

Tuee
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ELEVATOR PITCH

Tuee is actively selling a unique and comprehensive tablet-based guest relationship management (GRM) system for midsize service-based organizations that are dependent on a repeat customer base such as sit-down restaurant chains and Massage Envy® franchises. These organizations, representing hundreds of billions of dollars in revenue, do not currently have tools capable of collecting significant customer feedback, email addresses, or the ability to launch targeted direct marketing and loyalty campaigns based on that information. Tuee empowers these businesses to take off their blindfolds to (1) truly understand what their customers are thinking and (2) to communicate with them based on specific feedback. Tuee is the first GRM that can tie customer feedback to marketing and loyalty programs providing business owners actionable customer insights and the tools to effectively utilize that knowledge. Tuee is noninvasive (requires no integration with current POS or other systems), cost-effective (monthly subscription model), and very easy to learn and use. It will quickly become the eyes by which these business owners lead their organizations to predictable and consistent success.

IDEA

Problem/Opportunity

To understand the problem that Tuee solves, let's focus on the first vertical that we will target: small and mid-size restaurant chain organizations. Tuee provides these restaurateurs with answers to three critically important questions:

1. From where do my guests come? (What marketing is working?)
2. What do my guests think of their experience? (What should I fix or change?)
3. How can I stay in contact with my guests (How do I get them to return?)

The restaurant industry has one of the most consistent customer bases in the world. The average restaurant clears over 70K guests each year, yet most restaurants have no formal tools for collecting this critically important information. Those that do collect feedback get it from less than 2% of their customers. Even the restaurants that are collecting some customer feedback have no way to utilize that information to target specific subsets of their customers via direct marketing. The value of this information to gauge customer sentiment is very limited for the following reasons:

1. Restaurateurs know they need this information and are spending lots of time and money ineffectively trying to collect this data via paper comments cards and URL survey codes printed on receipts. These methods collect feedback from only 1% to 3% of customers.
2. Results are skewed because generally only very happy and unhappy customers respond.
3. They collect less than 1% of customers' email addresses leaving no way to respond, make amends, create loyalty programs, or do targeted marketing.
4. Paper-based results must be rekeyed and as such are labor intensive.

5. These methods are costly because they usually require customer incentives.
6. Receipt-form addresses are after-the-fact and don't allow a manager the ability to intervene before the customer leaves the facility and gets on social media.

Solution

The ideal solution to this problem is to collect feedback and email addresses from the majority of customers while still at the facility and provide the restaurateur a browser-based dashboard to manage survey questions, analyze results, and launch targeted marketing / loyalty campaigns to customers based on that information. This is exactly what the Tuee System has achieved.

Restaurateurs set up the survey questions they want to ask using the form designer. The Tuee tablet is then presented to the customer along with their bill at the end of their meal. While the waiter is processing the credit card, the customer answers four to six simple questions on the tablet. **This non-invasive approach has increased survey participation from 1% to 80% at Tuee beta restaurants. Over half of responders are volunteering their email addresses.**

It is difficult to overstate the value of this for restaurateurs. For the first time ever, they have a flexible and extensible tool providing insight into what the majority of their customers think. Once customers have provided feedback, they become emotionally vested in the restaurant's desire/efforts to improve the customer experience. Equally game-changing is that **restaurateurs, for the first time, have a database of their customers and a way to communicate with them.** Since 80% of an established restaurateur's business comes from repeat customers, the information in this database and how it's used can literally determine if a restaurant will thrive.

There are many other powerful features in the Tuee System such as an instant manager text alert when a low survey score is entered. This empowers managers to resolve issues before customers leave the building. Since 90% of unsatisfied customers don't complain to management but do tell their friends, this feature alone is a major tool in improving word-of-mouth.

Another feature of the Tuee System is real-time monitoring of restaurant staff. Tuee tablets can be displayed in the kitchen showing in real-time how customers are rating all dining aspects. Tuee helps a restaurateur create a culture of great service because no server wants low ratings especially when their ranking is being broadcast to their manager and co-workers in real-time.

Customer

The Tuee customer is a small to mid-sized service-based business chain that derives the majority of revenue from repeat customers. The Tuee system has been designed as a generic tool that can work equally well for a Jiffy Lube or a beauty salon. For simplicity in this application, we will limit discussion to our first vertical only - small to mid-sized sit-down restaurant chains.

Our target restaurateur is part of a ten to two hundred unit chain franchise or a successful restaurateur who has expanded their operation to ten or more locations. There are ~72,000 restaurants in the US that fit this description. Restaurant chains that are larger than this tend to have created and integrated their own systems. These systems, although inferior to Tuee, would be difficult to unseat because they represent large investments and tend to be tightly integrated into other restaurant systems such as point of sale.

At the other end of the spectrum are individual restaurant owners with one to nine locations. Restaurateurs in this sector are often very price sensitive and may not be sophisticated enough to understand the tantamount importance of guest relationship management.

Our research has confirmed that the mid-market sector is the sweetest of the sweet spots because these customers are large enough to pay our price and sophisticated enough to immediately recognize our value. They do not have a GRM system in place that needs to be unseated and they have no loyalty to partial solutions such as paper comment cards. They also tend to very addressable with centralized decision making.

Traction

Version 1.0 of the Tuee System has been developed and is currently being tested by sixteen paying beta customers. These early discount customers represent over \$30K in annual recurring revenue. These customers have already completed fourteen thousand surveys and have collected over seven thousand email addresses in just a few months.

Interviews with customers clearly demonstrate that Tuee is on the right track with strong value propositions and product roadmap vision. Even without any marketing, word of what Tuee is doing has spread rapidly especially among the area's most respected restaurants such as Angus Barn, Eschelon Hospitality, Rocky Top Hospitality, Mellow Mushroom (100 locations), Top of the Hill, and Mia Francesca (40 locations).

Tuee has raving fans because we don't just offer incremental business process improvements; Tuee is transformational to these businesses, empowering them for the first time ever with the information and insights they need. One customer said he felt like he was flying a plane without instruments, grabbing anecdotal comments from customers and hoping for the best. Tuee provided the instrument panel he needed and took the guessing out of running his restaurant.

Every beta customer is a solid reference for Tuee and each chain unit implemented has agreed to champion Tuee in person to corporate decision making. In the words of Dean Ogan, owner of Rocky Top Hospitality and newest Tuee customer, "Brilliant...this company will be on the New York Stock Exchange one day."

Vision

Tuee's mission is to empower service-based businesses with the most important tool they could ever have...the ability to know what their customers are thinking. This is how our vision unfolds:

1. Phase One: Test the Assumptions

Create a survey automation tool and convince restaurateurs to use it. We believed that we could radically increase survey participation and email collection but needed to know for certain and to what extent. Along with our beta customers, we were blown away by the 80% response rates. Tuee has accomplished this phase beyond all expectations.

2. Phase Two: Complete the Solution

This is where Tuee is now. With solid metrics proven, we are emboldened and ready to complete our technology solution by building an integrated direct marketing and loyalty

management capability. This is critically important because knowing what customers are thinking is only half the solution our restaurants need. Although useful unto itself, this information becomes transformational when combined with the ability to act on it.

3. Phase Three: Marketing and Sales to First Vertical

Once the Tuee solution is complete, it will be ready for a complete focus on sales and marketing. The Tuee System answers the very questions that keep restaurateurs up at night. Our marketing will focus on providing restaurateurs both the power to know and the power to act. This is when Tuee becomes a transformational solution.

4. Phase Four: Additional Verticals

Tuee will focus all resources on the mid-size restaurant market until we have dominated the space and have gotten to the late adopter segment, at which time we will target our next most promising vertical. There are many large verticals suitable as our next market but we have not yet completed the research required to say which is most promising.

Challenges

There are a number of challenges that will make it difficult for potential competitors.

1. Implementation Challenges

We did not do this well at first but quickly learned that our technology is only as good as a team's commitment to use it religiously. Wait staff is often young and low paid. They need clear rewards and recognition to create behavior change. We addressed this challenge by developing a simple yet effective implementation guide for managers that includes training, clearly defined expectations, and real-time results tracking. We are in the process of producing a training video for managers to use with staff as well.

2. Competition for Restaurant Marketing Budgets

The average restaurant's marketing budget is 3% of gross sales. There are many partial solutions competing for this budget such as: OpenTable, Groupon, Mailchimp, marketing consultants, etc. It is a noisy space and restaurateurs are extremely busy. Tuee will overcome this challenge by focusing on our proven results i.e. "would you like to collect 90% of your customers' email addresses...you can". Tuee will be positioned very differently from discount coupons and other revenue generation tactics. **If 80% of an established restaurant's revenue comes from existing patrons and Tuee provides you with their email addresses, integrated loyalty, and a direct marketing tool, why not simply send out your own coupons and special offers instead of paying Groupon 50% of the coupon's face value?**

3. Direct Competitors

There are a few companies like Humm® that offer tablet-based survey automation. Although they provide some market validation, these competitors, like Tuee, are early stage with minimal market share / funding. More important, they do not possess Tuee's vision nor do they seem to understand the overwhelming importance of combining customer feedback with outreach and loyalty, which is where the magic really happens.

4. Development Team

Because of visa constraints, Tuee's two engineers have yet to join full-time, although this is mutually desired. Their visa issues are expected to be resolved by the end of 2013.

TEAM

Tuee fields a well balanced team of two technical experts and two business development / SMEs.

- Kunal Arora (full-time) – Restaurateur and co-founder
Kunal grew up in the restaurant industry working at almost every position within his family's restaurants. As Tuee's product manager, Kunal brings a deep understanding of customer service and restaurant operations. He speaks to restaurateurs with profound insight and credibility. Kunal graduated from Ohio State Cum Laude with degrees in Operations Management and Finance and a minor in Entrepreneurship. He previously worked for Deloitte's management consulting practice.
- Vikram Rao (full-time) – Analytics Expert and co-founder
After graduating Magna Cum Laude from Ohio State, Vikram joined Deloitte's management consulting practice where he worked with Fortune 500 CEO/CFOs to solve their most critical business needs via data interpretation. Vikram brings an acute understanding of data analysis and how to derive actionable insights from data.
- Murali Bala – Full Stack Engineer
Murali is a seasoned technology architect with extensive start up experience. He has expertise with databases, multiple programming languages, and UX design. Murali is a certified Project Manager (PMP) and winner of two prestigious hackathons; the *Angelhack DC* and the Microsoft Windows 8 Metro Hackathon. Murali also holds both a Master's Degree in Commerce and a MBA.
- Zech Kottlilil – Backend Database Architect
Zech is a Software Engineer concentrating on backend systems. He has a Masters in Computer Applications and Operations Research. He currently works for the NASDAQ Stock Market on mission critical databases ranging from Oracle to SQL Server.
- David Gardner – Advisor and Investor
David Gardner is a serial software entrepreneur with seven successful exits to his credit. Much more than an investor, David is a regular part of management meetings each week providing both technical and business advice to Tuee on an on-going basis. David's proven investment model is to select winning ideas and entrepreneurs and then to be as involved as necessary to ensure their success.
- Eric Boggs – Advisor
Eric Boggs provides marketing and sales advice to Tuee on an ongoing basis. He brings years of expertise in marketing, lead generation, and direct sales to Tuee.

Commitment

The Tuee team is fully committed to this venture. The founders have been working full-time since October 2012, mostly without pay. The development team will join Tuee full-time in early 2014 after visa issues are resolved. Investors include The Startup Factory and David Gardner.

INNOVATION

Product/Service

It might be thought that the Tuee System is not innovative because it is an integration of existing software solutions such as form automation, loyalty, and direct marketing. We would argue that many great companies such as Salesforce.com, were completely contrived from known solutions. The amazing innovation of Salesforce.com and Tuee is in how these known solutions are integrated and the level of interoperability created between them to solve business problems.

The innovation of Tuee is its ability to convert complex analytics down to understandable and actionable to-dos. The design of the tool is amazingly flexible yet easy to understand. It offers a 360 degree view of customers, service, and marketing that was previously not possible. For example, imagine a restaurateur pondering, “Should I offer more fish dishes?” She can instantly add this question to her tablets. After a few days of data gathering, she can see the ration of her customers who desire this. If she chooses to add a new fish dish, she can surgically target customers who wanted this with an email campaign announcing the dish and thanking them for their feedback. Tuee pulls customers into a conversation with their go-to local dining spots. They feel heard and important. They get what they want, come back, and the restaurant thrives.

Another example of Tuee innovation lies in how we will manage loyalty programs. Customers don’t have to keep up with yet another punch card. Their email address is their unique identifier. Each time they take thirty seconds to complete a survey while waiting for their credit card, they earn loyalty points. Later, an inverse social media crawler may be able to award points when customers say nice things about a restaurant on social media (still in proof-of-concept stage).

Small innovations add up to a major competitive advantage. For example, text notifications are not new but connecting a manager alert text to a low survey score allows that manager to defuse dissatisfied customers before they leave. This innovation alone can preserve 90% of future revenues from patrons who had a bad experience. Continued innovation will be the result of deep industry knowledge combined with a formal process of gathering and testing customer feedback.

Technology

The Tuee System is comprised of multiple sub-systems; the survey engine, survey tablet application, survey analytics/dashboard and the alert agent.

The Survey Engine enables restaurants to customize surveys. The server code initializes and generates HTML mark-ups and client validation scripts. The output module is an Android-based tablet application. Restaurant owners can log in anytime to the dashboard to view various performance points. The page is completely Ajax-enabled so no post back occurs. The Survey System offers various configuration parameters to restaurateurs. One such parameter is Survey Alerts. Restaurateurs can define parameters to receive alerts. The Survey Agent constantly processes surveys and sends SMS/email alerts when a survey meets the pre-defined conditions.

The Tuee system has been built from the ground up with scalability, extensibility and robustness in mind. We use MySQL Database for data storage and .NET, Java (Android App), C#, HTML5, CSS, Ajax, JQuery, JQuery Mobile, Bootstrap, ChartJs and Highcharts. **Our presentation layer software has been built for portability to run on any tablet or OS platform.**

Differentiation

The Tuee System is unique from direct and indirect competitor in three primary ways. For brevity, these are discussed once in the “Competition” section.

Stage of Development

Phase One of the Tuee System (as defined in the Vision section) has been developed and field validated. Tuee is ready to begin Phase II. We will continue to sell our survey automation / feedback system while our direct marketing/loyalty functionality is being developed.

INTELLECTUAL PROPERTY

Patent Protection

Tuee has not filed any patents nor do we believe that our technology is patentable. This could change if our reverse social network crawler technology proves out.

IP Ownership

Tuee has complete ownership of all software developed and used in the Tuee System.

Public Disclosure

We are currently selling the product to restaurants and have 16 paying clients as of today.

MARKET

Description

Tuee’s initial target market consists of small and mid-sized restaurant groups. These groups own between ten and 200 restaurants. Our target market collects feedback via comment cards / receipt codes and all engage in email marketing. There are 289,000 sit-down restaurants in the US representing \$150B in annual revenue. Approximately 25% of these restaurants fall into our initial target market. The restaurant industry is highly competitive and fragmented, with slim margins and high startup costs, however, small and mid-size chains already spend significant money on feedback and allocate approximately 3% of sales to marketing and guest management.

Size and Growth

Restaurants represent 4% of US GDP, or \$661B in revenue per year¹. Our TAM is the amount of money restaurants spends on marketing / yr., ~\$20B. Sit-down restaurants represent ~\$312B in annual sales and an annual marketing budget of ~\$9.3B / yr. This is our SAM. Initially, we are targeting small to mid-size groups, which represent ~72,000 locations across the US. Within the next 3 years, our goal is to capture 2,000 of these locations.²

¹<https://www.npd.com/wps/portal/npd/us/news/press-releases/us-total-restaurant-count-increases-by-3045-units-over-last-year-reports-npd/>

²<http://www.restaurant.org/News-Research/Research/Facts-at-a-Glance>

Competition

There are numerous partial competitors to Tuee that fall into categories. Although not direct competitors, these organizations compete for the same marketing budget.

1. Survey Automation:

These include paper surveys, receipt-promoted web forms, and products like Survey Monkey. They typically garner only 1% participation and far less email addresses. They are laborious and not integrated with tools that empower a restaurateur to do something with the information. They require expensive guest incentives to drive even small levels of participation and, worse yet, they allow dissatisfied customers to leave the restaurant without a resolution which is arguably the worst mistake a restaurateur can make.

2. Marketing Tools:

There are many direct marketing products available today like MailChimp and Fishbowl, but these tools only have value if the restaurateurs have already collected guest email addresses. With less than 1% email collection on average, these products are rendered impotent from the start. Even if the restaurant has email addresses, they are not tied to customer feedback and therefore can only be used for the most generic public broadcast.

3. Big Public Ratings Companies

Companies like Yelp and Google provide advertising and general feedback to restaurants; however, 94% of restaurants surveyed strongly dislike these companies because they take control away from the business and provide customers with a social megaphone to hurt business. It is unlikely these companies can enter our space due to their negative image.

Differentiation

The Tuee System is unique from direct and indirect competitors in three primary ways:

1. It is Comprehensive

Tuee's magic is its interoperability between guest feedback, direct marketing, and loyalty. Only when all pieces are combined into one system can their synergies be exploited. Unlike the majority of our partial solution competitors that were designed to automate one function, Tuee automates the entire Guest Management process.

2. It is Flexible

Nothing about Tuee is hardwired. It is as flexible as the creativity of those who use it. Any survey question can be asked and any campaign or loyalty program can be launched. Tuee empowers data analysis for a single restaurant or an entire franchise. Surveys can be dictated by the chain owner or controlled by the local operator, or both.

3. It is Sticky

Unlike tactical tools like Groupon that can be picked up or put down at will, the Tuee System is amazingly sticky. Access to the email addresses and data it houses quickly become mission critical. Although our clients can export their raw data at any time, without the contextual relationships Tuee creates, this data has limited value.

COMMERCIALIZATION STRATEGY

Revenue Model

We have gathered much feedback regarding price points for the various components of the Tuee System. Our initial monthly subscription pricing model is designed to facilitate rapid growth. Only the setup fee and Survey Module are required with two optional additional modules:

- One-time setup fee (\$150 per tablet – most restaurants need 4 tablets)
- Survey Module (\$119 per month per restaurant)
- Marketing Module (additional \$80 per month per restaurant)
- Loyalty Module (additional \$60 per month per restaurant)

This model is designed to create a low-risk opportunity to try the Tuee System and to experience the benefits it creates. To date, no customer paying to use the Tuee system has canceled.

Sales and Distribution

Tuee has split up its sales and distribution approach into four distinct parts:

1. Customer Referrals - Customer referrals have been Tuee's most effective lead source.
2. Local Franchisee Champions - Tuee creates relationships with local franchisee owners who have the ability to implement Tuee without corporate approval. Once they have implemented Tuee and have documented the benefits, they agree to champion us to corporate. This strategy seems to be working and it is very cost-effective.
3. Strategic Partnerships - Once out of beta, Tuee will seek partnerships with companies selling to restaurants including: food distributors, CC merchants, and OpenTable.
4. Inbound Marketing - We are implementing an inbound marketing plan to drive restaurateurs to our website.

Operations

All of Tuee's development work is done by Murali Bala and Zech Kottlil (bios in "Team" section). Tuee plans to in-source sales (except for future distribution partners) as well as support for Tuee clients. Tuee is and will continue to outsource tablet manufacturing, distribution, and replacement. **Tuee is in the guest relationship management business – not the tablet business.** We are seeking a relationship with a white-labeled tablet provider who will handle tablet warranties, troubleshooting, and support. Tuee is creating a completely self-service implementation process by adding training and YouTube instructional videos for new clients.

Funding

Tuee has received \$165,000 in funding to date. This has allowed us to support platform development, sales, and customer development.

In mid to late 2014, we anticipate raising an additional \$1,000,000 to accomplish the following:

- Bring on full-time technical resources (2 engineers and designer)
- Grow a national inbound marketing presence
- Develop and maintain distribution networks
- Add to our direct sales force and expand geographically

Financial Projections

See appendix 2 for details

Triple Bottom Line

Tuee is committed to helping develop the Triangle economy. Given that this is our first market, we must grow a strong base here, providing jobs, and giving back to the community.

RISKS

See “Challenges” section above for details on risks.

GRANT REQUEST

Budget

Tuee is requesting a \$50,000 grant to cover:

- Creation of an integrated email marketing platform. This would enable restaurants to segment lists based on feedback and enable automatic, targeted email campaigns.
- Development and deployment of a loyalty program to enable restaurants to create custom loyalty programs to automatically incentivize guests to return.
- Begin creation of inbound marketing capabilities such as: Google Adwords, SEO, etc.

See appendix A below for allocation details

Milestones and Deliverables

Milestone #	Date	Milestone
1	02/01/2014	Complete email automation and integration
2	04/01/2014	Achieve \$100K in annual revenue
3	04/15/2014	Launch loyalty program

Impact

The NC Idea grant would be extremely impactful for Tuee because it may be the only means by which Phase II of our vision is realized. Tuee’s survey automation tool is only the tip of the spear that enables us to get a foothold into accounts and create the customer database required. Although somewhat useful unto itself, this information only becomes transformational for our customers when combined with the ability to act on it via a tightly integrated direct marketing and loyalty capability. With the completion of Phase II, Tuee will be well positioned to raise capital and dominate the mid-size services industry.

REFERENCES

Technical References Gautam Mehndiratta (gautam@infotekconsulting.net / 703-371-1476)
Jawa Buddhavarapu (<http://www.linkedin.com/in/jawab>)

Business References Dean Ogan (dean@rockytophospitality.com / 919-796-0202)
G Patel (gpatel@eschelonhospitality.com / 919-656-3327)

Personal References Dom Dragisich (ddragisich@gmail.com / 703-973-4867)
Joe Labrie (josephlabrie@gmail.com / 201-759-6977)

Appendix 1: Budget

NC IDEA Grant Budget and Schedule - Tuee							
Item	Description	Dollars From Other Sources	NC IDEA Requested Dollars	NC IDEA Granted Dollars	Start Date	End Date	Notes
Marketing: [research, conferences, competitive analysis, etc.]							
1.	Restaurant Industry Conference, NRA Conference,	\$1,000	\$500		11/30/2013	06/02/14	
2.	IBIS World and Other Industry Research Tools		\$1,000		11/30/2013	06/02/14	
3.	Google Adwords Campaigns to Target Market	\$1,794	\$2,206		11/30/2013	06/02/14	
4.	Other Restaurant-Specific Online Advertising	\$1,794	\$2,206		11/30/2013	06/02/14	
5.							
	Subtotal	\$4,588	\$5,912	\$0	11/30/13	06/02/14	
Business Development: [business plan, interns, research, etc.]							
1.	Creation of Automatic Email Segmentation		\$22,044		11/30/2013	02/01/14	
2.	Creation of Customized Loyalty Program		\$22,044		02/01/14	04/15/14	
3.							
4.							
5.							
	Subtotal	\$0	\$44,088	\$0	11/30/13	04/15/14	
Lab/Infrastructure/Materials: [IT, supplies, equipment]							
1.							
2.							
3.							
4.							
5.							
	Subtotal	\$0	\$0	\$0	01/00/00	01/00/00	
Prototype: [development, outsourcing, consulting]							
1.							
2.							
3.							
4.							
5.							
	Subtotal	\$0	\$0	\$0	01/00/00	01/00/00	
Legal: [suggested sub categories: corporate, patent/IP, regulatory]							
1.							
2.							
3.							
4.							
5.							
	Subtotal	\$0	\$0	\$0	01/00/00	01/00/00	
Other:							
1.							
2.							
3.							
4.							
5.							
	Subtotal	\$0	\$0	\$0	01/00/00	01/00/00	
Grand Total / Start / Finish		\$4,588	\$50,000	\$0	01/00/00	06/02/14	

Appendix 2: Financials

We have included a 20 month forward looking P & L as well as actuals from the past 9 months for your consideration.

Category	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20
Total Investment Acquired	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 2,200	\$ 2,200	\$ 3,398	\$ 6,714	\$ 8,155	\$ 9,596	\$ 11,038	\$ 12,479	\$ 13,920	\$ 19,428	\$ 22,310	\$ 25,193	\$ 28,075	\$ 51,289	\$ 61,378	\$ 71,466	\$ 81,555	\$ 91,644	\$ 101,733	\$ 111,821
Total COGS	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)	\$ (24,500)
Total FTEs	2.0	2.0	2.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Total Salary Expense	\$ (6,667)	\$ (6,667)	\$ (6,667)	\$ (21,667)	\$ (21,667)	\$ (21,667)	\$ (21,667)	\$ (26,250)	\$ (26,250)	\$ (26,250)	\$ (26,250)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)	\$ (62,917)
Total Marketing Expense	\$ (1,100)	\$ (1,100)	\$ (680)	\$ (671)	\$ (816)	\$ (960)	\$ (1,104)	\$ (1,248)	\$ (696)	\$ (971)	\$ (1,116)	\$ (1,260)	\$ (1,404)	\$ (2,564)	\$ (3,069)	\$ (3,573)	\$ (4,078)	\$ (4,582)	\$ (5,087)	\$ (5,591)
Total Overhead Expense	\$ (3,225)	\$ (3,225)	\$ (3,225)	\$ (3,350)	\$ (3,350)	\$ (3,350)	\$ (3,350)	\$ (3,850)	\$ (3,850)	\$ (51,850)	\$ (3,850)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)	\$ (6,350)
Total Monthly Revenue	\$ 2,200	\$ 2,200	\$ 3,398	\$ 6,714	\$ 8,155	\$ 9,596	\$ 11,038	\$ 12,479	\$ 13,920	\$ 19,428	\$ 22,310	\$ 25,193	\$ 28,075	\$ 51,289	\$ 61,378	\$ 71,466	\$ 81,555	\$ 91,644	\$ 101,733	\$ 111,821
Total Monthly Costs	\$ 14,492	\$ 14,492	\$ 14,071	\$ 29,188	\$ 29,332	\$ 29,476	\$ 29,620	\$ 38,348	\$ 37,796	\$ 86,071	\$ 38,216	\$ 95,026	\$ 95,170	\$ 96,331	\$ 96,836	\$ 97,340	\$ 97,844	\$ 98,349	\$ 98,853	\$ 99,358
Total Monthly Cash Balance	\$ 125,000	\$ 162,708	\$ 152,035	\$ 129,560	\$ 108,383	\$ 88,503	\$ 69,920	\$ 44,051	\$ 20,175	\$ 953,531	\$ 937,626	\$ 867,792	\$ 800,697	\$ 755,654	\$ 720,196	\$ 694,322	\$ 678,033	\$ 671,328	\$ 674,207	\$ 686,671

2013 Tuee P & L	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Income									
Sales	\$ 170.00	\$ -	\$ 240.00	\$ 1,520.00	\$ 370.00	\$ 340.00	\$ 1,020.00	\$ 1,030.00	\$ 2,249.00
Cost of Goods Sold	\$ 1,281.53	\$ -	\$ 2,017.88	\$ -	\$ 1,034.90	\$ 20.64	\$ 2,027.41	\$ 1,855.36	\$ 23.70
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 788.72	\$ -	\$ 240.00	\$ 291.48	\$ 187.00
Advertising (other)	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ -	\$ 209.79	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ 36.00	\$ -	\$ -	\$ -	\$ -
Restaurants/Dining	\$ -	\$ -	\$ -	\$ -	\$ 21.47	\$ 3.08	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 85.96	\$ -	\$ -	\$ 21.51	\$ 72.74
Printing	\$ -	\$ 13.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Expenses & Postage (other)	\$ -	\$ -	\$ -	\$ -	\$ 333.33	\$ -	\$ 29.94	\$ -	\$ -
Bank Fees	\$ -	\$ -	\$ -	\$ 78.75	\$ 23.68	\$ 37.23	\$ 29.00	\$ 12.00	\$ -
Conferences / Trade Shows	\$ -	\$ -	\$ -	\$ 98.00	\$ -	\$ -	\$ -	\$ 200.00	\$ -
Internet	\$ -	\$ -	\$ -	\$ -	\$ 68.44	\$ -	\$ -	\$ -	\$ -
Online Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562.86	\$ 50.17	\$ 206.00	\$ 173.00
Reference Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.00	\$ -	\$ 450.85
Rent	\$ -	\$ -	\$ 2,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
Restaurants / Dining	\$ 233.32	\$ -	\$ -	\$ 181.18	\$ -	\$ -	\$ -	\$ -	\$ -
SEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 497.00	\$ -	\$ -	\$ -
Technology Services	\$ -	\$ -	\$ -	\$ -	\$ 40.00	\$ 100.00	\$ -	\$ -	\$ -
Voided Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190.00	\$ -	\$ -
Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,915.90	\$ 5,747.70	\$ 6,836.26	\$ 5,443.92
Website	\$ -	\$ -	\$ -	\$ 17.84	\$ -	\$ -	\$ -	\$ 545.00	\$ -
Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707.00	\$ -	\$ -	\$ -
Rent or Lease (other)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 375.00
Airfare	\$ 638.20	\$ -	\$ -	\$ 451.20	\$ -	\$ -	\$ -	\$ -	\$ -
Taxi & Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20.00
Travel (other)	\$ -	\$ -	\$ -	\$ -	\$ 17.82	\$ -	\$ -	\$ -	\$ -
Gas & Electrical	\$ -	\$ -	\$ -	\$ 86.81	\$ -	\$ 97.26	\$ -	\$ -	\$ -
Utilities (other)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34.24	\$ -	\$ 60.00	\$ 20.00
Total Profit / (Loss)	\$ (1,983.05)	\$ (13.73)	\$ (4,177.88)	\$ 506.22	\$ (2,080.32)	\$ (8,635.21)	\$ (7,297.22)	\$ (9,207.40)	\$ (7,017.21)

Appendix 3: Product & Commercialization Timeline

We have included our projected commercialization timeline below. These timeframes correspond to the phases listed in the “vision” section above.

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase I												
Create initial feedback tool												
Onboard regular beta users												
Phase II												
Build integrated marketing tool												
Build loyalty program												
Validate results with beta users												
Phase III												
Grow inbound marketing capabilities												
Develop national direct sales force												
Phase IV												
Expand to second vertical												

Appendix 4: Case Study

Restaurant Background

Taberna Tapas is a Spanish tapas restaurant that was opened in mid-2012 in the heart of downtown Durham by Chris Estrada, a first-time restaurateur. Taberna offers an array of Spanish cuisine that includes small plate tapas, paella and Spanish wines.

As a new restaurant on a street filled with popular restaurants, Taberna was looking for ways to differentiate themselves. Specifically, Chris was struggling to figure out the following:

1. How to attract new customers
2. What did guests want to see improved about the menu
3. How to get them coming back
4. How to drive alcohol sales

Chris started using Tuee in April 2013 to get these questions answered. Tuee customized a questionnaire and marketing strategy for Taberna Tapas that included the following goals:

1. Figure out what guests wanted to see improved about the bar to drive up alcohol / food sales mix
2. Identify what menu items were resonating with guests and what they would like to see improved
3. Drive back repeat business via targeted email and loyalty campaigns

After only a couple of months, Tuee was able to achieve the following for Chris:

Insight: Identify that patrons would love to order more drinks, but lack of clear beverage display and specials were serving as barriers to purchase

Action: Taberna created large beverage menu display boards to showcase prominently inside and outside of the restaurant, increasing food / bev mix from 70 / 30 to 60 / 40

Insight: The majority of food complaints centered around lack of dessert selections, lack of seasonal specials, and blandness of a few specific dishes.

Action: Taberna expanded its menu and slightly altered recipes to increase food ratings and drive repeat restaurant traffic.

Insight: Customers were open to returning to Taberna, but with all the choices around, they quickly forgot about the restaurant.

Action: Tuee created email marketing campaigns that got 60% open rates and resulted in 14% of emailed patrons returning within a week. **Tuee also ran a one-month loyalty / incentive program that resulted in \$2,000 of revenue and only \$120 in cost.**

In the words of Chris: “Every restaurant should use Tuee. Guests love it and it enables us to finally know what every guest is thinking. Tuee has exponentially grown our email database and has delivered customer insights that have enabled us to grow quickly and become a very successful restaurant.”