

Business Affairs

Division of Small Business and Vendor Diversity Relations
www.sbvdr.admin.ufl.edu

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June 23, 2017

Office of Women's Business Ownership
Small Business Administration

**RE: InnovateHER: Innovating for Women Business Challenge 2017
Joinder Agreement: #A-174**

Dear InnovateHER Team:

It is my pleasure to submit the below firm as the winner in the UF InnovateHER pitch event conducted on June 3rd. Below/attached is the requested information for your review and consideration:

Winning Company Name: GuestBox

Product Description: GuestBox is a subscription box service for Airbnb hosts to welcome their guests. The box comprises toiletries, skincare items and snacks, featuring many brands which are started and /or run by female entrepreneurs

Project Lead: Shuchi Vyas

Address: 216 NE 6th Street, Gainesville, FL

Place of Incorporation: Florida

Website: www.theguestbox.co | Email: shuchi@theguestbox.com

Telephone Number: 917.993.0653

Business Plan: Attached

Host Organization: University of Florida – Small Business & Vendor Diversity Relations

Address: 2046 NE Waldo Road – Suite 3201, Gainesville, FL 32609

POC: Kathey Porter, Director

Telephone: 352.392.0380 | Email: porterkl@ufl.edu

Joinder Number: #A-174

Statement of Support: Attached

Thank you again for this opportunity. Please advise if anything else is needed. We look forward to partnering again next year.

Regards,

Kathey Porter

Kathey K. Porter, MBA, CPSD | Director

June 23, 2017

RE: InnovateHER: Innovating for Women Business Challenge 2017
Joinder Agreement: #A-174

Statement of Support

It is my pleasure to submit the following statement of support for Guestbox as the winner below firm as the winner in the UF InnovateHER pitch event conducted on June 3rd. Below/attached is the requested information for your review and consideration:

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Address: 216 NE 6th Street, Gainesville, FL

Place of Incorporation: Florida

Website: www.theguestbox.co | **Email:** shuchi@theguestbox.com

Telephone Number: 917.993.0653

GuestBox was selected as the winner by unanimous decision by our judging panel. We felt that the team demonstrated their unique value proposition and the need of this product in the marketplace. Based on the number of women homeowners using Airbnb and the increase in women entrepreneurs available to supply to GuestBox, we felt that GuestBox has an excellent opportunity for long-term success.

Regards,

Kathey Porter

Kathey K. Porter, MBA, CPSD | Director

**Joinder Agreement __A- 174_
Pursuant to
SBA Cosponsorship Agreement
Authorization Number: 17-6050-38**

As set forth in the Cosponsorship Agreement ("Agreement") indicated above between the U.S. Small Business Administration ("SBA") and Springboard Enterprises, the Cosponsors agree to add Additional cosponsors to this Agreement and work together in support of the cosponsored activity. All terms and provisions of the Agreement are incorporated herein by reference.

1. Additional Cosponsor's Information

University of Florida Division of Small Business & Vendor Diversity Relations
2046 N E Waldo Road, Suite 3201, Gainesville FL 32609

Description:

The mission of the Division of Small Business & Vendor Diversity Relations is to seek out, identify and utilize Small Businesses, including women and minorities (SWMBEs), which provide services and/or commodities that are purchased by the University of Florida. It is also the mission of this Division to provide technical assistance to Small and Minority Businesses to ensure the availability of a competent pool of vendors to address the University's procurement needs

2. Cosponsor's Responsibilities:

Additional Cosponsor will:

- Host a local competition between March 2017 and June 3rd, 2017 consistent with the terms outlined in Section 4(b) of the Cosponsorship Agreement Number 17-6050-38, as well as the Challenge Rules (see **Attachment B**).
- Determine the type of local InnovateHER competition, conducted in a manner that is consistent with the Challenge Rules.
- No later than June 23rd, 2017 select and submit **one winner** from the local competition, along with a complete Nomination Package, to SBA through the www.Challenge.gov website.
- Cosponsor's responsibilities and commitments are only to SBA.
- This agreement does not create a relationship with or any responsibilities or commitments to Springboard Enterprises.

3. Point of Contact:

Kathey Porter, Email: porter1@ufl.edu, Phone: 352.392.0380

By their signatures below, the Cosponsors agree to incorporate this Joinder Agreement # __A- 174__ into the Agreement. Each of the persons executing this Agreement represents that he or she has the authority to enter into this Agreement on behalf of their respective organization. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

Additional Cosponsor:

Kathey Porter

May 24, 2017

Kathey Porter (date)
Small Business & Vendor Diversity Relations (SBVDR)

SBA:

Mina A. Wales

5-22-17

Mina A. Wales

(date)

Acting Associate Administrator, Communications and Public Liaison









The Business Model Canvas

Designed for: GuestBox

Designed by: GuestBox

Date: Text

Version:

<div>Key Partners</div> <div></div> <div><ul style="list-style-type: none">-Established and new brands in segments key to GuestBox.- Peers in the subscription box space for cross promotion and support.-Leading hosts in the shared economy that have multiple property rentals and are influencers in their communities. They may be thought leaders in shared economy hospitality, leaders of host chapters in their city or region.- Travel and hospitality journalists, bloggers and key influencers.- Manufacturers of quality boxes and other key suppliers, and quality printing companies.</div>	<div><div>Key Activities</div><div></div><div>Continuous outreach to sell to avid hosts, excellent customer service, market research, building relationships with product companies on an ongoing basis and acquiring products for the box that are in line with the customer segments</div></div> <div><div>Key Resources</div><div></div><div>GuestBox's unique combination of toiletries, skincare items and snacks as well as the partnerships established in these areas, the founders who have built this model</div></div>	<div>Value Propositions</div> <div></div> <div>GuestBox provides hosting convenience in box that is easy to order with a few clicks and is quickly delivered to the host's doorstep as frequently as needed. It is a unique experience for guests that adds comfort and luxury to their stay. It is also a marketing tool for up and coming brands to showcase to two customer segments with one product</div>	<div>Customer Relationships</div> <div></div> <div>Customers learn about and order through an easy-to-use web platform and via social media. Customers are contacted throughout for feedback and are provided an online forum to share their stories of the product</div>	<div>Customer Segments</div> <div></div> <div><div>Economic customers: Hosts in the home rental market (Airbnb, FlipKey, HomeAway, etc) that have high-end rental properties and are charging a premium.</div><div>Beneficial customers: Guests that are patrons of the high-end segment of the shared economy in home rentals</div><div>Advertisers: Established and new brands that cater to these two customer segments and are using GuestBox as a platform for their marketing and outreach purposes and to expand their market and offering</div></div>
<div>Cost Structure</div> <div></div> <div><div>Fixed costs: shipping and handling, web development consultants, procurement and printing of boxes, procuring unbranded items</div><div>Variable costs: unanticipated purchase requirements, marketing, promotions, outreach, travel and industry events</div></div>			<div>Revenue Streams</div> <div></div> <div><div>Sales through the beta, complementary product procurement, bulk sale through attractive pricing, sales at trade conferences, cross-promotions</div><div>Revenue model is two-fold: subscription model, which includes a minimum monthly order as well as special promotions on large orders. Transactional revenue model wherein hosts can purchase as needed.</div></div>	

CONFIDENTIAL

GUESTBOX LLC

Business Plan

Prepared June 2017

Contact Information

Shuchi Vyas

shuchi@theguestbox.co

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Opportunity

Problem & Solution

Problem Worth Solving

An Airbnb host in New York City is renting out her property to add to her income. She spends the week working and has to fit in all the preparation for welcoming her guests into her evenings and weekends. This involves settling for expensive generic amenities from a corner CVS or having to carry items back on the subway.

There currently does not exist a one-stop shop for hosts to procure high quality essentials with the ease of having an attractive box come to their doorstep, or for product companies to exhibit their products to a large segment of global travelers and hosts. Airbnb's, Brian Chesky says: "Five stars is what people expect. For them to love you, you need to do more than what they expect."

Today our customers, Airbnb hosts, are either shopping at multiple online or physical stores, while having to allocate time during their busy schedules to complete these tasks. In metros and other larger cities, shopping at big box retailers is often met with great inconvenience and is time-consuming. As a result, most hosts end up either offering a bare minimum to their guests or procuring items at a higher cost from neighborhood pharmacies and grocery stores. Our market research has also shown that guests are dissatisfied with the lack of basic amenities, when they are paying upwards of \$100 a night to stay at an Airbnb.

Our Solution

GuestBox is a subscription box service for Airbnb hosts to welcome their guests. With a few clicks, hosts can now receive a monthly box and during high season, she is able to order a few at a time. Each box comes equipped with high-quality toiletries, skincare items and snacks – enough and more to make her guests feel at home. Unlike other amenities boxes, GuestBox helps her support women-owned businesses and support innovative companies through the brands included in the box. By providing GuestBox, which communicates luxury and comfort, hosts are then able to increase their rental prices and gain better reviews.

GuestBox also serves as a brand-building platform for select product companies across categories where there is a lot of noise, such as: snacks, skincare, and toiletries. We allow brands to market in an experiential way, thereby gaining a wider customer base through our product. Through our box, we wish to empower women-led small businesses to serve as a platform for them to showcase their products. As a result, this would encourage small business Airbnb owners support fellow American small businesses while serving their guests.

Target Market

Our data shows that since Airbnb's founding in 2008, women hosts on the platform have earned more than \$10 billion in income. In 2016, more than 200,000 women hosts worldwide earned at least \$5,000 (or the equivalent in their home currency) from hosting on Airbnb. Today there are approximately one million women hosts using Airbnb.

Currently our focus for GuestBox is on a niche market, which would include women hosts renting their locations at \$100 or more and that have a focus on giving their listing value in the U.S. During this period our focus will be in high end products which speak to these customers. As we scale, we would expand our market to include a wider array of items which could be included in the box and afforded by all hosts. In this scenario we would be focusing more on the convenience factor of purchasing directly through us. Our greater vision is to be a platform where any host or guest can purchase a customizable box through our site that can be delivered to their home or destination.

Factoring the rapid growth of the subscription box industry as well as that of the home share economy, GuestBox is at a pivotal junction to be able to market to and capitalize on these two massive markets.

Competition

Current Alternatives

We are in a very unique market, one that is on the cusp of the booming subscription box industry and also on the growing home share market. As a product like ours does not currently exist, we have to look at other industries like white-labeling, gift boxes, etc.

We differentiate ourselves by offering products from local businesses, high quality product than the nearby pharmacy or the corner bodega, more interesting products than what is available online, and a faster, less expensive experience than having to purchase luxury boxes from departmental stores.

We have noticed a brand called Hostyclub (<https://hostyclub.com/>) as one of our potential competitors, however they are in a different space as they wish to provide individuals or small rental property owners the ability to market their brand through essentials that guests will need. There is also an initiative called BnB Kits (<https://connect-stl.leadpages.co/bnb-kits/>) that has a shopify link which is broken. From their social media, it seems they are looking at prototypes of toiletries only. While there are other subscription box companies, the combination of toiletries, skincare items and snacks is unavailable as is a product like this exclusively for the home rental industry. The ones that exist are very expensive and cater to the wedding market.

Our Advantages

GuestBox is a service to hosts who wish to elevate their guests experience, and also works as a marketing platform for companies that are included in the box. At this time we are creating partnerships with relevant brands. The founding team has the following experience: hosting on Airbnb, travel consulting, e-commerce, logistics, as well as business development- this gives us an advantage from any other competitors who wish to enter this market, as are an early-mover.

What sets GuestBox apart from traditional subscription boxes is that the end user and the direct customer are different. When a host orders a GuestBox for their guest, they continue to provide a unique experience to each guest with the same offering every time. GuestBox does not have the pressure to change its offering every month and create the novelty as frequently as other subscription boxes. In this way, GuestBox is able to offer longer term partnerships to its featured brands, preventing customers from opting out of their products, thereby growing its market as well as its partner brands.

Execution

Marketing & Sales

Marketing Plan

For the run up to our beta this summer, we are receiving traction from our potential customers. Our co-founder and business lead Shuchi Vyas is working hard to get the word out. We have solid followings on our Facebook, Instagram, and Twitter accounts. We have successfully built 25 exclusive brand partnerships with high-end established brands as well as ones that are high-quality and new to the market. Approximately 10 of those brands are founded and run by women leaders.

We are marketing directly to avid Airbnb hosts as well as property management companies. Our revenue model is two-fold: subscription model and a transactional model. So we will be able to efficiently reach hosts that have single properties as well as those that have multiple properties.

Sales Plan

Our online platform is a Shopify store with Stripe integrated to collect online payments. We accept payments by Visa, MasterCard, American Express, PayPal and Apple Pay. On the business-to-business side, we will work with property management companies on a case-by-case basis to supply them boxes at bulk pricing, which included attractive discounts and fast delivery.

Operations

Locations & Facilities

GuestBox is currently operated out of a shared working space. We will manage rapid scaled growth by partnering with fulfillment centers in the state. We have started establishing contact with companies that specialize in subscription box fulfillment.

Technology

Our customer-facing technology is our website which is powered by Shopify, with a Stripe integration. We are signing on beta customers using the MailChimp Subscribe app and will be using MailChimp for our newsletters. We use social media sites (Facebook, Instagram, etc.) to target our customers, connect with them and solicit feedback.

Milestones & Metrics

Milestones Table

Milestone	Due Date
Beta Launch	June 12, 2017
Analyze Market Data from Bata	August 15, 2017
Sign on New Users	August 15, 2017
Beta Launch Complete	September 01, 2017
Strengthen Brand Partnerships and Secure Additional Partners	September 01, 2017
Secure Business Loan for \$100,000	October 25, 2017
Hire five Sales and Support Staff	January 15, 2018
Close Investment Round for \$1,000,000	June 01, 2019
Hire 10 Sales and Support Staff	June 01, 2019
Launch in New National and International Markets	June 01, 2019
Introduce New Revenue Sources	June 01, 2019

Key Metrics

Our focus right now is on the most basic metrics: daily revenue, product costs, and profit margins. Products and raw materials are expensive, especially when purchased in small quantities, and subscription boxes like ours are high-margin operations. We are doing okay so far, but it is critical that we keep a close eye on our margins as we scale up. Our main challenge is to remain lean while we scale rapidly.

As our company matures we plan to introduce standard premium and ultra premium products. In addition, we will pursue more voluminous and consistent order from property management companies. Our model is consistent with exception to labor.

Company

Overview

GuestBox LLC is registered as a limited-liability corporation. Our two founders, Shuchi Vyas and Michelle Wauman, are co-owners, and Shuchi has majority share. No outside investors are involved at this time, though there might be an opportunity for outside investment as the business grows.

Team

Management Team

Shuchi is co-founder of GuestBox, an idea she had as an Airbnb host in NYC and now aims to enhance the way hosts welcome their guests. Shuchi's career spans over 10 years in communications, partnership building, and management. Shuchi started out as a business journalist in Mumbai and later turned to the nonprofit world, where she managed international fundraising campaigns. She took a sabbatical from her career and her home in New York City to travel through twelve countries combining her love of travel and desire to engage with local communities. She had a purpose of learning program management at a grassroots level from nonprofits while sharing her skills to further their fundraising capacity, realign their resources and create effective communication strategies.

Michelle Wauman is co-founder of GuestBox. As a solopreneur, she also runs an e-commerce store where she is in charge of logistics, inventory, and maintaining her customer's happiness. Previously, she worked at Shyp, an on-demand shipping platform, where she excelled at customer satisfaction and connected small business owners to shipping solutions. Michelle is a former New York City political consultant and organizer, and enjoys following related events. In her free time, Michelle and her partner travel often staying at Airbnbs that are off the beaten path and have been an inspiration for her latest venture.

Advisors

Elliott Welker is the team's consultant who is actively overseeing business, legal and logistical aspects of the company in its nascent stage.

Swati Chopra is the design consultant that is responsible for the logo, box design and all branding services.

Quang Tran is a mentor for startup founders and has helped many Florida startups achieve their goals and find funding. Quang and his partner run a successful incubator and co-working space in Gainesville, FL.

Alejandro Ruperti is a serial entrepreneur with a background in technology startups. He has leveraged his experiences to provide early-stage advice to founders in formal and informal capacities. When not advising, he provides consulting services for nonprofits and e-commerce companies.

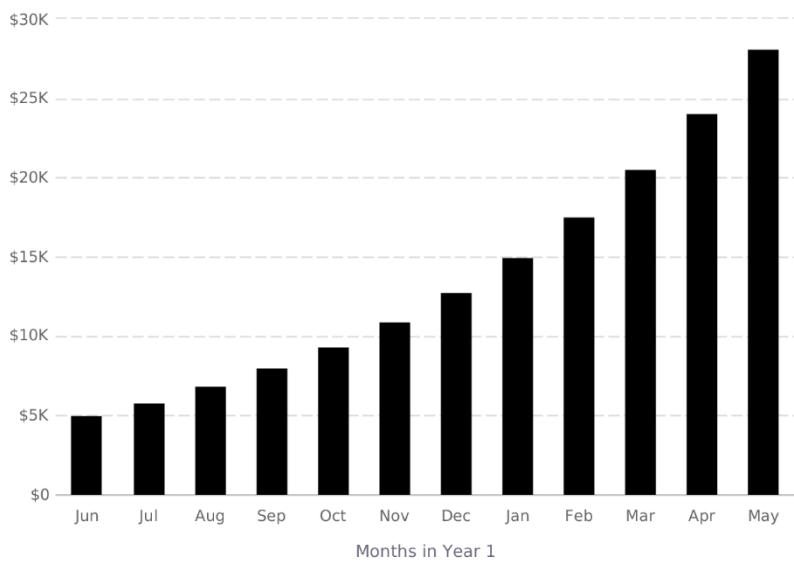
Financial Plan

Forecast

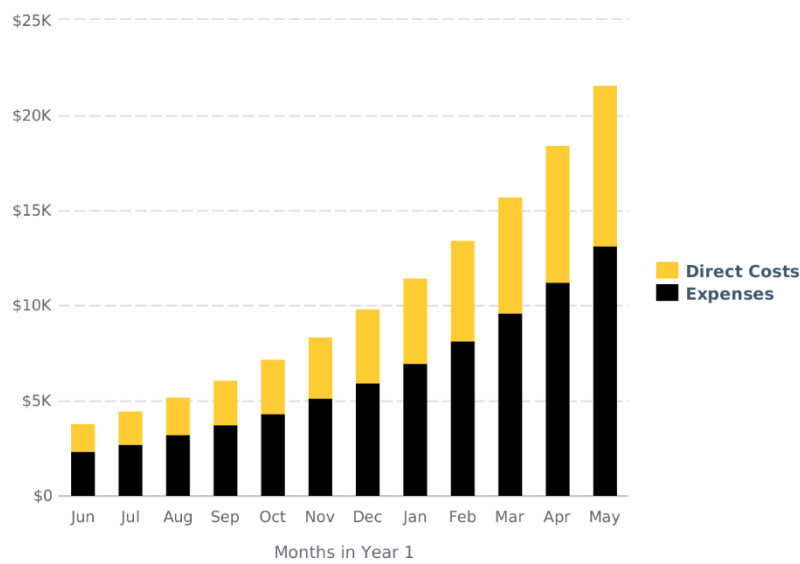
Key Assumptions

We are projecting sales revenue of \$164,066 in year 1 and \$1,082,433 in year 2 and \$7,126,424 in year 3 with a profit margin of 10%. This assumes that we continue to charge \$49.99 per box, an 8% churn rate, 25% growth cap each month, and a 70% gross margin. The first-year payroll cost will be minimal as we will have no employees and our co-founders will draw only minimal salaries, so we can reinvest our profits into growing the business. To more rapidly scale up, we will hire sales and support employees to assist. The cost of goods sold, additional staff, customer acquisition costs and other marketing activities will be our biggest expenses, followed by smaller allotments for delivery fulfillment and credit card processing. In year 3 we plan to introduce alternate revenue sources from product customization, brand partner positioning in the box, and monetize data received from our end users and hosts.

Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Financing

Use of Funds

The biggest expenses will be costs of goods sold, labor, cost of customer acquisition and maintaining the reinvestment rate. The co-founders will not draw a substantial salary so funds can be invested as much as possible back into the business. In year 2, we will secure a business loan for \$100,000 to help compensate 5 new hires in our sales and support departments. In year 3, we will complete an equity investment round of funding for \$1,000,000. These funds will be used for 10 new hires, development of new revenue sources, and expanding into new markets nationally and internationally.

Sources of Funds

We are currently growing through bootstrapping, keeping co-founder salaries low and reinvesting profits in the business, rather than taking on additional debt. Our customers are our investors. In the future, to continue to scale rapidly we will secure a \$100,000 SBA business loan with a 6.25% interest rate over a 7-year period and complete an equity investment round for \$1,000,000. We will approach venture capital firms and Angel funds to complete this round of funding.

Statements

Projected Profit & Loss

	FY2018	FY2019	FY2020
Revenue	\$164,066	\$1,082,433	\$7,126,424
Direct Costs	\$49,230	\$324,795	\$2,138,355
Gross Margin	\$114,836	\$757,638	\$4,988,069
Gross Margin %	70%	70%	70%
Operating Expenses			
Salary		\$309,000	\$954,810
Employee Related Expenses		\$61,800	\$190,962
Reinvestment Rate	\$32,813	\$216,487	\$1,425,285
COCA	\$26,256	\$173,224	\$1,140,456
CC Processing Fee	\$4,758	\$31,390	\$206,667
Fulfillment Center Fee	\$3,281	\$21,649	\$142,528
Total Operating Expenses	\$67,108	\$813,550	\$4,060,708
Operating Income	\$47,728	(\$55,912)	\$927,361
Interest Incurred		\$5,452	\$5,226
Depreciation and Amortization			
Income Taxes	\$9,546	(\$9,546)	\$181,700
Total Expenses	\$125,884	\$1,134,251	\$6,385,988
Net Profit	\$38,182	(\$51,818)	\$740,436
Net Profit / Sales	23%	(5%)	10%

GUESTBOX LLC

Projected Balance Sheet

	FY2018	FY2019	FY2020
Cash	\$42,414	\$66,067	\$1,849,714
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
Total Current Assets	\$42,414	\$66,067	\$1,849,714
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets	\$42,414	\$66,067	\$1,849,714
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$4,232	(\$9,546)	\$46,116
Sales Taxes Payable	\$0	\$0	\$0
Short-Term Debt		\$12,451	\$13,251
Prepaid Revenue			
Total Current Liabilities	\$4,232	\$2,905	\$59,367
Long-Term Debt		\$76,799	\$63,547
Total Liabilities	\$4,232	\$79,703	\$122,915
Paid-in Capital			\$1,000,000
Retained Earnings		\$38,182	(\$13,636)
Earnings	\$38,182	(\$51,818)	\$740,436
Total Owner's Equity	\$38,182	(\$13,636)	\$1,726,800
Total Liabilities & Equity	\$42,414	\$66,067	\$1,849,714

Projected Cash Flow Statement

	FY2018	FY2019	FY2020
Net Cash Flow from Operations			
Net Profit	\$38,182	(\$51,818)	\$740,436
Depreciation and Amortization			
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$4,232	(\$13,778)	\$55,662
Change in Sales Tax Payable	\$0	\$0	\$0
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$42,414	(\$65,596)	\$796,098
Investing & Financing			
Assets Purchased or Sold			
Investments Received			\$1,000,000
Change in Long-Term Debt		\$76,799	(\$13,251)
Change in Short-Term Debt		\$12,451	\$801
Dividends & Distributions			
Net Cash Flow from Investing & Financing		\$89,249	\$987,549
Cash at Beginning of Period	\$0	\$42,414	\$66,067
Net Change in Cash	\$42,414	\$23,653	\$1,783,647
Cash at End of Period	\$42,414	\$66,067	\$1,849,714