

# [Yubo shark tank deal with robert herjavec and kevin o’leary](https://assignbuster.com/yubo-shark-tank-deal-with-robert-herjavec-and-kevin-oleary/)

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A couple, Paul and Cyndi Pedrazzi from San Ramon, California have a better solution for a school day dilemma. In these cases, the couple seeking for $150, 000 for a 15% stake of their lunchbox company, YuBo which a customizable for kids. It started four years ago, when their children go to school with typical fabric lunchbox and personalized with permanent marker on the side. However, when their children come home, the lunchbox completely nasty. Then, difficult to wash it out, not dishwasher safe and never properly cleaned. Thus, this couple come out with new lunch box, YuBo where kids can create their own design and change them out every time their taste change. Therefore, if yogurt or crumbs are spill into the box, can simply wash it out and put it in dishwasher. YuBo also comes with containers, custom built icepack to keep the food fresh and the faceplates can easily pull out which there is no zippers as a part of the design in order for the parents easily wash their children’s lunchbox.

Firstly, concerns raised by the Sharks about the included containers inside the lunchbox, whether include in basic purchase or need to add-ons. The couple said there has two models, the basic lunchbox that come out empty with lower price at $21. 95. Then, deluxe model that come out with the containers inside for $30 with no personalized or can up to $40 with personalized. The couple also confirm that they have entered 100 retail stores across the nation and sold internationally when the investor concerns if they are at the cups of going to retail. In addition, within 4 years, they are manage to selling around $200 and $250, 000 of the product in a year. Besides, the investor concerns about the patent too. They explain that YuBo has a design and utility patent and already have own trademarked. Their goal not only to expand the lunchbox worldwide but they have another vision, which they pick one of the Sharks since she has a children for an example to make her children always happy whenever they go to Disney. The couple then explain that they look for a capital in order to make a deal with Disney when the investor asked them whether already have place to deal with.

Moreover, the Sharks raised on how much the couple invested. Generally, the couple invested $350, 000 with their own money into their company YuBo. However, they do not have enough money to pay the designer. The Sharks then asked again, how do they give money to them? The couple gave the designer, 20% of their company and a royalty 5% to 1% sliding scale based on the unit sold in perpetuity. The royalty drop to 1% at 750, 000 unit. The Sharks raised last question whether is it 5% of the unit? Nevertheless, the 5% royalty of the net sales. As a result, the couple continue to draws negative reaction from the Shark on how steeper it is. This also results, one of the Sharks, Mark Chuban upset by the idea perpetuity royalty when their sales still nowhere close even after investing $350, 000. Another Shark also, Barbara Corcoran out from the investing when she find that the YuBo too big to put in the backpack. So that, Mark Chuban and Barbara Corcoran were out with offering anything. Above all, the remaining Sharks wants to make offers since they are interested. Paul and Cyndi Pedrazzi are seeking for $150, 000 for a 15% stake. Then, they got couple of offers from the Sharks. Kevin O’Leary offers $150, 000 for a 10% stake on their company and a 5% sliding down to 1% royalty based on sales volumes. However, the couple said that the size of royalty like that is unsustainable. On the other hand, Robert Herjavec is next to make offer. Robert was offers $150, 000 for a 30% stake and no royalty. The last Sharks, Lori Greiner may also want to buy and make an offer to make it even more interesting. Lori was offer, $150, 000 for a 20% stake and also stated that she is already in Disneyland and have a good relationship with Walmart. Then, Robert says that he believed that every Sharks could get YuBo into Disney. The couple, Paul and Cyndi Pedrazzi seem clueless and speechless.

After that, Kevin claimed that the couple do not see his offers because of the royalty. Then, the Sharks, Kevin changed the offers to $150, 000 for a 20% stake, but it will drops to 12. 5% if they can paid back $150, 000 within 18 months. However, Lori also make a similar deal but slightly lower than Kevin that she will give $150, 000 for a 15% stake, which must paid back within 15 months. Besides, Lori Greiner experienced in retailing for 17 years. Robert who do not want to lose also offer, $150, 000 for a 15% stake exactly same amount as what Paul and Cyndi Pedrazzi requested for and do not want the money back yet royalty. Robert also promised moving to retail and help them into Disney. Since Kevin having so much fun, he will put a little pressure and changes again the offer to $150, 000 for a 20% stake. Then, 20% can drops to 10% if Paul and Cyndi Pedrazzi can paid him back $150, 000 within 18 months. Since the Sharks make a great offer, the couple asked if they possible and willing to team up. Hence, Robert willing to team up with Kevin’s deal. Robert go with Kevin and the deal is the same which $150, 000 for a 20% ownership. Therefore, the equity can drop to 10% if the couple can repaid the investment within 18 months. So that, there are two offer for them to choose.

In the conclusion, the couple, Paul and Cyndi Pedrazzi make a great deal with Kevin O’Leary and Robert Herjavec team offers. The couple makes a good decision since they can have two Sharks to mentoring them in business area. They can expand their product worldwide and may increase the sales. As for me, I think the couple make a brilliant decision because the equity can be drop to 10% equity rather than Lori offer 15% equity. Therefore, both offers need to pay back within the month given. Kevin and Robert team is the best to make a deal with.