

Technology Ventures: Integrating Business Plans into Learning

This textbook provides the reader and the instructor with two full length sample business plans for discussion. Both business plans – EZ Guard and IMOS – were written by student teams and were well received in their respective business plan competitions.

This document aims to provide the instructor with a synopsis of each plan and a set of accompanying questions to facilitate discussions and stimulate critical thinking.

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EZ Guard is a new medical device for use in vascular operations to prevent loosened debris from blocking small distal blood vessels in the brain and the heart.	
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IMOS is a semiconductor intellectual property startup, with disruptive transistor technology that allows for the increase in density of transistors on a chip without exponentially increasing the heat generated.	

A. EZ Guard

Synopsis

EZ Guard is a new medical device for use in vascular operations to prevent loosened debris from blocking small distal blood vessels in the brain and the heart. When a surgeon deploys a stent in a clogged artery in the patient, plaque debris can be released into the blood stream leading to stroke or heart attack. The market for protection devices like EZ Guard is large and current competing devices are flawed and difficult to use, by physician standards. As well, there are numerous applications aside from saphenous vein graft revascularization and carotid stenting in which EZ Guard would prove to be useful. The EZ Guard business plan presents a sound opportunity in the interventional cardiology device market and includes detailed financial and marketing plans.

Discussion Questions

- Research the FDA approval process for medical devices online. What has made EZ Guard more attractive as a business opportunity in terms of overcoming regulatory hurdles? What precedents have paved the way for EZ Guard?
- Analyze the team, the opportunity, the context and deal for EZ Guard using Sahlman's model in Figure . In your opinion, what is the greatest risk for EZ Guard? Why and how should this risk be mitigated?
- What markets is EZ Guard focused on? Who is their initial target customer? What are the strengths and weaknesses of their marketing strategy?
- Flesh out the business plan. Who do you anticipate will be critical partners for EZ Guard? Will they manufacture and distribute their devices in house or outsource this expertise? What will the role of major medical device companies such as Medtronic (producer of Percusurg) and Guidant in the success of EZ Guard?
- EZ Guard anticipates the need for \$5M to start and then \$10M in FY2 in funding. What type of investors should they approach for this funding? Put yourself in the shoes of a potential investor. If EZ Guard came to you with their business plan, what are the main questions you will ask?
- Who would you like to see on the Board of Directors of EZ Guard? Who would you like to see on the Board of Advisors of EZ Guard?

B. IMOS Inc.

Synopsis

IMOS is a semiconductor startup, with disruptive transistor technology that allows for the increase in density of transistors on a chip without exponentially increasing the heat generated. This is a problem that the semiconductor industry has struggled with for the last three decades! By reducing static power dissipation by three orders of magnitude, IMOS solves the heat problem and increases chip performance by up to 30%. IMOS is well posed to make an impact on the semiconductor industry, particularly in power and performance sensitive products. IMOS plans to make headway as an intellectual property startup, licensing its technology to foundries, semiconductor manufacturers and fabless semiconductor companies.

Discussion Questions

- Analyze the team, the opportunity, the context and deal for IMOS using Sahlman's model in Figure 8.7. In your opinion, what is the greatest risk for IMOS?
- IMOS anticipates the need for three major rounds of funding. What types of investors should they approach for this funding? Venture capital? Corporate sponsorship? Put yourself in the shoes of a potential investor. If IMOS came to you with their business plan, what are the main questions you will ask?
- The upfront licensing cost for IMOS technology is a hefty \$1.5M. As head of sales at IMOS, how will you go about winning your first customer? How will you go about justifying the cost of your license agreement? As a young and small startup, how can you convince your earliest customers that your company will last as long as the 5-year term agreement you are selling to them?
- Your major competitors (Intel, IBM and AMD) may very well be possible customers or potential partners. Like IMOS, they have all been developing technology to reduce static leakage problem, but perhaps with less success. What will be your strategy in working / competing against them?
- IMOS has chosen to be an intellectual property startup to leverage its core competencies and to reduce fixed and variable costs. If IMOS is unable to establish licensing contracts for its IP, it plans to become a product based company. In this case, flesh out a product line and a brief marketing strategy for your products.