ISM 80C: Starting a New Technology Company (SNTC)

Project Phase IV: Complete Business Plan (including Financial Strategy)

Due Thursday, 26 May 2011

Tasks (Tasks 2 and 3 are “sub-tasks” of Task 1):

Task 1. The primary goal of this phase of the project is to create a well-integrated business plan, which will now include a complete financial strategy. The business plan is a well-written document that has the following 10 sections:

• (1) Executive summary, a well written, meaningful one-page summary of the entire business plan from vision/mission and business goals through product, market, and business strategy to financial strategy.
• (2) Vision and Mission of the startup. Include an explicit statement of the start-up’s competitive edge (a.k.a. “unfair advantage”) for ensuring success in achieving its mission (and business goals).
• (3) Business Goals
• (4) Product Concept
• (5) Business Strategy
• (6) Market Strategy
• (7) Product Strategy (resources – people, equipment, space - needed to develop and deliver the product to the customer, the “source” of these resources, and timing).
• (8) Management Team
• (9) Financial Strategy (see Task 2 below for details)
• (10) Appendices ( see Phase III handout for details regarding the Appendices)

Task 2. Financial Strategy (two parts: financial analysis and funding)

• Clean up and complete the financial analysis for your startup
  • Perform a 3-year financial NPV cash flow analysis in Excel
  • Create simplified income statements for your startup
  • Create simplified balance sheets for your startup
  • (optional) Create simplified cash-flow statements for your startup
  • Compute important “ratios” for your startup (e.g., profit margin, return on equity, etc.)
• Attempt to create a funding strategy for your startup, as discussed in class. The funding strategy will include (but is not restricted to) the following items:
  • Funding objectives (how much funding is needed and when?)
  • Sources of funding
  • Ownership and dilution
  • shares and stock

Task 3. Integration: Make sure that all the parts of your business plan (vision, mission, business goals, product strategy, market strategy, business strategy, and financial strategy) are consistent with and tightly interconnected to each other.