

View Inc.

The Business Plan; puts all that late-night, back-of-the napkin, passionate intentions to change the world into a tangible debatable format. Keep it simple and focused. Have fun & be creative, keep it clear, concise, and as captivating as possible. Just tell the story as you see it taking place.

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This document contains a lot of material & it's probably missing some as well, so use it as a template, cut things out that don't work and add in sections that make more sense to the story you want to tell. Remember to take the time & brainstorm as a group, talk about the key elements, talk with people who know the technology, the industry, the financials, and the operation; take what you've learned, simplify it to your startup story and write it out. Create a solid message; include visuals and a synergetic theme. Remember to **Pitch it then plan it!** Have a solid pitch that captures the idea in an interesting way & people get it, go with the idea that just makes common sense.

I. *Executive Summary*

Your executive summary should provide a concise overview of your entire business plan and emphasize the plan's key points. It is vital to convey your company's unique competencies - - those factors that will make your business successful in a competitive market.

The executive summary should be no longer than three pages. A brief table of contents should follow the executive summary, to help readers locate specific sections of your plan.

The Purpose of the Plan

1. Attract investors/financing sources
2. Document an operational plan for controlling the business

The Company

1. The needs your company, will satisfy
2. The products or services you will offer to satisfy those needs

Market Analysis

1. The characteristics of your target market (e.g., demographic, geographic)
2. The size of your target market in dollars
3. Competitors and major players in your target market
4. Customers (identify and describe)
 - a) Existing
 - b) Potential

Marketing and Sales Activities

1. Marketing strategy
2. Sales strategy
3. Key's to success in your competitive environment

Product or Service Research and Development

1. Major milestones
2. Ongoing efforts

Organization and Personnel

1. Key owners and managers
2. Key operations employees

Financial Data

1. Funds required and their use
2. Historical financial summary
3. Prospective financial summary (including a brief justification for prospective sales levels)

Focus on the Executive Summary (ES);
* It's the most important part of the plan.

The ES is a concise and clear description of the problem you solve, how you solve it, your business model (how you make \$), and the basic magic your product or service presents. Try and make it 4 paragraphs



II. Company Description

This section must provide an overview of how all elements of your company- fir together. Don't go into detail, as most of these subjects will be covered in depth elsewhere in your plan.

Nature of Your Business

1. Marketplace needs that you aim to satisfy
2. Method(s) to satisfy those needs
3. Individuals or organizations with those needs

Unique Competencies (i.e., primary factors that will lead to your success)

1. Superior satisfaction of customer needs
2. Proprietarily attributes (e.g., trademarks)
3. Patents registered and pending
4. Marker share or "brand name" recognition
5. Production or service-delivery efficiencies
6. Personnel
7. Geographic location
8. Facilities
 - a) Own or rent
 - b) Size (square feet)
 - c) State (i.e., degree of modernization)
 - d) Significant equipment

One great way to capture the essence of your venture is to try and bring it all into a 90 second pitch; Pitch it! Forces you to simplify it all, and then you will know if you really have a great story that has a cool factor people get.

III. Market Analysis

This section should reflect your knowledge of your industry, and present highlights and analysis of your market research. (Detailed market research studies should be presented in an appendix, however.)

Industry Description and Outlook

1. Description of your primary industry
2. Size of the industry a. Historical b. Current c. Projected growth outlook Ten-year outlook
3. Industry characteristics and trends
 - a) Historical
 - b) Current
 - c) Future
4. Major customer groups
 - a) Companies
 - b) Consumers

I love the research! It's the best part of knowing right away if you are on to something big. Google is great, but even better is actually picking up the phone and talking to people in the space. Use the power of the student looking for info- you'd be surprised what you can find out; prices, competitors, customers, even entire strategies.

Target Markets

-
1. Distinguishing characteristics of your primary target markets and market segments (target markets should be of a manageable size, since efforts to penetrate too-broad target markets are often ineffective)
 - a) Critical needs
 - b) Extent to which those needs are currently being met (i.e. by competitors)
 - c) Demographics
 - d) Geographic location
 - e) Buyers
 - f) Seasonal or cyclical trends
 2. Size of the primary target market
 - a) Number of prospective customers
 - b) Annual purchases of products or services that meet identical or similar needs as your products or services
 - c) Geographic area
 - d) Anticipated market growth
 3. Market penetration (Indicate the extent to which you anticipate penetrating your market, and demonstrate why you feel that level of penetration is achievable based on your market research)
 - a) Market share - Current - Anticipated (annual estimate of market penetration over the next five years)
 - b) Existing customers
 - Number
 - Profile
 - c) Potential customers
 - Number
 - Profile
 - d) Geographic coverage
 - e) Rationale for market-penetration estimates
 4. Pricing and gross margin targets
 - a) Price levels
 - b) Gross margin levels c. Discount structure (e.g., volume, prompt payment)
 5. Methods by which specific members of your target market can be identified
 - a) Directories
 - b) Trade-association publications
 - c) Government documents
 - d) On-line information services or database
 6. Media through which you can communicate with specific members of your target market
 - a) Publications

-
- b) Radio or television broadcasts
 - c) Internet
 - d) Sources of influence or advice
7. Purchasing cycle of potential customers
 - a) Identification of needs
 - b) Research for solutions to needs
 - c) Solution evaluation process
 - d) Purchase authority (e.g., executives, purchasing agents, engineers)
 8. Key trends and anticipated changes within your primary target markets
 9. Secondary target markets and key attributes
 - a) Needs
 - b) Demographics
 - c) Significant future trends

Market Test Results

1. Potential customers contacted
2. Information or demonstrations given to potential customers
3. Reaction of potential customers
4. Importance of satisfying targeted needs
5. Test group's willingness to purchase products or service at various price levels

Lead Times (time between customer order placement and product or service delivery)

1. Initial orders
2. Reorders
3. Volume purchases

Competition

1. Identification (by market segment and product line or service)
 - a) Existing competitors (include market share)
 - b) Potential (i.e., how long your window of opportunity will be open before your initial success breeds new competition, and who your new competitors are likely to be)
 - c) Direct
 - d) Indirect
2. Their strengths (competitive advantages)
 - a) Ability to satisfy customer needs
 - b) Market penetration
 - c) Track record and reputation
 - d) Price
 - e) Product quality
 - f) Staying power (i.e., financial resources)

Competition is good! It validates that there is a market, plus if you're successful they are the ones you might want to sell your idea to.

- g) Key personnel
3. Their weaknesses (competitive disadvantages)
 - h) Ability to satisfy customer needs
 - i) Market penetration
 - j) Track record and reputation
 - k) Price
 - l) Product quality
 - m) Staying power (i.e., financial resources)
 - n) Key personnel
 4. Importance of your target market to your competition
 5. Barriers to entry into your market
 - a) Cost (investment)
 - b) Time
 - c) Technology
 - d) Key personnel
 - e) Customer inertia (e.g., brand loyalty, existing relationships)
 - f) Existing patents and trademarks
 - g) market position

Regulatory Restrictions

1. Customer or governmental regulatory requirements
 - a) Domestic
 - Methods for meeting the requirements
 - Timing involved
 - Cost
 - b) International
 - Methods for meeting the requirements
 - Timing involved
 - Cost
2. Anticipated changes in regulatory requirements
 - a) Domestic
 - Methods for meeting the requirements
 - Timing involved
 - Cost
 - b) International
 - Methods for meeting the requirements
 - Timing involved
 - Cost

IV. Marketing and Sales Activities

In this section, describe the marketing and sales activities that will enable you to meet the forecasts outlined in your prospective financial statements.

Overall Marketing Strategy

1. Market penetration strategy
2. Growth strategy
 - a) Internal
 - b) Acquisition
 - c) Franchise
 - d) Horizontal (i.e., providing similar products to different users)
 - e) Vertical (i.e., providing the products at different levels of the distribution chain)
3. Distribution channels (include discount or profitability levels at each stage)
 - a) Original equipment manufacturers
 - b) Distributors
 - c) Retailers
 - d) Direct (i.e., mail order)
4. Communication
 - a) Promotion
 - b) Advertising
 - c) Public relations
 - d) Personal selling
 - e) Printed materials (e.g., catalogues, brochures)
 - f) Internet presence or use

Sales Strategies

1. Sales force
 - a) Internal representatives (note advantages and disadvantages of your strategy)
 - b) Independent representatives (note advantages and disadvantages of your strategy)
 - Dedicated
 - Multi-line

- c) Size
- d) Recruitment and training
- e) Compensation

2. Sales activities

- a) Identifying prospects
- b) Prioritizing prospects
- c) Number of sales calls per period
- d) Average number of sales calls per sale
- e) Average dollar size per sale
- f) Average dollar size per reorder

V. *Products and Services*

This section should emphasize the unique ability of your company's products or services to satisfy the needs of the marketplace. Include only the detail your target audience requires; too much detail can detract from the rest of your business plan.

Detailed Product or Service Description

1. Specific benefits of product or service
2. Ability to meet needs
3. Competitive advantages
4. Present stage (e.g., idea, prototype, existing product or service)

Visual product drawings or models are a great way to show the reader what you are doing. A great logo also ties it all together, come up with a company Mantra- something's simple:
Authentic athletic performance (Nike)
Rewarding Everyday moments (Starbucks)

Product Life Cycle

1. Description of the product's or service's current position within its life cycle
2. Factors that might change the anticipated life cycle
 - a) Factors that lengthen it
 - b) Factors that shorten it

Copyrights, Patents and Trade Secrets

1. Existing or pending copyrights or patents
2. Anticipated copyright and patent filings
3. Key, aspects of your products or services that cannot be patented or copyrighted
4. Key aspects of your products or services that qualify as trade secrets
5. Existing legal agreements with owners and employees
 - a) Nondisclosure agreements
 - b) Non-competition agreements

Research and Development Activities

1. Activities in process
2. Future activities (include milestones)

-
3. Anticipated results of future research and development activities
 - a) New products or services
 - b) New generations of existing products or services
 - c) Complementary, products or services
 - d) Replacement products or services
 4. Research and development activities of others in your industry.
 - a) Direct competitors
 - b) Indirect competitors
 - c) Suppliers
 - d) Customers

VI. Operations

Avoid turning this section of your business plan into a policies and procedures manual for your employees.

Production and Service Delivery Procedures

1. Internal
2. External (e.g., subcontractors)

Production and Service Delivery Capability

1. Internal
2. External (e.g., subcontractors)
3. Anticipated increases in capacity
 - a) Investment
 - b) New costs (direct and indirect)
 - c) Timing

Employees

1. Full-time
2. Part-time
3. Contract or seasonal
4. Union
5. Non-union

Facilities

1. Own or rent
2. Size (square feet)
3. State (i.e., degree of modernization)
4. Significant equipment

Competitive Operating Advantages

1. Techniques
2. Experience

3. Economies of scale
4. Lower direct costs

Take special care to ensure that the specifics of your operations do not conflict with the information included in your financial statement projections. Any inconsistencies between these two areas will result in some unpleasant surprises down the road.

Suppliers

1. Suppliers of critical production elements
 - a) Primary
 - b) Secondary
2. Lead time requirements
3. Risks of critical element shortages
4. Existing and anticipated contractual relationships with suppliers

VII. Management and Ownership

Company Structure

1. Organizational chart
2. Narrative description of the chart

What kind of investor are you looking for? Make a list of what you think an ideal partner would contribute.

Key Management and Operating Personnel (present full resume in an appendix)

1. Name
2. Position
3. Brief description of position, including primary duties
4. Previous experience
5. Unique skill, and experience that add to your company's distinctive competencies
6. Compensation basis and levels (ensure these are reasonable, neither too high nor too low)

Your management team is unique: emphasize their backgrounds, skills, and how they will contribute to your company's success. This is particularly important when you are looking for financing. Remember: individuals invest in people, not ideas.

Planned Additions to the Current Management Team

1. Position
2. Primary- responsibilities and authority
3. Requisite skills and experience
4. Recruitment process
5. Timing of employment
6. Anticipated contribution to the company's success
7. Compensation basis and levels (ensure these are in line with the market)

Legal Structure

1. Corporation
2. Partnership
 - a) General
 - b) Limited
3. Proprietorship

Owners

1. Names
2. Percentage of ownership
3. Extent of involvement with the company.
4. Form of ownership
 - a) Common stock
 - b) Preferred stock
 - c) General partner
 - d) Limited partner
5. Outstanding equity equivalents
 - a) Options
 - b) Warrants
 - c) Convertible debt
6. Common stock
 - a) Authorized
 - b) Issued

Board of Directors

1. Names
2. Position on the Board
3. Extent of involvement with the company
4. Back-ground
5. Contribution to the company's success
 - a) Historical
 - b) Anticipated

VIII. Funds Required and Their Use

Current Funding Requirements

1. Amount
2. Timing
3. Type
 - a) Equity
 - b) Debt
 - c) Mezzanine
4. Terms

Funding Requirements Over the Next Five Years

1. Amount
2. Timing
3. Type
 - a) Equity
 - b) Debt
 - c) Mezzanine
4. Terms

Use of Funds

1. Capital expenditures
2. Working capital
3. Debt retirement
4. Acquisitions

Long-Range Financial Strategies (i.e., liquidating investors' positions)

1. Going public
2. Leveraged buy-out
3. Acquisition by, another company
4. Debt service levels and timing
5. Liquidation of the venture

IX. Financial Data

This section contains the supporting financial data for all information presented elsewhere in your plan. Various scenarios can be included as appropriate.

Historical Financial Data (past three to five years, if applicable)

1. Annual statements
 - a) Income
 - b) Balance sheet
 - c) Cash flows
2. Use of external accounting firm
 - a) Compilation
 - b) Review
 - c) Audit

Prospective Financial Data (next five years)

1. Next Year (by month or quarter)
 - a) Income statement
 - b) Balance sheet
 - c) Cash flow statement

If you have access to Barry Bisson's excel files, start there. Keep it simple; think about all the money you require for each part of the Venture; start with the upfront funds like:

- Building prototypes
- Protecting Ideas (legal)
- 1st expenditures (materials, manufacturing, travel, sales expense, consulting fees, office setup)

Then think about your up and running costs & budget that out an a month to month basis

- Salaries (who & how much- make it realistic bootstrap is key)
- Office (if you need space!) rent, insurance ect.
- Travel, got to connect the network (customers, manufactures, partners ext.)

- d) Capital expenditure budget
- 2. Final four years (by. quarter or year)
 - a) Income statement
 - b) Balance sheet
 - c) Cash Row statement
 - d) Capital expenditure budget
- 3. Summary of significant assumptions
- 4. Type of prospective financial data
 - a) Forecast (management's best estimate)
 - b) Projection ("what-if" scenarios)
- 5. Level of CA involvement
 - a) Compilation
 - b) Review
 - c) Audit

Analysis

- 1. Historical financial statements
 - a) Ratio analysis
 - b) Trend analysis with graphic presentation
- 2. Financial statement projections
 - a) Ratio analysis
 - b) Trend analysis with graphic presentation

X. *Appendices and Exhibits*

Present any additional sensitive information you feel would be useful to your readers in appendices and exhibits. These should be bound separately from the other sections of your plan and provided to readers on an as-needed basis.

- A. Resumes of Key Managers
- B. Professional References
- C. Market Studies
- D. Pertinent Published Information (i.e., on your products or services)
 - 1. Magazine articles
 - 2. Book references
- E. Patents
- F. Significant Contracts
 - 1. Leases a. Equipment Building facilities
 - 2. Sales contracts
 - 3. Purchase contracts
 - 4. Partnership or shareholder agreements
 - 5. Stock option agreements
 - 6. Employment or compensation agreements
 - 7. Non-competition agreements
 - 8. Insurance
 - a) Product liability
 - b) Officers' and directors' liability
 - c) General liability

In some instances, the thicker the business plan, the less likely potential investors will read it thoroughly. The proper use of appendices and schedules will enable you to provide additional information and demonstrate that your analysis is well documented without compromising your plan's readability.