### COMPANY/TEAM NAME:

Please consider our application for (Check all that apply):

___ Traditional New Venture Challenge  
___ Social New Venture Challenge

#### Team Members (Please list main contact for your team first):

<table>
<thead>
<tr>
<th>Name</th>
<th>Email Address</th>
<th>Booth Class Year or E/W</th>
<th>Affiliation (if non-Booth)</th>
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</thead>
<tbody>
<tr>
<td>Mike LaVitola</td>
<td></td>
<td>2014</td>
<td></td>
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<tr>
<td>Brian Jaffee</td>
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<td>2014</td>
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*Please list all the participants who contributed significantly to the Business Idea. Attach additional sheets if necessary.*

#### Business Description (50 words or less, please note that this info may be made available on the NVC website):

Foxtrot is a delivery service living in the consumer’s pocket or purse. The service is powered by an intuitive, easy-to-use mobile application that allows orders for typical convenience store items (beer, wine, liquor, non-alcoholic beverages, snacks and other various items) to be placed in under a minute via smart phone or tablet, and materialize at the customer’s door in under an hour.

#### Problem This Business is Addressing:

There currently are no delivery options for consumers in need of convenience store items in a hurry.

#### Social Impact of Business: (Social NVC applicants only)

#### Customer Segment This Business Addresses:

Foxtrot’s target demographic is “Urbanites” – 21-34 year old residents of major US cities, $45-150k+ in annual income, childless young professionals and graduate students. Urbanites are young, starved for time, loose with disposable income and accustomed to managing their lives from their smart phones.

#### Potential Market Size: (if available)

According to 2010 census data, there are 43,000 Urbanites in Lincoln Park (our initial test market), 224,000 in Chicago and 6.2 million in our identified US target cities. In 2011, $725 million was spent in Chicago convenience and beer/wine/liquor stores alone.

#### Competing or substitutable products: (if available)

There are no direct competitors to Foxtrot, but there are other companies that provide delivery services (Amazon, Ebay, Seamless, GrubHub, Shutl, Task Rabbit)

#### Key milestones or estimated time to market: (if available)

We are targeting an initial roll-out of our Beta application to our test market in spring 2013.
CERTIFICATIONS AND AGREEMENTS

17th Annual Edward L. Kaplan New Venture Challenge & 3rd Annual Social New Venture Challenge

The University of Chicago Booth School of Business
Polsky Center for Entrepreneurship & Social Enterprise Initiative
5807 South Woodlawn Avenue, Chicago, IL 60637

By submitting a Business Idea ("the Idea") to the University of Chicago Booth School of Business - New Venture Challenge or Social New Venture Challenge ("the Competition"), each Contestant listed below agrees to the following conditions:

Originality of Plan. The ideas and concepts set forth in the Idea are the original work of the Contestants and that the Contestant is not under any agreement or restrictions which prohibit or restrict his or her ability to disclose or submit such ideas or concepts to the Competition.

Compliance with Guidelines of the Competition. Each Contestant has reviewed the Entry Guidelines ("the Competition Guidelines") and by his or her signature below certifies that this entry and the team or individual it represents complies with the Guidelines and agrees to abide by the Guidelines.

Recognition of Prize Money (New Venture Challenge only). As a condition to receive the Prize Money, each winning team must agree to provide Chicago Booth with equity in the Company (that was the subject of its business plan) in an amount equal to its respective award if the company receives funding or otherwise enters into a business combination transaction wherein the surviving entity receives financing or equity in another entity, within three years of the agreement date.

Waivers and Releases. Each Contestant understands that the University of Chicago Booth School of Business, each of the co-sponsors, judges, mentors, co-organizers (the "Competition Officials") and its directors, officers, partners, employees, consultants and agents (collectively “Organizer Representatives”) are volunteers and are under no obligation to render any advice or service to any Contestant. The views expressed by the judges, co-sponsors, co-organizers, and the Organizer Representatives are their own and not those of the University of Chicago Booth School of Business or any person or entity.

Each Contestant also understands and agrees that although the Competition Officials have taken and will take the steps described in the Guidelines regarding confidentiality of the ideas and plans submitted by the Contestants, the legal protection of the ideas and plans submitted by the Contestants to the Competition is otherwise the sole responsibility of the Contestant. In consideration of the time, expertise and other resources provided by the Competition Officials and Organizer Representatives to the Competition, each Contestant hereby voluntarily releases each Competition Official and each Organizing Team Member from any further liabilities, responsibilities, and accountabilities relating to or arising out of such Competition Officials or Organizer Representative’s participation in the Competition.

Business Plan Name: Foxtrot

Contestants (Team Members): List principal contestant (point-of-contact) first

<table>
<thead>
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<th>Name(s):</th>
<th>Signature(s) (Check Box to sign electronically):</th>
<th>Date(s):</th>
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<tbody>
<tr>
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<td>Mike LaVitola</td>
<td>2/11/13</td>
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<tr>
<td>Brian Jaffee</td>
<td>Brian Jaffee</td>
<td>2/11/13</td>
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1. **Company Mission**

Foxtrot offers a curated menu of convenience store (“c-store”) items through a mobile application for delivery in under 60 minutes.

“Beverages, food and essentials, from your smartphone to your door in minutes.”

2. **Company Overview**

Foxtrot is a delivery service living in the consumer’s pocket or purse. The service is powered by an intuitive, easy-to-use mobile application that allows orders for typical c-store items (beer, wine, liquor, non-alcoholic beverages, snacks and other various items) to be placed in under a minute via smart phone or tablet, and materialize at the customer’s door within an hour. The application securely stores the consumer’s billing information, so there is no cash required to change hands, and repeat orders require no additional billing information.

While we are still in the process of performing primary research to determine exactly which brands to include on our menu, our research to date\(^1\) has shown that there are eight key categories that consumers in our target demographic demand on a regular basis. The following chart illustrates these categories and gives examples of the types of brands we will sell.

<table>
<thead>
<tr>
<th>Beverages</th>
<th>Mixers</th>
<th>Liquor</th>
<th>Beer</th>
<th>Wine</th>
<th>Energy Drinks</th>
<th>Snacks</th>
<th>Other</th>
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<tbody>
<tr>
<td>Smart Water</td>
<td>Coca-Cola</td>
<td>Tito’s Vodka</td>
<td>Bud Light</td>
<td>Pinot Noir</td>
<td>Red Bull</td>
<td>Clif Bars</td>
<td>Cigarettes / Smokeless</td>
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<td>Pellegrino</td>
<td>Diet Coke</td>
<td>Kettle One Vodka</td>
<td>Miller Light</td>
<td>Cabernet Sauvignon</td>
<td>Rockstar</td>
<td>Carol’s Cookies</td>
<td>Gum &amp; Mints</td>
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<tr>
<td>Vita Coco</td>
<td>Odwalla Juice</td>
<td>Jack Daniels Whiskey</td>
<td>Goose Island</td>
<td>Chardonnay</td>
<td>Monster</td>
<td>Snickers</td>
<td>Cups &amp; Lighters</td>
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<tr>
<td>Vitamin Water</td>
<td>Ginger Ale</td>
<td>Makers Mark Bourbon</td>
<td>Brooklyn Lager</td>
<td>Pinot Grigio</td>
<td>5 Hour Energy</td>
<td>Kettle Brand Chips</td>
<td>iPhone Chargers</td>
</tr>
<tr>
<td>Gatorade</td>
<td>Tonic Water</td>
<td>Bombay Gin</td>
<td>Stella Artois</td>
<td>Cupcake Wines</td>
<td>Slingshot Iced Coffee</td>
<td>Utz Pretzels</td>
<td>Advil</td>
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<tr>
<td>Sweet Leaf Tea</td>
<td>Soda Water</td>
<td>Patron Tequila</td>
<td>Pabst Blue Ribbon</td>
<td>Skinny Girl Drinks</td>
<td>Starbucks Espresso</td>
<td>Assorted Nuts</td>
<td>Batteries</td>
</tr>
</tbody>
</table>

3. **Mobile Application**

The mobile application will be the portal through which consumers interact with Foxtrot. The app will feature simple, seamless design that facilitates complete orders in about one minute. Foxtrot’s curated product list provides customers with access to highly demanded c-store product categories yet reduces clutter by offering just 2-3 Stock Keeping Units (“SKUs”) per category. This satiates customer demand across multiple product categories, yet provides an uncluttered and lightning fast ordering experience. Account, location and credit card information will be securely stored within the app, making the ordering (and re-ordering) process as painless as possible for the customer.

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\(^1\) Our research to date includes several conversations with an experienced McLean wholesaler (McLean is the #1 c-store wholesaler in the US) and an online survey.
4. Market Overview

Foxtrot’s future growth is underpinned by three important and interrelated markets: “Urbanite” population, c-store sales and mobile commerce. Together, these markets form a robust and lucrative end market for Foxtrot.

Foxtrot’s target demographic is “Urbanites” – 21-34 year old residents of major US cities, $45-150k+ in annual income, childless young professionals and graduate students. Urbanites are young, starved for time, loose with disposable income and accustomed to managing their lives from their smart phones. According to 2010 census data, there are 43,000 Urbanites in Lincoln Park (our initial test market), 224,000 in Chicago and 6.2 million in our identified US target cities.

Foxtrot orders are placed exclusively though smartphones and tablets (“S&T”), which are in the midst of a paradigm shift in Urbanite spending. It’s widely predicted that the S&T installed base will surpass PCs and laptops in 2013, and American’s are spending 400% more time on their mobile devices today than in 2009\(^2\). Further, Juniper Research estimates that global mobile payments will triple by 2015 to $670 billion. Urbanites are not afraid to spend on their phones, and are increasingly eschewing “cash for glass.”

Finally, the market for convenience store items is simply enormous. In 2011, $725 million was spent in Chicago convenience and beer/wine/liquor stores alone. Add this to other potential competitors such as drug stores, gas stations and supermarkets, and the number jumps to over $5 billion in Chicago. This is not a market we see disappearing.

5. Competitive Landscape

Foxtrot aims to serve an underdeveloped sector of the food delivery market. The current market consists of grocery delivery, internet based delivery, restaurant aggregators and task services. While these services offer a somewhat comparable experience, there is no direct competitor to Foxtrot that has achieved significant size and scale.

**Grocery Delivery (Peapod, FreshDirect):** Deliver the full range of SKUs from a traditional grocery store, with delivery times measured in days and annoying delivery “windows” that can span hours. **Pain point:** Urbanites are spontaneous and often want/need items quickly with little tolerance for waiting. These services are too time consuming (both in terms of item selection and delivery time) and are not feasible for impulsive, as needed purchases.

**Internet based delivery (Amazon, eBay):** Leverage their name brand, sophisticated logistics systems and existing warehouses to facilitate same day delivery of a wide array of consumer products. **Pain point:** Urbanites want their products in a matter of minutes, not “end of day”. Selection is enormous and time consuming, and beer, wine and liquor delivery is not offered.

**Restaurant Aggregators (GrubHub, Seamless):** Aggregate local restaurant menus and facilitate delivery of full meals. **Pain point:** Selection Paralysis. Sorting through hundreds of restaurants is daunting and ordering can take 5-10 minutes and delivery 45-75+ minutes. Customers must order entrée based meals, and there are often large delivery fees and a high minimum order requirement.

**Task Services (Shutl, TaskRabbit):** Match people with a specific task that needs completed (such as grocery shopping) with those willing to do it for a pre-determined price. **Pain point:** Time consuming to post request, high potential for miscommunication and expensive (pay for goods plus task).
Individual “Bodegas” and C-Stores: Some bodegas/c-stores currently offer delivery from their locations. **Pain point:** Customers need to use cash, phone based, services not well marketed, inconsistent service (no maximum delivery time).

Foxtrot differentiates itself by being the simplest and fastest player in the space. Urbanites have spontaneous demands that they want filled in a matter of minutes, not hours, a need that is not currently being met in the market.

### 6. Operations

Foxtrot envisions two major stages in the evolution of its operations. To prove our concept and deliver a minimum viable product, we plan on launching our service in Lincoln Park, Chicago. The app for this launch will appear fully developed to the user, but the back end will largely be non-automated. As we roll out Foxtrot to other Chicago neighborhoods and eventually other US cities, we will design and develop a full “back-end” suite to our mobile application that allows for complex inventory management, order tracking and monitoring and optimal delivery routes. With that in mind, the following is a summary of our initial operational plan in Lincoln Park.

In our initial test market, we plan on partnering with an existing c-store in Lincoln Park, Chicago. Doing so will allow us to minimize start-up costs, manage inventory intelligently (purchasing directly from the store if our levels get too low, for example) and most importantly, avoid any issues with liquor license laws in Chicago.\(^3\) The c-store will be centrally located in Lincoln Park, which encompasses 3.2 square miles, allowing our delivery operators quick and efficient access to the initially limited delivery area (Lincoln Park has a concentrated number of Urbanites in a relatively small geography).

Foxtrot’s operations are set into motion once a customer places an order on their mobile device. This triggers a message to the on-site inbox that allows the on-site manager to gather the ordered products and ready them for delivery. The on-site manager then assigns orders to delivery personnel, who deliver the items to the customer via car, Vespa or bicycle. The on-site manager will be responsible for managing inventory levels, assigning orders to delivery personnel in a manner that minimizes delivery times, and monitoring delivery times to ensure the highest level of customer satisfaction.

At the onset, Foxtrot will need to leverage creative inventory sourcing methods to manage its gross margins, including buying wholesale from Amazon, Costco and other similar low-cost retailers. Once Foxtrot expands into more markets and gains a larger customer base, the company will be able to buy directly from c-store wholesalers and beer, wine and liquor distributors. This will allow the company greater flexibility in managing its inventory and will help to significantly increase gross margin.

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\(^3\) In order for a business to deliver beer, wine, or liquor in the City of Chicago, it must also have a store front that customers can buy from.
7. **Revenue Model**

In our initial market feasibility testing, the Foxtrot team reached out to several key members of the Kozmo leadership team. Kozmo was launched in 1999 with a similar idea as Foxtrot, that is, an internet based delivery service. The company generated enormous consumer demand and raised $250 million of funding in advance of an IPO before falling victim to the dot com bubble. These conversations confirmed our belief that the demand for this type of service exists in abundance in the marketplace. Chris Shimojima, former Kozmo CMO and generous Booth alum, summed up his thoughts on Foxtrot with the following: “Demand creation will not be a problem.” Instead, he suggested we take a hard look at implementing significant margin mark-up, convenience fees and delivery minimums. To that end, Foxtrot will support its operations from several streams of revenue.

**Retail Mark-Up:** Primary research (including meetings with industry wholesalers, initial inventory pricing from Costco and Amazon and in-store research for current c-store pricing) illustrates that convenience stores price at 50-150% markups to wholesale prices. These conversations and research give Foxtrot a high degree of confidence it will be able to source inventory at wholesale costs and sell at the retail prices similar to the chart at the end of this section.

**Convenience and Delivery:** Foxtrot plans to add 5-50% to traditional c-store prices to serve as a delivery and convenience fee. This additional mark-up will offset the cost of our delivery system. Importantly, consumers will only see one price for their basket of goods at check-out. This ‘clean pricing’ removes the feeling of being nickel-and-dimed and furthers our “seamless” design concept.

**Partnerships:** As our store will only contain 3-4 SKUs per product category, inclusion in the Foxtrot store will be an “all-or-nothing” proposition for our suppliers. That is, we will either sell Coke or Pepsi, but not both. Foxtrot believes we will be able to negotiate marketing payments (similar to Amazon’s recommended products concept) or rebates for both inclusion and promoted status in the application, especially with local suppliers. We feel that as the Foxtrot brand grows, inclusion and promotion in our store could be an interesting marketing tool for our suppliers looking to reach the “Urbanite” demographic.

See below for an illustrative “study night” and “Saturday night” basket. Foxtrot will earn margin on our products roughly on par with current c-store pricing. We will then add a ‘hidden’ 10% convenience fee to each good. That is, the consumer will only see the total price of each good (wholesale + margin + convenience) creating the allure of clean pricing. We will then apply an automatic 20% tip to pay our delivery personnel and help support operational costs, resulting in the total Foxtrot price. In pricing this way, we will ensure that the heightened cost of quick delivery is offset with a corresponding increase in revenue.
8. Marketing Plan

We plan on working with our to-be-named CMO to implement a guerrilla marketing strategy that utilizes cost effective marketing techniques aimed at engaging our early adopters. Much like Uber, we believe Foxtrot will initially grow through users sharing extremely positive experiences with their networks, both in person and online. To this end, we will identify a hyper targeted initial market and use social media outlets such as Facebook and Twitter, as well as creative in person events to encourage user downloads. For example, we will host events at local bars in the neighborhood, providing access to a free happy hour to customers who must show a downloaded Foxtrot app on their phones to get in. Hyper targeted, cost effective tactics like these will engage our early adopters and encourage them to spread the word to their networks. Ultimately, we believe word-of-mouth will be our strongest and most important form of marketing. It will be critical to satisfy our customers early on. This early success will lead customers to tell their friends, which will cause a viral spread that will allow us to obtain a critical mass of customers.

In addition, both co-founders are full-time business school students and have a large network of friends and colleagues that fall directly within Foxtrot’s target market. Mike, Foxtrot’s CEO, was born and raised in the Chicago area and has very strong ties to hundreds of potential customers in Lincoln Park, our initial test market area. We believe Foxtrot can leverage these relationships in Lincoln Park to increase awareness for the service and drive customer adoption in our initial testing.

9. Key Business Risks

We have identified a number of key business risks that we are actively working to mitigate. The following is a summary of these risks and the ways in which we plan to mitigate them:
Legal: There are a number of legal issues related to delivering alcoholic beverages and tobacco products that we are highly aware of. First, we have spent a significant amount of time speaking with the City of Chicago to fully understand the laws relating to delivering these kinds of products. These laws vary from city-to-city and will be a challenge to manage as Foxtrot scales into other US cities. Secondly, there are inherent risks in delivering products that have a minimum age requirement. Our drivers will be responsible for thoroughly verifying the age of customers ordering these products, but Foxtrot will ultimately be liable for any misconduct perpetrated by its employees.

Mitigant: In order to avoid costly and potentially fatal legal issues, we will need to be over-vigilant in managing and monitoring our actions and their potential legal implications. Before making the decision to enter a new US city, we will need to fully understand the laws related to delivery of alcohol and tobacco products, and ensure that our employees are accountable and incentivized for obeying all laws relating to the minimum age requirements for purchase. We will also purchase insurance to help guard against potential violations that could result in exorbitant fines or litigation expense.

Competitors: While we believe competition for quick and easy delivery of c-store items is limited in today’s marketplace, there are well capitalized companies that currently offer similar services. There have been a plethora of recent news stories written about Amazon and EBay’s focus on this space, and we believe that there has been a paradigm shift in consumer’s preference for convenient services ordered through mobile applications (please click this link for a presentation prepared by Kleiner Perkins on this exact topic Kleiner Perkins Presentation)

Mitigant: There are no pure-play competitors that currently offer the service we are contemplating. We are constantly reading news stories and following the actions of Amazon and Ebay to ensure that our service is truly differentiated.

Operations: There is a high level of operational risk associated with Foxtrot’s business model. While the idea of delivering c-store products to consumers in a matter of minutes seems simple, the actual operational execution is highly complex and will require careful and tedious planning. Many companies have tried and failed to offer a similar service (Kozmo), with high operating costs responsible for their ultimate failure (not consumer demand).

Mitigant: We have extensively studied past and present companies that have tried and failed to offer a similar service as Foxtrot to ensure that we are learning from their mistakes. We believe the biggest mitigant to operational risk, in addition to understanding the past mistakes of similar companies, will be to hire experienced operators that understand the business model and know what it takes to succeed.
10. Management Team

Foxtrot is led by its co-founders, Mike LaVitola and Brian Jaffee, who share a strong strategic vision for the company. In their roles as CEO and President, respectively, Mike and Brian will drive company strategy and lead all day-to-day activities.

The co-founders are also acutely aware that as ex-investment bankers and private equity investors, the Foxtrot team needs to supplement their inexperience in other fields with employees who have relevant experience. Specifically, Mike and Brian believe hiring Directors of Technology, Design, Operations and Marketing and assembling an experienced Advisory Board will be critical to our success. Taylor Bloom, a graduate student at the University of Texas pursuing a Master’s degree in Computer Science, will serve as our interim CTO. He has extensive experience in database building, mobile application development and coding and translating design into seamless form and function. Andrew Nelson, a graduate of Savannah College of Art and Design, will serve as our initial Design Director. He will guide design of the application interface, Foxtrot branding and work closely with Taylor to create a beautiful and functional mobile application. We are currently in talks with several candidates for CMO and COO roles, both for NVC and on a more permanent basis.

Foxtrot is also working to develop an advisory board to provide guidance in major strategic decisions. We have had conversations with VCs, Chicago Booth professors, former Kozmo employees and directors, current c-level start up employees, logistics industry experts and c-store professionals. While these conversations have been informational to date, we plan to shape our board around these key contacts when appropriate.

<table>
<thead>
<tr>
<th>Foxtrot Team</th>
<th>Title</th>
<th>Name</th>
<th>Education</th>
<th>Background</th>
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<tbody>
<tr>
<td>Management Team</td>
<td>Co-founder, CEO</td>
<td>Michael LaVitola</td>
<td>U Chicago (MBA), U Illinois (Finance)</td>
<td>Investment banking, Private Equity</td>
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<tr>
<td></td>
<td>Co-founder, President</td>
<td>Brian Jaffee</td>
<td>U Chicago (MBA), Miami U (Finance)</td>
<td>Investment banking, Private Equity</td>
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<tr>
<td></td>
<td>CTO</td>
<td>Taylor Bloom</td>
<td>U Texas (Masters Computer Science), Pepperdine (Finance)</td>
<td>Co-founder, chief programmer at web design firm</td>
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<td>CDO</td>
<td>Andrew Nelson</td>
<td>Savannah College of Art and Design</td>
<td>Architect</td>
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<tr>
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<td>CDO</td>
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<td>Curtis Crocker</td>
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<td>Managing Partner at Reservoir Venture Partners</td>
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<td>Chicago Booth Professor</td>
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<td>Member</td>
<td>Currently seeking</td>
<td></td>
<td>C-Level start-up member (Uber, etc)</td>
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<td></td>
<td>Member</td>
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<td>Logistics and Operations executive</td>
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<td></td>
<td>Member</td>
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<td></td>
<td>C-Store Industry Expert</td>
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11. Progress to Date

Since formation in late 2012, the Foxtrot team has spent the majority of its time testing market feasibility through primary and secondary research, developing the front end application and recruiting a CTO. We have held substantive conversations with industry insiders, VCs and former Kozmo employees (many helpful Booth alum) to develop and tweak our concept. We are currently working with our CTO to develop and program the Beta version of our application for market feedback. We have also identified leading candidates for our initial Lincoln Park c-store partnership, which we will begin pursuing in the coming month.