

BUSINESS DEVELOPMENT PROPOSAL



Title: A Proprietary Beverage Development Plan
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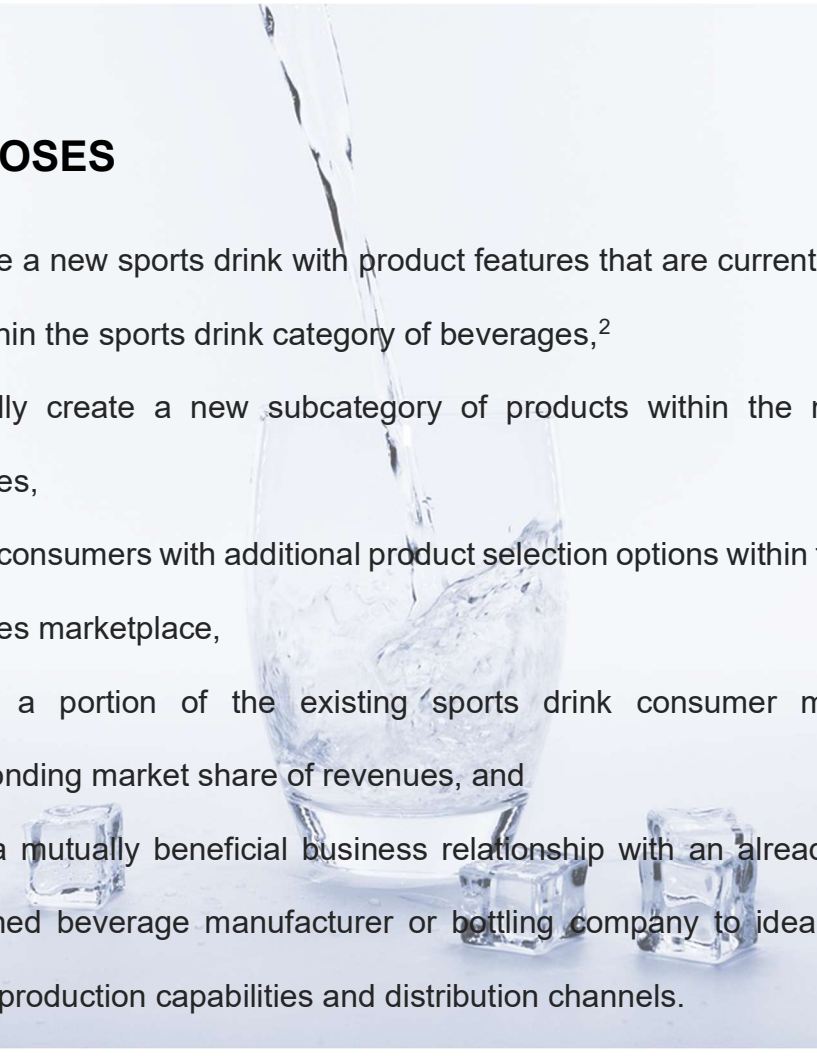
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I. OBJECTIVE

A Business Development Proposal for a for a Development Plan concerning a new sports drink product.¹

II. PURPOSES

- 1) Introduce a new sports drink with product features that are currently not known to exist within the sports drink category of beverages,²
 - 2) Potentially create a new subcategory of products within the marketplace of beverages,
 - 3) Provide consumers with additional product selection options within the sports drink beverages marketplace,
 - 4) Capture a portion of the existing sports drink consumer market and its corresponding market share of revenues, and
 - 5) Create a mutually beneficial business relationship with an already existing and established beverage manufacturer or bottling company to ideally leverage its existing production capabilities and distribution channels.
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¹ For simplicity, "sports drink" is used within this Proposal to reference both sports drinks and energy drinks despite being different products within the beverages market.

² As based upon the identified beverages referenced within this Proposal (See **Disclaimer #1** for the scope in the use of the term "new product").

III. DEVELOPMENT PROPOSAL

It is common knowledge that humans need hydration for survival. It should come as no surprise that the sale of water generates significant revenues. However, athletes, aspiring athletes, and fitness enthusiasts, because of their activity levels, require more than mere hydration to achieve or maintain their performance levels and longevity. In addition to athletic consumers, other consumers seeking a caffeinated beverage may prefer energy drinks because of the low-calorie options and oral hygiene concerns (teeth staining and bad breath) that are not present as compared to coffee beverages. That's where sports drinks enter the picture.



There has been an increase in the available options of sports drink beverages, but this too should not come as a surprise. Despite their popularity, financial information for these product lines remains less than readily attainable. PepsiCo's electrolyte sports drinks likely generate more than \$8 billion in revenues.³ Amongst the energy drinks, Red Bull is presumed to maintain the greatest market share of revenues due to its first-to-market product positioning in 1984 and its duration as the only available product of its type before the introduction of a competitor beverage. Monster nonetheless holds a

³ Guesstimate is based upon the 2010 PepsiCo annual report identifying revenues of nearly \$7B for all then owed thirst quenching category PepsiCo beverages.

sizable market share position with \$5.8 billion in reported revenues as of 2022.⁴ Suffice to say that the sports drink product category of beverages is a multi-billion dollar industry, as based upon the limited information nonetheless demonstrating high revenues.

This “value added” Business Development Proposal (see BDC description on our “Services” webpage) concerns a Development Plan for a sports drink with a proprietary formulation that would, in addition to creating a new product, arguably give rise to a new subcategory classification of soft drink beverages. The would-be Development Plan also includes a possible product variation to the primary new product. In addition to descriptions concerning the new product, the Development Plan includes proposed marketing and branding elements believed to be valuable to the product's overall commercial success. (See **Disclaimer #2** for the General Disclaimer).



If you are a beverage or bottling company executive looking to expand your company's portfolio of brands, an investor looking for a sports drink related investment, or perhaps are simply intrigued by the prospect of getting involved in a business development project that might be the next game changer within the sports drink arena of beverages, this may be the business opportunity for which you have been searching.

⁴ 2022 Annual Report of Monster Energy Corp.

IV. FUNDING OPTIONS FOR DEVELOPMENT

This Business Development Proposal is primarily concerned with funding partnership opportunities and business arrangements in furtherance of developing this concept and the would-be proprietary sports drink beverage. To that end, based upon the below identified factors, a projected value has been attributed to this BDC, the Business Development Proposal, and the would-be Development Plan. This projected value is the starting point for any possible negotiations with prospective buyers in relation to purchase or business investment arrangements that are not specifically referenced within the proposal. Alternative proposals or purchase options may be suggested for our consideration.

A. Projected Value of the BDC and Development Plan

The factors involved in the pricing of this BDC, the Business Development Proposal, and would-be Development Plan include:

- 1) The proprietary nature of the BDC, Development Proposal, and Development Plan,
- 2) The novelty of the BDC, Development Proposal, and Development Plan,
- 3) Time already expended and services performed towards the development of the concept to date at less than premium market rates,
- 4) Our knowledge, skills, abilities, and experience with the fields of design and law,
- 5) The intellectual property rights that may exist in the proposed name, branding, and marketing deliverables that are to be included in the Development Plan,
- 6) The substantial revenues generated by other sports drinks product lines and the sports drink segment of the beverage industry as a whole,

- 7) The potential that the new product, due to a lack of identical products within the market, might give rise to a new subcategory of beverages,
- 8) The required beverage and/or bottling company manufacturing resources and distribution channels needed to execute this BDC,
- 9) Potential to recapture multiples of the fee requested for development, even if not immediate,
- 10) Potential for collaborative licensing agreements to strengthen the new product's marketing and hasten product revenues,
- 11) Potential availability of skilled legal advisory services (at a yet to be agreed value) for inclusion as part of our capital contribution (using an unfixed capital contribution valuation methodology) or alternative arrangement, but only to the extent that we retain an ownership interest in the eventual business endeavor that forms the basis of the would-be Development Plan,⁵ (See **Disclaimer #3** regarding Legal Services) and
- 12) Other unknown or yet to be realized benefits.

Based upon the foregoing factors, this BDC and would-be Development Plan has a projected valuation of \$2,000,000 due to, primarily, the novelty of new product and revenue generating potential available with the sale of sports drinks.

⁵ Note that this factor does not come into play if the Business Development Plan is purchased without us retaining an interest in the subsequent business endeavor.

B. Purchase and Funding

Based upon the foregoing, purchase options are identified below. In all cases, the fee for the Development Plan excludes expenses or consulting fees for execution and implementation that, if desired, are to be later determined.

- 1) **Buyer at full asking price:** Where a prospective buyer is interested in purchasing this BDC and the Development Plan at the full asking price without restrictions on further use or resale, the requested fee is \$2,000,000. (See **Disclaimer #4** concerning Pooled Capital Purchases).
- 2) **Buyer at less than full asking price:** Where a prospective buyer is interested in purchasing this BDC and the Development Plan at less than the full requested asking price of \$2,000,000, the final purchase price will be evaluated on a case-by-case basis. (See **Disclosure #5** concerning Alternative Capital Contributions).
- 3) **Commission of independent agent for multiple buyers:** A ten percent commission fee, subject to pro rata modification as specified, will be afforded to an independent agent, be it an attorney or non-attorney, who desires to act as a coordinator in collecting funds for the purchase of this BDC and the business development plan. (See **Disclaimer #6** concerning Commission Computations). If the proposed purchase of this BDC and business development plan is at less than the full asking price, the ultimate end purchase price shall be subject to our approval, as indicated above.

While the requested fee is not insignificant, given the above identified valuation factors and the items to be delivered (set forth in Section V), the costs for this BDC and Development Plan are nonetheless believed to be reasonable.

C. Collaborative Ventures and Silent Investors

While the foregoing section concerned purchase options, this section concerns suggested business investment arrangements of less than a 100% interest. Again, alternative proposals or funding options may be suggested for our consideration. (See **Disclosure #5** concerning Alternative Capital Contributions).

Plan Valuation:	\$2,000,000
Capital Commitment:	\$200,000 per 10% equity ownership interest. (See Disclosure #7 concerning Retained Minority Interest).
Funding:	Funding may come from any source, subject only to applicable legal restrictions. (See Disclaimer #4 concerning Pooled Capital Purchases).
Coordinating Fees:	Coordinating and implementing fees to execute the completed Development Plan are not included, but may be separately negotiated.
Other:	If partnering arrangements rather than purchase options are to be pursued, \$1,000,000 is the recommended minimum capital commitment for a new business startup due to anticipated pre-market formulation and other expenses. (Note that the main product formulation expenses are anticipated to be minimized with Deliverable #12). Notwithstanding, this BDC and development plan are believed to have the greatest probability of commercial success if at least one participating buyer or investor is an already established beverage or bottling company or, alternatively, a major food manufacturer with an existing working relationship with a bottling company.

V. THE DEVELOPMENT PLAN

If engaged, this BDC and Business Development Proposal will be further augmented and worked up into a Development Plan that will include **the following deliverables** or, alternatively, SEE Consulting's capital contribution to a collaborative business endeavor:

General

- 1) Identification of the potentially new subcategory product line with the beverages marketplace,
- 2) Explanation of why the potentially new subcategory product line with the beverages marketplace might exist,

New Product

- 3) Description of the new product,
- 4) Explanation of how the new product is different from other existing beverages,
- 5) Identification of the proposed name for the new product,
- 6) Identification of an alternate name for the new product,

Product Variation

- 7) Identification of a potential secondary product variation affording product line diversification with the primary product,
- 8) Description of the variation product,
- 9) Explanation of how the product variation is different from both the primary and other existing beverages (See **Disclaimer #8** concerning Product Variation),

Ingredients

- 10) Identification of the anticipated main ingredients to be used in the new product,

- 11) Explanation of how the anticipated main ingredients align with the product's branding, proposed marketing, and anticipated retailing product position,
- 12) Identification of the proposed ingredients ratios or concentrations for the key ingredients,
- 13) Explanation why the proposed ingredients ratios or concentrations of the key ingredients were selected,
- 14) Identification of the anticipated nutritional content of the beverage, as based upon its anticipated ingredients,

Branding

- 15) Identification of the key phrase proposed to be used (*i.e.*, slogan) as the main branding characteristic for this product,

Marketing

- 16) Description of the marketing approach proposed to be used for the product amongst other available competitor beverages,

Commerce Readiness

- 17) Website domain registration reservation (See **Disclaimer #9** concerning Commerce Readiness Expenses),
- 18) Social media account name reservations,
- 19) Proposed product description text for website or other promotional advertising uses, and

Other

- 20) Such other items, information, photos, or diagrams that, in our sole discretion, may be necessary or desirable to understanding the BDC or the Development Plan.

VI. DISCLAIMERS & DISCLOSURES

1) **New product.** Due to the breadth of available sports drink products within the marketplace, and variances that might be found within inaccessible international markets, it would be impossible to guarantee that the referenced new product does not already exist. However, the “new product” assertion is based upon a review of the most commonly available and popular product lines, including Gatorade, Propel, Powerade, Trimino, Red Bull, Monster, Rockstar, AMP Energy, Reign, and Bang that, all together, are believed to comprise most of the market share.

2) **General disclaimer.** In deciding to engage the formal work-up of a Business Development Concept as a Development Plan, no assurances or guarantees are provided that the proprietary processes or development plan to be provided have not been previously conceived, contemplated, considered, or even rejected by knowledgeable specialists within the particular industry to which the Business Development Concept relates. While significant effort has been made to provide accurate information for evaluation, in deciding to engage the formal work-up of a BDC and proposal into a Development Plan, you understand and agree that there is the possibility, even if remote, of unforeseen or unanticipated circumstances that may render a development plan incapable of being implemented or possibly useless. **Please refer to the Terms of Service on our website for additional important information and applicable terms.**

3) No legal practice or legal services. This proposal is **ONLY** for a Proprietary Beverage Development Plan, subject to the limitations found within Section V concerning the identified deliverables. While we possess the requisite legal education, we are not engaged in the practice of law or providing tax advisory services, nor are we are licensed to practice law. Any performance of legal services by us is limited to those circumstances where we are acting on behalf of our own interests in conjunction with any overall business venture. Further, we do not represent any prospective purchaser of this business plan in an attorney-client relationship absent changed circumstances, which are currently unforeseen. We are not a registered investment advisor and, despite the business investment aspects of this proposal, we are not engaged in the sale or offering of any securities. Additional consultation with legal or other professionals may be required.

4) Pooled capital purchases. This BDC, proposal, and would-be proprietary plan might be purchased by investors using a pooled capital funding and purchase method to defray the development fee or cost of acquisition. If this BDC and would-be plan are to be purchased by several people using pooled capital, whether for full purchase or purchase of less than a 100% interest, it is recommended that investments occur in no less than \$200,000 increments. For individuals who may desire to pool lesser amounts of capital to aggregate the \$200,000 recommended minimum investment, it is suggested that they consult with an attorney for purposes of forming a business entity as an investment vehicle for that purpose.

5) Alternative capital contributions. While monetary capital commitments are always preferred, in some instances, alternative capital contributions may be considered. No suggestion is made as to the form that an alternative capital contribution may take, in part, because the skills required for any business endeavor will vary according to its specifics. Alternative capital contributions may, for example, take the form of software developing services, intellectual property services, or other types of service that may be needed or required in the context of the specific BDC and its Development Plan.

6) Commissions computations. For purposes of commission fee assessments and computations, if any, the referenced commission is based upon the independent status of the agent. If the agent is acting as the coordinator in funding the requested development fee for multiple buyers, the commission available will be a pro rata percentage in proportion to the funding of the paid fees that originate with parties independent of themselves. For example, for an agent coordinating and raising funds for the development fee that is to be partially (50%) paid by him or her and partially (50%) paid by others unassociated with him or her, the agent will be allotted 50% of the referenced commission for external coordinated funding efforts as an offset to his or her portion of the cost, as based upon the agreed sale price. Any person coordinating the purchase solely on behalf of themselves or their own business will not be afforded or eligible for any commission. Commissions are limited to the ultimate sale price of the development plan without regard to the offer to purchase.

7) Retained minority interest. This BDC, proposal, and would-be proprietary plan affords various possibilities concerning the purchase of a limited, general, or complete interest in the BDC and would-be Development Plan. Should the final agreement of purchase afford us, or should we otherwise retain, a minority ownership interest in the business endeavor, our retained interest shall, regardless of the eventual business' legal form, not be subject to involuntary buyout, redemption, or forced sale of any kind or type without our prior written consent, except where contrary to law. This restriction constitutes a material term and condition in any agreement for the preparation of the development plan and said restriction shall exist without regard to permissible or authorized acts applicable to any business entity that may be formed for carrying out the development plan and business endeavor.

8) Product variation. Note that because the formulation for the product variation is not known to exist within the selection of currently available products, there is the possibility that the product variation formula may present unique complications. Prospective buyers or investors should view the product variation as a supplemental benefit to the development plan for the main product not only for this reason, but because the product variation presents a second-wave line of revenues and marketing opportunities should the primary product be commercially successful.

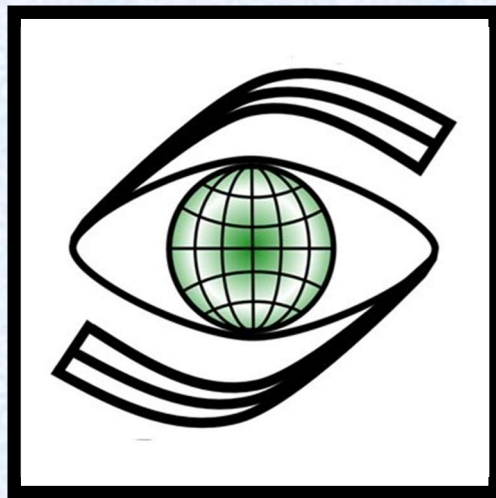
9) Commerce readiness expenses. Note that any expenses for deliverables under the commerce readiness heading are in addition to the development fee, but these expenses may be charged to the would-be start up business for the referenced

collaborative venture or silent investor funding options (*i.e.*, arrangements where less than a 100% interest in the development plan is purchased).

Thank you for considering SEE Consulting to potentially assist you with further developing or improving your company or business operations.

Sincerely,

Mr. Cameron Mostaghim



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