

ADAP Executive Deal Summary of:



"Vega connects the world's coffee farmers with the world's coffee lovers."

ADAP Investment: \$50,000

Other Seed Investors: \$250,000

Date of Investment: November 2014

Location: Estelí, Nicaragua & New York, NY

Use of Funds: Source coffee for the next year, develop a processing center in Estelí, Nicaragua, acquire customers, launch innovative Farmer Incentive Program and expand sales channels.

Vega Coffee Company Description: Vega Coffee is a NY-based coffee business that connects the world's coffee farmers with the world's coffee lovers.

Company Background: Vega's mission is to change the coffee industry by empowering coffee farmers around the world to roast and sell their own specialty coffee directly to coffee lovers online. By shifting the coffee value chain to the communities that grow coffee and cutting out unnecessary middlemen, Vega Coffee ensures that producers earn up to 4x more than through typical export channels, and sells farm-to-cup specialty coffee at a value for customers.

Competitive Advantages:

1. Low cost structure: Nicaragua-based operations lowers overhead and gives each dollar dramatic leverage. 2. Brand mission and story: Vega creates an authentic, unique purchasing experience that customers strongly identify with, engendering brand loyalty. 3. Strong, diverse management team: Includes extensive on-the-ground experience, technical expertise, and strong networks. 4. Innovative Farmer Incentive Program: Multi-pronged approach that maximizes social impact in coffee producing communities via training, market access, and coffee buying contracts that incentivize quality and social and environmental responsibility. 5. Focus on gender inclusion: Vega requires coffee producers to include women at every level of coffee production, and actively promotes female participation in Vega training and roasting programs.

Target Market: Coffee farmers around the world earning less than \$3 a day

Revenue Model: Vega's key operations are two-fold: 1) train farmers to process their good and 2) create an online marketplace to connect farmers with customers through both online subscriptions and wholesale sales strategies.

Key Milestones to Achieve: Establish online marketplace, successfully launch Farmer Incentive Program, and prove unit economics.

Management: Robert Terenzi spent 3 years as a venture finance/start-up attorney with WSGR. He is a certified coffee roaster and, prior to law school, owned a coffee company in Nicaragua. Rob co-directs in-country operations. Noushin Ketabi is a former Fulbright Fellow in Nicaragua and energy policy attorney. She is a certified coffee roaster and co-directs in-country operations. William DeLuca is a SEO and customer acquisition specialist who spent years at venture-backed e-commerce sites before joining to build the Vega Marketplace.



ADAP Involvement:

“The Vega model will create long-term self-sustaining employment opportunities by empowering farmers to access to consumer markets directly and to ultimately free themselves from poverty.”
–Andy Lower

ADAP Strategy: The two-part ADAP model (*that starts with the ADAP Seven S’s*) is designed to identify and assist the most effective business strategies aimed at eradicating extreme poverty around the world. While **ADAP Capital** focuses on implementing innovative, market-based financing solutions for social enterprises, **ADAP Advisory Services** provides intellectual capital to entrepreneurs, deepening the value of their companies as they look to raise their first, formal financing – the Series A.

The Seven S’s (*The ADAP Capital Due Diligence Method*)

1. **Solution:** Does it address a critical social issue in the eradication of extreme poverty?
2. **Shift:** Does it have a paradigm shifting impact and change the rules of the game with its disruptive impact?
3. **Staff:** Do they have quality leadership & team?
4. **Scalable:** Is it the end goal & does it the potential to have massive impact?
5. **Sustainable:** Do the economics make sense?
6. **Strategy:** Is their implementation approach in line with Dignity’s core values?
7. **Series A:** Is this sellable to other investors likely to come in on Series A?

The Five Pillars (*Helping Entrepreneurs Get From the Start to A*)

1. Key Performance Indicators (KPIs) & Impact Benchmarks
2. Milestones & Revenue Generation
3. Board Creation & Alignment
4. Investor Relations
5. Operational Goals