

floragraph

SFDI Fall 2016

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Who We Are



Project Overview

Why is it exciting?

- | Cleveland Clinic: microbiome research is number 1 medical innovation for 2017
- | Ranked #2 in the country by ‘Best Hospital’
- | “Gut Microbiome” search on NIH PubMed (1,643 Published Research Papers in 2016)



B2C Analysis

Competitor Analysis

uBiome

- Mail-in microbiome testing service targeted toward doctors & citizen science
- \$26.6M funding to date
- Backed by Y Combinator, Start X, 8VC

American Gut

- Mail-in microbiome testing service targeted towards citizen science

Competitor Analysis

| Strengths

- IRB approved
- Strong brand presence
- State-of-the-art facilities

| Weaknesses

- Only available in certain states
- Time consuming
- Not directly targeting consumers
- Offer single data points

Target Consumers

| Research focus

1. Mothers of newborns via C-section
2. People with digestive problems
3. Potential ties to various diseases
4. Health Conscious Consumers / Citizen Science

Why Mothers?

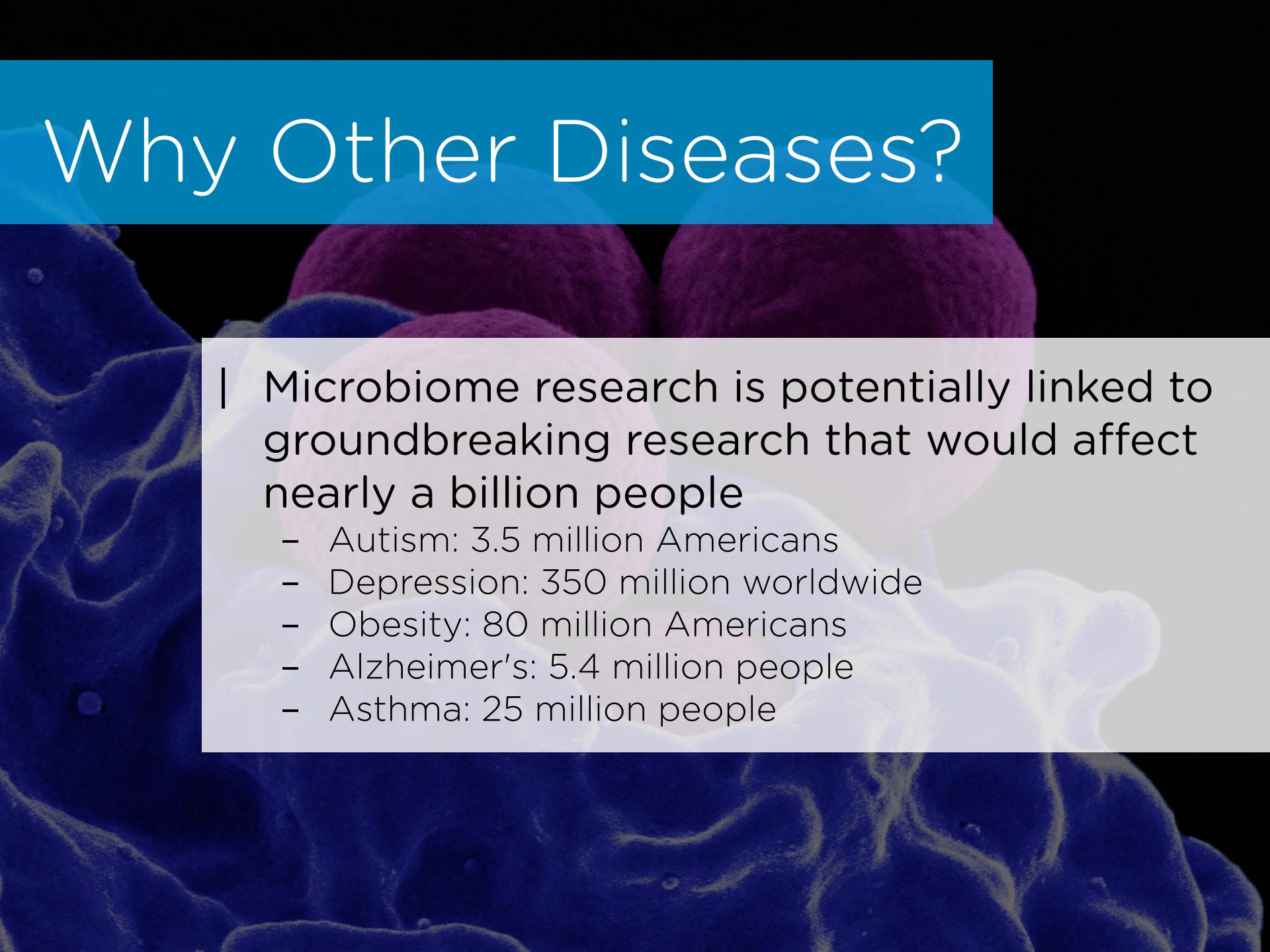
- | Microbiota differ between infants born via C-section or non C-Section
 - 32.2% of births are via C-section
 - 1,284,551 annual C-sections
 - Average first year cost of raising a C-Section born child is \$40,000

Why Digestive Issues?

| Digestive disease linked to unhealthy gut microbiome

- \$97.8B spent annually to treat digestive diseases
- 70M people suffer daily from digestive issues
- Diseases linked to microbiome health:
 - Crohn's disease: 359,000 people
 - Ulcerative Colitis: 619,000 people
 - Irritable Bowel Syndrome: 15,300,000 people

Why Other Diseases?

- 
- | Microbiome research is potentially linked to groundbreaking research that would affect nearly a billion people
 - Autism: 3.5 million Americans
 - Depression: 350 million worldwide
 - Obesity: 80 million Americans
 - Alzheimer's: 5.4 million people
 - Asthma: 25 million people

Why Citizen Science?

- 
- | This is the main focus of our competition
 - Avid and curious market
 - These are the Early Adopters
 - Health and Wellness Device Market projected at \$612 billion by 2024

Market Segmentation

Mothers Of Newborns

- Female
- Age: 25-35
- Post-Secondary Education
- Disposable Income
- Health Conscious

Digestive Problems

- Age: 20-40
- Post-Secondary Education
- Disposable Income
- Benefit Driven
- Takes Supplements or Probiotics

Direct-to-Consumer Roadblocks

- | Lack of awareness of microbiomes
- | No product validation
- | No brand recognition
- | No capital for marketing and supply chain

B2B Analysis

	 CONSUMERLAB.COM	 NSF INTERNATIONAL	 U.S. PHARMACOPEIA (USP)	
Does it buy initial test samples in stores or are they provided by the manufacturer?	Purchased in stores.	Provided by the manufacturer.	Provided by the manufacturer.	Provided by the manufacturer.
How often does it retest or spot-check?	Once per year using samples purchased in stores.	Once per year using samples provided by manufacturer and occasionally purchased in stores.	One to six times per year using samples purchased in stores.	Twice per year using samples purchased in stores.
How much do manufacturers pay to have each product certified?	\$3,000 to \$5,000 per product.	\$3,000 to \$5,000 per product plus an audit fee of about \$13,000.	\$3,000 to \$15,000 per product plus an initial audit fee of \$15,000 and a label fee of 1 cent per bottle.	\$2,000 to \$8,000 per product plus an audit fee of \$4,000 to \$7,000.
Are there products it won't test?	Products containing ingredients known to be unsafe.	Products marketed for weight loss or sexual enhancement.	Products known to contain unsafe ingredients and those marketed for erectile dysfunction, weight loss, or sports.	Products containing ingredients known to be unsafe or those not recognized as dietary ingredients by the FDA.

Target Industry

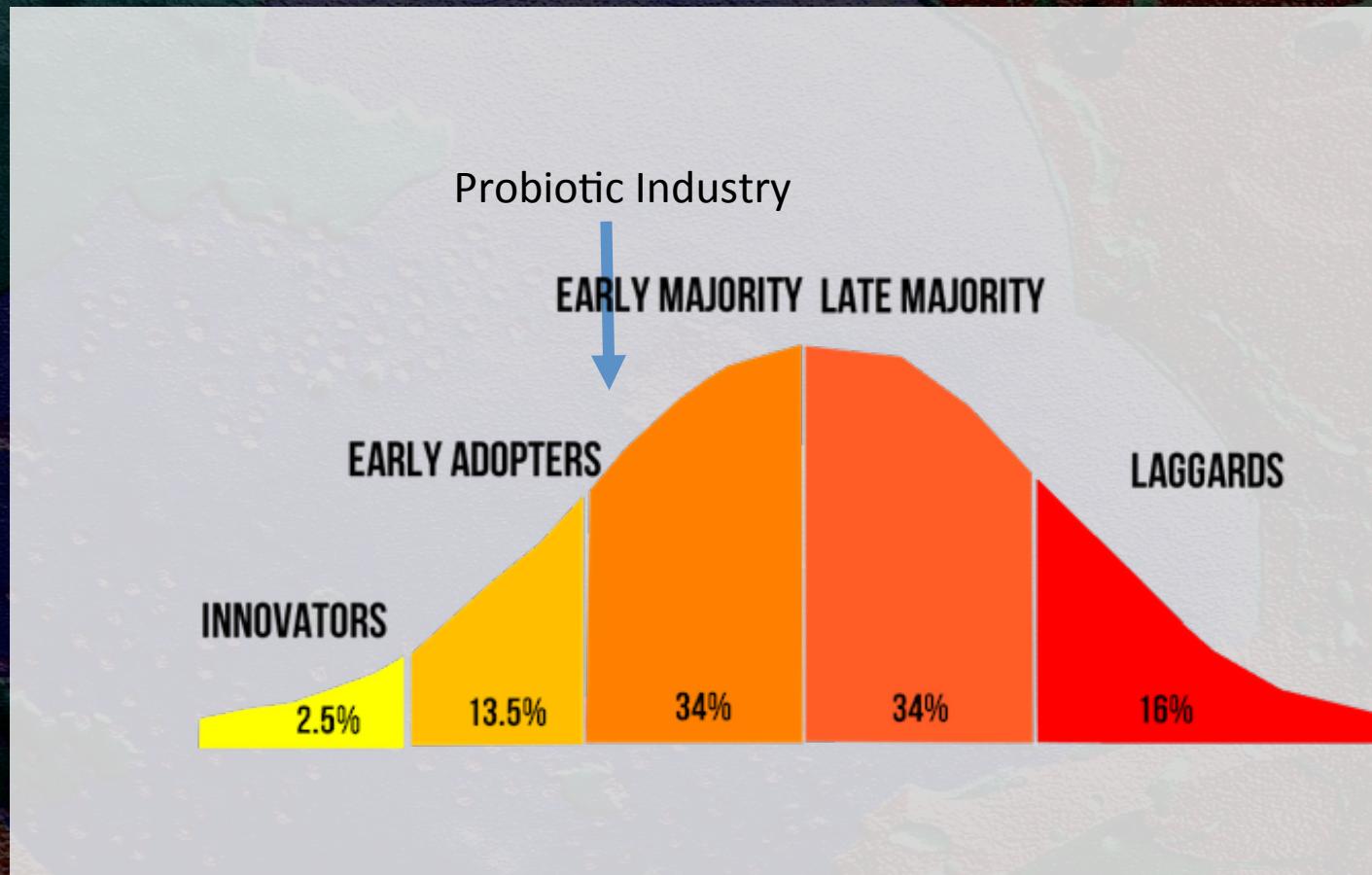
Probiotic industry (Human & Animal)

- Industry expected to grow to \$60B by 2020 at an annual growth rate of 7.7%

Private label companies

- \$13.9B value in 2013
- 19% retail value share in consumer health in 2013

Industry Maturity



Industry



Lack of Regulation

MARCH 20, 2014

U.S. Food and Drug Administration
Protecting and Promoting Your Health

Home Food Drugs Medical Devices Radiation-Emitting Products Vaccines, Blood & Biologics

Q&A on Dietary Supplements

NOTE: For information concerning DMAA (also known as 1,3-dimethylamylamine geranium extract), see Q & A on DMAA in Dietary Supplements.

"The manufacturer is responsible for ensuring the accuracy and truthfulness of [product] claims..."

LAST WEEK LAST NIGHT TONIGHT

▶ ▶ X 8:41 / 16:25 CC HD

Dr. Oz and Nutritional Supplements: Last Week Tonight with John Oliver (HBO)

LastWeekTonight

Subscribe 4,374,024

10,761,196 views

Add to Share More

75,180 2,106

The image shows a screenshot of a YouTube video from the show "Last Week Tonight with John Oliver". The video is titled "Dr. Oz and Nutritional Supplements" and is dated March 20, 2014. In the video, John Oliver is seated at a desk in front of a city skyline at night. He is wearing a dark suit, a red and white checkered shirt, and a grey tie. He is gesturing with his hands while speaking. On the left side of the screen, there is a sidebar with the FDA website's Q&A on Dietary Supplements. A large white box highlights a specific quote from the sidebar: "The manufacturer is responsible for ensuring the accuracy and truthfulness of [product] claims...". Below the video player, the channel name "LastWeekTonight" is displayed, along with a "Subscribe" button and the number of subscribers (4,374,024). The video has received 10,761,196 views. At the bottom of the screen, there are links for "Add to" and "Share", as well as a "More" button. The total number of likes is 75,180 and the total number of dislikes is 2,106.

Lack of Regulation

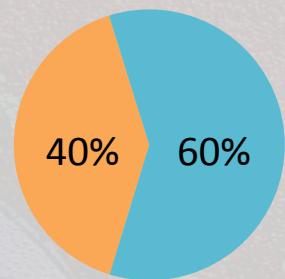
44 probiotics tested

- 43% human products improperly identified
- 35% veterinary products improperly identified
- 25% human products were misspelled
- 18% veterinary products were misspelled
- Only 26% properly labeled

22 tested for gluten

- 2 probiotics contained gluten in amounts higher than allowed by FDA
- 15 labeled gluten-free which 6 actually contained gluten

Human Products



■ Improperly Labeled ■ Properly Labeled

Evaluation of deficiencies in labeling of commercial probiotics – J. Scott Weese Peter Green, M.D., director, Celiac Disease Center at Columbia University

Industry Synopsis

| Certification

- Barrier to entry: **Higher**
 - Established Competitors
 - Need to provide 3rd Party aspect to be respected
- Extended Value: Brand recognition from consumers would greatly benefit Phase 2

| Quality Assurance

- Barrier to entry: **Lower**
 - Able to leverage initial industry partners
 - Our technology is cheaper and faster
 - No need for paid PhD technicians

Go-To-Market

Product

Development

Probiotic

Industry QA

Direct To

Consumer

- Nail down minimum viable product
- Iterate and debug

- Raise capital
- Build brand recognition
- Educate consumers
- Developing supply chain

- Adapt technology to tackle a more mature market

B2B Marketing

B2B Marketing

Potential Markets:

Probiotic companies and their private labelers

B2B Marketing

SALES FUNNEL

Prospecting

Cultivating

Positioning

Closing

MARKETING FUNNEL

Awareness

Acquisition

Nurturing

Closing

B2B Marketing

SALES FUNNEL

Prospecting

Cultivating

What B2B customers
are asking:

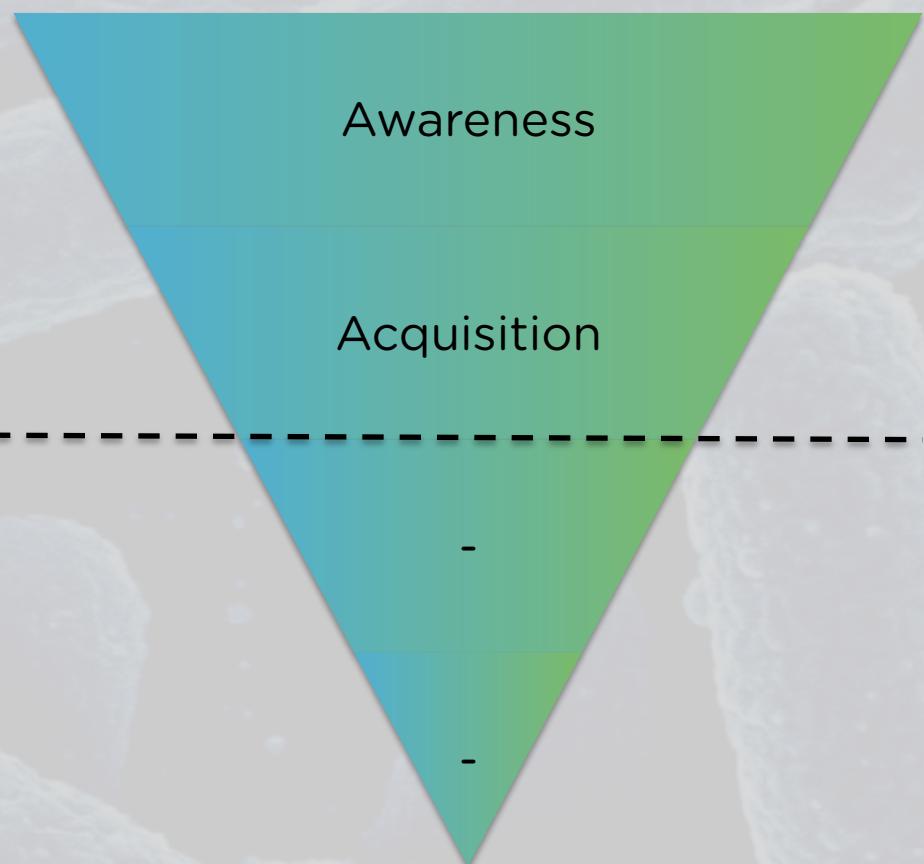
1. What's my problem?
2. How do I fix my problem?

B2B Marketing

Tactics

1. Building a social networking presence
2. Website search engine optimization
3. Content
 - White papers
 - Web posts
 - Webinars
4. Events / Trade shows

MARKETING FUNNEL



LinkedIn

Why

- Quality audience in a professional context
- Buyers are 90% through the buying process before they make direct contact

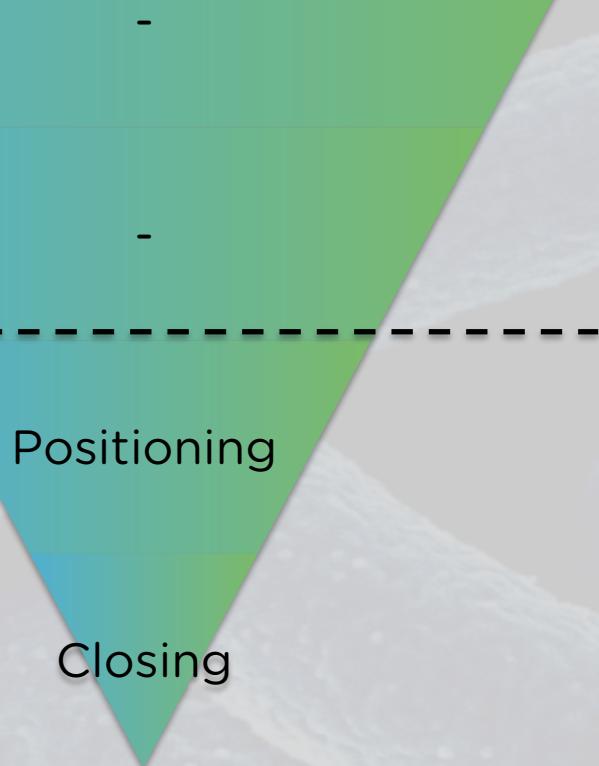
What

- Create branded content
- Provide thought leadership by becoming an influencer in your field



B2B Marketing

SALES FUNNEL



What B2B customers
are asking:

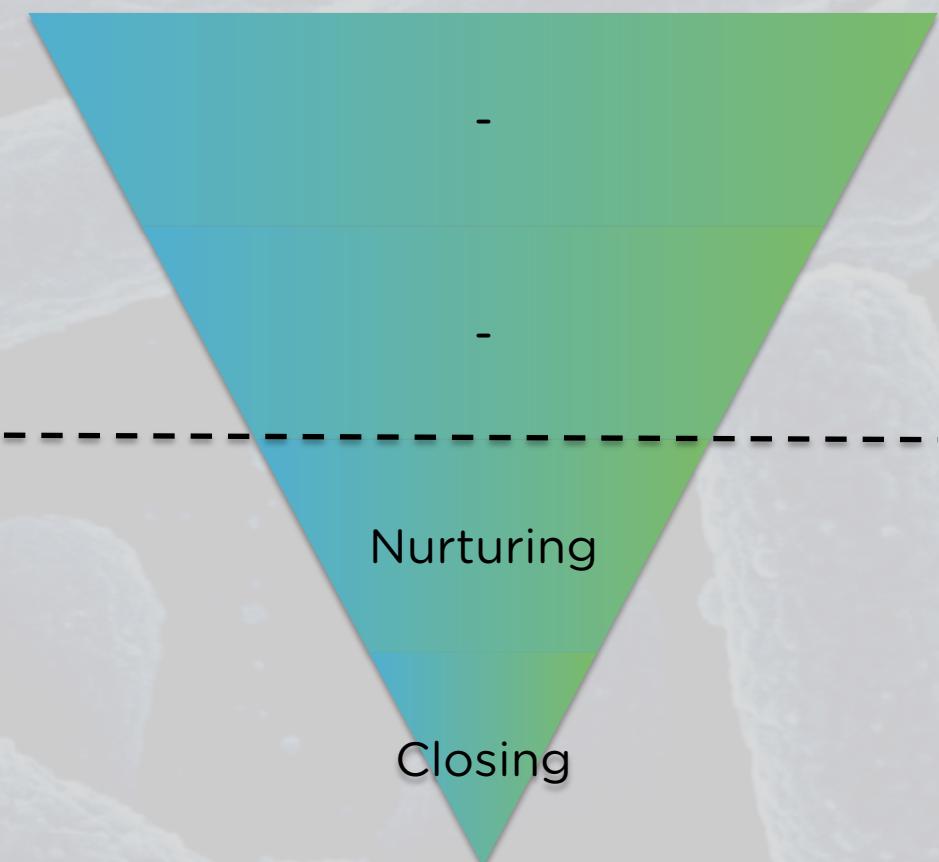
3. Are you right for me?
 - ROI
 - Product validation
 - Pricing
 - Customer success

B2B Marketing

Tactics

5. Email: walk through buying process & business opportunities

MARKETING FUNNEL



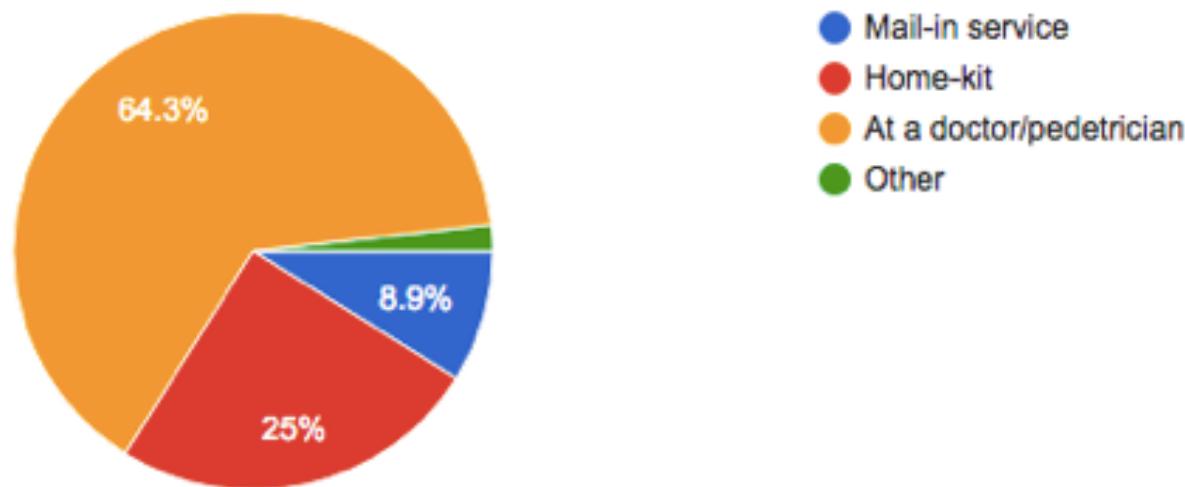
B2C Marketing

B2C Marketing

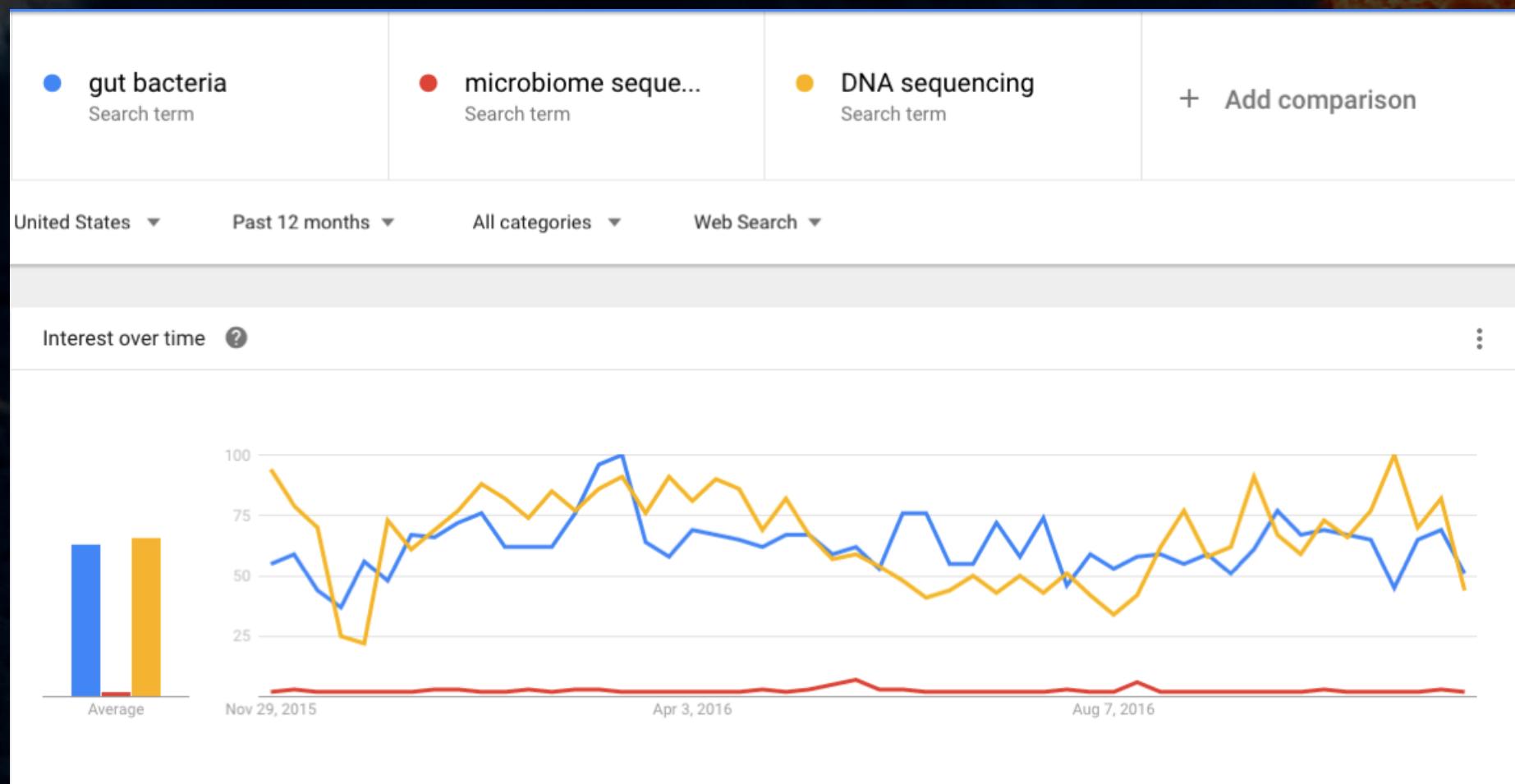
55.4% of survey respondents do not know what microbiome is

14.3% are familiar with microbiome sequencing

B2C Marketing



B2C Marketing

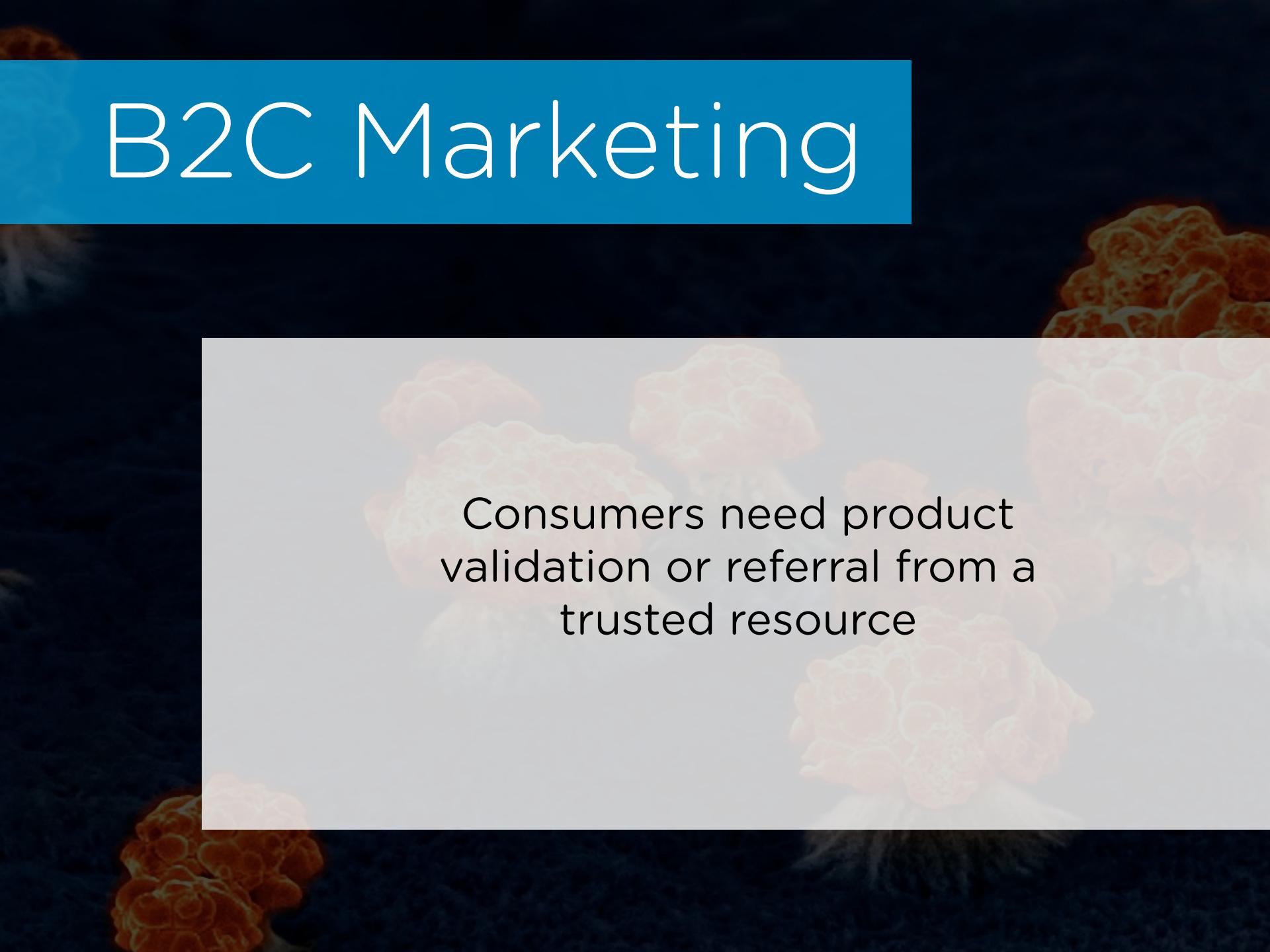


B2C Marketing

Objective:

Inform & educate the consumer on the importance of the microbiome

B2C Marketing



Consumers need product validation or referral from a trusted resource

The B2C ABC's

A

Ambition:

Inform the consumer on the importance of the microbiome by providing scientific research & information in an easy to digest manner

The B2C ABC's

B

Barrier:

People know very little about probiotics and microbiomes; other companies like uBiome have already made a name for themselves

The B2C ABC's

C

Challenge:

How do we familiarize consumers with the microbiome,
probiotics and our brand?

Cultural Dynamics

Online medical advice

70% of Americans use the internet to get health information and pre-diagnosis, diagnosis and treatment decisions

Holistic Medicine

Holistic, community-based approaches are being adopted to improve health outcomes

Reading the Label

77% of U.S. adults reported using the Nutrition Facts label always, most of the time, or sometimes when buying a food product

Consumer's Journey

- | Discover: how people hear about it
- | Involve: how people participate
- | Act: how people spend more time with your product
- | Share: social media/why do they tell others?

Strategy & Tactics

Influencer Marketing

- Mommy bloggers to promote product

Social Media

- Facebook, Twitter, & Pinterest
 - Content creation
 - Personalized advertising: Interest-based, Demographic

Email Marketing

- Inform & educate

Guerilla Marketing

- Referrals
- Free e-books, word of mouth, & meet-up groups

Branding



Current logo

Survey Data

| Demographics

- 88.24% participants are between the ages of 18-28
- 68.52% are female
- Probiotic Use
 - 50.88% have never used probiotics
 - 26.32% occasionally use probiotics
 - 22.81 % use probiotics often
- 63.16% rated themselves as a **7 out of 10 or above** when asked how **health conscious** they are

Option 1

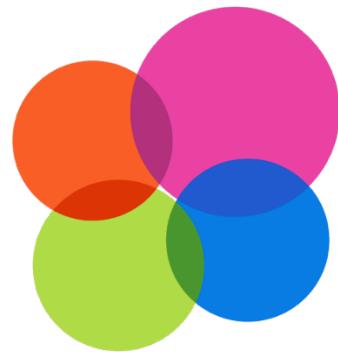


Floragraph

futura book
futura medium
futura bold



Option 2



floragraph

raleway light
raleway regular
raleway medium
raleway semibold
raleway bold



Option 3



floragraph

gotham rounded light
gotham rounded book
gotham rounded medium
gotham rounded bold



Survey Data



floragraph

scale			
1: Strongly dislike	46.43%	16.07%	7.14%
2	21.43%	25.00%	10.71%
3	17.86%	17.86%	17.86%
4	10.71%	32.14%	42.86%
5: Strongly like	3.57%	8.93%	21.43%

Survey Data

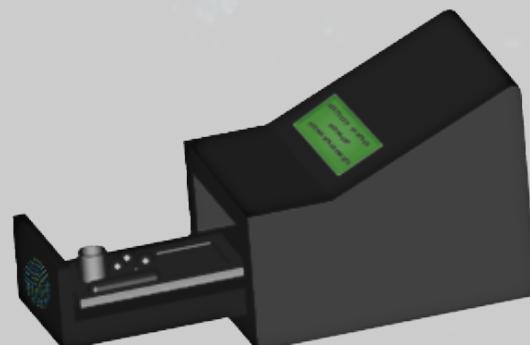
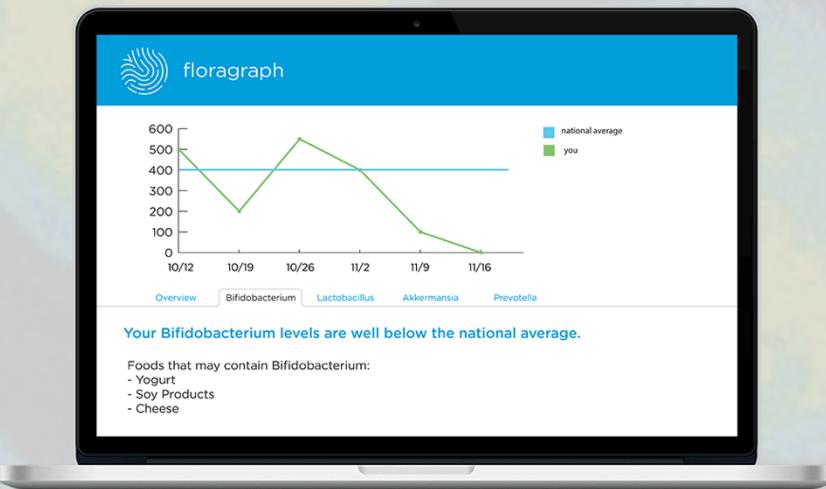
“Great concept for the industry you wish to be a part of. It would be easily identifiable with your product, stands out, has a good color scheme.”

“They're all very unique and great, but if focusing on the pharmaceutical industry, this one is the best because it's simple and looks clean”

“It's very different in a good way (and it kind of reminds me of flow: that's ultimately the goal of probiotics... to help regulate your digestive system/flow of food through your GI tract).”



Survey Winner



Pitch Deck

Next Steps

The Website

| Important to determine a domain

- floragraph.com is ideal, but \$2,000+/yr is not practical at this stage
- myfloragraph.com should suffice until business gains traction

| Build website and blog content

- Do not clutter the pages
- Focus on SEO best practices

The Video

- | Copy of the script is included in appendix
- | Fix audio
- | Promotional Kickstarter / YouTube video

Alchemist Accelerator

- | Enterprise-focused
 - Any business models welcome
- | 30/54 companies have received an average of \$2 million of institutional investments
 - 12 have been acquired
- | The team is the first and most important consideration
 - Prefer teams of 2-3
- | Ravi Belani, Stanford faculty and Alchemist Managing Partner, states that they are “very interested in biotech”

Takeaways

Thank You