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SAMPLE PLAN: OPERATIONS

Image

OPERATIONS

A key element of ComputerEase’s operations is its Corporate Training Center, located at 987 South Main Street in Vespucci. The Center currently consists of 20 student computer stations, equipped with all the major business software programs, an instructor’s computer station and projection equipment, and state-of-the-art technology enabling the instructor to monitor exactly what each student is doing.

Describes a key aspect of operations.

The Corporate Training Center is vital because most of ComputerEase’s corporate customers have limited, if any, extra computer facilities on their premises appropriate for conducting on-site corporate classes. Thus, ComputerEase can only grow its in-person training courses to an adequate level of income by having well-equipped training facilities of its own to offer.

For its online training courses, ComputerEase decided not to buy and manage its own servers and build its own data center, but to outsource that to a managed hosting vendor who provides a turnkey solution for all hardware/software needs and maintenance, backups, and upgrades.

Corporate Training Centers

On August 1, 2014, ComputerEase opened its first Corporate Training Center, along with its company’s headquarters. This Training Center is equipped with 20 personal computer stations. Prior to the opening of the Training Center, ComputerEase was limited to conducting training programs at the clients’ place of business (referred to as on-site programs).

Cost- and Time-Effective Programs

These on-site programs produce lower profit margins than Training Center classes or online classes. Generally, fewer students attend each on-site training session; instructors spend additional time for travel and setup, and costs arise from the transportation of equipment and materials and subsequent wear and tear. While ComputerEase charges higher fees per student in these on-site classes, the market will not bear prices that truly absorb the increased costs.

Shows method of increasing profitability.

Moreover, the potential customer base for Training Center classes is substantially larger than that for on-site programs. More businesses can afford to send employees to scheduled classes at ComputerEase’s Corporate Training Center — or have a class developed for them at the Center — than can incur the costs and disruption of an on-site program. Online programs offer even greater flexibility.

With the funds now being sought, the company will open a second Corporate Training Center in the city of Whitten Park, where many of its corporate customers are located.

Competitive Advantages

In addition to an offshore technical support center, ComputerEase outsources its data center operations. These centers created several key advantages for ComputerEase. First, these strategic operations decisions allow ComputerEase to focus on what it does best — design classes to efficiently and effectively teach computer software — rather than worry about the nuts and bolts of the underlying supporting technology. ComputerEase doesn’t have to worry about finding and retaining qualified technical staff, or expend large capital investments in hardware and software. Instead, it pays predictable monthly wages and fees to its offshore team and outsourcer respectively, which it can write off on its taxes as an operating expense. The outsourced data center especially gives ComputerEase the flexibility to grow as needed: Rather than having to constantly buy more hardware and software as the business grows, it merely contracts for additional capacity from the outsourcing firm.

Indicates how excess capacity is used profitably.

Regarding ComputerEase’s in-person training, having its own training classroom enables the company to enjoy higher profit margins than its competitors who merely train corporate customers at their place of business.

While maintaining a classroom does incur the additional costs of rent and equipment, training classes held at ComputerEase’s Corporate Training Center produce higher profit margins than classes conducted at customers’ facilities (“on-site classes”) or online.

ComputerEase management chose to lease rather than purchase its Corporate Training Center equipment and negotiated favorable lease terms with Wait’s Electronics Emporium, enabling the company to upgrade its computers every 12 months. This not only significantly reduced the initial capital outlay, which would have exceeded $100,000, but ensures that ComputerEase always has the latest technology for its students — a useful marketing, as well as educational, advantage.

Problems Addressed

A major part of the cost of high-quality corporate training is the teaching materials provided to each student. Although ComputerEase leverages all the development, writing, and updating work that goes into these materials for both its online and on-premises courses, that’s still one of the biggest expense the company incurs. Materials are revised for each new software upgrade, so their average lifespan is less than 12 months.

Details ways to minimize inventory and cost of goods.

To reduce materials costs, we develop all of our training materials, such as course manuals, for online publication only. Instead of receiving printed materials, each student receives a password to access training materials. This also helps the company be more green, by reducing paper use and waste. Although ComputerEase pays more in technical support than it would if course materials were printed, the net result is substantially increased profit margins.

A major operational challenge is staying on the cutting edge of instructional techniques, as technology evolves quickly and users demand richer experiences. This includes adopting updated online courseware platforms and incorporating into the training materials more-costly features such as audio and video.

ComputerEase emphasizes high-quality, productivity-oriented training. To help ensure quality, the company conducts interviews with each corporate client approximately one week after the training session to ascertain that the customer is satisfied. In the case of problems, the company offers free remedial training, preferably at the Training Center. To date, only two students have required remedial training.

The choice of location for the Training Center was key. It had to be within walking distance of a large number of Vespucci target customers (located in a five-block radius in the central downtown business district). It needed to be close to transportation and parking facilities and had to present a professional image. And, of course, rents had to be affordable. For this reason, South Main Street stood out as the best choice. It is downtown, immediately available to the prime office locations, but it offers significantly lower rents than offices on the north side of Main.

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SAMPLE PLAN: TECHNOLOGY PLAN

Image

TECHNOLOGY

ComputerEase is in the technology business. As such, we must always stay on top of new developments and continually upgrade not only our equipment, but also our skills.

The most critical component of our technology plan is making certain our course developers and instructors are fully capable of using new software in the most productive ways possible, so that they, in turn, develop appropriate training materials and train our students. To that end, our course developers and instructors receive pre-release copies of software programs and pre-release training from major software manufacturers.

Key to success is staying on the cutting edge of instructional design technology. We are partnering with experts in the field to stay abreast of new developments in interactive online courseware and anticipate adding enhancements as they are developed.

Demonstrates how a technology-based company stays up to date.

ComputerEase offers online classes. National competitors currently offer such training, and we want to be prepared to be able to take on such competition. Additionally, we believe our online programs will enable us to expedite our geographic reach into other areas not only in the Midwest and other parts of the U.S., but also into any English-speaking country.

Our Training Centers are also critical. One Training Center is already in operation, and we anticipate opening a second center by January 2015. This center will have 20 to 30 of the most up-to-date personal computers, 3 or 4 printers, overhead projection equipment, and other audiovisual equipment. We lease our computers for the Training Centers rather than purchase them; this enables us to always offer students the latest equipment.

Details necessary hardware.

Our company website contains background information on the company and lists the schedule and descriptions of training classes for both online and in-person training sessions. Students of corporate training classes taking place in our center can register for sessions online and access password-protected areas to receive additional assistance after completing their training sessions. This will enable us to provide more continual support for our corporate clients. Online students enjoy these same capabilities, in addition to access to their training sessions through the website.

Describes website and its capabilities.

ComputerEase has developed training materials and applications that can be accessed online not only via desktops, but also through smartphones and tablets. We recognize that users tend to rely on their phones and tables as their primary electronic devices. We have also made our online classes accessible via mobile devices.

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SAMPLE PLAN: MANAGEMENT & ORGANIZATION

Image

MANAGEMENT

Key Employees

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.

Gives examples of achievements.

Connors began his association with Wait’s Electronics Emporium as manager of the downtown Vespucci, Indiana, 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.

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.

Shows relevant experience.

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.

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

Specifies ownership interest in company.

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

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.

Shows directly applicable experience.

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.

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-size to large 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.

Lists management to be added at a later date.

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

Advisory Committee reflects business leaders and potential customers.

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.

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.



Outlines the company’s management structure.