



CANNABIS START-UP CHALLENGE

PRESENTED BY INNOVATE@BU &
GREEN LION PARTNERS



TIMELINE

- Sunday, September 30:** Applications available
- Friday, October 19:** Finalists announced
- Wednesday, November 7:** Presentation to panel

DELIVERABLES

- Clear concise one-page business summary
- Supplemental financials
- Innovate@BU Application
- Pitch deck
- Social Component

PRIZE

\$10,000 and advisement from Green Lion Partners

QUICK HITS

Why the cannabis industry?

Cannabis is the fastest growing industry in the US and is expanding all around the world. It's rare to be in an industry where you know there are established customers even in markets that aren't yet developed. Beyond the incredible opportunity though, there are millions of redacted patients that need better access to their redacted medicine and many people in jail for growing plants who don't deserve to be there. For us, the bottom line is: people are consuming this herbal medicine everywhere, why not make it safe, regulated, and taxed. States like Colorado and Oregon are showing tremendous benefits a sustainable market framework can provide.

What is an ancillary company?

Ancillary companies are those that support the cannabis industry but do not come directly in contact with the plant. They include things like software, services, accessories, agricultural products, etc.

Examples via GLP companies and our portfolio companies:

LeafList

Natural Order Supply

Dipstick Vapes

Flowhub

Gorilla Boost

The Arcview Group

Can the company already be active?

Yes! The more mature the company is, the better prepared you will be. The company does not need to be started specifically for this competition.

Does the business need to be state specific?

No. In fact, most ancillary companies are not state-specific. Some that are include those whose particular offerings cater to specific state regulations. This is an advantage for investors. There are also laws in many states that preclude out of state investors to participate in cannabis touching companies due to interstate and federal regulations.

What's going on in Massachusetts

The Massachusetts medical cannabis market is expanding despite the delay retail sales of adult use (recreational) cannabis. Entrepreneurs are doing what they can in the medical market until the floodgates of adult use open. 36 dispensaries are now approved to sell to the state's over 51,000 registered patients. Four of these 36 dispensaries have been issued provisional licenses for adult use retail sales. Unfortunately, no testing facilities have been approved for the adult use market, and all cannabis that is sold must be tested – which is a primary reason for the delay in adult use retail sales.

QUICK HITS (CONTINUED)

What's going on in Massachusetts (Continued)

Despite the MA legislature delaying the full roll out of Question 4, that shouldn't discourage ancillary businesses from beginning operations in MA, but it's important to take that status into account when deciding on a line of business to enter.

What we don't want to see (not prohibited but suggested against)

Non-innovative vaporizers

"Band-aids" for problems that will eventually go away with the normalization of cannabis (like banking solutions)

Combo products ("a water pipe with an attached grinder" for instance)

Anything that touches the cannabis plant or could be construed as doing so

Things that exist and are easily found with a little research--before choosing a route to take, make sure your concept doesn't exist, and if something similar does, be prepared to explain what significantly differentiates your offering.

Branding - what not to do

Stay away from over-use of green and cannabis leaves, as they're all over the industry (there are of course exceptions when done well). Additionally, it's important to help move this industry and its perception forward, so stay away from stereotypical imagery and "stoner" culture, and be sure to avoid sexism and sexualized branding.

WHAT MAKES A COMPANY INVESTABLE IN THIS INDUSTRY

Make sure your concept isn't already available on the market.

Cut through the hype with substantial value delivered;

Not reliant on riding the growth of the industry around you.

Company Concept

Unique position within the market

Traction (existing and/or plan to acquire)

Definition and size of potential user base

Marketing & Advertising plan

Overall branding and brand management strategy

Financial Opportunity for Investors

Financial projections for operations (revenue, direct costs, overhead, net margins etc.) focus on assumptions made more than specific values

Valuation and calculation to derive it

Funding required & specific use of funds

Potential for exit / returns to investors

Non-Financial Investability

Legal viability

Team

Advisors

Intellectual property plan

Scalability

Barrier to entry created

Biggest advantage you have other than first mover

Size of addressable market & ability to penetrate

Education needed to create demand

Additional funding needed / cash flow

Competitors (existing & future)

SOCIAL COMPONENT

Policy reform and social responsibility are an important aspect of the cannabis industry. It's imperative for new companies to have a plan for how they will integrate supporting the cause into their business models. All entries require a social component.

Be creative and have fun with this. It could be as simple as a portion of sales going to a specific organization all the way to directly helping specific individuals with certain sales. This component can go to education or non-profit organizations; additional ideas include enabling ease of access, proceeds going to criminal justice reform, etc.

Potential organizations to support:

- Students for Sensible Drug Policy (SSDP)
- Marijuana Policy Project (MPP)
- Drug Policy Alliance (DPA)
- Minority Cannabis Business Association (MCBA)
- National Cannabis Industry Association (NCIA)
- Weed for Warriors (WFW)
- Massachusetts Recreational Consumer Council (MRCC)

**WINNER GETS \$10,000 AND ADVISEMENT
FROM GREEN LION PARTNERS**

GOOD LUCK!

Open to BU students and alumni who have an idea or new venture in this emerging industry

BUGLP.COM

SUBMIT BY SUNDAY, SEPTEMBER 30 TO QUALIFY