



1996/1997

MIT

\$50K Entrepreneurship

Competition

Tomorrow's leading firms

Official Entry Kit, version 8.0

Executive Summaries Due: February 26, 1996

<http://web.mit.edu/50k/www>

REGISTER NOW FOR THE OFFICIAL EMAIL LIST!

If you haven't already subscribed to the \$50K official announcements mailing list, go to the MIT \$50K Entrepreneurship Competition home page (<http://web.mit.edu/50k/www>) and sign up.

Register now to get official announcements of deadlines, decisions and upcoming events.

COMPETITION GUIDELINES

What is the \$50K?

The MIT \$50K Entrepreneurship Competition is a process for students to form teams, develop business plans and build new ventures. The Competition provides a network of resources for teambuilding, mentorship, education, networking, and capital. The \$50K rewards all competitors with feedback from qualified judges and provides capital in the form of \$50,000 in cash prizes and additional, in-kind services to be divided among three winning teams.

Who is eligible?

All full-time and part-time MIT students at all levels of education and from any department, registered with MIT for the Spring 1997 semester, are eligible to enter. People that do not meet this requirement may join or form teams, provided that at least one of the principal contestants on the team is a current MIT student. Teams are encouraged to seek the involvement of MIT faculty, alumni, post-docs, researchers, and staff.

Entries must be the original work of entrants and may be entered by a single student or a multi-student team. The size of a team is not restricted and neither is the number of entries submitted by a team or individual.

Teams that have already secured arrangements for capital from any source must disclose the amounts and sources clearly in their entries. Past entrants have generated capital while in the Competition in the form of sales revenues or contracts, research grants, and personal or family funds. Ventures that have received outside investment from venture capital firms, private investors or industry sources may be considered ineligible to compete and should contact the Organizing Team through the Competition website: <http://web.mit.edu/50k/www>.

The Judging Panel of the MIT Entrepreneurship Competition reserves the right to disqualify any entry that in its judgment violates the letter or the spirit of the Competition Guidelines.

What is the Competition process?

The Competition takes place in three stages. Copies of the latest \$50K Competition Calendar are available for download at <http://web.mit.edu/50k/www>.

Phase I: Enter - Business Plan Executive Summary due by Wednesday, February 26, 1997, 4pm.

Register your entry on the \$50K web site. The registration form will be accessible in January at <http://web.mit.edu/50k/www>. By February 26, submit a concise Business Plan Executive Summary of no more than five pages along with the resumes of each of your team members. Proposals showing significant promise are selected as semi-finalists and asked to continue to Phase II, the Semi-Final Round. Semi-finalists are announced at the \$50K Semi-Final Event on Monday, March 17, 1997.

Phase II: Semi-Final Round - Complete Business Plan due by Monday, April 21, 1997, 4pm.

The complete Business Plan should not exceed 40 pages of text, graphics, and appendices. Business Plans showing the most promise are selected to move on to the Final Round. Finalists will be announced in Late April.

Phase III: Final Round - Presentation, Early May

Each finalist team presents the proposed business to the judges. The judges will seek to clarify issues that arise in evaluating the Plans. The presentation is not meant to substitute for a well-written plan. It is an opportunity for the team to convince the judges that the team can achieve its business goals.

Winners are announced at the MIT \$50K Final Event and Awards Ceremony in Mid-May.

What is a Business Plan?

A business plan is a comprehensive, self-contained document that:

- Conceptualizes the totality of a significant business opportunity for a venture,
- Presents the organizational building process to pursue and realize this opportunity,
- Identifies the resources needed,
- Exposes the risks and rewards expected, and
- Proposes specific action for the parties it addresses.

Potential audiences for a business plan are:

- The founding team,
- Potential investors,
- Potential employees,
- Partners,
- Advisors,
- Customers,
- Suppliers, and
- Regulatory bodies.

The business plan is focused on specific strategies, goals, plans, and actions and is easily readable by a non-technical, intelligent, interested reader. It contains no vague generalities or unsubstantiated statements and is prepared by the entire founding team, not just by the lead founder or by outside consultants. Finally, a good business plan is concise, requiring many hours of effort by the team and its advisors and resulting in a single, typed, well-organized document.

What should I include in my Business Plan Executive Summary entry?

The section of this Entry Kit titled, "Useful Guidelines for Preparing a Business Plan," provides a sample outline for you to consider in developing your own plan. For the first deadline on February 26 you will submit an Executive Summary description of your new venture. This summary will change when you go on to write a full business plan. The summary is, however, a useful first step as it requires you to present a picture of all the most important aspects of your venture.

Opinions vary on exactly what are the right components of a business plan. You must develop your own judgment in this regard. Successful Executive Summaries present a compelling opportunity together with a viable business model at the start of the summaries.

Many teams fail to consider adequately their markets, their customers and a business model that will enable them to achieve success. Instead they get wrapped up in an interesting technology, not the same thing as an attractive business. The questions in the outline below, expanded from the first section of the document, "Useful Guidelines," will help you focus on the aspects of your Executive Summary that are relevant to the Competition. These are initial considerations that judges look at before going on to evaluate the members of the team and the soundness of any financial projections.

Description of the Business Concept and the Business

- What business activity will the venture undertake?
- Why now?
- What is unique about this venture?

The Opportunity and Strategy

- What problem will you solve with your service or product?
- What are the primary benefits to customers?
- How does your solution improve on or replace current offerings?
- What is the current size and expected growth of your target market?
- What are the economics of the market?
- What is your business model and what companies does your business resemble?
- What do you need to do very well in order to win in this market?
- What special knowledge or technology do you possess and how will you protect it?
- What is the level of potential sales of your product or service?
- What will your pricing position be relative to the industry?
- What level of profits do you expect?
- How will your sales happen?
- Who will your first customer(s) be?
- What proof can you offer that your target customers value your product or service?

What should I include in my Complete Business Plan entry?

- Expansion of the Executive Summary, including full factual support and reasoning;
- Quarterly financial projections for two years and annual projections up to Year 5, including Pro Forma cash flow and budget analysis;
- Breakeven analysis;
- A working model or prototype, if appropriate, is advantageous but is not required.

What are the prizes?

A cash prize fund of \$50,000 is divided among three winning entries. The grand prize winner receives \$30,000 and the two other finalists each receive \$10,000. In-kind services are divided among the three winning entries in the same proportion as the cash prizes.

How does the judging work?

A panel of judges from the venture community, including successful entrepreneurs, venture capitalists, legal professionals, financial services professionals, and patent experts from MIT's Technology Licensing Office reads the entries. *All decisions of the judging panel are final.*

The following twenty questions provide some general evaluation criteria considered by the Competition judges. These criteria are also used by industry, private investors, corporate managers and venture capitalists in evaluating the attractiveness of new venture opportunities:

1. Is the business opportunity as presented both highly attractive and clearly realistic?
2. Is the business defensible from competitors?
3. What is the business model?
4. What comparisons are there to past success stories that indicate this venture will succeed?
5. What is the amount of up-front capital investment required?
6. Do the market and financial projections demonstrate that the team understands its business?
7. How long will it take from the current stage of development to bring this to market?
8. Can this venture achieve a leadership position in its market?
9. Has the team gone out to the market already to test its ideas?

10. Who will be the first customer(s)?
11. Is the team of sufficient breadth, balance and quality to make their ideas happen?
12. Will the ego of the founder(s) get in the way of success?
13. Is the team focused on its target market?
14. What is the expected time and amount of pay-off to investors?
15. Is the reader familiar with and interested in the given market space?
16. Is the plan clear and well-written?
17. Does the team have the necessary communications skills to present a compelling story?
18. Are the team members dedicated to the venture and their roles in the group?
19. Does the team have a clear plan for spending the investment money it receives?
20. Why is this business going to be around and a real world winner in 5 years?

Can I enter on the Web?

All \$50K teams are required to register on the \$50K web site at <http://web.mit.edu/50k/www>. All other entry materials should be submitted on paper just as they would be presented to a potential investor, team member or advisor.

Will my entry remain confidential?

All Judges and Organizers sign non-disclosure agreements. A copy of the non-disclosure agreement used by the Competition is included in the kit for your reference. However, we ask that you submit a note for your business idea and a short (50 words or less) description of your idea, which may be published by the organizers in promotional materials or press releases. Do not disclose proprietary information about your idea in the short description.

On the attached entry form you will find a question relating to your interest having a qualified mentor from whom to obtain feedback. If you say yes to the question, your entry may be shared with prospective mentors who will also sign a confidentiality agreement. The Organizing Team is working to select qualified mentors for teams that want them.

Will my intellectual property be protected?

MIT (the principal sponsor and organizer), the Co-Organizers and Co-Sponsors of the MIT \$50K Entrepreneurship Competition have taken all reasonable measures to assure that all Contestants retain their rights to their Business Plans and any Intellectual Property. The Co-Sponsors and Judges of the Competition include non-MIT organizations who are interested in fostering the entrepreneurial process. Some of these organizations are in the business of working with and investing in the ideas of entrepreneurs. However, co-sponsoring organizations will not have access to the Plans and shall make no claim to any of the property or rights.

The Judges and Mentors will sign a non-disclosure agreement which extends for six months after the public announcement of the winners of the Competition. Copies of these non-disclosure agreements are available from the organizers. A sample non-disclosure agreement is included at the end of the first section. The Competition can not and will not take further responsibility to protect the intellectual property or other rights of the Contestants.

The protection of these rights is the ultimate responsibility of each Contestant. Contestants are urged to mark as "CONFIDENTIAL" any portion of their Entries which they consider to be confidential. Contestants should be careful about disclosing any patentable concepts in their Entries because, although in the United States a patent application can be filed up to one year after the first public disclosure of an invention, in many foreign countries a patent application must be filed before any public disclosure is made.

The information supplied by the contestants on the Cover Sheet and the web site registration form may be used by the Competition Organizers in promotions or press releases.

Contestants concerned about the protection of intellectual property may contact the MIT Technology Licensing Office (TLO) or the Organizers. The comprehensive *Guide to Ownership, Distribution, and Commercial Development of MIT Technology*, is available from the TLO, (617) 253-6966.

When is the entry due?

The Business Plan Executive Summaries are due by Wednesday, February 26, 1997, 4pm.

All entries should be dropped off at:

MIT Entrepreneurship Center
70 Memorial Drive, Room E51-209
Cambridge, MA 02142
Attn: MIT \$50K Entrepreneurship Competition
(617) 253-8653

For more information or clarification:

home page: <http://web.mit.edu/50k/www>
email: 50k-core@mit.edu

Tentative Dates for Upcoming Events

2/5/97	VentureFest
2/26/97	\$50K Executive Summaries Deadline
3/17/97	\$50K Semi-Finalists Announced
4/21/97	\$50K Business Plan Deadline
5/14/97	\$50K Final Winners Announced

Check the \$50K News Update in email for confirmation and new announcements regarding events deadlines, resources, and other information.

ENTRY CHECKLIST - Please use before submitting your entry!

- ☐ You have registered your team using the Official \$50K Web Registration Form at <http://web.mit.edu/50k/www>
- ☐ You have printed the "Cover Sheet" and "Certifications and Agreements" from the web site
- ☐ You have provided a copy of the "Cover Sheet" with the copies of your entry
- ☐ You have read, signed, and attached the "Certifications and Agreements"
- ☐ You have included TWELVE copies of your entry materials including resumes
- ☐ The Business Plan Executive Summary is no more than five pages
- ☐ You know how to find the drop-off point (MIT Entrepreneurship Center, E51-209)
- ☐ It is currently earlier than 4pm, Wednesday, February 26, 1997

SAMPLE COVER SHEET

1996/1997 MIT \$50K Entrepreneurship Competition

Attach 12 copies of your business idea statement including team member backgrounds.

Please type or print clearly and circle YES or NO for each of the questions below:

A) Would you like to work with a qualified advisor if one is available to help you? YES NO

Business Idea Title:

Brief description of the business (50 words or less): For promotional use by the \$50K organizers

Team members: List principal contestant (point-of-contact) first

Name	Address and e-mail	Telephone	Classification*	Dept.	Yr.
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*Classification:

Choose one of the following: Undergraduate, Masters, Ph.D., Post-Doc, Staff, Faculty, Other MIT, Outside

Please list all the participants who contributed significantly to the Business Idea. Attach additional sheets if necessary.

SAMPLE CERTIFICATIONS AND AGREEMENTS

1996/1997 MIT \$50K Entrepreneurship Competition

By submitting a Business Idea ("the Idea") to the MIT \$50K Entrepreneurship Competition ("the Competition"), each Contestant listed below agrees to the following conditions:

Originality of Plan. The ideas and concepts set forth in the Idea are the original work of the Contestants and that the Contestant is not under any agreement or restrictions which prohibit or restrict his or her ability to disclose or submit such ideas or concepts to the Competition.

Compliance with Guidelines of the Competition. Each Contestant has reviewed the Entry Guidelines ("the Competition Guidelines") and by his or her signature below certifies that this entry and the team or individual it represents complies with the Guidelines and agrees to abide by the Guidelines.

Waivers and Releases. Each Contestant understands that MIT, each of the co-sponsors, judges, mentors, co-organizers (the "Competition Officials") and its directors, officers, partners, employees, consultants and agents (collectively "Organizer Representatives") are volunteers and are under no obligation to render any advice or service to any Contestant. The views expressed by the judges, co-sponsors, co-organizers, and the Organizer Representatives are their own and not those of MIT or any person or entity.

Each Contestant also understands and agrees that although the Competition Officials have taken and will take the steps described in the Guidelines regarding confidentiality of the ideas and plans submitted by the Contestants, the legal protection of the ideas and plans submitted by the Contestants to the Competition is otherwise the sole responsibility of the Contestant. In consideration of the time, expertise and other resources provided by the Competition Officials and Organizer Representatives to the Competition, each Contestant hereby voluntarily releases each Competition Official and each Organizing Team Member from any further liabilities, responsibilities, and accountabilities relating to or arising out of such Competition Officials or Organizer Representative's participation in the Competition.

Business Idea Title:

Contestants (a.k.a Team Members): *List principal contestant (point-of-contact) first.*

Name:

Signature:

Date: _____

SAMPLE NON-DISCLOSURE AGREEMENT

To: Massachusetts Institute of Technology
1996/1997 MIT \$50K Entrepreneurship Competition Organizers
Building E51-211
Cambridge, MA 02142

RE: CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

Ladies and Gentlemen:

I would like to participate in and be supportive of the 1996/1997 MIT \$50K Entrepreneurship Competition (the "Competition"). The purpose of the Competition is to choose the best business plan prepared by members of the MIT Community and to foster entrepreneurial activities at MIT.

I understand that in the course of my participation in the Competition I may have access to executive summaries of business plans of each contestant and to the full business plans of the finalists (collectively, "Plans"). These Plans may contain the ideas, inventions and concepts (collectively "Ideas") of contestants in the Competition. I understand that all intellectual and other property rights of all entrants will remain unaltered as a result of entering the Competition. I also understand that some of these Ideas may constitute trade secrets and that contestants may not have yet taken appropriate steps to patent, copyright or otherwise protect their Plans or Ideas.

In consideration of my participation in the Competition, I agree for the benefit of MIT and the individual contestants involved in the Competition that only I will review the Plans submitted to the Competition and that I will take all reasonable effort to hold the Plans and Ideas which I may receive in the course of the Competition in strict confidence and will not copy, reveal, or disclose such Plans or ideas to others and that I will not use any such Plans or Ideas for my own benefit or the benefit of any organization with which I am affiliated. At the conclusion of the Competition I will return the Plans to the Contestants via the Competition Organizers.

The above restrictions shall not apply to any Plans or Ideas which are in the public domain at the time of disclosure or becomes publicly known through no wrongful act of mine, is known to me at the time of disclosure or is independently developed by me, is used or disclosed with the approval of the contestants involved, is furnished to a third party without similar restrictions on the third party's rights, is received by me from a third party who has a lawful right to disclose it to me, or is disclosed pursuant to the requirement or request of a governmental agency.

The above restrictions will apply during the time that the Competition is occurring and for a period of six (6) months after the winners are publicly announced.

I am pleased to support the Competition and during my involvement with it I agree to abide by such other rules and guidelines which MIT may reasonably impose.

Very truly yours,

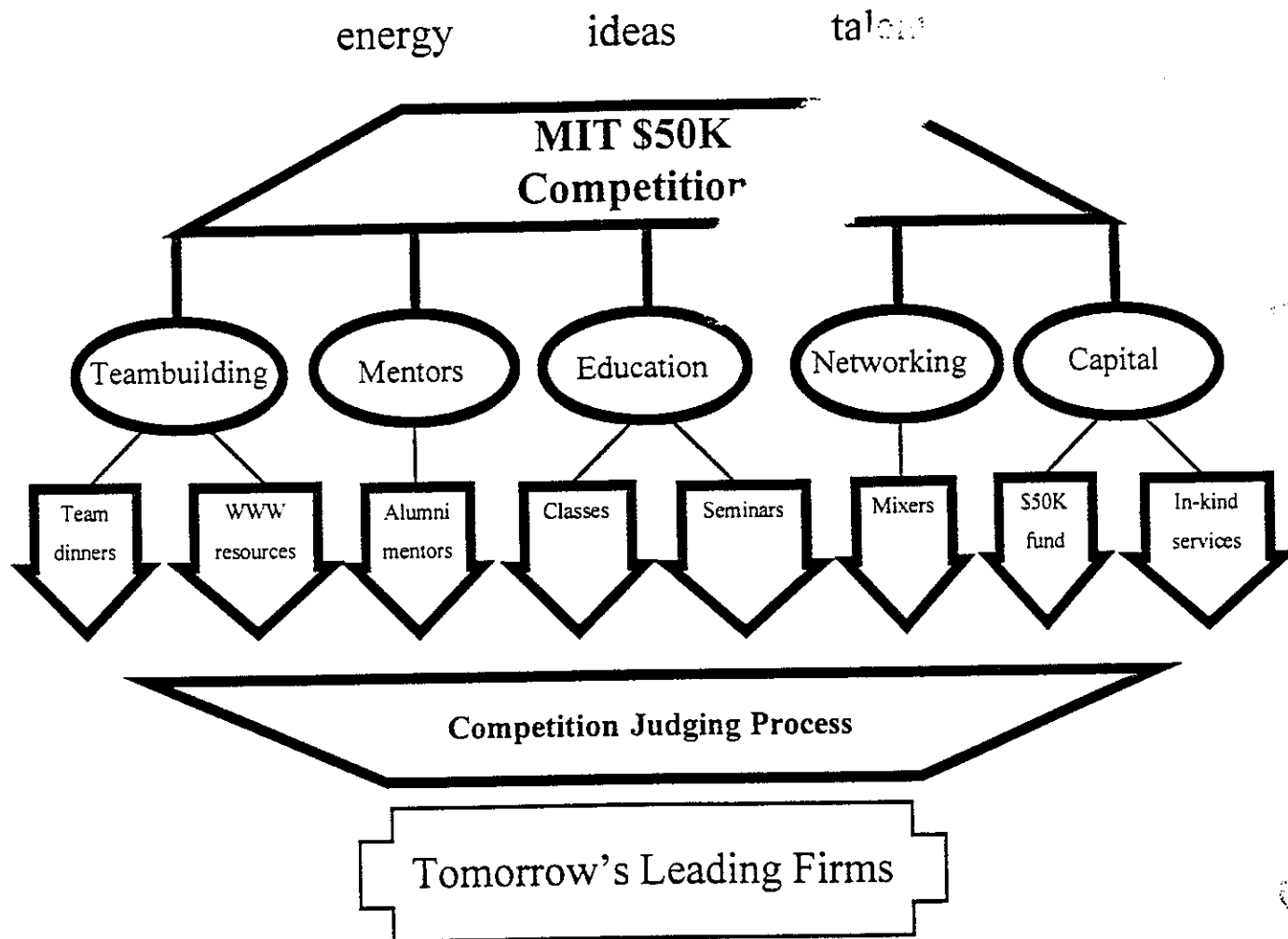
SIGNATURE

NAME (PLEASE PRINT OR TYPE)

DATE

COMPETITION RESOURCE FRAMEWORK

We believe that there are five areas that are fundamental to successful venture creation — teambuilding, mentors, education, networking, and capital. This framework has emerged over the eight year history of the competition and was formalized in 1996. The MIT \$50K Entrepreneurship Competition process provides resources in each of these five areas as described in the following pages.



TEAMBUILDING

Building an effective team is critical to creating a successful venture. A good team contains members with skills in both technology and business. For example, Players Systems, a successful local start-up was founded by four diverse individuals - a salesman, a lawyer, a technologist, and a business manager. While there is no perfect size for a team, last year's Competition finalists all had more than two team members and included people with skills in both technology and business.

Teams may change over the course of the Competition. Sometimes teams split up and other times new members come on board to fill roles. The Competition provides two formal avenues for teambuilding - the online Teambuilders' List and Teambuilding Dinners.

MIT \$50K Teambuilding List

The online Teambuilders' List is a great place to start your search for a team. The Teambuilders' List can be found at the \$50K Competition web site: <http://web.mit.edu/50k/www>.

If you are looking for a team to join, you can enter information about your background and skills for others to see. If you are in search of teammates, you can browse through the entries to find people with valuable skills and experience.

MIT \$50K Teambuilding Dinners

Teambuilding dinners are sponsored monthly by the Competition. These informal gatherings provide a venue to meet other entrepreneurs looking for teams or ideas. Sign-up on the Teambuilding List to receive notification of upcoming Teambuilding Dinners.

MIT \$50K Organizers

Members of the Organizing Team are often aware who's looking for team members and can put potential collaborators in touch with one another. Contact us in person at \$50K Competition events or through the web site: <http://web.mit.edu/50k/www>.

MIT Entrepreneurs Club (e-club) IAP Meetings

The E-club meets each Tuesday of IAP except on the Tuesdays taken by the IAP seminars. To sign up for the E-club email list send your request to e-club-request@mit.edu. The regular semester meetings are on Tuesdays at 6p.m. in Room 66-144. These meetings are a great place to find potential teammates.

Other MIT Organizations focusing on Entrepreneurship

Several other MIT organizations attract entrepreneurial individuals. These organizations' meetings also provide opportunities to meet potential teammates.

- MIT Entrepreneurs Club (e-club)
- New Venture Association
- Sloan Venture Capital & Principal Investing Club
- MIT Enterprise Forum
- Center for Competitive Product Development
- Lemelson-MIT Prize Program
- MIT Entrepreneurship Center, Room E51-211, (617)253-8653, Ken Morse, Managing Director

MENTORS

Mentorship provides founding teams with access to the perspective of individuals who have founded companies or who support the creation of new ventures. The Competition provides mentorship to participating teams via two programs – the Competition Judging Process and the Mentorship Program.

MIT \$50K Judging Process

Competition judges provide feedback to each team entering the Competition. Judges have been selected for the Competition based on their background, reputation and their desire to foster entrepreneurship at MIT. The judges bring real world experience to the Competition. The judges include successful entrepreneurs, venture capitalists, legal professionals, financial services professionals, and patent experts from MIT's Technology Licensing Office. The judges' feedback provides valuable input to the teams both while they are in the Competition and when they launch businesses. Make sure to follow up with the judges if you are serious about starting a company. They can be valuable mentors and each judge has his or her own valuable network of contacts.

MIT \$50K Mentorship Program

During the Spring semester, \$50K teams will be given the opportunity to participate in the \$50K Mentorship program. Mentors include past Competition judges and other successful individuals who support entrepreneurship. Details of the Mentorship program will be communicated via email in the Spring Semester.

How to Win the MIT \$50K Entrepreneurship Competition

"How to Win" advice from previous Competition participants can be found in the Reading Material section.

EDUCATION

Learning is essential to founding a company — both the learning that the team brings to the challenge of a start-up and the team's ability to learn and adapt continually. The MIT \$50K Competition provides seminars and materials to help new start-ups navigate around common roadblocks.

MIT \$50K IAP Classes

- 15.974 Preliminary Venture Analysis and Personal Entrepreneurial Strategy (Russ Olive) — In this class, each student develops his or her personal entrepreneurial career strategy and performs a preliminary venture analysis to build an idea into a high-potential business opportunity. This course is a solid starting point for preparing a Business Plan Executive Summary for the \$50K Competition.
- 15.976 The Nuts and Bolts of Preparing a Business Plan (Joseph G. Hadzima, Jr.) — In this class, students prepare a Business Plan Executive Summaries which can be used as a basis for \$50K Competition entries.

Be sure to review the 1997 IAP Guide for courses on Patents, Law, Entrepreneurship, Invention, Business, Time Management, Government Information, How to Speak, Internet use, and more.

MIT \$50K Seminars

Upcoming MIT \$50K Seminars will focus on providing content relevant to improving the quality of your Executive Summary and Business Plan submission. Possible topics include market research, shared equity agreements, team maintenance, funding sources, networking, business plans, business models, and financial projections. Watch your email for dates and times of seminars. If you see a need for a seminar on a certain topic, contact the Organizing Team with your suggestions at 50k-core@mit.edu.

MIT \$50K Reading Material

Reading materials are included at the end of this kit to help you prepare your Executive Summary and Business Plan. Materials included in this section include advice on how to win, MIT course listings in entrepreneurship, a suggested Business Plan Outline, a Research Guide, Lecturer Russ Olive's *Useful Guidelines for Preparing a Business Plan*, an overview of some MIT entrepreneurship organizations, and a list of past entries and finalists from last year's \$50K Competition.

Other Useful Classes

- 15.375 New Enterprises (Russ Olive) — In this class, students from business and technology form teams and develop full business plans. Some teams launch the ventures developed in this course. The class teaches fundamental business skills through a combination of lectures, case study discussion, and, most importantly, the collaborative work done by the teams *outside* the classroom. 15.375 in the Spring semester directly corresponds to the MIT \$50K Entrepreneurship Competition in terms of deliverables and the leadership and teamwork skills developed in the process. Plans developed in 15.375 are eligible for entry in the \$50K Competition.
- 15.840 MIT Technologies with New Venture Potential (Anirudh Dhebar) — In this class students from Engineering, Sciences and Management learn ways to bridge the gap between a new technology and the marketplace.

NETWORKING

Founding teams require support in the form of capital, connections, publicity, and expertise throughout the lifecycle of the start-up. The MIT \$50K Competition provides access to a valuable network of people through Venturefest, the \$50K Semi-Final Event, the \$50K Final Event, and the judges and sponsors of the Competition.

MIT \$50K Venturefest

Polish your network skills and join the Competition Organizers on Wednesday, February 5, 1997 for Venturefest. Meet potential mentors, team members, and funding sources at what might be MIT's largest cocktail party. Watch your email for details.

MIT \$50K Semi-Final Event

Competition Semi-Finalists will be announced on Monday, March 17, 1997. Bring your team and connect with Competition supporters.

MIT \$50K Final Event and Awards Ceremony

The Competition prize winners will be announced on Wednesday, May 14, 1997. Held in conjunction with the MIT Enterprise Forum, this event is the biggest \$50K event of the year and attracts business leaders, investors, students and members of the international MIT venture network.

MIT \$50K Sponsors

Heartfelt thanks to these individuals and organizations who have donated cash and in-kind services to support teams learning and starting companies through the MIT \$50K Competition.

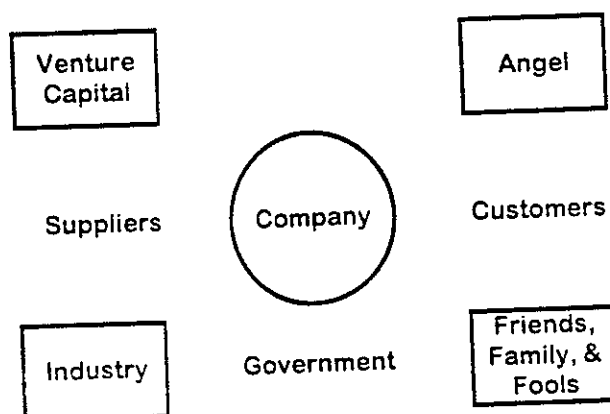
- Jarrett Collins, ITP Ventures
- Coopers & Lybrand
- Alec Dingee
- Dr. George Hatsopoulos, Thermoelectron
- Steve Henry, Wolf Greenfield & Sacks
- International Data Corporation
- Bob Metcalfe, InfoWorld
- MIT Club of Northern California
- David Morgenthaler
- Morse, Barnes-Brown & Pendleton, PC
- Motorola New Enterprises
- Dan Schwinn, Avidyne Corporation
- Price Waterhouse
- Dr. Charles Vest, President, MIT
- Dr. Robert Brown, Dean, MIT School of Engineering
- Dr. Glen Urban, Dean, MIT-Sloan School of Management
- MIT Libraries
- MIT Copytech
- MIT IAP Office
- MIT Technology Licensing Office

MIT Technology Licensing Office (TLO)

If you have questions regarding patent protection for your intellectual property or opportunities to license your technology, you can call the TLO, (617) 253-6966.

CAPITAL

Start-ups require capital in the form of cash, goods and services. The introduction to *Pratt's Guide to Venture Capital Sources* edited by Ted Weissberg provides an up-to-date overview of potential funding sources including sources other than venture capital. New ventures can build their organizations using a variety of funding sources including credit extended by suppliers and projects sponsored by customers or government. Additional funding may come from industry investors like Motorola, angel investors who are wealthy private individuals, personal relationships including family members, and venture capital firms.



MIT \$50K Cash Fund

A cash prize fund of \$50,000 is divided among three winning entries. The grand prize winner receives \$30,000 and the two other finalists each receive \$10,000. Cash prizes will be awarded in stages. The cash prize fund is raised each year from the contributions of sponsors. If you are interested in sponsorship opportunities, please send email to the \$50K Sponsor Relations Team at 50k-core@mit.edu or call the MIT Entrepreneurship Center at (617) 253-8653.

MIT \$50K In-kind Services

In-kind services are divided among the three winning entries. In-kind services include market research, legal services, and accounting services. The in-kind services are solicited each year by the \$50K Sponsor Relations Team.

MIT \$50K Seminars

An upcoming MIT \$50K seminar will address how teams can find sources of funding. Watch your email for details.

READING MATERIAL

Reading materials are included in this section to help you prepare your Executive Summary and Business Plan.

- How to Win
- Reading List
- Research Guide
- MIT Entrepreneurship Club (e-club)
- Sloan Venture Capital & Principal Investing Club
- Recommended Business Plan Outline
- Useful Guidelines for Preparing a Business Plan
- 1995/1996 MIT \$50K Entrepreneurship Competition Entries

HOW TO WIN

- Form a diverse team with both technical and business skills.

"Assemble a group of individuals who are headstrong enough to be entrepreneurs, but flexible enough to work together as an effective team." - a past \$50K champion

- Develop a business model, not just a neat invention.

"It is not enough to say what your product or service is. You need to clearly articulate the who, why, where, when, and how. No amount of sordid technical details can substitute for a clear and concise marketing plan." - another past \$50K winner

"This is a pure technology play, not a business model." - \$1K Judge rejecting a \$1K entry

- Seek advice from everyone: peers, professors, fellow competitors, family.
- Analyze customers: what are they looking for?
Analyze competitors: what do you have that they don't?
- Demonstrate that you can achieve a sustainable, competitive advantage. For example, create barriers to entry or proprietary technology that prevents others from taking your market away.

"Make sure you tell the judges who your customers are and how they can benefit from your products or services" - a former competition judge

- Write clearly and directly. Remember, the judges have to read your submissions.

"Put enough time and effort in writing your executive summary and your business plan. Do your best, treat it seriously." - another past victorious contestant

- Be realistic in your plans and schedules, avoid pie in the sky estimates.
- Do compete on technology or quality. Don't compete on price.
- The Judges like potential investors are attracted to plans with targeting a compelling large market need; they like high potential, growth-oriented businesses.

... if you learn something about starting a business, you've already won.

READING LIST

Seminar speakers and panelists during the fall semester recommended the following books for entrepreneurs.

- *Crossing the Chasm* by Geoff Moore
- *Inside the Tornado* by Geoff Moore
- *Marketing High Technology: An Insider's View* by Bill Davidow
- *Relationship Marketing: Successful Strategies for the Age of the Customer* by Regis McKenna
- *Only the Paranoid Survive* by Andy Grove
- *Hypercompetitive Rivalries* by Richard D'Aveni and Robert Gunther
- *Diamond Age* by Neal Stephenson
- *The Prize* by Daniel Yergin
- *Start-Up: A Silicon Valley Adventure* by Jerry Kaplan
- *Pratt's Guide to Venture Capital Sources* edited by Ted Weissberg (First section is great!)

RESEARCH GUIDE

Great technical ideas are often a good start, but successful business plans include sections on marketing and financials based on additional research. There are many resources available to help write business plans and to research strategies, industry trends, customer needs and potential competitors.

In order to be sure your product or service targets the needs of your customers you will need to be familiar with how these people behave. In order to construct convincing sales and revenue forecasts you must understand competing firms.

When doing market research, remember to take time to talk with actual potential customers. Many times the fastest way to get the information you need is simply to ask the people who know. You can contact potential customers, suppliers, and competitors directly through interviews or surveys; this is often the most useful, efficient, and credible method. To identify contacts, use the Yellow Pages, the Encyclopedia of Associations, or the Washington Information Directory (available at many libraries).

Libraries

- MIT Libraries Online via the WWW: <http://nimrod.mit.edu/>
- MIT Dewey Library (E53) is the MIT library for management and the social sciences located next to the Sloan School. The Dewey Library offers multiple routes for getting help with your research. For on the spot advice, librarians and reference assistants are available at the reference desk from 9-5 on Mon - Fri. You can also get advice or answers to research questions via Email through OWL (Online With Libraries.) To access OWL, login to your Athena account and type add library then owl then ask. More extended research assistance can be provided by meeting with a librarian. To arrange a consultation, ask at the reference desk for a Research Consultation form.
- Boston Public Library (666 Boylston, 536-5400) has a huge collection. Especially useful is the patent depository where you can perform patent searches.
- Boston Public Library - Kirstein Business Branch (20 City Hall Ave, 523-0860) is also a comprehensive business library, with special resources on Massachusetts and regional businesses and data. Open during business hours Mon-Fri 9-5.
- Cambridge Public Library (449 Broadway, 349-4040) has extensive resources and helpful librarians. Pick up a copy of their pamphlet "So you want to start a business..."

MIT Dewey Library Resources

Books On Reserve at Dewey Library:

- Timmons, Jeffrey, *New Venture Creation: Entrepreneurship for the 21st century*, 4th ed. Irwin, 1994
Reserves HD 69 .N4 .T55 1994
- Timmons, Jeffrey, *New Venture Creation: Entrepreneurship in the 1990s*, 3rd ed. Irwin, 1990
Reserves HD 69 .N4 .T55 1990
- Merrill, Ronald E., *Raising Money: Venture funding and how to get it*. AMA, 1990.
Reserves HG 4751 .M47 1990

In Book stacks (2nd floor Dewey Library), available for check out:

- Christy, Ron, *The Complete Information Bank for Entrepreneurs and Small Business Managers*. Center for Entrepreneurship and Small Business Management, Wichita State University 1988 Books HD 2346 .U5 .C45 1988
- Cohen, William, *The Entrepreneur and Small Business Problem Solver: an Encyclopedic Reference and Guide*. Wiley, 1990 Books HD 62.7 .C63 1990
- Kravitt, Gregory I. *How to Raise Capital: Preparing and Presenting a Business Plan*. Dow Jones-Irwin, 1984. Books HG 4026 .K7 1984
- Roberts, Edward, *Entrepreneurs in High Technology: Lessons from M.I.T. and Beyond*. Oxford University Press, 1991 Books HC 108 .B65 .R62 1991

Periodicals:

Venture Capital Journal, Entrepreneurship Theory and Practice, and Inc. (available at Dewey)
MIT Forum Reporter (at Archives or call MIT Enterprise Forum x3-8240)

Research Guides at Dewey Library

- *Industry Information* lists sources for finding information on markets and industry conditions.
- *Company Information* suggests sources for finding out about potential competitors.
- *Electronic Reference Center* describes electronic databases available at Dewey Library.
- *FirstSearch* describes databases available from MIT Libraries through your Athena account.
- *Lexis/Nexis Cheat Sheet* provides brief information on using Lexis/Nexis.

Recommended Databases

- *ABI/Inform* has abstracts from 800+ business periodicals. Good place to start your research.
- *Wall Street Journal on CD-Rom* for full text searches of the leading business newspaper.
- *Laser Disclosure* has detailed reports from the SEC about companies traded on stock exchanges.
- *National Trade Data Bank* has information from the US government to help companies export, a good source of statistics and information on foreign markets.
- *National Economic, Social, and Environmental Data Bank* publishes useful statistics.
- *Lexis/Nexis* is available to MIT students through a special arrangement with the database provider. This huge full text database can be very helpful if you know how to search it. Training is highly recommended.
- More databases! The MIT Libraries have many more CD-Rom databases and access to numerous remote databases. The Librarian can recommend those most appropriate for your project.
- The Boston Public Library - Kirstein Business Branch has three CD-ROM databases worth investigating. *Investext* (on InfoTrac) contains full text reports on companies and industries written by stock analysts. *F&S* has abstracts from hard to find industry periodicals— a good source of specific product & market information. *Compact Disclosure* allows you to create lists of public companies that meet specific criteria (i.e. public firms in certain industries & geographic locations, with chosen financial characteristics).

Using Athena:

- *Electronic Archives of the MIT Entrepreneurs Club*, including the archives of the MIT \$50K Entrepreneurship Competition dating back to the first contest in 1990. To access this locker, at an Athena prompt type attach e-club and then cd /mit/e-club. Or go straight to the World Wide Web site at URL: <http://www.mit.edu/activities/e-club/e-club-home.html>
- *FirstSearch* offered on Athena by the MIT Libraries gives you access to 18 databases, including ABI/Inform, ArticleFirst, and NewsAbs. To use FirstSearch, at the Athena prompt, type add library and then tfirst. To exit, type bye.
- *MITOSIS*, access information on the Internet through the MIT Libraries Gopher. To get in type add library and then mitosis.

MIT ENTREPRENEURS CLUB (E-CLUB)

Our Objectives

The goal of the MIT Entrepreneurs Club (the MIT e-club) is to support entrepreneurs in the early stages of developing their business ventures.

- Our Network of people was established to make the process of starting a business easier. There are written resources available to help in the start-up process, but nothing comparable to talking to the right people.
- We actively promote innovation and entrepreneurship. We keep our focus on the logistics of getting your venture ideas off the ground.
- All venture ideas are treated with enthusiasm. The idea need not be "high-tech". It can be anything that can make money and make the world a better place. All members listen to and contribute to other people's start-up efforts and vision, through advice, resources and questions that may help entrepreneurs think about issues that they did not consider before.
- A Multi-disciplinary approach to problem-solving is adopted. We tackle all problems including technology, product design, fundraising, marketing and legal issues and so on.

Our Members

- The Club is a network of MIT students, faculty, alumni, friends, and professionals from outside of MIT. Our members represent a full spectrum of backgrounds in business, engineering, the arts & sciences, and law, including founders of several innovative companies, mostly started by MIT students.

Anyone who shares our goals is invited to attend our meetings and see what we do. Our strength is the diversity of our members, and we are always eager to have more people involved. There is no membership fee, or compulsion to attend every meeting.

Our Activities

- Our (in)formal meeting is primarily a forum for presenting ideas. Usually, a short presentation is followed by a period of discussion, questioning and suggestions from the audience, which may vary from 4 to 30 people on any day. This format, keeping with entrepreneurial traditions, is very flexible. Often, people come back to present about the progress of their ventures. Many entrepreneurs find contacts who they talk to after the meeting or at some other time.
- MIT \$50K Entrepreneurship Competition, an annual contest co-sponsored by the e-club during Spring Semester, awards MIT students for their original business ideas. Besides MIT, our sponsors include prominent venture capital, accounting and law firms, and high-tech companies.

Where and When

Meetings are held every Tuesday at 6p.m. in MIT room 66-144 across from the Media Lab on Ames Street, Cambridge.

Contacts

Richard Shyduroff e-mail: rdshydu@mit.edu

To get on the e-club mailing list send mail to:
e-club-request@mit.edu
WWW URL: <http://www.mit.edu/activities/e-club/e-club-home.html>



SLOAN VENTURE CAPITAL & PRINCIPAL INVESTING CLUB

CLUB MISSION:

- To educate Sloan students about the venture capital, entrepreneurship, and principal investing.
- To encourage careers in those industries and provide networking opportunities.
- To facilitate the founding and funding of start-ups at Sloan and other parts of MIT.

MEMBERSHIP:

- \$15 for new members. \$5 for returning members. Also 2 copies of your resume must be dropped into Monica Lee's folder.
- Our club is geared for those who are seeking VC jobs and opportunities to meet both venture capitalists and venture-backed company founders, especially those based locally and in *California*.

PROGRAMS:

- **Team Start-Up**
This program provides opportunities to network with and join start-up companies being founded at MIT. We encourage newly formed start-up teams to enter MIT's Entrepreneurship Contest (The \$50K) held each Spring. Annual events include:
 - Team Building Dinner Series: This is special mixer event to help MBAs meet others to start or build companies.
 - Distinguished Venture Speaker Series: Features prominent entrepreneurs speaking on various entrepreneurship topics.
- **Venture Capital & Principal Investing Careers**
Members interested in these careers will benefit from networking events, a speaker series, a breakfast series, job leads, and a growing Venture Capital Resource Library. Specific offerings in place so far include:
 - Job Search Workshops: Pick up job tips, career insights, salary data, the word on the Kauffman Fellows Program, etc.
 - Venture MBAs Resume Book: Get your resume distributed to the firms that have interest in Sloan students.
 - Distinguished Venture Speaker Series: Prominent VCs & companies are invited to Sloan, such as Dreamworks SKG.
 - VC & PI Breakfast Series: Meet local venture capitalists, LBO investors, and hear the latest industry scoop.
 - Venture Capital Resource Library - Access hard-to-get materials -- salary surveys, analyst research, valuation methods, etc.
 - Bay Area VC Tour - We visited a few top California firms last January, including Mayfield Fund, Menlo Ventures, Institutional Venture Partners, Draper Fisher, and Hummer Winblad. To be held annually with the Media & Telecom Club's Bay Area trip.

THE FOUNDERS:

Monica A. Lee, Co-President, MBA '97

Tel: 617-354-3866 E-mail: monicaMTB@aol.com

- Past associate at Charter Venture Capital in Palo Alto, CA for 2.5 years. Focused on Internet and software investments.
- Background prior to VC: banking, US-Japan consulting (tech licensing & distribution deals), 3 stints at small start-ups.
- Spent the 1996 summer at Electric Classifieds, Inc., a Charter portfolio investment and an Internet tools company.
- 1996 MIT \$50K Entrepreneurship Contest finalist with snowboard binding designs.

Anthony Cirurgiao, Co-President, MBA '97

Tel: 617-536-9416 E-mail: acirurgiao@aol.com

- Former co-founder and VP of Business Development of SensAble Devices, a Cambridge-based virtual reality company specializing in force-feedback devices. SensAble was the 1995 winner of the MIT \$10K Entrepreneurship Contest.
- Background prior to SensAble: marketing, advertising, and publishing
- Spent the 1996 summer at McKinsey & Co., Chicago office.

BUSINESS PLAN OUTLINE

Here is a recommended structure for a business plan, excerpted from *New Venture Creation*, by Jeffrey Timmons (Irwin, 1994, Page 420). For a more complete description, the book is available on reserve at Dewey Library (see Research Guide section).

- I. EXECUTIVE SUMMARY
 - A. Description of the Business Concept and the Business
 - B. The Opportunity and Strategy
 - C. The Target Market and Projections
 - D. The Competitive Advantages
 - E. The Economics, Profitability, and Harvest Potential
 - F. The Team
 - G. The Offering
- II. THE INDUSTRY AND THE COMPANY AND ITS PRODUCT(S) OR SERVICE(S)
 - A. The Industry
 - B. The Company and Concept
 - C. The Product(s) or Service(s)
 - D. Entry and Growth Strategy
- III. MARKET RESEARCH AND ANALYSIS
 - A. Customers
 - B. Market Size and Trends
 - C. Competition and Competitive Edges
 - D. Estimated Market Share and Sales
 - E. Ongoing Market Evaluation
- IV. THE ECONOMICS OF THE BUSINESS
 - A. Gross and Operating Margins
 - B. Profit Potential and Durability
 - C. Fixed, Variable, and Semivariable Costs
 - D. Months to Breakeven
 - E. Months to Reach Positive Cash Flow
- V. MARKETING PLAN
 - A. Overall Marketing Strategy
 - B. Pricing
 - C. Sales Tactics
 - D. Service and Warranty Policies
 - E. Advertising and Promotion
 - F. Distribution
- VI. DESIGN AND DEVELOPMENT PLANS
 - A. Development Status and Tasks
 - B. Difficulties and Risks
 - C. Product Improvement and New Products
 - D. Costs
 - E. Proprietary Issues
- VII. MANUFACTURING AND OPERATIONS PLAN
 - A. Operating Cycle
 - B. Geographical Location
 - C. Facilities and Improvements
 - D. Strategy and Plans
 - E. Regulatory and Legal Issues
- VIII. MANAGEMENT TEAM
 - A. Organization
 - B. Key Management Personnel
 - C. Management Compensation and Ownership
 - D. Other Investors
 - E. Employment and Other Agreements and Stock Option and Bonus Plans
 - F. Board of Directors
 - G. Other Shareholders, Rights and Restrictions
 - H. Supporting Professional Advisors and Services
- IX. OVERALL SCHEDULE
- X. CRITICAL RISKS, PROBLEMS, AND ASSUMPTIONS
- XI. THE FINANCIAL PLAN
 - A. Actual Income Statements and Balance Sheets
 - B. Pro Forma Income Statements
 - C. Pro Forma Balance Sheets
 - D. Pro Forma Cash Flow Analysis
 - E. Breakeven Chart and Calculation
 - F. Cost Control
 - G. Highlights
- XII. PROPOSED COMPANY OFFERING
 - A. Desired Financing
 - B. Offering
 - C. Capitalization
 - D. Use of Funds
 - E. Investors Returns
- XIII. APPENDICES

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN

Business plan preparation is fundamentally a process of envisioning a project, articulating the rationale for it in detail, identifying the resources necessary to make the project happen, and obtaining needed support. This document, **Useful Guidelines for Preparing a Business Plan**, was prepared by Russ Olive, Lecturer at MIT on Entrepreneurship. Each section of the model business plan in this document is presented with guidelines for the content, structure, and presentation of arguments.

It is important to note that all the components of this model *do not necessarily belong in every business plan*. All business plans differ, depending on the special characteristics and context of the particular venture, the intended audiences for the plan, and the judgment of the team developing the plan. Use this model as a sounding board in developing your own plan. At each section, ask yourself, your team members, and other whose opinion you value whether the content is appropriate for your venture. In essence, business planning is a dynamic process and requires feedback at every stage.

WHY PREPARE A BUSINESS PLAN?

- o Used for zero-stage start-up and for major strategic thrust of a larger company into a new area of business.
- o Opportunity to conceptualize the business - different strategies, pricing alternatives, product introduction plans, operating plans, and financing possibilities.
- o Can reality test critical, sensitive variables, decisions, and conclusions in the plan.
- o Can arrive at a key decision - the venture is or is not feasible.
- o Opportunity to show how much the team knows about this industry, this company, this opportunity, and how to start and build this new venture successfully.
- o Opportunity to institute overall business planning in the new company.
- o Committing thoughts and plans to writing requires much deeper thought than just talking about the new venture.
- o Provides vehicle for constructive feedback from valued, trusted, knowledgeable people outside of the new venture.
- o Used to convince sources of funds (equity and/or debt) that your venture should be funded.
- o Demonstrate clearly the planned exit opportunities for venture capital and other investors, including reward, timing and risk.
- o Used as a reference for measuring progress and providing assurance in decision making during the early months of operation when the management team is building confidence in their capability.

MECHANICS OF PREPARING/WRITING A BUSINESS PLAN

- o The logic of the plan and the writing style should stress simplicity and should reveal the organization of the thought processes that are embodied in the plan.
- o Large amounts of data, accompanying analyses, and in-depth considerations involving data and/or computations should be placed in appendices, and the highlights of the data, analyses, and considerations should appear in the text of the Business Plan.
- o Use of Table of Contents and headings for sections of the Business Plan for ease of understanding.
- o Documentation and explanatory footnotes should appear at the bottom of the relevant pages for ease of reading and traceability of information.
- o Charts, graphs, and tables of data and information should be used for clarity and to convey information efficiently.
- o Use reliable and most current sources of information.
- o Blend quantitative and qualitative considerations into the Business Plan.
- o "Micro" considerations contained in the Business Plan must agree with the "macro" considerations also contained in the Business Plan.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN

- o Each section of the Business Plan will be presented with guidelines for content and presentation, and selected examples from actual Business Plan situations will be highlighted and discussed.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN

Each section of the Business Plan will now be presented with guidelines for content and presentation.

o Preliminary considerations.

- o It should be assumed that the reader of the Business Plan may be non-technical and less knowledgeable about the products/services of the new company than the writers of the Business Plan.

- o A realistic schedule should be developed for the preparation of the Business Plan specifying each event/task, the person responsible, the time/date of completion, and the status (completed or not completed).

o Business Plan Cover Page.

- o The section of the Business Plan titled "THE CONTENTS OF A BUSINESS PLAN" provides adequate information regarding content and will not be repeated in this section.

o Executive Summary. (Preferably 2 to 4 pages).

- o Summarizes key points in the Business Plan.
- o Objective of this section - attract the interest of the reader.
- o Describes - the business opportunity, why it exists, and how the new venture will capture this opportunity.
- o This section is prepared last.
- o Caution - invest adequate time to make an excellent persuasive summary.

o Summary description of the business.

- o When was the new venture formed?
- o In what type of business activity will the new venture engage?
- o Unique aspects of the products/services.
- o Unique aspects of the technology.
- o Any proprietary intelligent property - patents, trade secrets, know-how, trademark or copyright and what competitive edge do they provide for the new venture.

o Business history.

- o Size of business and accomplishments to date.
- o Briefly discuss any set-backs or problems encountered in the past and how they were overcome.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Executive Summary. - continued

- o The opportunity and strategy.
 - o What the opportunity is and what caused it.
 - o Critical success factors - what does the new venture need to do very well in order to succeed?
 - o Entry strategy to exploit the opportunity.
 - o Plans for subsequent growth.
- o The target market and projections.
 - o The market opportunity - brief statement.
 - o Primary customer groups and how the new venture will reach them.
 - o Initial specific customers.
 - o Size and growth rate of market segments/niches.
 - o Industry trends.
 - o Unit and dollar sales estimates for first 3 years.
 - o Market share for first 3 years.
 - o Pricing position relative to the industry.
- o The competitive advantages.
 - o Significant competitive advantages and how they occurred: products, technology, competitor situation, or other industry conditions.
- o The economics, profitability, and payoff potential.
 - o Margins, expected profitability, time to breakeven and positive cash flow, and expected return on investment - (desirable to use specific realistic numbers in the text of this section).
- o The team.
 - o Relevant experience of lead entrepreneur, founding team, and other team members.
 - o General management experience - size of operation.
 - o People management experience - size of operation.
 - o New product introduction experience.
- o The offering.
 - o Amount of equity and/or debt new venture is seeking.
 - o Planned uses of this capital.
 - o Percentage ownership team is willing to offer to obtain financing.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o The Industry, the Technology, the Company, and Its Products and/or Services.

o The industry.

- o Brief statement of current status and future expectations for the industry.
 - o Industry scope - must discuss enough about the total industry to position the particular part of the industry upon which the Business Plan focuses. Example: Computer Printer Industry will require some discussion of the basic Computer Industry.

o The technology.

- o Past and present technology and advantages to the new venture.
- o Life-span of the technology.
- o Future directions of the new technology and competing technologies - short-term, 5 years, 10 to 15 years.

o The company.

- o Mission of the new venture - usually include one or more of the following - (caution against a mission statement that is too narrow):
 - o Product definition - caution defining mission in terms of product.
 - o Generic market need.
 - o Market definition.
 - o Technology.
 - o Levels of production-distribution (degree of integration).
 - o Distinctive competence or strategic assets (better than competition).
- o Products/services to be offered.
- o Principal customers.
- o Involvement of founders of the new venture in the development of products/services.

o The products and/or services.

- o Detailed description of product/service to be sold.
- o How product will be used.
- o Unique features - differences from the products currently sold.
- o Proprietary positions or head starts in product development/introduction relative to competition.
- o Planned product line expansions or development of related products/services.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o The Industry, the Technology, the Company, and Its Products and/or Services. - continued

o Entry and growth strategy.

- o How to get market acceptance - stress competitive advantages and key elements of the marketing plan, such as innovative product, product positioning, pricing, distribution, and advertising.
- o Elements of the growth strategy include one or more of the following:
 - o Initial products and newer products.
 - o Initial markets and newer markets.
 - o New level of production-distribution.
 - o New technologies.
 - o New competences and/or strategic assets.

o Market Research and Analysis. (One of the most important sections of the Business Plan).

- o Objective of this section is to convince the reader that the new venture has a substantial market and the company can compete successfully.

o Customers and market segments.

- o Who are the customers? - customer profile containing attributes/characteristics of customers by market segment.
- o Who makes the buying decision?
- o Why does the customer buy this product /service? - price, quality, service, unique features, technology, personal selling, etc.
- o Why would the customer buy this product /service from the new venture?
- o Surveys may be needed to test customer reaction - telephone/questionnaire, questionnaire, focus groups.
- o Reality test the strengths/weaknesses of the products/services.
- o If product is very different from existing products
 - o May need to educate the customer - time consuming.
 - o May need to modify the initial product offering to be closer to that which is available, and after customer is ready, introduce the originally planned product.
- o Specify who the initial customers will be.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Market Research and Analysis. - continued

- o Market size and trends. - Critical section of the Business Plan.
 - o Size of total market for product/service now and next 3 years - units and dollars.
 - o Use reliable data sources - Predicasts, Arthur D. Little, Inc., Frost & Sullivan, Inc., U.S. Department of Commerce Industrial Outlook.
 - o Discussions with potential distributors, dealers, sales representatives, and customers.
 - o If new venture will focus upon regional sales, want regional market size.
 - o Describe methodology used to determine market size and projections.
 - o Reality test the correctness of any statistical techniques used with a person knowledgeable in quantitative methods.
 - o Describe annual growth rate of market for each segment.
 - o Explain the factors affecting the annual growth rate.
- o Competition and competitive factors.
 - o Understand the forces driving industry competition - bargaining power of the suppliers, threat of potential entrants into the industry, bargaining power of the customers, threat of substitute products, and internal rivalry among the existing firms in the industry.
 - o Competitive products - strengths/weaknesses.
 - o Use reliable data sources - competitor financial statements and reports to the stockholders, Dun & Bradstreet, Moody's, Robert Morris, Dataquest, Value Line, Forbes, Business Week, Wall Street Journal, Harvard Business School case studies, and on-line data bases.
 - o Solicit competitor information from suppliers, customers, distributors, dealers, sales representatives, and directly from the competitors (if risk is minimal).
 - o Compare the competitors' products/services on all relevant dimensions - such as technology, price, performance, quality, service, and warranty.
 - o Are competitors' products meeting customer need - why/why not?
 - o Knowledge of current/future competitors actions.
 - o What will competitors do when the new venture introduces the company's new product/service and how will the new venture team respond to this competitor action?

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Market Research and Analysis. - continued

- o Competition and competitive factors. - continued
 - o Competitors' share of market, sales, production and distribution capabilities, profitability, and profit trends.
 - o Which competitor is technology leader? quality leader? price leader?
 - o Any recent new competitors enter the market? any competitors recently drop out of the market? Why?
 - o Why customers buy from each competitor.
 - o How will the new venture develop market share considering the competitive activity?
- o Estimated market share and sales.
 - o Summarize product/service attributes or other factors that will sell your product in the competitive situation.
 - o Describe existing commitments from potential customers and why they were willing to express advance commitments.
 - o Identify specific customers who could be large volume users and why.
 - o Share of market and sales for the new venture in units and dollars for the next 3 years.
 - o Explain the methodologies and assumptions used to determine share of market and sales.
 - o Micro must meet the macro in this section - what will the new venture be like in 1 year? 3 years? - number of people, locations, sales persons, engineers, number of direct workers in manufacturing, etc.
- o Ongoing market evaluation.
 - o How will the new venture team monitor/evaluate target markets to determine new/changing customer needs, needed product improvements/new products, changes in product usage, competition, new factors affecting pricing, etc.

o The Economics of the Business.

- o Summary of economic/financial characteristics of the new venture and how they may change as the company grows - refer to the financial exhibits included in the section of the Business Plan titled "The Financial Plan".
- o The section of the Business Plan titled "THE CONTENTS OF A BUSINESS PLAN" provides adequate information regarding content and will not be repeated in this section.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

- o Marketing Plan. - Describes what will be done, how it will be done, and who will do it in the marketing and sales areas of the new venture.
- o Overall marketing strategy.
 - o Customer groups targeted for initial selling and later selling - how are they identified and how will they be reached?
 - o Product/service attributes emphasized in selling.
 - o Opportunities to foster customer acceptance of the product/service.
 - o Initial selling regional or national and why?
 - o Strategy will contain some or all of the following:
 - o Product strategies, including elements, such as product quality, product planning, product pricing, product financing, and technical assistance.
 - o Personal/nonpersonal selling, including advertising and sales promotion.
 - o Distribution.
- o Pricing.
 - o Consider several pricing strategies - consider skimming if appropriate.
 - o What are competitors' pricing strategies?
 - o What are competitors' pricing practices - tendency to follow the leader? tendency to drop prices and all lose profit?
 - o Justify pricing strategy selected for your products - explain the impact of price upon customer acceptance of the product, on market share, and on profits.
 - o Explain any price differences between your products and those of competitors.
 - o Reality test pricing by evaluation of competitor's product attributes relative to competitor's pricing and by customer surveys.
 - o Guard against initial low price - product costs in the new venture are generally underestimated and it is difficult to increase prices later.
- o Sales tactics. - How will your products reach the customer?
 - o Describe initial selling/distribution plans and later plans - own dedicated sales force, sales representatives, and/or distributors.
 - o If plan to use sales representatives and/or distributors, explain margins to be paid to them and compare to competition.
 - o If plan to use own sales force, describe initial sales organization, expected sales per salesperson, and compensation plans and compare to competition.
 - o Present a sales budget, including sales dollars and units and all marketing/selling costs.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Marketing Plan. - continued

- o Service and warranty policies. - Consider only if new venture products/services require service and warranties.

- o Describe the importance of service and warranties to the customer.
- o What service will be provided and how will the new venture do it?
- o Describe the types and terms of warranties to be offered.
- o Describe how the cost of service and warranties will impact upon the profit of the new business - will a price be charged for service and warranty?
- o Compare the new venture's service and warranties with those of competition.

o Advertising and promotion.

- o Describe the planned advertising and sales promotion methods - trade shows, trade magazine advertisements, current interest newspaper articles, direct mailings, product sheets, advertising agencies, and/or sales aids provided to salespersons.
- o Provide the advertising and sales promotion schedule of planned actions and costs.
- o Compare the new venture's advertising and sales promotion with those of competition.

o Distribution.

- o Describe the planned methods and channels of distribution and compare to those used by competition.
- o Compare costs of distribution - dollar amounts and as a percent of sales revenue - and compare to those of competition.

- o Design and Development Plan. - Describes the details of any design and/or development effort to prepare the product/service for introduction to the market as a saleable product/service.

o Proprietary technology.

- o Describe any intellectual property owned or to be obtained and compare to intellectual property owned by competition.
- o Provide details of any problems/unresolved issues involved in new venture's intellectual property.
- o Describe how the new venture will guard against the loss of intellectual property to those outside of the company.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Design and Development Plan. - continued

o Competitive edge.

- o Describe the specifics of any competitive edge or advantage that the new venture may possess that stems from the technology or the design of the product/service.

- o What benefits can be derived from this competitive edge?

- o How long will this competitive edge last - once competition learns about the competitive edge, how much time will be required before they close the gap and develop the necessary technology and/or design?

- o Can the new venture prolong the competitive edge by further design and/or development efforts while the competition is trying to catch-up?

o Products, product improvements, new products, and follow-on products.

- o Provide details of any on-going design and development work, starting with the efforts for the initial product offerings and including the efforts associated with future product improvements and follow-on products - including the name of the person heading-up the effort, the number of professionals involved, the time for the program, and approximate costs.

o Special design tools and processes.

- o Provide specific data regarding any special design tools and processes necessary for the design and development effort.

- o Compare the special design tools and processes to those used by competitors.

- o Provide amount of investment funds for equipment and for tooling.

- o What is the expected useful life of the equipment and tooling?

- o What alternatives were considered instead of acquiring this equipment and tooling?

o Design and development status and tasks.

- o Describe current status of design and development effort for initial product/service offerings.

- o Describe tasks needed to make product/service marketable.

- o What actions has the new venture team taken to ensure that the initial product/service will be introduced to the market on schedule.

- o Provide a time line (tasks necessary to first sales, date of planned completion, and responsible person).

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Design and Development Plan. - continued

o Design and development cost.

- o Provide a design and development budget - including the completed tasks that were executed to achieve the current design and development status and all tasks necessary to bring the initial product/service to market.
- o Identify elements in the budget that may be underestimated, and if any cost overruns were to occur, identify the specific tasks that should be monitored closely.

o Difficulties, risks, and contingency plans.

- o Describe any problems and difficulties that are foreseen in the design and development effort, and for each problem/difficulty describe the contingency plan that will minimize the associated risks.
- o What will be the impact on the new product introduction schedule if these problems/difficulties arise - discuss each problem/difficulty separately.
- o Estimate any additional funds that will be needed to execute the contingency plans.

o Manufacturing and Operations Plan.

o Operations overview, including objectives of manufacturing.

- o The objectives of manufacturing (what manufacturing must do well for the new venture to succeed) can be stated in terms of:
 - o Cost.
 - o Quality.
 - o Flexibility - efficient and effective reaction to volume changes and new product introductions.
 - o Dependability - ability to meet customer delivery requirements consistently.
- o Describe/explain the objectives of manufacturing during the early growth period - the first year.
- o Will these objectives change at some future time? If so, when? why?
- o Compare the manufacturing objectives for the new venture with those of competition.

o Manufacturing strategy.

- o Manufacturing strategy can be conceptualized in terms of the key decisions made in 5 decision areas:
 - o Quality.
 - o Capacity.
 - o Inventory.
 - o Process.
 - o Workforce.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Manufacturing and Operations Plan. - continued

o Manufacturing strategy. - continued

- o Explain the manufacturing strategy that will be employed during the early growth period - the first year.
- o Will this manufacturing strategy change at some future time? If so, when? why?
- o Compare the manufacturing strategy for the new venture with those of competition.
- o Is the manufacturing operation focused?
- o Identify and explain any strategic processes in manufacturing.

o Strategic make-or-buy decisions.

- o Describe the make-or-buy decisions with specific details for the initial product/service offerings.
- o Identify the strategic parts, components, and assemblies in the initial product/service offerings.
- o As the product volume increases, will the make-or-buy decisions change - if so, how?
- o Present a product/service cost build-up from raw material to total manufacturing cost.

o Geographic location.

- o Describe the planned geographic location of the business - explain any deviations from generally accepted concepts of location planning.
- o Compare cost factors of manufacturing/distribution relevant to the location decision with those of competition, such as distance to customers, suppliers, and shippers, cost of labor, cost of living, cost of utilities, and cost of plant.

o Plant, property, and equipment.

- o How and when will facilities and equipment be obtained?
- o Present the costs and timing of these expenditures - identify items of capital investment and their expected useful lives.
- o Identify any contemplated future expansion during the first 3 years and how and when this will be accomplished and the associated costs.

o Process technology.

- o Describe the process technology to be employed in manufacturing.
- o Does the new venture possess any proprietary processes and/or know-how?
- o If yes, describe any competitive edge derived from these processes and/or know-how.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Manufacturing and Operations Plan. - continued

o Process technology. - continued

- o Describe any actions taken by the venture team to protect the competitive and strategic value of the processes and know-how.

o Management of inventories.

- o Show the build-up of inventory cost in the stages of processing - raw material, work-in-process in factory, finished goods in factory, and in distribution.
- o In the process where it is planned to create inventories, explain why the planned inventory is needed and what will be the benefits to manufacturing and/or distribution.

o Organization and work force.

- o Explain how manufacturing will be organized.
- o Describe the characteristics of the work force.
- o Provide details of how the manufacturing organization will grow during the first year of operation.
- o Describe any orientation program planned to assimilate new employees into the manufacturing organization.

o Management of quality.

- o Present a quality assurance plan containing quality systems, the use of quality costs (prevention, appraisal, and failure), organizing for productivity and quality improvements, and statistical quality control - if relevant.
- o Describe any special education/training of direct workers that is essential to meet the objectives for quality.

o Regulatory and environmental issues.

- o Team must have concern for issues, such as pollution of the environment and safety of employees and the public.
- o Describe any approvals necessary before operations can begin.
- o What laws/regulations apply to the manufacturing operations of the new venture?

o Operations difficulties, risks, and contingency plans.

- o Describe/explain any operations problems/difficulties that may be encountered during the start-up and during the first year.
- o Present contingency plans for each problem/difficulty to minimize the risks.
- o Estimate the schedule and cost impact of these problems and difficulties.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Management Team. - Critical section of the Business Plan.

o Organization.

- o Provide details of the organization of the new venture and how it will grow during the first year, during the first three years - this build-up should be done from the micro level.
- o Caution - avoid organization charts with many positions and titles, such as used by the large industrial giants.
- o Provide a simple organization chart explaining key management roles and who will fill the key positions.
- o Provide details of past situations where the management team has worked together.
- o If any key persons are not employed at the time of start-up, tell when they will join the organization and explain the delayed engagement.
- o Build culture and climate into the Business Plan and into the new venture by management actions.

o Key management personnel.

- o Need one leader respected by all.
- o Describe duties and responsibilities of each key member of the new venture team.
- o Present career highlights of key personnel that demonstrate ability to perform assigned responsibilities in the new venture.
- o Resumes of key persons stressing training, experience, and accomplishments similar to the role/responsibility in the new venture can be placed in the Appendix to the Business Plan.
- o The person who develops the valuable idea for a new venture may not possess the necessary personal characteristics and role requirements to be a member of the new venture team - can have equity and possibly be on the board of directors.

o Management compensation and ownership.

- o Modest initial salaries for key personnel - some sacrifice.
- o Provide details of salary to be paid to each key person, salary on last job, planned stock ownership, amount of equity investment, and any rewards based on performance over time.
- o Structure of equity arrangement among founders - caution: all team members are not founders.
- o Provide for repurchase of founders equity under specific conditions.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Management Team. - continued

o Other investors.

- o Describe any other equity investors in the new venture, number of shares, percentage of outstanding shares, when acquired, share price paid, and how were the funds used?
- o Describe any debt already obtained by the new venture, from whom, when, conditions of the debt, and how were the funds used?
- o Any family relationships existing among investors and the new venture team.

o Incentives, vesting, and employment agreements.

- o Summarize any incentive stock ownership programs in effect or planned.
- o Provide details of any restrictions on incentive stock.
- o Provide details of vesting.
- o Provide details of any employment agreements that exist or are planned.

o Board of directors.

- o Discuss company philosophy regarding size and composition of board of directors.
- o Identify proposed board members and briefly explain how they will contribute to the success of the new venture.

o Other shareholders and any rights and/or restrictions.

- o Summarize any other shareholders in the new venture not accounted for previously.
- o Provide investment details for each shareholder.
- o If all shareholders have been accounted for in the above sections of the Business Plan, simply state that no other shareholders exist.

o Supporting professional advisors and services.

- o Provide the names of organizations and contact persons in those organizations who render:
 - o Legal counsel.
 - o Accounting services.
 - o Advertising counsel.
 - o Banking services.
- o Provide names/organizations of other professionals who render service - names, organizations, and services provided.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Overall Schedule.

- o Prepare monthly schedule that shows the timing and interrelationships of major events essential to launch the venture (until first sales are achieved) - include:
 - o All tasks in each functional area of business and in general management from design/development through to sales.
 - o Milestone events to measure progress.
 - o Build-up of number of persons in management, engineering, manufacturing, marketing, and sales.
- o Present a time line for the start-up period until first sales are achieved.
- o Discuss activities most likely to cause slippage of the schedule and how to correct the situation if slippage occurs.
- o Explain the impact of potential slippage on venture operations and cash flow.

o Critical Risks and Problems.

- o Identify and discuss the major problems and risks that may arise in building the new venture - all new ventures have problems. The management team will demonstrate their understanding of the venture by identifying and discussing these problems. Typical problems may be:
 - o New products are delayed reaching the market.
 - o Competitors cut prices drastically.
 - o Manufacturing costs escalate.
 - o A valued team member resigns.
 - o Gestation period for initial sales is longer than planned.

- o Present the teams contingency plans for dealing with these problems.

o The Financial Plan. - Critical for evaluation of investment opportunity.

o Past and current financial statements.

- o If existing company, present current financial statements and analyses (income statement, balance sheet, breakeven chart and analysis, and statement of cash flows).

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Proposed Company Offering. - continued

o Use of funds.

- o Brief explanation of how funds raised in this offering will be used - classify uses by:
 - o To be used for design and development.
 - o To be used for acquiring capital equipment.
 - o To be used for market development.
 - o To be used for financing working capital.

o Financial Exhibits.

- o Past and current financial statements.
- o Pro forma income statements.
- o Pro forma cash flows.
- o Pro forma balance sheets.
- o Breakeven chart.

o Appendices.

- o Typical exhibits placed in the Appendix include:
 - o Product information - specification sheets, photographs, and other relevant material.
 - o Lists of customers, suppliers, references.
 - o Detailed analyses mentioned in the text of the Business Plan.
 - o Detailed resumes of the founders and key team members.
 - o Any pertinent regulatory approvals/licenses.

USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o Proposed Company Offering. - continued

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USEFUL GUIDELINES FOR PREPARING A BUSINESS PLAN - continued

o The Financial Plan. - continued

o Summary of the financial plan.

- o Financial statements/exhibits should relate to the events in the Overall Schedule and events mentioned in the text of the Business Plan - they should tell in numbers what the text of the Business Plan presents in words.
- o Explain any unusual strategies, plans, and/or events that appear as anomalies in the financial statements.
- o Include a sensitivity approach to key variables - provides valuable insight for the founding team to use in managing the new venture during the early months.

o Proposed Company Offering.

o Desired financing.

- o Summarize funds needed during the first 3 years of operation - caution, watch optimism.
- o Indicate how much capital will be obtained:
 - o From this equity request.
 - o From secured loans.
 - o From term loans.
 - o From lines of credit.
- o Cardinal rule - obtain sufficient money to fund the venture through the early negative cash flows that occur in all start-ups.
- o Dangerous to receive too much money -
 - o Costly in terms of equity given to source of funds.
 - o Develop careless practices.
- o Consider stage or lump-sum funding - stage funding minimizes risk to the provider of the money.
- o Be careful of the 51% syndrome.

o Securities offering.

- o Describe the kind of security (common stock, convertible debenture, convertible preferred stock, combination of debt and equity), unit price, total amount of securities to be sold in this offering.
- o Show percentage ownership investors will hold after this proposed offering.

o Capitalization.

- o Specify the current and post offering number of outstanding shares of common stock and shares held by all key parties to the offering, management and investors, after the proposed financing.
- o Indicate authorized but unissued common stock and how many shares are reserved for incentive compensation programs for key personnel.

1995/1996 MIT \$50K ENTREPRENEURSHIP COMPETITION

Executive Summary Titles and Brief Business/Product Descriptions

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1 Anansi - Leading-Edge Network Services

Networking firm committed to providing innovative leading-edge solutions to companies lacking the required in-house expertise and resources. Anansi will establish a worldwide network of services and resources with an emphasis on the Caribbean.

2 Angularis - Inertial Sensors

The Angularis VR360 uses micro-machined inertial sensors, integrated with proprietary, patent-pending hardware and software, to achieve high-performance motion tracking. When coupled with the proliferation of affordable PCs and VRML based web documents, Angularis's products will bring truly immersive virtual reality to the forefront of networked communications and computing.

3 Aquatecture - The Dishman

The Aquatecture mission is to design, manufacture, and market products which eliminate unnecessary tasks and environmental abuses. The Dishman is a revolutionary dishwasher that brings big benefits to small households. It is undoubtedly the most economical solution to the problem of dirty dishes.

4 Arepa Computer Company - Network Computers

Arepa Computers will specialize in manufacturing low-cost network smart terminals.

5 Assistive Motion Technology (AMT) - Active Assistive Rehabilitation Devices

AMT aims to become the leading developer of devices using a new active assistive technology for individuals with partial functions. The Hand Animator product is a light-weight assistive hand brace for individuals with decreased strength.

6 Automated Part Layout System

Software which assumes the tedious task of arranging parts in a tightly packed manner to save material and space.

7 Fovea Systems

Fovea Systems brings you a "Room with a View" - a room that can literally see you and respond to various events. Fovea will develop vision applications for home/office environments that will enable your living space to help you perform tasks from monitoring your baby to providing feedback on an exercise workout.

8 dataMine - Supply Chain Management Solutions

Intuitive, graphical, internet-based, real-time supply chain analysis tools for the distributed enterprise.

9 DigiNews - p-News Personalized Multimedia Publishing System

p-News is a personal multimedia publishing system intended for large organizations internal publishing needs. It is intended to be a low-cost, low-overhead system that allows for relevant content to reach members of the organization. Modules for authoring and integrating existing datastreams will be provided to assist organizations in communicating to their members.

10 Distributed Technologies (DT) - Portal

DT will create a virtual reality world on the Internet. Users will enter this world by means of the program Portal which DT has already developed using our net patent pending technology. Companies will rent space in the world to advertise and sell products to the users.

11 EduLink

EduLink develops software to automate the completing, submitting, and processing of college/university applications.

12 EduPlay Systems - Computer Game Educational Enhancements

EduPlay will develop educational enhancements for computer games.

13 eToile

eToile will provide professional consulting and programming services for businesses on the World-Wide Web.

14 Exodus - Video Games

Exodus will develop innovative video games for the new generation of home console systems.

15 Eye_D Systems

Eye_D Systems dispenses with artifactual means of identification by developing technology that uses iris-patterns as reliable and unique identifiers of individuals.

16 Future of Automation Technologies - Animated Subway Systems

Animated Subway Systems is a new frontier in media advertising and will directly target middle-class America via the country's subway systems.

17 Gas Conversion Technologies - Chemical Solidification and Upgrading of Remote Natural Gas

GCT is an innovator in the development of commercial processes for chemically transforming remotely located natural gas to high energy density solids for further conversion to a diverse array of value-added liquid chemical and fuel products for cost-effective bulk transportation to key market sites.

18 Independence Technologies - Aids to Help the Elderly Remain Self-Sufficient

Independence Technologies will produce a line of products aimed at helping older people maintain their independence. Our lead product is the low-vision reader which allows the sight-impaired to read most anything on a high-contrast television display.

19 IntelliTech Trading

A software startup that produces a line of products which help small to medium-scale investors manage their securities portfolios. Our initial product is a neural-net based stock price prediction program.

20 Internet Interactive

Internet Interactive will create stand-alone software targeted to commercial marketing on the World-Wide Web. This software will exploit the technical opportunities for dynamic content that widespread use of Java will provide.

21 Internet Telephony Company

Internet Telephony will provide software and services to promote the integration of the traditional telephone network with voice services on the Internet. Our goal is to provide long distance calling through the Internet in the most easy-to-use cost-effective manner.

22 LabMECH - The CHEMAssist

Providing innovative laboratory automation for Research & Development. The lead product is a unit that provides automated weighing and control of over thirty different dry and wet chemicals and includes a virtual lab assistant to mix, pH, and track all laboratory reagents. The system also users to dial up and make solutions before they actually arrive in the lab.

23 Leaf Slayer

A multi-purpose debris cleaner which uses less power and costs less than conventional equipment.

24 Medstop Interactive

A free service by doctors for the public.

25 Mercury Snowboard Bindings

Mercury will introduce radically new binding designs that shall revolutionize the sport.

26 Multimedia Marketers

Multimedia Marketers will design, deliver, and market interactive CD-Rom product catalogs for the retail industry. Web page services also offered.

27 n-Visage Inc

n-Visage will provide advanced computer visualization and modeling services that enable our clients to accurately preview the spatial, material and light qualities of a designed architectural environment prior to its actual construction.

28 Pack-Away Chair

Exploring new opportunities in the recreational outdoor market.

29 Perceptual Systems - Human Motion Analysis Via Computer Vision

Perceptual's human motion analysis technology takes video imagery, detects the presence of humans models it and allows its use in PC gaming and location-based entertainment.

30 Precision Imaging Technology - Three Dimensional Scanner

Precision Imaging Technologies will develop and market three dimensional scanning systems for quality control applications in industry.

31 Precision

Precision's mission is to improve the effectiveness of cancer chemotherapy by delivering anticancer agents to solid tumors using an implantable biodegradable drug delivery system.

32 Protean Systems - Matrix

Design and marketing a revolutionary computing device capable of providing orders of magnitude price/performance advantages to the DSP and networking communities.

33 QuanTech Group

QuanTech's Prism family of financial newsletters uses algorithms based on cutting-edge information and decision sciences research to continuously reveal the composition of mutual fund holdings.

34 SecondSense - Via2

Voice activated remote control.

35 Sequetec

Sequetec has developed an automatic DNA sequencer to fuel the next generation of biological research. The design emphasizes reliability and competitive performance at unprecedented low cost.

36 Shared Experiences

Shared Experiences will address major short-comings in the haptics (touch feedback) field by designing, manufacturing, and marketing haptics development tools and aftermarket components for haptics devices.

37 SoftTalk - Conversational User Interfaces

SoftTalk is developing user interface protocols in software to incorporate speech feedback in the dictation process.

38 Lightspeed Communications - WebLine Internet-PBX Gateway

Lightspeed is an innovative integrator of technologies that provide Internet phone access for specific business applications.

39 TeleDevices - TeleLan

TeleDevices will revolutionize computer networking with a wireless, dynamically reconfigurable network product, the TeleLan, an alternative means to instantly create, reconfigure, and destroy networks while minimizing the amount of labor and cost.

40 The Interface Corporation - VisiScan

The Interface Corporation is developing a novel technology to be incorporated in its flagship product, VisiScan, which will provide an effortless graphical interface between man and machine with broad application to the PC input device industry.

41 TrailHead

Customized Web starting point.

42 TransWinner Software - Optimizing Decision Making for Carrier Companies

Software for carrier companies that will drastically increase the efficiency of decision making for: (1) optimal allocation of available equipment among tasks and (2) selection of the optimal routes.

43 Triptik Designs - Your Internet Retail Location

Triptik Designs develops and manages World-Wide Web based stores for fashion retailers by integrating expert graphic designers, direct marketers, industry veterans, creatives, and proprietary software innovations.

44 Unified Molecular Dynamics (UMD)

UMD is developing a proprietary new computational chemistry software technology for improving drug discovery and industrial chemical production. The software allows researchers to perform accurate and predictive simulations of chemical experiments. The business will be pursued through strategic partnerships with industrial chemical manufacturers and pharmaceutical developers.

45 Urban Design Corps

The Urban Design Corps is a corporation focused on starting companies guided towards providing careers and resources for minorities and underprivileged people.

46 WebCam - The Ultimate in Remote Web Access

The WebCam is video camera capable of transmitting a video image over the World-Wide Web to a remote user who can control the direction that the camera is facing. The benefits of remote control include the ability to monitor a large area, follow a moving object, or scan a full panorama.

47 XChange

An on-line investment guide.

48 Xttech - Fabrication Technology & Resource Integration

Xttech provides fabrication and support services for emerging technological enterprises using recycled fabrication equipment and novel processes.

49 ZIP Technologies - Dionized Water Purification Systems

Using proprietary processes, ZIP Technologies will deliver deionized water to the semiconductor industry. The water is of unprecedented purity, approaching Zero Included Particulates.

50 ZSH Technologies - Web Services

ZSH Technologies will revolutionize the golfing industry through the World-Wide Web. Though our web site, users will be able to view and register for tee times for any golf course in the country.

51 Discussion Systems

Discussion Systems will produce combined computer telephony/World-Wide Web servers for use by newspapers, radio and television stations to address the classified advertising market.

52 InfoWave

Information technology applications for the maritime industry.



1996 MIT \$50K Business Plan Competition Finalists



WebSmart

Ron Bodkin
Narayan Hegde
Umesh Maheshwari
Mauricio Roman



Contact: Ron Bodkin 617.491.0098 or <rbodkin@ics.mit.edu>

WebSmart

WebLine CallServer

from



WebLine Communications

WebLine CallServer allows Call Center agents
to speak with customers while using the
multimedia capabilities of the Web for
sales, service and entertainment applications.

Firdaus Bhathena // Frank Honoré // Pasha Roberts
email: pasha@world.std.com



Technologies, Inc.

Targeting Solutions for Drug Delivery

Scott Cannizzaro
Carmichael Roberts

Tom Kelly
Lyndon Lien

Contact: Tom Kelly 617.225.1102 or <mitkelt@aol.com>



reduce your long distance bill
to almost nothing

TELEPHONE:
(617) 225-9738

WWW:
<http://rpcp.mit.edu:80/~osears/>

EMAIL:
Andrew Sears: asears@mit.edu
Phil Mutooni: mutooni@mit.edu
Jorge Trevino-Robledo: jtrevino@mit.edu
Rosoline Gulati: gulati@mit.edu

MAIL:
PO Box 397014
Cambridge, MA 02319-7014



Innovative Snowboard and Binding Equipment

Jon D. Callaghan
Elmer C. Lee
Monica A. Lee
David P. Sun
Milton D. Wong

For more information email epic@mit.edu or contact David P. Sun at (617) 253-2319

InterSense

Interactive Sensing Technologies

Revolutionary new small, light-weight inertial sensors.

InterSense brings virtual reality
to life

Jim Schoonmaker, Sloan MBA (expected) 1996
Eric Foxlin, MIT EE PHD (expected) 1996
Scott Johnson, Sloan MBA (expected) 1996

Contact: Scott Johnson (617) 621-1563 or (sjohn@mit.edu)

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