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BoardSage

Business plan

1.0 Executive Summary

Company Profile Summary

BoardSage is a board recruitment software company that helps solve the ever increasing need of not-for-profit organizations in recruiting and nurturing a transparent and fully engaged board. BoardSage Software is run and wholly owned by Chim Vuong, a graduate from University of British Columbia with an honours degree in Computer Science with seven years' experience in software development.

Market Research Summary

The National Survey of Nonprofit and Voluntary Organizations in 2006 did a survey that found at least 59% of the not-for-profits reported problems obtaining board members. With board transparency taking on a more prominent role, the timing is well suited for software that can help not-for-profits deal with this vital issue. There is board management software in the general not-for-profit data management software. LinkedIn recently launched Board Connect (Sept. 17/2012) to connect not-for-profits with potential board members. However, this does not match the sophistication that BoardSage offers. BoardSage will be targeting Canadian not-for-profits who have between $250,000 and $10,000,000 in revenues starting with the Greater Vancouver Area.

Marketing Summary

BoardSage is committed to calling not-for-profits directly and speaking to the decision maker (usually the CEO in smaller firms and Vice Presidents in the larger not-for-profits). A close secondary activity will be networking extensively in the not-for-profit sector and using LinkedIn as a tool to stay connected with industry leaders. Mr. Vuong is a member of the Association of Fundraising Professionals (Vancouver Chapter) and has extensive contacts in the not-for-profit sector. BoardSage will be pursuing strategic alliances with consulting firms and software companies.

BoardSage has been in the beta stage for a month with current testing provided by Streetsmarts a not-for-profit social service agency. Streetsmart has re-affirmed the viability and positive impact of the software already at this stage. BoardSage has made some minor revisions and will be officially launching the product on October 23.

Finance Summary

BoardSage will be requesting a loan of $15,000 from Futurpreneur Canada to cover the cost of marketing and new equipment purchases. First Year projections are targeted for $38,000 with expenses at $11,300.By Year Two, sales are projected to double to $79,500 with expenses just under $18,200.

2.0 Company Profile

Business Overview

BoardSage is a board recruitment software company that helps solve the ever increasing need of not-for-profit organizations in recruiting and nurturing a transparent and fully engaged board. BoardSage was established on 23/10/2012.

Board recruitment is a growing concern for not-for-profits (NFPs) in Canada as there is greater demand for transparency in the industry. Attracting and retaining good people is not just a challenge in the job market but a challenge in recruiting board of directors serving social purpose organizations. BoardSage is a board recruitment software company for NFP organizations to help solve this problem. The key value proposition is BoardSage's systematic approach to monitoring and attracting the right board for an organization.

BoardSage is a product business. BoardSage Software will offer NFPs the ability to: track board members and gaps needed in skills helping the right board, use a contact management system to help recruit new directors, develop a selection process that allows for pre-screening of appropriate members and create a strategic option for succession planning. The product utilizes the latest integrated technology software.

Company History

Currently, BoardSage has produced the software in a beta format (one month) which is being tested with a StreetSmarts (a NFP organization) which has agreed to test it and use it for free, in exchange for feedback and testimonials. Some changes have been adapted with StreetSmarts feedback. The software has already helped them recruit a new board member. The official launch of the software will be on October 23. BoardSage has invested $8,500 to date developing the beta version paying a developer and tester (in addition to extensive labour put in by the owner).

Management

BoardSage Software is run and wholly owned by Chim Vuong, a graduate from University of British Columbia with an honours degree in Computer Science. Chim has worked for two business–to-business computer software companies, ABZ and Soltaire Inc, for the last seven years as a computer program developer and software specialist. He was instrumental in ABZ's launch of a new sales software for the health industry. Although a software developer by trade, Chim has been involved in sales and marketing from an earlier age – selling software games at retails store during his high school years. In the corporate world he was involved in making over 20 presentations to various stakeholders and clients. He has also volunteered for the United Way of the Lower Mainland for the past three years and has made some invaluable connections in the NFP world where the idea of BoardSage Software was first germinated.

Location

BoardSage will be home based business. Since most work will be done from a home office, BoardSage will also have a virtual office at 701 West Georgia Street, Suite 1500, Vancouver, British Columbia to meet clients and have the use of a prestigious address. This will significantly reduce office space cost until such time as hiring staff is required.

Legal Structure

BoardSage is a sole proprietorship. Currently BoardSage is a sole proprietorship. In the next 8-12 month period BoardSage will look to incorporate.

BoardSage is interested in securing a copyright.

Company Goals & Objectives

Vision & Mission

Professional Adviser

3.0 Market Research

Industry Profile & Outlook

BoardSage operates primarily in the computer/software applications industry.

There are 165,000 NFPs in Canada according to Imagine Canada (2006), a nonprofit that serves the nonprofit, voluntary and charitable sector in Canada by providing access and helping to build the sector's collective knowledge base. The National Survey of Nonprofit and Voluntary Organizations in 2006 did a survey that found at least 59% of the NFPs reported problems obtaining board members.

Currently there are board software companies who primarily deal with general board governance issues and management. These software companies provide centralized board documentation, board meeting, compliance analysis etc. BoardMax is a full range board software company and has some features for board recruitment (that can be interfaced with LinkedIn) but not to the extent of BoardSage's software. Sumac is a full service Canadian software for NFPs for managing non-profits' data including board governance but has even less features than BoardMax. LinkedIn recently launched Board Connect (Sept. 17/2012) to connect non-profits with potential board members. However, this is currently only open to American NFPs which allows BoardSage time to make inroads in the Canadian marketplace. Board Connect uses its existing platform of TalentFinder and does not have the sophistication that BoardSage has developed. There are indirect competitors, such as, Strategic Leverage Partners Inc., a boutique manage-

ment consulting firm specializing in board effectiveness and BoardSource that trains and educates nonprofit board leaders (mainly in the U.S.) after board members have been selected. These can actually be seen as strategic partners in the future.

Traditionally board recruitment is done through existing board members, the executive(s) contact base and networking. People are informed and persuaded to join but generally there is no systematic method to board recruitment.

The difficulty of finding appropriate board members will only increase with greater demand for board transparency, including fiduciary responsibilities that board members have along with the increase in the number of not-for-profits that are predicted for the future. The timing is right for an effective software in managing the fit, the gap and talent pool for new board member recruitment for not–for-profits.

Local Market

The initial focus will be in securing NFPs in the greater Vancouver and Burnaby areas as Chim has already established a presence in the community.

Key Competitors / SWOT Analysis

	Strengths	Weakness	Opportunities	Threats
BoardMax	• Solid reputation in the US especially with larger NFPs • BoardMax has a sister offering VirtualBoard that is a simpler and less expensive version for smaller NFP	• BoardMax's extensive version is expensive	• Partner with BoardMax by offering BoardSage's version as added value to their clients • Extend existing offering and develop board management software	• Develop an extensive board recruitment tool comparable to BoardSage's
BoardSage	• Sophisticated software for board recruitment	• Can be perceived as too niche • A new product with very little history	• Develop strategic alliances with consulting firms and software companies that don't offer BoardSage's offerings	• Board recruitment software becomes a standard feature for all board management software products

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5

Target Market

BoardSage is focused on selling to Other Businesses (B2B).

In order for not-for-profits to consider purchasing the BoardSage Software, they would need a minimum budget. Board Sage has narrowed the focus by targeting Canadian NFPs who have between $250,000 and $10,000,000 in revenues. In Canada, 29% of NFPs, have revenues of $250,000 or more (45,000 organizations). At the lower end of the spectrum $250,000 would be the minimum amount and at the higher end of the spectrum BoardSage would not target over $10 M in revenue until it has established credibility. For smaller NFPs the Executive Director will be targeted; for larger organizations the C.O.O. or a senior VP will be targeted. The initial scope will be lower Mainland British Columbia (because of the office being situated in downtown Vancouver). Initially, NFPs in the Social Services, Health and Education sectors will be targeted. In Year Two and beyond BoardSage would expand its reach to NFPs who have over $10 M in revenue.

Keys to Success

To develop an extensive networking in the NFP world and business community.

Developing a critically acclaimed software and developing strategic alliances with consulting firms, software companies that complement BoardSage's offering.

Customer survey summary

4.0 Sales & Marketing

Pricing Strategy

The closest competitor, Boardmax offers a comprehensive board management system with offerings priced as high as $5,000. However, for smaller NFPs it also offers its junior model Virtual Boardroom that can be as low as $50/month per user. This is a total governance package whereas BoardSage is niche based on recruitment. The new LinkedIn Board Connect is using their existing Talent Finder. The promotional package claims the Board Connect is worth $1,000 but is offering it for free to entice users. However, the features are not as sophisticated as what BoardSage has.

Board Sage will be offered at $500 fee per year/per organization/unlimited users. A 20% discount will be offered for NFPs under $1million in revenue as an incentive (and only in the first year of business).

This approach is in line with messaging of BoardSage of offering software that helps attract the best possible candidates.

Marketing Strategy

BoardSage is committed to calling NFPs directly and speaking to the decision maker

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6

(usually the CEO in smaller firms and Vice Presidents in the larger NFPs). A close sec-ondary activity will be networking extensively in the NFP sector and using LinkedIn as a tool to stay connected with industry leaders. Mr. Vuong is a member of the Association of Fundraising Professionals (Vancouver Chapter) and has extensive contacts in the NFP sector. BoardSage will be pursuing strategic alliances with consulting firms and software companies.

Primary Marketing Activity

Calling decision makers of not-for-profits. Steps include:

1. Using online directories (such as BC Contacts Directory) and the Association of Fundraising Professional member list in Vancouver. BoardSage will contact either the CEO or Vice President of Administration/Operations of NFPs in the Vancouver Area initially by phone. Chim already has an extensive database of NFPs in the Greater Vancouver area.

2. Request a short 15 minute meeting to quickly demonstrate the software.

3. In most cases the decision maker will not be able to meet so an email will be sent along with a request to LinkedIn – followed by a short video given by an expert in the NFP industry (currently in negotiations) discussing board gover-nance and recruiting issues. A second email will be followed up with BoardSages solution and an email brochure.

4. A follow up call and/or email will be sent ten days following the email on BoardSages solutions.

5. A meeting would eventually be set up. The lead time from initial contact to purchase is estimated at two months.

6. Chim Vuong will be contacting 32 decision makers a week in the first two months and develop an effective follow up system to maximize lead generation.

7. It is estimated that for every four decision makers contacted only one would request a demo and every second one would actually purchase the software (a total of 8 decision makers would need to be contacted for one sale).

Marketing objectives

1. Goal #1
2. Goal #2
3. Goal #3

Positioning statement

Sales process

Strategic alliances

5.0 Operations

Location(s)

Since most work will be done from a home office, BoardSage will also have a virtual office at 701 West Georgia Street, Suite 1500, Vancouver, British Columbia to meet clients and have the use of a prestigious address. This will significantly reduce office space cost until such time as hiring staff is required.

Website Description

Website Development

Website Launch/launched date

Legal Issues

BoardSage anticipates the following legal issues:

> Business licenses
>
> Intellectual property (i.e. patents, trademarks and copyright)
>
> Contract agreements (partnerships, independent contractors etc.)

BoardSage is automatically protected by copyright but no patent is being pursued as the layout and simplicity in the process is what makes the software so effective.

Insurance Issues

BoardSage requires liability insurance.

Human Resources

BoardSage will have 1 - 10 full time staff.

BoardSage will have 0 part time staff.

BoardSage subcontracts work to ZuT for software development and Peter Lagoza to test the software. Both have extensive experience in their respective fields. They will be called upon on as needed basis in the future but not as employees but as subcontractors. This will help keep costs down in the initial stages.

Process/Production

Currently BoardSage has produced the software in beta format and it being tested with an NFP who has already provided feedback.

BoardSage was developed using the Joomla! open source software as it allows for ease of accessibility and updates to the software.

1. The system is easy to install and based on a cloud platform.

2. The software allows multiple users to enter gaps that are missing for a board – both from a skills, industry and issue base point of view.

3. The contact management allows those connected to the system to see the tracking status of potential board members that have been approached

4. There is an interface with LinkedIn Future approaches be suggested for all those connected to see.

5. There is a selection of questions and final assessment for each candidate.

6. A time line for succession planning of new board members is also included.

This allows for a centralized discussion on board recruitment and members can manage recruiting new members. Maintenance is free of charge.

Risk Assessment

Because the software is very specific on what it can do there is potential for it to be serving too narrow of a market. BoardSage would have look at two options – partner with other board governance software companies or consulting companies and approach NFP software companies as an add-on to their product line and compliment their offering. There is the option of targeting businesses and not just the NFP arena (with minimal changes to the software).

BoardSage believes in continual improvement. With each customer, BoardSage will be asking for feedback at the one month three month and one year stage as a matter of course. Through extensive consulting with developers, testers and industry experts we believe the Joomla! open source offers the most effective and cost saving approach to upgrades in the system.

There is a gestation period for any new software of this kind. BoardSage believes that if it cannot achieve a bare minimum of $10,000 of sales by the end of its first year it would need to re-evaluate and seriously re-examine the business model and sell off the product to a software company that specializes in the NFP sector.

6.0 Financials

Start-Up Costs

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit

http://futurpreneur.ca/en/bplan/ and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you'll need.

Sales Forecast

Key Assumptions for BoardSage

- The user fee is $500 per year per organization with unlimited users (for the first year)
- A 20% discount will be offered for NFPs with revenues under 1 M (first year)
- Contacting 8 decision makers will lead to one sale (first 6 months of business)

Year One Sales Forecast (Including Assumptions)

Month 1 - $0

- Company launched
- Extensive cold calling (32 decision makers a week) and Networking (3 times a week)

Month 2 - $1300

- One larger and two smaller firms secured
- Extensive cold calling (32 decision makers a week) and Networking (3 times a week)
- Collected an extensive data base of 300 potential leads

Month 3 - $500

- One large firm secured
- 5 firms will have agreed in principle to sign on but because of the nature of the season will postpone signing on until the New Year
- Follow up existing data base Network 3 times a week

Year Two Sales Forecast

Cash flow

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Income Statement

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