

# Sample Business Plan

For

## Startup Professionals, Inc.

By: Martin C. Zwilling, CEO

29 July 2010

**This Business Plan is not an offer to sell securities to any person.  
This document is for information purposes only.**

**This document is being provided for educational purposes only  
Property of Startup Professionals®, Inc. — Do Not Distribute**

## Startup Professionals Business Plan -- Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>The Opportunity .....</b>	<b>2</b>
<b>The Company.....</b>	<b>3</b>
Mission .....	3
Client Benefits.....	3
<b>Offerings .....</b>	<b>4</b>
Overview.....	4
Offering Categories .....	5
Price List.....	5
<b>Competitive Summary.....</b>	<b>7</b>
Startup.com.....	8
Startup Nation .....	8
Startup Zone.....	9
Startup Business School .....	10
CLevel Enterprises .....	10
<b>Marketing .....</b>	<b>11</b>
<b>Sales .....</b>	<b>11</b>
<b>Management .....</b>	<b>11</b>
Ernst H. Gemassmer, Chairman .....	11
Martin C. Zwilling, CEO .....	14
<b>Financial Information .....</b>	<b>15</b>
Capitalization Table .....	15
Financial Projections.....	16
Notes & Assumptions to Pro Forma Forecasts .....	16
Revenues.....	16
Expenses .....	16
Five-Year Pro Forma Forecasts .....	17

## Executive Summary

All startup founders must deal with a huge number of business unknowns which are generally outside their area of expertise. These unknowns include the following:

- how to incorporate the business
- how to write a business plan
- how to create a financial model of the business
- how to protect the concept
- if and how to patent the technology
- how to identify and attract management and employees
- how to select and attract board members
- how to traverse the minefields of multiple funding alternatives.

Startup Professionals, Inc is designed to provide a web site and consulting with practical approaches to solving each of the key issues. Some basic information documents, legal documents and links to numerous external resources are provided at no charge. Specific software tools and resources, such as an automated business plan creator and a company valuation estimator, are available for purchase or subscription. In all situations, the company principals are available for customized consulting assistance, business advisory roles, executive mentoring, or even interim executive positions under contract.

The founders of Startup Professionals are very experienced in these areas. The CEO, Marty Zwilling, who resides in the Phoenix area, has for years provided entrepreneurs with first-hand advice, mentoring and business plan assistance. He has a unique combination of business and high-tech experience, and experience mentoring and connecting startups with potential investors, board members, and service providers. His background includes many years of experience and demonstrated results as an executive in general management, computer software development, product management, and marketing. Marty holds Bachelor of Science degrees in Accounting and Computer Science from the University of Illinois in Champaign-Urbana.

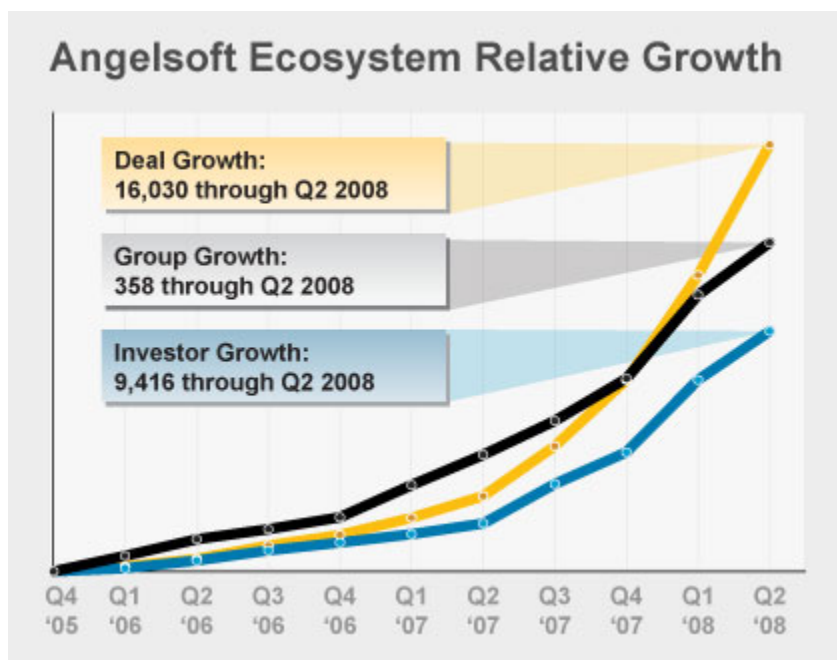
The other founder and Chairman of the Board, Ernst H. Gemassmer, resides in Silicon Valley, California, and has long helped entrepreneurs there, as well as providing turn-around assistance as interim CEO. He has held senior executive operating positions with several high-tech companies in the United States and Europe. Ernst has an MBA from INSEAD Fontainebleau, France, and an MA in Economics from the Fletcher School of Law and Diplomacy, Boston, MA, as well as a BS in Chemistry from the University of Pittsburgh, PA.

## The Opportunity

According to statistics from the SBA (Small Business Association), the last five years have propagated the largest entrepreneurial surge this country has ever seen. We doubt that even the current recession will change this picture. Each year in the US, we see about 750,000 new companies started, with over \$26B in investments from angel groups and venture capitalists. Yet according to the same data sources, many of these companies fail in the first year, and only 1 out of 100 startups who apply get funded, due to failures in addressing the items listed in the introduction. This is the huge opportunity that is being addressed by Startup Professionals.

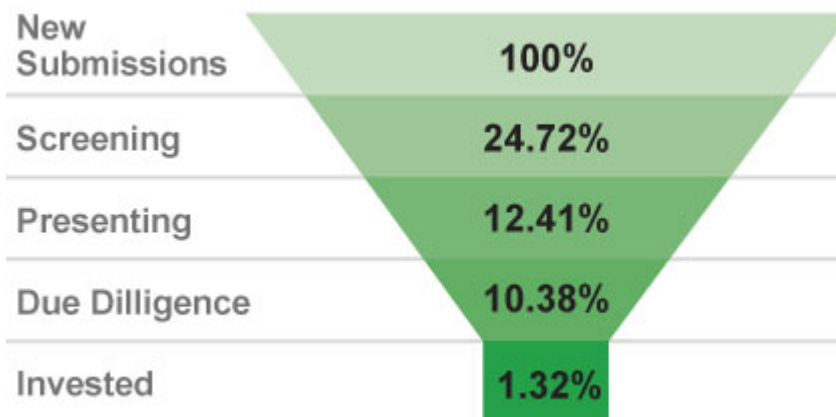
Jeffrey Sohl, director for the Center for Venture Research at the University of New Hampshire, said that the \$26B in 2007 was spread over more start-up companies than in prior years, which means the average amount going into individual start-ups is down somewhat to about \$450,000, but the number of startups and inexperienced entrepreneurs has increased. There is no doubt that entrepreneurship continues to be a difficult and risky endeavor. The SBA projects that 544,800 small businesses closed in 2005, and an additional 39,201 probably filed for bankruptcy, according to SBA estimates, up from 35,037 in 2003.

The largest investment ecosystem in the country for early-stage investing, called Angelsoft, has grown over the past four years to 405 angel groups of about 75 investors each, and they have standardized on a common platform, along with many venture capitalists. In addition to the angel investors, venture capitalists using the same ecosystem invested over \$7.4 billion into US startups in Q2 2008 alone. The ecosystem continues to grow and service budding entrepreneurs who can put together a credible team, a convincing business plan, and a financial model of their efforts.



**Figure 1: Angel Ecosystem Relative Growth**

Unfortunately, today only a small number of companies who apply get funded. This chart shows that only about 1 out of 100 make it through the different stages of the Angel Group process, based on data from the most active groups. The 99 out of 100 that don't make it today represent the need that Startup Professionals is filling, and represents the opportunity for this company's products and services.



**Figure 2: Deal Funnel for Startups**

With help from experienced professionals, experts argue that it's less risky to create a business now than ever before. Many years of rock-bottom interest rates has made it easier and cheaper for new entrepreneurs to borrow startup funds. Meanwhile, venture capital funds and other private equity investors are pouring more and more money into young companies. "We are figuring out new ways to bring increasingly huge amounts of capital to startups," says Carl Schramm, head of the Kauffman Foundation and author of *The Entrepreneurial Imperative*. Schramm also points out that even as startup money is becoming more readily available, plummeting technology costs make it less necessary now that entrepreneurs often can purchase powerful computers and software without maxing out their credit cards.

## The Company

### ***Mission***

Startup Professionals mission is to enable entrepreneurs to efficiently and effectively navigate the business challenges that are required of every startup, but are not part of the founders area of expertise and experience. The Startup Professionals principals have extensive experience with all aspects of business, and have pulled together a set of practical resources and links, available through their web site, which will be of help to every entrepreneur. In addition, these professionals are available for consultation and mentoring directly, via email, telephone, or on-site consulting, to address unique situations.

### ***Client Benefits***

Clients can benefit from Startup Professional's services by avoiding the time delays and high costs often associated with startup activities which have nothing to do with the business opportunities that they know and are gearing up to address. No one knows the true costs involved, but most experts agree that startups who get expert help improve their survival chances tremendously. Small Business Administration statistics show that 80% of startups fail, and only 1% of startups requesting investment capital are able to achieve this objective.

Our startup professionals have been there, have mentored and led other companies, and have extensive, long-term relationships with high-level individuals in the Silicon Valley, other parts of the USA, and many other countries. Startup Professionals can connect a promising early-stage company with luminaries in the fields of banking, accounting, recruiting, venture financing and legal representation.

The reasons to engage professionals with domain knowledge are clear. If a startup needs help creating a business plan, they usually find that most business plan writers just write. They do not have the experience to help actually validate, design and improve a business model to be successful. There are many skills and disciplines, and also many interrelated dependencies in the development of any company's business plan and vision. In other words 'writing' a business plan is one thing, 'designing' the business and tuning the business model so that it can work in the real world is an entirely different thing. This second part requires lots of real world operations experience running companies and can only be done well by an experienced startup professional.

Sometimes getting in and out fast is all that matters. Some organizations and consultants want to build an aircraft carrier when all a startup may need today is a little speedboat and some vision and design work for the future. These projects can be done quickly by Startup Professionals without the risk of growing into a huge ongoing expense. And always, all of this work is best done by an experienced professional, who can span several disciplines, where a large team of experts will be much too expensive and time consuming to corral, educate and coordinate.

Startup executives should remember that if they have not done it before, then they can not expect to get it right the first time, any more than anyone would fly a plane well without some one-on-one personal training first. Each mistake will cost more than they think, considering the monthly burn rate times the number of months it takes to learn and get it right. This can quickly become tens of thousands, hundreds of thousands or even millions of dollars in costs and/or lost opportunities.

### **Benefits to Start-Ups:**

- Reduces overall costs and overhead for incorporating the newly incubated company.
- Improves the relationship with investors. Founders spend more time on product development and recruiting than putting out fires that arise from setting up the business and running the day-to-day operations.
- Effective use of limited in-house time and resources. Get expert help in honing the business plan, building a financial model, or optimizing the valuation for investors.
- Understanding when and how to patent the rapidly changing technology.
- Founders do not have the time or expertise to select the appropriate board members.
- Founders and decision-makers need expert positioning of their company to attract top-notch employees and executives.

The Startup Professionals team possesses an extraordinary breadth of experience and ability aligned towards fast-growth, newly venture-funded startups. Each individual startup is assessed for its unique needs.

## **Offerings**

### **Overview**

Startup Professionals, Inc maintains a professional web site with practical approaches to solving each of the key issues facing every entrepreneur, including business incorporation, building a business plan, creating a financial model, protecting intellectual property, funding alternatives, and selecting a qualified board, management team, and employees.

Available on the web site are basic documents and links to numerous external resources at no charge. Other software tools and resources, such as an automated business plan creator and a company valuation estimator, are available for purchase or subscription. In addition, the company principals are available for

customized consulting assistance, business advisory roles, executive mentoring, or even interim executive positions under contract.

## Offering Categories

Here are the offering groupings currently available or in plan:

- Startup starter kit, including business plan, executive presentation, and financial model templates.
- Access to startup experts through email, telephone conferences, and on-site mentoring.
- Web site access to FAQs (Frequently Asked Questions) from other clients to help you avoid the same mistakes that other have made.
- Advice on technology patenting, including preliminary patent searches, process, mentoring, or even full management of the patent documentation and approval cycle.
- Free web site links to other expert services, including investment, legal, and accounting.
- Free access to published articles on all phases of the startup, from incorporation of the business to managing cash flow.
- Expert management of the incorporation process, including advice on Sole Proprietorship vs Limited Liability Corporation vs Subchapter-S Corporation vs C-Corporation, assistance with forms required, and Statutory Agent requirements.
- Assistance with the market and opportunity analysis process, including research, competitive analysis, and opportunity sizing.

## Price List

Offering	Price
<b>Early Stage Startup Starter Kit</b> – Sample business plan, executive presentation, and financial model, with additional documentation on key points, effective strategies, and editing techniques.	<b>\$100</b>
<b>One-Hour Conference Call</b> – Personal discussion with experienced former CEO on any aspect of the startup, including overview of business plan, funding & finance, employment and legal forms, company formation, and opportunity to ask any business questions. Follow-on discussions will be at \$100/hour. Conference calls with multiple advisors can be arranged.	<b>\$100</b>
<b>Incorporate A Business</b> - Startup Professionals will incorporate your business for you as an S-Corp (Subchapter S) or LLC in the state of your choice. This will include an Internet domain name search on the business names you are considering. Then, with your approval, we will formally register the selected name. Also we will manage the application for an EIN (Employer Identification Number), and the application for a business license to operate your business, where that is required.	<b>\$1000</b>
<b>Executive Summary Review and Critique (2 pages)</b> - Review and provide edits with conference call to discuss improvements needed. Second review after edits done by you included free. This is not about writing style. It is about content, the business model and hitting all the right buttons of investors to avoid the mistakes 95% of entrepreneurs make every day. You are too close to your own business to do this yourself!	<b>\$500</b> for 2-3 pages. Add \$50 per text page over three.
<b>Complete Investor Financing Readiness Review &amp; Critique</b> - Slide	

<p>presentation and executive summary review and critique. Plus a coaching session on presenting to investors. Guaranteed to greatly increase your chances of raising either angel or institutional VC funding. This can be done quickly and may be the difference between getting financed and not raising a dime. Remember that less than 1% of companies presenting to VCs will get funded! Only the best, prepared and coached entrepreneurs will succeed in today's environment. This could be the best money you ever spend to save yourself months of grief and learning while burning your best possible contacts. You are too close to your business to do this yourself.</p>	<b>\$900</b>
<p><b>Full Business Plan Review and Critique</b> - All comments and additions written in context in black-lined text plus a discussion to review the reasoning behind each suggestion. (35 page size limit at this price, proportionally more for larger plans). We will also provide sample slides and diagrams you can customize that have proven very effective in raising money in the past. Anyone can write a business plan, we will improve the plan's strategies and tactics and add the business expertise of an experienced professional to refine and improve your business model further. Every startup is a work-in-progress, we will help you jump forward and save 1-2 years of hard learning from wisdom gathered over many years experience in business. This is <i>not</i> a writing project, but designed to make sure the business model is optimized and the plan is properly organized and acceptable to investors.</p>	<b>\$1000</b>
<p><b>Both of the above together at the same time.</b></p>	<b>\$1750</b>
<p><b>Patent Search Service</b> - If you have a new idea for a product you will need to protect your idea with a patent. Patent protection will only be available if your idea is novel. We will search specialist patent online databases to see if your idea has already appeared in a patent document. Results will be documented with up to 5 references to support the conclusion.</p>	<b>\$500</b>
<p><b>Market Analysis Service</b> - If you are planning to start a business you will need to know as much as possible about the market when you are writing your business plan and to assess the value of a product you are looking to license. We will search published information to find the answers to these questions like these:</p> <ul style="list-style-type: none"> <li>Is this market growing or declining?</li> <li>Who would be my competitors?</li> <li>Who would buy my products or services?</li> <li>Are there any other factors which will affect the success of my business, such as impending legislation?</li> </ul>	<b>\$1000</b>
<p><b>Develop a Business Plan</b> - There are many skills and disciplines, and also many interrelated dependencies in the development of any company's business plan and vision. In other words 'writing' a business plan is one thing, 'designing' the business and tuning the business model so that it can work in the real world is an entirely different thing. This requires lots of real world operations experience running companies and can only be done well by an experienced startup professional. Additional time over the first 100 hours will be billed at \$100/hour.</p>	<b>\$5000</b>
<p><b>Develop a Financial Model</b> - If you have the data projections on your business, but don't have the expertise or time to build a financial model with Microsoft Excel, let Startup Professionals do it for you. We have built some good ones, highly</p>	<b>\$2000</b>



<p>interactive, along the following lines:</p> <ul style="list-style-type: none"> <li>• Five year projections of revenues &amp; expenditures</li> <li>• Project sales rep contributions based on salary plus commissions</li> <li>• Include employee costs and executive salaries</li> <li>• Fixed asset costs and depreciation</li> <li>• Include software/hardware development costs</li> </ul>	
<p><b>Develop an Investor Presentation - Guaranteed to improve your chances of obtaining financing.</b> Developed from a completed business plan supplied by client. Generally about 25-30 slides. Market research must be provided by the client. Includes some coaching on doing the presentation with two dry runs done on the phone or in person if convenient. It is highly likely that you will get new ideas for your business during this process too.</p>	<b>\$2500</b>
<p><b>Develop Executive Summary</b> - From an existing business plan. (From scratch without a plan is hourly rate). This is THE key tool to get you in the investor's door and must be "perfect" and complete or it will just burn financing opportunities. 98% are incomplete and rejected quickly.</p>	<b>\$1500</b> for up to 3 pages. Add \$100 per page over three
<p><b>Marketing Plan Development</b> - In this competitive environment, you need to make sure you have addressed all the following:</p> <ul style="list-style-type: none"> <li>• A product differentiation strategy and plan</li> <li>• Focus strategy and plan</li> <li>• Pricing plan</li> <li>• Cost leadership strategy</li> <li>• Branding strategy</li> <li>• Advertising plan</li> </ul>	<b>\$1000</b>
<p><b>Executive Mentoring</b> – Minimum of one hour per week, telephone conference with former startup executive, supplemented with email support on a daily basis.</p>	<b>\$1000 Retainer + Custom Agreement</b>

## Competitive Summary

There are currently many web sites and companies which cater to startups. Most of these focus on a very specific product or service, such as [www.Startup.com](http://www.Startup.com), which creates and delivers a customized video pitch to help an entrepreneur get the message out. Startup Professionals goes much deeper than this, with a wide array of resources and consulting services.

Entrepreneur.com, the magazine, sponsors and maintains a site of the same name ([www.Entrepreneur.com](http://www.Entrepreneur.com)), which offers a wide array of resources and links to support their magazine subscription efforts, but does not charge separately for any of these resources.

Others, like [www.StartupZone.com](http://www.StartupZone.com), does charge for their offerings of resources, blog access, and networking links for employers and job seekers, but give no clues to the names or credentials of the founders. Startup executives would be wise to avoid these sites for all but the most trivial requirements, since the quality and depth of the offerings would be suspect.

Still others who offer an array of resources and services, like [www.StartupNation.com](http://www.StartupNation.com) and [www.StartupBusinessSchool.com](http://www.StartupBusinessSchool.com) have celebrity (talk-show hosts, book authors) or academic founder credentials. This will appeal to some startup executives, but others will look for more in-depth credentials.

One site has been found, [www.CLevelEnterprises.com](http://www.CLevelEnterprises.com), which definitely is in the same realm as Startup Professionals. Their founder and CEO, Bob Norton, apparently has a strong business background, and speaks on many topics at associations, universities, keynotes, corporate retreats and content intensive training seminars. His flagship offering is a proprietary Rapid Growth By Design business optimization process, but he and his partner also offer customized business plan and consulting alternatives.

Of course, there is also a wealth of “free” information for startups on many state and local government sites, including the Small Business Administration (SBA). In addition, most venture capital and angel groups provide resources and solicit input from startups.

Thus, there is indeed significant competition in this space. But with 750,000 new startups a year in the USA alone, most of whom need help, we believe there is ample opportunity for additional strong players.

Here are more details on the key sites mentioned above:

### ***Startup.com***

Startup.com ([www.startup.com](http://www.startup.com)) was originally created as a virtual incubator by Gene Pettinelli and Norton Greenfeld. The mission is to help startups spread the word about their new company, their business and their needs. The primary product is to create and deliver a customized Video Pitch to get the message out to those that can help the entrepreneur.

Gene has been in new venture formation and operations as a founder, officer and general partner focusing on entrepreneurial companies in software, telecommunications, information processing, and other related high technology areas. He holds a B.S. in Electrical Engineering with High Distinction from Worcester Polytechnic Institute, an M.S. in Electrical Engineering from the University of California, Berkeley, and an M.B.A. from Harvard Business School.

Norton has been in the information processing industry in research and development, company formation and product development, strategic market research and management consulting. He was also a regular columnist analyzing industry trends for Unix Review magazine, an irregular writer for such industry publications as PC Week and Computerworld, and publisher of an occasional electronic newsletter, ITbits. Norton has a Ph.D. and M.S. in Engineering Science (Computer Science) and a B.S. in Mathematics, all from the California Institute of Technology. He was also a post-doctoral fellow there in the Division of Humanities and Social Sciences.

The site requires registration to see and join in discussions with other entrepreneurs and professionals who can help with the trials of starting and growing a business. The site claims to be new and still in the building stage.

### ***Startup Nation***

StartupNation ([www.StartupNation.com](http://www.StartupNation.com)) is a free service founded by entrepreneurs for entrepreneurs in 2002. It claims to be a one-stop shop for entrepreneurial success, and claims to have grown to be the leading online content and community resource for entrepreneurs. StartupNation claims to be all about giving entrepreneurs access. Helpful articles, peer-to-peer forums, blogs, on demand seminars, podcasts, success stories – etc.

It advertises that the entrepreneur will find all the easy-to-follow, practical information one could ever need to start and grow a successful business. All of this is provided at no charge. Instead, the revenue comes from advertisers.

StartupNation was created by two of the country's self-proclaimed top entrepreneurial experts – Rich and Jeff Sloan. They co-host StartupNation's nationally-syndicated, call-in radio program. They share advice, humor, and inspiration on over 80 radio stations across the country every week. You can also find the Sloan brothers on national news outlets including The New York Times, Wall Street Journal, Entrepreneur, CNN, MSNBC, FOX News Channel and more.

The Sloan brothers are inventors in their own right and have obtained patents for products that have been successfully brought to market, including The Battery Buddy® which was licensed and brought to market by a Fortune 500 company.

As teenagers, the Sloans bought and sold HUD houses. As young adults, they started and sold one of the world's leading Arabian horse breeding operations and grew a consumer products import company with best selling products. In the mid-90's, the Sloan brothers created Sloan Ventures. This early-stage venture development and financing firm focused on creating business plans, recruiting entrepreneurial management and raising startup capital for technology-based businesses. It has infused over \$60 million in financing into fast growing, technology companies.

## **Startup Zone**

StartupZone ([www.startupzone.com](http://www.startupzone.com)) claims to be a one-stop resource provider for pre-IPO startups. It offers an array of products and services that address startup companies' most common needs while creating opportunities for job seekers, entrepreneurs, investors, and product or service vendors.

StartupZone advertizes that they help startups empower themselves by bringing resources to them through five sub-zones. Each of our four Zones provides an online product that is designed to address a specific need of startups. Following is a brief description of what is offered through each Zone:

- **List Zone** provides a platform through which startups can promote themselves to potential customers, employees, vendors, and investors; startups fill out the registration form and list as much or little information about themselves as they see fit. The registered startups and their information can be then listed by industry, business type, location, and funding stage.
- **B2B Zone** provides an exchange where startups can find a myriad of products and services from reputable vendors, and where product and service providers can present their offerings to many potential customers.
- **Hire Zone** offers comprehensive employment services for startups from job listing and resume search to headhunting services. Hire Zone also provides a questionnaire that allows startups to measure the qualifications of applicants by asking up to five questions and screening the answers. Job seekers can create and manage their resumes online, browse through the listed job postings, and apply for a position with a click of a button.
- **Info Zone** is a collection of the most useful resources the web has to offer for startups. Also, any news relevant to entrepreneurs and startup companies can be found here. Another offering from Info Zone is the Expert Forum where industry experts will answer the most common questions from StartupZone members concerning legal, accounting, and other issues.
- **Community Zone** is a place where you can interact with other StartupZone members and share your thoughts, knowledge, experience, and camaraderie. This is your space, and you can shape it and use it any way you like.

## ***Startup Business School***

The Startup Business School ([www.startupbusinessschool.com](http://www.startupbusinessschool.com)) offers a collaborative planning process to guide entrepreneurs. It claims to have been founded out of the experiences of real entrepreneurs with real problems and not only on the whiteboards of academia. Actual examples are turned into lessons for the next enthusiastic entrepreneur to learn from.

The founders and Board Members include the following:

- Dr. Jerald L. Feinstein, School of Business and Public Management, George Washington University. He is a Professor in the School of Business and Public Management, the George Washington University and former Visiting Fellow at Harvard. He serves on the advisory boards of high-technology start-ups, teaches and develops courses in telecommunications and advanced networking technologies, Internet Commerce, and other technology courses within the MBA, Master of Science, and Executive Programs, and is recognized as an international authority on Next Generation Internet applications, telecommunications, Internet-based commerce, technology change management, and artificial intelligence.
- Eric J. Gerritsen, Chairman and Founder of Global Internet Advisors, a unit of Global Seed Capital LLC, the Boston-based Internet 2.0 investment and advisory firm. Prior to starting Global Seed Capital, Mr. Gerritsen was Senior Vice President of Global Alliances for Terra Lycos S.A. and Vice President – International Business Development for Lycos Inc. of Waltham, MA.
- Michael Simmons, BusinessWeek's Best Young Entrepreneur. He was recently voted as one of Business Week's Best Entrepreneurs Under 25. Michael co-founded his first business, Princeton WebSolutions (PWS), when he was sixteen years old. PWS was later rated the #1 youth-run web development company in the nation by Youngbiz Magazine. In addition, Michael has been the winner of three entrepreneur of the year awards from the National Foundation for Teaching Entrepreneurship, Fleet, and the National Coalition for Empowering Youth Entrepreneurship.

Startup Business School claims to provide the knowledge and tools to succeed during the early stages by providing a step-by-step startup process and range of support services that are appropriate to the stage in the lifecycle of the new business, and online planning tools.

## ***CLevel Enterprises***

C-Level Enterprises ([www.CLevelEnterprises.com](http://www.CLevelEnterprises.com)) proclaimed mission is to help thousands of CEOs and entrepreneurs grow their business and succeed by providing affordable, unique and valuable products and services that help them succeed and become world-class executives more quickly. They claim to provide highly creative products at low cost for do-it-yourself solutions. They will also provide custom business solutions and coaching by their founder, a prior CEO. One of their primary offerings is a proprietary Rapid Growth By Design business optimization process.

Their founder and CEO, Bob Norton, speaks on many topics at associations, universities, keynotes, corporate retreats and content intensive training seminars. As a highly experienced operating CEO and experienced in all size companies from startups to multi-billion dollar conglomerates. Mr. Norton speaks as an expert in leadership, management, strategy, entrepreneurship, vision and business growth. He is the author of four books and speaks on strategy, people selection, breaking through limits and organizational development appropriate to any company's life stage. Having participated in eight different startups and grown two companies rapidly to over \$100 million in sales, he knows how to position a company for growth and shift gears smoothly through transitions. Mr. Norton is available for keynotes, management retreats and organization training programs to instill entrepreneurship and company growth expertise in virtually any business.

Also on the team is Pete Romero, Marketing Manager, MBA Babson College and entrepreneur. He is responsible for electronic marketing, the affiliate program and joint ventures and market with partners. C-Level Enterprises is a virtual company that claims to draw upon the expertise of over a dozen professionals as needed which include editors, writers, designers, consultants and others.

The site also offers products using eBooks, audio CDs and videos, as well as seminars like the CEO & Entrepreneur Boot Camp. One-on-one consulting will also be provided, on a limited basis, for more customized help, coaching, mentoring and advice specific to a company's exact situation.

## Marketing

Startup Professionals plans to use the web site [www.StartupProfessionals.com](http://www.StartupProfessionals.com) as their principal marketing focus. The web site will be optimized for search engines, and designed to maximize its appeal. Related sites will be contacted to host reciprocal links. Thus the offerings of the company will be visible to potential client startups around the world.

Additional direct marketing will be primarily done through networking with other professionals, announcements to funding organizations and universities, and viral marketing by satisfied customers. Also we will be writing informational articles for industry press magazines such as Entrepreneur.com to improve visibility and credibility.

## Sales

Startup Professionals plans to generate “best-of-breed” customer satisfaction in the areas of pre-sales interaction, post-sales product support, professional service engagements, and to drive repeat sales by developing and cementing customer loyalty. Because Startup Professionals plans to maximize direct marketing and sales to closely understand customer requirements, and to maximize order-processing efficiency and minimize channel sales expense, we will be looking to follow both the successes and lessons-learned from other experts and professionals in entrepreneurial endeavors.

## Management

### ***Ernst H. Gemassmer, Chairman***

#### **Experience Details:**

EHG Associates, Mountain View, California

Principal (1997 to date)

- Management consulting to high technology companies on a global basis.
- Member of Board of Directors of several Canadian technology companies.
- Created business plans for Internet Start-up in financial services area and conducted Venture Capital presentations.
- Developed Globalization Strategy for GET Manufacturing, a contract manufacturer.
- Advisor and coach to senior management of Adaptec Corporation. Key areas included: staffing, geographic expansion and profit improvement.
- Developed marketing strategies for European Data Communications Company.
- Recommended market and competitive positioning for voice messaging company.

Brain Automotive, Germany

President and CEO, 2002 to 2004: Leading German ERP supplier to the automotive industry. Company has numerous international subsidiaries and over 300 employees.

- Hired by Golden Gate Capital and Agilisys to assist in purchase of bankrupt company.

- Managed turnaround of Brain Automotive.
- Selected and appointed key managers.
- Met with all critical customers.
- Managed major reduction in force.
- Established budgets and operating plans.

Gupta Technologies, Redwood Shores, California

President and CEO, 2001 to 2002: Principal focus is on SQL databases and development tools.

Hired by Platinum Equities to manage newly acquired Gupta Technologies LLC.

- Completed re-staffing at the senior management level.
- Reengineered most business processes.
- Re-naming and market repositioning.
- Closed down several non-performing subsidiaries.
- Re-energized key developers and partners.

Fujitsu Software, San Jose, California

Vice President and General Manager, 1999 to 2000

- Turn around assignment to 'fix' money loosing and un-focused division.
- P&L responsibility for entire division with Java/Corba based workflow engine.
- Reorganized and refocused division to developing incremental markets and customers rather than just developing technology.
- Procured several significant domestic and international orders.

Navigation Technologies Inc., Cupertino, California

President NavTech International (1994 - 1997): NavTech is the world's leading content provider of navigable digital databases for vehicle routing and navigation.

- Hired the entire top management team in Europe.
- Staffed middle management ranks in US and Europe.
- Developed closer working relationships with customers (key automotive companies), and source data providers.
- Managed relationship with Philips NV, key-funding partner.
- Based in California and Europe.

Adobe Systems Inc., Mountain View, California

Vice President, Managing Director Europe (1993 - 1994): Adobe is a software company focusing on high-end graphics products and the PostScript printing language.

- Managed European operations from Amsterdam base.
- Turn-around of Europe increased profits and sales while reducing operating costs.
- Merged operations of Aldus and Adobe in Europe.

SysKonnnect Inc., Saratoga, California

President and CEO (1991 - 1993)

Founded SysKonnnect in conjunction with a privately held German company. The products focused on FDDI high-speed connectivity hardware products.

Novell Inc., Sunnyvale, California

Senior Vice President International Operations (1988 - 1991): Novell is a provider of computer networks (LANs) and Internet software.

- Reported to the President and founder. Increased international from less than 30 % to over 45 % of total corporate revenues
- Established operating subsidiaries in key countries.

- Initiated software development activities in India.
- Localized Novell products to achieve increased market acceptance.
- Implemented new business activities in the Soviet Union and Korea.
- Established Japanese joint venture with Sony, NEC, Fujitsu, Toshiba and Cannon. Obtained significant venture funding from these partners.

**Micom Systems, Chatsworth, California**

Vice President International (1984 - 1987): Micom is a provider of data communication products.

- Increased international sales from less than 15 % to over 35 % of total revenues.
- Established joint venture in France.
- Set up Micom Europe headquarters.
- Established European subsidiaries.

**TEKTRONIX Inc., Portland, Oregon**

General Manager Asia Pacific, Latin America and Canadian Region (1979 - 1984): Tektronix is a major corporation in electronic instrumentation, color printers and computer peripherals.

- General manager of a geographic segment accounting for about 25 % of corporate revenues. All Tektronix products were included.
- Full P&L responsibility for three subsidiaries (Canada, Australia, Brazil), two joint ventures (Mexico, Japan) and over thirty distributors.
- Board member of Japanese joint venture (Sony/Tektronix) with over 1,000 employees, R&D and manufacturing.
- Established joint venture in Mexico.
- Implemented turnaround of Brazilian subsidiary.
- Started major thrust into China.
- Commenced manufacturing operations in India and Brazil.

**A.B. DICK, Chicago, Illinois**

Business Development (1973 - 1979): A.B.Dick is a privately held, manufacturer of offset printing presses, supplies and office products.

- Established European headquarters in Brussels.
- Converted French distributor to subsidiary.
- Commenced sales into Asian markets.
- Negotiated European manufacturing agreement.

**BOOZ, ALLEN & HAMILTON, New York, Duesseldorf, (1968 - 1973)**

Associate: Booz Allen & Hamilton is one of the top five consulting firms with a worldwide scope.

- Managed and sold a broad range of assignments including development of manufacturing strategies, sales channel evaluation, profit improvement studies and organization design.
- Clients were located primarily in Germany and France.
- Established merger and acquisition operations for BA&H in Europe.

**Education:**

- MBA, INSEAD Fontainebleau, France
- MA, Economics, Fletcher School of Law and Diplomacy, Boston, MA
- BS, Chemistry, University of Pittsburgh, Pittsburgh, PA

**Languages:**

- German, French, and Russian

***Martin C. Zwilling, CEO***

Marty has more than 30 years of experience and demonstrated results as an executive in General Management, Software Engineering, Product Management, and Marketing. He has led technical business transformations, done due-diligence for investors, provided mentoring for new technical executives, and held a wide range of professional and management roles. Also has in-depth experience in related areas of business development, customer service, and outsourcing onshore and offshore.

He is a “hands-on” executive who uses his experience to guide new companies during the startup process, or to establish an infrastructure within established companies to grow to new levels of success. He is able to provide strategic vision, build a world-class technical team, and has a proven track record as a “change agent.”

**Experience Details:**

Southwest Software Ventures and Consulting, Fountain Hills, AZ  
Operational Mentoring and Funding Assistance for Emerging Companies  
Managing Partner, May 2006 – Present

Provides entrepreneurs with first-hand advice, mentoring and business plan assistance. Connects startups with potential investors, board members, and service providers. He is a member of the Arizona Angels Venture Group, Inc., the Arizona State University Technopolis program to mentor entrepreneurs, and a member of the Board or Advisory Board for Healthcents, IDTI, Procure Networks, MiraLinx, BoomerJobs.com, and Re:Think.

Kensington Gate, Ltd., Phoenix, AZ  
Ornamental Ironworks Products for Residential and Commercial Clients  
Chief Information Officer, October 2007 – May 2008 (Consulting)

Responsible for managing the ramp-up of a new business, including activities of key sales and production executives, reporting to the Founder and CEO. Provided hands-on development of end-to-end systems required, and mentoring on strategic and operational business objectives.

Intelligent Data Technologies, Inc., San Jose, CA  
Business Process Outsourcing and Automated ISO Certification  
Senior Vice President, Web Applications, May 2006 – July 2007 (Consulting)

Responsible for technical architecture, patent application, product management, and technical marketing of the web-based solution, and implementation of a software product prototype to support venture funding and strategic partners. The strategic focus of this company, including the development team and initial rollout of products and services, is the major emerging opportunity of Vietnam.

Fujitsu Software Corporation, Sunnyvale, CA  
Web-centric Middleware and BPM Products for e-Commerce  
Sr. Director, Product Mgmt and Business Development, May 2003 – Jan 2006

As part of division restructuring for global product rollout, joined as employee to create Product Management and Business Development organizations and processes. Fujitsu Japan now uses MRD/PRD process to manage software requirements in all geographies and all product development organizations throughout the world. Strategic and business partnerships are now in place for over 50 partners, including strategic joint development deals with SoftwareAG, IDS Scheer, Sybase, and SSA.

Consulting Assignments, August 1998 – April 2003  
Fujitsu Software Corporation, San Jose, CA  
Director, Product Development and Customer Support, Dec 1999 – April 2003

Brought in by new General Manager and CEO to help change the division from basic Java R&D, to build a QA process and ship a commercial product. Established a successful Indian outsourcing contract and built a product development and marketing team. Executive “temping” over time as Director of



Development, Marketing, and Customer Support. Shipped three releases of the product on schedule with excellent quality.

@POS.COM, Inc. (formerly MobiNetix), San Jose, CA

Vice President, Software Development, April 1999 – November 1999

Responsible for software solution development, implementation of high volume e-commerce transaction Data Center via the web, and support of multiple web sites.

Built a software organization of 20 professionals locally, and staffed a wholly owned subsidiary in Sri Lanka with an additional 25 programmers.

Expense.Net, Menlo Park, CA

Chief Technical Officer, November 1998 – March 1999

Responsible for technical architecture of the solution, and implementation of a prototype to support venture funding and strategic partners. Key interface to strategic partners ProCard and MasterCard.

US Wireless Data, Emeryville, CA

Vice President, Engineering, August 1998 – October 1998

Responsible for managing software and hardware engineering efforts during company restructuring. Initiated strategic partner relationships with VeriFone and Maverick Data Services.

First Data Merchant Services, First Data Corporation, Sunnyvale, CA

The world's largest merchant credit card transaction authorization and settlement processor.

Executive Vice President, Application Services, June 1997- July 1998

Responsible for \$80M capital and expense budget, 500 programmers located in four geographic sites. Accelerated the integration of multiple large software development organizations from CES and NaBanco acquisitions by the consolidation of five front-end authorizations systems over a two-year period, with a projected annual cost savings of \$4M. Directed a \$20M Year-2000 application update and testing effort, and implemented plans to complete the effort by year-end 1998.

International Business Machines Corporation, Armonk, NY

Market leader in advanced information technology products and services.

- Director, Advanced Technology Custom Contract Services, 1995-1997
- Director, Application Development Solutions, Santa Teresa Laboratory, CA, 1990-1995
- Manager, Advanced Technology Partnerships and Acquisitions, Somers, NY, 1988-1990
- Manager, Personal Computer Systems Software Development, Boca Raton, FL, 1981-1988
- Sales, Marketing, Technical Support Positions, 1968-1988

## Education and Certification

BS, Accounting; Minors in Math and Computer Science, University of Illinois, Champaign  
Institute for Certification of Computer Professionals, 1997 CCP, CDP, CSP

## Financial Information

### *Capitalization Table*

The following financial summary of Startup Professionals, Inc. focuses on the capitalization structure and current liabilities, the financial opportunity, and five-year financial forecast of the company.

As presented in the current Term Sheet for the second round of financing, the capitalization of the company following the closing can be summarized as follows:

Class	# of Shares	%
Founders	5,000,000	50.00

Stock Option Plan Reserved	5,000,000	50.00
Total	10,000,000	100.00

The company has reserved 50% of the company's Common Stock for a Qualified Employee/Consultant Stock Option Plan after closing the first round of financing.

The financial strategy of the company for ongoing operations of the company has been to minimize long-term liabilities. The company is current on all its trade payables, which total below \$1,000. Short term liabilities projected for the next six months for incorporation, web site development, external programming expenses and for external marketing/sales consulting total about \$10,000. These expenses will be funded by the founders, and there is no current plan to pursue external angel or venture capital funding.

There are no long-term liabilities, and no leases or real estate assets.

## ***Financial Projections***

### **Notes & Assumptions to Pro Forma Forecasts**

Key revenue assumptions are illustrated in the table below. We believe our Y2009 estimates are conservative. The company will continue to use the year 2009 to execute the product plan and expand its market penetration investigating additional applications for core technologies.

These financial forecasts represent, to the best of management's knowledge and belief, Startup Professionals expected financial positions and results of operations for the projection periods. Accordingly, the forecasts reflect the judgment as of December 2008, the date of these projections, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

### **Revenues**

The first year of the company's operations will focus on web site development and relationship marketing. Revenues for 2009 of the projections are shown to be \$500K. This projection is based on the revenue model of product sales through the web site, and consulting revenue from the principals. The assumption for consulting revenue is based on each professional who works for the company, or owns stock in the company, to contribute to Startup Professionals 25% of the revenue from every consulting contract brought to them by the company, its name, or the principals.

Revenues in follow-on years are supplemented by three factors:

- the increase of revenue generated by more and improved products on the web site
- increased visibility of the web site through search engine optimization, and increased brand recognition of the Startup Professionals name
- recruiting of additional startup professionals to join the company, each of whom will contribute 25% of all consulting revenues.

### **Expenses**

Expenses during the first full year of operations are estimated at \$400K. The major expense items are salaries allocated to the principals, programming costs for new features, web site hosting, and administrative costs. The Startup Professionals principals currently receive lower than average salaries as an indication of their commitment to this venture, and their stock ownership. The following table provides a detailed breakdown of the company's operating expenses for the first year.

<b>Expense Category</b>	<b>Amount</b>
Principals Salary (2)	\$200K

Web Site Hosting and Administration	\$12K
Marketing and Sales Expenses	\$82K
Offering Development and Programming	\$100K
Total	\$400K

### Five-Year Pro Forma Forecasts

	2009	2010	2011	2012	2013
<b>Revenue</b>	\$ 500K	\$ 1000K	\$ 1500K	\$ 2000K	\$ 2500K
<b>Expense</b>	\$ 400K	\$ 500K	\$ 800K	\$ 1000K	\$ 1200K
<b>Profit</b>	\$ 100K	\$ 500K	\$ 700K	\$ 1000K	\$ 1300K

Startup Professionals projects profitability by the end of the first full year of operation. With the continuing ramp-up of personnel and infrastructure to support the projected customer and principal growth, the follow-on years show a relatively linear growth and expansion of the company. Alternatives are still being considered for outside investment, which would allow more rapid investment in web site content, and increased marketing for the principals.