

E49 - Tristina Asks, Invest \$750k For 10% Of Our Healthy Cocktail & Coffee Syrup Brand?

Transcript

Ryan Moran [00:00:02]

This is the Road to \$1 Million. I'm Ryan Daniel Moran. Oh, snap. It's our latest episode from the Capitalism Incubator Pitch Week. We do this thing in Cap Inc where we make our members pitch their visions and pitch a raise to investors and advisors. I sit on the panel, as well as a hand selected group of advisors and investors who sometimes make offers right on the spot.

Ryan Moran [00:00:29]

And in this episode, you're going to hear one of the most recent pitches from the Capitalism Incubator Pitch Week. And if you want to participate in this process and be in front of judges and advisors and investors ... That sounds scary, doesn't it? It's not that scary. It's actually an opportunity for you to present your vision, get feedback, and network with people who can help you build the business of your dreams. If you want to be part of this process, you can apply over at Capitalism.com/inc. That's Capitalsim.com/inc.

Stan Way [00:01:04]

Guys, the next presenter here is someone that, once again, like everyone else, has become a dear friend and a brand that I absolutely love. I'm totally biased, I'm not going to lie. I use their product, the sampling of their product, every morning. My wife uses the sampling of their product every morning.

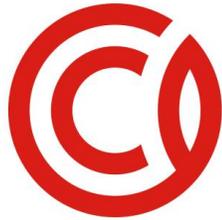
Stan Way [00:01:22]

By the way, we're out. Please send us more. My son uses the other flavor, and we let him drink decaf coffee. So, our next presenter is going to be Tristina Timm, along with her husband, Ryan, who will probably assist her with questioning. They have an amazing brand, and the floor is yours, Tristina.

Tristina Timm [00:01:40]

Finally, there is a better way to savor life's sweet moments. I'm Tristina Timm, and my husband and I are the owners of Miss Mary's Mix, a beverage company specializing in cocktail mixes and coffee syrups. For adults striving to limit their sugar intake, it's a constant challenge to enjoy the sweet moments.

Tristina Timm [00:01:58]



Every morning, they deny themselves delicious cups of sweet coffee in order to set their blood sugar for the day. Every cocktail party, these people stress over the sugar grams in their drinks in order to maintain a low sugar lifestyle. Now, there is a better way for people to stick to their low sugar goals where they can indulge in their favorite beverages, including coffee and cocktails, leading to healthier adults who feel empowered by being able to stick to their lifestyle goals.

Tristina Timm [00:02:22]

Ryan and I have been married for 16 years and have always had a passion for fitness and health. Ryan, a weightlifter and former CrossFitter, was the area developer in a restaurant called Salad Creations before moving onto Miss Mary's Mix. I was a professional cheerleader for the NFL and NBA and founded my own dance and pilates studio, which we went on to sell in 2015.

Tristina Timm [00:02:41]

We are both high achievers, know what hard work feels like, and know how to make our dreams come to fruition. However, when I retired from cheerleading, we had dreams to start a family. I was in the best shape of my life and thought I was the healthiest I had ever been. My friends were getting pregnant so easily, so I started buying onesies and little baby shoes and we were going to announce our pregnancy to the family.

Tristina Timm [00:03:06]

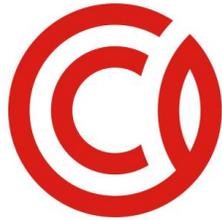
However, after a year of trying, being on liver damaging prescriptions, and getting our heart broken month after month, I was considered infertile by doctors. To say we were devastated was an understatement. I wasn't sure how to move on from this soul crushing diagnosis. So, we started to dig into the problem ourselves.

Tristina Timm [00:03:25]

It wasn't until we went to a few naturopaths and chiropractors that we found out, like so many other people, I had a wheat allergy, and my diet of so-called healthy food and artificial sweeteners were shutting down my organs. Finally, putting an answer to our problem felt euphoric. We quickly made changes, learned a crazy amount about nutrition and everything that we put in and on our bodies, and got pregnant six weeks later. And again, two years later.

Tristina Timm [00:03:52]

We knew we had to start sharing our journey to help others, and this has had a huge impact on how we started and branded our business. I'd love to introduce to you Miss Mary's Mix, your next investment into a brand that can help solve a common problem for millions of people. Now anyone can celebrate moments and ditch the guilt.



Tristina Timm [00:04:08]

Ryan and I have quite an advantage in this industry. Not only do we have over eight years experience in the beverage world with Miss Mary's, but we are also the owners of Freshbev Solutions, a private label company that develops beverages for Target's own brand, Favorite Day. Further, Ryan has fantastic relationships with manufacturers, ingredients suppliers, and flavor houses, which gives him a huge edge in this business.

Tristina Timm [00:04:30]

Our first financial investor, Bill Holst, owns 20% of Miss Mary's, is the owner of five golf courses, has exited eight figure companies in the past, and is currently the owner of one of the biggest caviar production companies in the world. His entrepreneurial experience has proven to be extremely beneficial throughout the years.

Tristina Timm [00:04:47]

Our organization is comprised of three main components that set us apart from other young companies in this space. We have trusted relationships with the top beverage manufacturers, formulation experts, and ingredient suppliers. We aren't just taking off the shelf formulas and slapping our label on them. We build our formulas from the ground up, which means we own them and have control over the manufacturing process.

Tristina Timm [00:05:09]

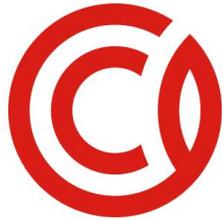
Second, we have a network of rep groups that touch virtually every major retailer in the country. And lastly, we have a streamlined distribution process. This brings us to our big idea. Life is about celebrating the small moments. How many of you have gone on a diet or head to the gym or just eat as healthy as possible? You know what? We're doing great. And it's not just us.

Tristina Timm [00:05:29]

56% of Americans are on a keto, low carb, or low sugar diet. 80% of people are trying to limit their sugar intake, and 81% of people look for foods without artificial ingredients. Now, how many people do you know that try to eat healthy but also fail these diets? Sometimes we also want to indulge and satiate that sweet tooth. This is where we can help.

Tristina Timm [00:05:50]

Our goal is to be able to celebrate the small moments, whether it's a cup of sweet coffee in the morning or cocktail hour in the evening without the guilt or sacrificing health. We prove that sugar free and low calorie mixers and syrups can taste like the real thing and not be full of toxic



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ingredients. By using quality ingredients in our products, we are redefining this huge industry one delicious beverage at a time.

Tristina Timm [00:06:13]

Miss Mary's uses all natural sweeteners and flavors, so you don't have to worry about what they'll do to your gut, inside or out. You see, other low sugar beverage companies use extremely unhealthy ingredients to get their desired flavor profiles. We've all heard the dangers of aspartame, but even sucralose is considered dangerous. They both create problems in the body that lead to many terrible health issues.

Tristina Timm [00:06:35]

These other sugar-free products are full of artificial flavor, sweeteners, colors, and preservatives that researchers say can actually lead to long term weight gain, as well as inflammation, high blood pressure, heart disease, and diabetes. 37 million Americans have diabetes. 96 million Americans have pre-diabetes, and more than eight in ten don't even know that they have it.

Tristina Timm [00:06:57]

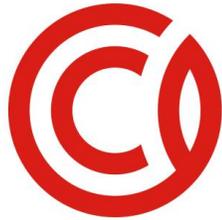
Diabetic patients have learned from their doctors that they should reduce their consumption of sugar sweetened beverages. Most Americans are already trying to avoid sugar, but they want to enjoy this new lifestyle and not feel like they're constantly on a diet. We are offering people a healthy solution to be able to celebrate and enjoy their coffee or cocktail, but also crush their low sugar goals.

Tristina Timm [00:07:16]

Currently, Miss Mary's operates with six low sugar cocktail mixes in two different sizes. All of our mixes use better ingredients and love sharing their favorite drinks with friends. And our fans are loyal. We do many events with our traveling Miss Mary's trailer. We have tailgated at Green Bay Packer games, we host an annual Bloody Mary Walk, turning thousands of people to vote on their favorite Bloody Mary, and our home schooled kids even sell our mixes at farmers markets.

Tristina Timm [00:07:41]

Miss Mary's is already proven in top retailers and we keep adding to the list. Some expansions we look forward to this year include a huge Walmart and Safeway Albertsons store increase, a massive gift basket online retailer, and we are currently under review with Delta Airlines and Royal Caribbean Cruise Lines. World trends in 2022, which are expected to gain speed in 2023, are very important to us.



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Tristina Timm [00:08:03]

Again, our current products contain no major allergens. We are low sugar and keto friendly. Because of the Capitalism.com Incubator program, we are pushing hard into the direct to consumer space, which, believe it or not, is not a common path for traditional mixer companies. Alcohol sales for direct to consumer increased 400% post-pandemic, and cocktails in the age of social media point us towards new trends, fun experiments, and an avenue of sharing our own creations that help us feel connected to a community of people online.

Tristina Timm [00:08:31]

Further, if you've been on TikTok lately, you've probably noticed that gut health is taking over and is wildly trending. Our products don't cause havoc on the gut microbiome like the other sugar free beverages, and our new products even contain a prebiotic fiber that helps your body build healthy bacteria. Also, everyone around the world right now is worried about an upcoming recession.

Tristina Timm [00:08:50]

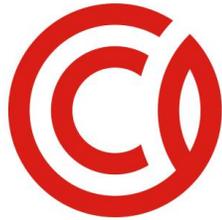
Luckily, alcohol is a category that's generally protected from economic downturns. Further, while people are less likely to eat out during a recession, they aren't about to give up their yummy cocktails or coffee drinks, but more likely to make them at home. After literally calling hundreds of our current customers, conducting different surveys through email, in person and on social media, and sending out over 100 samples, we feel like that we know our market better and more personally than our competition.

Tristina Timm [00:09:16]

We found that they are over the age of 40, lead an active lifestyle, enjoy spending moments with good friends and family, and prefer health and happiness over the busy rat race lifestyle. 86% prefer low sugar cocktails over full sugar options and are ready for more low sugar products to use throughout their day. At Miss Mary's Mix, we think that you should be able to wake up and savor your first sip, appreciate the afternoon pick me up, and enjoy happy hour with friends at the end of a long week without feeling guilty for indulging or sacrificing your health.

Tristina Timm [00:09:46]

Introducing Miss Mary's Sinless Syrups, finally a way for people to enjoy their sweet cup of coffee while maintaining their low sugar or keto diet. Currently, we are in development of a simple syrup to be used in cocktails, coffee, yogurt, and even baking. And the classic collection trio, including vanilla, caramel, and mocha. Miss Mary's Sinless Syrups are a delicious sugar free treat with just the right amount of sweet.



Tristina Timm [00:10:07]

High quality natural ingredients give our syrup assortment the rich aroma and taste of real vanilla, caramel, and mocha. And finally, a coffee syrup with no artificial anything. Our natural ingredients won't diminish gut bacteria, and they even contain a prebiotic fiber for improved gut health. And most importantly, our syrups are keto lifestyle friendly.

Tristina Timm [00:10:29]

People who are limiting their sugar intake can live their best keto life with our sugar-free syrups. And so far, the reviews have been great. We even did an in-person syrup tasting session and got feedback from many different people with many different backgrounds. Each syrup trio launch is four SKUs, a three pack of each flavor, and a variety pack.

Tristina Timm [00:10:49]

This is a perfect line expansion opportunity for our current customer because they fulfill the same attributes that our customer craves. First, there's a lack of competition in the market. There are only a few coffee storage companies, and they're all using the same toxic ingredients. Further, this is a huge market and it's forecasted to grow thanks to low sugar trends.

Tristina Timm [00:11:07]

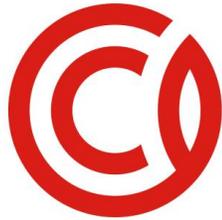
Consumers are increasingly citing sugar reduction as one of their top health priorities. And lastly, our syrups are different. Our zero calorie sweeteners aren't using the same old gut wrenching ingredients that all the other major players are using. Jordan Skinny Syrups, our largest competitor, uses the artificial sweetener sucralose, causing gut microbiome disruption and inflammation, and they use artificial colors, flavors and preservatives.

Tristina Timm [00:11:30]

Just check out some of their reviews. Digging into their one-star reviews further validates a need in the market for a cleaner, better for you version of sugar-free coffee syrups. Here's a review where they explained the situation again that doctors couldn't figure out what her problem was, but after one week of eliminating syrups out of her diet, her problem was solved.

Tristina Timm [00:11:49]

If you knew everything that you know now about artificial ingredients, would you still purchase them? We are planning to launch at least one new syrup trio every quarter. Each trio can be executed and brought to market extremely quickly because we can take our unique base formula and quickly create new flavor profiles.



Tristina Timm [00:12:06]

Further, we have a lot more in the works. Because Miss Mary's Mix is much more than a product company and is positioned as a lifestyle brand, the line extension opportunities are virtually endless. Soon, we'll add more cocktail mixes, cocktail syrups, gift items like a Bloody Mary trio or a margarita trio, digital products, and other offerings that will satisfy the sweet tooth for millions and give us massive expansion opportunities to sell to our raving fans.

Tristina Timm [00:12:32]

And as it just so happens, our manufacturer also products our competitor's cocktail mixes and syrups as well as ours. They once disclosed that once this company switched from cocktail mixes to skinny syrups that their sales increased by four times in just the first year. The US cocktail market hasn't always been what it is today, but since the pandemic, making cocktails at home has become commonplace.

Tristina Timm [00:12:53]

The US cocktail mix market is expected to grow to \$1.4 billion by 2026. Zing Zang is valued at \$140 million. However, most of their sales are still done in retail. Their Amazon annual sales are only at \$1.17 million. Mr. And Mrs. T, another leading cocktail mixer brand, generates approximately \$42 million in retail sales a year, and they're only at \$720,000 annual on Amazon.

Tristina Timm [00:13:18]

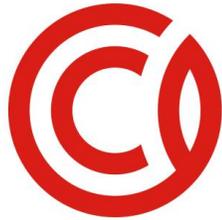
This shows us that there's plenty of room for us in the online sales market. The US coffee market is leaps and bounds above the cocktail mix market and is expected to grow to \$17 billion by the end of 2026 with sugar-free varieties leading the way. Jordan Skinny Syrups is \$32 million annually, and DaVinci sugar-free syrups do over \$10 million just on Amazon.

Tristina Timm [00:13:39]

By following our plan of launching a new trio and reaching a minimum of 25 sales per day, we will easily reach \$14.5 million in sales by 2026 just in the ecommerce space. And this is just with our syrups. Our competitors with the unhealthy ingredients are selling 100 to 200 per day per SKU. Add in our cocktail mixers and the numbers rise even more.

Tristina Timm [00:14:02]

With new mixers added to the lineup and more sales per day, we are very conservatively looking at reaching \$20 million by 2026. And let's not forget about retail. Our retail numbers for only our cocktail mixers rise every year. We are already pitching our syrups to our current



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retail partners and the response has been so overwhelming that one major retailer requested exclusivity upon launch.

Tristina Timm [00:14:24]

Again, very conservatively, we believe that growing to \$25 million by 2026 is very attainable. Today, Miss Mary's is valued at \$5 million before the launch of our syrups or any real effort into the ecommerce space. Based on our numbers, the valuations of similar companies, and help from an e-com expert, we believe that in the next four years, our value will reach upwards of \$75 million.

Tristina Timm [00:14:47]

So, this brings us to your next opportunity. We're looking for a strategic partner to help guide us as we scale in ecommerce who has a vested interest in helping us scale quickly and can advise on a path to exit. We are asking for \$750,000 for 10% of our company. Within the next four years, your investment could multiply by ten.

Tristina Timm [00:15:06]

The roadmap is set. We have the brand, the products, infrastructure, and relationships. We have secured terms with our manufacturers and ingredient suppliers to be able to sustain the growth of future product opportunities. We are only missing a strategic ecommerce partner. With investor capital, we plan to free up cash flow to pay for marketing agencies.

Tristina Timm [00:15:25]

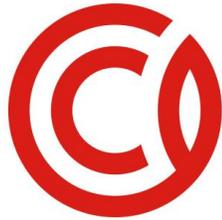
We will continue working with B Interactive, who has driven over \$25 million in sales for Facebook and Google ads and email marketing, and start using TurnKey Product Management for optimizing Amazon marketing. We will also be using investor capital for professional content creation, videos, digital product lines, and hiring a customer service rep.

Tristina Timm [00:15:45]

Also, we have identified an Influencer partner that has a massive audience, loyal following, and can help us with our educational assets. Join us on our mission to help millions of Americans celebrate moments and ditch the guilt. By using healthy ingredients and offering a plethora of low sugar and zero sugar alternatives, we are on the way to be the next huge brand in your portfolio. We're doing this. To get involved, contact Ryan for more information.

Stan Way [00:16:13]

Thank you so much, Tristina.



Ryan Moran [00:16:16]

Great job, Tristina.

Tristina Timm [00:16:17]

Thank you.

Stan Way [00:16:19]

Ryan, what are your feelings after watching that?

Ryan Moran [00:16:22]

So, first of all, I love the food and beverage space and I love the low sugar space and I love the better for you space. So, I am biased. I love this space and I think you're absolutely right that you're filling one of the very few spaces that has not already been tapped in all these spaces. So, I'm totally intrigued.

Ryan Moran [00:16:47]

I would like for you to recap the sales and the current audience for me. The current sales trailing twelve. If you hit them, you went over them very quickly. Solidify the numbers for me, the sales and the audience and how you're growing that audience.

Ryan Timm [00:17:03]

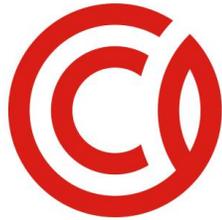
Sure. So, our trailing twelve is about \$1.2. That's always been traditional brick and mortar. The last two years, buyers have kind of had a moratorium on bringing in new products. So, we've been kind of stuck at that million to a million two mark for the last two years, I'd say. We haven't really done much on ... With respect to ecommerce.

Ryan Timm [00:17:27]

Quite honestly, until we started following your podcast, we never really looked at that as an opportunity. Plus, we were in glass, and glass does not lend itself well for direct consumer. So, now we've shifted our production. Everything is in PET, so it survives the UPS shipment. And so, where our audience is, we currently don't have a massive database because we haven't been doing the ecommerce side of the business.

Ryan Timm [00:18:05]

The audience is ... A lot of it, in the beginning, is going to come from cold traffic with ad spend. So, we budgeted out about \$395,000 for the first about seven months of ad spend, and that would be for Facebook and Google ads. And so, we're going to start building that



audience. And then additionally, with our potential influencer alignment, with her audience space, I think we can scale up an audience quite fast.

Ryan Moran [00:18:39]

But the audience doesn't exist now, and your last ... Your trailing twelve is about \$1.2, correct?

Ryan Timm [00:18:45]

Right.

Ryan Moran [00:18:46]

Okay. You mentioned towards the end of your presentation that your current valuation was \$5 million, and then the next slide, it changed to \$7.5.

Ryan Timm [00:18:55]

Right. Yeah.

Ryan Moran [00:18:56]

What was that?

Ryan Timm [00:18:56]

You noticed that? So, it's based on two things. We have new sets that are coming online this year with Walmart and Safeway Albertsons that's going to get us to closer to that \$75 valuation. Plus, with the launch of the syrups for October, November, December, we should be at that \$1.5 mark, which we think will get us ... Next year, a lot of the work we've done ... We're not going to rely a lot on these sales until calendar year 2023.

Ryan Moran [00:19:34]

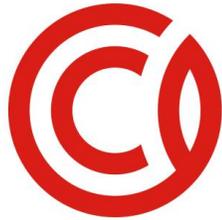
Why did you tease me with \$5 million and then raise it by 50% then?

Ryan Timm [00:19:40]

I got you.

Tristina Timm [00:19:42]

Because of the growth potential. We really think that by using this money, we can skyrocket this brand. We know how to do it now, and we'd, of course, love an advisor to help us along the journey, but it's everything that's in the works. Like we said, we're in talks with that 1800-Flowers and another gift basket company, Delta, Royal Caribbean.



Tristina Timm [00:20:06]

There's so many different things. Every day, I feel like we talk to new people who are online for the next production run. They want to get in on this. However, you don't always see it until 2023 or until ...

Ryan Moran [00:20:19]

But why did the valuation jump by 50% in two slides? So, if you're going to say we're raising at a \$7.5, just say you're raising at a \$7.5 and then justify it rather than say, today we're valued at \$5 million, and if you want to buy in, it's \$7.5.

Tristina Timm [00:20:39]

Okay. Yeah, we ...

Ryan Moran [00:20:40]

What? What the French toast, guys? So, the biggest piece of feedback I have for you is I don't think you need to sell the natural versus artificial war so strong. There was a long ... A lot of slides at the beginning of why it's a good idea to have ... To be naturally sweetened. Just show the numbers of brands that are growing that are already doing that because half of your audience of people who are watching this are going to be in the camp of sucralose is fine.

Ryan Moran [00:21:14]

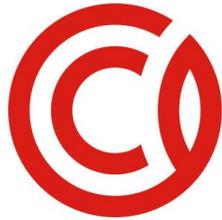
Stop trying to sell me on why sucralose is bad. I'm one of those people. Pump me full of sucralose, it's fine. But you show me the numbers of Zevia's growth and their IPO versus artificially sweetened soda and how the trends are moving in that direction, how fast monk fruit is growing, how fast allulose is growing, that's all I need to see, right? It's like, I don't need to be bought into why natural. You just need to show me the market already agrees with this, and let's go.

Ryan Moran [00:21:43]

That's all the proof that you needed. And when you had your introductory side of introducing the company, that's actually when your pitch got much stronger. So, you kind of summarized some things where you threw some shade at competitors, like, and they're the ones pumping them full of nasty ... That was perfect. That was the perfect amount of sprinkling in throwing shade at other people.

Ryan Moran [00:22:09]

I didn't need all the warm up getting there. So, I thought from there on, the pitch was wonderfully done minus the 50% jump in valuation in the last slides. Last point, I would really



like to see you go deeper into the audience growth strategy. You very briefly mentioned that you were speaking to an influencer, but you didn't mention who they were, how it would change things, so I have to just kind of pretend that you guys know what you're doing here. I would like to see a stronger strategy of how that works.

Tristina Timm [00:22:40]

Okay.

Ryan Moran [00:22:40]

Great work, guys. Great work.

Stan Way [00:22:43]

Thank you so much, Ryan. I would love to hear from Stacey, who once again was voraciously taking notes. I think Stacey might be my favorite panelist because I know she's prepared.

Stacey Lauren [00:22:52]

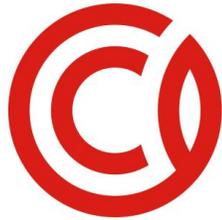
I loved your story in the beginning. I wanted to just jump up and shout for you, so congratulations on your kids and that whole experience that you guys went through, and I feel like it connected directly with the product, so I thought that was really well done. And I like your scrappiness with the tailgating and then the fact that you guys are getting sales. Who's your salesperson? Oh, my gosh. That's amazing. Are you guys going to continue that strategy while you're growing the ecommerce brand?

Ryan Timm [00:23:21]

Yeah, so we're going to ... We'll parallel traditional brick and mortar retail sales with the ecommerce space. Traditionally, brick and mortar, it's kind of a pay to play game where ultimately you want to expand out your widest footprint possible. So then what happens is a larger player comes in, picks you up, buys you up, and then they slide you into their distribution system, and it scales rapidly for them.

Ryan Timm [00:23:47]

That was the game we were kind of playing to try to grow the footprint as wide as possible. With that said, we identified some of the pitfalls within that model, and quite honestly, it's easier working with the Walmarts and the Targets and the big national retailers than it is the regional local chains. So, I think our ... Well I know. Our main strategy is to work with the national players out of the gates because we have the relationships with them and then the smaller ones, we'll focus on at a later time.



Ryan Timm [00:24:25]

But the ask for ... With a lot of these smaller retailers is always so high. It's usually slotting or pre fills and the marketing dollars and everything else that goes along with it. And we're going to avoid that with the syrups. We're just going to go back to our profitable ... Highly profitable accounts that we do well in and pitching the syrups.

Ryan Timm [00:24:45]

We've already ... Right now, Target seems like they are on board. We just need to get them retail ready samples. We feel like it'll go into Whole Foods pretty quick. We have Publix that we'll be pitching. I mean, name the large retailer, we will go after it. The problem with brick and mortar is you work on the review schedule.

Ryan Timm [00:25:05]

So, we might have the product, they might love it and say, well, we're not reviewing the category until next September, which means the set date might not be until spring of 2024. So you work that far out, where the ecommerce side, we can scale it fast, but we'll work down the retail road as quickly as we can. It's just going to be a matter of you're at the mercy of the review schedules.

Stacey Lauren [00:25:29]

And then just one more quick thing. You guys should totally use Alicia for building out that community with your cheerleading background and your CrossFit background. Those are tribal, so I think she could really help with that. So I'm just throwing that out there.

Ryan Timm [00:25:42]

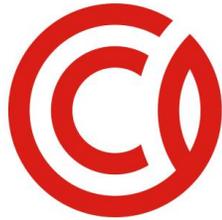
Sure. All right. Thank you.

Stan Way [00:25:44]

Awesome segue. Alicia, I would love to hear what feedback you may have for Ryan and Tristina. And Tristina, If you could go ahead and stop sharing your screen as well.

Alicia Reynoso [00:25:55]

Now, awesome job, and just kind of piggybacking on what Stacey said of you ... At the beginning, your guys' story, congratulations. I thought that was a cool story that definitely enrolled me in your mission and your why. And I feel like you spoke to my soul the whole time of natural gut microbiome. It's all the stuff I care so much about. So, I definitely am your customer.



Alicia Reynoso [00:26:17]

One of my biggest questions was I don't have a lot of experience with retail and what you guys have done just sounds incredibly impressive to me and I'd love to pick your brain. But on the direct to consumer with ecommerce, I was really curious what exactly you have mapped out for your customer journey because the syrups, coffee syrups, and beverage mixes are such different customers and I was kind of curious which one is the stronger one you guys plan to kind of go after first, get people enrolled into your mission and your brand with the syrups and then kind of up sell them the mixers, or is it vice versa? I guess you guys have that mapped out.

Ryan Timm [00:26:54]

Yeah, good question. So, it's going to be the syrups all the way. Not everybody drinks a Bloody Mary every day. Not everybody's drinking margaritas every day, but those who are drinking coffee are ... And if they're going to be putting a syrup in, they're going to be using it daily, so it's the usage, you know?

Tristina Timm [00:27:10]

And then through the customer journey, I mean, we're going to try to capture all of those emails and really get them involved in our brand and our story so that every time we launch a new syrup, they want to try that one. And they're not going to have a new syrup and then try the next one next quarter, they're going to keep on buying that probably every two weeks until the next one comes out, and then they're like, it's a holiday one, or it's a fall ... Everything's pumpkin.

Tristina Timm [00:27:38]

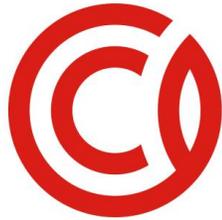
So, I really think that those will be a lot of up sells. We're also working on right now a digital cookbook for the syrups to do a simple syrup with ten different cocktails that you can use, and so then we can do digital up sells as well.

Ryan Timm [00:27:52]

Yeah, like an order bump where we just don't have cost of goods against it, but we can ... Unique ways to use our products.

Alicia Reynoso [00:27:58]

No, I love that. I was hoping you guys would say the syrups first, because at least for myself, that's the hardest thing for me to find is sugar-free coffee mixes and syrups. I look everywhere, and Publix is one of the only places that consistently has it for me. So, I do see the potential of the market out there, because I'm honestly looking ...



Alicia Reynoso [00:28:20]

Especially we're traveling on the road and all the marketplaces, or all the grocery stores don't have it, and I'm like, I miss Publix. So, I can't wait for your products to hit the shelf. And then with your customer journey, will you have a subscription in place where they can subscribe to your coffee mix thing as well?

Tristina Timm [00:28:40]

Yeah.

Alicia Reynoso [00:28:41]

Oh, yeah. Perfect.

Tristina Timm [00:28:42]

And they can show ... If they want a new one every month or if they want to keep on ... If they really like that vanilla, that they'll get the same one every month as well. They can choose.

Alicia Reynoso [00:28:52]

That's cool. That's cool. I'll buy your pumpkin for sure. But no, great job. I loved it. Thank you.

Ryan Timm [00:28:59]

Thank you.

Stan Way [00:29:00]

Awesome. Thank you so much, Alicia. Jason Franciosa, the most pragmatic and simple of our panelists. Jason, if you were sitting in an investor seat right now, what would be your number one question for Ryan and Tristina?

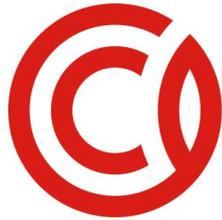
Jason Franciosa [00:29:15]

First of all, I loved the pitch. Actually, the least amount of questions for them compared to the other pitches before. Around the valuation, of course, my biggest question is, if all of the competitors you showed were multibillion dollars, why is your potential growth only \$20 million?

Tristina Timm [00:29:34]

I think our potential growth is a lot higher, but our plan is to scale in three, four years and sell. That would be our plan right now.

Jason Franciosa [00:29:45]



Okay. So, if you're going to value ... Justify a \$7 million valuation, as an investor, with \$1 million in sales right now, and there's a lot of risk involved in scaling, right? So, if you're going to justify \$7 million, if you tell me, hey, there's a potential that we're going to hit \$4 billion because this competitor is just this much more, I'm like, oh, wow, okay, so a million sounds great.

Ryan Timm [00:30:05]

Sure.

Tristina Timm [00:30:05]

Okay.

Jason Franciosa [00:30:06]

You're going to tell me it's going to take us four to five years to get to \$20 million, I'm kind of like, I don't know about that.

Ryan Timm [00:30:11]

Yeah.

Tristina Timm [00:30:12]

Okay.

Jason Franciosa [00:30:12]

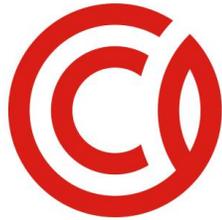
And the biggest red flag for me, it was already brought up before, is the lack of audience. And then the other red flag that I heard in your pitch was you said that your competitors use the same manufacturer. So, what is your unique value proposition that your competitors literally can't just go to your same manufacturer and say, hey, this thing is selling crazy for them, I want the same product ...

Ryan Timm [00:30:32]

It's ... To answer that, it's a manufacturer that we use on a limited basis. Our main manufacturer used to produce Jordan's. Our manufacturer at the time, their line speed was not fast enough to keep up with Jordan's. Jordan's ended up going to a faster factory. That problem has been fixed at our current factory. They've increased their line speed dramatically. So, ultimately, we still use where Jordan's is using for one of our products off and on.

Jason Franciosa [00:31:04]

Yeah. Because to me, that's a red flag because, okay, well, you start getting success with this, and their sugarless syrups are selling like crap ...



Ryan Timm [00:31:12]

These are not being produced at the same factory as Jordan's. It's ...

Jason Franciosa [00:31:16]

Do you have any, I guess, unique or ... Any sort of protection on the product itself?

Ryan Timm [00:31:23]

We own the formula. Ultimately, you have an NDA with your manufacturer. The only people that know the formula are you and your manufacturer. There's got to be a trust level there that they're not going to go out and release it to one of your competitors. That's all you can really do.

Jason Franciosa [00:31:40]

Cool. No, I love you guys. I really enjoyed the pitch, love the why, and I just think you're not looking at the potential big enough. I think that four to five years, to get to the \$25, \$26 million you projected was cutting yourself short and it's also going to make your decisions different. If you have a billion dollar valuation in your head, you're going to have different decisions to make.

Ryan Timm [00:32:05]

Sure.

Tristina Timm [00:32:06]

Yeah, you're right.

Ryan Timm [00:32:06]

Okay.

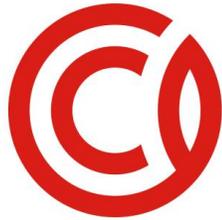
Tristina Timm [00:32:07]

Thank you.

Ryan Timm [00:32:09]

Yeah, thank you.

Stan Way [00:32:10]



Thank you. I love that the most pragmatic person on the panel just told you guys you weren't thinking big enough. I love you, Jason. I love you, man. Samuel Prentice, I would also love to just hear from you in regards to this pitch we just heard.

Samuel Prentice [00:32:26]

Yeah, absolutely. I'll keep it quick here, but guys, I really, really like the pitch. I actually dropped you my feedback in the chat there because I was afraid I wouldn't get to give the feedback and didn't want to forget it, but no, really, really well done. I have had some similar businesses we reviewed that did you ... And I mean, you're shipping liquids. I know that that can be a challenge that you have to work around.

Samuel Prentice [00:32:46]

Dialing your customer acquisition costs and things, because you're trying to get your product in the hands of people and it's just a more costly thing. I'd like to chat about that a little bit. I like the ebook mention of ways to build the audience. I think you are in the really unique position of having the retail presence, which is going to go great for your audience build on the e-com side, but those two things definitely want to play in tandem.

Samuel Prentice [00:33:06]

So, getting that customer acquisition side down, that's going to be really, really key. I think it's going to be really, really ... There's a lot of potential behind that as well. I also love the space. I would echo Ryan's feedback that a lot of people are aware that the clean label, low sugar, gut healthy type stuff, that is very much trending. I think you can hit that pretty quickly and then just jump into what your action plan is and how to acquire those customers. But all in all, really love the pitch and yeah, I'm sure we'll catch up more offline. I really, really enjoyed it.

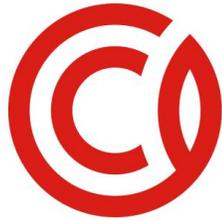
Ryan Timm [00:33:35]

Okay. Thank you.

Stan Way [00:33:38]

Awesome. Thank you, Sam. Thank you to all of our panelists. Guys, this is a magical experience where once a quarter, we get to come together as a Capitalism.com family, and especially here in the Incubator, and build out pitch decks. I can't speak highly enough of the brands that we've heard from today, the literal hundreds of hours that have been put into these pitch practices.

Stan Way [00:34:00]



I know that from a couple of these panelists, I've received multiple times a day updates to their pitch decks. Small nuanced changes. And I would invite anyone who is considering dreaming big in the same way that Jason just reminded us all that we should be in our business, remember, it takes work and it takes commitment.

Stan Way [00:34:19]

The Capitalism.com Incubator is a great place to do that. If you want an opportunity like this, it's Capitalism.com. You can look at the Incubator. But thank you, everyone, for joining. Ryan, could you please round us out from this amazing ...

Ryan Moran [00:34:30]

Well, first of all, we need a round of applause and hashtags for Stan Way, who also gives hundreds of hours to reviewing these pitches, to mentoring you on a week to week basis, to advocating for all of you, of basically choosing between his favorite children at the end of this process and having to choose who gets to present and who still needs more work.

Ryan Moran [00:34:54]

So, he deserves a round of applause and a public honoring as well. But we all know that you put blood, sweat, and tears into this, and this is just the beginning. You feel like, hey, you've finally presented, but now your inbox gets flooded, people reach out to you for partnerships, and for those of you who are watching this, this is part of your future, too.

Ryan Moran [00:35:17]

There are tons of relationships here in the Incubator watching on YouTube, sitting here on the panel of people who have resources and relationships to help you. I'm really proud that the visions were big this time around. Sometimes people say, I'm going to have a \$5 million exit, or I'm going to have a \$4 million exit.

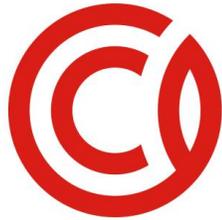
Ryan Moran [00:35:35]

This is the first time that everyone who presented had a legitimately, appropriately sized vision. Very, very good work. It shows that you have been active in the Incubator. Stay at it. We're super proud of you guys. Congratulations. We'll see you next time. Take care, everybody.

Chris Van Loan [00:35:53]

And now, a quick word from Katarina, one of our members from the Capitalism.com community.

Katarina [00:35:58]



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— B E T H E C H A N G E —

I would definitely ... I would join One Percent. There's so much learning to do in there, but you'll get so much business from other people and helping each other with that. And ... As long as you give, because you have to give to get, right? So, that ... If you need help and everything, you've got to figure out, what is it that you can offer? Every week, I have a goal. Every week, I do a give.

Katarina [00:36:23]

So, I think all week, what can I give the group? What is ... Even if it's something small. It might be something small, it might be something bigger, but based on what I've been reading this last week, what is it that I can help everybody with?

Katarina [00:36:34]

So, figuring out how you can refer somebody to somebody else, whenever someone has ... Like the guy, that ... Christopher Cho with the spice thing. I said, well, contact Mayra, find out, so you can collaborate with each other. And that's the kind of thing that will help you in One Percent. But if you just go in there and sit there and not participate, you're not going to get much out of it.

Ryan Moran [00:36:56]

If you found value in this podcast and you're ready to go deeper, here are three resources where we can help you. One, you can grab my book, 12 Months to \$1 Million on Audible or Amazon. It has over 1000 reviews, and it's the playbook to building a seven figure business.

Ryan Moran [00:37:11]

Second, you can join our community of entrepreneurs who are following a plan to build a 1% net worth by building businesses and investing the profits. You can get plugged in at Capitalism.com/1. And third, if you're looking to go deeper and build a seven figure business that you can sell, you can work closely with us inside the Capitalism Incubator and you can get on the waiting list and find out what we do over at Capitalism.com/inc. That's Capitalism.com/inc.