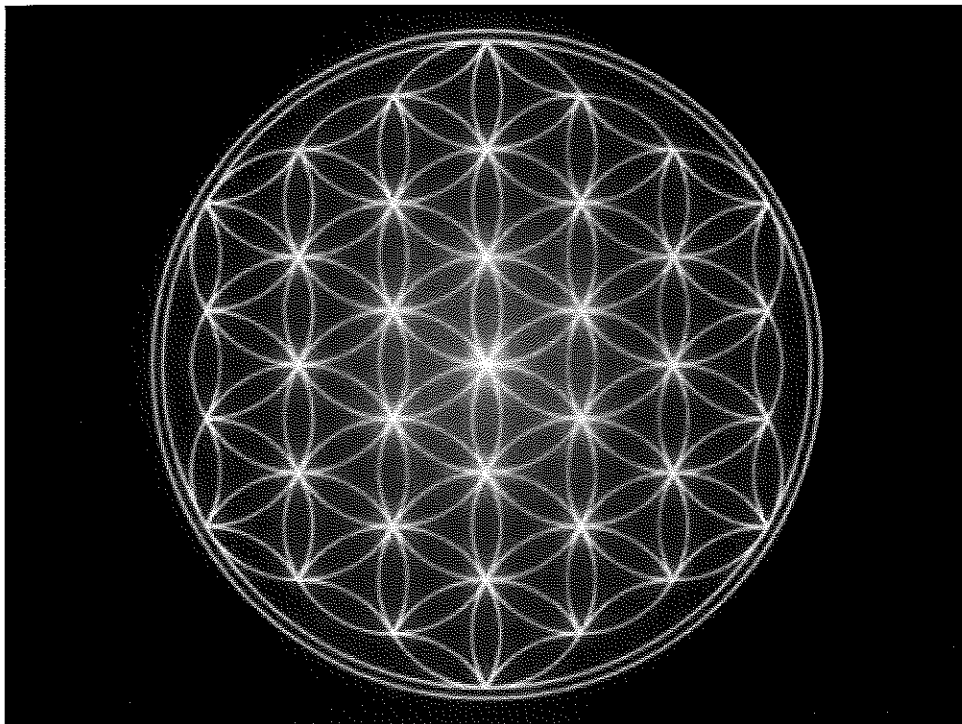


Star Brewed Kombucha Bar.



By [REDACTED]

Executive Summary:

Living healthy is our business and by creating a healthy environment to drink Kombucha we will promote our life style. Kombucha market is one of the fastest growing markets in the food/drink industry. Since Kombucha is still a new drink in the market, there is a vast growth opportunity for it in Bay Area. In the recent years Organic Juice Bars have been the new hype/trend around the bay area. Also, these juice bars have become the place of hang out for all the health fanatics. One of the down side of the juice bars is their small hangout area for customers and their high prices. Some of these places offer 24 oz. of juice for \$10 and you have to take your juice to go. However, there are no Kombucha Bars around. A place where Kombucha is being brew and served to the customers on a bar, just like the juice bars or a brew house. The only place a person can to get a bottle of Kombucha is their local grocery store, such as Whole Foods, and they are willing to pay as much as \$5 for 16 oz. of this miracle drink. Star Brewed Kombucha Bar will offer different flavors of Kombucha along with sun brewed tea Kombucha and teas in San Francisco. We also be serving freshly squeezed organic juices of different variety of fruits and vegetables as well. At Star Brewed Kombucha Bar we will:

1. Offer competitive prices.
2. Great atmosphere for our customers to hang out.
3. An open kitchen and fermentation room.
4. Juices and sun brewed teas.
5. 100% local organic products.

We will create a healthy living culture through our Kombucha Bar for our employees and our customers. Going as far as growing wheat grass, and cultivating an urban garden on site. Lastly, I will go over some

of the risks associated with this venture such as the high real estate rental prices in the city of San Francisco.

The Structure of Brew Star Kombucha:

Most juice bars, such as Green & Company and Living Green, have a closed kitchen. This means their operations and juicing is not visible to the customers and for the most part everything is pre-juiced and bottled. At Brew Star we will have the kitchen and brew rooms enclosed by glass walls so it is visible to our customers. This way our customers can see how we prepare our Kombucha. They also will be able to observe our tea brewing process, Kombucha processing after fermentation and the bottling process at the end of the cycle. Our kitchen will be exclusive to brewing kombucha and we will not be juicing in there. By not juicing in the kitchen we can keep it bacteria free for safe handling of our Kombucha cultures. The juicing will be only limited to the front bar, and we will only juice as we take orders from our customer, no pre-juicing at our bar. We will not juice and bottle anything unless the customer orders it because we want our customers to have the freshest product possible.

Another special feature of Star Brewed Bar will be our back patio and our green house. Our customers can enjoy glass of freshly brewed Kombucha on the back patio, while we will be growing wheat grass and brew sun tea in the green house set up. The green house will be only a small portion of the back patio so we can get some of sun's amazing benefits integrated into our products.

Competitive Prices:

The Kombucha prices start at \$2.99 for a 16 oz. bottle of GT's Kombucha, which is the cheapest in the market, and they go as high as \$12.99 for a 64 oz. glass jar of Kombucha. We will be aiming for \$1.99 per 16 oz. glass of Kombucha at the bar. Also by eliminating the distribution and limiting bottles to only 1 gallon refillable jars we'll be able to reduce the prices for those who would want to take

to go. We will be selling the one gallon jars separately, like beer growler, and refill them for only \$7.99 which is cheaper than any kombucha price in the current market place.



We will be ordering 1 gallon refillable jars for as low as \$1.53 each from the websites such as www.freundcontainer.com and will be selling them to our customers for \$3 to \$5. Bottle/Jar sales will generate its own profit. Once customer purchase the jar customers can bring it back for cheap refill just like a beer growler at the brewery. The refill trend will create its own culture in our place of business, in which the recycling aspect of my business will be greatly supported by our targeted market sector.

A Great Atmosphere:

One of the greatest cause of success of Juice bars and coffee shops is the atmosphere created through customer service and the personalized environment settings that are designed to make the customers feel comfort and welcomed. For example, the statement: "We are in business of people, selling coffee." Is written on the inside of every Starbucks apron. This modo has put Starbucks on top in the coffee shop industry. Even though Star Brew is a Kombucha bar, we would be using a similar modo to Starbucks's so we too create a customer friendly environment; however, we will be steering away from the corporate mentality/attitude to have a more of a local and organic feeling to our bar.

For this reason, we are going to have an area where our customers can hang out while they enjoy a glass of kombucha. We will offer free WIFI so they can work on their computers and tablets. We will have magazine health related magazines such as Runners World and Healthy Eating for our customers to read. This will give them more reasons to hang around.

An Open Kitchen and Fermentation Room:

I went to the Green & Company in the San Francisco, and all the fruit and vegetable juice were already bottled and shelved. I was not able to see them juicing, therefore I don't feel comfortable about their juicers and cleanliness. It feels better to have my juice and food prepared where I can see it. At Star Brew we will have an enclosed kitchen but we will have glass walls so our customers can observe our entire brewing process. In addition to the open kitchen we will post up our brew times for those interested in watching the process, so they can be there at exact times of brewing.

Our fermentation room has to stay dark for the full effect of the process to take place and there is no reason for our customers to watch tea sitting and fermenting. However, when the product is ready for processing we will bring it back to the open kitchen to either bottle or keg it, before we transfer it to the front counter to sell it.

Juices and Sun Brewed Teas:

Vegetable and fruit juicing will be a part of our business but not a large part. There will be no juicing back in our kitchen since we are advertising ourselves as Kombucha bar business. However, we will have juicing in our front bar for those who are interested and we will be juicing their order right in front of them as the order it, not in an enclosed kitchen. All our fruits and vegetables will be purchased locally from the organic farmers, therefore our juices will vary depending on the season. The change in the juices, based on the season, will also give a new feeling to our business as it would be evolving around the fruits of the season. We will also, have the juice of season which will be the combination of the fruits and vegetables of the season. Having the juice of the season will give our customers something to look forward to in every season and will give us a competitive edge in the market.

Sun brewed teas are becoming more and more popular and they will be another specialty of our Kombucha bar. Sun teas makes us one of the few businesses that serves fresh sun tea in the Bay Area.

We are going to dedicate part of the greenhouse, in our back patio, to brewing sun tea. We will set up clear glass jars with different types of teas in the greenhouse for the entire day to brew sun tea. This process will help our especial teas to get all the sun's rays of energy and benefits. The sun teas will be served the next day, after being brewed outside for a day. Our customers can observe the entire process, from set up to brewing and finally the tea being poured in their glass or the gallon jar for them to enjoy the finished product.

Local and Organic Product:

Developing great relationships with the local businesses and helping to grow the local economy is very important to us. Therefore all of our fruits and vegetables will be purchased from local organic farmers. This aspect of our business will contribute a big portion to the image and the atmosphere we are trying to create at our Kombucha bar. Also, it is a great way to promote our healthy life style and support our local business and farmers. We will be able to identify the source of all of our products easily and even help to promote our local farmers.

I looked into purchasing tea locally and I was unable to locate any places in California that grows green or black tea. We will be able to purchase our herbal teas locally but for the Kombucha brewing proposes we might have to purchase imported tea. This will not hurt us since we will be able to fully identify the source of our tea to insure it's organic as well as its fair labor trade qualities.

Low Cost of Permitting:

Being an organic and a raw bar, there will be no open flames, and this will help to keep the cost of food service permitting at minimum. For this venture we will have to meet very few rules and regulations. These rules and regulations are mainly regarding the sanitation of our facilities and we will have very few health inspections from our local health department each year.

One of the main concerns about starting our business will be the cost of real estate in San Francisco. We have partnered up with Earth Real Estate, a local energy efficient real estate company, to help with our commercial real estate property rental. Earth Real Estate will help us with an efficient greenhouse and overall an efficient set up. They are located in Daly City and they are one of the best green real estate companies.

We do not use website such as <http://www.loopnet.com> as a resource for the real estate needs of our business. But this will be our last resort. We will much rather continue our partnership with Earth Real Estate.

Two similar competitors to our business are KeVita and House Kombucha which are located in San Francisco, respectively. They are targeting the different segment of the market and at the moment they are no threat to loss of business for us.

As demonstrated in this report there is a great need for a Kombucha bar in San Francisco, since no similar one exists. In the conclusion the pros far exceed the cons for this new venture. In addition, the high demand for Kombucha will accelerate the growth of this business. Therefore, our idea has a great potential for success in the chosen area which is San Francisco.