


# VAPE U

## SIX PILLARS TO MASTERING THE E-LIQUID MARKET

### Welcome to VAPE U II



### Module I: Business Plans, Models & Strategies



## Your Instructor: Norm Bour

- Founder of VapeMentors
- Helped launched dozens of vape shops & e-liquid companies
- Developer of the initial VAPE U series
- Columnist with VAPE magazine and several others, host of Vape Radio
- 40-year veteran of entrepreneurship



## Setting Expectations & Outcomes

- This class will guide you through the process of developing your e-liquid business or growing the one you have.
- Implementation is your responsibility.
- Every business channel has its *own model*; they are all different.
- This course is about strategy – not technology. Development and formulation is in your hands...but we can help.



## Who Are You?

You may be one of the following:

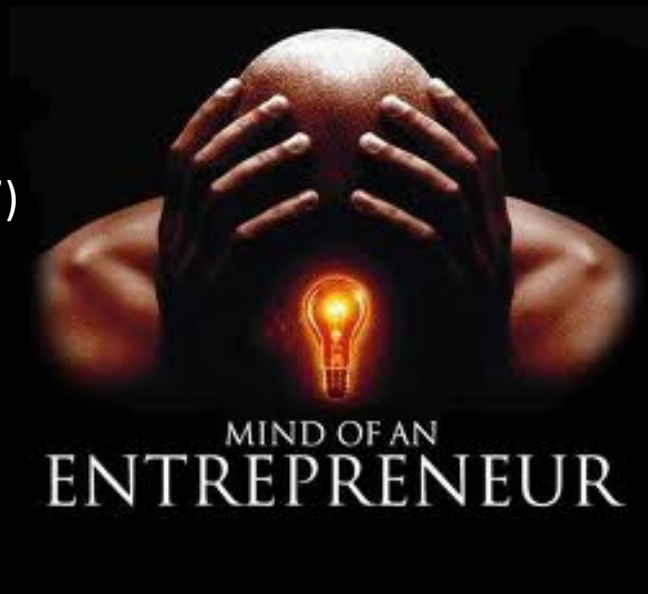
- Current vape shop owner looking to add a line of e-liquids
- Potential shop owner opening a B&M and/ or e-liquid line
- Want to offer your own e-liquids online only
- You have your own line, but it's under performing
- You're not sure



## Why Are You Here?

What is your motivation?

- Reformed smoker?
- Entrepreneur ('vapreneur')
- Passion for business?
- Why else??



## Today's Session: You

- Recognizing and tapping into your strengths and overcoming your weaknesses
- Conducting your personal SWOT
- Understanding the difference between a business plan and a business model
- Why each "silo" requires it's own model
- Your tolerance for entrepreneurship



## Businesses Don't Fail; People Fail

**Failure** is **not**  
**falling down but**  
**refusing to get**  
**up.** *-Chinese proverb*

## Be True To Yourself

- Ask yourselves the right questions
- Do not lie
- Learn it yourself or find someone
- Ego has killed more businesses than any poor economy

You'll get out of this what you put into it.



## In the Real World

- Degrees, diplomas: not that important
- Vape Space businesses are about people – your customers and relationships
- Money doesn't solve all problems



## Where Are You Strong? Weak?

- Do you have a good taste palate for quality e-liquids?
- Manufacturing or chemistry knowledge? Maybe culinary skills?
- Good with numbers or understanding regulations?
- You get along with and work well with others?
- Patient? Tolerant?



## Your Personal Strengths/Weaknesses

	Strengths	Weaknesses
1		
2		
3		
4		
5		
6		
7		

**Top Three of Each... Go!**

## The Difference Between A Talent And A Skill

Talent: You're usually born with it and can improve upon or waste it.

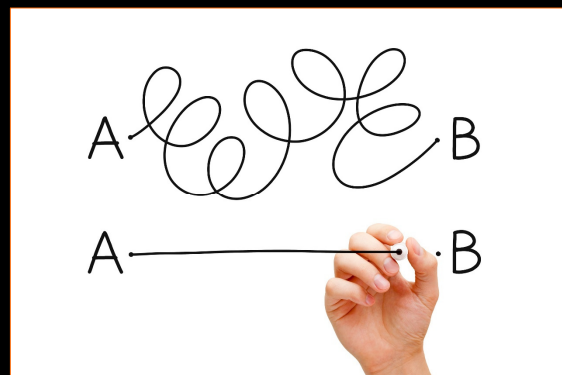
VS

Skills: can be taught and mastered. A strong talent can be improved by training, study and mastery.



## How Does This Apply In Business?

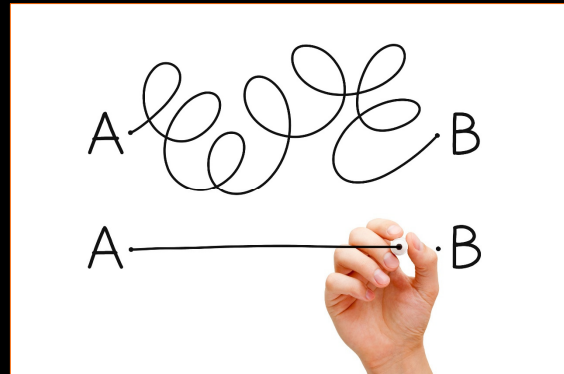
- Some examples:
  - Manufacturing experience
  - Sales experience
  - Proficiency and experience in vaping; relationships in the hardware or liquid space
  - Knowledge of leadership, manufacturers, wholesales, etc.
  - Availability or access to capital



## What Is The Biggest Concern That E-Liquid Companies Have?

### Distribution:

- How do you get your product “out there?”
- Do you work with distributors and wholesalers?
- This will be covered later

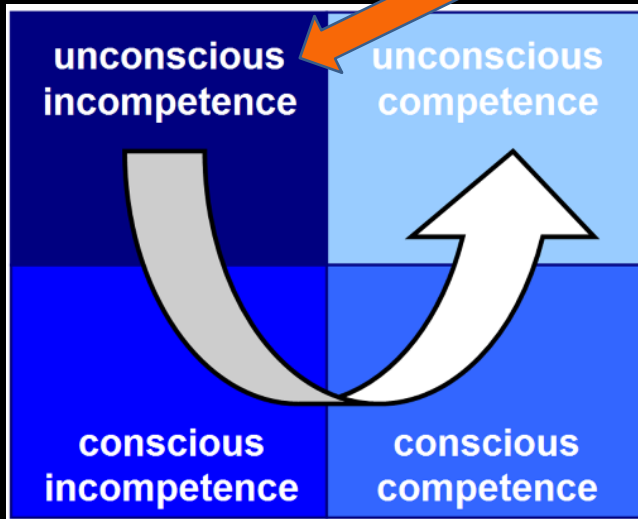


## Your Business Strengths/Weaknesses

	Strengths	Weaknesses
1		
2		
3		
4		
5		
6		
7		

**Top Three of Each...GO!**





## Levels Of Competence

1. You don't know what you don't know
2. You know what you don't know
3. You recognize what you know
4. You unconsciously know what you know

## Continuing Your S.W.O.T.



Strengths  
Weaknesses  
Opportunities  
Threats

## What Is An Opportunity?

- Knowledge of chemistry or manufacturing processes, though less necessary today
- Having a sales channel “in place,” usually a retail shop
- Social media connections and followers
- Access to capital, a great location or a partner who complements you
- Bi-lingual skills and ability to relate to different cultures



## What Is A Threat?

- Everyone else selling e-liquids
- Regulators from the FDA to the state to local cities
  - Indiana law pending: AB1432
  - Bans the sale of e-liquids produced out of state
- Local cities:
  - Manufacturing restrictions abound: They are strict with any chemicals they may consider dangerous- including nicotine
- Lack of capital



## Business Modeling vs. Business Plans

### ➤ A Business Plan incorporates:

Executive Summary/ Company Description, Mission & Vision Statements/ Market Research & Analysis/ Management Team, Advisory Board, Organizational / Structure/ Legal and Licensing Considerations/ Products & Services, Vendors / Site & Location Plan/ Implementation Plan & Schedule/ Sales & Marketing Plan/ Day-to Day Operations & Accounting Plan/ Financial Projections/ Start-up Funding / Projected Profit and Loss / Sales Forecast / Documents, such as Articles, Corporate Bylaws, etc.

### ➤ Ranges from a few to many pages

### ➤ Can take several weeks

Note: if you plan to get financing or partners/investors, we recommend you do this

## Business Modeling

- I. The Market
- II. Your Vision
- III. Your Customers
- IV. Your Competitive Advantage
- V. Your Marketing Plan



## Watch The Market And Where It's Going

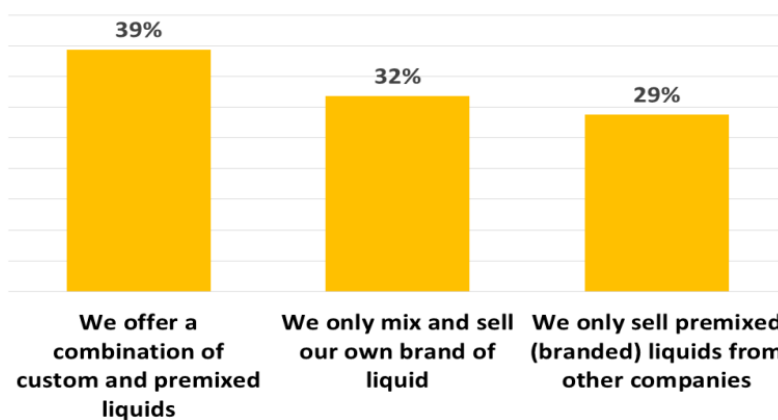
- Trends of who's vaping and why
- Flavor & Nic trends
- What's in a name? Plenty!
- Marketing and packaging  
"gimmicks"
- The media and public perception

Always Plan Ahead

## Know Your Market

*To what extent do you mix and sell your own vaping liquids versus selling premixed (branded) products?*

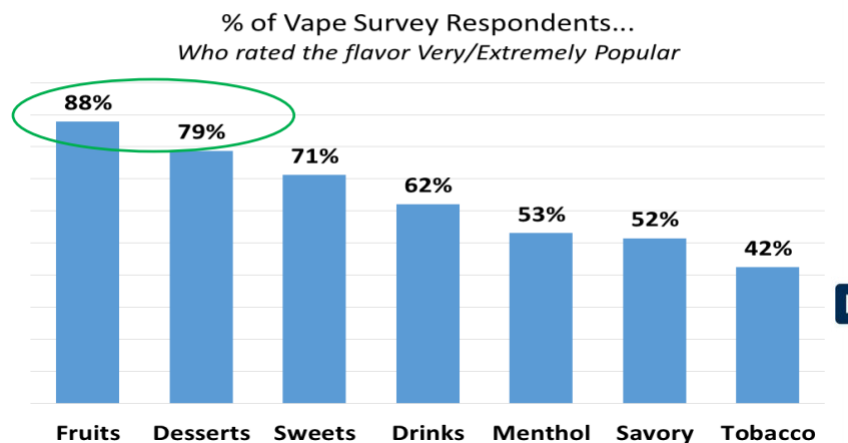
**% of Vape Survey Respondents Claim...**



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## What Customers Buy

Please rate the popularity of each of the following flavor categories among your customers.



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## Your Vision

- Strategy: will you specialize in a particular niche?
- Your Role: Developing and selling e-liquids are different than a B&M shop
- Resources: Partners? Employees?
- Do it yourself or have someone do it
- Exit Strategy?



## The Good News?

You do not need to do this all yourself

Partner and collaborate



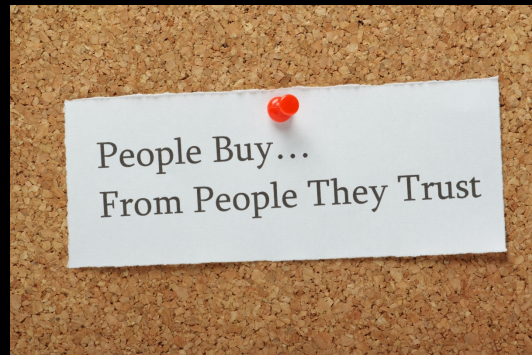
## Your Customers

- Who are they exactly?
  - What appeals to them?
  - What turns them off?
  - Glass bottles? Plastic? Sizes?
  - What about names of products?



## Your Competitive Advantage

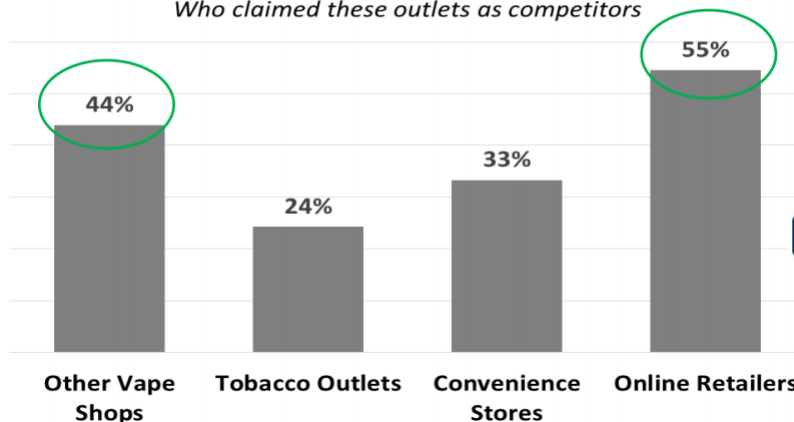
- Can you compete with the “Big Boys?”
- How are you better/different from competitors?
- How will you attract your target audience?
  - Better Prices (careful here)
  - Better Service
  - Better Product Offerings



## Recent NATO Conference

*How much do each of the following compete with your store for your customers' vape business?*

**% of Vape Survey Respondents...**  
*Who claimed these outlets as competitors*



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## Your Marketing Plan

- Define your:
  - Company Name
  - Website
  - *Logo and Brand Identity*
  - Business Description
  - Key Messaging



- **NOTE: More flavors are not always better**
- What's your budget? Timeline? Implementation plan?

## Action items

- Identify your personal strengths & weaknesses.
- Identify possible strengths & weaknesses in your business skills
- Complete forms and templates (will be sent)
- Identify your market WHY them?
- Ask yourself: "What can go wrong? What can go right?"





## What's Next: Ongoing Interactions

- This presentation link will be sent our along with copies of the handouts
- Our VAPE U Facebook Group:
  - <https://www.facebook.com/groups/932765050088628/>
  - We will send you a personal invite
  - Submit questions you have on that page, please.
  - We invite interaction
- MasterMind classes: next Thursday. We will seek out a consensus on the time

## Next Class: E-Liquid Product Development

- Tues., May 12, 6 p.m. PST
- Link is in your last e-mail
- Your instructor:  
Michael Guasch, CEO of Molecule Lab



**MOLECULE LABS**  
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