



PHASE 2

Company Overview

One paragraph on basic company information, including: age of company, founders' names, current company size in employees and/or sales, major products/services. In order to demonstrate when the company hopes to get products on the market, include key milestones accomplished and/or pending.

SAMPLE ANSWER: ICM will provide to European businesses the opportunity to monitor and control their waste removal systems. The product is a waste compactor management system called the ICM2000 and is licensed from Detroit Waste Systems (DWS). The DWS system has been proven to save customers in the United States up to 70% on their waste hauling costs. A current user of the product located in the Detroit area saved \$500,000 during its first three months of using the waste management system.

During the first six months of sales, ICM will purchase units produced by DWS in Detroit, MI. Once a reliable producer is located in Europe, ICM will begin producing its products in the EC. When production is begun in Europe, all components will be purchased in the EC except for a fax modem and transducers, both of which are designed to DWS's specifications in the US. Using a network of exclusive distributors, ICM will sell the ICM2000 throughout Europe. The initial target market will be Germany. Service and installation of the units will be the responsibility of the distributor. ICM's own technicians will monitor and provide support for any software-related issues, made possible through the remote access capabilities of the systems.

Product or Service Description

Describe your products; if technical, in very general terms. Focus on what attributes make your product/service better and different than alternatives. Even if there is not a comparable product/service, describe how your product/service is better than alternatives.

SAMPLE ANSWER: The DWS System reduces waste hauling costs between 50-70%. This is done by providing an efficient way of monitoring waste containers and contacting waste haulers. The system works on any type of compactor and is adaptable to all type of waste. Using three sources of information, the system monitors and logs in its memory the fill level of the waste container. As the container reaches a full level, one of a number of different operations occurs. The system can automatically notify either the plant or the waste haulers (the choice is up to the customer) of the need for a pick-up. Another option is by using software, designed and developed by DWS, a user can remotely access the system's logs. Using this information, the remote user can schedule a pick-up.

The system also monitors the waste container and its compactor for any signs of problems, preempting shutdowns due to malfunctioning equipment. The same notification procedures (described above) are used to alert the correct parties of the compactor's status. The entire DWS System (including hardware and software) is patented worldwide by DWS, Inc.

Customer Definition: Their Needs – Your Solution

Describe the customers' needs for your product/service: What is the "problem" your technology or product will

solve? Who has the problem you are solving? Who would be an early user of your product? Be very clear and concise; this is a critical part of your business proposition and must resonate with your audience.

SAMPLE ANSWER: Waste disposal is not presently viewed as a potential cost-saving area for businesses. Rather, operations managers believe that as long as waste is not causing production bottlenecks, there is no need to tamper with it. This complacency has led to businesses paying far more than necessary for waste removal. Currently, a business has two choices on how they can handle their waste. It can monitor the levels of waste in the container themselves, calling a waste hauler when the container is full. Or, it can contract with someone to make regular pick-ups.

These two options lead to gross inefficiencies in waste removal. The first option requires the frequent checking by a company employee of waste levels. When a container has been subjectively deemed full, an employee must arrange for a waste pick-up. The second option leads to the company being charged with regular and often unnecessary waste pick-ups. The DWS System eliminates the inefficiencies the current two options produce. With the DWS System, companies are given the ability to have their waste containers monitored by an automatic system-- eliminating the potential for employee errors and ensuring the waste container is full when it is picked-up.

Market Description, Size and Sales Strategy

Explain the size of the market you are targeting. If possible, break up the market into segments. Segmenting the market means that you identify the specific portion of the market that contains those buyers that meet your Customer Definition.

Try to use sources of information and statistics, such as trade organizations and marketing studies. Describe how your product/service fits into the market and what share of the market you will capture from launch through the first several years of business. In short, how will you market, sell and distribute your product/service?

SAMPLE ANSWER: Any European company or industry that uses large trash compacting waste containers is a target for ICM. The initial market for ICM will be Germany. Germany has been chosen since it is the industrial leader of Europe. Within Germany the initial focus will be automobile plants, such as: Daimler-Benz, Opel, BMW, and VW. The US auto industry has already recognized the potential for cost savings through the use of DWS Systems.

ICM plans on using the product's success in the US with its venture in Europe. Using testimonials and test units, ICM and its distributor will develop the market, using the success in the auto industry as a springboard into other markets.

ICM has a one-month research trip set for February, 1998 to determine potential market size. Already booked are meetings with BMW in Munich, Opel in Rüsselsheim, the Frankfurt airport, the Frankfurt regional waste commission. The trip is corresponding with one of Europe's largest waste trade shows where more research will be accomplished and potential distributors identified.

Competition

List your competition. If numerous, pick the top companies you compete against. Explain their products and market share, and how each one does not meet the needs that your product does. Hit the same points as those for existing market alternatives in the "Product or Service Description" that explained why your product/service is better than these alternatives. Your competition might not be obvious, such as supplemental products or customer inaction.

SAMPLE ANSWER: The main competition to the ICM2000 is inaction by potential customers—the “if it isn’t broken, don’t fix it” attitude. The ICM sales strategy has been created in order to address this by focusing on the cost savings a customer receives through the use of the product. Customer testimonials from the US have been developed to show the European market the product can save them money and that it does work. Additionally, no other company is currently able to replicate the ICM2000. However, knowing that this advantage will not last, ICM is determined to penetrate its European marketplace swiftly and definitively. Doing so will establish the ICM2000 as the standard, creating an additional competitive advantage for ICM.

Management Team

A strong management team can be as important as the product/service. Name the members of your management team, and include brief biographies where applicable. Contestants may want to list members of their service team, such as lawyers, accountants, current investors and banker.

Financial: Proformas

This should supply basic financial information projections for the company. What revenues will flow from expected sales or other partnering? What will it cost to produce those revenues and when will the company be profitable?

	Year 1	Year 2	Year 3
Revenue	0	531,360	2,462,400
Cost of Goods Sold	0	275,447	993,510
Gross Margin	0	255,913	1,468,890
Operating Expenses	0	286,539	650,028
Operating Profit	0	(30,626)	818,862

Financial Highlights

SAMPLE ANSWER: Break-even is anticipated in the first quarter of Year 2, and in Year 3 profit margins are anticipated to climb to 34%.

What are your capital needs?

How much funding is the company seeking? How will the company use the money it raises? To what performance highlights is your funding mapped? This section relates closely to the Financial Highlights. Bear in mind that if investors are going to finance your venture, they will want to know how much of a return they can expect – and how long it will take before they see that return.

SAMPLE ANSWER: \$500,000. With the target market being in Europe, a large portion of sales and marketing expenses will be used for traveling to and within Europe, meeting with potential clients and attending industry conferences, as well as hiring a commissioned sales person.

Use of funds, highlights

Description	Amount
Sales and Marketing	\$400,000
Inventory	\$100,000