

# barqk!

## Let your dog speak

We deploy the latest cloud based machine learning and big data algorithms to convert your dog's barking into words on your mobile device so that you can understand your pet's needs, if they are sick, and be made aware of danger.

### 1. Problem

1-A: What is the problem you're attempting to solve?

Dog owners face significant problems communicating with their pets. Although you can train a dog to obey commands, the dog cannot tell it's owners what it needs or wants. This leads to significant stress for the owner and may lead to death when the animal cannot communicate an obvious and present danger.

1-B: How painful is the problem to those that have it?

The pain is significant. The Pet Owners Association of America reports that owners waste over \$3.2 billion dollars each year on toys that dogs are not interested in. In addition, over 780 strokes or heart attacks occur annually due to frustration in communicating with dogs. In a recent poll, 87% of respondents listed the inability of their dog to talk as a significant problem that led to frustration, wasted money, and even injury.

In addition, owners spend billions every year paying veterinarians to try and diagnose medical problems that would be much easier to diagnose if the pet could tell the doctor how they feel.

### 2. Customers

2-A: Who has this problem?

Dog owners.

2-B: How many have this Problem?

The AVMA says 43,346,000 homes in the US own dogs, that is 36.5% of households

2-C: What segment are you investing first?

The best segment for our product are childless couples who treat their dogs as their children. We feel that they will invest more to be able to communicate with their pets.

2-D: What other segments will you address later

We will branch out to the service dog industry next.

### 3. Solution

3-A: What is the solution to the problem?

Barqk! has created a cloud connected wearable device for dogs that records their barking and uses machine learning and big data algorithms to convert dog-speak into human-speak. The translated words are sent via text or through our app to the owner's phone. Initially the owners provide feedback to the network, and the responses of all owners to every dog's bark are collected as big data then fed through our proprietary algorithms that use Bessel functions and advanced machine learning approximations to develop a consensus on what a given bark means. Over time a translation for each dog will be developed and we expect 87% accuracy.

3-B: What benefit does it provide to your customers?

The primary benefit is letting man's best friend talk to their human owners. Every owner we have spoken to has shared a time where they have looked into their dog's big brown eyes and asked, "what do you want?" This has been a dream of mankind since we domesticated the wolf. In addition, we expect the following benefits:

- 1) Reduced veterinary costs because the dog can communicate with the vet
- 2) Less waste with food and toys since the dog can now express a desire
- 3) Less injury and assault when the animal can alert its owner to dangers
- 4) Fewer deaths of children in wells

### 4. Competition

4-A: Who are your competitors

Our only competitors are so called "dog whisperers" who have no proven ability to understand dogs. They try to decipher communications by observing behavior, but the results are mixed.

4-B: Why is your solution better than other solutions? How much better?

We translate the actual speech of the dog to human words. Instead of inferring communication we are communicating. This is light-years better.

### 5. Business Model

5-A: How will you Make Money

We are implementing a SaaS model. Customers will purchase the wearable collar at our cost or receive it for free if they sign up for 18 months of service. We will then charge a monthly fee of around \$12 for the service.

5-B: What is the revenue potential for your solution over the next 3-5 years?

The estimated 5 year revenue potential is around \$1.1 Billion Dollars

5-C: Does your product require a reimbursement code from third parties to reach commercial success?

No

## 6. Go-to-Market Strategy (Pitch persons needs to provide this info)

6-A: How will you make your first sales? Be Specific.

We will demonstrate our product on local Phoenix area TV station morning shows. This will drive customers to our website for free and start the sales of our product and service.

6-B: how will you market and sell your solution?

We will also use the “doggy-mommy blog” network to promote our product and drive customers to our website. We will give free samples to key bloggers who will promote our product. We expect the national media to pick it up as well.

Our long term marketing strategy will be a quiz show on the Animal Network called “Woof? Woof!” Owners will bring their Barq! equipped dogs on the show to answer dog related trivia questions.

6-C: How will you produce and deliver your solution?

Most of our initial work will consist of contacting the media and bloggers, we feel the appeal of our product will make getting free air time easy. We are in talks with the cousin of a producer of a show on Animal Planets right now to get a meeting with them.

6-D: How will you support your sales?

We have identified a Latvian call center that does software and hardware support for others. Latvia is a very dog friendly culture and has competitive hourly rates.

## 7. Product

7-A: What IP do you have?

Our rules based Bessel function big-data translation algorithm is a trade secret. We do not plan on pursuing an patent because once we reveal our process others may try and steel the idea.

We do have a patent on a microphone that is designed to hear in the frequency that dogs mark that is also slobber proof.

7-B: What is your current state of development?

We have 10 working prototypes of the wearable device and have our software stack installed on AWS. Currently we are testing with two dogs from five different breeds and the results are very promising.

7-C: What milestones have you met?

Prototype production of wearable device.

Initial release of MVP of software stack

Installation of software solution on AWS

Working customer portal.

7-D: What milestones do you have in the next 18 months?

Develop billing and customer management backend

Finish website including production of product demonstration videos

Spool up manufacturing of wearable devices

Initiated local marketing campaign

7-E: What is your larger product development roadmap?

Use field data to redesign both the device and the software to improve user experience and translation accuracy

7-F: What is your supply chain for prototypes & small volume production?

We are using local company PADT and their supplier network for prototyping and small volume production

7-G: How will you scale production? Who are your potential suppliers?

PADT has identified a vendor in China with wearable device manufacturing and assembly that works with both Samsung and Apple.

7-H: Who will manage supply, production, and distribution?

We will fill this position with a new hire after seed funding is received.

7-I: Does your product require regulatory approval for commercial sale?

No

## 8. Management

8-A: Who is your team?

(Put name of pitching people here as CEO and other key positions)

Emily Schnauzer – CTO and inventor of proprietary algorithms. PhD in Language and Veterinary Medicine. Noted expert in animal communication. 2011 recipient of Kuvasz Award (The “Nobel Prize” for canine research)

Roberto D’Labrador – VP Sales. Former Petsmart executive and experienced pet product salesperson. Introduced the “fluffy fun” pet toy globally, the company sold to Purina for \$1.7B in 2013.

8-B: How much cash has each founder and current executive invested in the company?

A total of \$378,000.

8-C: Why is your team right for the challenge?

Our scientific and business experience are unparalleled. We have extensive connections with key movers and shakers in the pet world and strong connections with the canine distribution system.

8-D: What critical roles are unfilled today? How will you fill them?

We need someone for marketing and manufacturing. We will begin a search as soon as seed funding is secured.

8-E: Who are your advisors/board members? Are they Investors?

Dr. Maria Chihuahua: Dean of the Monterey School of Veterinary Medicine with two successful startup exits in the pet space.

Bob Pug: Experienced electrical engineer with 15 patents in the dog shock collar space

## 9. Strategy

9-A: What is your going forward strategy, plan, and timeline?

Over the next 5 months we will focus in training our system with our 10 prototypes and get recognition to around 50%. While doing that we will build our sales and marketing team, ramp up manufacturing, and achieve the milestones listed above.

Once we introduce the product to the market we will focus on growing our customer base.

9-B: What broader trends will help or hinder your success?

The decrease in marriage rates and in the number of families with children should help our efforts since people will turn more to their dogs for companionship. As baby boomers retire we also see them as being increasingly isolated and in need of having someone to talk to.

We so no trend that would harm our success.

9-C: What are the three biggest risks that you perceive?

- 1) Low translation rates. We feel that if they are below 66% adoption will be less than projected
- 2) Someone else independently figure out our approach
- 3) Giving dogs the ability to talk strengthens their societal position and the master-pet relationship swaps.

## 10. Financial

10-A: How much cash do you have today?

We currently have \$440,000 in cash on hand. This includes the owner's investments and what is left from a \$350,000 grant from the K9-Humman Communication Association.

10-B: What is your burn rate today?

\$45,000/month

10-C: How will you reduce your burn rate if funding is delayed?

We will reduce our staff of paid interns doing dog testing and advertise for volunteers to continue this work. We can also delay product launch.

10-D: What are your revenue projections and assumptions?

We assume the following adoption rate over the next 5 years, and revenue based on a \$12/month average charge:

Homes with dogs	43,346,000		
Monthly fee	\$ 12.00		
	% Avail Market	Homes	Annual Fees
Year 1	0.01%	335	\$ 624,182
Year 2	1.00%	433,460	\$62,418,240
Year 3	2.50%	1,083,650	\$156,045,600
Year 4	5.00%	2,167,300	\$312,091,200
Year 5	10.00%	4,334,600	\$624,182,400
			\$1,155,361,622

10-E: What are your income statements, balance sheet, cash flow projections, and assumptions?

(I'll try and add something here that everyone can share. But assume profit in year 3)

10-F: What are the three biggest drivers to success and failure?

- 1) That videos of people's talking dogs become memes on the internet
- 2) We achieve a 66% or better accuracy rate
- 3) Our manufacturing can keep up with demand and the products are reliable.

## 11. Capital Requirements

11-A: How much money have you received to date? What are the sources?

\$728k total: \$378k from owners, \$350k grant

11-B: Who are your shareholders? How much has each contributed to the company?

Our owners own 100% of the company right now.

11-C: How much money are you requesting now and what will it be used for?

\$2,000,000 for equity

We will use it to increase our sales and marketing staff, pay for manufacturing ramp up, and pay for operating costs as we grow rapidly.

11-D: What additional money will you need in the future; from what source?

Once we achieve 1 million customers, we expect to need around \$25 million to fully scale and promote this product

11-E: How will you exit?

We expect to be purchased by a SaaS company looking to diversify into the pet space. Salesforce, Facebook, or Google. We may be attractive to Apple as well.

11-F: What is your valuation of the company; how did you arrive at that value?

\$6 Million pre money. Year two revenue are projected to be over \$60 Million. 1/10<sup>th</sup> of that seems reasonable.