

A black and white photograph of a hand pouring milk from a pitcher into a cup of coffee. The coffee has a latte art design on top. The background is dark and out of focus.

# BEAN2CUP

Your tree. Your coffee.

Your journey

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## COMPANY OVERVIEW

*Our company provides a holistic coffee experience for the arabica coffee lover with a heart for agriculture and helping break cycles of poverty.*

*From seed to cup, and helping growing families along the way, our customers will be able to grow, oversee, roast and pack their own supply of coffee, branded to their taste, right in their homes.*

*Partnering with small coffee growers around the world, our company will not only allow you to drink the best coffee in the world, but also to live out a complete arabica coffee experience*





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## **MISSION**

*Our mission is to create an ecosystem where socially responsible coffee aficionados can transform communities through lovingly sourced arabica coffee by being an active part of the process every step of the way.*

## **MVP LOCATION**

*Guatemala & LA, USA*





# OBJECTIVES

for Bean2Cup

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- 
- *Set up long-lasting relationships with 50 coffee farmers*
  - *Acquire 7,000 sq. m of plantation land*
  - *2.8M USD in Coffee Tree sales*
  - *600 000 USD in Roasted Coffee sales*
  - *1.5M USD from Coffee Journey street*
  - *Invest to the society 700 000 USD during 5 years*
  - *Set up delivery logistic for top 5 coffee consuming regions*





# SWOT & PESTEL

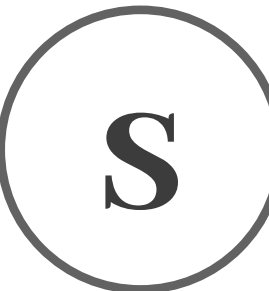
analysis



- *Knowledge of coffee market on both ends (sourcing & consumption) by company leaders;*
- *Holistic value proposition - focused on entire experience rather than just consumption of coffee;*
- *Social component of value proposition attracts customers open to helping end poverty;*
- *Not so well developed sustainable tourism market - relatively low competition;*
- *Technological component - that let automate many processes needed for smooth customer journey;*
- *Strong relationship with the farmer => bi-directional development, education, quality;*
- *Visibility of investment for end customer*
- *Delivery costs are lower than competitors*
- *Cheaper to travel to Guatemala*



- *Long-term scope of the project may deter customers from monthly spending and waiting for their crop to be ready.*
- *Higher cost of low-volume orders*
- *Mass-customization challenges*



- Estimated sustainable USA tourism market size for 2022 is \$228 Million with a CAGR for 2022-2032 of 23.4%  
(Exponential growth if successful service (social));
- USA coffee market in 2022 is expected to be US\$85.16 billion with an annual growth rate of 6.34% (CAGR 2022-2025)
- Reducing of taxes by being a socially responsible business
- Transportation companies might be interested to collaborate to be able showcase their social responsibility
- As coffee trees has to grow in the light shadow - Fruit plants that will provide this shadow can be a side business
- Fund raising project to develop the local community, beyond the coffee chain: education, local hand crafted products, tourism etc. => loyal customers.
- Government may support this project as it is a way of attracting tourists back to Guatemala since Covid crisis dropped 4 times



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- Environmental hazards may impact coffee crops
- Import tariffs and other trade barriers may hinder sales and/or increase cost
- Volatility of global coffee market prices
- Political instability in growing countries
- Discreditation from farmers not part of the program.
- Difficult living conditions for farmers (small holders), switching domains due to high production costs;
- Life insecurities for farmers (single point of failure for small holders).
- Corruption
- Global political instability (safety)



## POLITICAL

1. Political instability in coffee-growing countries
2. Potential changes in trade legislation across countries
3. Euro & US Dollar volatility
4. Government initiatives to support environmentally friendly projects => nonrefundable funds.

## ENVIRONMENTAL

1. Risk of natural disaster or climate conditions (drought, freeze, etc) affect coffee markets and global prices
2. Carbon footprint concerns over coffee plantations and processing
3. Issues around monoculture crops
4. Water accessibility for some of the regions
5. Reduction of areas suitable for growing coffee (affected soils, deforestation etc.)

## SOCIAL

1. Growth of coffee consumption per capita in key markets like the US (0.4% from 2017-2022 to 10.54 pounds)
2. Consumers switching to more “local” coffee shops, abandoning big chains (like Starbucks)
  - a. Coffee shop industry growing 2.5% YoY in US
3. Commitment to “sustainable” consumption & production and growth of sustainable tourism as a trend SDG2030
4. Evolving “coffee literacy” around the world
5. Decreased farmer interest for the long term, if low income for the project;
6. Human rights violation in coffee producing process.



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## TECHNOLOGICAL

1. Artificial intelligence, machine learning & internet of things can drive a richer and more engaging Cx for coffee plant owners
2. Blockchain can help secure transactions and improve business credibility across the value chain
3. Proper Digital marketing can improve fast income;
4. Crypto (as a strategy to cope with currency volatility)

## ECONOMIC

1. Euro & US Dollar volatility
2. Current volatility of global commodities (plastic, oil, etc)
3. Global coffee market price volatility
4. Potential overall high cost of coffee experience trips
5. Resilient to economic downturn (loyal customers where social impact is present).
6. Consumer's interest in ethical sourcing, sustainability and certification.

## LEGAL

1. Property rights over plantation land and of trees
2. Contracts across the value chain along the coffee production process
3. Formalizing (banking) employees at farms in order to receive benefits (coops)
4. Corruption in the countries where main production will be settled
5. Safety matter for plantations and farmers



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# STP ANALYSIS

for Bean2Cup

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# PERSONA

*25-54, upper working class, value good quality arabica, enjoys adventure and sustainable tourism, medium to high income.*

DEMOGRAPHICS



BEHAVIOR

- Buys through social media, in coffeeshop, online
- Love making coffee at home
- Own coffee devices
- Playing VR/AR, Podcasts

- Buys online, in coffeeshops
- Makes coffee at home
- Own coffee devices
- Playing video games

- Buys in stores, through PC online
- Makes coffee at home
- Own coffee devices

LIFESTYLE TRAITS

*Coffee enthusiasts who value good coffee and care how it's been grown and produced.*

*Gourmet coffee lovers that want to deeper their knowledge and take their empirical experience to the roots of coffee*

*Sustainable tourists that enjoy unconventional traveling experiences.*



# SOPHISTICATED US COFFEE DRINKER

- *Prefers roast coffee*
- *Between 25-54 years old*
- *Enjoys coffee culture*
- *Owens several coffee preparing devices (french press, espresso, grinder, chemex, etc)*
- *Preferring to drink coffee at home*



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# BILBO BAGGINS: OPEN TO UNORDINARY ADVENTURE

- *Between 35-44 years of age  
(millennials, gourmet coffee  
lovers)*
- *Higher-income bracket*
- *Environmentally conscious and  
open to sustainable travel*
- *Sensitive to breaking the cycles of  
poverty in the developing world*



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**I'm going on an adventure!**



# POSITIONING

*My coffee...handpicked, by me.*

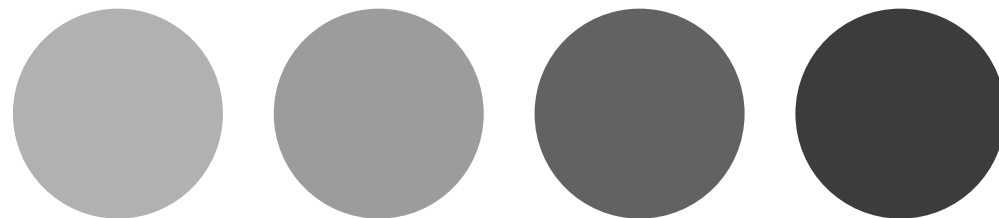
*Coffee is life.*

*Your extraordinary coffee  
experience*

*Transparent journey for your coffee  
bean*

*Coffee is an adventure*

*Live, learn, drink*



Travel Drivers





# FINANCIAL OPPORTUNITY

Bean2Cup

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# REVENUE STREAMS & COST GENERATORS

## *Revenue Streams:*

1. *Coffee Tree sales- \$100 per tree*
2. *Roasted Coffee sales - \$8 per pound + shipping (focus on 3-pound bundle - 3x per year, per customer)*
3. *Coffee Journey Comissions*
  - a. *Airlines - 1%*
  - b. *Tour Operators - 10%*
  - c. *Hospitality - 10%*

## *Cost Generators*

1. *Cost of sales*
  - a. *Land purchase & maintenance*
  - b. *Coffee & shade trees*
  - c. *Coffee roast*
  - d. *Labor*
2. *Operating costs*
  - a. *Community investment*
  - b. *Marketing*
  - c. *Administrative*
  - d. *IoT platform*



# PROJECTED FINANCIAL PERFORMANCE (US\$000'S)

	Bean2Cup 100% Yield						Bean2Cup 80% Yield						Bean2Cup 60% Yield				
	Y1	Y2	Y3	Y4	Y5		Y1	Y2	Y3	Y4	Y5		Y1	Y2	Y3	Y4	Y5
Coffee Tree Sales	\$320	\$640	\$640	\$640	\$960		\$320	\$640	\$640	\$640	\$960		\$320	\$640	\$640	\$640	\$960
Roasted Coffee Sales	\$26	\$77	\$128	\$179	\$256		\$20	\$61	\$102	\$143	\$205		\$15	\$46	\$77	\$108	\$154
Travel Commissions	\$60	\$180	\$300	\$420	\$600		\$60	\$180	\$300	\$420	\$600		\$60	\$180	\$300	\$420	\$600
Total Revenues	\$406	\$897	\$1,068	\$1,239	\$1,816		\$400	\$881	\$1,042	\$1,203	\$1,765		\$395	\$866	\$1,017	\$1,168	\$1,714
Total Costs	\$86	\$204	\$271	\$338	\$491		\$82	\$194	\$254	\$314	\$455		\$78	\$183	\$236	\$289	\$420
Gross Margin	\$320	\$692	\$797	\$901	\$1,326		\$318	\$688	\$789	\$890	\$1,310		\$317	\$683	\$781	\$879	\$1,294
Gross Margin %	78.9%	77.2%	74.6%	72.7%	73.0%		79.5%	78.0%	75.7%	73.9%	74.2%		80.1%	78.8%	76.8%	75.3%	75.5%
Operating Costs																	
Community Investment 25%	\$80	\$173	\$199	\$225	\$331		\$80	\$172	\$197	\$222	\$327		\$79	\$171	\$195	\$220	\$323
Marketing (5% revenue)	\$20	\$45	\$53	\$62	\$91		\$20	\$44	\$52	\$60	\$88		\$20	\$43	\$51	\$58	\$86
Admin	\$70	\$77	\$85	\$93	\$102		\$70	\$77	\$85	\$93	\$102		\$70	\$77	\$85	\$93	\$102
IoT Platform	\$11	\$12	\$13	\$15	\$16		\$11	\$12	\$13	\$15	\$16		\$11	\$12	\$13	\$15	\$16
EBITDA	\$139	\$385	\$446	\$506	\$785		\$138	\$383	\$441	\$499	\$775		\$137	\$380	\$437	\$493	\$766
EBIDA % Sales	34.2%	43.0%	41.8%	40.8%	43.2%		34.4%	43.4%	42.3%	41.5%	43.9%		34.6%	43.8%	42.9%	42.2%	44.7%



# Potential Market Opportunity

	Coffee Market US				High Income
	2022	2023	2024	2025	% US Population
US\$ Per Capita	\$254.31	\$283.92	\$292.71	\$300.82	35.90%
Kg Per Capita	3.62	3.81	3.83	3.87	
					<u>% Coffee Drinkers</u>
US\$ Billion	2022	2023	2024	2025	<b>64%</b>
Total Revenue (Billions)	\$85.16	\$95.58	\$99.07	\$102.41	
Projected Market Size (Billions)	\$13.36	\$15.00	\$15.55	\$16.07	
Target Market Share 0.05% (Billions)	<b>\$0.007</b>	<b>\$0.007</b>	<b>\$0.008</b>	<b>\$0.008</b>	
Total Market Share 0.05%	<b>\$6,681,912</b>	<b>\$7,499,497</b>	<b>\$7,773,333</b>	<b>\$8,035,400</b>	
	Target Market % Total US Coffee Users				
	25-34 years	35-44 years	45-54 years	% Total US Mkt	
	21.30%	23.90%	23.10%	68.30%	
	7.65%	8.58%	8.29%	24.52%	
	4.89%	5.49%	5.31%	15.69%	
Source:	<a href="https://www.statista.com/outlook/cmo/hot-drinks/coffee/united-states#demographics">https://www.statista.com/outlook/cmo/hot-drinks/coffee/united-states#demographics</a>				

# Land, Coffee & Labor Estimated Costs

		Year 1	Year 2	Year 3	Year 4	Year 5
# Manzanas (1 Manzana = 7,000 sq mts)		1	3	5	7	10
<u>Cost per Manzana (buy)</u>		\$51,020.41	\$102,040.82	\$102,040.82	\$102,040.82	\$153,061.22
Coffee Trees		3200	9600	16000	22400	32000
Shade Trees		50	150	250	350	500
<u>Roasting Costs (\$5.50 per pound)</u>		\$17,600.00	\$52,800.00	\$88,000.00	\$123,200.00	\$176,000.00
Costs Coffee Trees		\$1,024.00	\$2,048.00	\$2,048.00	\$2,048.00	\$3,072.00
Costs Shade Trees		\$65.00	\$130.00	\$130.00	\$130.00	\$195.00
<b>Total Tree Costs</b>		<b>\$1,089.00</b>	<b>\$2,178.00</b>	<b>\$2,178.00</b>	<b>\$2,178.00</b>	<b>\$3,267.00</b>
Workers per Manzana		2	6	10	14	20
Annual Worker Cost		\$15,818.87	\$47,456.60	\$79,094.34	\$110,732.08	\$158,188.68
<b>Total Annual Costs</b>		<b>\$67,928.28</b>	<b>\$151,675.42</b>	<b>\$183,313.16</b>	<b>\$214,950.89</b>	<b>\$314,516.90</b>



# Revenue Streams (Coffee Tree + Roast Coffee sales)

Revenues	Year 1	Year 2	Year 3	Year 4	Year 5
Coffee Tree Sales	\$320,000	\$640,000	\$640,000	\$640,000	\$960,000
Roasted Coffee Sales	\$25,600	\$76,800	\$128,000	\$179,200	\$256,000
<b>Total Revenues</b>	<b>\$345,600</b>	<b>\$716,800</b>	<b>\$768,000</b>	<b>\$819,200</b>	<b>\$1,216,000</b>

	Total Price for Customer				
	1 pound	2 pounds	3 pounds	4 pounds	5+ pounds
Price per Pound	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Total Coffee	\$8.00	\$16.00	\$24.00	\$32.00	\$40.00
Shipping Costs (GUA-USA)	\$10.85	\$7.55	\$5.00	\$4.30	\$0.00
<b>Total</b>	<b>\$18.85</b>	<b>\$23.55</b>	<b>\$29.00</b>	<b>\$36.30</b>	<b>\$40.00</b>

Coffee Tree Cost	\$0.32
Sales Price per Tree	\$100.00

# Projected P&L - 100% Yield

		100% Yield				
		Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues		\$345,600	\$716,800	\$768,000	\$819,200	\$1,216,000
Total Costs		\$85,528	\$204,475	\$271,313	\$338,151	\$490,517
<b>Margin</b>		<b>\$260,072</b>	<b>\$512,325</b>	<b>\$496,687</b>	<b>\$481,049</b>	<b>\$725,483</b>
Community Investment 25%		\$65,018	\$128,081	\$124,172	\$120,262	\$181,371
Marketing (5% revenue)		\$17,280	\$35,840	\$38,400	\$40,960	\$60,800
Admin		\$70,000	\$77,000	\$84,700	\$93,170	\$102,487
IoT Platform		\$11,000	\$12,100	\$13,310	\$14,641	\$16,105
<b>EBITDA</b>		<b>\$96,774</b>	<b>\$259,303</b>	<b>\$236,105</b>	<b>\$212,016</b>	<b>\$364,720</b>

# Projected P&L - 80% Yield

		80% Yield				
		Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues		\$340,480	\$701,440	\$742,400	\$783,360	\$1,164,800
Total Costs		\$82,008	\$193,915	\$253,713	\$313,511	\$455,317
<b>Margin</b>		<b>\$258,472</b>	<b>\$507,525</b>	<b>\$488,687</b>	<b>\$469,849</b>	<b>\$709,483</b>
Community Investment 25%		\$64,618	\$126,881	\$122,172	\$117,462	\$177,371
Marketing (5% revenue)		\$17,024	\$35,072	\$37,120	\$39,168	\$58,240
Admin		\$70,000	\$77,000	\$84,700	\$93,170	\$102,487
IoT Platform		\$11,000	\$12,100	\$13,310	\$14,641	\$16,105
<b>EBITDA</b>		<b>\$95,830</b>	<b>\$256,471</b>	<b>\$231,385</b>	<b>\$205,408</b>	<b>\$355,280</b>

# Projected P&L - 60% Yield

		60% Yield				
		Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues		\$335,360	\$686,080	\$716,800	\$747,520	\$1,113,600
Total Costs		\$78,488	\$183,355	\$236,113	\$288,871	\$420,117
<b>Margin</b>		<b>\$256,872</b>	<b>\$502,725</b>	<b>\$480,687</b>	<b>\$ 458,649</b>	<b>\$ 693,483</b>
Community Investment 25%		\$64,218	\$125,681	\$120,172	\$114,662	\$173,371
Marketing (5% revenue)		\$16,768	\$34,304	\$35,840	\$37,376	\$55,680
Admin		\$70,000	\$77,000	\$84,700	\$93,170	\$102,487
IoT Platform		\$11,000	\$12,100	\$13,310	\$14,641	\$16,105
<b>EBITDA</b>		<b>\$ 94,886</b>	<b>\$253,639</b>	<b>\$ 226,665</b>	<b>\$ 198,800</b>	<b>\$ 345,840</b>

# Revenues from Commission for Travel to Coffee Journey

	Year 1	Year 2	Year 3	Year 4	Year 5
Target Bundle 3 Pounds	1067	3200	5333	7467	10667
60% Customers Travel	640	1920	3200	4480	6400
	Volaris	Avianca	LATAM	<b>Average</b>	
<u>Flights LAX Guatemala</u>	\$627	\$570	\$755	<b>\$651</b>	
	La Inmaculada (1 night)	Lake Atitlán (4 nights)	Antigua Guatemala (2 nights)	<b>Total</b>	
<u>7 Day Coffee Experience</u>	\$86	\$620	\$167	<b>\$873</b>	
	Year 1	Year 2	Year 3	Year 4	Year 5
1% Commission Flights	\$4,164	\$12,493	\$20,821	\$29,150	\$41,643
10% <u>Comission Stay</u>	\$55,851	\$167,552	\$279,253	\$390,955	\$558,507
<b>Total Revenue</b>	<b>\$60,015</b>	<b>\$180,045</b>	<b>\$300,075</b>	<b>\$420,105</b>	<b>\$600,149</b>



# KPI & IMPLEMENTATION PLAN

Bean2Cup

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# IMPLEMENTATION PLAN: GOALS

- *Engaging customers through real-time coffee experience*
- *Perfecting high-quality products & prioritizing customer service*
- *Ensure a friendly comfortable atmosphere*



# IMPLEMENTATION PLAN: ANALYSIS

## GUATEMALA COFFEE GROWING REGIONS



High Altitude farms:

1,600–16,400 ft



Total Area Planted  
in Coffee:  
277,000  
hectares



Harvest Seasons:  
November - April



Temperature  
Range:  
60° to 90°  
Fahrenheit



- *Unique Growing Conditions*
- *Coffee from Guatemala is known to be sweet with a medium to full body and lots of chocolate flavor notes.*
- *The coffee industry in Guatemala is strong, and has a high percentage of coffee considered to be high quality. These coffees are sought by buyers all over the world.*



# IMPLEMENTATION PLAN: RISKS



- *Unique Growing Conditions*
- *Coffee from Guatemala is known to be sweet with a medium to full body and lots of chocolate flavor notes.*
- *The coffee industry in Guatemala is strong, and has a high percentage of coffee considered to be high quality. These coffees are sought by buyers all over the world.*



# MILESTONES



**Y0**

**ACQUIRE FIRST  
"MANZANA" AND  
BEGIN PLANTING**

**IMPLEMENT IOT  
PLATFORM AND  
TRANSACTIONAL  
WEBSITE**

**SET UP SOCIAL MEDIA**

**Y1**

**STRATEGIC ALLIANCE  
WITH SMALL COFFEE  
GROWERS TO BEGIN  
COFFEE SALES**

**SERVICE ALL NORTH  
AMERICAS**

**Y3**

**BEGIN WHOLESALE  
DISTRIBUTION  
(B2B)**

**EXPAND TO JAPAN  
AND SINGAPORE**

**Y5**

**ACQUIRE 10  
"MANZANAS" (7,000 SQ  
MTS PER MANZANA)**

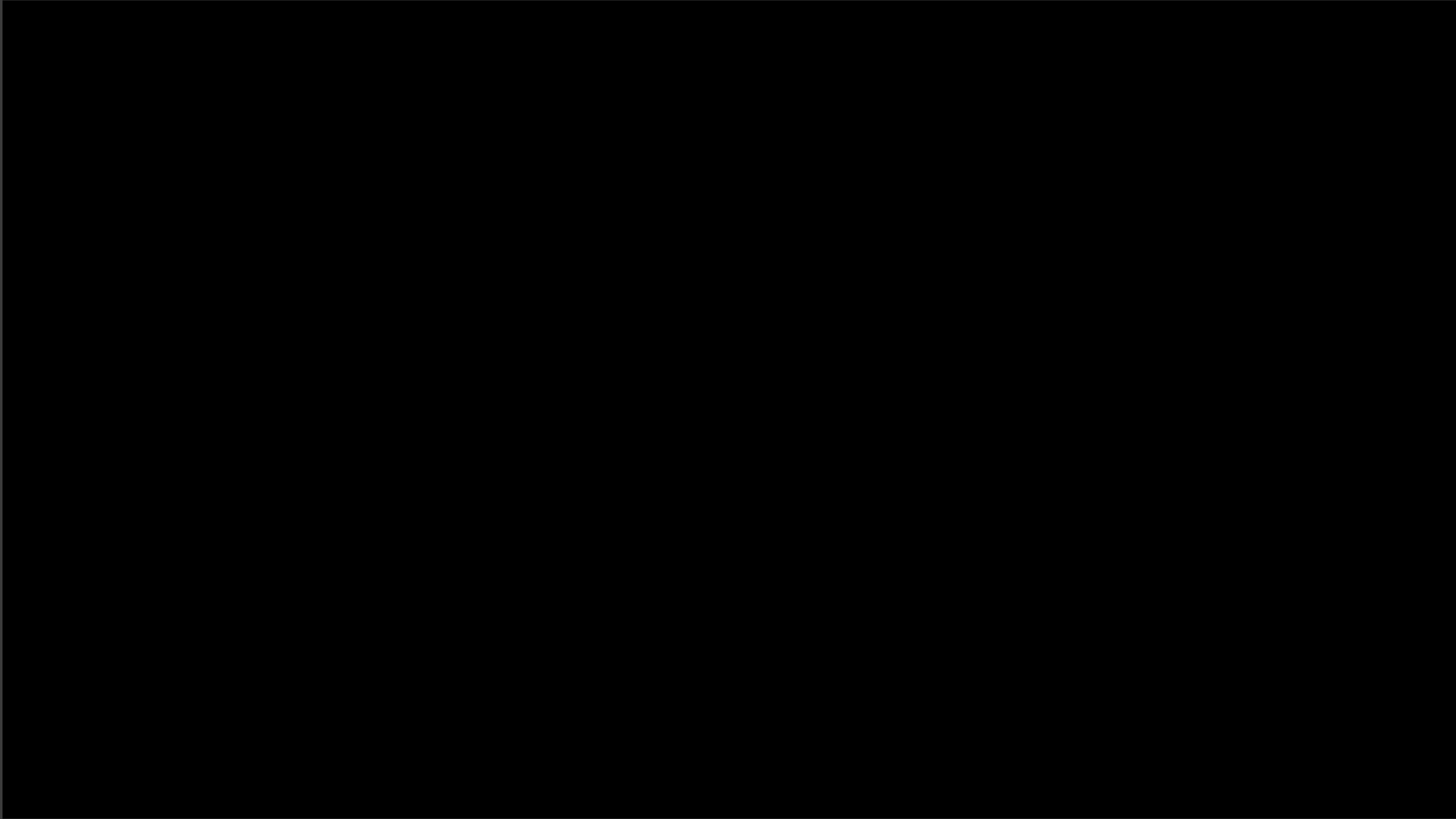
**BEGIN CONSTRUCTION  
OF OWN HOSPITALITY  
INFRASTRUCTURE**

**EXPAND TO EUROPE**

# BEAN2CUP KEY PERFORMANCE INDICATORS

Coffee Tree Sales	Roast Coffee Sales	Experience	Engagement	Financial
\$ Revenue = Sales Price x Units Sold	Total Pounds	# Travelers	Social Media Followers	\$ Sales
# Trees	Total \$	Traveler Frequency	Engagement with IoT	Volume Sales
Avg Tree Yield	Pounds x Customer	Avg \$ per Traveler	Website Hits	% Conversion
# Trees x Customer	\$ x Customer	\$ Donations to Community	Recommendations to Friends	Gross Margin
Net Income = Revenue - Total Expenses	Cost of Customer Acquisition = (Cost of Sales + Cost of Marketing)/New Customers Acquired		Coffee, Tree or Experience gifting	YoY Growth
Operating Cash Flow = Net Income + Non-Cash Expenses - Increase in Working Capital	Churn Rate = Lost Customers/Starting Number of Customers x 100			Cost Target as % of Sales









Bean2Cup team

**THANK YOU!**