



Eat Right Case Study

In 2012, I was approached by a company looking for a second round of venture capital financing. The company was called **Eat Right** and its business model was to provide healthy meal alternatives tailored to patients according to their specific chronic diseases (diabetes, heart disease, high cholesterol, etc.). Users would login and complete a taste survey following which they would see a list of meals they would likely enjoy. The users would then rate the meals presented and, after several iterations, would select a set of meals for the coming month. The service would then place meals on a calendar which could then be adjusted by the user. Once the final plan was agreed to, this service would generate shopping lists for each week as well as recipes for preparing each meal.

The business model planned to have doctors recommend, if not prescribe, this service to their patients. Patients with them subscribe to the service for \$14.99 per month. In the long run, they hoped that insurance companies would cover this cost.

The venture had been founded 12 months earlier with initial funding of \$375,000. At this point, they had hired chefs as consultants to prepare a catalog of meals; they had hired developers and were 75% of the way through a functioning website and backend. They were seeking \$1 million to finish the website and backend, and to hire a sales person.

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Would you invest in this company?

- *What questions would you want answered before you did?*
- *In other words, what are the largest uncertainties keeping you from committing your money to this venture?*