

YOU BE THE VC 6.1 COMPANY: Beyond Meat

• Web: www.beyondmeat.com • Facebook: Beyond Meat • Twitter: @BeyondMeat

Business Idea: Provide consumers with plant-based protein foods that take the animal out of meat—without sacrificing the taste, chew, or satisfaction.

Pitch: A number of factors motivate people to seek out meat substitutes. Health benefits, animal welfare, lowering greenhouse gas emissions, and bad press about the poor conditions under which some animals are raised for slaughter are some of these factors. Many of the most common meat substitutes—tofu, bean burgers, vegetable cutlets, and so on—lack bite, chew, juiciness, and flavor. As a result, people try them for a while and then return to traditional meat products. A parallel problem exists regarding the demand for meat. Global demand for meat has tripled in the last 40 years, driven by population growth and an upward trend in per-capita consumption of meat. Producing meat has significant environmental implications. Animal agriculture is said to be responsible for about 14.5 percent of human-induced greenhouse gas emissions, more than the transportation sector. All of these factors suggest that there is a huge opportunity for a company that can produce a tasty and affordable plant-based substitute for meat, and can do it in a way that is friendlier to the environment than traditional meat production.

Beyond Meat is positioning itself to be that company. On the taste and healthfulness side, the company's first product line, Chicken-Free Strips, is made with plant-based

proteins that legitimately replicate the sensory experience of eating meat. Because the product is also gluten-free and is free of trans and saturated fat, cholesterol, dairy, eggs, hormones, and antibiotics, it's better for us than actual chicken. On the cost and environmental side, Beyond Meat's Chicken-Free Strips require less land and water to raise than real chickens and, when produced at a sufficient scale, cost less to make.

Beyond Meat's products are the result of more than 15 years of research conducted by two scientists at the University of Missouri-Columbia, Fu-Hung Hsieh and Harold Huff. The company's Chicken-Free Strips have been precisely engineered to look like chicken, taste like chicken, and especially to feel like chicken when you take a bite. The company is presently working on a Beyond Meat substitute for ground beef that can be worked into tacos, lasagna, or any other meal in which beef is included. Beyond Meat's Chicken-Free Strips are being introduced to the marketplace through Whole Foods Markets and similar health-conscious food stores.

6-30. Based on the material covered in this chapter, what questions would you ask the firm's founders before making your funding decision? What answers would satisfy you?

6-31. If you had to make your decision on just the information provided in the pitch and on the website, would you fund this company? Why or why not?

YOU BE THE VC 6.2 Company: Go-Jek

• Web: www.go-jek.co • Twitter: @gojekindonesia

Business Idea: A moped-based transport and delivery service operating in several cities across Indonesia.

The Pitch: Go-Jek is a motorcycle ride-hailing phone service in Indonesia established in 2010. Since then, it has developed into an on-demand service using a mobile platform and app and has expanded its operations from the city of Jakarta to over 25 cities across Indonesia. It has also expanded its services to incorporate transportation and logistics, food delivery, and other delivery services.

Go-Jek prides itself on speed and innovation and is determined to make a lasting contribution to the lives of those who work for the business. Their drivers are referred to as partners, not employees, but they do have access to health and accident insurance and other benefits.

Indonesian cities are famous for their traffic congestion, and government initiatives have failed to deal with the issue. The solution to getting around quickly is the motorcycle taxi, or ojek. The problem is that motorcycle

private taxis are unsafe, unregulated, and insanitary (thousands have worn that old crash helmet before you!) Go-Jek solves all these problems with real-time tracking and control as well as free head covers and face masks for customers.

Go-Jek has thus become the motorcycle equivalent of Uber. In cities like Jakarta, due to the heavy traffic, Go-Jek actually has a significant advantage over Uber. Users register when they open the app for the first time, and all they need to do is to fill out the pickup address, the delivery address, and when they need the service. The app will then show the price. Payment can be made in cash, Go-Jek credits, or corporate pin number. Go-Jek also features a referral promotion code system. When a new user keys in an existing customer's promo code, they receive \$2 credit, as does the customer whose promo code they used. This way, there is a direct incentive for word-of-mouth referrals.