

Part 1: "Elevator" Introduction

Brief elevator pitch for your company: Punchlyst aims to create a "Pinterest-like" or "Houzz-like" experience for homeowners looking to remodel their home, in that the user will browse through high-quality photos for design inspiration, sorting by architectural style, features or price, in a scrolling tile-board format. When an image is clicked it will reveal a full list of materials, or "Punchlyst", and prices of those materials, giving the homeowner a full overview of products and more importantly, price of the project. Homeowners can add or remove products to their "design board" and once finalized, that list of materials along with photos of the user's space, uploaded by them, will be sent to three contractors for bidding. Our goal at Punchlyst is to turn the grueling process of home remodeling planning into something as easy and fast as ordering a pizza.

Part 2: Market and Industry Analysis

How large is your market? What market segments are you going after and why? We are targeting homeowners/homes looking to remodel primarily bathrooms or kitchens. The homes that support our market in the \$150k-\$375k home value (Phoenix at first) or lower to middle price bracket. Homes above \$400k may require more traditional and complex methods of remodeling. The market is large and varies by city and even zip code. Currently there are 35 million users on Houzz, 90% are homeowners. Home Advisor reported as many as 15,643 customers requesting professional help in Arizona just last month.

Is this market growing? How fast? According to Home Advisor, homeowners spending more than \$1,000 on home improvement projects has increased 13% in 2016, from 34% to 47%. They have also reported that kitchens and bathrooms are amongst the most popular types of remodeling projects. According to marketwatch.com, Q1 for 2017 is expected to reach roughly \$325 billion spending on home improvement projects.

Who is in the market already? What is the nature of competition – direction, indirect, substitutes? Home Advisor is the closest competitor. They are a lead generation service for contractors, connecting them to homeowners. Homeowners fill out a brief questionnaire that is then sent to three contractors for bidding. The contractor pays for those leads regardless of quality or responsiveness of the homeowner. Houzz is an online website that provides high quality photos uploaded by contractors and design professionals for design inspiration. Contractors & design professionals can pay to have their ads show up in zip codes when a user is browsing photos. Both platforms are free for users and free for a contractor to set up a profile - however if they want to receive leads from Homeadvisor or advertise on Houzz the costs can become substantial. Both competitors only cover a fraction of what our business model will cover.

Part 3: Go-to-Market Plan

Who are (will be) your customers? Describe your engagement / discussions with them to date. Have you validated their needs? Prove they are buying (or will buy) your product from you. Customers will be homeowners in the planning phases of a remodel. Some of the biggest griefs we've heard from homeowners time after time - "how much does it cost? What do I need to order? Who's a trustworthy contractor?". We've validated their needs by showing homeowners a prototype of the app that provides quality photos with a list of materials, pricing, and a connection with quality professionals, after which, they often ask when our service will be available or often wished it was available when they were doing their last remodel. We currently have a growing list of homeowners who want to become early adopters and a handful of "Letter of Intent" from contractors - one of which says "this is a game changer".

Describe how you win customers today. Describe your future customer acquisition strategy. We are currently focusing on the product search and selection interface, which contractors can provide to their existing clients. This will act as an extension of the contractor, walking the clients through product selections for their projects. We have reached out to contractors who've been advertising on Houzz and Home Advisor and understand the problem first hand. We rarely have to explain our product in much detail before they are sold and want to begin using the app. This is due to a lack of easy-to-use, affordable project mgmt tools available to contractors, especially small companies focusing on residential remodels. Parallel to developing the initial contractor feature, we will be creating quality content and "design boards" (an integral element to our interface) using the photos and material lists from contractor's past completed projects. At the same time we will target homeowners online with SEO/SEM strategies along with connecting with homeowners at future local home shows.

How will you displace any incumbents/competitors? How are you better/different than your competitors?

What's your channel/partnership strategy, if any? Contractors pay to advertise on Houzz and pay for leads from Home Advisor. This forces contractors to gamble on leads that may be a dead end. Many contractors do not have marketing budgets and cannot afford to waste money, or time, on junk leads. Our service concept is superior by providing contractors with high-quality, truly pre-qualified leads, unlike our competition. These leads will have a general design concept, a list of materials with pricing, and dimensions and photos of their projects, which they will have uploaded through the app. These homeowners will be pre-qualified and serious buyers - With our service contractors will only pay for the lead if their bid for the job is accepted by the homeowner. We could see this app partnering with large retailers such as Home Depot, Lowes, and Build.com for potential advertising.

Part 4: Technical Product Description and Plan

Briefly describe your product or service. Our app will function very similarly to Pinterest or Houzz and provide homeowners with a photo viewing experience that will also provide a complete list of materials/products used in those projects, along with actual costs of materials. Once a homeowner has landed on a design preference and list of materials within their budget, they will be able to send all that information to 3 local contractors to bid the project. The app will act as guide for the homeowner through the pre-construction phase of planning their remodel, from design choices and product selections, and budgeting and scheduling; none of which is offered by our competitors.

Technology Validation. (What evidence can you present that your product works as advertised? Future validation plans?)

The lack of this technology currently and the void in the industry of seamlessly bridging the gap between homeowner and contractor is evidence enough that this product will be successful. We have presented mock-up prototypes to homeowners and contractors and have had nothing but positive feedback and very strong interest in it.

Describe the remaining product development risks and your plans to overcome them. We are currently working on the first feature, product selection, organization and ordering. The risk or challenge is how to provide the user with a simple way to purchase the materials from various e-retailers in click purchase option. Models such as lyst.com or keep.com have tried to introduce universal shopping carts. We plan to implement a similar model and operate the purchasing manually in house until we are able to partner with the retailers directly and provide an automated universal shopping cart (similar to lyst.com).

Describe your product's advantages (features, for example) for end-users vs. substitute solutions (not just direct competitors). Users browsing photos on Houzz or Pinterest will like designs, but will not know actual products used or costs. Contractors who uploaded the picture or the community are not always responsive, leaving the homeowner with unanswered questions.. Our app will eliminate the guesswork of what was used in those projects, showing actual linked-products & costs.

Describe your company's current intellectual property status and plans for the future. (Issued patents? Licensing agreements? Pending patent applications? Trade secrets?) At this time Punchlyst does not have any patents issued. We are hoping to be able to apply for numerous patents in the future with our product development.

Discussion of any non-IP barriers to entry for your market. Include what you have done to make it difficult for others to challenge you as well as what challenges you may face such as manufacturing arrangements, distribution contracts, partnerships, etc.? Our team has intimate knowledge of this industry, with over 15 years cumulative experience in the field. The technology itself is rather simple, but it's the thorough understanding of how homeowners and contractors start a remodeling project that will be unique to us. Our knowledge of the industry will allow us to implement a system for our clients (homeowners & contractors) that will streamline the process and eventually bridge the gap between the two. At this moment distributors, such as Home Depot, have affiliate programs that we can apply for allowing us to access their database of products for our clients. The challenge of our future business plans is incorporating a one-button "buy all" feature.

Part 5: Risk vs. Talent Narrative

What risks has your team mitigated so far (business-related and technical as it relates to your business)?

What are the next few major risk-reduction milestones? Risk at our early stages of development has been pretty minimal. Our plan to minimize risks is to do our due diligence and have a solid business plan for advancement.

Briefly list and describe your key team members. Joseph Harrington - Founder and CEO. Background in architectural design and over 9 years in home remodeling in Phoenix, AZ; Stephen Villabona - Co-Founder, Architectural design background, 4 years as a Realtor and real estate investor; Jerry Ziadat - Co-Founder and CFO with strong sales background and leadership; Cory Smith - Data analyst and back-end developer. Josh Grosso - Full stack developer.

Briefly describe any holes in your leadership team. What are your plans to address any recruiting needs in the next 18 mos.? Joe and Steve currently handle some front end development. We are seeking someone with more experience. Josh is currently our go-to but cannot provide full time development in the coming months. We have interviewed several people and continue to search for a full time team member. We are also open to hiring a freelance developer.

Briefly list and describe your key advisors, and their contributions to date. Rick Ritivoy (remodeling designer and salesman) has exp with over 10,000 consultations. He provided us with valuable insights on the homeowners process when making a large purchase. His expertise- designing kitchen and bathroom templates and selling them in one-sitters. In addition, Rob Pankow(contractor) of Pankow Construction, with over 17 years experience, provided valuable insight on how to organize product templates that are easy to use and implement in the construction phase.