

Writing the Executive Summary: How to Stand Out From the Crowd



Agenda

- Mission of the Executive Summary
- UMD BPC Requirements
- Audience/Criteria
- Select Previous Finalists
- Components of the Executive Summary
- Recap: Dos and Don'ts

Mission

- Stand Out from the Crowd
- Get the Reader to Want to Learn More
- Provide Enough Information for the Reader to Evaluate Risk v. Return
 - Technical
 - Market
 - Team
 - Financial

BPC Executive Summary Requirements

- Length:
 - 3-5 pages plus contact sheet
 - Inclusive of all tables and figures
- Format:
 - Company description including value proposition (elevator pitch)
 - Customer and market analysis
 - Potential market size
 - Competitive advantage including any intellectual property
 - Management team and their relevant skills
 - Financial model including overview of revenues and expenses, break-even analysis, and projected timeframes to positive cash flows
 - Investment needs including current investment status
 - Current stage of Development (product, customers)

Audience/Criteria

- Judges: VCs, Gov't Funders, Entrepreneurs, Lawyers
- Criteria
 - Strength of the value proposition
 - Clear competitive differentiation, preferably through unique, protected technology
 - Target markets receptive to new entrants
 - Market size providing opportunity for high growth
 - High potential for sustainable, scaling revenues and earnings
 - Committed Team with appropriate skill sets
 - Time to market and pay-off opportunities for investors
 - Benefit to Society
 - Ability to locate substantial operations in Maryland

Select Previous Finalists from 2008

- **Traffax** has developed a patent pending system that enables the real-time monitoring of vehicle traffic for reducing traffic congestion and pollution.
- **Resensys** offers a patent pending solution for the persistent structural health monitoring of bridges that can predict and prevent potential collapses long before they become disasters.

Components of the Executive Summary

- Introduction
- Problem Statement
- Solution
- Market Analysis
- Competitive Advantage
- Revenue Model
- Team
- Financial Projections
- Investment Needs

Introduction

- Command the reader's attention with what you think is the most compelling aspect of your venture!
- Ideal: Unique and defensible solution to a big problem in a growing market with a world class team and executable strategy
 - Unique & defensible solution
 - Big problem
 - Growing market
 - World class team
 - Executable strategy

Problem Statement

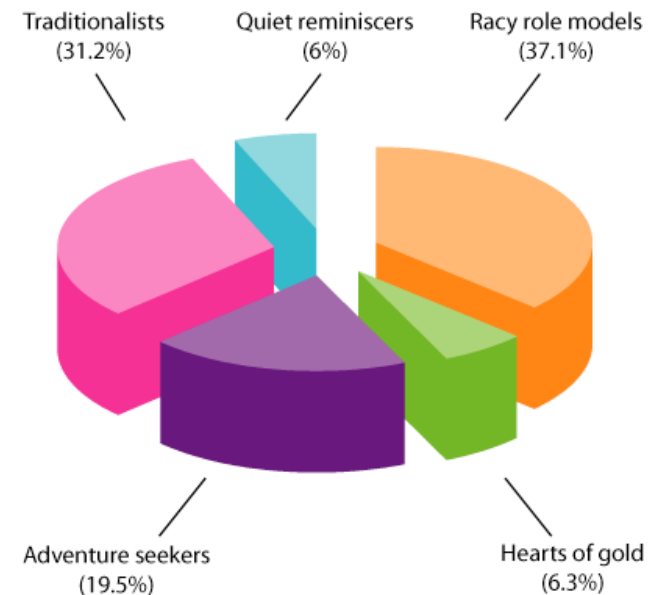
- Set the context for the Value Proposition
 - What is the market pain that you address?
 - Why would someone pay you money for your solution?
- Examples:
 - Traffax: traffic jams
 - Resensys: crumbling bridges
- Be concise & keep it simple

Solution

- Describe your offering and how it solves the problem
- Identify who will be using it and who will be paying for it
- Note: be sure any IP is secured before submitting and don't release proprietary information publicly
- Examples
 - Traffax: Anonymous monitoring of bluetooth devices
 - Resensys: Wireless strain sensors

Market Analysis

- Customer & user profiles
 - Demographics
 - E.g., How many? How rich? Where?
 - Segmentation
 - E.g., How do they behave?
 - Point of sale
 - E.g., Who makes the decision?
- Market Size & Growth
 - Addressable market?
 - How fast is it growing?
- Market Entry
 - Channels



Competitive Advantage

- Provide a competitive landscape
 - Yes, you do have competition
 - Barriers to entry?
- Explain why you're better
 - credibly!
 - Cheaper?
 - Faster?
 - Better features?



Product	Maximum fire rating	Offers impact safety**	Passes hose stream test	Blocks heat transfer	Complies with energy codes	Compatible with TGP framing	Provides acoustic barrier	Advantages/Disadvantages
Fireglass20	20 min.	●				●		♦ Moderate initial investment – Cannot withstand thermal shock
Pilkington Pyroshield*	45 min.		●			●		♦ Least expensive option – Traditional appearance – Low impact resistance – Limited sizes
Pilkington Pyroshield* Plus	90 min.*	●	●			●		♦ CIL 1 impact safety ♦ Affordable ♦ No surface film required – Traditional appearance
FireLite	90 min.		●			●		♦ Heat resistance of ceramic – Low impact resistance
FireLite NT	3 hrs.*	●	●			●		♦ 3M Scotchshield Ultra Film ♦ High impact resistance
FireLite Plus	3 hrs.*	●	●			●		♦ Durable laminated construction ♦ High impact resistance
FireLite IGU	3 hrs.*	●	●		●	●	●	♦ Energy efficient ♦ Acoustic barrier ♦ Wide choice of appearance ♦ Floor-to-ceiling glass designs ♦ Reduces heat transfer ♦ Tested as a wall – Can be heavy
Pilkington Pyrostop	2 hrs.	●	●	●	●	●	●	

*For doors. Consult product literature for maximum ratings in other openings. **Meets CPSC 16CFR1201 (Cat. I or II) -Is an IGU make-up

Revenue Model

- Explain how you make money
 - Product sales
 - Product rentals
 - Service
 - License
 - Subscription
 - Advertising

Team

- Show why your team will be able to execute on the plan: depth and breadth
- Be specific about experiences, relationships, and qualifications that will help you
 - Previous startup or work experience
 - Relationships with potential customers, partners or investors

Financial Projections

- Overview of Revenue and Profits
 - 5 year pro forma, more if it will take you longer to get to breakeven
- Breakeven Analysis
 - When do total sales equal total costs?
- Positive Cash Flow
 - When are net cash inflows greater than outflows?

	2004	2005	2006	2007	2008	2009
Revenue (\$M)	.08	1.7	4.3	10.3	24.4	44.5
Net Profit (\$M)	(0.7)	0.0	0.65	1.2	3.9	7.3
Head Count	12	13	25	53	111	174
Cum. Customers	1	6	14	22	38	61
Annual Number of Units	695	10,000	15,500	39,800	77,500	92,000

Investment Needs

- How much money do you need to execute on your plan?
 - Should draw from your financial projections.
- If you have multiple milestones, you should structure your investment needs accordingly
- Discuss milestones already achieved

Recap: Dos and Don'ts

- Do
 - Remember risk v. return criteria
 - Keep in mind your audience
 - Keep it simple and concise
- Don't
 - Use jargon
 - Use top down approach without bottom up support (e.g., “we will secure 1% of the \$10 billion market in 3 years.”)
 - Overclaim
 - Underestimate costs

Questions?

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