

Management & Organization

No matter what you sell, you're selling your people.

Your People Determine Your Success

People are the heart of every business. Overwhelmingly, the quality of the people determines the success of the business. Many investors base their investment choices almost entirely on the strength of the people involved in the enterprise. They know that the experience, skills, and personalities of the management team have a greater impact on the long-term fortunes of a company than the product or service provided.

For this reason, investors and lenders are likely to review the management portion of a business plan before they read many other sections. They read this section thoroughly, carefully scrutinizing the qualifications of the people behind a business. They look not only to see if the management team has the expertise necessary to run the business, but also if the internal structure makes maximum use of the talents of team members.

So, if you are preparing your business plan for financing purposes, you need to take particular care in crafting your Management section. Even if you are developing your business plan solely for internal use, an honest evaluation of your key employees' strengths and weaknesses will help you make the best use of your management team.

Most entrepreneurs give serious thought to choosing people for key positions. They may undertake extensive recruitment efforts, often using professional executive search firms, to find just the right person. But what do they do with that man or woman once on board?

All too often, no one gives careful consideration to creating clear lines of organizational responsibility and developing a management style that motivates employees. This is particularly true in newer companies. Even outstanding people will only do their best work in a system that encourages,

recognizes, and rewards achievement. If you can create such an atmosphere, you can give yourself a true competitive edge.

Thus, in developing your Management plan, focus on two main areas: 1) the people who run your business; and 2) your management structure and style. Together, these two thrusts represent the core of your management system.

Your Management Team

Who are the people most important to your company's future? Who are the people determining the strategies you will pursue? Who makes final decisions? Which members of your management decide on the products or services you will sell and the prices you will charge? Who is in charge of your sales efforts?

In all but the smallest businesses, these tasks are assigned to or shared by many people. So when you evaluate your management team, include:

- Key Employees/Principals
- Board of Directors
- Advisory Committee
- Consultants and Other Specialists
- Key Management Personnel to Be Added

Key Employees/Principals

Usually, the most important person in a business is the founder or founders, especially if the company is a start-up. In start-ups, the founders usually serve as the top managers and exercise day-to-day control over affairs. For this reason, the first person to evaluate in your management assessment is the founder, even if it is yourself.

Occasionally, either the founders themselves or major investors will bring in others to serve in top positions, such as president and chief executive officer. But if the founders remain active in the business in any way, serving on the Board of Directors, remaining as a company consultant, or taking a secondary management position, their skills and qualifications must be described in your plan. Other managers to evaluate in your business plan include:

- Top decision-makers: president, chief executive officer, division presidents.
- Key production personnel: chief operating officer, plant manager, technical director.
- Key technology personnel: chief technology officer, MIS director, systems administrator.
- Principal marketing staff: director of marketing, director of sales.
- Primary human resources staff: personnel director, training director.
- Head of research and development.

“There are lots of companies to be created, lots of technologies to be built. There's an excess of money to fund those companies. The limiting asset is still people.”

Andrew Anker
Venture Capitalist

In looking at these key players, ask yourself:

- Do they possess the skills necessary for their specific jobs?
- Do they have a record of success?
- Have their business setbacks given them insights that will help them in their current roles?
- Do their personalities make them effective members of the team?
- If they have supervisory responsibility, are they able to direct and motivate employees effectively?
- Taken as a whole, does your team incorporate the full range of expertise and management skills you require?

If you are preparing your business plan solely to seek outside financing, you should limit the number of key employees discussed in this section to no more than five or six. Focus only on those who are most responsible for the company's long-term success.

Some companies are fortunate enough to have enlisted the services of “stars,” individuals with particularly outstanding track records. If you have such a star associated with your company, be certain to highlight the role that he or she plays in your enterprise. You will want to feature them prominently in your Executive Summary as well. If key personnel have been associated with well-known, successful companies, be certain to indicate those associations too. If you choose, you can include the resumes of key personnel in your plan's Appendix.

Complete the Key Employees Evaluation worksheet on the next two pages to outline the attributes of your top managers. Assess their:

- **Experience.** State the specific positions held and job responsibilities that directly relate to the current position. This is not a resume, so do not list every previous job, only those that indicate a skill or talent transferable to the job at hand.
- **Successes.** Describe noteworthy successes, particularly those that can be quantified. Include accomplishments that indicate the ability to plan, manage, overcome obstacles, and reach a goal.
- **Education.** Include education in the written plan only if the person is new to business or the education is directly related to or necessary for the task at hand.
- **Strengths.** Describe the individual's best attributes in a business setting, including traits such as the ability to motivate others, industry knowledge, and financial capabilities.
- **Areas Lacking Strength.** Describe the attributes the individual must enhance to become a more effective manager; such traits might include specific skills or knowledge, better communication techniques, or ability to handle additional tasks. While you might not include this in your written plan, this information can help you develop more successful leaders.

Key Employees Evaluation

Describe the attributes of your top managers.

PRESIDENT/CEO: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

CHIEF OPERATING OFFICER: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

CHIEF FINANCIAL OFFICER: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

MARKETING/SALES DIRECTOR: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

PRODUCTION MANAGER: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

HUMAN RESOURCES DIRECTOR: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

CHIEF TECHNOLOGY OFFICER/TECHNICAL DIRECTOR: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

OTHER KEY PERSONNEL: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

OTHER KEY PERSONNEL: _____

Experience: _____

Successes: _____

Education: _____

Strengths: _____

Areas Lacking Strength: _____

“Once you get beyond a credible salary, motivation is more a matter of pride, respect, and acknowledgment. You want motivation derived from the satisfaction of playing the game well and the relationship with the other players.”

Bill Walsh
Former Coach and
President, S.F. 49ers

Management Compensation and Incentives

Next, you need to discuss the compensation and incentives you offer your key employees as a way of retaining and motivating them. Most incentives have monetary implications, and investors often want to know the financial stake top management has in the company.

The incentives you can offer include:

- **Salary.** Amount of money paid annually to the manager, regardless of company or personal performance.
- **Bonuses.** Additional cash given, usually at the end of the year, based on company or personal performance.
- **Commissions.** Cash given based on a percentage of sales made; rarely given to top management.
- **Profit Sharing.** Cash distributed to all eligible employees, based on the company's annual profit.
- **Equity.** Stock in the company, which gives employees a direct financial stake in the overall performance of the business.
- **Stock Options.** Ability to buy stock at a future date at a currently set price; if the worth of the company goes up, these options can be exercised, giving employees a financial gain.

In the Compensation and Incentives worksheet on the next page, list the financial incentives given key employees.

Board of Directors

Businesses that are incorporated must have boards of directors. In very small corporations, the directors are usually just the principals running the company. The board then serves little more than a legal function.

In larger companies, however, the board often includes members outside of management. Most frequently, these board members are people who have invested large sums in the company. Venture capitalists often require board seats as a condition of their investment.

Obviously, investors serve on boards to protect their money; they want to exercise some control over the management and direction of the company. But management should not view these investor-directors only as “Big Brothers,” watching their every move. They often bring valuable insight and judgment to the company and contribute to its overall viability and success.

In forming your Board of Directors, you might also want to include members who bring you specific business expertise, such as financial acumen or industry knowledge. Such directors typically receive compensation for their service on the board.

Remember, however, that the Board of Directors has legal responsibility and authority for the corporation. Thus, outsiders should be chosen very carefully.

Compensation and Incentives



Describe the compensation package for each of your key employees.

PRESIDENT/CEO

Salary: _____ Bonuses: _____

Other Incentives: _____

CHIEF OPERATING OFFICER

Salary: _____ Bonuses: _____

Other Incentives: _____

CHIEF FINANCIAL OFFICER

Salary: _____ Bonuses: _____

Other Incentives: _____

MARKETING/SALES DIRECTOR

Salary: _____ Bonuses: _____

Other Incentives: _____

PRODUCTION MANAGER

Salary: _____ Bonuses: _____

Other Incentives: _____

HUMAN RESOURCES DIRECTOR

Salary: _____ Bonuses: _____

Other Incentives: _____

CHIEF TECHNOLOGY OFFICER/TECHNICAL DIRECTOR

Salary: _____ Bonuses: _____

Other Incentives: _____

OTHER KEY PERSONNEL

Salary: _____ Bonuses: _____

Other Incentives: _____

Salary: _____ Bonuses: _____

Other Incentives: _____

Advisory Committee

You may identify a number of individuals whose ongoing judgment and advice you want for your company, but whom, for legal considerations, you don't want on your Board of Directors.

One way of using their services, other than hiring them, is to institute an informal advisory committee. Such a committee would have little or no legal responsibility but could still render great assistance in your company's development.

An advisory committee can also be helpful to a proprietorship or partnership that does not have a Board of Directors.

Complete the Board of Directors/Advisory Committee worksheet on the next page to describe the members of your Board of Directors and advisory committee, if applicable.

Consultants and Other Specialists

Smaller businesses often think that consultants and specialists are only for large corporations. But hiring consultants can bring you the specific expertise of highly qualified individuals without the expense of a full-time employee. Both large and small businesses benefit from the services of outside consultants and specialists.

The use of consultants can also enhance the image you present in your business plan. Being represented by one of the leading law firms in town, or having your accounts prepared by one of the major accounting firms, adds credibility to your company.

Consultants with particular skills can help fill in the gaps in your management team. For instance, you might not yet be able to hire a full-time marketing director, but you could use the assistance of a marketing consultant.

Every business, no matter how small, should use an attorney and accountant, at least to set up the initial books and review contracts and leases. If you can't afford their services, you can't afford to go into business. It is a foolish economy to forego their advice for the sake of a few hundred dollars. Consultants and specialists you might use, other than attorneys and accountants, include:

- **Management Consultants.** To help you plan your business, develop strategies, solve particular problems, and improve management techniques.
- **Marketing Consultants.** To design ways to position your company in the market, oversee the creation of advertising and promotional materials, and structure your sales strategy.
- **Designers.** To add perceived value and improve your company's image through the talents of graphic design, product design, packaging design, website design, or interior design.

“Our management consultant was extremely helpful in developing an overall strategy and helping us understand financial implications. Our accounting firm was helpful in setting up internal controls and helping us to know what is going on.”

Larry Leigon
Founder, Ariel Vineyards

Board of Directors/Advisory Committee

List the members of your Board of Directors, their financial stake in the company, and their professional expertise: ____

Describe how often the Board of Directors meets and its responsibilities: _____

If you have an Advisory Committee, state its functions and responsibilities and how often it meets: _____

List the members of your Advisory Committee, their professional expertise, and their compensation, if any: _____

“Building a sense of the ‘team’ must be planned and orchestrated. You must continually note that the team is all-important. The only bottom line, the only true satisfaction, is when the team does well. Team-building is an ongoing process. In your training, use every conceivable example from other fields to bring home the importance of the concept of the team. Look to develop an atmosphere where players expect and demand a lot of each other, where they feel that individually they are an extension of their teammates. This doesn’t just happen, it must be planned.”

Bill Walsh
Former Coach and
President, S.F. 49ers

- **Industry Specialists.** Every industry has areas requiring special knowledge or specific technical skills, and “experts” offer consultation in these areas; examples might be kitchen design for restaurants, production line design for manufacturing companies, or merchandising specialists for retail stores.
- **Technology Specialists.** To help you identify your technology needs and solutions, set up your database, website, communications systems, etc.

Complete the Professional Services worksheet on the next page to describe the consultants and specialists utilized by your company.

Key Management Personnel to Be Added

Don’t worry if your management team is not fully complete, especially if your company is a start-up. Investors and bankers are accustomed to seeing plans for companies that have key positions vacant.

You must, however, indicate the positions you intend to add in the future and the qualifications of the individuals you will seek to fill the positions. This gives a more complete picture of your overall management team and indicates that you understand the gaps in your organization.

When thinking about what you are lacking, consider not only the specific functional responsibilities that have yet to be covered, but also how you can create a sense of “balance” in your total team.

If most of your current management has strong technical experience in your industry, but less in business management, business experience should be a primary requirement of your new managers.

Sometimes your top manager is a good “inside” person, able to run production, supervise employees, and manage accounts, yet you still need a strong “outside” person, able to secure sales, entertain clients, and conduct promotional activities.

Complete the Key Management Personnel to Be Added worksheet on page 226 to describe the key employees you intend to add to management.

Management Structure and Style

How will you actually run your company? How will decisions be made? What are the lines of authority? How do you want employees to feel about the company? What voice do employees have when company policies and goals are set?

A company’s organization and management style act as powerful invisible forces shaping both the daily working atmosphere and the future of the company. But all too often managers, especially new managers, pay only cursory attention to the development of their structure and style. In looking at your company’s structure, examine both the formal lines of authority that exist and the informal ways in which decisions are made and employees are treated.

Professional Services



Profile your key consultants below.

ATTORNEY

Firm name: _____ Lawyer's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

ACCOUNTANT

Firm name: _____ Accountant's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

MANAGEMENT/MARKETING CONSULTANT

Firm name: _____ Consultant's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

INDUSTRY SPECIALIST

Firm name: _____ Specialist's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

TECHNOLOGY CONSULTANT

Firm name: _____ Specialist's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

OTHER

Firm name: _____ Specialist's name: _____

Qualifications: _____

Ways used by the company: _____

Annual compensation: _____

Key Management Personnel to Be Added \$ ▶ \$\$ ▶ \$\$\$

Describe the factors concerning management personnel you intend to add to your staff.

POSITION: _____

Qualifications Sought: _____

Approximate Date to Be Added: _____

Approximate Level of Compensation: _____

Other Incentives to Be Offered: _____

POSITION: _____

Qualifications Sought: _____

Approximate Date to Be Added: _____

Approximate Level of Compensation: _____

Other Incentives to Be Offered: _____

POSITION: _____

Qualifications Sought: _____

Approximate Date to Be Added: _____

Approximate Level of Compensation: _____

Other Incentives to Be Offered: _____

POSITION: _____

Qualifications Sought: _____

Approximate Date to Be Added: _____

Approximate Level of Compensation: _____

Other Incentives to Be Offered: _____

Lines of Authority

When examining their organization, managers usually begin with the formal structure—the official lines of authority. They decide how employees will be supervised and how job functions will be allocated. While clear lines of authority are vital in large organizations, they are equally important in small companies. A frequent source of tension in partnerships is the failure to plainly delineate areas of responsibility and decision-making.

Increasingly, companies use “horizontal” management structures rather than strict hierarchical, “top-down” lines of authority. In such organizations, employees have greater authority for decision-making in their own areas of responsibility. This enables those closest to the customer or to the production process to make decisions quickly and respond to change faster than in more centrally controlled organizations.

Some questions to ask when examining your company’s structure are:

- Should responsibilities be allocated by functional area, product line, or geographic divisions? For example, should all your marketing efforts be assigned to a marketing department, or should each division handle all aspects of a product or service, including marketing?
- Which employees will each manager supervise, and over what functions will each manager have responsibility?
- Will you use a production line or team approach in producing your product or service? Thus, will each worker be responsible for one particular task, or will a group be responsible for many tasks?

Perhaps the quickest and clearest way to communicate your management structure is through a graphic organizational flow chart. You can use two kinds of charts: one describing areas of responsibility, and the other outlining reporting or supervisory relationships. Examples of each are shown on page 228. You should also provide a short narrative description explaining the relationships shown on the charts. If you do not wish to use a chart in your business plan, you need not do so. Just expand the verbal narrative to encompass the same material.

Informal Relationships

Flow charts describe your formal organizational structure, but every business also has an informal structure that can have at least as much impact on the company. Although you should not discuss these informal relationships in a business plan prepared for outside funding, you should look at less formal relationships within your company when undertaking internal planning.

Questions to ask when evaluating your informal organization include:

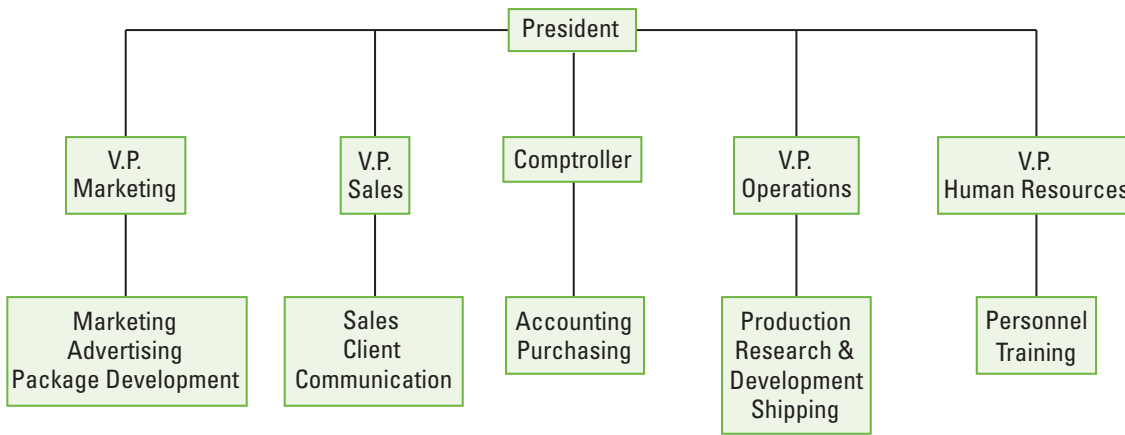
- Which managers have the most impact on decisions?
- Which managers have ready access to the president or members of the Board of Directors?
- Do decisions at the top get effectively translated into action by others?
- Which subordinates have substantial influence on their superiors?

“The pedigree of the entrepreneurs, and their experience, are both very important. It’s not so much that they have been successful at everything they touch, but they should have experience in the industry they are in.”

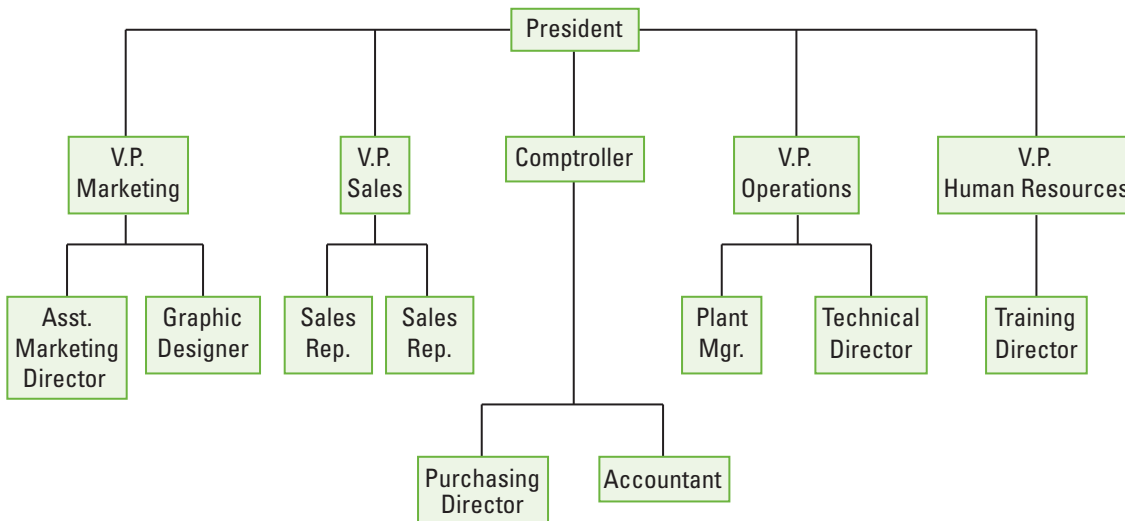
Damon Doe
Managing partner,
Montage Capital

Examples of Flow Charts

AREAS OF RESPONSIBILITY



REPORTING RELATIONSHIPS



- Which divisions or groups of employees have the greatest morale problems? To whom do they report?
- How do you communicate and share values throughout the company?
- How do you create an atmosphere of tolerance for differences and diversity?

Generally, you want to evaluate how authority is distributed and how decisions are made in reality, not just on paper.

Management Style

All managers have management styles, even if they've never thought about their approach to management. Most managers define their jobs in terms of the tasks to be done rather than the methods to be used. They see their role as making widgets, rather than motivating and aiding the widget makers. Their management styles are usually just extensions of their personal styles.

Managing people is far too important to be left to chance. Your employees are one of your most valuable resources. Just as you need to take care of other resources in your company, such as equipment and materials, you must make certain you are not wasting your human resources.

Developing your managers' capabilities in such skills as communication, leadership, motivation, team-building, and the like, affects your company's productivity, employee retention, and customer loyalty.

Moreover, you want to develop an overall company management and communication style that is independent of the personalities of your key managers and that fits your corporate culture. As discussed in Chapter 1, your corporate culture should permeate every aspect of your business and should reflect how you want your employees and customers to see you.

For most companies, especially smaller ones, building a sense of teamwork is essential. Help your employees feel they are an important part of the organization and that their contribution matters. Communication is a vital ingredient in team building; if employees know what's going on in the company, they feel a part of the whole picture.

Regardless of your management style, remember that everyone, whether mailroom clerk or company president, wants to feel important. Recognize achievement, both privately and publicly. Reward initiative with both monetary and non-monetary awards. Acknowledge jobs well done. Solicit suggestions, and be responsive to concerns.

The five most important elements of your management style are:

1. Clear Policies
2. Communication
3. Employee Recognition
4. Employee's Ability to Affect Change
5. Fairness

Complete the Management Style worksheet on page 230 to evaluate your company's management style.

“The best management is management by walking around. Employees know the boss is accessible and a real person they can identify with, not an anonymous entity. It gives management a personal quality. I shake hands with every employee; everybody calls me by my first name, from the mailroom clerk on up. I'm listed in the telephone book; any employee or any guest can call me. With 1,500 employees and over one million guests, this could be a problem if we didn't have an effective operation.”

Andre Tatibouet
Founder, Aston Hotels

Management Style

Describe the nature and functions of your company's management.

How does your company's management style fit with your corporate culture? _____

How do the personalities of your key employees complement or contrast with the company's management style? _____

How do you develop a sense of teamwork among your employees? _____

Do you have a clear set of company policies, covering items such as benefits, termination, and promotion? _____

How do you ensure ongoing communication with your employees? Do you hold meetings, have informal conferences, or print newsletters? _____

How do you recognize and acknowledge employees' achievements? What financial rewards do you give? _____

What non-monetary recognition do you provide? _____

How do you solicit and act on employee suggestions? How can employees affect the development of company products, services, or policies? _____

Are policies enforced evenly? Are rewards and acknowledgments given fairly? Does management play "favorites"? _____

Globalization: Management

Unless you have significant international operations, you may not need international management, but the more you operate in other countries, the more challenging it will be to manage that solely domestically. It can be very hard to manage customers, employees, or substantial outsource operations from a far distance, especially when there are barriers due to language or culture, or even significant time zone problems.

In such cases, you may want to have management and/or a significant number of employees located in other countries.

Typically, some of the management responsibilities that are most likely to be located abroad include:

- Supervision of technical staff
- Sales
- Marketing
- Customer service
- Call center management

Even if you do not actually locate management abroad, you may need locally based management to supervise your internationally based contractors or employees. Complete the Globalization worksheet on page 232.

Preparing Your Management Section

How you prepare the Management section of your business plan depends a great deal on whether it is being written for internal use only or whether it will be submitted to outside investors.

If your plan is for internal use, emphasize the management aspects centering on structure, style, and gaps in personnel. However, if you are preparing the plan for financing purposes, you should focus primarily on the relevant backgrounds of your management team members. These summaries should be brief and written in an objective style. Even if your vice president for marketing truly is “highly motivated, results-oriented, and exceptionally creative,” those types of judgments appear naive when read in a business plan.

The upcoming Management Plan Preparation Form enables you to outline the Management section of your business plan.

Chapter Summary

People are the key to success for every business. It takes capable people, with appropriate experience and abilities, to develop both a management structure and a style that make full use of the personnel and financial resources of the business and that keep the company focused on its mission. Thus, potential investors will thoroughly examine the backgrounds of the management team that will be running your company.

“It’s easy enough to acknowledge success. The tough part is finding the time and the right way to reinforce the person who made the effort but didn’t quite succeed or the one who made sacrifices for the good of the team.”

Bill Walsh
Former Coach and
President, S.F. 49ers

“A fair amount of time goes into building the culture of a company. Instead of having a two-hour beer party on Friday, take those two hours and do a community service event.”

Gib Myers
Venture Capitalist

Globalization: Management

Fill in the worksheet to identify the types of management you need to locate internationally or deploy in-house to manage your international activities.

What tasks will you have handled by management or employees in foreign countries where you do business?

Operations, including Manufacturing _____

Logistics/Shipping/Order Fulfillment _____

Customer Service _____

Marketing _____

Sales _____

Software/Technology Development _____

Call Centers _____

Other Back-Office Functions _____

Other Administrative Functions (legal, accounting, administrative) _____

What management personnel will you have located internationally?

Position	Country

What management personnel will you use in your own country to manage international activities? _____

Management Plan Preparation Form

List the key members of your management team, with a brief description of each person's relevant business background, responsibilities they have in your company, and the compensation they receive.

Key Management and Employees: _____

Board Members and Advisors: _____

Management Structure and Style: _____

Use this information as the basis of your plan's Management section.

SAMPLE PLAN: MANAGEMENT & ORGANIZATION**MANAGEMENT****Key Employees**

Gives examples of achievements.

SCOTT E. CONNORS, PRESIDENT. Prior to founding ComputerEase, Scott E. Connors was the regional vice president for Wait's Electronics Emporium, a computer and electronics retailer with 23 stores in the Midwest. Before that, he was a sales representative with IBM for five years.

Connors began his association with Wait's Electronics Emporium as manager of the downtown Vespucci store. In his first year, he increased sales by over 42%, in his second year by 39%. He was named "Manager of the Year" for the Wait's chain in both years.

Shows relevant experience.

Connors assumed the role of regional vice president of the Wait's chain three years ago. He was responsible for the company's strategic development for Indiana, Ohio, and Illinois. In that position, Connors conducted an evaluation of the potential of adding software training to augment the chain's computer hardware sales. This evaluation led Connors to believe that a substantial need for corporate software training existed but could not be met by an electronics retailer. Instead, a stand-alone operation should be formed. This was the concept behind ComputerEase.

Connors' association with Wait's Electronics Emporium, coupled with his years at IBM, has given him an extensive background selling technology services and products to large corporations.

Specifies ownership interest in company.

Connors owns 60% of the stock in ComputerEase and serves as Chairman and Treasurer of the Board of Directors.

SUSAN ALEXANDER, VICE PRESIDENT, MARKETING. Susan Alexander joined ComputerEase with primary responsibility for the company's marketing and sales activities.

Shows directly applicable experience.

Prior to joining ComputerEase, Alexander served as assistant marketing director for AlwaysHere Health Care Plan. Her responsibilities included making direct sales to human resource directors, developing marketing materials and campaigns, and supervising sales personnel. She held that position for seven years prior to joining ComputerEase. Alexander's experience marketing to the human resources community gives her the ideal background for ComputerEase, which sells its services primarily through human resources and training directors.

In previous relevant positions, Alexander was a sales representative for SpeakUp Office Equipment, where she sold technological equipment to corporations, and a copy editor for the Catchem Advertising Agency.

Alexander owns 10% of the stock in ComputerEase.

SAMPLE PLAN: MANAGEMENT & ORGANIZATION (continued)**VICE PRESIDENT OF INSTRUCTIONAL DESIGN (TO BE SELECTED).**

In the next year, ComputerEase will add a third key management position, Vice President of Instructional Design. The individual selected will have substantial experience designing courseware and running a training organization in a mid- to large-sized organization composed of instructional designers, writers, editors, videographers, and instructors. This future vice president will possess outstanding training skills and have experience developing interactive computer-based training programs. Ideally, he or she will have training experience specifically related to software applications as used in the corporate environment. This person will be tasked with staying abreast of evolving technology and customer demands in the instruction arena, especially in the online environment.

Board of Directors

Scott E. Connors is the Chairman of the Board and Treasurer. Cathy J. Dobbs, the company's attorney (and founder of the firm Dobbs, Kaye, and Babbitt), serves as Secretary. The position of Vice Chairman has been reserved for an outside investor.

Advisory Committee

An informal Advisory Committee provides guidance to the officers and staff of ComputerEase. The committee meets quarterly, and members of the committee are available as resources to the company on an ongoing basis. The members represent professionals from industries directly related to ComputerEase's mission and target market.

Members of the committee are:

- Charlotte Travis, Director of Human Resources, RockSolid Insurance Company
- Justin Glen, Director of Training, Vespucci National Bank
- Michael Wheaton, Marketing Director, SANE Software
- Dr. A. A. Arnold, Professor of Instructional Media, Vespucci State University

Consultant

Dr. A. A. Arnold, Ph.D., Professor of Instructional Media at Vespucci State University (VSU), serves the company as a consultant in the conception and development of training manuals. A specialist in the design of instructional materials, Dr. Arnold received his Ph.D. in Education with an emphasis on interactive computer-aided training. Currently, Dr. Arnold designs training programs for industry in addition to holding his position at VSU.

Lists management to be added at a later date.

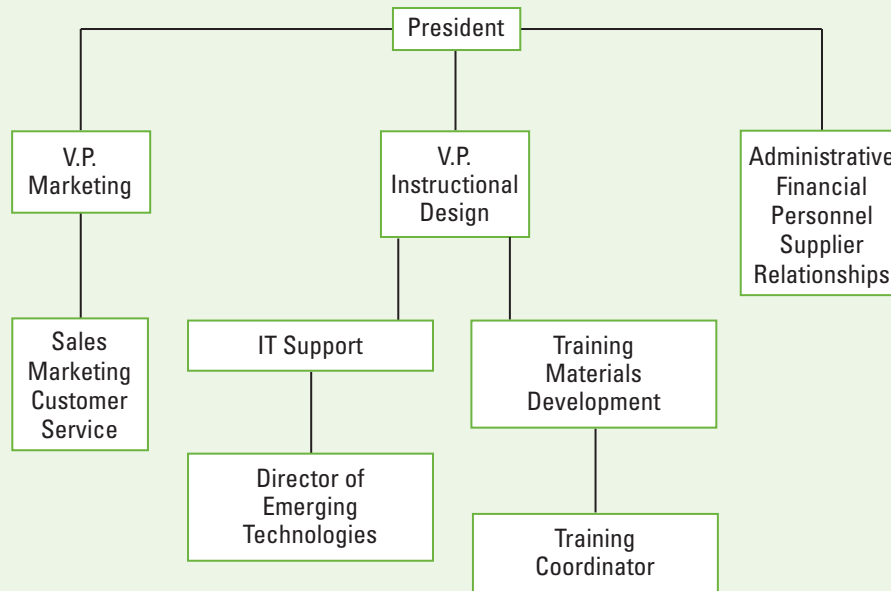
Advisory Board reflects business leaders and potential customers.

SAMPLE PLAN: MANAGEMENT & ORGANIZATION (continued)

Management Structure

President Scott Connors is involved in the day-to-day operations of all aspects of the company. He directs the administrative and financial aspects of the company and works closely with the vice presidents to help guide and support activities over which they have specific responsibility. However, each vice president is given a wide degree of decision-making authority in his or her assigned areas.

Management responsibilities in ComputerEase are divided as shown on the flow chart below.



Because the company’s emphasis is on building relationships with its customers and constantly improving quality, ComputerEase has instituted an incentive program in which all employees receive awards for providing outstanding customer service and making accepted suggestions for improvement.