



**-Announcement-**



***"The Smart Equity Program"* created to help nurture high-potential Beverage Companies.**

***Get Leverage!***

- *Project is a joint venture between GBS Growth Partners and MidMarket Capital.*
- *Objective is to incubate and nurture high potential new brands with the goal of achieving rapid commercial success.*
- *The plan features the "Smart Equity" concept – forming strategic alliances between small startups and major companies that will provide unprecedented leverage.*
- *"The Smart Equity Program" will build a diverse team of business specialists with strong track records and experience working with startups.*

**Plano, Texas and Chicago: March 3, 2008** – Gordon Hill and John Blackington spent most of their business careers with The Coca-Cola Company, building sales teams and brands across the US. They have always been fascinated by what did and didn't work, why some brands were successful and others weren't despite having good ideas and unlimited resources. They began to research 'where success was coming from, who was creating it and, more importantly, why?' What they discovered, along the way, was that a 'New World' beverage order had been created. In the old days it was believed that large corporations like Coca-Cola and PepsiCo had built juggernauts in the industry and that had created virtual barriers to entry for new upstarts. What they found out was that virtually the opposite was true! A new class of entrepreneurs, whom they called the 'New Rule Makers', were the ones driving growth in the industry. These entrepreneurs were creating new concepts, bringing them to market with impunity, and creating not only new brands, but entire new categories at the same time.

In 2004 they formed GBS Growth Partners with the purpose of helping startup beverage companies become commercial successes. Their services range from strategic advice all the way to hands-on implementation. They have helped numerous brands in the past 4 years. GBS recently helped BYB Brands, a unit of Coca-Cola Bottling Company Consolidated, the second largest Coca-Cola Bottler in the US, with the launch of their brands - Cinnabon RTD coffee lattes and Respect, a vitamin enhanced water brand. They are now two of the fastest growing brands in the US.

As they worked with these startups, they came to the conclusion that if they could bring the resources that a large company could provide, they could create 'leverage' to these emerging companies. They also believed that these startups and early stage companies could provide something that larger companies need – a source of new growth brands.

In 2007 they were talking about their observations with Dave Kauppi, President of MidMarket Capital and a former classmate of John's at the University of Pennsylvania. MidMarket Capital is a Chicago-based investment banking firm that focuses on equity strategies and capital sourcing

for mid-sized companies. They talked about the leverage that could be created by partnering large companies with small, high growth businesses, and thus, the concept ‘Smart Equity’ was born. “We have worked in both worlds – large and small companies – and we believe that you can create significant synergy if you can marry the strengths of both worlds” said John Blackington. The three of them decided to start ‘The Incubator Project’, the first entity created with the intent of helping high potential startups and emerging companies accelerate their commercialization process, and find strategic partners.

The project will have 3 phases for each company –

- 1) *Phase 1 – Launch Phase - provide coaching/advice*
- 2) *Phase 2 - Active Capital Search - actively look for equity/alliances – whatever is right for the stage of the business.*
- 3) *Phase 3 - Ongoing Commercialization Services - continue to advise/coach and provide hands on implementation as needed.*

“We think that "The Smart Equity Program" can provide startup companies with the beverage and financial knowledge and tools to help these companies get to the next level – faster”, said Dave Kauppi. “The Project will concentrate on companies with revenues under \$10 million annually initially”, said Kauppi. “They are the ones that are generally more in need of the help we can provide”.

“Our immediate priorities are focused in two areas right now,” said Gordon Hill. “The first will be searching for hot new brands/concepts and the second is recruiting Project team members with diverse skills and experience in building successful brands”. “We have several companies already committed to working with us and you will be hearing about them in the coming weeks”, said Hill.

**"The Smart Equity Program"** combines the Beverage Industry Expertise of GBS Growth Partners [www.gbsgrowthpartners.com](http://www.gbsgrowthpartners.com) with the Investment Banking experience of MidMarket Capital is based in Chicago, Illinois.

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