trade marking the brand of **LEAFbyLEAF** to ensure our competitors do not copy the unique structure and features of our business. As shown in the table on the following page, we have total confidence that **LEAFbyLEAF** will hold its own against its competitors.

	Starbucks	DAVIDsTea	Teavana	LEAFbyLEAF
Environment	✓ Seating ✗ Relaxing atmosphere	✗ Seating ✗ Relaxing atmosphere	✗ Seating ✗ Relaxing atmosphere	✓ Seating ✓ Relaxing atmosphere
Primary Target Market	Ages 35-55 Better target market for a coffee focused business	No specific target market	Ages 35-55 Partnered with Starbucks and shares target market	Ages 16-36 Target market filled with tea enthusiasts
Customization	1/4 - offers little customization to orders, and a barista prepares it behind a counter	1/2 - customers can pick and choose loose leaf tea but it is either pre-packaged or scooped by employees	1/2 - customers can select their desired flavors but tea is prepackaged or employee handled	✓ - customers can create their own unique flavor of tea, and while employees are available to help, customers have open access to the tea
Pricing	\$3.75 *Price varies by type of tea	\$9.00 *per 2 oz *Price varies by type of tea	\$12.00 *per 2 oz *Price varies by type of tea	\$3.50

XII. CONCLUSION

In order to finance our business venture, we request a **\$100,000** investment to be paid off over the course of two fiscal years, in return for a **20%** stake in our company. This money will support the initial costs to open **LEAFbyLEAF** and return on investment will be quick.

We strive to be the top provider of high quality and delicious tea products in the beverage industry. By starting our business off in Burlington Vermont, we have a largely untapped market of tea loving millennials available to serve. **LEAFbyLEAF** will provide customers with a delicious beverage, fresh food and pastries, and a productive environment to relax in on a daily basis. Our business will bring a peaceful, positive, and productive environment to Burlington as we solve the three main problems of **a lack of customizability of tea, wellbeing**

and social responsibility. LEAFbyLEAF's combination of many unique and meaningful benefits, and its *Peaceful, Pure, and Fresh* millennial friendly experience, sets it apart from competitors.

We hope to gain approval of our business and financial request. Our in-depth business plan, extensive research and accurate financial forecasts, make us extremely confident LEAFbyLEAF will see long-standing success.

LEAFbyLEAF gives people an experience they can find nowhere else, and the distinctive design of our business is what will keep customers loyal. Endorsement in LEAFbyLEAF is an investment in a thriving tea industry, an investment in the environment, and an investment in the wellbeing of our consumers.

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XIV. APPENDIX



LEAFbyLEAF

Menu

Teas.

~3.50 per cup of tea~

Green Tea

Bolder Breakfast
Earl of Grey
Lady Lavender
Mango Tango

Black Tea

Moroccan Mint
Jasmine Pearls
Meditative Mind

Herbal Tea

Chamomile
Ginger
Hibiscus Petals
Peppermint
Red Hot Chai

White Tea

White Peony Tea
Snowflakes

Oolong Tea

Coconut Cabana
Dark Roast Oolong



Check daily for teas of the week and seasonal teas!

Food.

~fresh food provided daily by August First Bakery~

Breakfast

Egg and Cheese (+Ham, Sausage).....\$5.25 (+. 50)

Salads

Chef Salad.....\$9.50
Harvest Salad.....\$9.25

Sandwiches (Sandwiches served with choice of chips or apple)

Mozzarella, Tomato, and Basil.....\$9.25
Vermont.....\$9.75

Bakery Items

Different Items each day, prices vary.