



Shark Tank
Season 4, Episode 6 (0:00-14:40)

On EverFi, you are tasked with developing your own food truck business. Sabin Lomac and Jim Tselikis did just that when they started Cousins Maine Lobster in Los Angeles in 2012. Watch them give their elevator pitch, a succinct and persuasive sales pitch, to the Sharks: Mark Cuban, Kevin O'Leary, Daymond John, and Barbara Corcoran. As we watch the episode, answer the following questions.

1. The founders say they are seeking \$55,000 for 5% of their company? Based on this information, what is the **valuation** of Cousins Maine Lobster?

Use the formula: **Value = Investment / Equity**

2. What strategies do the cousins use to **pitch** their business to the Sharks?

3. On what do the cousins say they will spend the **investment capital**? Why?

4. What is their signature **product** or **service**?

5. How many trucks do the cousins run? How much **revenue** do they generate?

6. How do the cousins market the business?

7. What difficult questions do the Sharks ask?

8. A **competitive advantage** is a condition or circumstance that puts a company in a favorable or superior business position. According to the cousins, what is their competitive advantage?

9. What two concerns does Mark Cuban have?



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10. What is the **price per unit** for a lobster roll? What are the **costs per unit**, or **cost of goods sold (COGS)**?

11. What were the entrepreneurs' **start-up costs**?

12. Do the cousins have **direct competitors**?

13. What is the cousins' best offer to Daymond? Based on the **equity**, what is the **new valuation**?

\$ Investment	Equity %	\$ Valuation
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14. Robert's offer:

\$ Investment	Equity %	\$ Valuation
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15. Barbara's offer:

\$ Investment	Equity %	\$ Valuation
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16. Robert's counter offer:

\$ Investment	Equity %	\$ Valuation
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17. Jim asks the Sharks what else they bring to the table besides **capital**. How do they respond?

18. The cousins' **counter offer** to Barbara:

\$ Investment	Equity %	\$ Valuation
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19. What is Barbara's **counter offer**:

\$ Investment	Equity %	\$ Valuation
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20. Do the cousins make a deal? If you were a Shark, would you have made an offer to invest in Cousins Maine Lobster? **Why or why not?**