

CUI MBA 696 Capstone Written Report Requirements

Guidelines:

- Write a formal business plan of a professor approved topic, minimum 20 pages and maximum 30 pages of content (not including title pg, reference page, appendix, etc.)
- Include a title page cover sheet, table of contents, page numbers, reference page, and the other required sections – all formatted to APA style.
- Follow APA style formatting throughout the document, with 1" margins, and 1.5 line spaced
- Provide a comprehensive financial model with detailed financial statements and forecasts for your business, including a 3-year minimum of monthly financial statements, income statements, balance sheet, and statement of cash flow. Also, quantify the value of your business and the amount of debt and equity capital your business needs.
- Use the required outline form along with the corresponding numbered items and meet the page length for each of the ten sections according to the Outline form
- Write a paper that stays focused on the geographic scope of the plan, i.e., don't mention global demand if you are targeting California
- Write and reference money consistently, including rounding up and no decimals, i.e., \$400 million, not \$398,777,346.73. Use standard US dollar for smaller amounts, i.e., US\$4,000. Do not use \$xxxK or \$xxxthousand, etc. Make sure all your numbers reconcile and balance
- Label all graphs, charts, and tables with a title according to APA and reference the graph, chart, and table in the text of your paper BEFORE the insertion of the visual. Ex: In the chart below,.. When a visual helps explain a message, insert it; otherwise do not use visuals to pad the length.
- Cite references of the original sources for all your quoted and paraphrased content according to APA. This also includes any images, graphs, or other materials that are not your own creation. Not citing sources within the text of a paper and then listing the correlating source on your Reference page can be considered plagiarism.
- Avoid irrelevant details and discussion that may appear to be "padding" for your page length, such as the history of the business back in the 1800s – that does not add support to your business plan.
- Appendices should follow the outline content, including the financials, and be labeled correctly and clearly
- Write a paper that demonstrates strong professional writing skills, formal diction, concise and effective sentences, organized one-message paragraphs, and using only 3rd person.
- Communicate regularly with your reader(s) throughout the process and secure written feedback as to what needs improved on your paper. Include the "sign-off" form with your reader(s) signature and other information. Missing this section may result in No Pass for the Capstone.
- Submit your final paper to Blackboard as a PDF according to the instructions before the due date.
- Your paper must be of professional quality and earn marks of "meets the objective," or "exceeds the objective" (aka 84%) by the assessors and instructor

See Outline on next page

CUI MBA 696 Capstone Written Report Outline

(insert page numbers in upper right hand corners according to APA)

Title Page

Table of Contents

Executive Summary (MAXIMUM 1 page)

1. Industry Analysis (2 to 5 pages)

- 1.1. Industry Overview - What is the current state of the industry? Growing, shrinking, changing? If so, in what way? What are the likely causes?
- 1.2. Addressable Market Analysis - Calculate how much **revenue** the industry currently generates per year. Then determine how much of that revenue you could capture in the first few years of your business.

2. Competitive Analysis (2 to 4 pages)

- 2.1. Overview / Summary
- 2.2. Direct/Primary Competition - Be sure to show estimated revenue for each of the top competitors within your industry. Show your sources and approach for how you calculated revenue figures.
- 2.3. Indirect/Secondary Competition - Show estimated revenue for indirect competitors if that revenue represents a significant fraction of addressable market.
- 2.4. Barriers to Entry (something that clearly may prevent you from entering the market. Note: Just because something is “expensive” does not make it a barrier to entry. Discuss specific potential barriers, such as government regulations, environmental regulations, military secrets, proprietary technological innovation that is restricted and you cannot access, or proprietary methods or ingredients you cannot access.)
- 2.5. Weakness(es) Among Competitors (and how you will approach that issue) – Consider researching patents, utility patents, design patents to see what else is out there

3. Your Company (2 to 4 pages)

- 3.1. Overview / Summary -- Your business’s legal structure, purpose and solution
- 3.2. Product/Service Description; Features & Benefits
- 3.3. Mission Statement (Value Proposition of the firm, as applicable)
- 3.4. Vision (Differentiation/Sustainable Competitive Advantage)
- 3.5. Company Values/Code of Conduct
- 3.6. Ethical Considerations -- VERY IMPORTANT! Business plans and presentations must have direct, specific mention of ethical considerations

4. Management Leadership (1 or 2 pages) – NO class mates or CUI staff

- 4.1. Overview
- 4.2. Credibility of you as a manager and your company team members - any unique skills or talent members have that contribute to your uniqueness and the success of your plan

5. Marketing and Sales Plan (2 to 4 pages)

- 5.1. Summary -- Show a snapshot of your marketing and sales objectives, including the **annual** total advertising budget for a typical year, and how many customers you expect to obtain from that budget in an average year. Summarize this in a table after you describe your objectives.
- 5.2. Main positioning / message -- Describe (again) the need/problem, your solution and ***most importantly why your solution is superior***. You MUST answer the question, “Why is your plan/solution superior to other products in the marketplace?”

- 5.3. Sales funnel -- In a paragraph, explain your marketing and sales funnel. Then, using a graphic, demonstrate how you turn your advertising dollars into impressions, traffic / reach, prospects, and customers. Be sure to include references to your researched sources for all of your conversion rates (impressions to traffic to prospects to sales). Be sure to include a label this graphic as Marketing and Sales Funnel for a Typical Year.
- 5.4. **Annual Advertising Plan** starts with a paragraph that includes budget expenditure, per advertising platform, meaning ad plan for each ad platform you intend to use. For example, Facebook is an ad platform, so is Google. You need a budget for each platform, and you need to show how many customers from each platform you will acquire, and explain how you arrive at those figures based on industry research, competitor estimates or other source. Then, use a table to organize your information. Be sure to label the table Annual Advertising Plan for a Typical Year.
- 5.5. Key Performance Indicators -- Show a Typical **Month's** Key Performance Indicators, including target MONTHLY goals for impressions(views), traffic, prospects and customers on a per ad platform basis. Consider questions that pertain to your ad funnel. For example: How many sales calls per month should your sales team complete? Think of this as your marketing monitoring system. Explain your intention and summarize your KPI in a table that shows all of the elements described -- for each ad platform, a typical month's impressions, traffic, prospects and customers. Label the table Monthly Key Performance Indicators for Marketing.
- 5.6. Product / Service Pricing Strategy -- Write an analysis of your pricing strategy choices. Include the following three pricing methods in your analysis - 1) cost plus, 2) competitor based and 3) value-based pricing models. You should have at least a sentence or two discussing how you would implement each of the pricing strategies. Talk about what the price of your product would be utilizing each pricing strategy and show the arithmetic that you used to arrive at each price. Next, identify which of the three pricing methods you have chosen and why did you choose it? (Note: There is no such thing as a "combination" pricing strategy.) Now, compare your pricing to competitors. Why are you priced higher, lower, or the same as others in the market? How are you allowing for special promotions or other discounts (e.g., quantity discount, discounts for early payment, coupons or other promotions)?
- 5.7. Ideal Customer Profile -- Who will you be advertising to? Include in your description Demographics (include Income, Age range, Education level; Gender as appropriate; marital status, and whether your customer has children or not if appropriate to your plan), Values & Lifestyle (that means religion, community involvement, sports, recreational activities and hobbies, and you must include Generational and Cultural values of your ideal customer).
- 5.8. New Customer Acquisition Cost. Calculate your CAC, and then be sure to compare your CAC with industry averages. You'll need to research this or estimate (guesstimate) it. Reminder: CAC is based on **ANNUAL** sales. Be sure you mention your CAC is the cost of acquiring a new customer. (For example, "CAC for this product is \$3.25 per customer.") Reminder that a new customer is a **FIRST TIME** customer ONLY. CAC is calculated as Total cost of marketing directed to acquiring new customers / # of new customers acquired in a typical year.
- 5.9. Contingency -- What will you do if your ad plan and sales forecast don't work out like you expect or unforeseen barriers occur (last year's example: COVID)?

Should be very specific, with an alternative plan. Must go beyond “review” or “analyze” or “same as current plan, except we will reduce ad spend by x%.”

6. **6. Operations (4 to 6 pages)**

This is a descriptive **narration** of the following items; providing merely a spreadsheet or table is insufficient, “tell the story” and explain the reason for specific manufacturing, engineering or other item, the related costs and impact on COGs.

6.1 Summary

6.2 Estimated Revenue for a typical year: $PxV = \text{unit price} \times \text{unit volume}$

6.3 Direct Costs (COGS), including material quotes, etc.

Manufacturing & Engineering (when applicable). Include both discussion of the kind of need you will have as well as the impact on direct costs. A simple summary of the cost of manufacture or engineering requirements is insufficient.

Include 3rd party manufacturers, etc. (when applicable). Include both discussion of the kind of third-party manufacturing you will contract, as well as the impact on direct costs.

Everything needed to make the product and/or provide the service goes in COGS

Variable vs. fixed costs

6.4 Capital Expenditures (CapEx): facilities improvements and equipment requirements

6.5 Gross Profits & Operating Margins

6.6 General & Administrative Expenses & Payroll

6.7 Research, Product Development (R&D), including sampling, testing, etc.

6.8 Legal Considerations & Expenses plus other professional fees

6.9 Taxes - Net Operating Loss (NOL) carried forward

Be sure to include Cash burn & “Burn Rate” in this section

6.10 EBITDA/Margin Analysis

6.11 Balance Sheet Analysis

6.12 Summary Table of Financial Forecast, Growth Rates

6.13 Summary of Key Assumptions

6.14 Summary of Risk Factors

Lifetime Value of Customer (LTV) using “typical” year; compare LTV to CAC.

7 **7. Financing (2 to 4 pages)**

7.1 Overview

7.2 Total capital needed:

Equity - your request (the Ask)

Debt - leverage that makes sense

7.3 Use of capital - when & how are you spending this capital

7.4 Company Valuation - EBITDA & DCF >>> NPV

NPV - 5 years

Terminal Value (TV) after 5 years

Private Market Value (PMV) - **do not use**

7.5 Equity Offer -- Negotiable - between Book Value & NPV

7.6 Exit and ROI

Exit is the Terminal Value after 5 years (not PMV)

ROI definition: $TV - \text{initial investment} / \text{initial investment}$

8 **8. Appendices** should include all of the following and more:

A full set of the financials (Income Statement, Balance Sheet, Cash Flow/Statement of Sources and Uses). The set of financial statements must be at least 3 years of monthly financial statements plus a 3-year summary. Provide the Calculations

related to your company's Valuation, investors' ROI, Calculation of Cost of Customer Acquisition (CAC) and Lifetime Customer Value (LTV).

9 **Reader Signature Page** (Provided in Blackboard)

10 **Self-Assessment 2-3 Paragraphs (1 page) – This is in narration form.** Evaluate your process steps, progress, strengths, weaknesses, strategies to overcome barriers & challenges, what would you do differently starting this course over, overall analysis of success or lack of and rationale to support your plan.

These pages MUST BE THE LAST PAGES OF YOUR BUSINESS PLAN.