Executive Summary

This document describes the entirety of the business in a few pages. This will likely be the only document a prospective investor reads initially, and hence brevity, conciseness, and clarity are of the utmost importance. This document is designed to guide you on the creation of the critical components of this document, and provide examples of appropriate content for each section. Instructions: Read each section and fill it out using the instructions and examples to guide you. Once you have completed the section, erase the instructions that appear in italics.

Overview

This section consists of a few paragraphs that succinctly describe the product you intend to develop, the target market for the product, the benefit the product provides to that target market, the competitors for the product, and how the product is different from competitive solutions in the market. A sample overview paragraph might look like this:

> *<Product name> is a <type of product/category description> that delivers <statement of benefit>. Unlike <specific competitor or competitive category>, <product name> provides <statement of differentiation>.*

For example:

> *PayPal is a web-based payment service that allows buyers and sellers to transfer funds instantaneously while protecting against fraud and identity theft. Unlike credit cards, PayPal allows any merchant to accept funds, and allows customers to pay for goods without disclosing sensitive banking or personal information.*

Start typing here…

Problem

This section consists of a short story that concisely identifies the problems the product is designed to solve. Educate us – what is the current state of the world? Tell us – why is this a problem, and for whom is it a problem? Inspire us – what could a customer achieve with the product that currently isn't possible? Use declarative sentences with simple words to communicate each point. Less is more.
For example:

> *Small web-based merchants are currently unable to sell their goods online due to their inability to process credit cards. Processing credit cards requires a merchant to acquire a merchant account from their bank, something that is currently prohibitively expensive for small online merchants. At the same time, customers are currently hesitant to disclose their credit card number to merchants on the*

Internet, due to the risk of fraud. As a result, many merchants are unable to capitalize on the World Wide Web to reach and sell to new customers.

Start typing here…

Solution

This section consists of a few paragraphs that concisely describe the product and how it addresses the problem outlined in the previous section. It is best to describe the product in terms of the benefits to the customer, instead of focusing on the features of the technology. Why would this be better for the customer? What could they achieve that they couldn't before?
For example:

PayPal provides an easy-to-integrate web-based payment service that can be used by any merchant to accept payments over the Internet. Users create a PayPal account linked to their bank account, and use it to pay for goods without revealing their credit card or banking information. PayPal transfers money between customers and merchants, and protects both parties from fraudulent transactions. Merchants get access to paying customers they are currently unable to access without a merchant accounts, and customers gain the ability to make risk-free online purchases.

Start typing here…

Opportunity

This section consists of a few paragraphs that define the market opportunity that the product is designed to capture. It's important to cover the estimated size of the market, the estimated growth of the market, and the characteristics of the target customer.
For example:

Online retail sales in 1999 reached $X dollars, a growth of X% over the previous year. By 2005, Jupiter Research estimates that online commerce will comprise $X dollars annually, or X% of all retail sales. Currently, only X% of the X small merchants making less than $X annually are currently exploiting the Internet to reach customers online. In a recent poll, X% of these merchants indicated their inability to secure a merchant account as the major barrier to them selling online. A web-based payment processing system would remove this barrier, and permit an estimated $X in additional online transactions to occur annually.

Start typing here…

Competitive Advantages

This section consists of a few paragraphs that define the merits of the product over similar products, alternatives and substitutes that exist in the market. Compare competing products in

terms of market share, quality, price, and other relevant aspects. What is it about your product that will make it saleable? What are the major strengths and weaknesses, financial position, and profitability of your competitors? Why are competitors not meeting customer needs? Why are they vulnerable?
For example:

> *PayPal's competitive advantage over competitors is twofold:*

Ease of integration: Any merchant can use PayPal's tools to quickly add payments to an existing web site in minutes, allowing it to address markets not served by traditional merchant accounts and entrench itself in the market
Fraud detection: PayPal's patent-pending fraud system allows it to detect and prevent unauthorized payments, reducing the cost and risk of making purchases online versus traditional credit cards

Start typing here…

Business Model

This section consists of a few paragraphs that describe how the product will make money. How does the customer purchase the product? Is the product sold directly to the customer or provided as a subscription-based service? Is there some other way that the business makes money from providing the product? How much money does the company make on each sale? Over the lifetime of a customer? How does this compare to the competitors' products?
For example:

> *PayPal derives revenue from each payment transaction it processes. Customers pay nothing to transfer funds to a merchant using the service, but merchants pay between 1.9% and 2.9%, depending on the dollar value of the transaction, to receive funds from a customer. Each transaction is subject to a minimum transaction fee of $0.30. This is a comparable transaction cost to that of a merchant account, without the up-front costs of establishing the merchant account. Based on these charges, PayPal expects to drive between $X and $Y based on an estimated volume of Z million transactions in 2000.*

Start typing here…

Team

This section consists of a short one or two sentence bullet describing each of the core members of the team. Each bullet should provide the name of the team member, their role in the organization, and highlights of their relevant skill or career experience. In the case where the organization has only a limited number of key personnel, this list may be augment by a list of key advisors to the organization.
For example:

Peter Theil, CEO:*Peter's experience with venture finance began in the 1990s, when he ran Thiel Capital Management, a Menlo Park-based hedge fund that also made private equity investments. Peter's experience in finance includes managing a successful hedge fund, trading derivatives at CS Financial Products, and practicing securities law at Sullivan & Cromwell. Peter received his BA in Philosophy and his JD from Stanford.*

Start typing here…

Financials

This section consists of one or two paragraphs or a handful of bullet points that describe the economics of the business. Items to highlight include the fixed and variable costs required to run the business, the projected customer growth, the projected number months to breakeven, the projected of number of months to positive cash flow, and the overall profit potential. Ideally, some elements of this information may be summarized in graph or table form.

Start typing here…

Funding Required

This section details the amount of funding the organization requires, how those funds will be used, and the milestones the organization hopes to achieve using the funds.
For example:

> *PayPal is currently seeking $5M in Series B funding. These funds will be used to finance the development and acquisition of payment processing infrastructure in 2000Q1, creation of marketing and training collateral to drive merchant and customer adoption in 2000Q2. At the conclusion of these activities, the company expects to in a position to begin processing transactions by 2000Q3.*

Start typing here…

Submitting this document…

Your executive summary should be no more than five pages, single-spaced, in Times New Roman 12 point font. Once you have completed your document save it under your actual or proposed company name (e.g. ACME.doc) and send the document as an email attachment to: HYPERLINK "mailto:entrepreneurship@unlv.edu" entrepreneurship@unlv.edu and placing EXECUTIVE SUMMARY in the subject line.