



Vertigrow
Business
Model

March 3

2011

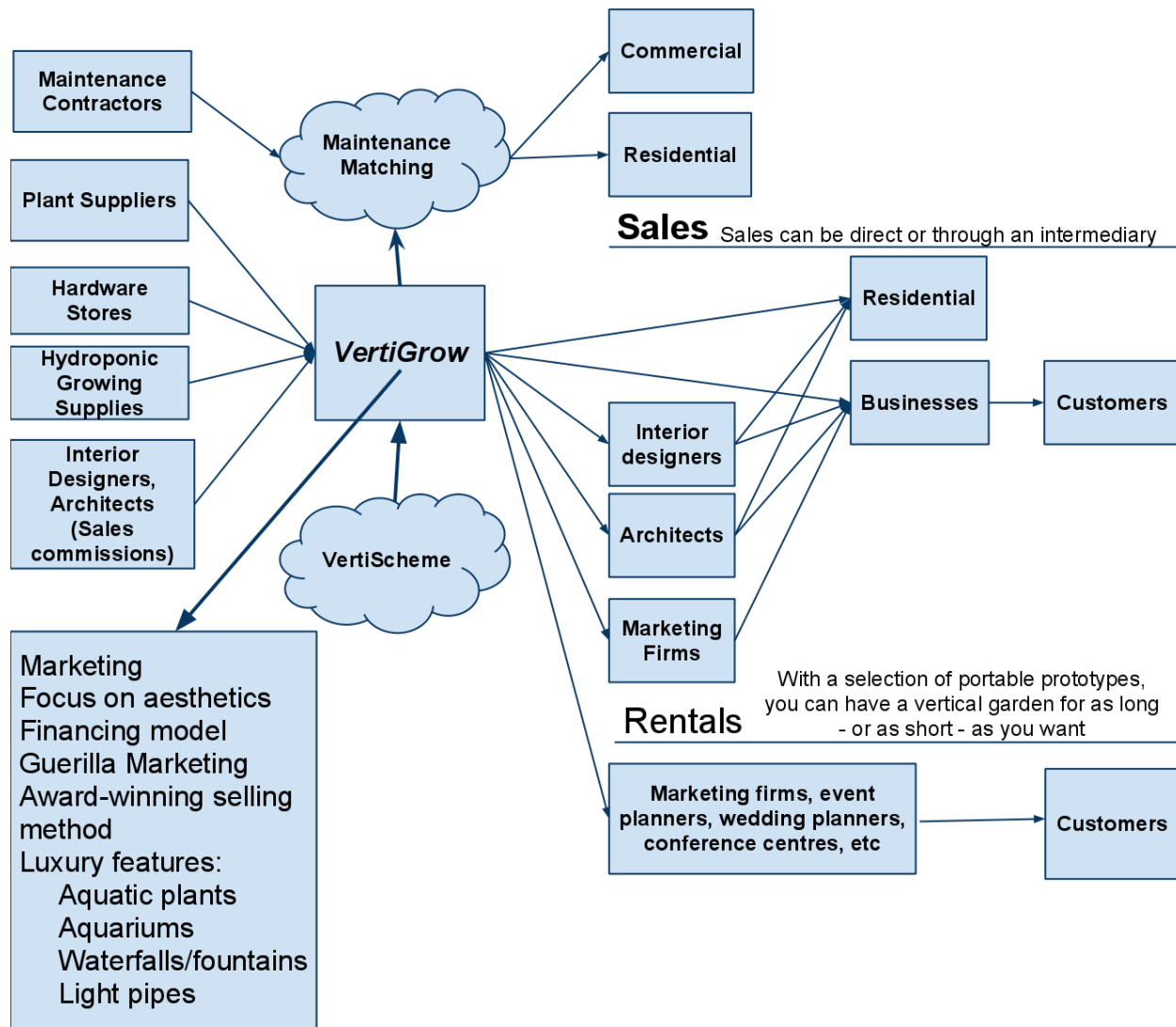
A summary of Vertigrow's business model. Where the money comes from, where it goes, and why should it be our money in the first place.

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Business Model



Maintenance matching offers a scalable service solution.



WHERE DO WE GET OUR MONEY FROM

SALES

Representing the bulk of Vertigrow's revenues, sales come from both portable and permanent installations. There are various financing options available to the customer, but we will require a down payment of a 15% to cover material costs and remain cashflow positive. The balance will be paid either directly from the customer, or via a financing company once the installation is complete. Sales are achieved both directly to customers, and by using design professionals as intermediaries.

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RENTALS

Companies and individuals will have the option of renting a vertical garden for events such as weddings, conferences, home-stagings, and anywhere else a vertical garden is desired. This will consist of delivering a portable vertical garden to the venue, ensuring that it is in good function and aesthetic working order, and collection the garden when the contract is up. The delivery and returns will be contracted to a delivery/moving service, with appropriate measures taken to protect plants from cold weather. Every rental will provide positive cashflow.

MAINTENANCE

Like every garden, vertical gardens will require maintenance. Simple maintenance, like ensuring that the water level is adequate and that the ambient temperature is within an acceptable range, will be handled by the customer. Vertigrow takes care of the rest. We will ensure proper pH and nutrient balance of the hydroponic solution, prevent pests and mould, prune plants as needed, and replace any dead plants with healthy plants. We will also maintain the mechanical aspects of this system; this involves maintenance and repairs on pumps, grow lights, sensors, and timers. Maintenance is a source of continuous revenue, and will ensure positive cashflow for the company during periods of few or no sales.

WHERE DOES OUR MONEY GO

Vertigrow has implemented an innovative compensation structure, tying salaries to revenue. This means that our employees are rewarded for strong performance, and that Vertigrow's risk exposure is limited if sales targets are not met. Vertigrow outsources much of its manufacturing – save for final assembly, which creates scalability and allows our employees to focus on value-added activity. Vertigrow's major suppliers are Acrylics.ca for modular acrylic air chambers (plenums), The Brand Felt Ltd for our felt growth medium, Richmond Nursery for our live plants, Brite Lite for our hydroponic gardening supplies, and Rona for assorted hardware. Vertigrow also provides commissions to interior designers and architects who implement our vertical gardens in their building and renovation projects.

WHAT ELSE IS SPECIAL

The use of interior designers and architects as intermediaries for the sale of vertical gardens allows Vertigrow to access a pre-selected target market with little additional effort. Architects and interior designers are excited to implement our vertical gardens to make their designs unique and interesting, and clients have already built a trusting relationship with these design professionals. Vertigrow is capitalizing on its competitors' inertia to "cross the chasm" with vertical gardens. Vertical gardens are currently a niche product, but by focusing on the strong business arguments in support of vertical gardens, in combination with an aggressive expansion plan, Vertigrow will bring this product to the mainstream corporate audience.