TIMELINE

Saturday, May 20: Applications available
June 1-September 15: Applications accepted
Sunday, September 30: Finalists announced
Sunday, October 15: Finalists assigned mentors and receive advisement from GLP
Tuesday, November 14: Presentation to panel

DELIVERABLES

Clear concise one-page business summary
Pitch deck
Supplemental financials
BUzz Lab Application
Social Component

PRIZE

Winner gets $10k and advisement from Green Lion Partners, who have worked with over a dozen cannabis start-ups.
Why the cannabis industry?
Cannabis is the fastest growing industry in the US and is expanding all around the world. It’s rare to be in an industry where you know there are established customers even in markets that aren’t yet developed. Beyond the incredible opportunity though, there are millions of patients that need better access to their medicine and many people in jail for growing plants who don’t deserve to be there. For us, the bottom line is: people are consuming this herbal medicine everywhere, why not make it safe, regulated, and taxed. States like Colorado and Oregon are showing tremendous benefits a sustainable market framework can provide.

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

Examples via GLP companies and our portfolio companies:
LeafList
Natural Order Supply
Dipstick Vapes
Flowhub
Gorilla Boost
The Gluu
The Arcview Group

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

Does the business need to be state-specific?
No. In fact, most ancillary companies are not state-specific. Some that are include those whose particular offerings cater to specific state regulations. This is an advantage for investors. There are also laws in many states that preclude out of state investors from participating in cannabis touching companies due to interstate and federal regulations.
What’s going on in Massachusetts

MA voters passed the adult-use (recreational) cannabis initiative on November 8, 2016 with nearly 54% of the vote. As of December 15, 2016, personal possession (1 oz. or 5 gm. of concentrate in public, up to 10 oz. at home with 9 oz. locked) and home grow (6 plants or 12 plants per household) limits went into effect. In late December, the Legislature postponed all of the rest of the effective dates for 6 months, effectively pushing the potential date of first retail sale to July 2018. The Committee has held over 30 hours of hearings on all of the pending legislation and we await their process. Over the summer of 2017, we should gain a much better sense of where this is all going. The medical market is active and growing, but a lot of that growth also awaits the new regulations.

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

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

- Non-innovative vaporizers
- “Band-aids” for problems that will eventually go away with the normalization of cannabis (like banking solutions)
- Combo products (“a water pipe with an attached grinder” for instance)
- Anything that touches the cannabis plant or could be construed as doing so
- Things that exist and are easily found with a little research—before choosing a route to take, make sure your concept doesn’t exist, and if something similar does, be prepared to explain what significantly differentiates your offering.

Branding - what not to do

Stay away from over-use of green and cannabis leaves, as they’re all over the industry (there are of course exceptions when done well). Additionally, it’s important to help move this industry and its perception forward, so stay away from stereotypical imagery and “stoner” culture, and be sure to avoid sexism and sexualized branding.
WHAT MAKES A COMPANY INVESTABLE IN THIS INDUSTRY

Make sure your concept isn't already available on the market.
Cut through the hype with substantial value delivered;
Not reliant on riding the growth of the industry around you.

**Company Concept**
Unique position within the market
Traction (existing and/or plan to acquire)
Definition and size of potential user base
Marketing & Advertising plan
Overall branding and brand management strategy

**Financial Opportunity for Investors**
Financial projections for operations (revenue, direct costs, overhead, net margins etc.) focus on assumptions made more than specific values
Valuation and calculation to derive it
Funding required & specific use of funds
Potential for exit / returns to investors

**Non-Financial Investability**
Legal viability
Team
Advisors
Intellectual property plan

**Scalability**
Barrier to entry created
Biggest advantage you have other than first mover
Size of addressable market & ability to penetrate
Education needed to create demand
Additional funding needed / cash flow
Competitors (existing & future)
Policy reform and social responsibility are an important aspect of the cannabis industry. It’s imperative for new companies to have a plan for how they will integrate supporting the cause into their business models. All entries require a social component.

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

**Potential organizations to support:**
- Students for Sensible Drug Policy (SSDP)
- Marijuana Policy Project (MPP)
- Drug Policy Alliance (DPA)
- Minority Cannabis Business Association (MCBA)
- National Cannabis Industry Association (NCIA)
- Weed for Warriors (WFW)

**WINNER GETS $10K AND ADVISEMENT FROM GREEN LION PARTNERS**

**GOOD LUCK!**

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


Submit by Friday, September 15 to qualify