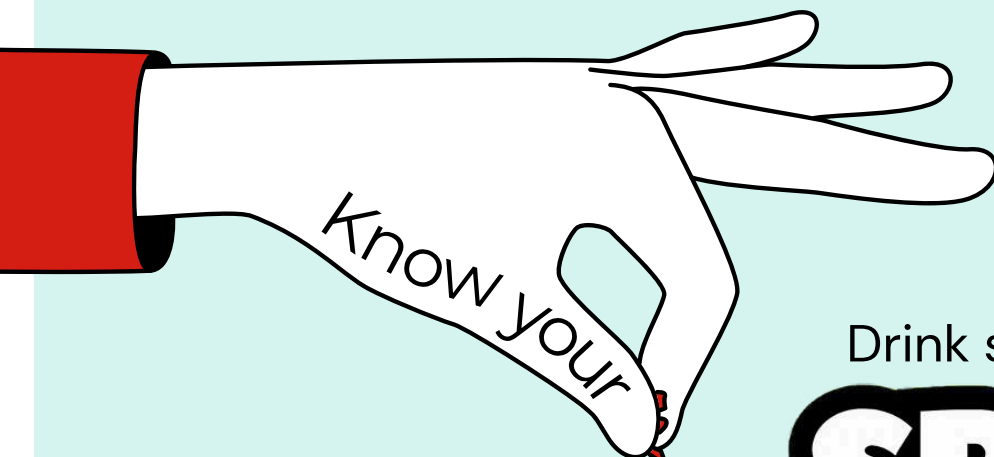


As featured in...



Drink safety on a keychain.

SP!KEY

Visit spikeyfirst.com



Independent Business Plan

Ravenwood High School | 1724 Wilson Pike | Brentwood, TN 37027

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January 10th, 2025

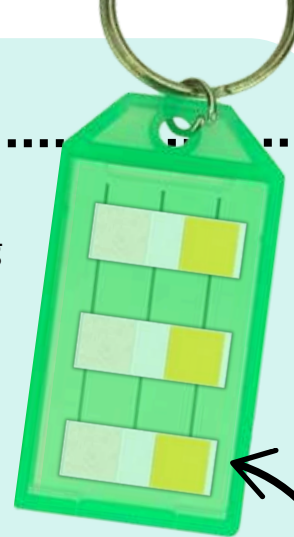
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I. Executive Summary

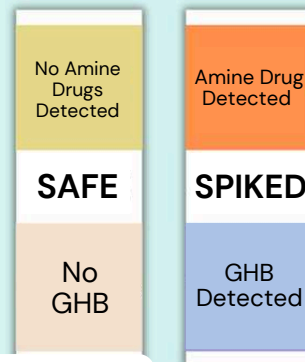
Company Overview

Spikey is committed to addressing the silent epidemic of **drink spiking**—the **intentional addition of drugs to someone's drink** without consent, a problem causing over **500,000 sexual assaults, robberies, and even deaths** annually. Spikey's mission is to empower individuals to take control of their safety by offering reliable **drink spike detection keychains** that discreetly and effectively test beverages for common date-rape drugs. Partnering with **NeutraPharma, a leading pharmaceutical company in the UK**, Spikey brings international awareness to drink safety, promoting safer, more enjoyable social experiences.



Product Description

Spikey's drink spike detection keychains feature **clinically-tested detection strips** that can identify **common date-rape drugs**, including **GHB, Ketamine, Scopolamine, Cocaine**, and other amine drugs in **under 15 seconds**. Designed for both safety and style, the customizable keychains are lightweight, discreet, and eco-friendly, featuring refillable **test strips made of biodegradable paper** with unlabeled packaging for added privacy. By blending innovation with practicality, Spikey provides individuals a seamless way to discreetly protect themselves, empowering them to report drink-spiking incidents and fostering accountability in social environments.



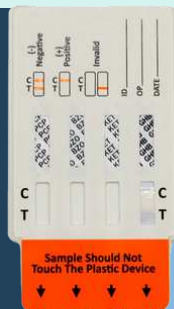
Problems

Drink spiking affects **1 in 13** college-aged individuals, leaving victims vulnerable to sexual assault, long-term trauma, and even death. Many people are **unaware of the risks or lack reliable protection**, making them easy targets in social settings.



Spikey's **clinically-tested** keychain detects the most common date-rape drugs in **15 seconds**, providing individuals with **instant protection**. This empowers users to easily check their drinks, even in high-risk environments.

Traditional drug tests are often **conspicuous**, **take 15 minutes** to deliver results, or are made of **single-use plastic**, discouraging use especially for younger users. The **stigma around drug testing** in social settings deters many from obviously shielding themselves—especially in college environments.



Spikey's **discreet, customizable** keychains and eco-friendly test strips eliminate the stigma surrounding safety tools. Designed to stay on your keys, Spikey ensures **you'll never leave it behind**, normalizing precaution and appealing to younger demographics.

Victims often struggle to prove their drinks were drugged, hindering their ability to report incidents. Without **reliable evidence**, offenders frequently escape accountability, perpetuating a **cycle of spiking**.



Spikey keychains securely store its clinical-grade test strips, providing **reliable evidence** victims can share with **law enforcement** to help **hold offenders accountable** and deter drink spiking incidents.



Customer Segments

The drink safety market is expanding, with awareness of drink spiking growing due to increased advocacy and media attention. In the US, **1 in 13 college-aged individuals suspect their drinks have been spiked**, highlighting the urgent need for discreet, effective safety solutions. Spikey's initial market includes over **217 million U.S. college students, millennials, and parents** globally, creating a significant opportunity to protect **at-risk demographics**. With the **highest at-risk age for rape being 13–28**, Spikey aims to provide safety and empowerment to individuals most in need.

Safety Conscious Individuals:

Those actively seeking personal protection tools (ex. pepper spray, taser, alarm)

Psychographics

Demographics

Trendy Consumers: Students and young adults who value stylish keychains and accessories.

College Students, Young Adults & Parents concerned about campus or nightlife safety.

\$30,000+ Income: Young adults that have limited budgets for personal safety

Active Partiers: Frequently visit bars, clubs, and events, particularly in urban areas where drink spiking risks are higher.

Unique Value Proposition

Spikey is a **patent and trademark-pending formally registered LLC**— which ensures our technology and branding are protected. It offers a discreet, appealing solution to the devastating issue of drink spiking. Unlike most alternative products, which only detect one substance and take five minutes or longer to do so, Spikey's keychain test strips can **detect the most common date rape drugs in under 15 seconds**, providing reliable results in any social setting. Designed with both safety and convenience in mind, Spikey fits seamlessly into everyday life, ensuring users can **protect themselves without drawing attention**. Additionally, our **90% paper refill strips** minimize plastic waste, making it a sustainable alternative. Positive strips can also serve as evidence of drink spiking to authorities, encouraging users to report incidents and hold criminals accountable to prevent and reduce the spread of the problem.



First Year Cost Structure

Production Costs: \$144,720

Insurance Costs: \$1,692

Human Resources (+Tax): \$54,056

Customer Acquisition: \$82,786

Start Up Costs: \$25,953

Charity Donation: \$1,700

Shopify Transaction Fees: \$4,486

Shopify Subscription: \$504

Channels

Supply Acquisition

- NeutraPharma, UK
- Protolabs 3D Printing, US

Distribution

- D2C (Website/events)
- Indirect: Wholesale and brand ambassadors

Customer Acquisition

- SEO
- Google Ads
- Social Media
- Pop-up shops/events
- Brand Ambassadors

Revenue Streams

D2C Units Sold: 12,000

D2C Gross Revenue: \$230,400

B2B Units Sold: 28,000

B2B Gross Revenue: \$252,000

Refill Pack (3 test strips): \$7

Standard LTV: \$24

Subscription LTV: \$120/year

Wholesale LTV: \$1,650

Detailed Financials Overview

Forecasted Income Statement: Years 1-3

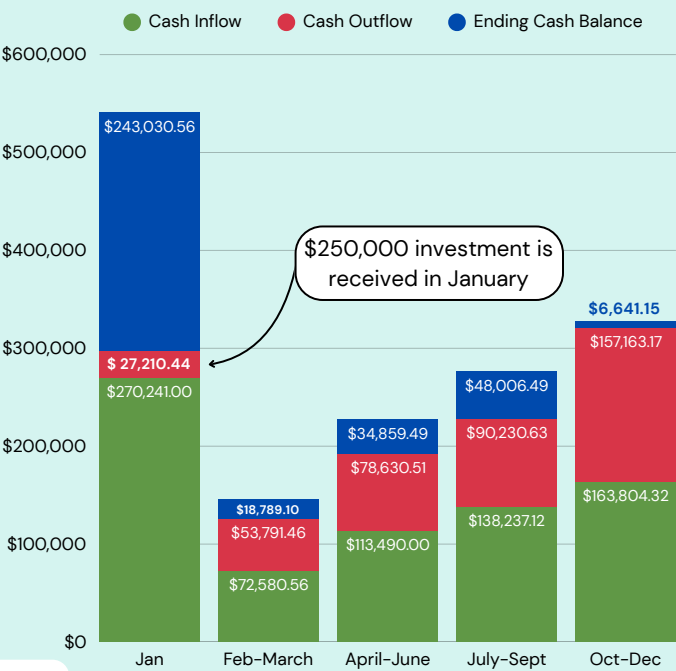
	Year 1	Year 2	Year 3	Total
Gross Revenue*	\$ 482,400.00	\$ 723,600.00	\$ 964,800.00	\$ 2,170,800.00
Gross Expenses	\$ 232,847.36	\$ 298,274.48	\$ 349,282.64	\$ 880,404.48
Gross COGS	\$ 144,960.00	\$ 202,958.00	\$ 212,706.00	\$ 560,624.00
Net Profit	\$ 249,552.64	\$ 414,321.52	\$ 599,263.36	\$ 1,263,137.52
Profit Margins	25.99%	35.61%	36.03%	-

*Gross revenue for year 1 includes a personal investment of \$25,953

Forecasted Cash Flow Statement: Years 1-3

	Year 1	Year 2	Year 3	Total
Beg. Cash Balance	\$ 275,953.00	\$ 351,326.79	\$ 524,658.18	\$ 1,151,937.97
Net Cash Flow	\$ 75,373.79	\$ 173,331.40	\$ 213,919.14	\$ 462,606.32
Ending Cash Balance	\$ 351,326.79	\$ 524,658.18	\$ 738,577.32	\$ 1,614,544.29

Cash Flow Breakdown: Year 1



Key Metrics

Financial Metric	Purpose	Formula	Key Metric	Purpose	Formula
Return on Investment	Measures the profitability of an investment	$(\text{Net Profit}/\text{Investment Cost}) \times 100$	Customer Retention Rate	% of existing customers who remain customers over time	$(\text{End Customers} - \text{New C.})/\text{Beginning C.} \times 100$
Average Order Value	Measures the profitability of an investment	$(\text{Net Profit}/\text{Investment Cost}) \times 100$	Website Traffic	Indicates the number of website visitors to evaluate online reach	Total marketing and sales expenses/# of new customers acquired
Customer Acquisition	Measures the total cost of acquiring a customer	Total marketing + sales expenses/# of new customers acquired	Inventory Turnover Rate	Measures how quickly/efficiently Spikey sells its inventory	COGS Sold/Average Inventory
Cost of Goods Sold	The cost to produce one Spikey (keychain + 3 strips)	Total Direct Costs/Total Units Produced	Conversion Rate	% of visitors who purchase after visiting Spikey's website	$(\text{\# of Conversions}/\text{\# of Website Visitors}) \times 100$

Competitive Advantage


Competitive Analysis				
Discreet	✓			
Detects 1+ drug	✓		N/A	✓
Sustainable	✓		✓	
Customizable	✓		✓	
Quick Results (Less than 15 sec.)	✓	✓	N/A	

Unlike our competitors, Spikey is discreet, quick, and sustainable. Our eco-friendly paper refill strips yield the **fastest results** on the market, while fitting seamlessly on a keychain without a visible “drug test” label- which is important according our beta testers because **users want fast protection** without drawing attention or offending others.

Conclusion

Spikey is requesting an investment of \$250,000 at 10% equity. With proven market demand, exclusive distribution agreements with our pharmaceutical partner, and strong partnerships with Greek life organizations and nonprofits, this investment will empower Spikey to expand quickly into high-potential sales channels.

II. Problems




Drink Spiking and its Consequences: Drink spiking—the act of slipping date rape drugs into someone’s drink without their knowledge—leaves countless victims vulnerable to **theft, rape, and even death**. Common spiking drugs include GHB, Ketamine, Scopolamine, and Cocaine, all of which can be **lethal in extreme dosages**. While every victim is affected differently, the most common effects of these drugs are hallucinations, memory loss/amnesia, incapacitation, seizures, and anxiety. College students are especially at risk, with parties, bars, and campus events being common settings for drink tampering. With the accessibility of illegal drugs increasing exponentially in urban areas, college campuses, and social settings, **drink spiking is at an unprecedented high**.



Underreporting of Drink Spiking and Lack of Awareness:

Drink spiking is a silent epidemic, with more than **70% of cases going unreported**. Many victims are underage drinkers who fear judgment, legal consequences, or dismissal, which contributes to a lack of awareness surrounding the issue. Most **drink spiking incidents occur on or near college campuses**, making college students the most susceptible to drink-spiking and its horrific consequences. The U.S. Department of Justice reports that **61.8% of rape victims’ urine samples show drug presence**, and about **1 in 13 college-aged individuals suspect they’ve had a spiked drink**. Despite the severity of this problem, many people are unaware of the risks of drink spiking and lack access to effective prevention tools.

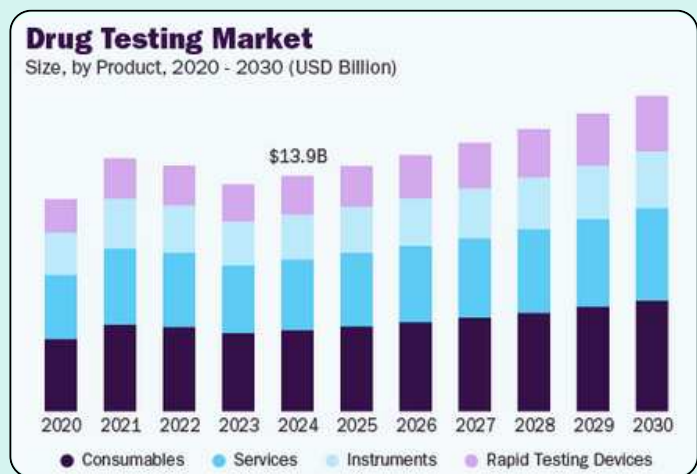


Stigma surrounding personal safety: There’s a strong negative stigma around personal safety, especially in college environments and Greek life. **Peer pressure** plays a big role, as students often feel the need to fit in or avoid being seen as overly suspicious or cautious. In environments like bars and clubs, where the atmosphere is centered around fun and carefree experiences, bringing a drug test or taking steps to protect yourself can feel **out of place or even offensive**. A common complaint from students is that current safety tools are highly conspicuous, and make students look paranoid. By using Spikey, the students are able to protect themselves without drawing attention to the danger.

III. Customer Segments

Market Potential

The Global Drug Testing market is rapidly expanding, with a projected compound annual growth rate (CAGR) at **5.1%** and an estimated market value exceeding \$14.54 billion by 2030. As consumer awareness of drink safety increases, there is a growing demand for accessible and effective prevention tools. A study conducted at the University of South Carolina found that **66% of participants would use drink spiking prevention devices** if provided by their university. Initially focusing on the U.S. market, Spikey's total addressable market includes **18 million college students**, with 50% engaging in binge drinking activities (Recovery Worldwide LLC, 2022). As safety becomes a top priority, Spikey is uniquely positioned to tap into this growing market by providing an innovative solution to a critical and prevalent issue.



Demographic Segmentation

Target Markets: US Gen Z, Millennials, and Parents ~217 million people

Spikey targets a large and diverse group of people, including Gen Z, Millennials, and the parents of Gen Z, which together make up 217 million people in the U.S. These groups share a strong concern for personal safety, making them an ideal market for Spikey's discreet and stylish drink detection tool. Generation Z, especially college-aged individuals, wants safety tools that fit into their social lives without standing out. Parents of Gen Z individuals, who want to protect their children, will be targeted through platforms like Facebook. Millennials, who care about practical and ethical products, are drawn to Spikey's eco-friendly design and purpose-driven mission.

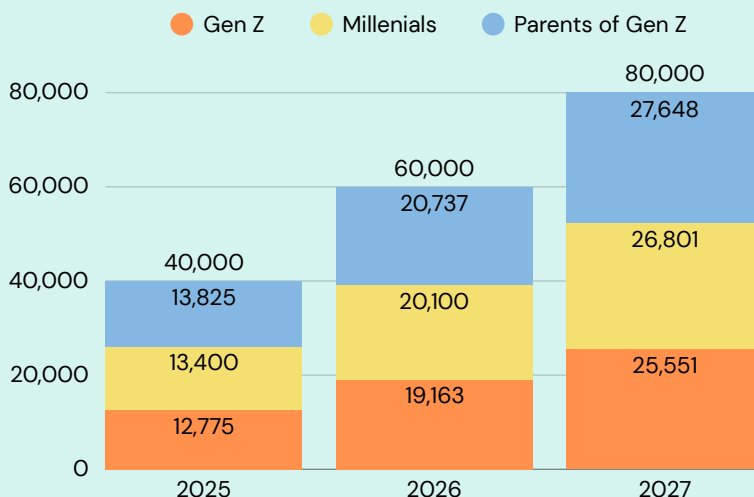
Annual Income Level: \$30,000+

Spikey products are designed to be both affordable and accessible to individuals with incomes of \$30,000+, including college students, socially active young adults, and their parents. Our affordable pricing (which is almost 40% more affordable than alternative drug tests), ensures that even budget-conscious students who may need regular refills, can easily afford Spikey. Parents of Gen Z, who view their children's safety as priceless, also represent a significant audience.

Geography: Urban

Spikey test strips are disguised in regular keychains for urban nightlife environments, where drink spiking incidents are most prevalent. These high-risk environments, known for their active party cultures, benefit from Spikey's **accessible and discreet** design. By partnering with **sororities, campus safety departments, and health and wellbeing groups**, Spikey aims to seamlessly integrate into young adult life, empowering users in these urban environments to protect themselves in social settings without worries.

3 Year Projected Market Penetration



Our Partners



IV. Unique Value Proposition

Spikey's innovative safety keychain redefines personal safety with its disguised design and efficiency, addressing critical gaps in drink-spiking prevention. Existing safety tools are often conspicuous, limited in testing capabilities, or slow to deliver results. Spikey outperforms these by combining discretion, reliability, and speed. Using **litmus chemistry**, Spikey test strips provide accurate **results in under 15 seconds**, detecting a wide range of common date-rape drugs with **98% accuracy**. Its visually appealing and customizable keychain disguise is undetectable as a drug test, allowing users to test their drinks without drawing attention, even in high pressure settings. At first glance, Spikey products just look like traditional keychains and stocking stuffers!

Discreet

Spikey's discreet design allows it to **fit seamlessly into everyday life**. Its compact and lightweight keychain configuration makes it easily attachable to car keys, carabiners, and bags, ensuring that **users won't forget it when going out**. Imagine a college student or young adult heading to a crowded party. Instead of carrying a bulky or conspicuous safety device that could potentially offend their peers, they stay safe with a small, harmless little keychain. This ensures that Spikey users stay safe without drawing attention to potential danger.



Instant, Reliable Results

Spikey's test strips, with 98% accuracy, are developed through our partnership with **NeutraPharma, a leading pharmaceutical company** and clinically-tested at the University of Strathclyde, Clinical Trials Laboratory Services and Lucideon Laboratories. Spikey strips are enhanced with litmus chemistry to detect common date-rape drugs (Ketamine, GHB, Scopolamine, and Cocaine) in **15 seconds, providing reliable results through a visible color change**. Each test strip has two test patches that detect different types of substances: white for GHB and yellow for amine-based drugs (Ketamine, Cocaine, etc).



Customizable

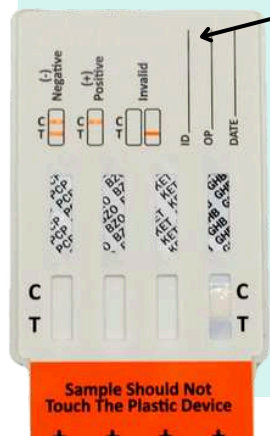
With **10+ vibrant color options and 3 keychain styles** (shown on SpikeyFirst.com), users can choose a Spikey design that matches their aesthetic. Beyond personal customization, Spikey also offers branding options, allowing organizations to add their names and logos to the keychains, which is easily scalable due to our **3D printing manufacturer, Protolabs Networks**. These options not only enhance user engagement but also increase Spikey's presence in high-risk environments like campus parties and social mixers, making Spikey **both a valuable safety and marketing tool**.



Competition: single-use plastic tests (15 min testing time).

Eco-friendly

Spikey stands out as the most sustainable option in drink safety by prioritizing **eco-conscious materials**. Unlike **traditional drug tests (see left image)** which are bulky and made of plastic, Spikey uses **90% paper refill strips**, helping reduce plastic waste. Our refillable keychain is made of long-lasting PLA filament, allowing users to replace only the strips rather than discarding an entire device. With paper-based refills and customizable keychains, Spikey is both practical and sustainable. By keeping environmental impacts of mass production, Spikey differentiates itself from competitors and aligns with its main demographic of young consumers, who tend to be more **eco-conscious**.



V. Solutions

Protecting Against Drink Spiking:

Spikey provides an easy and discreet way to test drinks for dangerous date-rape drugs, which can cause severe effects such as **memory loss, brain damage, incapacitation, and in extreme doses- even death**. In high-risk social environments, Spikey empowers individuals to detect potential threats quickly, helping to prevent drink spiking and its devastating consequences before it's too late. This small yet effective tool ensures that users can protect their safety and enjoy social settings with peace of mind.



Raising Awareness and Reporting of Incidents:

Over 70% of drink spiking cases go **unreported**, often because victims—particularly underage drinkers—are afraid of judgment, legal repercussions, or not being believed. Spikey resolves this issue by making resources more accessible and visible, helping to raise awareness about the risks of drink spiking through speaking events. By using Spikey, individuals take a **proactive step in preventing drink spiking** incidents before they happen. Spikey's brand also encourages open conversations about drink safety and empowers people to share their experiences without fear of stigma. For college students, where incidents are most prevalent, it provides a tool that makes it easier for individuals to **detect potential threats**, reducing the number of unreported cases and helping to create a safer environment on campus.



Prioritizing Personal Safety in Social Settings:

Spikey keychains are a discreet solution to the negative stigma around using safety tools in public social settings. With its **trendy and customizable** keychain design, Spikey conceals the testing process, allowing users to prioritize their safety without speculation. In environments like parties and clubs, Spikey **normalizes personal safety precaution** with a stylish method of safety, encouraging people to take control of their well-being while still enjoying their social experiences.



VI. Channels

Supply Acquisition

Spikey is partnered with **NeutraPharma**, a leading pharmaceutical company in the UK, which develops the test strips used in our keychains and ships them directly from their **UK laboratories to our base in Tennessee** through expedited DHL shipping. Once the test strips arrive, they are carefully placed into keychains that are manufactured locally by **Protolabs Network, a 3D printing company** in Nashville. This local production ensures that Spikey maintains **strict quality control** over the **design and functionality** of Spikey products.

Distribution

Direct-To-Consumer: Website and Events

Spikey keychains and refills are showcased on Spikey's Shopify **online storefront**, accessible at SpikeyFirst.com. Customers looking for personalized keychains can customize their order by entering preferred text, logo, or color options before completing checkout. Once an order is placed, products are shipped **directly to the customer's doorstep** within 1-2 weeks via USPS, with discounted rates enabled by Shopify's subscription plan. Additionally, pop-up shops at university campuses serve as impactful awareness campaigns that allow Spikey to connect with customers directly, explain the problem of drink spiking, and demonstrate how Spikey combats it. Expanding to **university bookshops and Amazon** will also cater to college-aged individuals and their parents.

Indirect: Wholesale/Brand Ambassadors

Spikey keychains and refills are distributed indirectly through partnerships with Greek life organizations and nonprofits such as **Greeks Against Sexual Assault, College Moxie, and Alpha Omicron Pi**. These organizations purchase products in bulk, often with custom branding options featuring their logos or messaging. Spikey provides these bulk orders at a 40% retail markdown, with increased discounts based on order quantity. In return, members of these organizations become brand ambassadors, helping expand Spikey's reach through social media promotions, word-of-mouth promotion, and **heightened visibility** in their university/nonprofit communities.

Customer Acquisition

Online



Search Engine Optimization
Google Ads
Social Media

Word-of-mouth



Pop-up shops
Brand Ambassadors

Search Engine Optimization:

Leveraging SEO is crucial in driving online traffic and acquiring customers, and it is most commonly used to improve search results for keywords. To ensure Spikey's website ranks well for relevant searches, we will optimize its videos and news features **on channels such as FOX 17, WSMV 4, and AP News**, and keywords such as **"drink spiking," "drug detection," and "sexual assault"**. Spikey incorporates these keywords via hashtags in our blog posts, news articles, and product descriptions, helping us appear in organic searches by users seeking solutions or information. Additionally, we regularly update our website and Instagram @spikeyfirst with new content and add backlinks that increase SEO exposure to maintain active engagement.

Google Advertising:

Spikey will leverage digital advertising through **Google Display Ads**, which appear as banner-sized pop-ups on websites and mobile apps. These ads allow for precise targeting based on demographics, interests, and geographic location. Spikey's campaign will focus on reaching **college-aged individuals and their parents (ages 45-60)** by placing ads on websites and apps they use frequently, such as safety forums, college resource sites, and lifestyle blogs. Initially, the campaign will target university campuses and urban areas where the risk of drink spiking is higher. As Spikey grows, its advertising reach will expand to other **major cities and college communities** nationwide, ensuring greater visibility and impact.

Social Media Presence:

Building on the success of Spikey's Instagram @spikeyfirst, which has **300+ followers and around 30,000 monthly engagements**, Spikey will also establish a Facebook profile to connect with parents through informative posts, product updates, and resources about preventing drink spiking. While uncertainties around TikTok's future persist, Spikey will still create engaging, Gen Z-focused content on the platform and potentially open a TikTok shop, including educational and relatable videos about drink spiking prevention and product usage. We'll also commission **influencer brand ambassadors** to share tutorials, testimonials, and behind-the-scenes content, helping us reach a wider audience and build trust across many markets.

Pop-up Shops and Events:

Spikey’s in-person pop-up shops and speaking events are integral to our marketing strategy, combining direct product sales with impactful awareness campaigns about drink spiking and personal safety. These events, often held in partnership with nonprofits and Greek communities, create personal connections with our audience and spark meaningful conversations about drink spiking and personal safety. Spikey has already had many successful collaborations with organizations like **College Moxie and Greeks Against Sexual Assault**, with **each speaker event attracting over 100 members**. By interacting directly with our target audience, we build trust in the Spikey brand while educating people about social safety. These events not only generate in person sales but also word-of-mouth promotion through members’ communities and friend groups. This helps position Spikey as both a product and a movement towards democratized safety.

Brand Ambassadors:

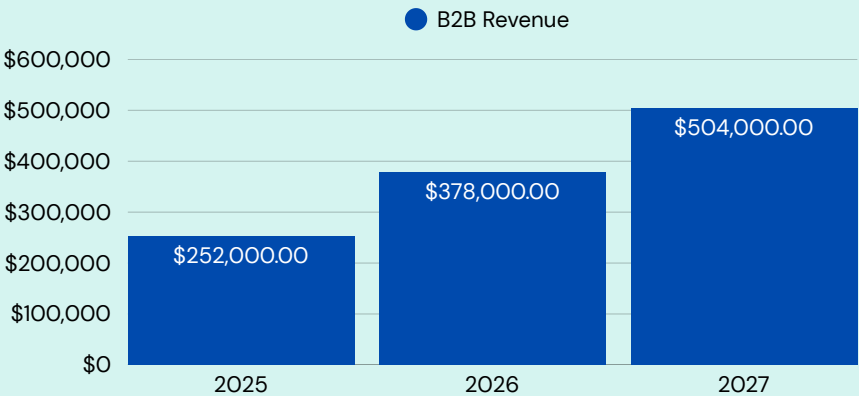
Spikey’s brand ambassador program leverages the power of peer influence to promote our mission and products. Ambassadors earn a **20% commission on every sale** made through their **custom discount codes**, such as “DECA25,” and are encouraged to create social media posts and reels to create excitement among their followers. With a growing number of **active brand ambassadors, 90% of whom are members of university/alumni Greek life**, this channel taps into highly engaged networks. Sorority communities are especially effective at spreading messages through word-of-mouth, as ambassadors share their experiences with Spikey during chapter meetings, events, and on social media. The program not only drives direct sales but also increases brand credibility and visibility—especially within the Greek communities—as ambassadors serve as trusted voices for their peers and sororities.

VII. Revenue Streams

Revenue streams represent the diverse sources through which a business generates income from selling products or services. Spikey offers two keychain configurations available in **3 different order quantities** (singular, duo, and a bundle of four): **Basic Spikey (\$15)**, and **Custom Spikey (\$17)**, each equipped with **three drink-spiking test strips**. Additionally, customers can purchase a **refill pack of three strips (\$7)**. Spikey’s revenue comes from both indirect sales, through bulk purchases by nonprofits and Greek life organizations, and direct sales, via our website (**SpikeyFirst.com**). As Spikey continues to grow and secure additional funding for **laboratory testing**, we aim to upgrade our test strips to be capable of **detecting a wider range of date rape drugs**, such as Rohypnol.

Indirect Sales – Wholesale

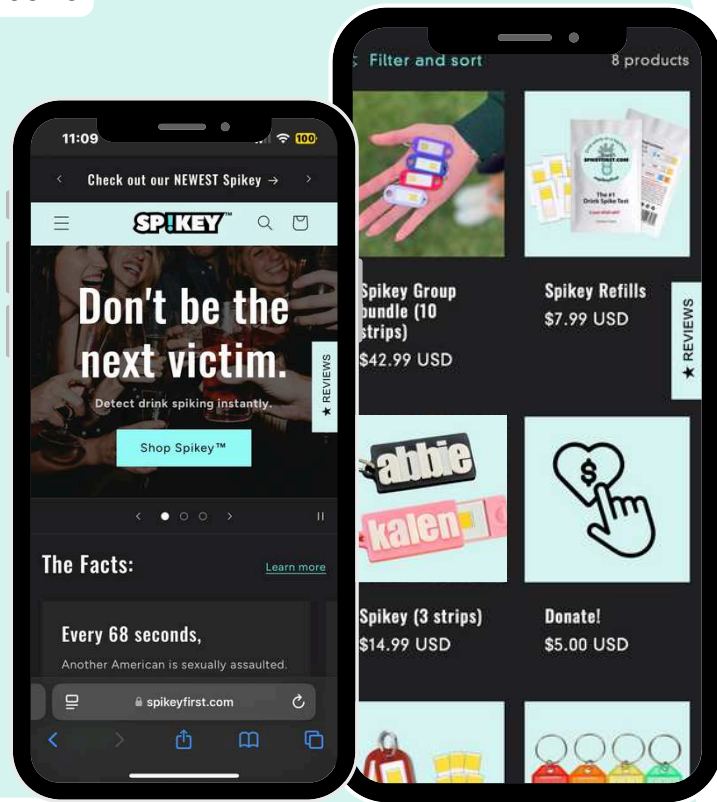
Spikey’s indirect sales through **B2B wholesale with Greek life communities, organizations, and university safety departments** offer a promising avenue for revenue growth. Spikey will initially focus on smaller-scale partnerships with individual **Greek chapters and campus safety departments** to build proof of concept and establish trust. As we gain traction, we plan to expand our reach into **bars and nightclubs**, offering Spikey keychains and test strips in bulk to these venues while educating the staff on how to properly administer the tests. Over the first three years, our revenue from business to business sales will go from around **\$252,000** to about **\$504,000** in the third year by securing partnerships with national Greek communities, organizations, and nightlife franchises.



Direct Sales – Website

Spikey's direct sales come from our Shopify e-commerce website (SpikeyFirst.com) which features products, resources, and press coverage. Our website allows consumers to easily learn about drink spiking and our mission, order Spikey products to be shipped to their doorsteps. To encourage repeat purchases, Shopify sends automated post-purchase emails offering discounts on additional Spikey products. Spikey will also set up a **referral program**, encouraging customers to share the website with others and offering both parties a 10% discount.

Spikey is **projected to capture 0.018%** of our **total attainable market** in the first year, selling approximately **40,000 units** and generating **\$482,400** in direct sales. In line with our commitment to social responsibility, **~1% of our net profit** will go toward providing free Spikeys to our nonprofit partner, [Stamp Out Spiking](https://StampOutSpiking.org), with a donation of \$1,700 in year one.



Refill Replacement



Spikey's refill replacements offer an ongoing opportunity to retain customers after an initial purchase of one keychain. Customers can purchase a refill pack of **3 strips for \$8** online, ensuring they can continue to protect themselves after using up the three strips included with each keychain order. Spikey also offers a subscription plan for frequent party-goers where customers receive **6+ strips/month for \$10**. With a marginal cost at approximately \$4.50 for 3 strips and a selling price of \$8, Spikey retains a **profit margin of about 43% for refill packs**. For the subscription plan, each customer generates \$120 annually, providing a reliable, recurring revenue source.

Lifetime Values (LTVs)

Spikey's customer base includes single-purchase consumers, annual subscription customers, and B2B wholesale clients. Wholesale clients, often **sororities or universities**, usually order branded keychains in bulk. A typical university has 7-10 sororities, an average of 1,000 sorority members, and about 13-16 social mixers a month, increasing the **lifetime value** for these segments.

B2B Wholesale



1,000 **Custom** Spikeys
(40% markdown):
\$9,000

\$9,000/sorority or organization chapter

Single purchase customer



Custom Spikey: \$17
Refill Pack (3): \$7

$\$17 + \$7 = \$24/\text{lifetime}$

Subscription customer



Custom Spikey: Free
3 Refill Packs/month:
6 strips (\$10)

$\$10 \times 12 = \$120/\text{year}$

10

VIII. Cost Structure

Production Costs

The estimated cost of goods for one Spikey, including a keychain, three refill strips, and packaging, is **\$5**. This estimate is based on quotes from **Protolabs Network** for the keychain made of **PLA filament** and **NeutraPharma** for the test strip costs. The customizable keychain includes a key ring, holder, slide-out tray, and three litmus strips on a paper backing. Each unit is packaged with Spikey branded stickers, instructions via QR code, and a logo. Spikey has an agreement with its 3D printing company and NeutraPharma for a **5% annual reduction in production costs**, provided order sizes increase yearly. This conservative estimate assumes costs will decrease further with higher order volumes, reducing Spikey's marginal costs to **\$4.80 in year two** and **\$4.60 in year three**.

Key ring	\$0.04
Keychain	\$1.00
Test Strips (3)	\$3.00
Packaging	\$0.96
Total	\$5.00



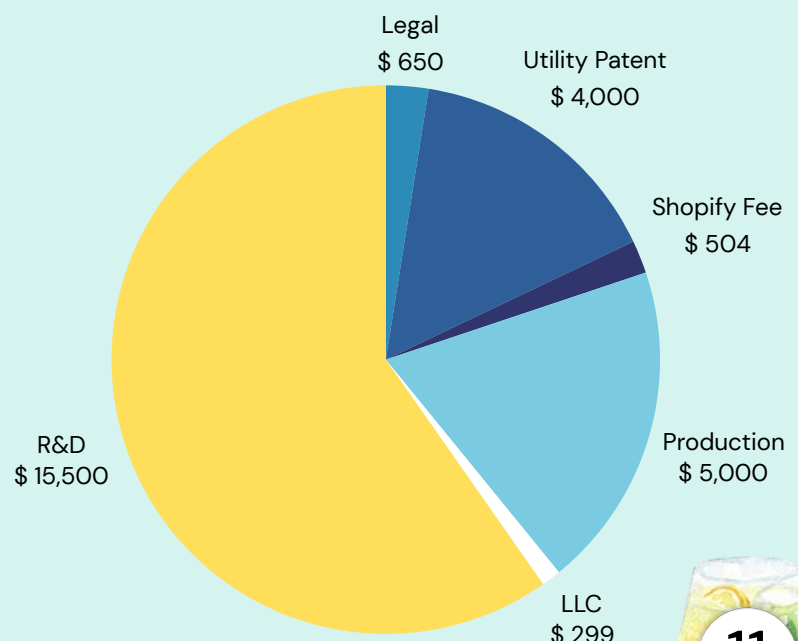
Distribution Costs

Spikey keychains will be produced locally by Protolabs Network, a Nashville-based 3D printing company. This arrangement offers scalability due to its proximity and customizability. In year four, we plan to optimize our product and transition to manufacturing with custom molds through **Market Union Co. LTD**. Our drink detection strips, sourced from our **UK partner, NeutraPharma**, are shipped to Tennessee at **no cost** via expedited DHL delivery. From our Tennessee facility, products are distributed using Shopify's discounted USPS shipping rates, providing a 30% savings on domestic delivery costs. **Customers also pay for product distribution**, enabling cost effective order fulfillment as we expand.

Start-Up Costs

Spikey's start-up costs will primarily focus on product development, initial production, legal fees, and marketing. Abigail, a co-founder, will **personally invest \$25,953**, covering LLC, trademark, provisional patent applications, and enough inventory for four months of beta testing. Key expenses include market research, test strips, keychain configurations, lab testing for product safety and packaging design. To protect its unique design, we are pursuing additional intellectual property protections and secure a non-provisional patent with a patent attorney. Other costs include the web domain, securing a business license, and our annual Shopify subscription fee.

Total projected start-up costs: \$25,953



Customer Acquisition Cost

Search Engine Optimization

For SEO, we optimize content to rank highly for search terms related to drink spiking and safety, ensuring that college students and their parents can easily find our website when searching up related keywords.

Activity	Dev. Costs	Monthly Cost	Yearly Cost	3-Year Cost
Website	\$0.00	\$42.00	\$504.00	\$1,512.00
SEO	\$0.00	\$2,175.76	\$26,109.11	\$78,327.32
Total	\$0.00	\$2,217.76	\$26,613.11	\$79,839.32



Google Display Ads are targeted to capture the attention of consumers browsing related content, creating brand awareness and immediate interest. These ads will target forums on college essentials and adult gift ideas.

Activity	CPC	# Ads/Month	Monthly Cost	Yearly Cost	3-Year Cost
Display Ads	\$0.54	3080.22	\$1,663.32	\$19,959.81	\$59,879.42
Total	-	-	\$1,663.32	\$19,959.81	\$59,879.42



Year	2025				2026				2027				
Start Month	January	April	July	October	January	April	July	October	January	April	July	October	Total
Impressions (1000s)	655.39	793.37	931.34	1,069.32	901.74	1,091.58	1,281.42	1,471.27	1,603.17	1,940.68	2,278.19	2,615.70	16,633.17
Advertising Cost	\$1,966.17	\$2,380.10	\$2,794.02	\$3,207.95	\$2,705.23	\$3,274.75	\$3,844.27	\$4,413.80	\$4,809.51	\$5,822.04	\$6,834.57	\$7,847.10	\$49,899.52

TikTok ads leverage short-form, viral content that speaks directly to the interests and lifestyle of college students. This platform fosters a sense of community and urgency, which can drive Gen Z consumers to act, while parents are drawn to the authenticity of TikTok's peer-driven content.



Year	2025				2026				2027				
Start Month	January	April	July	October	January	April	July	October	January	April	July	October	Total
Impressions (1000s)	214.65	259.84	305.02	350.21	295.33	357.51	419.68	481.86	525.06	635.59	746.13	856.67	5,447.55
Advertising Cost	\$1,966.17	\$2,380.10	\$2,794.02	\$3,207.95	\$2,705.23	\$3,274.75	\$3,844.27	\$4,413.80	\$4,809.51	\$5,822.04	\$6,834.57	\$7,847.10	\$49,899.52

On Instagram, we use visual storytelling to connect with college students through engaging, relatable content. Instagram's high engagement and its role in shaping trends resonate with students, while parents appreciate the transparency and social responsibility reflected in our campaigns.



Year	2025				2026				2027				
Start Month	January	April	July	October	January	April	July	October	January	April	July	October	Total
Impressions (1000s)	114.40	138.48	162.56	186.64	157.40	190.53	223.67	256.80	279.83	338.74	397.65	456.56	2,903.25
Advertising Cost	\$1,572.93	\$1,904.08	\$2,235.22	\$2,566.36	\$2,164.18	\$2,619.80	\$3,075.42	\$3,531.04	\$3,847.61	\$4,657.64	\$5,467.66	\$6,277.68	\$39,919.62

Facebook Ads use demographic data to reach both students and their parents. Parents, who make up most of Facebook's demographic, are likely to respond to educational content that emphasizes safety and responsibility.

Pop-up events

Month	February	March	April	May	September	October	November	Total
Year 1	\$1,748.44	\$1,996.80	\$1,564.65	\$2,667.36	\$2,337.87	\$2,904.13	\$3,337.93	\$16,557.18
Year 2	\$2,405.66	\$2,747.37	\$2,152.79	\$3,670.00	\$3,216.66	\$3,995.76	\$4,592.62	\$22,780.87
Year 3	\$4,276.92	\$4,884.44	\$3,827.36	\$6,524.74	\$5,718.77	\$7,103.91	\$8,165.04	\$40,501.18

Pop-up shops are positioned near university campuses, where students can easily engage with the brand in person. Costs for pop-ups also include guest speakers and Greek life events, vendor permits, and materials.

Brand Ambassadors

Month	February	March	April	May	September	October	November	Total
Year 1	\$874.22	\$998.40	\$782.33	\$1,333.68	\$1,168.94	\$1,452.06	\$1,668.96	\$8,278.59
Year 2	\$1,202.83	\$1,373.69	\$1,076.40	\$1,835.00	\$1,608.33	\$1,997.88	\$2,296.31	\$11,390.44
Year 3	\$2,138.46	\$2,442.22	\$1,913.68	\$3,262.37	\$2,859.38	\$3,551.95	\$4,082.52	\$20,250.59

Brand ambassadors foster trust and word-of-mouth marketing. These ambassadors appeal directly to consumers who value peer recommendations.



Human Resource Cost

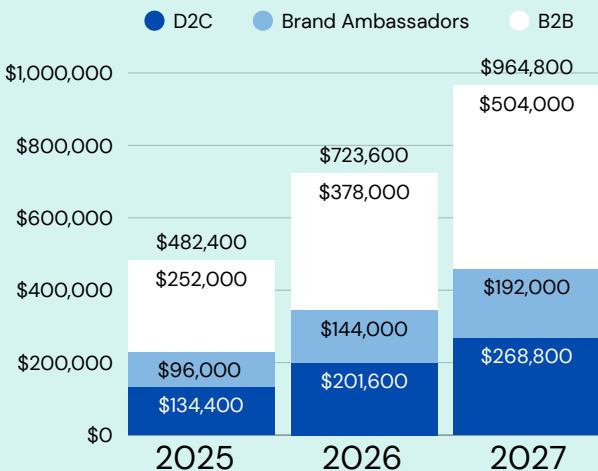
The Technical and Web Development Manager (Abigail), Finance and Operations Manager (Meghana), and Sales and Customer Relations Manager (Lilly) have agreed to **defer their salaries for the first three years** toward critical functions during the company's launch and early operations. Additionally, a full-time **Production Manager** will be hired to build and maintain Spikey's order fulfillment efficiency and product quality. The production manager will earn **\$50,000** in the first year, **\$70,000** in the second year, and **\$100,000** in the third year based on company performance.

IX. Detailed Financials (A)

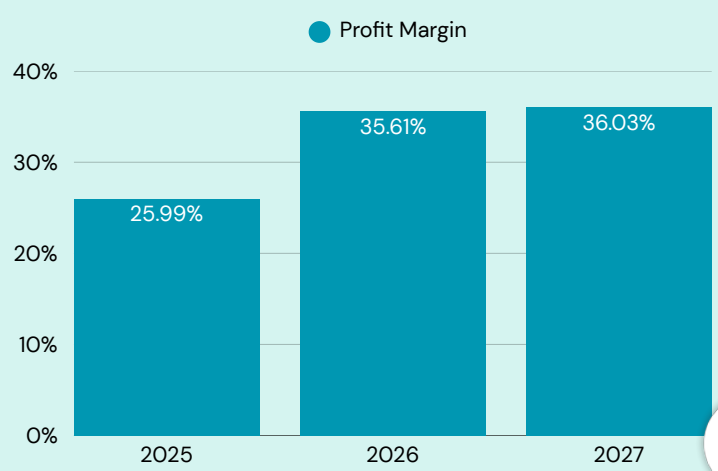
Year 1 Income Statement Overview

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue													\$ 482,400.00
1% Subscription Rev at \$120/yr	\$ -	\$ 3,604.80	\$3,086.40	\$ 3,969.60	\$ 3,643.20	\$ 3,667.20	\$ 4,022.40	\$ 4,598.40	\$ 5,121.60	\$ 5,457.60	\$ 4,742.40	\$ 6,086.40	\$ 48,000.00
9% D2C at \$24/order	\$ -	\$ 6,488.64	\$5,555.52	\$ 7,145.28	\$ 6,557.76	\$ 6,600.96	\$ 7,240.32	\$ 8,277.12	\$ 9,218.88	\$ 9,823.68	\$ 8,536.32	\$10,955.52	\$ 86,400.00
20% Ambassadors Sale at 20% commission	\$ -	\$ 7,209.60	\$ 6,172.80	\$ 7,939.20	\$ 7,286.40	\$ 7,334.40	\$ 8,044.80	\$ 9,196.80	\$10,243.20	\$10,915.20	\$ 9,484.80	\$12,172.80	\$ 96,000.00
70% Wholesale to Organizations at 40% off	\$ -	\$18,925.20	\$16,203.60	\$20,840.40	\$19,126.80	\$19,252.80	\$21,117.60	\$24,141.60	\$26,888.40	\$28,652.40	\$24,897.60	\$31,953.60	\$ 252,000.00
Total Revenue	\$ -	\$ 36,228.24	\$31,018.32	\$ 39,894.48	\$ 36,614.16	\$ 36,855.36	\$ 40,425.12	\$ 46,213.92	\$ 51,472.08	\$ 54,848.88	\$ 47,661.12	\$ 61,168.32	\$ 482,400.00
Cost of Goods Sold (p. 1)													
Keychains/Test Strips	\$ -	\$ 4,250.61	\$ 5,932.17	\$ 7,458.03	\$ 8,195.94	\$ 8,974.66	\$12,004.66	\$13,959.28	\$12,388.17	\$13,758.33	\$20,105.88	\$20,526.27	\$ 130,279.07
Packaging	\$ -	\$ 1,821.69	\$2,542.36	\$ 3,196.30	\$ 3,512.55	\$ 3,846.28	\$ 5,144.85	\$ 5,982.55	\$ 5,309.22	\$ 5,896.43	\$ 8,616.81	\$ 8,796.97	\$ 55,833.89
Custom Design	\$ -	\$ -	\$ 15.00	\$ 30.00	\$ 60.00	\$ -	\$ -	\$ -	\$ 15.00	\$ 60.00	\$ 60.00	\$ -	\$ 240.00
Total COGS	\$ -	\$ 6,072.30	\$ 8,474.53	\$10,654.33	\$11,708.49	\$12,820.94	\$17,149.51	\$19,941.83	\$17,697.39	\$19,654.76	\$28,722.69	\$29,323.24	\$ 186,352.95
Customer Acquisition Costs													
Search Engine Optimization	\$ -	\$ 581.07	\$ 951.23	\$1,251.23	\$ 2,459.82	\$ 2,459.82	\$ 2,459.82	\$ 1,641.23	\$ 951.23	\$ 951.23	\$1,251.23	\$1,108.02	\$ 16,557.18
Google Display Ads	\$620.89	\$620.89	\$1,241.79	\$1,241.79	\$1,241.79	\$620.89	\$620.89	\$1,862.68	\$620.89	\$620.89	\$1,241.79	\$1,862.68	\$ 12,417.89
Instagram Promos	\$ 413.93	\$ 517.41	\$1,034.82	\$1,034.82	\$1,034.82	\$ 517.41	\$ 517.41	\$1,241.79	\$1,241.79	\$ 517.41	\$1,241.79	\$1,034.82	\$ 10,348.24
Tik-Tok Ads	\$ 413.93	\$ 517.41	\$1,034.82	\$1,034.82	\$1,034.82	\$ 517.41	\$ 517.41	\$1,241.79	\$1,241.79	\$ 517.41	\$1,241.79	\$1,034.82	\$ 10,348.24
Facebook Ads	\$ 413.93	\$ 413.93	\$ 413.93	\$ 413.93	\$ 827.86	\$ 827.86	\$ 827.86	\$ 413.93	\$ 413.93	\$ 413.93	\$1,241.79	\$1,241.79	\$ 8,278.59
Pop-up Events	\$ -	\$ 1,776.28	\$1,875.00	\$1,875.00	\$1,875.00	\$ -	\$ -	\$1,875.00	\$1,655.72	\$1,875.00	\$1,875.00	\$1,875.00	\$ 16,557.18
Brand Ambassadors	\$ -	\$ 525.00	\$ 704.00	\$ 731.00	\$ 759.00	\$ 530.29	\$ 430.29	\$ 920.00	\$1,247.57	\$ 771.44	\$ 810.00	\$ 850.00	\$ 8,278.59
Total CAC	\$1,862.68	\$ 4,952.00	\$ 7,255.60	\$ 7,582.60	\$ 9,233.12	\$ 5,473.69	\$ 5,373.69	\$ 9,610.35	\$ 7,372.92	\$ 5,667.32	\$ 8,903.38	\$ 9,007.14	\$ 82,785.90
Operating Costs													
Human Resources Payroll													
Fulfillment Supervisor Salary	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 50,000.04
Payroll Taxes and Benefits	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$338.00	\$ 4,056.00
Online Sales Commission (3.1% for non-org sales)	\$ 224.32	\$ 224.32	\$ 448.63	\$ 448.63	\$ 448.63	\$ 224.32	\$ 224.32	\$ 672.95	\$ 224.32	\$ 224.32	\$ 448.63	\$ 672.95	\$ 4,486.32
Insurance													
General Liability Insurance	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 504.00
Product Liability Insurance	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 99.00	\$ 1,188.00
Total Operating Costs	\$ 4,869.95	\$ 4,869.99	\$ 5,094.30	\$ 5,094.30	\$ 5,094.30	\$ 4,869.99	\$ 4,869.99	\$ 5,318.62	\$ 4,869.99	\$ 4,869.99	\$ 5,094.30	\$ 5,318.62	\$ 60,234.36
Start-Up Costs													
Research and Development	\$14,500.00	\$ 750.00	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,500.00
LLC Registration	\$299.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299.00
Legal Consultation	\$ 400.00	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650.00
Utility Patent Acquisition	\$ 4,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00
Online Store Subscription Fees	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 504.00
Production Equipment	\$1,000.00	\$ 3,000.00	\$1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00
Total Start-Up Costs	\$ 20,241.00	\$ 4,042.00	\$1,292.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 25,953.00
Non-profit Donation	\$ -	\$ -	\$ -	\$ 300.00	\$ 450.00	\$ 450.00	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ 1,700.00
Total Expenses	\$ 26,973.64	\$ 19,936.28	\$ 22,116.43	\$ 23,673.23	\$ 26,527.90	\$ 23,656.62	\$ 27,435.19	\$ 34,912.80	\$ 30,482.29	\$ 30,234.06	\$ 42,762.37	\$ 43,691.00	\$ 357,026.21
Profit	\$ (26,973.64)	\$ 16,291.96	\$ 8,901.89	\$ 16,221.25	\$ 10,086.26	\$ 13,198.74	\$ 12,989.93	\$ 11,301.12	\$ 20,989.79	\$ 24,614.82	\$ 4,898.75	\$ 17,477.32	\$ 125,373.79

Revenue Projections



Profit Margin Growth



Written Overview

In its first year, Spikey expects to make \$482,400 in revenue, with \$357,026 in expenses, leaving a net profit of \$125,374—a **healthy 26% profit margin**. Spikey is projected to reach significant growth, aiming for **\$723,600 in revenue in year two and \$964,800 in year three**. To reach these goals, Spikey will focus on expanding into high-risk social settings such as college campuses, bars, and nightclubs through its growing partnerships. Spikey is also working on new products, including more keychain designs and advanced detection strips, to better serve both individuals and larger organizations. To support this growth, Spikey will lower production costs through exclusive supplier agreements and secure patents to protect its technology. These steps will help Spikey continue expanding while staying ahead of potential competitors, positioning it as a leader in personal safety.

Accounting Notes

Note 1: Payroll consists solely of the Production Manager, as the cofounders will not take salaries initially.

Note 2: No sales for the first month due to research and development.

Note 3: Custom orders to organizations will require a minimum order of 100 units.

Note 4: Production costs are subject to a 5% discount annually starting in the second year.

Note 5: Start-up costs will be covered through monthly payments by cofounder Abigail G.

Note 6: Spikey has no distribution costs, as customers pay for shipping their orders.

Note 7: Spikey will donate around 1% of its revenue to Stamp Out Spiking, a nonprofit partner.

Spikey will use Shopify's built in accounting tools to keep track of finances in real time, since Shopify also hosts Spikey's domain.



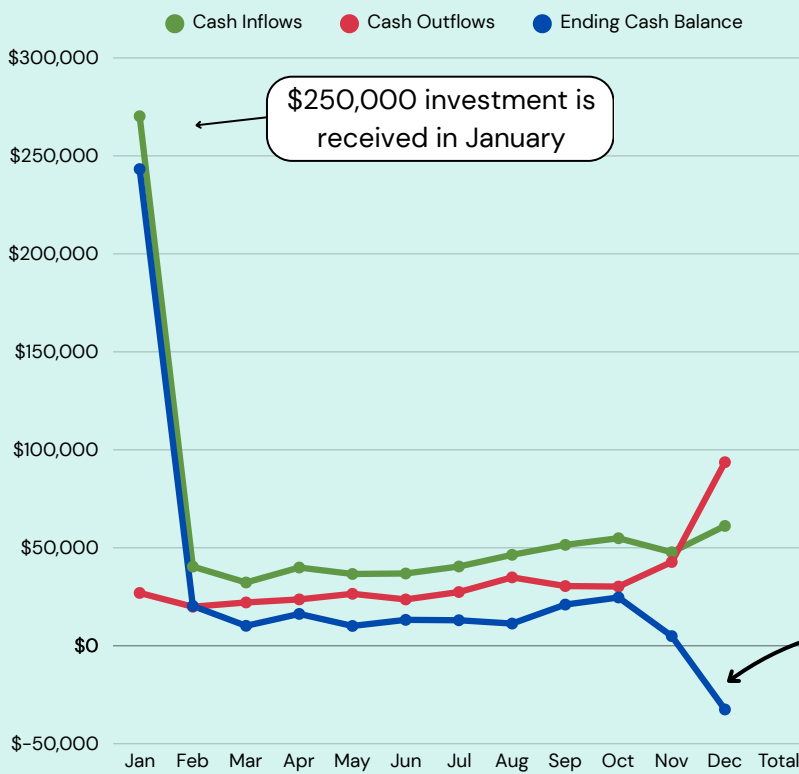
IX. Detailed Financials (A) Cont.

Year 1 Cash Flow Statement Overview

2025 Forecasted Statement of Cash Flows													
Beginning Cash Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash Inflows													
Owner Funds	\$ 20,241.00	\$ 4,042.00	\$ 1,292.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 25,953.00
Investment	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Sales Revenue	\$ -	\$ 36,228.24	\$ 31,018.32	\$ 39,894.48	\$ 36,614.16	\$ 36,855.36	\$ 40,425.12	\$ 46,213.92	\$ 51,472.08	\$ 54,848.88	\$ 47,661.12	\$ 61,168.32	\$ 482,400.00
Total Cash Inflows	\$ 270,241.00	\$ 40,270.24	\$ 32,310.32	\$ 39,936.48	\$ 36,656.16	\$ 36,897.36	\$ 40,467.12	\$ 46,255.92	\$ 51,514.08	\$ 54,890.88	\$ 47,703.12	\$ 61,210.32	\$ 758,353.00
Cash Outflows													
Production	\$ -	\$ 13,995.11	\$ 11,982.49	\$ 15,411.39	\$ 14,144.19	\$ 14,237.37	\$ 15,616.38	\$ 17,852.61	\$ 19,883.86	\$ 21,188.33	\$ 18,411.67	\$ 23,629.55	\$ 186,352.95
Marketing & Advertising	\$ 2,099.45	\$ 6,298.35	\$ 6,217.22	\$ 5,323.13	\$ 6,846.39	\$ 6,283.45	\$ 6,324.84	\$ 6,937.46	\$ 7,930.89	\$ 8,833.26	\$ 9,412.76	\$ 10,278.70	\$ 82,785.90
Operating Costs	\$ 4,869.99	\$ 4,869.99	\$ 5,094.30	\$ 5,094.30	\$ 5,094.30	\$ 4,869.99	\$ 4,869.99	\$ 5,318.62	\$ 4,869.99	\$ 4,869.99	\$ 5,094.30	\$ 5,318.62	\$ 60,234.36
Start-up Costs	\$ 20,241.00	\$ 4,042.00	\$ 1,292.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 25,953.00
Nonprofit Donation	\$ -	\$ -	\$ -	\$ 300.00	\$ 450.00	\$ 450.00	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ 1,700.00
Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
Total Cash Outflows	\$ 27,210.44	\$ 29,205.44	\$ 24,586.02	\$ 26,170.82	\$ 26,576.88	\$ 25,882.80	\$ 26,853.21	\$ 30,150.69	\$ 33,226.73	\$ 34,933.57	\$ 32,960.73	\$ 89,268.87	\$ 407,026.21
Ending Cash Balance	\$ 243,030.56	\$ 11,064.80	\$ 7,724.30	\$ 13,765.66	\$ 10,079.28	\$ 11,014.56	\$ 13,613.91	\$ 16,105.23	\$ 18,287.35	\$ 19,957.31	\$ 14,742.39	\$ (28,058.55)	\$ 351,326.79

Years 1-3 Cash Flow Statement

Spikey starts with a beginning cash balance of \$275,953, consisting of a \$25,935 personal investment from Abigail and a \$250,000 external investment, which provides a **strong financial foundation** to support the business's launch and initial operations. Over the next three years, Spikey anticipates total cash inflows of \$3,331,602, driven primarily by projected sales revenue of \$2,170,800. Spikey anticipates total cash outflows of approximately \$1,717,058, with major expenses focused on production (\$693,823) and marketing (\$399,196) to drive customer acquisition and scalability. **Stakeholder distributions will increase gradually** alongside revenue growth, starting at \$50,000 in Year 1, rising to \$100,000 in Year 2, and reaching \$150,000 in Year 3. By the end of Year 3, Spikey is projected to achieve a cumulative ending cash balance of \$738,577 which will enable Spikey to invest in scaling production, expanding its product line, and strengthening its market position.



Year 1 Cash Flow Balance

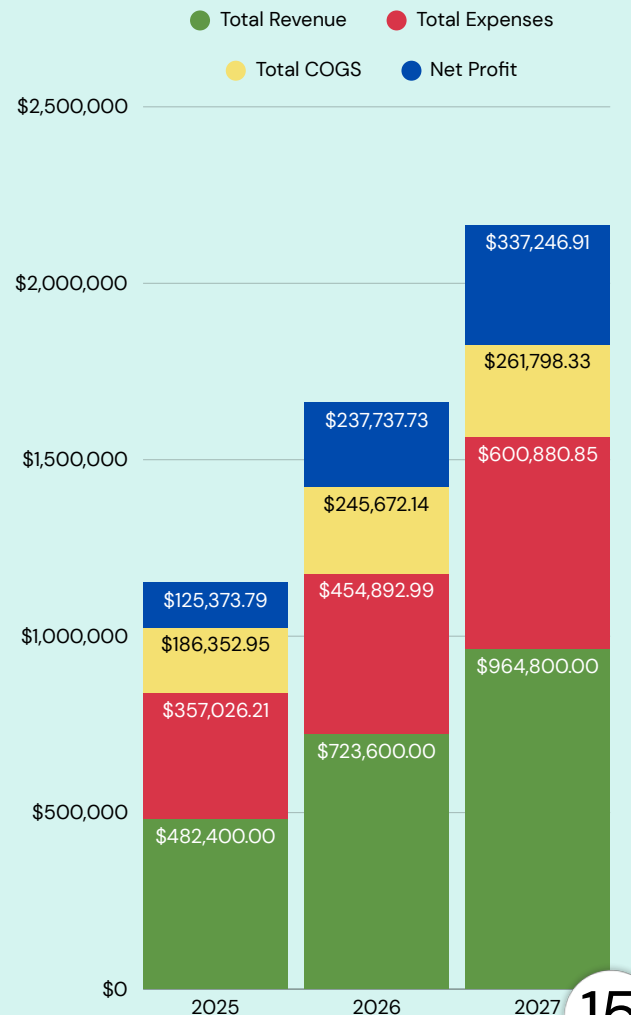
Spikey will maintain a positive cash balance throughout the 1st year, with inflows consistently exceeding outflows and allows the year end stakeholder distribution of \$50,000, still leaving an ending balance of \$355,951 for the business growth.

The drop in December reflects a **\$50,000 discretionary distribution** to the stakeholders, not a negative cash flow from operations.

IX. Detailed Financials (A) Cont.

Years 1-3 Financial Projection Overview

Category	Year 1	Year 2	Year 3
Customer Base	40,000	60,000	80,000
Revenue			
1% Subscription Rev at \$120/yr	\$ 48,000.00	\$ 72,000.00	\$ 96,000.00
9% D2C at \$24/order	\$ 86,400.00	\$ 129,600.00	\$ 172,800.00
20% Ambassadors Sale at 20% commission (\$15)	\$ 96,000.00	\$ 144,000.00	\$ 192,000.00
70% Wholesale to Organizations at 40% off	\$ 252,000.00	\$ 378,000.00	\$ 504,000.00
Total Revenue (\$)	\$ 482,400.00	\$ 723,600.00	\$ 964,800.00
Cost of Goods Sold			
Production (\$, 30%-18%)	\$ 144,720.00	\$ 202,608.00	\$ 212,256.00
Product Development (\$, decrease by year)	\$ 41,392.95	\$ 42,714.14	\$ 49,092.33
Custom Design	\$ 240.00	\$ 350.00	\$ 450.00
Total COGS	\$ 186,352.95	\$ 245,672.14	\$ 261,798.33
Customer Acquisition Costs			
Digital Advertising (\$, 50%)	\$ 41,392.95	\$ 56,952.19	\$ 101,252.94
Google Display Ads	\$ 12,417.89	\$ 17,085.66	\$ 30,375.88
Instagram Promos	\$ 10,348.24	\$ 14,238.05	\$ 25,313.23
TikTok Ads	\$ 10,348.24	\$ 14,238.05	\$ 25,313.23
Facebook Ads	\$ 8,278.59	\$ 11,390.44	\$ 20,250.59
Events and Pop-Ups (\$, 20%)	\$ 16,557.18	\$ 22,780.87	\$ 40,501.18
Affiliate Marketing - Brand Ambassador Program (\$, 10%)	\$ 8,278.59	\$ 11,390.44	\$ 20,250.59
Search Engine Optimization(\$, 20%)	\$ 16,557.18	\$ 22,780.87	\$ 40,501.18
Total CAC (Ratio of 2.3-9.5-11.77)	\$ 82,785.90	\$ 113,904.37	\$ 202,505.88
Operating Costs			
Insurance (General & Product Liability)	\$ 1,692.00	\$ 3,443.00	\$ 5,165.00
Payroll and Payroll Taxes/Benefits (for 50K,70K and 100K salary)	\$ 54,056.04	\$ 75,640.00	\$ 107,935.00
Online Transaction Fees	\$ 4,486.32	\$ 7,233.48	\$ 9,476.64
Total Operating Costs	\$ 60,234.36	\$ 86,316.48	\$ 122,576.64
Charity Donation for Outreach (\$,-1%)	\$ 1,700.00	\$ 9,000.00	\$ 14,000.00
Start Up Costs			
Research and Development	\$ 15,500.00	\$ -	\$ -
LLC Registration	\$ 299.00	\$ -	\$ -
Legal Consultation	\$ 650.00	\$ 1,500.00	\$ 1,750.00
Utility Patent Acquisition	\$ 4,000.00	\$ -	\$ -
Shopify Fees	\$ 504.00	\$ 504.00	\$ 504.00
Production	\$ 5,000.00	\$ -	\$ -
Total Startup Costs	\$ 25,953.00	\$ 2,004.00	\$ 2,254.00
Total Expenses (\$)	\$ 357,026.21	\$ 454,892.99	\$ 600,880.85
Net Profit (\$)	\$ 125,373.79	\$ 257,703.01	\$ 347,665.15
Net Profit Margin (%)	25.99%	35.61%	36.03%



Years 1-3 Financial Projection Overview

In Year 1, Spikey projects revenue of \$482,400, focusing on direct-to-consumer sales and brand building, resulting in a net profit of \$125,374. In Year 2, revenue is expected to grow by 50% to \$723,600, driven by increased adoption through strategic partnerships and enhanced marketing efforts, with profits increasing significantly. By Year 3, Spikey anticipates revenue growth of 33%, reaching \$964,800, as market penetration deepens, leading to a projected net profit of \$337,247 and a profit margin of 34.8%. These projections highlight Spikey's efficient resource allocation and sound financial strategies for long-term success.

IX. Detailed Financials (B)

	Year 1	Year 2	Year 3	Total
Beginning Cash Balance	\$ 275,953.00	\$ 351,326.79	\$ 524,658.18	\$ 1,151,937.97
Cash Inflows				
Owner Funds	\$ 25,935.00	\$ 2,004.00	\$ 2,254.00	\$ 30,193.00
Investment	\$ 250,000.00	\$ 355,951.17	\$ 524,658.18	\$ 1,130,609.35
Sales Revenue	\$ 482,400.00	\$ 723,600.00	\$ 964,800.00	\$ 2,170,800.00
Total Cash Inflows	\$ 758,353.00	\$ 1,081,555.17	\$ 1,491,712.18	\$ 3,331,602.35
Cash Outflows				
Production	\$ 186,352.95	\$ 245,672.14	\$ 261,798.33	\$ 693,823.42
Marketing & Advertising	\$ 82,785.90	\$ 113,904.37	\$ 202,505.88	\$ 399,196.15
Operating Costs	\$ 60,234.36	\$ 86,316.48	\$ 122,576.64	\$ 269,127.48
Start-up Costs	\$ 25,953.00	\$ 2,004.00	\$ 2,254.00	\$ 30,211.00
Nonprofit Donation	\$ 1,700.00	\$ 9,000.00	\$ 14,000.00	\$ 24,700.00
Distribution	\$ 50,000.00	\$ 100,000.00	\$ 150,000.00	\$ 300,000.00
Total Cash Outflows	\$ 407,026.21	\$ 556,896.99	\$ 753,134.85	\$ 1,717,058.06
Ending Cash Balance	\$ 351,326.79	\$ 524,658.18	\$ 738,577.32	\$ 1,614,544.29

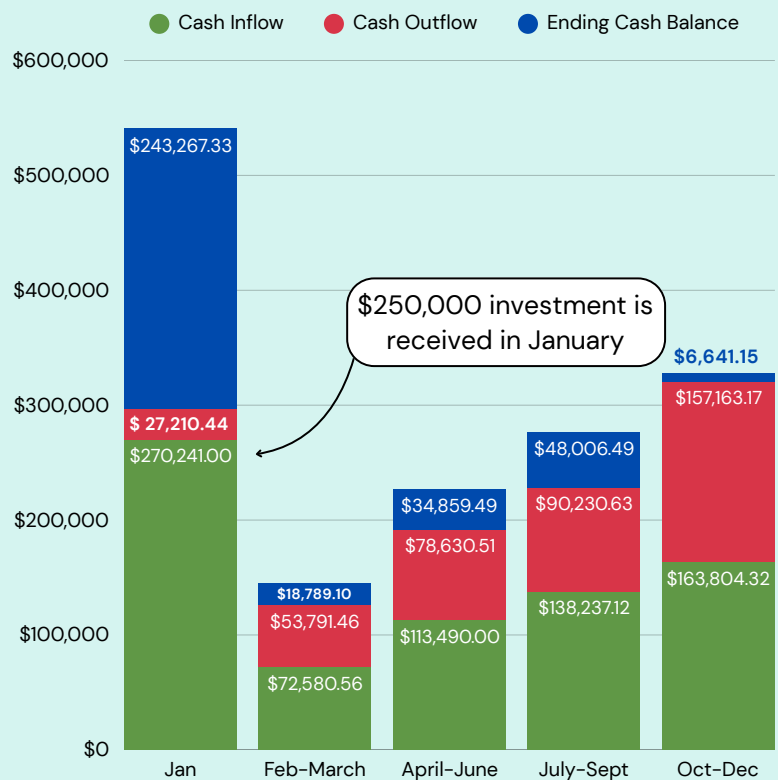
Future Steps & Planned Growth

Spikey's financial projections showcase a robust and promising growth trajectory, with **net profit margins of 26%** in Year 1, projected revenue **growth from \$482,400 to \$964,800** by Year 3, and steadily increasing cash reserves. This growth is driven by Spikey's strategic investments in targeted digital advertising, brand ambassador programs, and partnerships with high-risk social environments such as college campuses and bars. The company's efficient cost management strategy, including deferred salaries and bulk production savings, ensures reinvestment into scaling operations and expanding product lines. As Spikey gains traction, its proven ability to capture a niche market and its strong brand positioning will attract larger retail partnerships, solidifying its market dominance. By Year 3, Spikey plans to further optimize its production efficiency and broaden its market reach internationally, leveraging its innovative technology and intellectual property protection to sustain long-term success.

Gross Revenue vs. Gross Profit



Tri-Monthly Cash Flow Breakdown



Proposed Plan to Meet Capital Needs

Personal & Internal Funds

Abigail Goddard, a co-founder of Spikey, **plans to personally invest \$25,953 over the first year to cover all startup costs** for the business. Abigail has decided to allocate the entire amount in year one to address the significant upfront costs associated with product development, manufacturing, branding, and marketing efforts. She is confident in her investment, as Spikey's innovative product design, strong alignment with social causes, and potential for wide adoption among safety-conscious consumers position the business for sustainable growth. Projections suggest that Spikey can achieve cash-flow positive status before the end of the first year, driven by premium pricing, minimal competition, operational efficiency, a focused marketing strategy, and scalable production processes.

External Funds

Spikey is seeking an investment of **\$250,000 in exchange for 10% equity** in the business. The investment will be directed toward expanding production capacity, enhancing marketing and branding efforts, building strategic partnerships, and growing the team. With startup expenses covered by Abigail's initial contribution, the \$250,000 will be entirely dedicated to driving growth and accelerating Spikey's path to becoming a market leader in personal safety solutions. Spikey is positioned for exponential revenue growth, with a proven product, early traction in key markets, and a strong mission-driven brand. This investment offers an opportunity to support a socially impactful company with significant potential to scale rapidly and deliver long-term returns.

X. Key Metrics

In order to determine effective marketing strategies, key metrics such as customer retention rate, website traffic, average order value, and conversion rate will be analyzed. This will help track the performance of Spikey's outreach efforts, and identify which are most effective. By combining **in-depth customer analysis** with the **practical value** of these metrics, Spikey can gain a clear overview of its marketing channels and their contribution to driving profitability, while also identifying opportunities to optimize and expand its impact.

Customer Retention Rate

Spikey's customer retention strategy is designed to build long-term loyalty and drive repeat purchases, **aiming for a 65% customer retention rate** by the end of Year 3. The partnerships with organizations such as Greek life chapters and nonprofits not only increase brand credibility but also encourage repeat orders, as Spikey becomes an integral part of their safety awareness campaigns. Additionally, the brand ambassador program taps into peer influence, with brand ambassadors contributing an estimated 20% of total sales by Year 3 through referrals and personalized discount codes. Spikey's refill subscription model further supports retention, with recurring purchases projected to account for **60% of returning customers**. Customer satisfaction is prioritized through ongoing educational outreach and superior customer support, with a target **Net Promoter Score (NPS) of 75+** to reflect high levels of customer advocacy.

Website Traffic

Healthy website traffic for a new e-commerce business should **exceed 10,000 monthly visitors**, with steady growth as marketing campaigns gain traction. Spikey's projected traffic will come from targeted efforts, including social media campaigns, partnerships with Greek life organizations, and collaborations with universities and nonprofits. Spikey also plans to leverage QR codes, press coverage, and engaging email campaigns to increase awareness and drive visitors to its website. Early traffic growth will be used as a benchmark to evaluate the effectiveness of Spikey's marketing strategy and identify opportunities for improvement.

Average Order Value

The projected **average order value (AOV)** is **\$24.28**. At \$24.28 per order, which covers a custom keychain, one refill pack, and tax, Spikey will meet its goal of balancing affordability for college students and their families while maintaining a healthy **profit margin (30-40%)**. This pricing ensures that customers receive not only a discreet and innovative safety tool but also the reassurance of **long-term value** through **refillable test strips**. To increase the AOV, Spikey will offer bundled products, subscription discounts, and customizable options that enhance the perceived value of each purchase. By positioning Spikey as both affordable and effective, this AOV aligns with the company's mission to make drink spiking prevention tools **widely accessible**, empowering users to prioritize their safety without compromising on **quality or convenience**. As many Spikey users are college students, **affordability** is an important focus. This positions Spikey as a leader in the personal safety space due to its high profit margin and impactful **sustainability**.

Conversion Rate

Spikey's **projected website conversion rate (CR)** is **approximately 7.2%**, which translates to **7.2% of website visitors converting into paying customers**. This reflects the efficacy of Spikey's marketing strategies and will continue to rise as Spikey conducts more **digital and in-person promotion**. To further improve the conversion rate, Spikey will further enhance product pages with detailed descriptions, testimonials, and instructional videos in order to build trust and increase engagement. Retargeting campaigns on platforms like social media and Google can re-engage visitors who did not purchase during their initial visit. Additionally, highlighting **customer reviews, success stories, and partnerships** (such as with Greek life organizations) provides valuable **social proof** to establish **credibility**. Offering time-sensitive promotions and product bundles can incentivize purchases, while personalized marketing, such as product recommendations, will further boost conversions.

Additional Financial Metrics

Key Metric	Purpose	Formula	Improvement
Return on Investment	Measures the profitability of an investment	$(\text{Net Profit}/\text{Investment Cost}) \times 100$	Increase revenue, enhance efficiency, and prioritize higher-yield investments
Inventory Turnover	Measures how quickly/efficiently a company sells its inventory	$\text{COGS Sold}/\text{Average Inventory}$	Use historical data and market trends to predict sales more accurately
Customer Acquisition Cost	Measures the total cost of acquiring a new customer	Total marketing and sales expenses/# of new customers acquired	Focus on higher-performing channels for better conversion rates
Cost of Goods Sold	The cost to produce one Spikey (keychain and 3 strips)	$\text{Total Direct Costs}/\text{Total Units Produced}$	Seek more affordable vendors and increase automation to reduce labor costs

XI. Competitive Advantage



Detects Multiple Drugs Instantly

Spikey provides the fastest drug detection on the market, testing for multiple date-rape drugs in just **15 seconds**—significantly quicker than competitors that take at least 5 minutes to detect only 1-2 drugs. Its simple, visible color change results help users act swiftly in high-pressure situations. Spikey detects GHB, Ketamine, Cocaine, Scopolamine, and other amine substances, which are responsible for almost all drink spiking incidents. This unmatched **speed, accuracy and comprehensive detection coverage** position Spikey as the leader in drink safety industry.

Discreet and Customizable

Spikey keychains blend safety with style. Unlike conspicuous products like drink covers or detection bracelets, which can draw unwanted attention, Spikey's test strips are hidden in a sleek keychain, making it **unrecognizable as a drug test**. Spikey is also customizable, allowing customers to add their names or organizations logos, making it not only a safety tool but a stylish marketing tool as well. Our keychains offer safety without the awkwardness of obvious personal safety tools and We have applied for **a utility patent** to protect Spikey's innovation.

Sustainable

Spikey stands out as the market's most sustainable drug detection tool by using test strips made from **90% paper-sourced materials**. Unlike competitors that rely on single-use plastic designs resembling pregnancy tests, Spikey's eco-friendly approach minimizes environmental impact. This commitment to sustainability resonates with environmentally-conscious consumers, offering not only personal protection but also peace of mind knowing they are using a product that aligns with their values.

Risk Analysis

Risk: Delays or disruptions in the supply chain, particularly with NeutraPharma in the UK and Protolabs Network in Nashville, could impact inventory availability and order fulfillment efficiency.

Mitigation: Spikey will establish multiple supplier relationships and maintain safety stock levels to avoid disruptions. After evaluating the business's performance over its first three years, Spikey will consider establishing additional warehouse locations on the west coast to enhance national and international distribution and improve fulfillment efficiency.

Risk: Reliance on partnerships with Greek organizations, nonprofits and universities for bulk orders and promotion could limit diversification of revenue streams.

Mitigation: Spikey will expand its reach into bars, nightclubs, and online retail platforms like Amazon and TikTok Shop, while continuing to cultivate strong partnerships with key organizations.

Risk: Any product failure, such as inaccurate results or a high defect rate, could harm Spikey's reputation and erode consumer trust.

Mitigation: Spikey's strips are clinically tested with 98% accuracy, and strict quality control measures are in place. Spikey will regularly communicate with NeutraPharma on laboratory developments and implement a strong customer support system that will handle complaints and quickly seek constant customer feedback for product improvement.



Sample of Lab Results

Test Strip Reaction to Drug Concentration



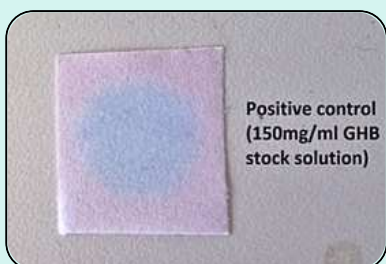
Ketamine



Scopolamine



Cocaine



GHB
(gamma-hydroxybutyrate)

Clinically tested with our partners:

LUCIDEON
Materials Development and
Commercialization

UNIVERSITY of STRATHCLYDE
ADVANCED MATERIALS
RESEARCH LABORATORY

CTLS clinical
trials
laboratory
services®
Target a cure.

**neutra
pharma**

CYD®
Check Your Drink

The assay shows remarkable specificity. A range of 85 different alcohols, independently collected and sampled represented an enormous variety of colours, sugars and unspecified cross reactants. These failed to have any significant impact on the test results. The exception were three alcohols, the most significant of these being red wine. Ketamine was detected but at a raised concentration.

—Clinical Trials Laboratory Services

Drink	Initial pH	pH at minimum detection level	Concentration range detected
Amaretto	5	5	3 - 12mg/ml
Cointreau	5	5.5	3 - 12mg/ml
Coke	4	5	3 - 12mg/ml
Cranberry juice	3	4.5	3 - 12mg/ml
Dark rum	4.5	7	3 - 12mg/ml
Diet coke	4	5	3 - 12mg/ml
Drambuie	4.5	5.5	3 - 12mg/ml
Gin	5	6	3 - 12mg/ml
Ginger ale	3	5	3 - 12mg/ml
Jägermeister	4.5	6	3 - 12mg/ml
Lager	4.5	5	3 - 12mg/ml
Lemonade	6	5	3 - 12mg/ml

XII. Conclusion

Spikey isn't just about test strips on keychains—it's about peace of mind and protecting you and your loved ones from the tragedies that far too many have endured. Our clinical-grade litmus detection strips offer unmatched accuracy and efficiency.

We're seeking a **\$250,000 investment in exchange for 10% equity** to scale operations, expand our product line, and meet the growing demand for innovative safety solutions. Together, we can make a difference and redefine personal safety in social settings.

SP!KEY
spikeyfirst.com



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