



COMPLETE BUSINESS PLAN 2021-2022

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*business plan content appears on pp 2-21 and is within the 20 page limit



EXECUTIVE SUMMARY



Here at Doze, we wanted to create a product that made a significant improvement to the daily lives of our customers. After numerous rounds of research, ranging from digital forms to in-person conversations, we were introduced to the major issue young adults resonated with the most: a lack of quality sleep. Many people, ourselves included, understand the struggle to get a good night's rest and the ways it can impact one's feelings and performance on a day-to-day basis. With this in-mind, our Doze sleep drops are the solution our customers need.

Our product is a sleep drop-- think cough drop, but for sleep! With help from our production partner, a local farm and hemp grower, Oregon Road Organics, our drops are formulated from all-natural ingredients scientifically proven to aid in sleep. With the goal of reducing waste from disposable packaging, our sleep drops come in a greener alternative: aluminum tins that are completely recyclable.



Beyond our eco-friendly efforts, **Doze gives back by donating 2% of all proceeds to the Pajama Program**, which is a charity dedicated to promoting comfortable night time routines and healthy sleep for children, a mission similar to our own.



Despite finding our start only a few months ago, Doze has already proven itself to be a strong company in more fields than one. From technology, to finance, to human resources, to marketing, Doze's devoted employees have done an incredible job building a reputable, memorable, and profitable brand.

Making waves far beyond our local high school, Doze's strongest asset has been its personability. Forming and growing connections is important to us, and we have gone beyond the walls of our high school to do so. Within the VE landscape, we have extended far beyond our Long Island region, creating personal bonds and profitable sales deals with firms across the nation, and hopefully soon, the world. Our connections are not limited to virtual, however, as we also take pride in our direct community connections. Through striking branding, numerous events and fundraisers, an engaging social media presence across numerous platforms, and in-person promotion, Doze has built an incredibly strong foundation of support consisting of fellow students, school faculty, local businesses, friends, and family.

At the heart of Doze is its customers, and it has remained the driving force beyond operations of our company. Customer feedback surveys, informal polls via Instagram, and continued research has allowed



us to better understand our customers, and continuously improve our product, website, and overall company to best serve their needs.

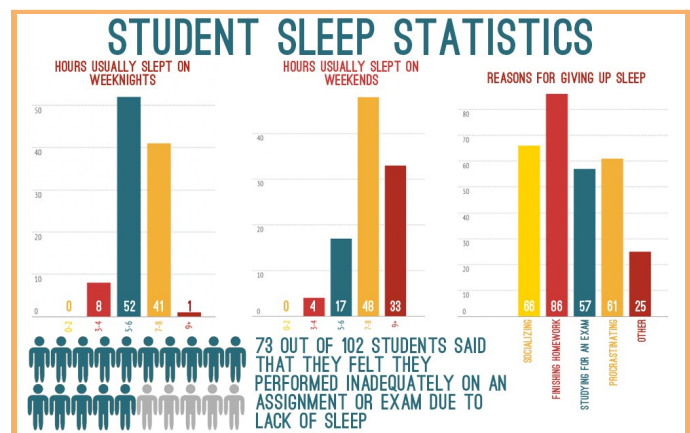
The success of Doze is not limited to our media and marketing, but perhaps can best be reflected in our financial success. Due to tremendous efforts and a fiercely devoted team of employees, Doze is proud to say that we not only broke even, but we did so a month earlier than originally expected. Very few companies of Doze's age can brandish this accomplishment, which just further demonstrates the strength of our company.

Considering the amazing accomplishments of this company thus far, we look to the future with pure excitement and determination. Refining and expanding our product line, opening to international sales, creating additional partnerships within our community, excelling in Virtual Enterprise national competitions, and continuing to thrive financially are just a few of the major things in store for Doze. But, above all else, we will continue to ensure our customers sleep well.

BUSINESS RATIONALE

CUSTOMER EMPATHY

Lack of quality sleep can negatively impact so many areas of our lives. According to a sleep study from Carnegie Mellon University (see graph¹), 73 out of 102 students felt that sleep issues affected their academic performance. Furthermore, it has been proven that “sleep plays a vital role in good health and well being throughout your life” (National Institute of Health²) and without quality sleep, you face a higher risk of issues such as “an increase in risk of heart disease, kidney disease, high blood pressure, diabetes, and stroke” (NIH).



We, the Doze team, feel passionately about this issue, as we know first-hand that quality rest is essential for energy, productivity, and mental health. This is where Doze comes to the rescue.

We spent considerable time developing deep customer empathy in order to create a truly beneficial product. We surveyed Southold Jr. Sr. High School's students, faculty, and staff, and conducted in-person interviews with family and friends and determined four common sleep challenges (see graphic). **What**

¹ “Lack of Sleep hurts student health.” *The Tartan*. Carnegie Mellon University, 2013.

<https://thetartan.org/2013/11/18/news/sleep>

² “Why is Sleep Important?” *Wellness News*. National Institute of Health, 2019.



surprised us were the discoveries that adults – not just teens – suffered from lack of quality sleep, and that *staying* asleep was a more common problem than we’d originally thought.

Connection with lack of sleep + stress,
more ideas w/ calendar/scheduling.

Calendar is a much more feasible option;
sleep would be much more appreciated.

Sleep

Q₁: Do you experience trouble falling asleep?

Q₂: How often do you wake up during the night?

Q₃: How many hours of sleep do you get on average?

SK₁: Briefly describe your night routine.

Our research led us to the following problem statement, **“I am a young adult and I am trying to get quality sleep, but I cannot relax, fall asleep, or stay asleep, which makes me feel exhausted and stressed.”**

Aware that no one’s lifestyle or schedule is identical, we sought to create a product that could be easily implemented into anyone’s nightly routine. After a process of exploring the pros and cons of various potential products, including an

aromatherapy pillow or a calming tea, **our team agreed that an ingestible, cough-drop style product was our best option.** Our customers can confidently say, **“Doze sleep drops will help me get quality sleep and improve my mood, performance in daily activities, and overall health and wellness!”**

Doze is committed to creating a well-rested, rejuvenated generation of teens. By creating a product that supports a quality night of rest, **our customers can say goodbye to nights of tossing and turning, and hello to healthier, happier days.**



COMPANY GOALS

A primary goal for our company was to **break even in our first year.** After an incredibly successful first few months of sales, we proudly achieved this goal in December (see details in finance section).

Our team also set out to **embrace the professional learning opportunities presented by VEI** competitions and enter as many regional and national competitions as possible. In the fall, Doze entered the national D4D competition and placed in the Top 20. Additionally, we earned honorable mention for our elevator pitch and our Branding Packet, created by our CMO, was ranked in the Top 25% in the nation. More recently, all of our national competition submissions, including our Business Plan/Executive Summary, Financial Highlights, Marketing Plan, and Employee Handbook, have advanced to the second round! Doze is determined to continue to put forth quality work and advance further in these competitions, and we are excited to enter upcoming ones, such as the Commercial Competition.



In an effort to **reach beyond the charity affiliations in the virtual world**, we planned a school bake sale for 12/17, and we donated \$175 to the Pajama Program. Additionally, we held a successful food drive in connection with C.A.S.T., a local community service organization. Giving back is something very important to us here at Doze, and we plan to continue our outreach efforts for the rest of the year.

As for long-term goals, we plan to **streamline our current offerings and expand our product line**. Just this past month, we successfully launched our newest product line, sleep drops for pets – a suggestion offered to us during a recent meeting with our local production partner, Oregon Road Organics. Additionally, we have been and will continue to collect feedback from our customers to better our product, such as recently utilizing Instagram polls to finalize our flavor names.

Finally, we have made many business to business connections that have grown to friendships, such as with the firm TideTech based in Tennessee and Opal in Westhampton, NY. Beyond this, our CFO has begun working to open up Doze to international sales, contacting firms from all over the world and hoping to establish sales deals soon. We hope to **foster and grow these connections** so that we at Doze, and all Southold-Companies-to-come, have friends across the nation to share encouragement and support.

ABOUT THE BUSINESS

OVERVIEW



Finding its start in the small town of Southold on the east end of Long Island, New York, Doze was founded as a C corporation in September 2021 by 11 passionate individuals from Southold Jr.-Sr. High School, thanks to

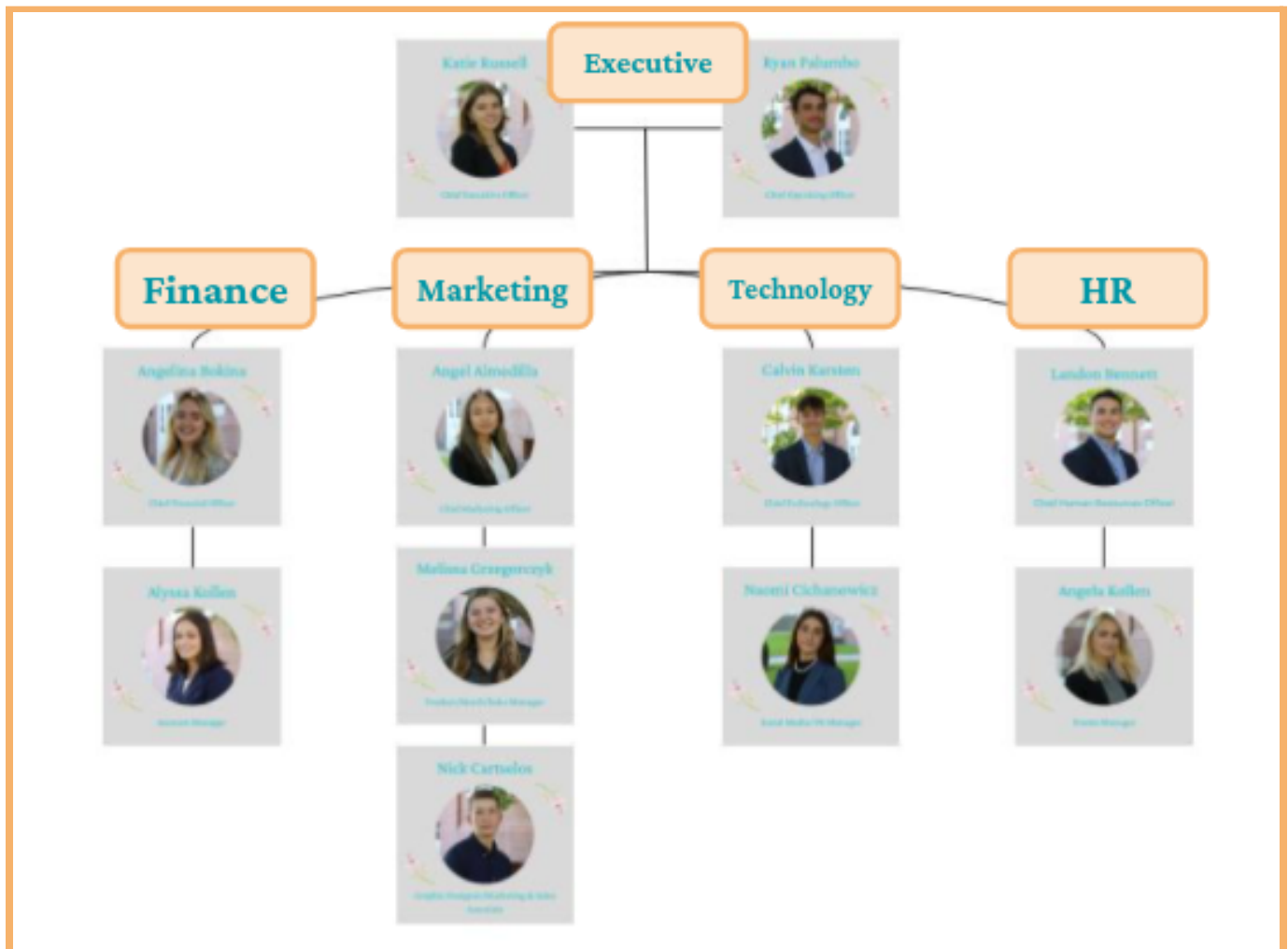
\$20,000 in VEI seed money, and \$50,000 from our angel investor and local business, Fit Foods. A C corporation was the best fit for our company as its flexibility allows for rapid financial growth and opens up possibilities for international connections. Additionally, our investors and shareholders share the burden of potential financial risk.



Our mission here at Doze is to help our customers fall asleep, stay asleep, and wake up feeling their best.

COMPANY ORGANIZATION

Doze's management team, the CEO and COO, work together to plan, delegate, and oversee four departments: Finance, Marketing, Technology, and Human Resources. While most company-wide information is disseminated from the top down via email and in-person meetings, employees' opinions, ideas, and feedback are gathered from the ground up via weekly check-ins and surveys.





SWOT ANALYSIS

Strengths	Identifiable brand , through our merchandise, personal connections, school events, social media presence, Instagram DM's and more.
Weaknesses	With few employees, workers can become overwhelmed with the amount of work.
Opportunities	With a local community supporting our program, we are able to invite guest speakers/business mentors to come in and speak about how their company is run, effective ways to lead, and so much more!
Threats	Reputation, environmental, legal (see risk analysis)

In addition to our balanced top-down/bottom-up communication model, one of Doze's greatest **strengths** is our identifiable brand, thanks to our continued and extensive promotion as well as our bonds with other VE firms. Merchandise such as posters, pens, stickers, and gum packages have contributed to a memorable presence within our school and at trade shows. Finally, personal connections have helped us build business-to-business connections with VE firms across the nation through social media and allowed us to engage with our Southold community via classroom visits and fundraising events.

With strength comes **weakness**: sometimes our 11 employees become overwhelmed by the workload. With this in mind, we have employee check-ins each week and when needed, we divide and share projects. Our Human Resources department is adamant about making sure every voice is heard and supported within our firm, to ensure a healthy and happy work environment for all!

Our local community provides **opportunities** for business mentors, such as the owner of a local print shop who helped us revise our sales brochure and branding packet, as well as our business partner, owner of Oregon Road Organics, who has consulted with us on our product and labeling. Our community also creates opportunities for frequent guest speakers from a variety of fields, offering insight on topics from finance, to business ownership, to social media strategy!



Our major threats include reputation, environmental, and legal risks, which we dive deeper into within our risk analysis (page 15).

EXTERNAL ENVIRONMENT

VIRTUAL COMPETITIVE ANALYSIS

Indirect Competitors

The VE firm directory displays 75 firms in the health and beauty market category, six of which appear with a keyword search of “sleep.” Doze is one of them. The other five, Snooze, DexaDream, Sleep Key, Cloud 9, and Ho’omaha (along with Mello, which does not have “sleep” linked as a key search term), are all indirect competitors, as they sell other sleep aids such as tech apps, mattresses, pillows, weighted blankets, sleep masks, and essential oils.



Without a website, Cloud 9 poses little competition in the virtual sales world. Snooze targets the tech-savvy, app-and-gadget-loving segment of the young adult market, and therefore presents less competition to Doze than Sleep Key and Ho’omaha. Their target markets are less defined, but have more overlap in terms of demographics (age and income level) and challenges (lack of sleep). However, the key psychographics of their target markets are either ill defined or different enough from the Doze target market key psychographics (particularly the consumer focus on all natural ingredients, overall wellness, and eco-friendly packaging) that our branding and online content engagement will attract different customers.

Moreover, out of these companies, Doze is one of two firms that make clear on their websites that they focus on corporate social responsibility (Ho’omaha donates to Autism Speaks). Only Doze’s charity relates to its corporate mission. We are passionate about helping people get a good night’s sleep. That is why 2% of our proceeds goes towards the Pajama Program, which helps children have a healthy and comfortable bed time routine by providing kids with stuffed animals, pajamas, and blankets.

Direct Competitors



The Stash is a direct competitor as it sells a “chill” line of products which help with sleep and relaxation, include similar ingredients (melatonin and CBD, for example), and also mentions “100% Natural” in their branding. However, sleep is not their primary customer challenge, as they sell products to provide energy and focus as well. Additionally, their products are edibles (gummies, bars, milk, powder, etc.) rather than dietary supplements. **Doze’s well-defined mission, target market, and customer empathy, along with our well-researched all-natural ingredients and FDA compliance, mean that when it comes to the VE sleep aid market, Doze is second to none.**



CURRENT ECONOMIC CONDITIONS:

As we enter 2022, the American economy is looking to rebound from numerous curveballs and sharp changes, including the inflation rate's jump to 7.5% in January³ and continued supply chain issues, which have posed major problems for business around the globe. The COVID-19 pandemic served as a major catalyst for these economic issues, as it created a "shortage of workers", "reduced production capacity" around the world, and distorted the average demand for product by consumers⁴. On a more positive note, the stress and uncertainty of COVID actually helped drive the sleep industry forward (see below), and there's more financial good news: the unemployment rate was down to 3.9% at the end of 2021⁵, which means more people are back to work, earning paychecks that allow them to spend on consumer goods. And finally, as Doze's products are locally sourced and produced on Long Island, NY, the supply chain issues do not directly affect our operations.

INDUSTRY ANALYSIS: VIRTUAL

Doze gathered information from the recently released VE Market Insights, which shows that as of January 2, 2022, the Health and Beauty category generated the third highest income total of over \$63 million, after clothing and accessories (\$81 million) and entertainment (\$69 million). What's more, New York (Doze is located in Southold on Long Island), generated over \$121.6 million in total sales, which is more than double the second-highest-earning state of California. This virtual market data, combined with the real-world industry analysis, suggests that **Doze is well positioned in a profitable category, in a profitable state, with a clear target market, which will support strong sales and growth throughout 2022.**

INDUSTRY ANALYSIS: REAL

The Sleep Aid Industry

According to a January 2021 market research report by BCC Research⁶, "**The global market for sleep aids should grow from \$81.2 billion in 2020 to \$112.7 billion by 2025.**" Furthermore, according to a December 2021 sleep aid supplement market research report by Research Nester,⁷ The herbal sleep aid market is set to grow through 2029. According to the report, "lifestyle changes, workload, stressful and hectic life attributes to the growth of the sleep aid supplements market," and due to COVID-19, "sleep

³ "U.S. inflation rate climbs to 7.5% after another sharp increase in consumer prices" by Jeffry Bartash, *Market Watch*, Feb 10, 2022.

⁴ "Three Factors Contributing to the Ongoing Global Supply-Chain Crisis" by Robert Swinney, Duke University's Fuqua School of Business

⁵ "US Economic Outlook" by Kimberly Amadeo, *The Balance*, February 19, 2022.

⁶ From the BCC "Overview" page: "Business Communications Company (BCC) Inc. by Louis Naturman, is a leading market information resource, directed by analysts and editors with verified industry experience, founded in 1971.

⁷ "Sleep Aid Supplements Market Highlights 2020-2029." *Research Nester*, 2021.



disorders are one of the major mental health problems leading to an increase in the sale of sleeping aid supplements.”

The sleep aid market is segmented based on product, sleep disorder, and geography. As for products, “mattresses and pillows hold the highest revenue in the market as they are easily accessible and relatively cheaper than other products. Medication is also expanding its business, and of that category, herbal remedies are also gaining popularity due to their lesser side effects [as compared to pharmaceutical sleep aids]” (Research Nester), and finally, “herbal drugs are also gaining popularity due to its lesser side effects [than prescription sleep aids]” (Research Nester). Geographically, North America has been shown to have the highest sleep market since 2016, with the United States leading. Reports show that North America will continue to be the leading nation in the sleep aid market during the forecast period. Doze is poised to take advantage of all of these market factors (Research Nester).

MARKETING PLAN

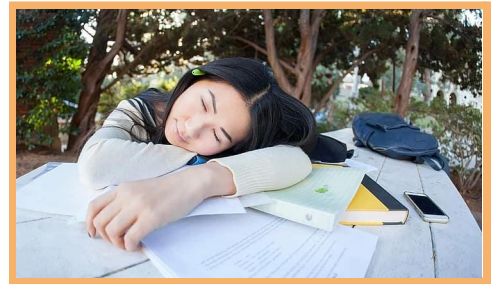
TARGET MARKET & SEGMENTATION

Demographics

Doze’s target market is young adults, ages 17-25 who balance busy schedules and often feel drained due lack of quality sleep, and, because people of all ages struggle with

quality sleep, our **secondary market** includes adults ages 26

and up. According to a 2019 article from *Healthline*, “Research has found that 73 percent of high school students regularly do not get a healthy amount of sleep,” while “up to 60% of all college students suffer from poor quality sleep” (*Healthline*). Furthermore, according to the CDC, 69% of high schoolers get seven or fewer hours of sleep at night, which is considered insufficient. Finally, recent research conducted by the Sleep Foundation suggests that older teens get less sleep on average compared to early adolescents, and all of this information, along with our personal experiences, helped guide us to our target market of young adults.



Psychographics



Young adults value mental and physical health, and they also gravitate towards products made with all-natural, healthful ingredients, packaged in eco-friendly materials. In fact, according to 2020 digital marketing and spending research by First Insight, Inc., “73% of [Gen Zers] surveyed would pay more for sustainable items, with the majority of that chunk willing to pay a 10% price premium.”⁸ What’s more, they are familiar with e-commerce and direct-to-consumer social media marketing and purchasing methods, all of which we utilize at Doze.

⁸ “Generation Z Willing to Pay More for Eco-Friendly Products.” by Jordyn Holman, *Bloomberg News*, January 14, 2020.

Doze Target Market

Demographics

- Age 17-25 [Secondary Market Age: 26+]
- 60% female - 40% male
- Individuals who juggle **multiple activities/ studies/jobs**

Psychographics

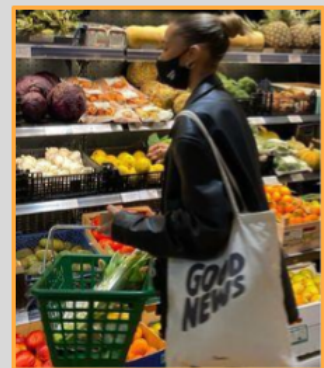
- **Environmentally aware**

Preferred Channels

- **Health-conscious** social media influencers

Preferred Content Types

- **Social media** posts

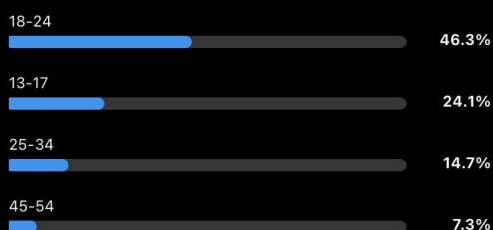


Doze's target market of young adults is most efficiently reached through social media. With frequent posts and polls, Instagram has been a vital tool in not only engaging with our audience, but developing a better understanding of our target market.

Our recent Instagram analytics confirm our target market, as it closely represents the projected 60% female and 40% male ratio. Beyond that, the audience we reach the most, comprising roughly 50% of our total account viewers, fits within the age range of 18-24 years old. This data confirms that Doze is reaching its ideal audience in the ideal way! Additionally, these analytics show a strong secondary market of 26+ years old, further proving that Doze sleep drops are beneficial for all!

Reached audience ⓘ

Top age ranges



Gender





PRODUCT & PACKAGING



Our product is a sleep drop (think cough drop, but for sleep!) that is formulated from all-natural ingredients scientifically proven to aid in sleep: melatonin, which according to WebMD is a naturally occurring hormone that “regulates the body’s circadian rhythm” and “decreases the time it takes to fall asleep,” hemp extract which is a relaxant, chamomile which serves as a calming agent, magnesium which helps to maintain the state of sleep, and finally, valerian root oil, which negates the feeling of grogginess the following morning. Our goal is to help you fall asleep, stay asleep, and wake up feeling your best. With help from our production partner, a local farm and hemp grower, Oregon Road Organics, our drops are safe for all ages, and they come in four calming flavors: lavender, honeysuckle, mint, and classic vanilla.

With the goal of reducing waste from plastic disposable packaging, our sleep drops come in a greener alternative: aluminum tins that are completely recyclable. Each tin comes with 30 drops (one month supply in each tin). In addition, we also offer multi-month bundles: Slumber, Sleepyhead, Stargazing, and REM.

PRICING

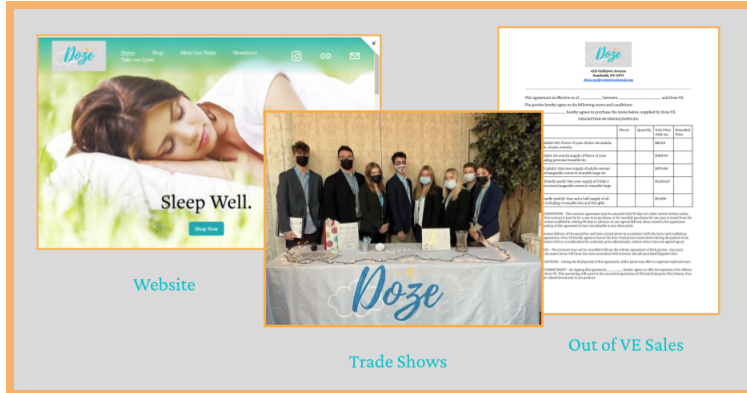
Priced at \$75.00 per individual tin (30 day supply), our sleep drops are comparable to other virtual marketplace products such as aromatherapy pillows, weighted blankets, or hemp ingestibles, and are slightly more expensive than their real-world counterparts such as CBD gummies or valerian-chamomile tincture drops. Current sales from Out-of-VE sales, our website, and trade shows (our three current placements) suggest that our pricing is appropriate.

Doze utilized a cost-plus/premium pricing model. We knew we needed to charge enough to be able to scale the company, but didn’t want to charge *too* much to our target market of 17-25 year olds. However, with advice from our production partner, the knowledge that we had had no direct competition (so we didn’t need to use competitive pricing), and that our target consumers would be comfortable paying a premium for all-natural, eco-friendly wellness products (so we didn’t need to use economy pricing), we decided on the following: A single tin retails for \$75 dollars, and our bundles are priced at \$450, \$900, \$3500, and \$5000 dollars. We have a 50% markup on the cost of goods.

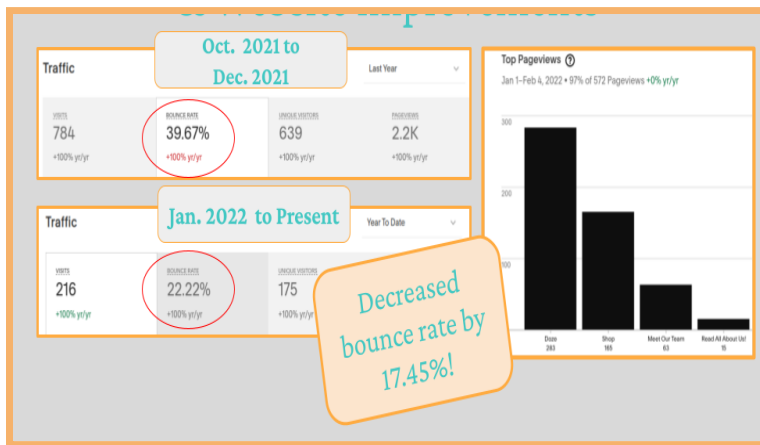
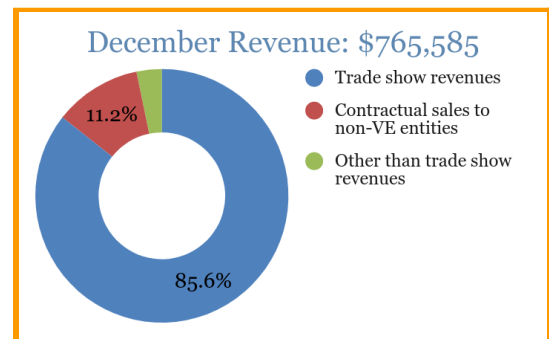
As a means of retaining our current customers, we also offer day-of-event promo code discounts to customers who follow our social media page or who have purchased from us in the past (Doze maintains an active mailing list). The discount varies with each event but is between 10% and 20%.



PLACEMENT



Doze is able to generate revenue through multiple different channels, which include trade shows, out of network sales, and through sales deals with other VE companies and our company website.



As the chart above indicates, trade shows are our most profitable placements. Our CTO recently completed an SEO checklist and reviewed website analytics (see left) to improve our website sales. Beyond this, our technology and marketing teams are currently exploring additional ways to use social media to generate more website sales.

POSITIONING

Doze products are positioned in premium health and wellness markets, similar to those of our business partner, Oregon Road Organics, our angel investor, Fit Foods, a locally owned health foods store, and The Giving Room, a local yoga studio & organic juice bar.

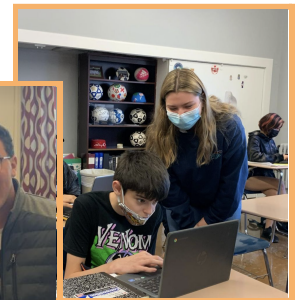
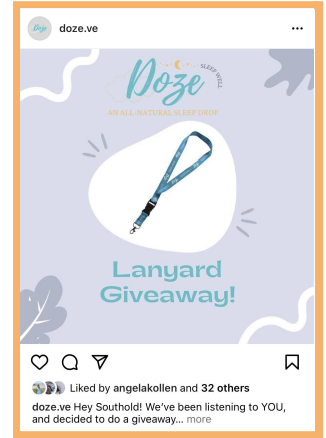




PROMOTION

At Doze we have used a variety of marketing strategies to not only promote our product and our brand, but to promote Virtual Enterprise as well. They include but are not limited to:

- **Instagram:** From October to now, Doze has gained over 200 followers. Our Instagram stories are interactive, with fun graphics and giveaways, and frequently contain polls to hear feedback from our customers. Our Social Media Manager uses the results and analytics as her guide when it comes to posting times, quantity, and audience engagement. Doze is actively working to grow a larger presence on TikTok, which has been positively received by followers. By using social media, we also have been able to reach out to other VE companies to create partnerships which, in turn, have led to lucrative sales deals.
- **Classroom visits:** we promote our product and our brand in person by having Doze employees interact directly with the students in our school. On virtual trade show days, we have pitched our company to whole classes at a time and set up the students with VE credit cards. They are able to buy our products off our website, ask questions about Doze and the VE program, meet with different VE companies, and buy from them as well.
- **Out of VE Sales:** Another in-person promotion has been our Out of VE sales to staff, family, and friends. Our finance team brings Doze's name beyond the VE world by making sales to community members. During a special sales day, Out of VE purchasers received Doze-branded gum!
- **Downtown Southold Field Trip:** Early this fall, our whole team walked into Southold Town to talk to local businesses about our company and solicit donations to fundraise for our company crewnecks, lanyards, and the East End Trade Show entrance fees. We shared our brochure, added the businesses to our mailing list, invited owners to become business mentors (Academy Printing helped us revise our sales brochure!), and offered to cross-promote their business on our Instagram.





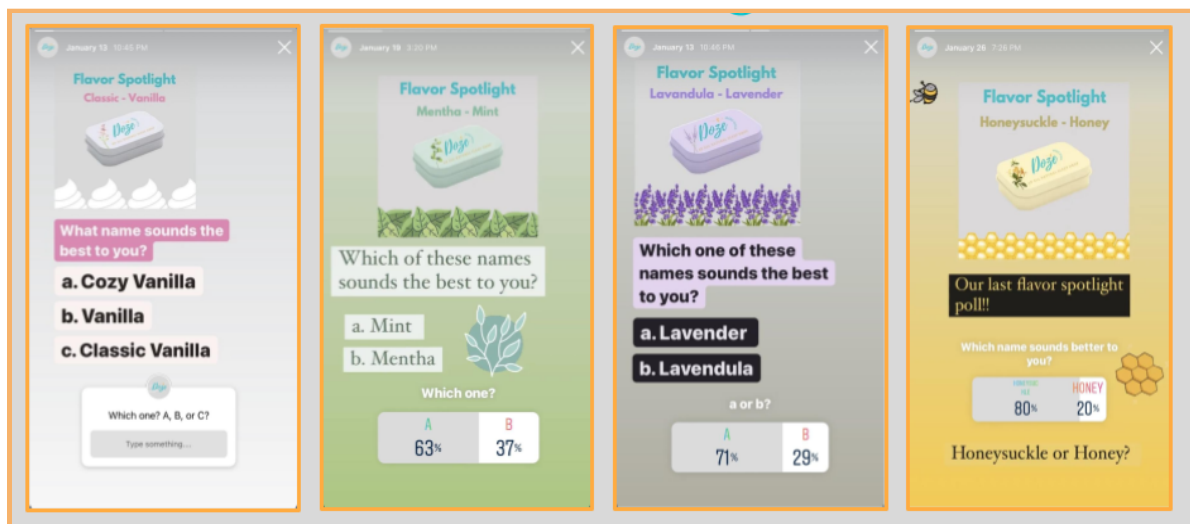
- **Visual Promotion:** Doze has two large banners, one hung in our classroom (which is shared by several other classes), and one in the hallway outside our office. Social media posters and event flyers (like our December bake sale which raised money for The Pajama Program, and our Valentine's Day bake sale) are hung in the hallways and on bathroom mirrors. We distributed lanyards to all the teachers, and purchased company sweatshirts which the team wears to school twice a month.



- **Newsletter:** Our CHRO and Event planner have put out three volumes of our newsletter, which focuses on company events, achievements, and product information. It is sent to our mailing list, consisting of all past customers and community members. The Doze team also sends out festive cards during holiday seasons, such as Christmas and Valentine's Day!



- **Marketing Surveys:** Doze was built on sleep survey and interview data from our customers, and we are currently returning to surveys for our market research. Doze recently surveyed our customers, seeking data about our social media, our website, and our salespeople, and we will use the results to guide future marketing content and products. Smaller-scale research is conducted frequently on Instagram as well. Recently, Doze streamlined its flavor names based on research collected via Instagram polls. We want our customers to know that we listen and learn from them so we can better help them **SLEEP WELL!**





BUSINESS RISKS:

Item #	Risk Event / Description	Potential Consequences	Probability 1=Rare 2=Unlikely 3=Likely 4=Highly Likely	Immediacy 1=Low 2=Med 3=High	Severity Impact 1=Low 2=Med 3=High 4=Severe	Reputation Impact 1=Low 2=Med 3=High 4=Severe	Risk Value (P + I) * (S * R) P=Prob I=Immediacy S=Severity R=Reputation	Treatment Strategy Avoid / Accept / Transfer / Mitigate / Exploit	Solution to the Risk
1	Reputation Risk - Remarks or statements proved untrue or dishonest surface	Loss of popularity; loss of customer volume and public trust	Rare	No advanced	High	Severe	48	Mitigate	Hold meetings in advance to any public presence that will include a statement to ensure nothing incorrect is stated
2	Environmental Risk - natural disaster	Ceasation of all company processes, possible shutdown	Unlikely	No advanced	Severe	Medium	40	Accept	Create/devise necessary plans for evasion/protection/minimal destruction of employees and property
3	Commercial - supply production/distribution failure	Ceasation of product distribution, halt of income	Rare	No advanced	Severe	Medium	32	Transfer	Multiple Suppliers reducing reliance
4	Legal - Regulatory change causing legal disputes	Ceasation of product manufacturing and distribution, condemning of firm	Likely	Longer advanced	High	High	36	Mitigate	Monitor changes to regulations in regard to anything our product involves
5	Health & Safety - Workplace incidents	Reputation/legal impact	Rare	Little advanced	Medium	Severe	24	Avoid	Enforce safety practices and regulations - supply proper safety equipment
6	Innovation - Advances in market create product inferiority	Loss of customer volume	Unlikely	Longer advanced	Medium	Medium	16	Exploit	Keep aware of upcoming technologies or new methods of sleep assistance

After conducting a risk assessment (see above), our management team determined that our three most pressing risks are the spread of product misinformation, potential environmental disasters impacting our supply production, and the possibility of changing state and federal regulations regarding hemp, CBD, and the “all natural” product claims.

SOLUTIONS		
<ul style="list-style-type: none"> Risk: Misinformation regarding our product/ingredients circulating online and/or in our school & community High/Severe Treatment Strategy: Mitigate 	<ul style="list-style-type: none"> Risk: Natural disaster wipes out supply from Oregon Road Organics Severe/Medium Treatment Strategy: Accept 	<ul style="list-style-type: none"> Risk: State or Federal Regulatory changes High/High Treatment Strategy: Mitigate

One of our primary risks is misinformation about CBD circulating online and/or in our school & community. When we recently released our promotional Doze Gum packages, false rumors began to spread that the gum contained real CBD and would make users fall asleep. We quickly learned how marketing can be misleading! To mitigate problems like these, our PR manager and CTO consistently monitor web and social media comments.

Second, as our production partner Oregon Road Organics is also located on the North Fork, there is the risk of natural disaster wiping out our ingredients. Therefore, we plan to form additional production agreements with businesses beyond our region to ensure the production of our product would not be halted due to ingredient shortages. Our CEO and Product Manager plan to make this a primary goal in the coming months and reach out to growers outside of Long Island.

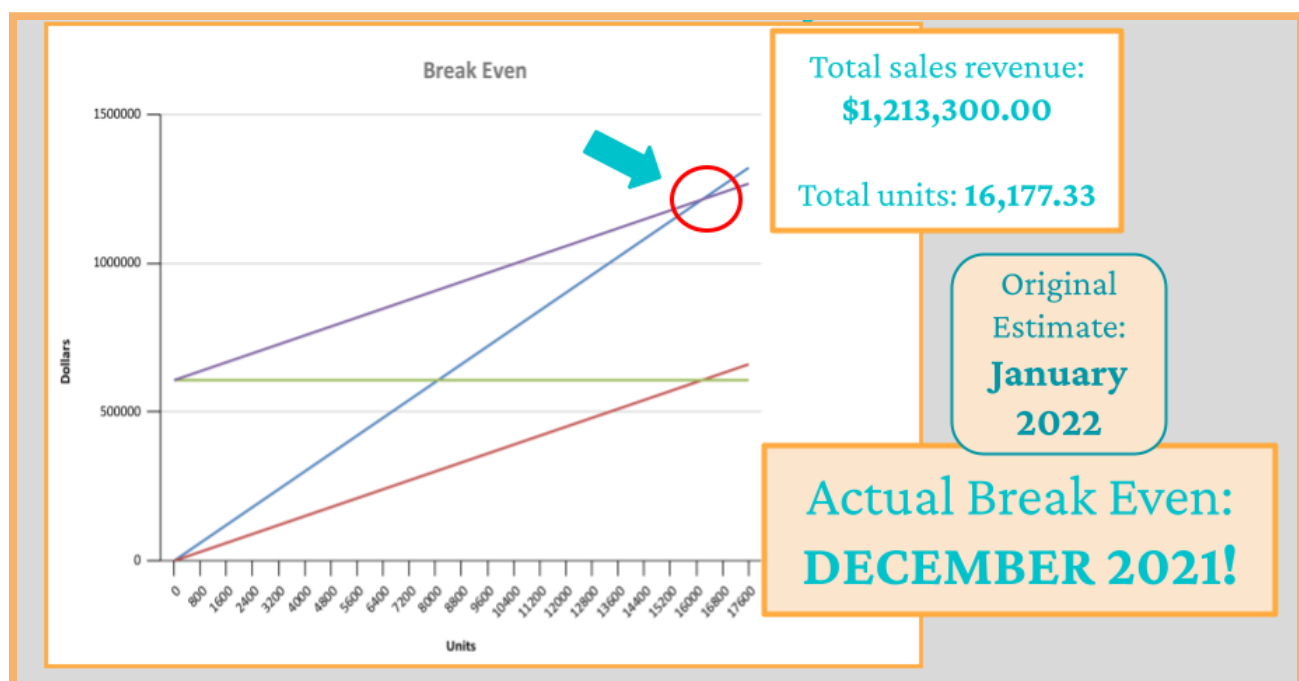
Lastly is changes in State or Federal regulations regarding our ingredients, specifically cannabis-derived ingredients, and our “all natural” distinction. In January, we consulted our business mentor John Fabb, and with his guidance, broadened our understanding of current standards. After a classroom visit and numerous discussions between our CEO, Product Manager, and Mr. Fabb, via phone call and text, Doze



officially transitioned from using “CBD Oil” to “locally grown, organic hemp extract” to ensure our product labeling is compliant. We have also made further adaptations, such as including product disclaimers to our website, and will continue to do so with his guidance and support as quality and consistency is important to us as Doze.

FINANCIAL PLANNING

BREAK EVEN ANALYSIS



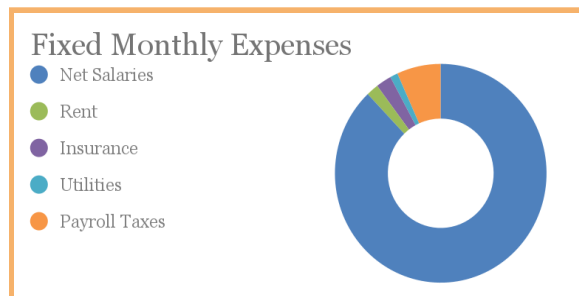
Based on a unit price of \$75.00, variable cost-per-unit of \$37.50, and a profit margin of 50%, **Doze's break even gross revenue total is \$1,213,300**, or 16,177 units sold. This figure was calculated using annual (10 month) fixed operating costs of \$606,650. The monthly operating costs of \$60,665 is indicated on our income statement. We are proud to state that **Doze broke even in December 2021**.



SUMMARY PROFIT & LOSS

Doze								
Doze Income Statement								
For the Year Ending 04/30/2022								
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	
	October	November	December	January	February	March	April	TOTAL
Gross revenues								
Trade show revenues	900	429,373.95	655,352.37	9,941	477,969.57	400,000	0	1,973,536.89
Contractual sales to non-VE entities	0	79,445.85	85,573.25	85,572	85,569.16	85,400	85,400	506,960.26
Other than trade show revenues	0	46,747	24,658.98	25,186	6,574.83	26,000	27,000	156,167
Interest Income	0	0	0	0	0	0	0	0
Total gross revenues	900	555,566.80	765,584.60	120,699	570,113.56	511,400	112,400	2,636,663.96
Cost of goods sold	465	176,196.00	391,309.35	53,391	47,697.25	255,700	56,200	1,080,959
Gross profit	435	279,371	374,275	67,308	522,416	255,700	56,200	1,555,705
Gross Profit Margin %	50%	50	50	50	50	50	50	59%
Operating expenses								
Salaries	53,024.84	53,024.84	53,024.84	53,024.84	53,024.84	50,554.60	51,460.40	367,139
Rent	1,125	1,125	1,125	1,125	1,125	1,125	1,125	7,875
Depreciation	324	324	324	324	324	324	324	2,268
Matching Payroll Tax	4,056	4,056	4,056	4,056	4,056	3,960	3,870	28,112
Insurance	1,424	1,424	1,424	1,424	1,424	1,424	1,424	9,968
Loan Interest	0	0	0	0	0	0	0	0
Supplies	0	0	250	0	0	0	0	250
Utilities	710.35	710.35	710.35	710.35	710.35	592.50	592.50	4,737
Other		100	2,000	250	4,000			6,350
Total operating expenses	60,665	60,765	62,915	60,915	64,665	57,980	58,796	426,699
Income from operations	-60,230	218,606	311,361	6,393	457,752	197,720	-2,596	1,129,006
Other revenues/gains and expenses/losses								
Net income before taxes	-60,230	218,606	311,361	6,393	457,752	197,720	-2,596	1,129,006
Corporate income tax								237,091
Net income after taxes	-60,230	218,606	311,361	6,393	457,752	197,720	-2,596	891,915

On our income statement/P&L we have actuals from October 2021 through February 2022, and projections from March 2022 through April 2022.



Fixed monthly expenses amount to \$60,665, with the largest expense being salaries. As our income statement and cash budget show, Doze's gross profit was easily able to cover fixed expenses for November, December, January, and February. While fixed expenses may exceed gross profit in non trade show months, projected gross profits will be sufficient to cover them for the year.

Early revenue from the demo trade show in October (\$900) and the online trade show in November (\$555,566.80) formed the basis for our monthly income projections of at least \$500,000 in each trade show month and \$100,000 in non-trade-show months. As our income statement shows, we exceeded



projections in December, which helped make up for slow sales during the January online trade show. In February we exceeded our trade show revenue making \$477,969.57 increasing our net income amount.

Doze projects nearly \$1.5 million in trade show revenue this fiscal year, followed by about \$507,000 in Out-of-VE sales. While trade shows will continue to be our most lucrative revenue sources, our CEO and CFO have committed to generating the maximum monthly income from Out of VE sales and to establishing personal connections with other VE firms and members in our Southold community in order to bolster non-trade show revenue. **By April 30, 2022, Doze will have earned approximately \$891,915 in net income.**

BALANCE SHEET

As of February 28, 2022, current assets of cash and supplies, as well as fixed assets of computers, furniture and fixtures, and computers, total \$727,136. Our current liabilities, which include sales tax and stockholders equity equals \$727,136, which shows **our account is currently balanced.**

Doze Balance Sheet As of February 28, 2022				
Assets				
Current Assets				
Cash			721,790	
Accounts receivable			0	
Merchandise inventory			0	
Supplies				
Total Current Assets			721,790	
Fixed Assets				
Computers			1,840	
Less: accumulated depreciation			105	
Furniture and fixtures			2,375	
Less: accumulated depreciation			136	
Office equipment			1,455	
Less: accumulated depreciation			83	
Total Fixed Assets			5,346	
Total Assets				727,136

Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	(February Inventory)	243,175	
Sales tax payable		50,597.58	
Salaries payable		0	
Payroll tax payable		0	
401(k) payable		0	
Other payable		0	
Corporate tax payable		0	
Total Current Liabilities		293,773	
Long Term Liabilities			
Loan payable		0	
Total Liabilities			293,773
Stockholders' Equity			
Common stock, \$10 par value, * # shares issued		70,000	
Additional paid-in-capital			
In excess of par value			
Retained earnings		363,363	
Total Stockholders' Equity		433,363	
Total Liabilities and Stockholders' Equity			727,136

The initial start-up funding for Doze was \$70,000, with \$20,000 coming from VE international and the other \$50,000 accumulated from our local business angel investor, Fit Foods, which allowed our equity to grow without relying on debt. Without having to pay back interest-bearing loans, Doze was able to focus on improving our cash flow in the early months.



Doze also invested in relatively few fixed assets – mainly computers and office space – as our company is small (11 employees), much of the work can be done online, and our production partner (Oregon Road Organics) handles all production, packaging, and shipping. Using a “just in time” inventory purchasing model, we do not hold inventory as an asset, and at this time we have zero accounts receivable due to the credit card and POS systems.

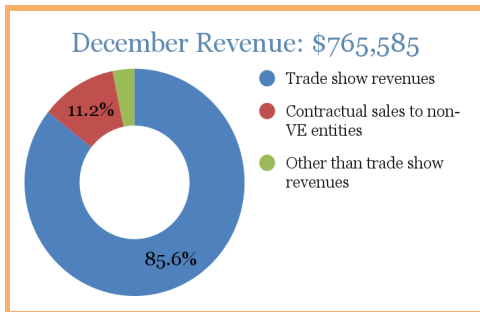
Our high cash balance indicates that we would be able to easily liquidate assets should unforeseen circumstances arise, particularly in this time of climate change (which could affect growth of our all-natural ingredients) and the ever-changing COVID pandemic (which could affect production, staffing, and sales).

SALES (Actual and Projected)

	Actual	Actual	Actual	Actual	Actual	Proj	Proj	Proj	Proj	Proj	Year 1
Units Sold	Oct-21	Nov-21	Dec-22	Jan-22	Feb-22	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Total Units Sold
Single Tin	0	520	252	85	43	300	300	100	300	100	1100
Slumber Bundle	2	35	28	2	7	30	30	10	30	10	110
REM Bundle	0	86	126	21	104	100	95	20	95	20	330
Unit Price											Avg Unit Price
Single Tin	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Slumber Bundle	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00	\$450.00
REM Bundle	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Revenue											Total Revenue
Single Tin	\$0	\$39,000	\$18,900	\$6,375	\$3,225	\$22,500	\$22,500	\$7,500	\$22,500	\$7,500	\$82,500
Slumber Bundle	\$900	\$15,750	\$12,600	\$900	\$6,300	\$13,500	\$13,500	\$4,500	\$13,500	\$4,500	\$49,500
REM Bundle	\$0	\$430,000	\$630,000	\$105,000	\$520,000	\$500,000	\$475,000	\$100,000	\$475,000	\$100,000	\$1,650,000
Total Revenue	\$900	\$484,750	\$661,500	\$112,275	\$529,525	\$536,000	\$511,000	\$112,000	\$511,000	\$112,000	\$1,782,000
Unit COGS											Avg COGS
Single Tin	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50
Slumber Bundle	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00
REM Bundle	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Margin Per Unit											Avg Margin
Single Tin	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50	\$37.50
Slumber Bundle	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00
REM Bundle	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Gross Profit											Total Gross Profit
Single Tin	\$0	\$19,500	\$9,450	\$3,187.50	\$1,612.50	\$11,250	\$11,250	\$3,750	\$11,250	\$3,750	\$41,250
Slumber Bundle	\$450	\$7,875	\$6,300	\$450	\$1,575	\$6,750	\$6,750	\$2,250	\$6,750	\$2,250	\$24,750
REM Bundle	\$0	\$215,000	\$315,000	\$52,500	\$260,000	\$250,000	\$237,500	\$50,000	\$237,500	\$50,000	\$825,000
Total Gross Profit	\$450	\$242,375	\$330,750	\$56,137.50	\$263,188	\$268,000	\$255,500	\$56,000	\$255,500	\$56,000	\$891,000

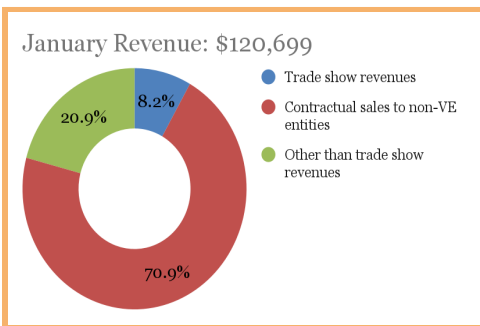


According to our sales projections (based on sales data from October and November which indicated that our three most popular products at different price points were the single tin (\$75), slumber bundle (\$450), and REM Bundle (\$5,000)), Doze projects monthly revenue of approximately \$500,000 in months with trade shows, and just over \$100,000 in the non-trade-show months, with total sales

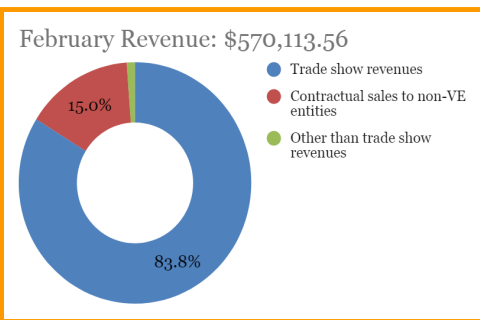


revenue of \$1,782,000 by April 30, 2022. These projections are slightly lower than the projected revenue in our income statement, as our sales projections do not account for our entire product line, and it is clear that our firm will benefit from updated and more complete sales projections, planned for March 2022.

Actual sales data indicates our single tin and REM bundles are our most popular products, with the REM bundle generating the most revenue each month.



A closer look at our revenue sources in past months showed our CFO and CTO that Doze needed to find ways to increase website traffic and convert visits to sales throughout the month, and not just on trade show days (see marketing section for further details).



Finally, Doze sales have been strong both in person (Out of VE sales, December East End trade show) and virtually (online trade show in November, December, January, and February and a commitment to registering family, friends, faculty and students as trade show guests/website shoppers). We have made tremendous efforts to make personal connections with our market through an engaging social media presence, local business promotion, and an ever growing number of business-to-business sales across the nation, putting our company on track for immense financial success, and we are confident in our sales projections, regardless of the effects of the current COVID pandemic and its effects on live events.

CONCLUSION

After only five months, Doze has gone from startup, to breaking even, to a profitable company. Our financial reporting is sound, and we are constantly reviewing the data to make responsible financial decisions for our growing company.

Doze has established a striking reputation in both the Virtual Enterprise landscape and in our local school and community. We are eager to broaden our connections with other firms, establish more local partnerships, and continue to learn and grow as employees. We at Doze are looking forward to our financial future, excited to explore our company's incredible potential, all while ensuring that our customers **sleep well!**



APPENDIX

BANK ACCOUNT BALANCE 2/28

Account details				
Account:	Doze (Budget Checking) - 630227284			Download account details (Excel)
Period:	from	02/28/2021	until	02/28/2022
			Show	
Date	Name/Description/Acct#	Ref#	Amount	Balance
Feb. 28, 2022	VE US Network Bank Out of VE Sales Acct #630907048	6073120	\$85,569.16	\$721,789.97
Feb. 24, 2022	Teague Stotlar.64699.64699 (US06551), Aurora, IL VE Checkout transaction #670846 02/24/2022 08:53 AM CT Acct #630958408	6068871	\$228.64	\$636,220.81

On February 28, Doze's bank balance was \$721,789.97. **Our ending bank balance on February 28 (\$721,789.97) matches the cash portion on the balance sheet**, and our reporting documents are accurate.



ANGEL INVESTOR LETTER



Fit Foods
40025 County Road 48
Southold, NY 11971

10/12/2021

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Inv Wortman,

Please accept this letter of support as my intention to invest \$50,000 in Doze. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I affirm that I have done the following to review and evaluate this company:

1. Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.
2. Reviewed company projections and assumptions.
3. Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, Doze will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

I look forward to working with you. I love the products you used and I don't have anything similar in my store.

Sincerely,

Matthew Kassinger

Matthew Kassinger
Owner
631-763-8199 / fitfoodsinfo@gmail.com
<https://fitfoodsinfo.com/>



OUT-OF-VE CONTRACT



420 Oaklawn Avenue
Southold, NY 11971
doze.ny@veinternational.org

This agreement is effective as of 1/24/22, between Isabelle Penny and Doze VE.

The parties hereby agree to the following terms and conditions:

Isabelle Penny hereby agrees to purchase the items below, supplied by Doze VE.

DESCRIPTION OF SERVICE/SUPPLIES:

	Flavor	Quantity	Unit Price with tax	Extended Price
Relaxation (Adult 30): Flavor of your choice: lavandula, honeysuckle, classic, mentha	<u>Vanilla</u>	<u>1</u>	\$81.66	<u>81.66</u>
Slumber (adult): Six month supply of flavor of your choice including personal reusable tin	<u>Vanilla</u>	<u>1</u>	\$489.94	<u>489.94</u>
Sleepyhead (adult): One year supply of adults version flavors interchangeable comes in reusable large tin			\$979.88	
Stargazing (Family pack): One year supply of 2 kids 2 adults flavors interchangeable comes in reusable large tins			\$3,810.63	
The REM Bundle (adult): Year and a half supply of all four flavors including 4 reusable tins and free gifts	<u>All</u>	<u>3</u>	\$5,000	<u>15,000</u>

TERMS AND CONDITIONS - This contract agreement may be canceled with 90 days (or other terms) written notice. The period of this contract is (can be for a one-time purchase, or for monthly purchases for one year or more) from the effective date unless modified in writing 90 days in advance on any agreed delivery dates stated in the agreement. Title and ownership of this agreement is non-transferable to any other party.

Doze VE guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. Doze VE hereby agrees to honor the firm-fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments. (unless other terms are agreed upon)

CANCELLATION - The Contract may not be cancelled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS - During the final period of this agreement, either party may offer to negotiate optional years.

CORPORATE COMMITMENT - By signing this agreement, Isabelle Penny, hereby agrees to offer the expertise of its officers as advisors to Doze VE. This mentoring will assist in the successful operations of (Virtual Enterprise Firm Name), thus protecting your valued investment in our product.



The signatures below represent the authority to fully execute this agreement.

Isabella Penny

Signature (Buyer)

1/24/22

Date

Isabella Penny

Printed Name / Title

ipenny04@southholdusd.com

Email

Asli Belin

Signature (Sales Rep)

1/24/22

Date

Angelina Bokina

Printed Name

doze.ry@veinternational.org

Company Email