



VapeMentors

What You Will Learn

- How much you need to open a vape shop
- How to pick a vape shop location
- Which products to sell in your store
- All about licensing and permits
- How to work with your city
- Must know legal and insurance issues

Plus, vape shop case studies!

How Much Does It Cost?

- Your vape shop budget depends on:
 - Location
 - Size of space
 - City licensing fees
 - Build-out/tenant improvements (TI)
 - Inventory
 - Staffing
 - Other expenses: signage, POS system, security system, insurance, etc.

How Much Does It Cost?

- 500 sq ft space - \$25,000 plus
 - \$12,000-\$15,000 on products
 - \$8,000 plus on build-out
 - \$5,000-\$10,000 for signage, marketing, other start-up costs
- 1,500 sq ft space - \$50,000 plus
 - \$20,000-\$30,000 on products
 - \$25,000 plus on build-out
 - \$5,000-\$10,000 for signage, marketing, other start-up costs

Money Saving Tips

- Buy used display cases, lighting & furniture
- Shop at auctions
- Do the work and staff it yourself
- Negotiate your lease (one free month/year)
- Collaborate with other shops to leverage your buying power and avoid high MOQs

Keep 3 months of funds
in reserve!



Case Study: Vaporz Vault, Hobart, IN



- Opened Jan. 2015 with two staff, grossed \$20K in 1st month
- Owner Cyndi Peute had no business or vape experience
- Initial budget was \$75,000. Actual costs were much higher
- Hired a manager with industry knowledge
- Conducted competitive research and hired VapeMentors

Product Selection: Hardware

40% Of Your Overall Inventory Budget

- Beginner vape kits plus accesories
 - \$60 and under (but getting pricier)
 - 50% of your hardware inventory budget
 - eGo type pens & starter kits
 - Batteries, wire, and wicks

#1 Rule: Research competitors and stay current with trends



Product Selection: Hardware

- Intermediate vape kits (\$60 - \$120)
 - 30% of your hardware inventory budget
 - Mechanical mods
 - Clones are controversial and less popular
- Advanced vape kits (\$120 and up)
 - 20% of your hardware inventory budget
 - Highly customizable box mods and artisan mechanical mods

Product Selection: E-Liquids

60% Of Your Overall Inventory Budget

- Buy U.S. made e-liquids only
- Carry 10-15 different brands
 - Don't carry every flavor from each brand
 - Rotate flavors regularly
 - Select e-liquids for your market, not your personal tastes
- Offer a variety of sizes and nic levels:
 - 15 ml and 30 ml are standard; 10 ml and 120 ml are becoming more popular
 - Popular nic levels: 0, 1.5, 3, 6 & 12 mg

Product Selection: Accessories



Leftover budget? Carry accessories!

- Batteries, wires, tips, wicks
- Atomizers, clearomizers
- Vape cases, lanyards, holders, etc.

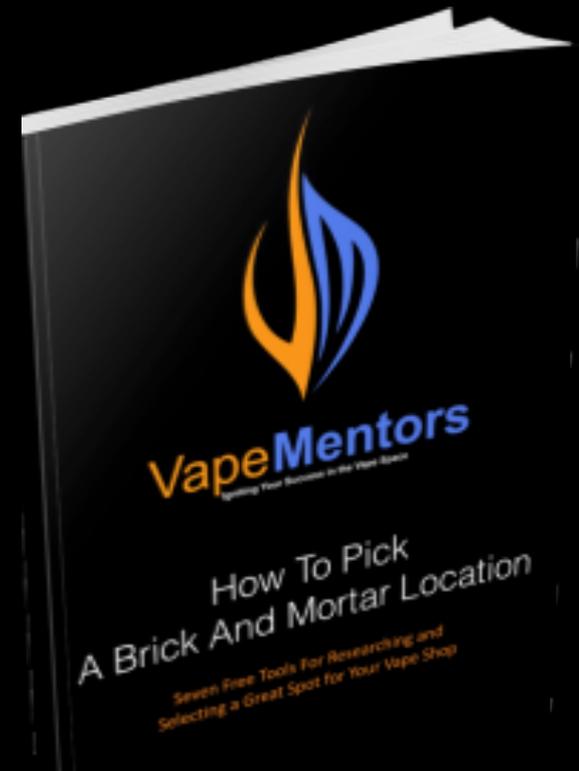
Location



- Anchor stores draw foot traffic
- Consider parking and signage
- Know your competition! How are you different?
- Target your ideal customers
 - Demographics - who are they?
 - Psychographics - how do they think?

Location

- The ideal square footage for your vape shop
 - How to assess visibility and accessibility
- Online research tools for picking the ideal location to reach your target audience



**Included in Your
Package**

Case Study: E-Cig Emporium, Irvine, CA

- Unique location in a business park attracts:
 - Lunch crowd
 - White collar clients
 - People waiting for flights (near airport)



Licensing & Permits

- Federal:
 - No federal licenses or permits required
 - FDA reg's are coming soon!
- States: Research your state's regs on:
 - Selling to minors
 - Vaping in public
 - Childproof caps



Working With Your City

- Comply with your city's licensing requirements
 - Most cities require a business license
 - Some cities require a tobacco license
- Be careful how you define your business
 - Avoid using the word "lounge"

(KNOW)
***YOUR* CITY**

Working With Your City

- City permits
 - Some renovations require permits
 - Cities may require “conditional use” permits
- City zoning
 - Proximity to schools, churches and parks can be an issue
 - “Tobacco” sales may be restricted



Working With Your City



- Be professional, dress appropriately
- Don't vape in city hall or at city meetings
- Prepare a solid argument
- Know your city planners
- Consider public perception
- Landlords, property managers and realtors have many of the same concerns

Case Study: Special Use Permit

Mission Viejo, CA

Bars | Tattoo Parlors | Night Clubs | Vape Shops?

Vapors.com

- Kiosk in a mall was approved by landlord & city
- City required special use permit 90 days later (\$2K)
- Business owners closed it

South County Vapors

First shop in Mission Viejo

City retroactively required permit 3 years later

Nearly revoked business license



Case Study: Special Use Permit

Weston, FL

Bars | Tattoo Parlors | Night Clubs | Vape Shops?

- Owners originally wanted a shop in Weston, Florida
- City classified it as a tobacco shop
- Required \$7,500 special use permit with no guarantee of approval
- Moved to Davie, Florida



Case Study: Special Use Permit

Costa Mesa, CA

Bars | Tattoo Parlors | Night Clubs | Vape Shops?

- City wanted vape shops classified as “tobacco resellers,” “nuisances” and “lounges”
- Required special use permit
- Lounges require more parking
- Tobacco retailer has a negative stigma for the industry



Legal Considerations

- Sole Proprietor
 - Individual owns business, including personal property and assets
- LLC, C-Corp, S-Corp
 - Business assets are owned by the entity
 - Personal and business assets are separate
 - Offers some tax benefits
- Trademarks: When do you need one?

Insurance is Important

Types of Insurance

- Product liability: health related and product defects
- Personal & advertising: marketing claims
- Premises: slip & fall claims
- Business personal property: inventory and other business property



CALCO
COMMERCIAL INSURANCE

Insurance Costs

- Comprehensive package: \$5,700-\$9,700
- General & product: \$4,500-\$8,500
- General liability (no product or business): \$1,900/ year
- General liability (no product): \$1,500/ year

SFATA and VapeMentors work with CalCo



Before We End...

Why do businesses fail?



Why Businesses Fail

- It doesn't matter what industry you are in...
- It doesn't matter how much education you have...
- It doesn't matter if you have started a successful business in the past...

Why Businesses Fail

The #1 reason businesses fail:

- They are not really in touch with their customers through deep dialogue.

The Vape Shop Starter Kit...

- Does not... include VAPE U Session IV with David Collins - Customer Acquisition, Retention and Service
- Does not... include VAPE U Session VI with Ray Yang - Social Media and PR in the Vape Space
- Does not...include the Bonus Section of This Training “Beyond Vape Shop Essentials”

The Vape Shop Master Class

4 more expert lessons from VAPE U

VAPE U

SIX PILLARS TO VAPE SPACE SUCCESS

Session III

2.17.2015

Product Selection

With

Grimm Green

YouTube Vape Product Reviewer
&

Michael Guasch
CEO of Molecule Labs

VAPE U

SIX PILLARS TO VAPE SPACE SUCCESS

Session IV

2.24.2015

Customer Acquisition, Retention & Service

With

David Collins

Entrepreneur and owner of
California Vaping Company

VAPE U

SIX PILLARS TO VAPE SPACE SUCCESS

Session V

3.2.2015

Dealing with the Law

With

Azim Chowdhury

Attorney and FDA expert
&

Gregory Conley
Vape space advocate formerly with CASAA

VAPE U

SIX PILLARS TO VAPE SPACE SUCCESS

Session VI

3.9.2015

Social Media & PR in the Vape Space

With

Ray Yang

CEO of R2MediaHub, experts in
social media for the vape space

Beyond Vape Shop Essentials

- Norm's recommended suppliers and distributors
- In-depth pre-launch planning for your vape shop
- Mastering your shop's grand opening
- Hiring great employees



Plus, two more vape shop case studies!

VAPE U

SIX PILLARS TO VAPE SPACE SUCCESS

BONUS SESSION

Beyond Vape Shop Essentials

With

Norm Bour

The Next Level Guide for Committed Vape
Shop Founders - Part of the Vape Shop Master Class

Upgrade to The Vape Shop Master Class

It wouldn't be right to restrict access to the rest of our course.... For a limited time we are giving Starter Kit members a special offer to upgrade to the Master Class instantly. Use promo code "VAPEUP" to upgrade for just \$97.

Go To:

VapeMentors.com/upgrade

Just \$97 With Promo Code VAPEUP

Your Investment is Guaranteed

If the Vape Shop Master Class does not help you start your vape shop plan in the next 30 days, just send us an email and we'll refund your money. Period.

No questions asked.



Upgrade to The Vape Shop Master Class

This is a limited time upgrade; how long we'll offer it is undecided right now.

Go to VapeMentors.com/upgrade, enter the promo code and get access to the Vape Shop Master Class right now.

Go To:

VapeMentors.com/upgrade

Just \$97 With Promo Code VAPEUP

Thank You!

- Watch our e-mails and check for updates
- Join our mailing list

From the VAPE U team and instructors,
thank you!

Comments? Suggestions? Testimonials?
We appreciate them all!

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