



Business Plan Analysis & Rating

Company Information		eFiltro Methodology Score
Company Name	Example	
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Concept	Telemetric Systems	
Industry	Information Technology	
Date	August 8, 2001	
Analyst	NBI	
Rating Guidelines:		
0-25	Area needs major work	
25-50	Several areas need improvement	
50-75	Good plan, minor improvements	
75-100	Excellent plan	

Overall Comments & Score **52**

Since the telemetrics systems market is attractive, and management is technically capable, there is a positive chance of getting funded. However, in order to succeed, the management team must be expanded, and the company must present to the marketplace a differentiated strategy as large players are expected to enter the arena. Financial profitability and credibility should be stronger and could be improved by including assumptions, and performing risk scenario analysis. Expand on the patent issue as it is critical to establish strong barriers of entry. The business plan document can be improved with more completeness and use of graphics. We suggest that you target local venture capitalists that specialize in early stage ventures.

Executive Summary **40**

The executive summary captures interest, but needs to provide the investor with a compelling reason, such as a distinct competitive advantage, to continue to read on. Key items missing in the summary are the competitive landscape, marketing plans, and especially, investor returns on investment. Add Example's competitive advantage through patents and industry relationships.

Management Team **45**

The team is comprised of people who are technically proficient, but lack depth. Expand this section to include finance and marketing executives with their industry experience, previous employment and education. Elaborate on the advisory board, and organization chart to complement the team with industry experts. Show that management can execute to plan based on previous experience.

Market Opportunity **88**

The market opportunity for telemetric systems, at decreased cost and enhanced reliability through scalability is very attractive, with potentially high returns. Example can enhance the section with industry statistics, and quote the sources used to improve credibility of assumptions. Also, we suggest you include market share data, with company share goals.

Competitive Threat 32

Competition is growing in the telemetrics systems industry. It is advised that the company assess the quantity and strength of future competitors. The company should explore competitive advantages by identifying key alliance partners, or establish some barriers of entry. Pursuing patents or other legal protections for the software and developed technologies should be re-evaluated.

Product or Service Value 42

The company makes a good case for the development of a telemetrics system that is low cost using commodity products. Please expand on stage of development. It is imperative that the status of the patents be described, and especially, that proof of concept be presented. A better description of the product, with pictures or diagrams, and customer testimonials would enhance the concept.

Marketing Strategy 59

Marketing plan is complete and covers the major areas: pricing strategy, channel strategy and promotion, and customer captures costs. It can be further improved by providing competitors' pricing comparisons and considering strategic or tactical pricing. Detailing channel distribution and channel conflict issues are recommended. Example must resolve the issue of branding versus the direct competitor, BETA Co.

Organization & Business Sys. 45

Example's business plan could be enhanced with an organization chart, and better identification of the advisors and company location. The business system is very well described with a detailed value chain. Consider outsourcing whenever possible for the manufacturing process as you may save significant costs.

Implementation Schedule 70

Implementation schedule is well thought out with key steps fully done. Milestones are identified and realistic. The planning can be improved by contemplating a geographic roll out and identifying the bottlenecks associated with the manufacturing process, and the service provider issue for the telemetric machine prototype.

Opportunities and Risks 34

The business plan identifies the opportunities and risks of the new venture. Example could benefit from a summary that includes some scenario analyses, specifically tied to their ability to sell to the large customer set that is identified, which is probably the biggest contingency on which the plan is predicated.

Financial Forecast 61

The financial section is complete and understandable. You may wish to include in the appendix the underlying assumptions, particularly for customers and average revenues. The assumptions should have evidence and research in order to be held credible and reasonable. Example may also wish to show the strength of the revenue streams by graphing the different sources of income, from a product and customer standpoint. For the amount of investment required, we suggest an early stage VC firm, preferably local to the area, with exit strategies.

Form & Style 30

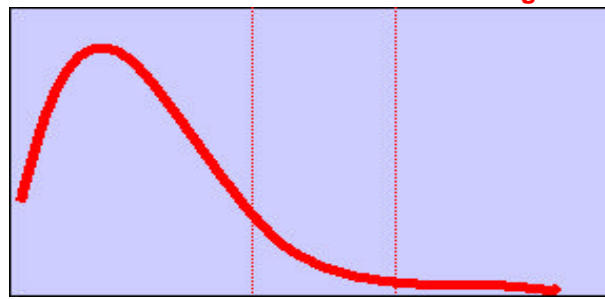
The business plan must cover some missing areas such as competition analysis, via the use of comparative matrix or bubble charts. Technical terms and acronyms should be explained throughout the document. Use graphs, diagrams and some color to enhance the chart. We suggest that you have an expert edit the business plan document for grammatical mistakes.

Business Plan Analysis Methodology

eFiltro New Idea Center analyzes business plans using a proprietary methodology, which was prepared by McKinsey & Co. for the exclusive use of our company. The scoring algorithm is derived from interviews with venture capitalists in California, New York and Florida, and supplemented with the intellectual capital of eFiltro and McKinsey experts in business plan development and research. Our total plan scores are based on the weighted average of 112 parameters examined in a discrete and objective basis for the following areas:

- o **Management** : Executive experience, industry relationships, completeness of organization and teamwork
- o **Market Opportunity**: Market size, growth, geographic scope, industry profitability
- o **Competitive Posture**: Size and number of competitors, barriers of entry, competitive advantage potential
- o **Product**: Stage of development, value proposition, possibilities for differentiation
- o **Marketing**: Pricing strategies, promotional plans, channel management
- o **Financial**: attractiveness of returns, credibility of assumptions, revenue stream strength, completeness of statements and exit strategies
- o **Other factors**: risk analysis, strategic alliances, implementation schedule, business system, executive summary, organization, style and form.

Distribution of Business Plan Ratings



Needs Work - Good - Excellent

About eFiltro New Idea Center

Developing New Business in New Markets

eFiltro New Idea Center is the premier facilitator for the analysis, selection and funding of new business ventures, with executive offices located at the Biltmore Executive Center, Coral Gables, Florida. Since 2000, the company has established regional presence in South Florida and Latin America to assist entrepreneurs and sponsor firms. It offers business plan screening and due diligence services for risk capital providers, and business plan analysis, business development and venture funding for entrepreneurial firms. Every quarter, five companies are selected into the New Idea Center portfolio to be showcased to qualified investors in our first class Investor Matchmaking Event at the Biltmore Hotel, and via our Investment Opportunity Newsletter to over 300 investors.

Venture Consulting ! Fast Track Funding ! Business Development

New Idea Center



Developing
New Business in
New Markets

Dear Entrepreneur,

We hope all goes well with you and your venture. As requested, eFiltro has analyzed your business plan using our proprietary methodology derived from statistical tests, venture capital parameters and international consulting firm guidelines. This process serves to identify the strengths of your business model and to recommend actions for improvement.

In the following report, we have provided an overall score that is a weighted average of the ratings for each key section of your business plan. The total rating can be improved via attention to each of the recommendations. If you desire additional assistance from eFiltro, we invite you to contact us regarding our individual consulting sessions, or our focused seminars on business plan development. We may also refer you to one of our many sponsors that could assist you with the marketing, legal, financial, managerial or technology sections of your business proposal.

Your business plan, overall rating and comments has been posted in eFiltro's database for review by our network of investors. We will keep your company's information and rating posted for the next ninety days, and contact you in case of investor interest in your firm.

We thank you for selecting eFiltro as your "fast path to capitalize your idea".

A handwritten signature in black ink that reads "Mick".

Mick Lopez
CEO, eFiltro New Idea Center

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New Idea Center

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