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CS73n: Business on Information Highways

May 7, 2010

**UltraBolt**

***A Fastener Testing Service***

**BUSINESS PLAN**

Overview

UltraBolt is a new company that will provide fastener testing services to its clients, using products that measure the quality and strength of bolted joints. With an exclusive supplier, UltraBolt has the benefit of testing bolts with a state-of-the-art transient recorder analyzer in order to service a broad range of industries. UltraBolt’s website will provide a platform for customers to learn about the services provided. The pages of the website include: home, services, products, our supplier (Micro Control Inc.), about us, and contact us.

Target Market/Market Size

The UltraBolt website will primarily target industries that have little exposure to the advanced transient recorder technologies. UltraBolt will target the automotive and renewable energy industries in its first 12 months, both of which are pursuing measures to cut costs and enhance their competitiveness. Previously, the MC900 unit has had success in automotive, aerospace, energy, structural engineering, construction, and industrial applications, but in general, the fastener testing service is applicable to virtually any industry involving fasteners. UltraBolt will attract customers by making advanced testing affordable. Many companies that require bolt testing lack the capital to invest in their own MC900 unit, each of which is priced at $28,000. With our exclusive discount and price-per-test model, UltraBolt can open up new markets for proven technology. UltraBolt is currently working on a bottom-up estimate of the size of the market in various segments.

Differentiation from Competition

Micro Control Inc., the exclusive supplier to UltraBolt, first developed the MC900 in 1995. Past purchasers of the MC900 include: Ford, General Motors, Cummins, Chrysler, Caterpillar, and Harley Davidson, among many others. Micro Control Inc. has negotiated a 50% discount on the MC900 exclusively for UltraBolt. This discount gives UltraBolt a competitive edge against other testing services. Additionally, the website will focus only on fastener testing services, making it distinct, simple, and to the point – an advantage above its competitors who are engaged in multiple services.

Marketing/Distribution

UltraBolt’s website will provide the main form of marketing, but in order for it to be an effective form of marketing, it first need exposure. UltraBolt will have access to Micro Control Inc.’s customer database to target potential clients who have expressed interest in the MC900 unit, but have not purchased one. Additionally, UltraBolt will advertise at trade shows, in leading fastener magazines and journals, and through social media.

Business Model

UltraBolt will generate revenue from at least three sources: sale of the service, referral commissions, and training for clients. Our primary source of revenue will be through the fastener testing service. Trained technicians will travel to companies with the MC900 unit to perform testing either in the laboratory setting or factory floor. Testing will be on a per-day-basis, costing between $700-$1000 a day. Customers will be expected to cover travel and transportation costs for the technician.

If clients later invest in a MC900 unit after using our services, Micro Control Inc. has agreed to grant UltraBolt a referral commission. Finally, UltraBolt will offer technician training for the MC900 to clients who invest in the unit. UltraBolt is negotiating with possible customers and Micro Control Inc. over the exact terms of contract. For clarification, the website is meant for marketing reasons, and not as a primary source of revenue.

Initial Costs/Need for Funding

For the website, UltraBolt may consider purchasing a domain name for professionalism reasons. For the business, UltraBolt plans to purchase three MC900 units and hire and train three technicians in 2010. The MC900 units will be priced at $14,000 each (discount included) and each technician will have a salary of $40,000-$60,000, translating into $80,000-$100,000 fully loaded with benefits. Combined with marketing costs and office space, UltraBolt will need an initial $750,000-$1,500,000 in capital to establish the business. Under current assumptions, UltraBolt is projected to be cash flow positive within 12-24 months.

Risk

UltraBolt has plans to address three risks: the continuation or deepening of the recession, supplier failure, and changes in the regulatory environment. UltraBolt will target businesses benefiting from the $10B aid package for renewable industries included in the American Recovery and Reinvestment Act of 2009. Should our current supplier fail, UltraBolt has identified alternative suppliers. Lastly, by engaging legal advisors of Micro Control Inc. UltraBolt has prepared contingency plans for potential regulatory changes over the next few years. In regards to the website, there is a risk in having a website and having low traffic from customers.

Team

The team for UltraBolt is run by Misha Nasrollahzadeh, a Stanford student majoring in Management Science & Engineering (MS&E). Misha is aided by Charles Huyi, also at Stanford, who is double majoring in Math and MS&E. Both Misha and Charles approach UltraBolt with business and technical backgrounds, having worked for various VC and consulting firms and taken relevant classes at Stanford. On the advisory board of UltraBolt is the founder and CEO of Micro Control Inc., Masoud Nasrollahzadeh, who provides extensive knowledge of industry and product material, and is actively working to support UltraBolt as a new venture.