SAMPLE SUMMARY

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**SAMPLE DEAL**
sampledeal@samplegroup.angelsoft.net

**Business Summary:** We buy, sell and produce goods and services that are bought, sold or produced. We sell all the goods and services that are bought or produced. We buy all the goods and services that are sold or produced, and we produce all the goods and services that can be bought or sold. We buy when prices are low, sell when prices are high and skim fees off the top of every transaction. This question allows up to 450 characters. I have used a total of 449.

**Customer Problem:** Consumers want or need to purchase goods and services that are produced. This requires a marketplace for vendors to provide these. This question has a limit of 210 characters. I have used a total of 203.

**Product/Services:** When someone wants to buy something, we provide them with the product and the vendor. When someone wants to sell something, we provide them with the consumer and the product. When a product is to exchange hands, we provide the consumer and the vendor. We buy when the prices are low, sell when our prices are high, and charge fees on each and every transaction that is made. This question allows up to 450 characters. I have used a total of 450.

**Target Market:** There are 6.1 billion consumers in the world. We create a potential marketplace for each and everyone one of them. Today we are reaching one hundred million people in the US, over one hundred fifty million people in Western Europe, and another 50 million people in Australia and New Zealand. We are confident that with your money we will be able to reach one billion people. This question allows up to 450 characters. I have used a total of 450.

**Customers:** Current customers are two hundred fifty million men, women, and children in the United States, Canada, and the European Union. This question has a limit of 210 characters. I have used a total of only 206.

**Sales/Marketing Strategy:** We advertise using extensive marketing campaigns on television, radio, billboards, magazines, the Internet, and by word of mouth. Our advertising campaign includes a catchy tune and an easy to remember slogan, accompanied by a well recognized logo. We are looking to expand our market into Asia, Africa, South America, Antarctica, and Greenland by the end of this year. This question allows up to 450 characters. I have used a total of 445.

**Business Model:** We charge a fee of ten percent on every transaction made, at each level of production, distribution, wholesale, and retail sale. This question has a limit of 210 characters. I have used a total of only 208.

**Competitors:** Current competitors include but are not limited to shopping malls; retail, wholesale, and second hand stores; manufacturers, buyers, sellers, resellers, and advertisers; law firms, doctors offices, banks, and consulting firms; black markets, importers, exporters, and mom and pop shops; restaurants, hotels, salons and resorts; high tech, low tech, and no tech companies. This question allows up to 450 characters. I have used a total of only 449.

**Competitive Advantage:** The current way of partnering consumers with vendors for the purposes of buying, selling, and producing goods and service is the age old marketplace. We provide the only alternative to that marketplace with our completely innovative model. We have intellectual property of patents, copyrights, and trademarks. We have recently cornered 80% of the potential market. This question allows up to 450 characters. I have used a total of 445.

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**SAMPLE DEAL**
111 Elm Street
Metropolis, AL 77777
USA

**Financial Information:**

<table>
<thead>
<tr>
<th>Financials*</th>
<th>2005</th>
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<th>2008</th>
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<td>($200)</td>
<td>($400)</td>
<td>($800)</td>
<td>($1,000)</td>
<td>$12,500</td>
<td>$61,000</td>
<td>$91,000</td>
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* In Thousands (000)

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**Company Profile:**
URL: www.SampleDeal.com
Industry: Electronic Instruments & Controls
Employees: 12
Founded: 01/2006

**Contact:**
Horace B. Gillywater
sampledeal@fakeemail.com
w 111-222-3333
c 222-333-4444
t 333-444-5555

**Management:**
Horace B. Gillywater, CEO
Jimmy J. Walterwash, CFO

**Advisors:**
Lawyer: Dewey and Howe

**Investors:**
Friends
Family

**Referred By:**
STAGE
Revenue Stage. The company was incorporated in June 2003 and has developed and is shipping product.

SUMMARY
Sample provides software solutions, wireless handheld computers, and services that streamline order management processes between manufacturers, distributors, or retailers and their customers. The company's Samplesize® and its application software and services support Customer Relationship Management (CRM) Systems or Supply Chain Management (SCM) systems.

TARGET CUSTOMER
The company targets 1.3 million food service outlets in the United States through food service distributors and the franchisors, but not typically the individual restaurant. Although the individual store will use it, the franchisor or the distributor will likely pay for the service on behalf of the location.

CUSTOMER MOTIVATION (PAIN PROPOSITION)
The Company's principal product, Samplesize® is used by organizations to increase employee productivity, improve the accuracy of orders, reduce the cost of customer service operations, and enhance revenue generation activities.

PRODUCT/TECHNOLOGY DESCRIPTION
The Company provides a comprehensive order management solution including a handheld computer (the Samplesize®), application software, and database services that can automate and streamline the following tasks: updating inventory counts, developing an order, transmitting orders electronically to the distributor(s) via the Company's data center, acknowledging the order to the initiator, receiving the order into the recipients' inventory, initiating an electronic payment for the order.

Samplesize® the proprietary handheld computer uses embedded technology and operates with LINUX O.S.

PROPRIETARY ADVANTAGE/SUSTAINABLE COMPETITIVE ADVANTAGE
The Samplesize® unit is specifically designed for ease of use including an ergonomic design and no physical buttons. The user enters all inputs by a simple finger touch to the display/touch screen. The Company has developed multilingual application software that can be specifically tailored to each user.

The Company has developed database infrastructures to coordinate all information needed to support the services offered including the ability to process over 30,000 orders an hour.
Patents are in place for both hardware and software; the International PCT patent is granted, and USA approval is pending.

The SAMPLE system can be implemented remotely, minimizing time and expense.

REGULATORY ISSUES
SAMPLE’s products comply with all FCC requirements.

REVENUE MODEL
SAMPLE continues to own the individual Samplesize® units and licenses them to the customer for a monthly fee. Other user fees are based on how extensively the customer uses the system to process multiple orders. This revenue model allows development of multiple revenue streams for each Samplesize® at a user site.

SALES CHANNELS
SAMPLE will sell products and services through a direct sales force. Initial sales efforts of the web interface and SAMPLE device will be focused on three primary target markets – large food service distributors, small and medium sized franchise restaurant companies, and restaurant service providers.

RECENT SUCCESS STORIES
Bristo Food Service, Inc. uses the system to manage orders from many of its 500 restaurant customers.

STRATEGIC PARTNERS
Vitel Technologies, manufacturing partner.

KEY COMPETITORS AND DIFFERENTIATORS
Competitors include companies active in the CRM and SCM segments of the application software market. These include major publicly held companies such as Siebel Systems, i2 Technologies, Manugistics, and Manhattan Associates. Additional smaller privately held companies such as Instill Corporation, Novex, RapidOrder, and Order-Stream are also actively developing and marketing competing products in the food service industry.

A large number of companies are competing for the use of handheld devices in the restaurant dining room, but few are competing for the restaurant back office. Those offering back-office order management generally are focused on the Internet to transmit orders which SAMPLE feels has problems in the restaurant industry in that many restaurants do not yet have Internet access in their offices.

METRICS
Full-time equivalent employees and contractors: 6
Patents: 6
Customers: 10
Installed units: 5,000

INVESTMENT CAPITAL – USE OF FUNDS/MILESTONES
Founders, officers and a limited number of private investors have invested approximately $1,200,000. Currently seeking $1.6 million to fund customer expansion and achieve profitability.
LEAD INVESTORS
Investors include Sidney Bristo, founder of SD6 Food Service International & Bristo Foods.

VALUATION
Initial: $1.5 million.
Current round: $3.5 million

CURRENT AND FORECAST REVENUES (000’S)

<table>
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<tr>
<th></th>
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<td>(250)</td>
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</table>

MANAGEMENT TEAM
CEO, COO: Sidney “Bubba” Bristo, has fifteen years experience in the food service industry, ranging from sale representative to owner of a food distributorship with companies such as IGA, Flemming Foods, PF Chang. Sid brings to SAMPLE both knowledge of, and contacts in the food service industry. His last firm Bristo Foods was sold for $50 million to Kellogg’s.

V.P. Client Services: Arvin Sloan has worked as an independent contractor in the computer field as well as for scientific and business organizations. He was Customer Project Manager for Altiris Software, a Princeton New Jersey based software programming firm, where he managed the development requirements and specifications for sophisticated engineering systems, as well as the installation, training, and client support.

V.P. R&D: Michael Vaughn has co-written a PDP-11 interpreter and real-time speech recognition software as well as software configuring testing suites for Point Of Sale systems. Before joining SAMPLE Brad was employed at Partner Software to assist in the development of a Field Design package written in Java. He holds five patents.

CFO: Thomas Sark, prior to SAMPLE he was CFO for 5 years at Altiris Software. While there Altiris raise over $20 million in venture capital and went public on NASDAQ (ALIA). He over saw ALIA’s expansion from $5 million to $1120 million in sales.

ADVISORS
Legal: XYZ Big Time Legal, LLP
Patent Counsel: The Firm VC’S Recommend, LLP
Accounting: Legitimate Accounts, LLP
Marketing: PR & Ad Biz, Inc.
Banking: Banker’s Bank
WAYNE BROWN INSTITUTE

planning guidelines & submission guidelines

BUSINESS
The business plan should tell the potential investor why your venture will succeed.

The criteria weights (located in parentheses), developed by venture capitalists from around the country, indicate the emphasis investors place on various parts of the plan. For example, on a 100-point scale, financial information is worth 10 points, while marketing is worth 35. A typical business plan is approximately 25 to 35 pages in length and may have additional appendices to support the plan.

**The marketing strategy and the management team are the most important elements.** At a minimum, the plan should include: A cover page with name, address, phone and fax numbers, email and website addresses and contact person.

Use a font size **NO** smaller than **12pt** and standard letter margins. The opening paragraph should be a 25- to 50-word description of your business.

**Executive Summary**

*Initially very important! If it doesn't get an investor's attention, all is lost.*

- Length: 1-3 pages
- Business purpose summary
- The compelling reasons that lead to an opportunity (markets, business growth potential, etc.)
- Products/Services
- Management ability
- Unique attributes and strengths of the company
- How much money you need
- A simple statement of revenue growth
- Summarize, but do not provide detail on the most compelling parts of the business plan.
- Use specific information. A name of a current investor or strategic partner can speak volumes. The same is true when you speak of management background.
- Create an appetite – make an investor want to read more.

**The Company**

*(15% Weight)*

- Business purpose: Explain what business you are in and why (what market opportunity to exploit). An investor should be able to ascertain quickly what your venture does, what market(s) it “plays” in and in what stage of development your venture is.
- Give a brief summary of your company’s history and current status. Include whether the company is publicly or privately held, or a start-up.
- List what has been accomplished.
- State your company’s overall strategy and objective(s) (i.e., go public in 7 years; command 10% market share after 10 years; reach $100 million in sales after 5 years).
- If you are currently in business, describe revenue growth, approximate time to profitability and accomplishments.
- Diagram, if possible, the business model and where you fit in the industry “food chain.” Show how much value you add to the chain.
**Products or Services**  
(15% Weight)

- Discuss the development and the important attributes of your technology and identify and compare the technology with competing technologies. What does your product/technology do? How is it better? Who will use it? Do not include proprietary information.
- Is it evolutionary or revolutionary and why?
- What performance characteristics must it demonstrate in order to be accepted in the market?
- Describe important features and user benefits - relate features of the products and services to market needs and to the competition.
- Discuss pricing and margins for both your products and your competitors’ products.
- Explain proprietary position - trademarks, patents, trade secrets, special production skills, proprietary processes, etc.
- Describe specific products and projects planned, their status, expected product life and potential revenues.
- Articulate any applicable regulatory or environmental issues and how they will be addressed.
- *For Biotech companies,* proprietary technology is extremely important. Compare it with competing technologies. Is the technology evolutionary, revolutionary or commonplace? Does it need enabling technology or is it enabling technology? FDA issues are extremely important and must be addressed.

**Marketing Strategy**  
(35% Weight)

- Discuss the issues that create the market (market drivers -- or what compels people to buy)
- Describe the market size, anticipated growth and key changes
- Uniqueness - what makes you different? What gives you an advantage?
- Discuss barriers to entry
- *Biotech companies* must discuss strategic alliances
- **Market penetration** – What is your marketing strategy; i.e., channels of distribution, promotion, pricing and the cost of the marketing program? Outline proposed, pending or ongoing strategic alliances or agreements
- **Competition** - Who? Size of their market? Their strategy? (IMPORTANT NOTE: “No competition” to an investor translates to: “no market” and “no management.”)
- Communicate and demonstrate that your plan is based on “market pull” rather than “technology push.”
- **Operations** - If your company is ready for a major round of venture capital, or ready for clinical trials or ramping up sales from $2 million to $15 million: *being able to demonstrate that you can execute the tasks at hand is vital.*

What does the venture need to support pending rapid growth. What is your growth strategy?
How, when and where will you get the human, physical and technical resource you need to expand?

What are the critical milestones and barriers to overcome to ramp up the venture?

**Management**
*(25% Weight)*

- Backgrounds of key individuals - why they can do this job, specific value they add to the company, their past successes and achievements, relevant work experiences
- History of working together as a team
- Identification of immediate personnel needs and anticipated initial organizational structure
- Include Boards of Directors and Advisors with their backgrounds and responsibilities

**Financial Summary**
*(10% Weight)*

- Funds required - how much you want to raise, both initially and subsequently
- History and detail of past investments. Include description of current corporate structure.
- Describe funding needs at each stage of development, with each stage’s benchmarks or milestones. Use only value-added benchmarks such as development, product and market testing and sales milestones
- Simple projection of sales, revenues, income and expenses over a 3-5 year period (also balance sheet). State and justify your financial assumptions. Also include income statement (showing cash flow) and balance by month for the first year, by quarter for year two. Do a sensitivity analysis on year one and two.
  - Include a past financial history, if applicable.
  - Best estimate when the investor will get a return on investment. Describe the exit strategy (mergers, acquisitions or initial public offerings). Describe, if possible, similar businesses and what their returns to investors were.
  - Demonstrate sales growth and backlog if applicable.

**Important Notes**

Do not include any statement valuing the current round of financing. Such statements will never work in your favor with a professional investor.

The plan should be current, neatly presented, typed and error free. Use of elaborate bindings, or overuse of color will only cause your plan to be viewed as form with no substance and it will not be taken seriously. Carefully edit the plan for grammar and understandability.

Remember that each section of the business plan reflects on the competence of each team member.

While investors are sophisticated people, don’t abuse their time by using complicated, technical jargon or acronyms. **Remember, time is a venture investor’s most important resource — don’t waste it!**

Venture capitalists look for reasons not to do a deal. They assume nothing, and neither should you.
Put detailed vital sheets, extensive financials, lengthy technical discussions, operations plans and manuals and detailed marketing lists and reports on separate unattached appendices.

The plan should be no more than 25 pages long; but your appendices may be lengthy and numerous.

A business plan is like a contract. It is what the investor is “buying” and it is what his/her expectations will be based on.

**Never submit a plan to an investor without an introduction.** Unsolicited plans are inherently not credible.

### Submitting Your Business Plan

Via Internet: The Deal Forum

Subjectline should read: “**Business Plan for Review**”

### Contact Info

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Fax: 801.595.1181

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