

# NEXT CRAFT BEER White Paper August 2017

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# Craft Beer & Blockchain Technology

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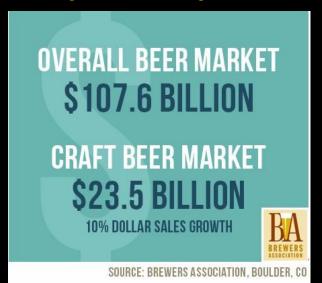


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# **ABSTRAC T**

"Brewing beer is one of the great humanitarian professions." - Author Unknown



Today is the best time in history to be a beer lover. The United States alone now has more beer styles (150+) and brands (20,000+) to choose from than any other market in the world. More than 5,000 breweries are responsible for the beer brands available in the U.S. and the Brewers Association estimates more than 2,000 craft breweries are in the planning stages. These breweries have had many successes and challenges, but they could not have developed their reputation as producers of the world's best beer without the support of beer enthusiast globally.

According to industry reports, the U.S. beer market sales topped \$107 billion dollars in 2016. With a growing number of beer enthusiast shying away from mega brands, craft beer is guzzling up more and more of the global beer market that remains dominated by the mega brewers. Ultimately, the consumer will have the final say and trends suggest a growing number are shying away from traditional brands. This should give the mega brewers bitter beer face.

Our mission is to advance the craft beer revolution by engaging beer enthusiasts via Blockchain technology while creating disruption in the beer industry. Blockchain technology created the backbone of a new type of internet. Originally devised for the digital currency, Bitcoin, the tech community is now finding other potential uses for the technology. The popularity of Bitcoin illustrates that digital currencies have become an accepted alternative currency. Basic knowledge of this new technology shows why it's considered revolutionary and like the internet, you don't need to know how blockchain works to use it.



We see Next Craft Beer and its associated technologies as a future part of the craft beer industry, solving the important problem of engaging beer enthusiasts while optimizing the supply chain for efficiency.

# INTRODUCTION

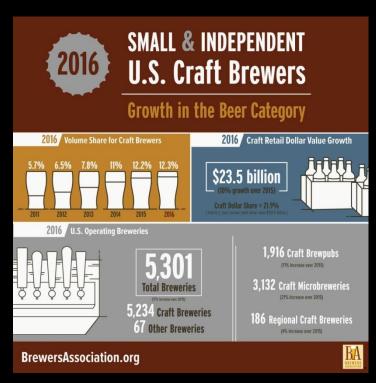
Next Craft Beer is the first project utilizing blockchain technology, the technology that underlies bitcoin, targeted exclusively at brewing craft beer. This paper will review the current state of the craft beer industry and provide readers with clear insight into our strategy for the implementation of our blockchain technology and Beer Tokens. Thus creating a transparent and efficient Blockchain based market place for beer enthusiasts and craft beer brewers which accurately values and rewards the key driver of user attention and interaction.

Our vision is to craft our platform on top of blockchain technology to attract & interact with consumers in the new digital age while creating an efficient & transparent supply chain for breweries.

# WHY CRAFT BEER

The Brewers Association representing small and independent American craft brewers released 2016 data on U.S. craft brewing growth. With over 5,300 breweries operating during the year, small and independent craft brewers represent 12.3 percent market share by volume of the overall beer industry.

In 2016, craft brewers produced 24.6 million barrels, and saw a 6 percent rise in volume on a comparable base and a 10 percent increase in retail dollar value. Retail dollar value was estimated at \$23.5 billion, representing 21.9 percent market share. By adding 1.4 million barrels, craft brewer growth outpaced the 1.2 million barrels lost from the craft segment, based on purchases by large brewing companies.



Adaption of technology and the introduction of new consumers to the craft beer industry, there are still plenty of them, is what is going to keep the economic growth in the industry sustainable.

# **CHALLENGES & SOLUTIONS**

We are living in an era of overabundance. Consumers have more choices than ever. To survive breweries need to switch from product centric to consumer centric. Everyone is competing to get the attention of consumers, how can breweries stand out and win? Customer experience is the biggest competitive leverage a brewery could use to win in a crowded market. Breweries that place customers experience at the center of their strategy will be the winners in this new era.

**Challenge:** Staying relevant while maintaining consumer's attention and engagement in the age of distraction.

**Solution:** Using Mobile App technology to attract and interact with new consumers in the digital age we will create a community portal with a frictionless user experience that utilizes tokens to facilitate interactions. Millennial and Gen Z consumers are a dominant spending force, their phones are their connection to the world and it is only getting easier for them to spend their money by using it. In addition, they are seeking alternative payment methods. Our unique user experience will generate significant increase in user uptake and adoption.



Breweries can sustain engagement with rewards and gamification to motivate participation and inspire loyalty. These processes allow breweries to take actions either to prevent customer churn or to incentivize good behavior.



**Challenge:** Balancing production and supply with demand while maintaining quality.

**Solution:** Next Craft Beer will be a layer built on top of the ethereum blockchain and will utilize smart contact technology, to allow craft beer breweries to track their product's progress from farm to bottle. Tracking goods via the blockchain raises the bar on the quality of production and distribution. Long before the ingredients arrive at the brewery, brewers could

access data on crop conditions or whether they have been genetically modified and plan accordingly. Consumers can determine whether the beer has been shipped at the proper temperature and in a timely manner. Optimizing the supply chain for efficiency and creating value.

# **APP USE CASES**

# **MVP** Completed

Our Beers: Breweries can update consumers by uploading their current available beers.

Where to Buy: Consumers can search of map of locations of where beers are available to buy.

Events: Engage consumers by uploading events.

Crowdsourcing: Crowd submits recipes, votes on beer to be brewed and buys winning beer.

About Us: Share story or brag about brewery & the amazing craft beer brewed.

QR Scan for Story:
Brewery uploads
the beer's story
including source of
ingredients, food pairings, etc..



**Our Beers** 



Crowdsourcing



Where to Buy



**About Us** 

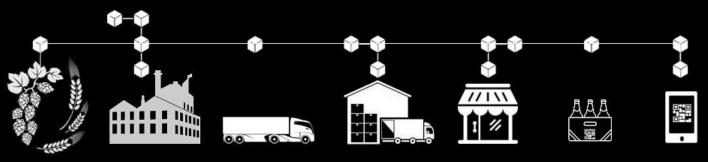


**Events** 



**Scan for Story** 

# **SUPPLY CHAIN USE CASE**



# **FARM**

Uploads details regarding crop orgin and production

Including the use of pesticides, fertilizers, chemical ripening, or genetically modified ingredients.

# **BREWERY**

Receives notification of shipment and delivery of ingredients

packaging

Adds QR code to

Provides app for consumer

Receives detailed information regarding ingredients from farms

Uploads detailed beer recipes to the data base

# DISTRIBUTOR

Receives notification of shipment and delivery of beer

Receives details regarding beer's origin and instructions on how to store beer



# **RETAILER**

Transparency of notification of shipment and delivery of beer

Use transparent details regarding beer's recipes to create and upload potential food pairing suggestions to the data base

Creates promos accordingly

# CONSUMER

Scans QR Code via app

Receives full transparency regarding the beer's ingredients origins, brewing details, storage and delivery time frames

Receives food pairings suggestions

Earns tokens via loyalty program

Tracking goods via the blockchain raises the bar on the quality of production and distribution. Long before the ingredients arrive at the brewery, brewers could access data on crop conditions or whether they have been genetically modified and plan accordingly. Consumers can determine whether the beer has been shipped at the proper temperature and in a timely manner. Optimizing the supply chain for efficiency and creating value.

# **MARKET ADOPTION**



EVENTS - Target Beer Festivals. Recently exhibited at the Great American Beer Festival.

PARTNERSHIPS - Offer breweries free private label App to join the platform and loyalty coalition.

SOCIAL MEDIA - to fund development of the platform and acquire users of the platform.

NEW MARKETS - China, Japan & Russia are experiencing rapid growth.

# **NEXT CRAFT BEER TOKEN**

**TOKEN NAME & SYMBOL: BEER** 

Minting of BEER Tokens

We have started the minting of BEER tokens utilizing Ethereum ERC223 standards and smart contracts. BEER tokens will utilize Ethereum's token technology, which creates liquidity via an exchangeable digital token that is automatically compatible with any wallet or exchange also using this standard token API.



BEER tokens are utility tokens and are intended for use on the Next Craft Beer platform. The BEER tokens are used in the app itself and empower its holders to interact with the app, while facilitating the distribution and sharing of rewards and benefits to all of its holders. One might think of BEER tokens like the tokens they might buy at a beer festival: beer vendors offer their own beers and set their own price in terms of tokens. The user only need to buy tokens once (in exchange for fiat currency) and then can use them throughout the festival. With blockchain tokens we now have a way of issuing and redeeming these tokens digitally.

Ownership of the tokens transfer no rights other than the right to exchange them as a means to enable usage of and interaction with the platform, once successfully completed and deployed. The tokens do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Next Craft Beer platform, and/or Next Industries LLC and its affiliates. The tokens are not refundable and are not intended to be a security, commodity or any other kind of financial instrument.

# **TOKENIZATION BENEFITS**

- Gamification encourages engagement and inspires loyalty.
- User participation increased.
- Earn rewards for participation and gain access to discounts.
- Accountability with transparency
- Security of the Blockchain

# **TOKEN LAUNCH**

Next Industries LLC launched the Next Craft Beer tokens (BEER) at the 2017 Great American Beer Festival. Contributors may currently exchange digital currencies for BEER Tokens during token sale events via the NextCraftBeer.com website. The pledged digital currencies will be retained in a multi-sig wallet by Next Industries LLC and disbursed per the allocation strategy. To ensure transparency, Next Industries LLC and its representatives will not acquire BEER tokens during token sale events.

Visit the Next Craft Beer website for token sale details: www.NextCraftBeer.com

# **Token Launch Summary:**

- Initial BEER token launch start date: October 2017
- BEER token Presale start date: October 15<sup>th</sup>, 2017
- BEER token Presale completion date: November 14<sup>th</sup>, 2017
- BEER token Sale start date: November 15<sup>th</sup>, 2017
- BEER token Sale completion date: January 15<sup>th</sup>, 2018
- BEER token sale discount: A 50% discount will be offered during the token sale event.
- BEER Token Contract Address: Will be published 24 hours prior to token sales.
- Cap will be set to 100,000,000 BEER tokens for initial token sale event.
- Contributors may exchange digital currencies for BEER Tokens.

All subscribed early supporters will receive a priority pass to participate before the token sale starts.

Visit the Next Craft Beer website for token sale details: www.NextCraftBeer.com

# **BUDGET ALLOCATION:**

- Marketing: 45% of budget will be dedicated to the promotion of the Next Craft Beer platform. Marketing will focus on expanding awareness & adoption of Next Craft Beer platform among beer enthusiast and breweries.
- **Development**: 40% of budget will be dedicated to development of the Next Craft Beer platform.
- Operations: 10% of budget will be dedicated to operation cost, including legal, security, accounting and any other expenses associated with operations.
- **Contingency:** 5% of budget will be set aside for unforeseen expenses.

# **TEAM**

Our team is composed of experienced entrepreneurs who excel at identifying and developing new opportunities via revolutionary solutions. The founders of the organization have over twenty years of experience working together with a proven track record of building million dollar companies.



# **CR Rogers** – Co-Founder & CEO

Has spent the past 20 years as an entrepreneur during which he founded two companies in unrelated industries. Both businesses achieved over a million dollars in revenue each. Previously served 10 years in the world of finance with a focus in global payment technologies at JCB Co. LTD and First Data Corporation.

Self-praise is for losers. Be a winner. Stand for something. Always have class, and be humble. -- John Madden



# Matt Masteller – Co-Founder & CTO

Matt Masteller is a software architect with over 22 years experience building enterprise and consumer applications and business intelligence systems. His unique business and operations background combined with an insatiable passion for mastering new technology has helped him successfully launch new systems and reimagine processes for companies ranging from startups to Fortune 100 companies. He has a proven track record leading high-performance teams delivering custom software solutions, including integrating best-of-breed ERP, CRM, SCM, BI and Data Analytics platforms, resulting in faster, better and cheaper services and products for client companies. He has experience working with multiple programming languages as a full-stack developer, designing application architectures, automating processes and operations, implementing business intelligence systems, and designing cloud infrastructures. As a CTO, he has co-founded startups spanning multiple industries.



Kelly Ames - COO

Has spent the past 8 years as the Executive Director of non-profit that achieved self-sustainability with a global reach within the first year. With a background in organization management, she brings her knowledge and expertise to several boards as advisory counsel. Previously, spent 15 years as a successful entrepreneur, partnering in several start-up companies with revenues exceeding one million dollars each.

The future belongs to those who believe in the beauty of their dreams. - - Eleanor Roosevelt



# Dan Chase – Master Brewer

Dan Chase has been a lover and brewer of craft beer for more than 25 years. Growing up in and around Boulder, Colorado, one of the epicenters of the craft brewing renaissance of the early-mid 1990s, provided easy access to some the earliest modern microbreweries and their products as inspiration. He started brewing, as most brewers do, on a 5 gallon stove top starter kit and has never looked back. Most recently, he designed and built his current electric HERMS (Heat Exchange Recirculating Mash System) brewhouse where he develops and brews his own recipes. He enjoys brewing for both personal enjoyment and competition, having won several awards in local/regional homebrewing competitions. A graduate of the University Of Colorado School Of Engineering in Boulder, he has gone on to enjoy a 20+ year career in IT Solutions Architecture. This mix of brewing and engineering knowledge experience puts him in a perfect position to understand the unique intersection of the beer brewing industry & processes and emerging technologies.

# CONCLUSION

This whitepaper has been prepared for the purpose of offering insight into our strategy for the implementation of the Next Craft Beer platform. We are proposing the creation of a new ecosystem that will improve transparency and efficiency for the craft beer industry. Breweries will be able to reward beer enthusiast's participation in the ecosystem via tokens, which will allow them access to an array of services. Adoption of technology is what is going to keep the economic growth in the industry sustainable.

For additional information please feel free to contact us at <a href="mailto:info@nextcraftbeer.com">info@nextcraftbeer.com</a>.

# RISK

You should be familiar with the types of financial instruments tokens represent. BEER tokens are exchangeable, not for speculative investment or refundable. No promises of inherent value are or will be made in respect to the BEER tokens including no promise of future performance. Under certain market conditions, you may find it difficult or impossible to liquidate tokens.

A sufficient understanding of the functionality, usage, storage, and other material characteristics of Ether token storage (wallets) and blockchain technology systems is recommended. By participating in the crowdfunding events, including the contribution of ETHER to Next Industries LLC and receiving tokens, you acknowledge and agree that you understand the risks associated with cryptocurrencies.

# **DISCLOSURES**

BEER token ownership grants the token holders rights to the Next Craft Beer platform. BEER tokens do not represent any kind of share or equity in the Next Industries LLC legal entities, does not give any rights on dividend or interest and therefore does not qualify as a security.

Next Industries LLC shall have the right, but not the obligation, to repurchase some or all of the BEER tokens. There shall be no limit to the number of repurchasing events that may be conducted by NEXT Industries LLC. To ensure transparency, Next Industries LLC and its representatives, will not acquire Beer tokens during token sale events.