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David Ator

University of Arkansas, Fayetteville

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**Nexus, A Software as a Service
Business Plan**

by

David G. Ator

Advisor: Dr. Cara Osborne

**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in Business Administration in Finance.**

**Sam M. Walton College of Business
University of Arkansas
Fayetteville, Arkansas**

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Executive Summary

Nexus will be a business designed to act as the center of the operational software within all companies that use multiple software solutions to assist them in running their business day to day. The software will act as an air traffic control tower, giving organizations an eagle eye perspective of their software stack in an easily digestible manner. This means an employee with as much hard experience as an intern would be able to manage the entire technical infrastructure of an entire company all from one place. Nexus software will be designed to integrate with all major software solutions, with more integrations being built as needed. Additionally, Nexus will scale nearly infinitely, giving users one less thing to worry about. It will also add artificial intelligence data analytics tools to help firms forecast and analyze their data which will all be collected in one place. The artificial intelligence tools will act as a digital employee, capable of tackling tasks in the appropriate sector due to the fact that it has access to the company's data.

Nexus software plans to enable firms to have cohesive strategy, with little time wasted on re-entering data and worrying about the operational software capabilities. Eventually, Nexus will enable users to never manually enter data. When an event happens in the real world, such as an addition of a team member, or a removal, Nexus will instantly create accounts for them across every relevant software. It can also give perspective on workflows by tracking data that goes in and comes out of each software package within the stack. Additionally, it will create a data warehouse for the entire enterprise, allowing for a centralized location that companies can then use to analyze using their own tools, or built in tools offered by us. Nexus will also offer configurable dashboards and reporting features. This centralized location will function as the source of truth, stopping users from editing data at an endpoint instead of the source, helping reduce accidental errors or potential fraudulent manipulation.

Nexus will host its servers using Amazon Web Services, as they are priced based on usage. While this cost will vary with time, the uptime will likely be better, and it will help Nexus maintain a smaller headcount, a lean balance sheet, and less operational complexity.

Nexus is planned to be a business-to-business solution, meaning marketing will be targeted at smaller to medium sized businesses to start, with a focus on larger companies once the value proposition and resilience have been battle tested in smaller markets. Initially Nexus will utilize pay-per-click marketing on search terms such as integration, Zapier, and other common terms. It will specifically target startups, as the founder has the most experience with the problem in that context.

Competition in the space is limited, and there are no direct competitors in the small business arena at this moment. Zapier is the most widely known product that solves the integration problem, but it does this in a clunky way that leaves much of the back-end work up to the user. While the user does not need to code, Zapier leaves much to be desired in features and requires many inputs from the user, which could potentially result in an error. They do a good job of integrating with big software, as well as many smaller solutions. Other competitors exist, but often charge astronomical fees for their solutions, and those solutions sometimes need ongoing technical attention.

Key People for Nexus will be sourced from the local entrepreneurial community of Northwest Arkansas, and developers will most likely be sourced from home and abroad. Nexus will be remote, with some in person gatherings at coworking spaces. Nexus will require a Chief Financial Officer, Chief Technology Officer, and a Chief Executive Officer. The Founder will serve as the Chief Executive Officer, given his experience in startups and his knowledge of the core idea. The key people will be chosen based on what skills the founder does not have or needs

help with. This will help Nexus cover as many bases as possible to make sure the team can adapt and overcome any obstacles that may arise.

Funding for Nexus will come from the founder in the form of bootstrapped capital, family members, grants, and investors. Key employees will be given equity over time, rewarding employees for staying at the firm. Equity will be distributed to employees either as grants, or as options based on the employee and their history with the company.

Company Description

Nexus is the center point for all software within organizations. In modern business, a corporation likely has a customer relationship management solution (CRM), an enterprise resource planning software (ERP), some form of accounting software, a human resources software solution, as well as whatever else is required to run their business operations. These programs often offer the ability to have custom integrations built, or simple integrations via Zapier. While that may work for some firms, it leaves much to be desired for firms that either do not want to develop a solution in-house or need more functionality than Zapier offers.

Initially, Nexus will place itself as a startup integration solution. In the modern day there are several SaaS products that can be linked together to run a business, from MailChimp to HubSpot to Monday.com. These are all programs with a free tier, and they will be able to be seamlessly integrated via Nexus. This will liberate founders, allowing them to focus on growing the business with the knowledge that their back end will scale as needed.

It will also improve security by keeping a master data set, with protection when a user tries to edit data anywhere but the source of truth. This will prevent fraudulent or accidental data changes. This central dataset will also enable users to do their own analysis on the data, but Nexus will offer artificial intelligence analytics tools, to help streamline business processes and further automate them. For instance, a restaurant could use their point-of-sale data to predict ordering for the next period and use that same data to track the effectiveness of marketing campaigns, as well as their product mix. The digital employee functionality could work as a sounding board or idea mill for the executive team, as they search for potential business lines to expand into or other ways to bring innovation to their business and industry. This digital employee will be trained on the firm's data stored within Nexus, as well as the standard library,

making it particularly tuned into the details of the firm. This will improve its ability to solve problems in and around the firm.

Reporting and Dashboards will be a prominent feature of Nexus, and they will be configurable to meet every customer's needs. Customers will also have access to all their data in a raw form, ready to be used for any business intelligence needs. Nexus will offer some levels of AI and machine learning analysis, but users will have the option to do anything they see fit with their data. This data will also be used elsewhere, to show utilization for certain programs, as well as to provide insight into usage numbers across a large dataset for companies who are considering adding that solution. This will rely on usage data existing for that specific program.

Large companies likely can afford to hire a developer to build and maintain all integrations they need, but this will be costly if they are not already employing engineers, or developers. These developers would need a manager, and that would mean more work for a manager. Simply paying a reasonable fee to use Nexus would reduce the strain on their organization by adding an entire new department of staff. Additionally, the value provided by Nexus is not just a simple integration, it is built up by the value each integration produces by being more than just a basic data pipe. When a new employee is onboarded in the human resources management software of choice, that employee then automatically gets an account on all the required solutions for the company instantly. This ensures that they can get into their job faster, with less manual input for those responsible for their onboarding. For instance, Amazon reportedly uses Salesforce. While they have the development talent to make their own CRM in-house, Salesforce does a good enough job that it would be more trouble than it is worth for them to undertake an in-house CRM development project. Additionally, Amazon is not the best in the

world at making CRM solutions, so they hire the company that is the best, and charges a fair price.

Small companies cannot afford to pay a developer, and do not want to deal with the organizational burden associated with a developer who spends a considerable amount of time on integrations. Every company is usually better off focusing on their core competencies, and small companies are no exception to that. Nexus aims to be the best in the world at integrations for businesses, and it aims to offer those services for a price that provides immense value to its customers.

Market Analysis

Market research was conducted to determine if the integration problem was one that existed, and if there was money available to spend on the solution. It also was intended to help Nexus figure out where the best entry point into the market was.

Integrations have been an issue since technology was first developed, and it has been shown via market analysis that the issue still exists. There are entire divisions of firms dedicated to solving this problem, yet it still exists. Zapier offers its customers immense control over what they use the tool for exactly, and it is easy to pick up, but it is a weak tool. One aspect of it that is adored is the reliability.

Companies of all sizes in all industries must solve the integration problem in some form, and that solution evolves with the company as it grows oftentimes. Such as with Aeromotive, a racing fuel systems business. They had so many problems with their technology that they had to invest in more staff to run their back end if they were to continue to grow. They then found a solution that allowed them to run most of their business off one platform, and they were able to pursue new revenue streams and grow existing lines with no fear of back-end failure.

As companies grow, and they go on to receive more funding, investors will demand their technology stack to become more cohesive and interconnected. Zapier is good enough to get a proof of concept running and prove that the model works, but it cannot handle the needs of more mature firms. These firms must rely on expensive solutions that either have immense cost, or they must hire developers to build a custom solution. The custom solution is also a way to ensure that they will always need development talent to maintain the connections, fix it when it goes down, and update integrations for new features.

Market research showed that uptime was of utmost importance. As seen with Southwest around the end of 2022 and the beginning of 2023, when technology fails it has ramifications for everyone involved with the firm. Perception of Southwest was eroded, as well as their stock price. The cause of their failure was supposedly their old technology systems that handled the entire network of employees, planes, and other aspects of the business. It went down and set Southwest back considerably. This means that Nexus must be near bulletproof, with 99.9% uptime. Reliability must take priority over features, and no feature is worth taking out the system.

Research has also shown that there have been some attempts to make integration standards globally, and the US Government has gone as far as mandating this for healthcare software to improve patient outcomes. While this has been helpful for solving the problem, there is still much to be desired, and businesses are trying to solve that problem currently. As Nexus gains market share and becomes more and more known, software solutions will start building in integrations with it to improve their market positioning relative to their competitors, and it will enable the end user to have more freedom in choosing solutions, empowered with the usage data Nexus collects and shows them, as well as the knowledge that the solution they select will fit into their existing software web like a custom solution.

Further research has shown that data is more and more interesting to firms of all sizes, and they likely have indicators and data points they are watching already. Most point solutions offer the ability to generate reports, see dashboards, and analyze the data. It is also shown that data needs to be viewed in context of industry averages, or in comparison to competitors to carry more meaning. While more data may seem better, the user will likely not want to see every bit of

data available. They are likely too busy to sift through the meaningless to find the nuggets of insight.

Snowflake offers firms a similar data analysis capability, and famously had a very large IPO recently. This firm has a market capitalization of over 40 billion, and it leaves out the integrations and artificial intelligence aspects that Nexus is planned to have. While Snowflake is capturing press, it is just a more capable data processor as opposed to programs like Microsoft Excel and Python. The success it is seeing shows the potential for value creation if Nexus can successfully integrate, analyze, and provide insights on the operational data for firms.

In conclusion, Nexus will initially position itself as a low-cost option for integration of all systems of any startup, and it will eventually expand out of this arena as it gains more and more resources and market position. It will be built with uptime as the priority, with number of integrations and features of those being secondary. Overall, market research has successfully confirmed both the existence of the problem, low access to integration, as well as a willingness to pay for that solution. It has also shown that integration is just the base layer of value, with a strong layer of business intelligence, reporting and other data driven tools built on top. This market research has proven that there is value in integration and analysis.

Service Description

Nexus will offer a software as a service solution aimed at integrating all a business's software in a holistic manner. This will enable them to onboard and offboard effortlessly, track data transmission from service to service, and use that data to derive utilization. Nexus will be the architect of business technology stacks, offering integrations that make for a seamless experience on the platform. This means that users will spend less time entering data and will eventually never have to enter data at all.

The service will also ensure that data is correct by intelligently selecting sources of truth for each datapoint or type of datapoint. This will often be the location the data was entered, but it will make sure that changes at the source flow through to the furthest ends and restrict changes on non-source data. This will ensure harmony between the previously siloed databases and will manifest in the form of a master database that users can access on Nexus.

Nexus is designed to work for companies of all sizes, meaning it will scale effortlessly. It will start out by integrating with the biggest software packages businesses are using and add more as they come to prominence or are requested by users. The program will be simple but powerful, enabling users to connect their apps and specify what they want to happen in the network when an action happens, such as the addition of a new intern.

Nexus plans on tracking data going in and out of each software package on the network to allow the user to see if anything is happening that they should be aware of, and if expensive software is not being used as much as it should be.

At Nexus, we aim for a no entry future. This would happen when natural language processors detect events in email and enable the user to confirm that an event has happened. When they confirm this, they will be prompted with the data to be sent through the system. This

will include several data points about the new entrant, from their name and email to any important documents associated with them. Users will be able to directly interface with Nexus in a way that allows them to search the database for a user and see their whole file at once, as well as their activity. This would also link into access control and camera software to ensure that the user is in the office and could enable key people to keep track of their staff when they need to ask them a question or collect data about office utilization.

Ultimately, Nexus aims to improve the lives of its users. Reducing headaches and improving the productivity of organizations via optimizing their technology systems is the goal. Nexus will aim for a flawless uptime, as we believe that technology should just work. Even in the event of power failure, Nexus will work due to the distributed manner of the cloud hosting that enables it to work.

Nexus will also contribute to the user experience by giving them access to some of the data surrounding utilization, total number of firms using a software, and so on. This will help firms select the right software solutions faster and make the right choice the first time.

Along with utilization, Nexus will give users dashboards that show actionable insights, as well as competitor and industry data where applicable. While users will have access to all their data, Nexus will focus on providing quality data analysis, rather than sheer quantity to minimize wasted time on the part of the user parsing through meaningless indicators and dashboards. Artificial intelligence and machine learning tools will be implemented by default, with levels of functionality unlocking at different tiers of price. Users will also be free to use all their data in one place to feed to machine learning models, Artificial Intelligence tools, and other useful data analysis tools to allow them to harness their data more efficiently and effectively. This will allow for more freedom for the customer regarding their data. Nexus will likely not make a perfect

dashboard for every industry or business model, so customization will allow the customer to configure the dashboard to what matters most to them. Users will also have access to fully customizable reporting.

Nexus will also offer a digital employee, which will be a firm specific AI model, trained on the usual data sources as well as the firm's internal, confidential data. This means that the AI will be up to speed on the daily operations, and it could aid both the executive team as well as the lower level employees due to its vast knowledge of operations. It could act as an idea mill, or a digital stand in for executives when lower-level employees face issues or have questions about the firm.

In short, Nexus will integrate systems intelligently while it monitors for security breaches, offers actionable insights, and dashboards to reduce the friction of business.

Marketing and Sales Strategy

Nexus is a business-to-business sales product and will need a good website. This will show potential new users that it is a polished solution, and they will easily be able to read testimonials and learn about employees at the company.

On the website, the click funnel will start with a learn more page, followed by a “Join Waitlist” button on the bottom. The form will ask potential customers for the name of their company, their title at the company, their name, their email, and the rough number of software solutions they want to seamlessly implement. It will also ask them for their industry and number of employees.

Upon submission, the user will receive an automated email after verifying that they are a new lead. If they are returning, they will get a different email indicating that Nexus remembers them, and someone will reach out to them shortly. Once they have submitted their information to our systems, it will be scanned for validity automatically, and pushed off to a human salesperson.

The system will email them a link to schedule a time, and they will have a call with the potential customer to discuss the problem, pricing, and other information. The salesperson will also offer a low-cost tier. This will keep the customer used to paying for the service and allow them to experience a limited version of Nexus, suitable for firms with less than 5 major systems to integrate.

Artificial Intelligence chat bots will be leveraged heavily to remove repetitive tasks for the sales team, and it will funnel summaries of previous interactions by a customer into our customer relationship management program. This will give our sales team insight into the unique features the customer is interested in, so they can tune their selling strategy accordingly.

The basic tier will give them access to basic dashboards, business intelligence insights, and extremely limited built in AI/machine learning insights. The advanced tier will give access to better data insights and dashboards built in. Customization will exist at both levels, but tools will be more robust in the higher tiers. Higher tiers will have an unlimited number of custom dashboards, while the basic tier will only offer a maximum of 3 custom dashboards. AI and machine learning insights will be more valuable in the higher tiers as well, but the lower tiers will offer some simple insights.

The software will be marketed to new and potential founders, as well as startup employees via advertisements on TikTok, YouTube, and in papers like Reuters, the Wall Street Journal, and other publications that are often read by high power decision makers in larger firms. The social media method will reach smaller companies as well as early-stage founders, and the publications are intended to reach the decision makers at larger firms.

Initially, marketing will be focused on users who are starting their own firms, and just building the beginnings of their software to enable operations. It will feature blog pages that help its customers decide which software solutions to use for each problem, breaking them down by cost, features, and ease of use. It will also include data from Nexus about what proportion of users uses their software, and how long they have been using it. It will also include the data about utilization, standardized with the software's competitors to show utilization rates. Additionally, Nexus will be shown as a solution to integrations that can withstand the scrutiny of investors in larger funding rounds, the same cannot be said for Zapier and similar solutions. Nexus is to be the almost custom solution, while its competitors act more as a stop gap when things just need to work as soon as possible.

A strong sales team is a large priority for Nexus, as they will enable a larger pool of recurring revenue, which will allow Nexus to higher more development talent, of a higher grade. This will enhance the user experience further and empower the sales team even further.

Operations

Nexus plans to harness a lean organizational structure, keeping headcount low without overwhelming staff. At first this will be unachievable, but we will aim to compensate everyone involved to ensure their participation and make it less difficult for them.

Nexus plans to handle as much of the day to day as possible utilizing artificial intelligence programs, such as Chat GPT. This will maximize the productivity of each human employed, improving their output without increasing cost substantially.

Nexus will host its services on Amazon Web Services, which will enable it to scale up and down effortlessly, while maintaining an asset-light balance sheet. This will enable it to be more attractive to investors and fetch the highest multiples possible. Additionally, it will protect Nexus from power failure and security breaches to the extent that Amazon Web Services is.

In the future, Nexus may spinoff a sister company dedicated to web hosting, once the web services spend becomes substantial to the point of justifying an entity dedicated to hosting its services. This will have to be far in the future, but could be possible if the margins are justifiable, and Amazon Web Services starts restricting the capabilities and future options of Nexus. This could also happen because of security concerns, if Amazon Web Services becomes less secure, or if current security becomes inadequate.

Nexus plans to locate itself in the Midwest, with a headquarters either in Northwest Arkansas or Kansas City due to the concentration of capital, as well as the low cost of living. Remote work will be encouraged, with quarterly in person weeklong trips to foster camaraderie within the company. In the beginning, offices for Nexus will be in the founder's living space and will then grow to a private office in a coworking space, until a full floor or building is necessary. This may never be necessary due to the prevalence of remote work, particularly

among developers. Co-working spaces will be leveraged due to their flexibility and low commitments to keep the monthly cash burn as low as possible, particularly on line items that do not contribute to customer value creation.

Management and Organization

Key figures drive the startup forward, and the founder has seen this firsthand in his experience as an employee at Loloft, a commercial real estate company. While the CEO had a vision, it was ultimately up to the highly experienced team members to execute. The CFO was extremely competent, enabling Loloft to optimize financial metrics, employ complex financial strategies, and minimize expenses. The construction team had decades of experience before joining the firm, meaning they knew what they were doing and already had ideas on ways to reduce issues and time to market simultaneously, all on a razor thin budget. The founder, David Ator, brings this experience with him. He majored in Finance and minored in Computer Science and Entrepreneurship at the University of Arkansas and was a member of the Walton Honors College. He has been at Loloft for a year at the time of writing, and experienced the problem he aims to solve with Nexus firsthand. He leveraged his personal network heavily when conducting market research by reaching out to executives he knew.

At Nexus, the CEO plans to surround himself with employees that compliment his skills and supplement him with skills he does not have or does not have mastered. This will enable the team to take on any challenge head on and come out on top.

Dr. Osborne is an extremely well accomplished person, having started several businesses, one of which she grew considerably and sold to a private equity firm. She started her undergraduate studies at the age of 15 and studied Epidemiology at Harvard for her graduate studies. At the time of writing, she flies helicopters for fun, and has multiple businesses in different industries from alcohol to coworking. She is one of the most seasoned faculty in the University of Arkansas and has advised the founder on the creation of the business plan that will ultimately set the foundation for Nexus.

Nexus will need a Chief Financial Officer, which the founder will likely find via his existing connections within finance. This person needs to be highly skilled in the areas of financial modeling, valuation, and accounting. They are responsible for ensuring that accounting standards are met, budgets are kept, and that the founder is always knowledgeable about the current financial standing of Nexus. Early on, these tasks will be handled by the founder himself.

Nexus will need a Head of Development. This person will be responsible for leading the development team. At the beginning, the founder will handle this. He has taken a class where he managed a team of developers to build a project over the course of a semester. He also learned several strategies and best practices used by companies to roll out software on a commercial scale, ensuring that it is reliable and cost-effective to maintain and upgrade.

Nexus will need a team of accomplished developers. This team is responsible for building the skeleton of the integrations, as well as the rest of the software. This is where the magic will happen, and it is important that the first lines of code are scalable. If this team does their job well, the solution will work when it goes from no customers to the first one, and from the first small firm to the first Fortune 500, and eventually to the entirety of the market.

Compensation will meager originally, with high value tasks being done by the founder. Lower value tasks will be outsourced always, but as the founder gets more support and capital, he will focus more and more on working on the business as opposed to the day to day operations. Employees will get a slice of equity in the form of options for non-key figures, these will vest in the future, and the employee must be with the firm for some years to keep them. This will ensure that an ownership mentality is developed, and loyalty will be rewarded.

The founder hopes to cultivate a learning culture, where ideas are valued based on their quality, rather than their originator. The founder experienced this at Loloft, and it led to the best

solution being chosen, not the one chosen by the most senior person. This culture aims to encourage big ideas from everyone, not just the C-Suite. Employees will be incentivized to help the business grow via their equity stake in the business.

Potential employees will be held to an extremely high standard in the hiring process, requiring references, behavioral questions, and diverse skillsets. References of candidates will be checked, and candidates who have shown commitment previously will be valued highly. Nexus will also look for passion, as that will keep employees in even during the harder times.

Overall, Nexus will be nothing if it has a weak team to execute the idea. The culture will be carefully designed to ensure that every employee enjoys their job and has a sense of purpose and importance about their role. Good ideas will be encouraged, and equity will be doled out in appropriate amounts via appropriate mechanics to drive this via incentives.

Financial Projections

Revenue for Nexus will come from selling software on a recurring basis. This will be done via annual contracts, with some shorter-term contracts offered to new customers to lower the risk of switching.

Employees will be the largest recurring cost for the firm, in front of server costs. The hiring process will focus on people with the potential to deliver far more value than they are paid, to help keep this cost far below top line revenues. Employees will work remote at first, eliminating the monthly bill of a dedicated space. Nexus will rent out space for meetings when needed, but remote meetings will be prioritized to keep the organization lean.

Server hosting costs will scale with the growth of the userbase, and prices may need to rise if the storage and analysis processes get to be cumbersome. Developers will be encouraged to prioritize optimization when writing software to improve program responsiveness and save on server hosting costs.

Estimates of the various costs will be detailed in the financial model, attached in the appendix. Nexus aims to harness the best aspect of technology firms, a high initial cost of engineering, with an extremely low marginal cost increase per new user. This will enable Nexus to become extremely profitable after the breakeven point is met. A large customer base will allow more features to be developed in an extremely cost-effective manner, because those costs can be spread out to every user.

Funding for Nexus will come from the founder in the form of bootstrapped capital, family members, grants, and investors. Ideally the founder will use his existing funds to bankroll the operation at first, until a minimum viable product is developed. This is estimated to take a year, and the founder will likely write most of this code himself when he is not working his full-

time job. Once the project becomes too much for the founder to manage as a side hustle, he will quit his job and focus on Nexus full time. A developer will be brought on early, and this will cost around \$60,000 annually. This pay will be heavily supplemented using equity.

Remote work will help keep early costs low, and developers will be expected to bring their own equipment until investors are obtained. Once a working version of the program is done, deployed, and generating some money, the founder will seek investors. He will prioritize funds like Five Elms in Kansas City, as they have a focus on business-to-business software as a service company. Specifically, Five Elms will come later, as they focus on companies with 2-20 million in revenues and invest between 5-75 million. Grants will likely be the smallest portion of funding, due to the limited number of grants available to for-profit startups. Nexus will not completely rule them out due to their non-dilutive nature.

Fund selection will be a tedious process, but the founder will focus more on firms who could provide a competitive advantage via synergistic relationships with other portfolio companies, as opposed to investors who can provide similar capital with slightly more favorable terms. For instance, Matrix Partners or Point Nine Capital could be attractive since they invested in HubSpot and Zendesk respectively. Both customer relationship management solutions are likely to be found in many startup's technology stacks, which is the group Nexus wants to serve first. In-Q-Tel may also be a good firm to pursue due to the stamp of approval it offers. Nexus could benefit from a security stamp of approval; especially given the sheer amount of data it would have on every enterprise it engages with.

In the future, the founder plans to take Nexus public and have a partial exit. This would enable him to invest in other interesting opportunities and access the deep pockets of the public market for future fundraising. This would have to be weighed carefully though, given the

increased administrative burden and publicity that gives executives at the firm as well as the firm itself.

Appendices

Income Statement						
	YR0	YR1	YR2	YR3	YR4	YR5
Revenue	\$ 62,500	\$ 196,875	\$ 248,063	\$ 312,559	\$ 393,824	\$ 496,218
SG&A	\$ 5,000	\$ 83,200	\$ 86,528	\$ 184,978	\$ 285,766	\$ 394,329
Operating Income	\$ 57,500	\$ 113,675	\$ 161,535	\$ 127,581	\$ 108,058	\$ 101,889
Pre Tax Income	57,500	113,675	161,535	127,581	108,058	101,889
Less: Tax (28%)	16,100	31,829	45,230	35,723	30,256	28,529
Net Income	41,400	81,846	116,305	91,858	77,802	73,360

Revenue Model/Sales Forecast						
	YR0	YR1	YR2	YR3	YR4	YR5
Sales Units	50	150	180	216	259	311
Low Tier	\$ 500	\$ 525	\$ 551	\$ 579	\$ 608	\$ 638
High Tier	\$ 1,500	\$ 1,575	\$ 1,654	\$ 1,736	\$ 1,823	\$ 1,914
High Low Split	75%	75%	75%	75%	75%	75%
Average Unit Price	\$ 1,250	\$ 1,313	\$ 1,378	\$ 1,447	\$ 1,519	\$ 1,595
Total Revenue	\$ 62,500	\$ 196,875	\$ 248,063	\$ 312,559	\$ 393,824	\$ 496,218

Selling, General and Admin Expenses						
	YR0	YR1	YR2	YR3	YR4	YR5
Revenue	\$62,500	\$196,875	\$248,063	\$312,559	\$393,824	\$496,218
Headcount	1	1	1	2	3	4
Total Salary	\$ -	\$ 83,200	\$ 86,528	\$179,978	\$280,766	\$389,329
Average Salary	\$ -	\$ 83,200	\$ 86,528	\$ 89,989	\$ 93,589	\$ 97,332
New Equipment	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Marketing Expense						
Total SGA	\$ 5,000	\$ 83,200	\$ 86,528	\$184,978	\$285,766	\$394,329

Assumptions			
Tax Rate	28%	Sales Units Y1	50
Initial Cash	\$ 25,000	Sales Units Y2	150
Salary Growth Rate	4%	Growth Rate Y3 ->	20%
Price Growth Rate	5%	Revenue per employee	\$ 250,000
Value Line Price	\$ 500	New Employee Equipment Allowance	\$ 5,000
Premium Line Price	\$ 1,500	Base employee salary	\$ 80,000